

3-16-2016

FY 18 Preliminary University of Maine System Unified Budget Presentation

University of Maine System

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Unified Budget

Purpose

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PURPOSE

To establish the roles and responsibilities of the task team of Finance on: *Capital Budgeting & Planning*.

CHARGE

The task team of Finance: Capital Budgeting & Planning has responsibility for successful completion of the analysis of options and a set of recommendations by **April 1, 2016**. Task teams are to use the first two steps of the four-step process of: **analysis, design, implementation and audit**.

This finance sub-team is to study the finance topic, narrow the set of options, and recommend one for adoption. Updates and recommendations are to be delivered to the CBO finance group that established this charter. Ryan Low (CFO) is the final decision-maker of questions about this charter and what recommendations get taken to the chancellor and BOT.

The task team's draft report is due **April 1, 2016**.

SCOPE OF EFFORT

- Includes recommending processes and timeframes for capital budgeting that keeps the core mission of the university and student success as guiding principles to the overall recommendation.
- **Does not include the determination of which individual projects should or should not be budgeted or funded.**
- Recommended processes should interface short-term with the BOT capital investment committee and longer-term replace the need for this committee as it currently stands.
- Recommended process should reflect the March 2015 recommendations of the Trustees regarding capital planning and budgeting.
- Applies to capital assets only (current definition).
- Charter excludes looking at limitations of financing (i.e.: considering incremental debt)

KEY DELIVERABLES

Deliverables include:

1. A set of actionable recommendations that would establish capital budgeting as a specific component of the annual budgeting and budget approval process as well as a formal specific component of the multi-year financial analysis.
 - a) Incorporate components for top-down guidance and final sign-off, as well as bottom-up planning and local prioritization. Ensure that processes tie capital outcomes to the Enterprise strategic direction. If there are gaps in the known strategic direction that would better inform these processes, then point these out in the report.
 - b) Include levels of capital spending which balance efficiency of process with the need to prioritize at the system level.

University of Maine System
Finance Task Team Charter

responsibilities of the task team of Finance on: **Institutional**

Aids and Waivers has responsibility for successful completion of the analysis of options and a set of recommendations. Task teams are to use the first two steps of the four-step process of: **analysis, design, implementation and audit**.

This finance sub-team is to study the finance topic, narrow the set of options, and recommend one for adoption. Updates and recommendations are to be delivered to the CBO finance group that established this charter. Ryan Low (CFO) is the final decision-maker of questions about this charter and what recommendations get taken to the chancellor and BOT.

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The task team's draft report is due **April 1, 2016**.

PURPOSE

To establish the roles and responsibilities of the task team of Finance on: *Tuition and Fees*.

CHARGE

The task team of Finance: Tuition and Fees has responsibility for successful completion of the analysis of options and a set of recommendations by April 1, 2016. Task teams are to use the first two steps of the four-step process of: **analysis, design, implementation and audit**.

This finance sub-team is to study the finance topic, narrow the set of options, and recommend one for adoption. Updates and recommendations are to be delivered to the CBO finance group that established this charter. Ryan Low (CFO) is the final decision-maker of questions about this charter and what recommendations get taken to the Chancellor and BOT for consideration.

The task team's draft report is due **May 13, 2016**.

SCOPE OF EFFORT

- Includes *policy and rate-setting* elements, but not allocation
- Comprehensive evaluation of tuition, including:
 - Both *graduate and under-graduate*
 - *In-state, OOS, NEBHE*
 - *Dual enrollment and bridge programs*
 - *Rate(s) for Online*
 - *Rate(s) for Independent Studies*
- Includes *all Fees*
 - *Current and future*
 - Both *system and campus*
- Includes a recommendation for a *transition* from current to future state
- Includes all *Waivers*

In this phase, **limit scope to matriculated students**. Out of scope includes: room and board, contracted seminars, non-matriculated student tuition, or 3rd-party fees.

Board of Trustees Charge

Strategic Integration Target 2:

Develop and implement a comprehensive financial management structure for the entire System that enhances transparency, enables appropriate fiscal control, and advances comprehensive intra-system collaboration.



New Administrative Structure

UNIVERSITY OF MAINE SYSTEM

Chief Financial Officer
Ryan Low

Chief Business Officers



Claire
Strickland



Timothy
Brokaw



Laurie
Gardner



Pam
Ashby



Mark
Hatt



Ben
Shaw



Buster
Neel

Key Dates - Timeline



FY18 Unified Budget

2015 (FY16)

July Aug Sept Oct Nov Dec

Meet with CBOs and campus Presidents

- Create subteams in key areas
- Develop charters/ work plans
- Campus visits

FY18 Budget Prep

2016 (FY16)

Jan Feb Mar Apr May Jun

- Develop recommendations in 6 key areas for implementation of Unified Budget in FY18
- Campus Visits

(FY17)

July Aug Sept Oct Nov Dec

- Finalize recommendations
- Campus Visits
- Discuss final recommendations with President's Council.

- Present final recommendations to the BOT
- Develop & implement policies for Board approval

What is a Unified Budget?

