

Town Hall Meeting



University of Maine FY25 Budget Update



March 21, 2024

As a world-class, comprehensive, R-1, D-1, land, sea, and space grant institution with a regional campus in Machias and regional sites across the state, UMaine is committed to sustained leadership within the state and system, our financial model has not kept pace to sustain and further those needs.

**Sustaining the health
of our planet and
confronting climate
change**

**Advancing research
and teaching
for tomorrow's
innovators**

**Growing a thriving and
inclusive community of
learners**





Agenda

1. “Budget basics”
2. Plans for FY25
3. The future





Our budget planning for FY25 started in the fall of 2023.

Summer 2023

- close out FY23

Fall 2023

- efforts in enrollment bring in the class to begin fall 2024

Fall 2024

- planning and projections underway in units, departments, schools, colleges, and cabinet areas

January 2024

- budget hearings campuswide

March 2024

- submission and review of the preliminary budget to Finance, Facilities, and Technology Committee of the Board of Trustees

May

- anticipated budget approval UMS-wide for FY25



KEY: Refining enrollment projection, including retention and student credit hour projections, for FY25.



Our focus today will be on the FY25 E&G budget.

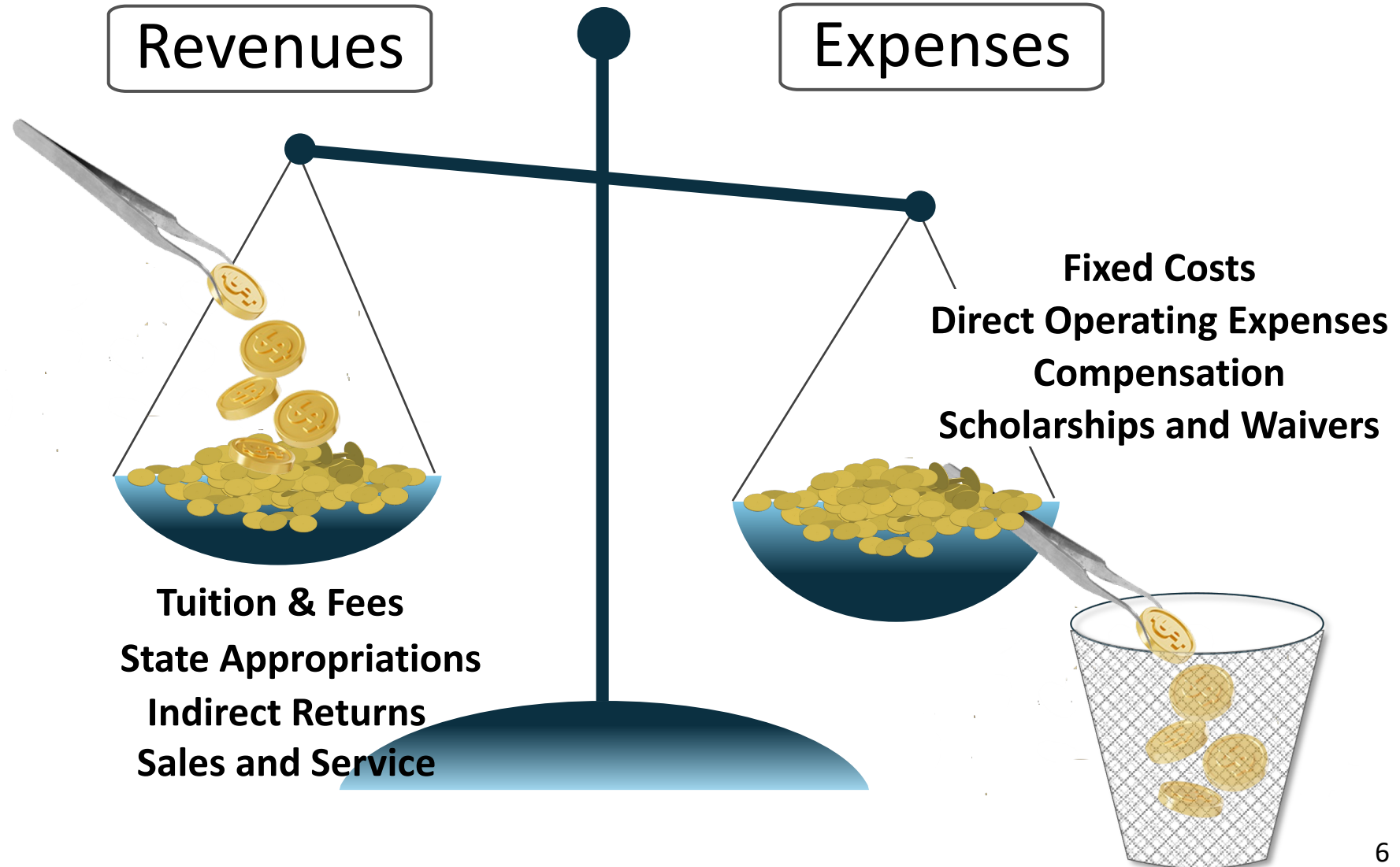
1. Our “education and general” (E&G) expense budget is approximately \$273.3M.
2. We are responsible for balancing our own budget.
3. We have four main revenue sources:
 - State appropriations (\$105.4M)
 - Tuition and fees (\$124.8M, *net* of financial aid)
 - Indirect cost returns on research grants (\$22.2M)
 - Other sales/service/auxiliary revenues (\$16.0M)
4. We have three main expense sources:
 - Compensation and benefits (\$177.1M, *net* of attrition)
 - Capital maintenance and energy (\$28.6M)
 - Other expenses (\$67.6M, *net* of interdepartmental credits)





