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Multi-Year Financial Plan FY2014–FY2018

University Of Maine System

Multi-Year Financial Analysis

FY2014 — FY2018

January 2013

Maine's Public Universities

UNIVERSITY OF MAINE SYSTEM

University of Maine System
Multi-Year Financial Analysis

Fiscal Years 2014 to 2018

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I. Introduction

The University of Maine System is working toward the goal of eliminating the structural financial gap, with expenses and revenues in balance. The System pursues this goal along with commitments to maintain academic quality and integrity, provide access to more students, offer new programs that support economic development in Maine, deliver more efficient and cost effective operations, and enhance productivity by utilizing technology more broadly. These priorities are inter-reliant: financial sustainability, quality programs, healthy enrollments, economic development, efficient operations, and strategic enterprise technology. Together, they create the future vision of the System and contribute to the well-being of the State of Maine.

The System has developed a long-range financial planning process that evaluates the fiscal impact of key budget drivers such as enrollment; faculty and staff compensation; investments in physical plant; and State appropriation invested in the System. This report introduces the process and presents financial elements and forecasted scenarios. It provides background on financial challenges and context for upcoming decisions. The purpose of this process is to consider the underlying financial conditions that face the System and the impact of alternative action steps that may address projected shortfalls in the future. This report offers a transparent assessment of the System's financial challenges. The potential solutions discussed are limited to reasonable and feasible options which are currently available.

This report is intended only to continue the conversation that must occur within our University community and within the State to ensure that the University of Maine System is able to meet the needs of Maine and its citizens for decades to come. Like any projection and analyses, this report is impacted by the assumptions that are incorporated and the imperfect ability to predict the future. At a high level, it represents a valuable tool to understand how the major components of the budget can be manipulated to find a balance; however, it is important to note that actual application of any of these strategies will yield varying results.

II. Developing the Multi-Year Financial Analysis (MYFA)

The University of Maine System's finances are captured in a number of "funds" – accounting categories that describe the sources and uses of monies. Annual and multi-year budgeting and financial analysis activities focus on three classifications of unrestricted funds: Education & General (E&G), Designated, and Auxiliary Enterprise activities that support the educational mission. The funds comprise the majority of the System's compensation (salaries for grant-funded research and endowment funded positions are captured elsewhere), the State unrestricted appropriation, tuition and fee revenue, and university-funded financial aid.

The MYFA is developed utilizing assumptions from a System-wide perspective as well as campus-specific variables and analyses. The process is collaborative and iterative; as more planning information comes into focus, the forecast becomes more robust. The five year analysis process begins in August when the System and campus finance teams meet to review assumptions and develop the analysis framework. The System-wide variables and assumptions include possible tuition increases, growth in faculty and staff compensation, benefit rates, State appropriation, inflation rates, capital funding goals (expressed as a percentage of depreciation expense) and other cost factors.

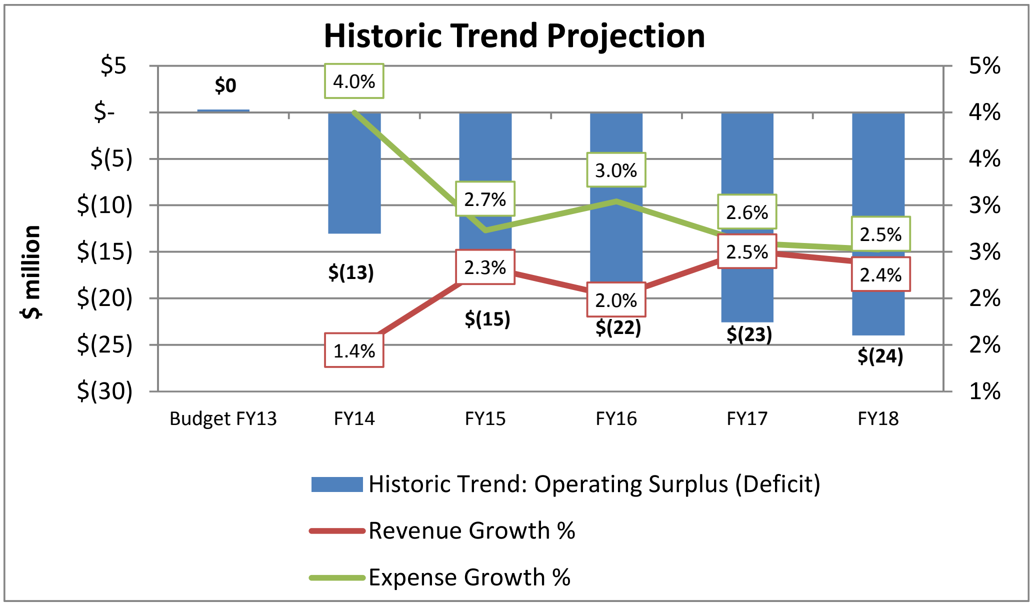
Working with a common template, the campus financial professionals refine their campus-specific assumptions in September. They include details about enrollment (expressed as student credit hour enrollments), and non-personnel expenses such as fuel and electricity, supplies and services, maintenance and alterations, and library acquisitions.

In October all of the inputs are compiled, responses to goals are calibrated, results are reviewed with campus chief financial officers, and the System's MYFA is developed. **The forecast is not a crystal ball, or even a detailed budget development tool; it provides only a framework for considering the System's major economic drivers and their aggregate impact on financial results.** The Current Trend MYFA scenario is the starting point for determining the sustainable fiscal strategies for the System in the years ahead.