A Unified Budget is

- A process that begins in July and goes through the full fiscal year.
- A model that maximizes and encourages campus feedback
- Common budget build assumptions
- Maximizes the use of IR data to make informed budget decisions
- Supports mission differentiation;
- A model that promotes transparency and accountability

A Unified Budget is NOT....

- Centralization
- Just a reallocation of resources
- By itself a path to more resources

6 Key Areas



1. Tuition & Fees

2. State Allocation Model

3. Institutional Aid/Waivers

4. Reserves

5. Capital Project Funding

6. Outcomes Based Funding

1. Tuition & Fees

SCOPE OF EFFORT

- Includes policy and rate-setting elements, but not allocation
- Comprehensive evaluation of tuition, including:
 - Both graduate and undergraduate
 - In-state, OOS, NEBHE
 - Dual enrollment and Bridge Programs
 - Rate(s) for Online
 - Rate(s) for Independent Studies
- Includes all Fees
 - Current and future
 - Both system and campus
- Includes a recommendation for a transition from current to future state
- Includes all Waivers

Team

- Tim Brokaw, *UMA*
- Miriam White, *UMS*
- Pamela Ashby, *UMFK*
- Laurie Gardner, *UMF*
- Ben Shaw, *UMPI*
- Mel Adams, *UMM*
- Joel Wincowski, *UM*
- Keith Dubois, *USM*
- Sharon Nadeau, *UMF*

2. State Allocation Model

SCOPE OF EFFORT

- Includes policy regarding allocation of resources system-wide
- Analysis and recommendation should address tuition, fees, MEIF, & State appropriation.
- Discuss methods for allocation of research / public service missions
- Should tuition and/or fees stay on campuses or be consolidated
- Transition plan from current to future states
- Process to develop enrollment projections in the budgets

Team

- Ryan Low, *UMS*
- Claire Strickland, *UM*
- Laurie Gardner, *UMF*
- Mark Hatt, *UMM*
- Ben Shaw, *UMPI*
- Pamela Ashby, *UMFK*
- Joe Szakas, *UMA*
- Buster Neel, *USM*
- Miriam White, *UMS*

3. Institutional Aid/Waivers

SCOPE OF EFFORT

- Define what is meant by “institutional aid”. As part of this, define mandated (imposed) waivers
- Versus institutional waivers. Investigate discounted courses (Bridge Year courses).
- Should student financial aid:
 - Be distributed centrally as one unit?
 - Continue as is - campus by campus basis?
 - Have some components delivered centrally?
- Are there federal policies or other obstacles that would prevent a shared financial aid distribution model?
- Consider implications for multi-campus students.
- Look at goals for expected family contribution and gap. Do we set a goal of funding x% of the gap, consistently?

Team

- Tracy Elliott, *UMS*
- Sherry McCollett, *UMA*
- Jared Cash, *UMF*
- Kathy Falco, *UMF*
- Melvin Adams, *UMM*
- Sarah Doheny, *UM*
- Nancy Griffin, *USM*
- Chris Bell, *UMPI*
- Rosa Redonnett, *UMS*

4. Reserves

Each campus currently retains its own reserves with some campuses needing central reserves to balance.

SCOPE OF EFFORT

- Policy development regarding year-end UNP balances.
- Examination and definition of the various components of UNP, and recommendations regarding how the various components will be treated.
- Addresses existing balances and treatment of future years' surpluses (losses).

Team

- Darla Reynolds, *UMS*
- Tracy Elliott, *UMS*
- Mark Hatt, *UMM*
- Ben Shaw, *UMPI*
- Claire Strickland, *UM*
- Janet Warnert, *USM*

5. Capital Project Funding

What changes, if any, in budgeting for such funds should be recommended to maximize progress toward BOT goals?

SCOPE OF EFFORT

- Includes recommending processes and timeframes for capital budgeting that keeps the core mission of the university and student success as guiding principles to the overall recommendation.
- Does not include the determination of which individual projects should or should not be budgeted or funded.

Team

- Ben Shaw, *UMPI*
- Carolyn McDonough, *UM*
- MF Chip Gavin, *UMS*
- Gregg Bouchard, *UMPI*
- Miriam White, *UMS*
- Kathy Falco, *UMF*
- Mark Hatt, *UMM*
- Richard Thompson, *UMS*

6. Outcome Based Funding

- UMS established an outcomes based funding formula 3 years ago.
- For FY17, 20% of State appropriation flows throughout the formula.
- Current plan is 30% by 2019, plus 100% of any new money.

Issues

- In a unified budget, does OBF have a roll?
- Should OBF be eliminated as we attempt to breakdown individual budgeting silos?

***Team currently on hold pending recommendations from
Allocation / Tuition teams***



Feedback: ryan.low@maine.edu



Campus Community Survey Questions



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Published: November 5, 2015

Climate change may increase blooming, but not the good kind

Published: October 30, 2015

UMaine to honor veterans with week of events

Welcome to the Office of the President



President Susan J. Hunter, Ph.D.

Welcome to the University of Maine.

Nearly three decades ago, I joined the UMaine community as a faculty member and researcher. I came to UMaine for the opportunities it offered, for the leadership it demonstrated as Maine's flagship university, and the dedication it embodied as the state's land and sea grant institution through its mission of teaching,

umaine.edu/president