The expectation is that we balance our budget.

We are making significant progress toward balancing our budget, but expenses are outpacing revenues.





In FY24, we proposed a 3-year plan to achieve a balanced budget.



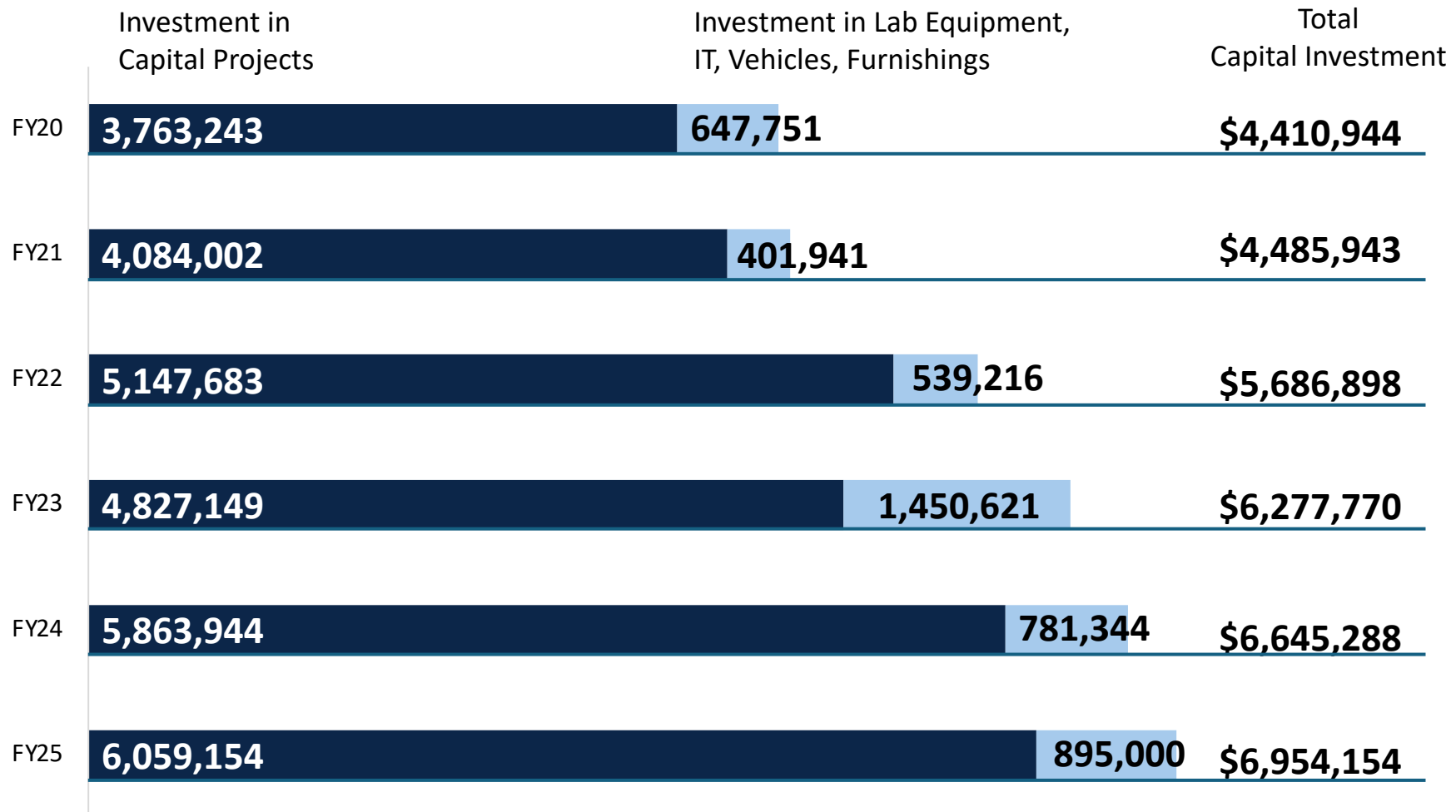
3-Year E&G Proposed Budget Targets

Category (\$M)	FY24	FY25	FY26
Net revenues	\$258.7	\$268.4	\$276.1
