FY20 Educational & General (E&G) Campus Budget Discussion

November 26, 2018

Claire Strickland
Chief Business Officer

Joan Ferrini-Mundy
President

Jeffrey E. Hecker
Executive VP for Academic Affairs & Provost

Claire Strickland
Chief Business Officer
Our Strategic Values Drive our Budget

- Fostering Learner Success
- Growing and Stewarding Partnerships
- Creating and Innovating for Maine and Beyond
The Board of Trustees draft “Declaration of Strategic Priorities” also will drive budget

Fostering Learner Success
- Advancing workforce readiness
- Increasing Maine educational attainment

Creating and Innovating for Maine and Beyond
- Advancing economic development
- Align academic programs and innovation to drive student success

Growing and Stewarding Partnerships
- Align innovation to drive employer responsiveness
- Maintain competitiveness and sustainability to meet critical State needs
FY19 Educational & General Budget (E&G)  Total: $281.6M

Revenue

- Tuition & Fee Revenue (net of 3.1M in waivers) 60.0%
- State Appropriation 29.7%
- Transfers from Auxiliaries 1.2%
- Sales & Services/Other 6.1%
- Indirect Cost Recovery 3.0%
- State Appropriation 29.7%

- $169M
- $83.5M
- $17.4M
- $8.4M
- $3.3M

Expense

- Compensation & Benefits 58.6%
- Scholarships & Grants 18.3%
- Other 23.1%

- $165.1M
- $51.4M
- $65.1M

- 7.1% Other $19.9M
- 6.6% Shared Services 18.7M
- 3.5% Fuel & Electricity 10.1M
- 2.5% Capital 6.9M
- 2.4% Library Acquisitions 6.7M
- 1.0% Travel 2.8M

November 26, 2018
UMaine Budget Process within State of Maine Budget Cycle

- **September 2018**
  - Board of Trustees State Budget Request

- **January 2019**
  - Governor’s Budget Proposal due to Legislature

- **Spring 2019**
  - Budget Hearings/Work Sessions/ Advocacy

- **May-June 2019**
  - Legislature and Governor Finalize State Budget

- **Fiscal Year Ends, June 30**

- **Fiscal Year Begins, July 1**

- **Campus Budget Process**

November 26, 2018

Campus Budget Presentation
FY20 UMaine Budget Timeline

**Initial Conversations**
- Review of UMS Allocations & Assumptions
- Enrollment Update

**FY20 Budget Development**

- **July**
- **September**
- **November**

**2018**
- August
- October
- November
- December

**2019**
- January
- February
- March
- April
- May
- June

- Develop preliminary FY20 Budget working with VP’s, Deans & Directors
- 1st iteration of FY20 budgets updated into Maine-Street by **01/16/19**
- Draft campus budget presented to BOT Chair, FF&T Chair, & Sr. UMS leadership
- Budget reviewed by full FF&T of BOT
- Final budget approved by BOT

**Key**
- E&G = Education & General
- FF&T = Finance, Facilities & Technology
- BOT = Board of Trustees

**Campus Budget Presentations**
- Nov. 26
- Feb. TBD
- May TBD
FY20 Incremental Revenue and Expense Budget Levers

- **FIXED**
  - Revenue
  - Expense

- **FLEXIBLE**
  - Revenue
  - Expense

November 26, 2018
FY20 Incremental Revenue and Expense Budget Levers

**Tuition & Fees due to projected rate increases**
- e.g., In-State & Out-of-State Increase

**State Appropriation Increase**

**FIXED**

**Compensation - Contractual**
- Projected Salary & Wage Negotiated Increases & Benefits

**Operational Increases**
- e.g., University Shared Services
- e.g., Maintenance of Facilities / Utilities

**FLEXIBLE**

**Tuition & Fees due to enrollment adjustments**
- e.g., Changes to In-State & Out-of-State Enrollment
- e.g., Changes to Undergraduate & Graduate Enrollment

**Indirect Cost Recovery**
- e.g., Increased Grant Funding

**Auxiliary Enterprise Transfer**

**Position Related Increases**
- e.g., Transition Academic One-time to Base
- e.g., GTA Stipend Increases & Partner Accom.

**Operational Increases**
- e.g., Library Acquisitions

**Scholarships & Grants**
- e.g., Scholarship Increases (Including Flagship, Need-based, Maine Match, Athletics, etc.)
**FY20 Fixed Levers** (Incremental changes to FY19)

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition &amp; Fees <em>due to projected rate increases</em></td>
<td>$3,808,222</td>
</tr>
<tr>
<td>State Appropriation Increase</td>
<td>401,110</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$4,209,332</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expense</th>
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<tbody>
<tr>
<td>Compensation - Contractual</td>
<td>-$4,017,500</td>
</tr>
<tr>
<td>Operational Increases</td>
<td>-$1,850,298</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>-$5,867,798</strong></td>
</tr>
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### FY20 Flexible Levers (Incremental changes to FY19)

*our opportunities to do new things*

<table>
<thead>
<tr>
<th>Revenue</th>
<th></th>
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<tbody>
<tr>
<td>Tuition &amp; Fees related to enrollment adjustments</td>
<td>$5,323,829</td>
</tr>
<tr>
<td>Indirect Cost Recovery (ICR)</td>
<td>500,000</td>
</tr>
<tr>
<td>Auxiliary Enterprise Transfer</td>
<td>300,000</td>
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<td><strong>Subtotal</strong></td>
<td><strong>$6,123,829</strong></td>
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| Subtotal | $6,123,829 |

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<td>Position Related Increases</td>
<td>- $1,175,363</td>
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<tr>
<td>Scholarships &amp; Grants</td>
<td>- 4,690,000</td>
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<tr>
<td>Operational Increases</td>
<td>- 250,000</td>
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<td><strong>Subtotal</strong></td>
<td><strong>- $6,115,363</strong></td>
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FY20 Incremental Structural Gap (revenues minus expenses)

\[
\begin{align*}
\text{Fixed plus Flexible Revenue} & \quad \text{Fixed plus Flexible Expense} \\
$10,333,161 & \quad -11,983,161 \\
-1,650,000 & \\
\end{align*}
\]
Our Strategic Values Drive our Budget

Fostering Learner Success

Growing and Stewarding Partnerships

Creating and Innovating for Maine and Beyond
FY20 Flexible Levers (Incremental changes to FY19)

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*our opportunities to do new things*

November 26, 2018
### Enrollment Changes

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<tr>
<th>First-Year Enrollment</th>
<th>Increased 1(^{st}) Year Retention</th>
<th>Incremental Revenue Increase</th>
<th>Changed Structural Gap</th>
</tr>
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<tbody>
<tr>
<td>2,350</td>
<td></td>
<td></td>
<td>- $1,650,000</td>
</tr>
<tr>
<td>2,400</td>
<td></td>
<td>$ 804,115</td>
<td>- $ 845,885</td>
</tr>
<tr>
<td>2,400</td>
<td>+ 3%</td>
<td>$1,917,657</td>
<td>$ 267,657</td>
</tr>
</tbody>
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### Grant Related Changes

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<th>Increased Expenditures</th>
<th>Incremental ICR</th>
<th>Changed Structural Gap</th>
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<tbody>
<tr>
<td>$49,343,151</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$49,843,151</td>
<td>$500,000</td>
<td>$ 100,000</td>
<td>$ 367,657</td>
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