Total expenses	\$266.3	\$273.3	\$279.8
Use of reserves to balance	\$7.6	\$4.8	\$2.1



Our physical plant is 5.1M sq ft. It is expensive to maintain.

Historical Look at Budgeted Capital Expenditures FY20-FY25



We have significantly increased our investment, but it is not enough.



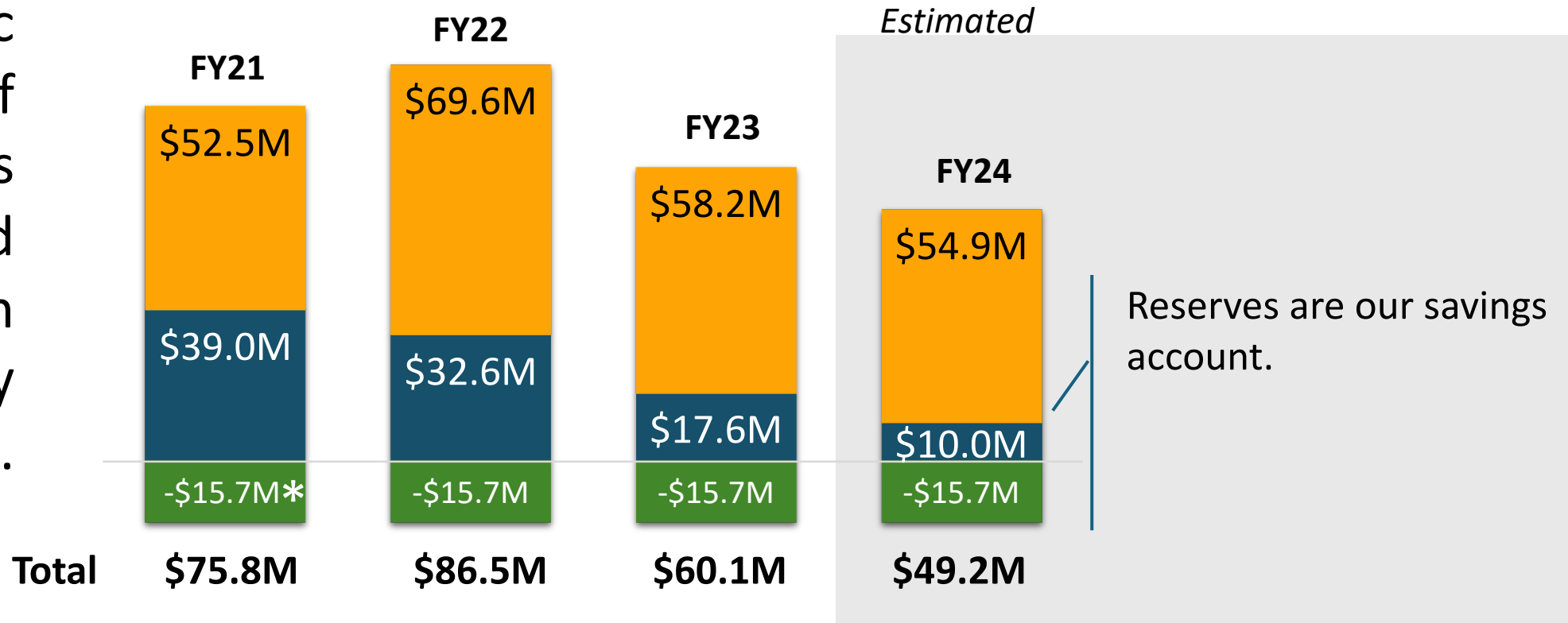
We maintain strategic reserves to manage budget peaks and valleys.



Operating Unrestricted Reserves as of June 30

■ E&G ■ Designated ■ GASB 75

Our strategic use of reserves was planned based on healthy reserves.



*Reflects other Post-employment Benefits



We anticipate new revenues for FY25.



Category (\$M)	FY25 Proposed
	Opportunities
State appropriations	\$4.8
Tuition and fees (net)	\$1.2
Research Indirect Cost Returns (ICRs)	\$1.2
Sales/Service/Auxiliary	\$2.3
Total new revenues (net) Δ	\$9.5

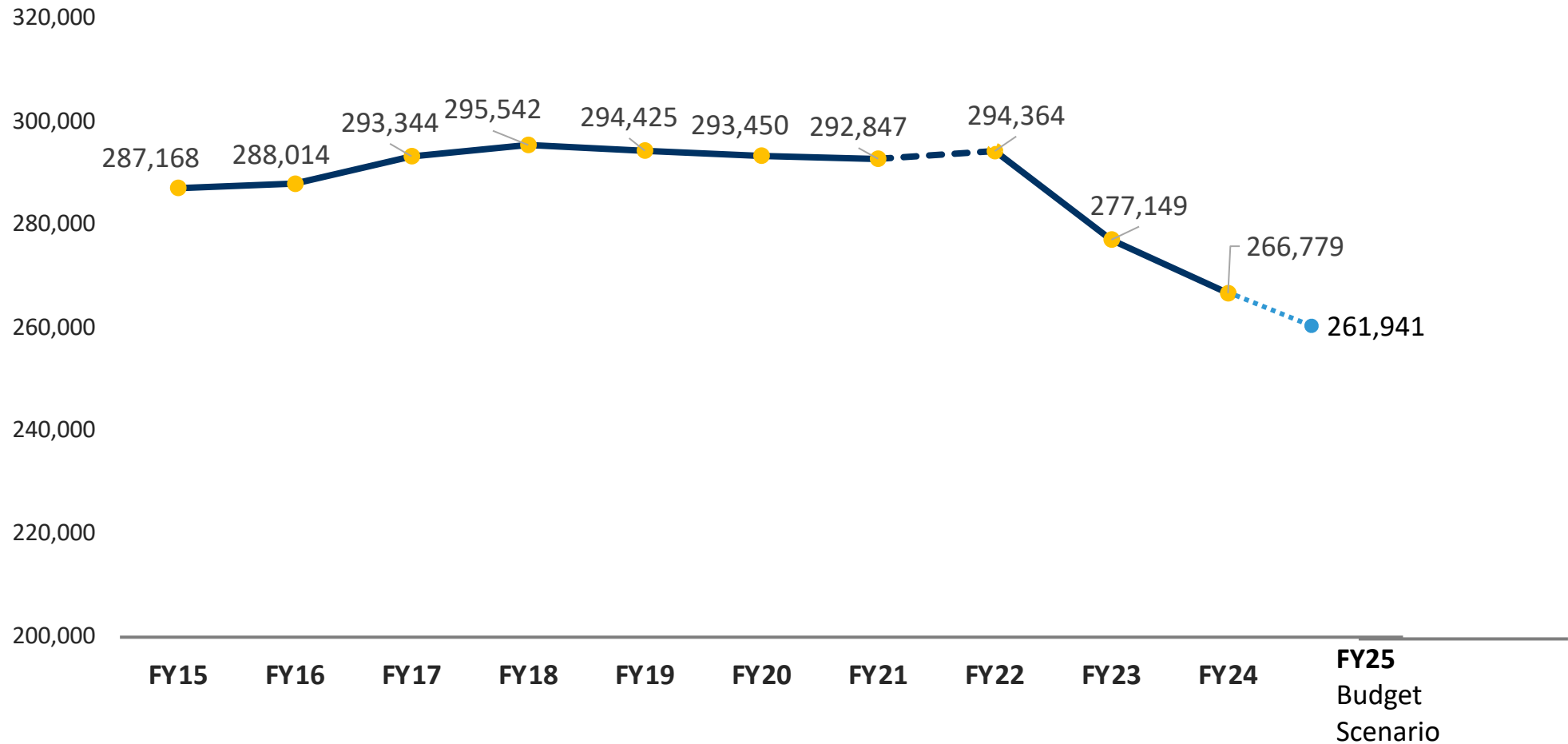




Total student credit hours will decrease by 2%.

Student Credit Hours

(Excludes Early College credit hours)





We have proposed a modest increase in tuition and fees.



- We have benchmarked tuition and fees across New England land grants and our Hanover peers
- 3.0% increase in base undergraduate tuition
- Flat base graduate tuition for most programs
- Restructure differential tuition from semester-based fees to per-credit program fees for business, engineering, and nursing courses
- Augment our technology fee for infrastructure to support deferred maintenance, construction, and renovation of campus facilities
- Reinstate our online course fee to support the cost of delivering quality online programs so we can expand our offerings





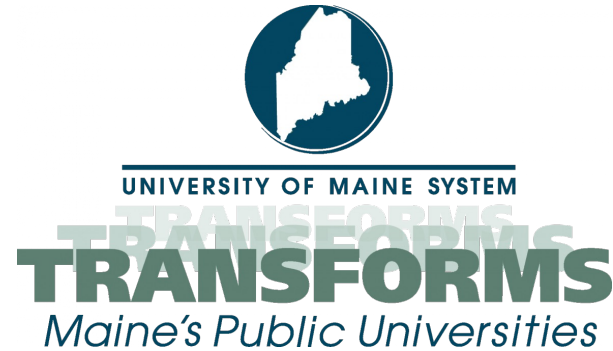
We are exploring and implementing new revenue opportunities.

Recruiting and Enrollment



- Direct Admit Program
- Prospect Purchasing
- Transfer Students
- Process Improvements

Foster Student Success & Retention



- Research Learning Experiences
- Gateways to Success
- Pathways to Careers
- Black Bear Early Alert

Launch Relevant Programs



- Engineering & Computing
- Business
- UMaine Online
- Credentials
- Maine Center



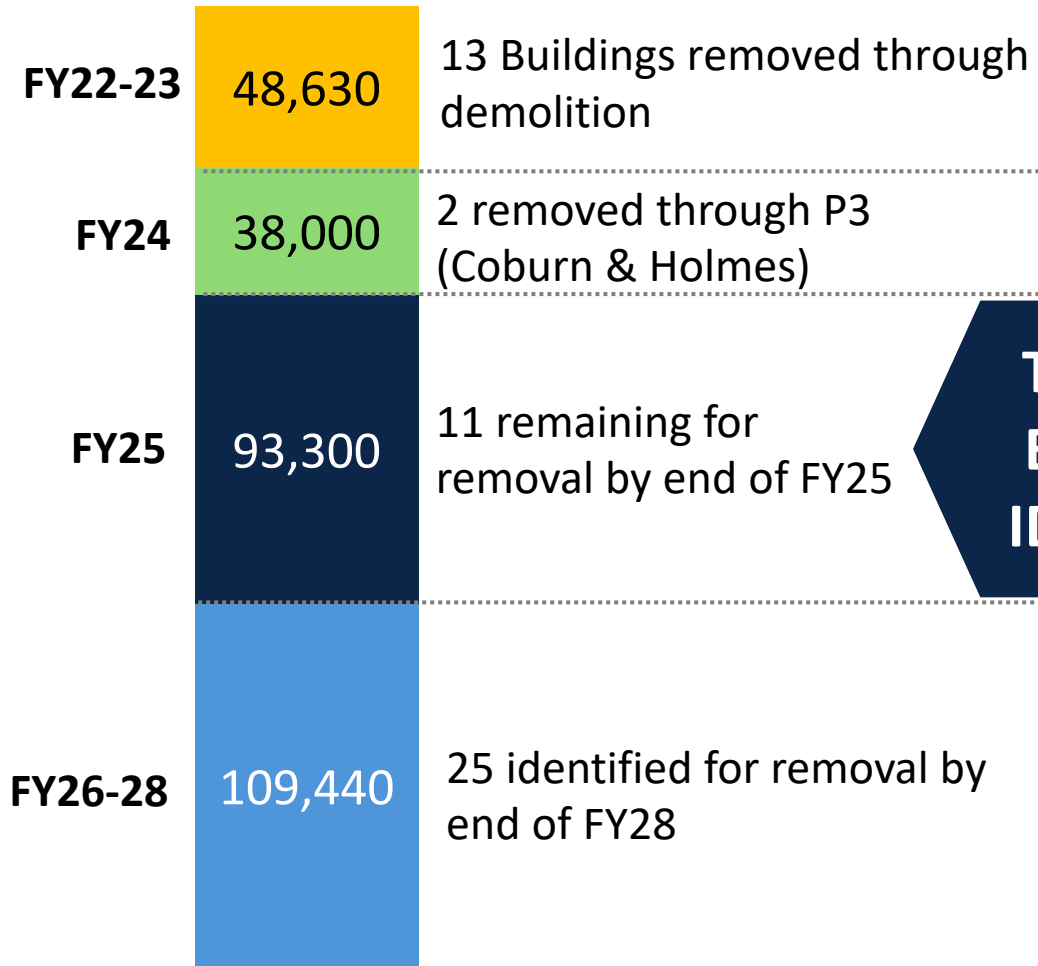
We proposed efficiencies for FY25.



Category (\$M)	FY25 Proposed
	Efficiencies
Compensation and benefits	(\$7.4)
Fuel & electricity	(\$1.6)
IT equipment, software, & other expenses	(\$1.0)
Total new efficiencies Δ	(\$10.0)



In FY25, we will plan for space efficiency.



**The
BIG
IDEA**

The University continues to review buildings for renewal or space removal.

51

space total removal projects identified totaling approximately 289,370 gsf

GSF





We will further engage the campus community in budget development.

- Open university-wide opportunities for engagement beginning now
- Presidential budget and space advisory committees
- Information-sharing via President's home page
- Close partnership with UMaine faculty senate, UMM faculty assembly, professional and classified staff advisory councils, and UM & UMM student governments.





I have established a President's Budget Advisory Committee.



Overview / Charge

1. Become familiar with the university's major strategic planning documents, the University of Maine System's Strategic Plan, and the President's guiding principles and priorities.
2. Examine E&G and Auxiliary budgets with sufficient detail to provide a deep understanding of each budget without revealing confidential information.
3. Examine budgets through the lens of alignment with UMS and UMaine strategic planning and adherence to our institutional mission.
4. Review and prioritize proposals for efficiencies, assessing the impact on faculty, staff, and students.
5. Review and prioritize proposals for investment, assessing business cases for incremental revenue enhancement or program growth.
6. Review recommendations and provide input for changes to the University's tuition and fee structure.
7. Serve as ambassadors across the University community for the annual budget planning process and budget context.





President's Budget Advisory Committee Members (2024-25)



Kelly Sparks, VPFA & CBO

Diane Rowland, Dean of College of Earth, Life, and Health Sciences

Gabriel Paquette, Associate Provost for Academic Affairs & Faculty Development

Gayle Zydlewski, Director of the Maine Sea Grant

Danielle Wormell, Assistant Director of Operations

Andrea Gifford, Associate Dean & Director of Admin and Support Services

Craig Mason, Professor of Education and Applied Quantitative Methods

Dave Barrett, Lecturer in Accounting

Henri Akono, Associate Professor of Accounting

Sabrina DeTurk, Lecturer in Honors

Jessica Leahy, Professor of Human Dimensions

Nicholas MacDonald, Lecturer in Small Business Management

Megan Tardif, Director of CORE Research Facilities

Bhreagh Kennedy, Undergraduate Student – UM

Nolan Merz, Graduate Student – UM

Regina McNamara, Undergraduate Student – UMM

David Breazeale, Student-Athlete – UM

Jenise Soucy, Finance Director

Elisabeth Maberry, Director of Finance & Operations, Online & Continuing Education

Corey Watson, Senior Financial Analyst

Ex Officio Members:

Joseph DiSalvo, Interim Chief of Staff

Amanda Klemmer, President of Faculty Senate; Assistant Professor of Landscape Ecology

Kevin Coughlin, Vice President for Enrollment Management

Debra Allen, Assistant Provost for Institutional Research & Assessment



We will explore every facet of our budget in the future.

- Auxiliary enterprises (e.g. housing, dining, printing & mailing, parking)
- Space and capital infrastructure
- Academic program portfolio assessment
- Costs & benefits of being a research university
- State appropriation allocation and legislative engagement





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THE UNIVERSITY OF
MAINE



Questions?



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at
Machias