As development of the FY2014 budget begins, campus representatives will refine the assumptions in the MYFA based on the most current information available. Therefore, the actual FY2014 budget that results will likely differ from the projections contained in this report.

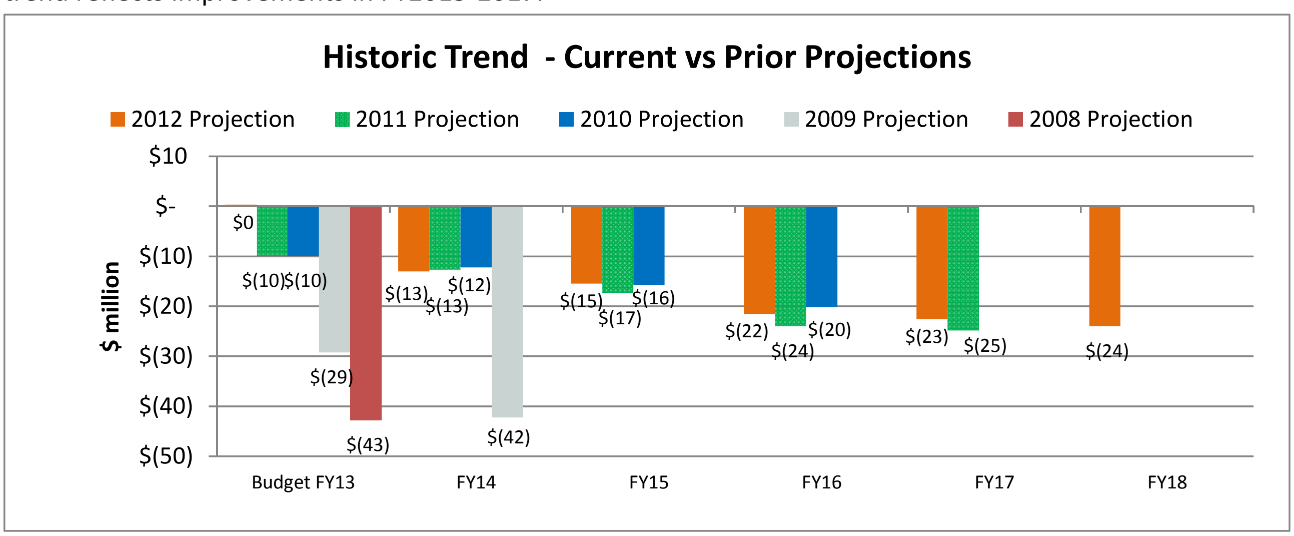
III. Historic Trend MYFA

The initial forecast is called the Historic Trend MYFA. For comparative purposes, this trend utilizes the same assumptions that comprised prior projections: tuition increases are 5% or less, annually; total appropriation is held constant (0% growth). Compensation increases include only adjustments for post-tenure, merit, step increases, and satisfactory performance adjustments - no cost of living adjustment is included. Health care costs grow at cost trends not exceeding those outlined in the June 2011 Employee Health Plan Task Force Report (6%-FY12, 5%-FY13, 4%-FY14, 4%-FY15, 3%-FY16 and future years).



Due to the continued efforts to reduce costs, this trend shows that the growth in expenses is declining over the 5-year projection period but is still greater than the growth in revenue. It should be noted that the Historic Trend projection does not include any contingency for a reduction in appropriation, which would increase the projected deficit.

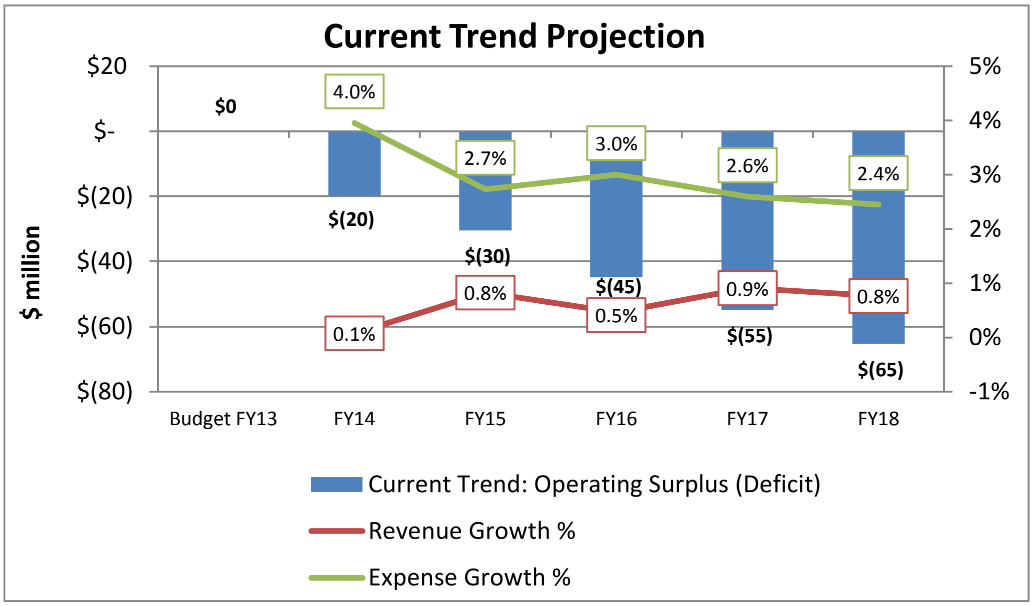
Deficits are projected in the Historic Trend scenario, but the current FY2013 budget is balanced and the trend reflects improvements in FY2015-2017.



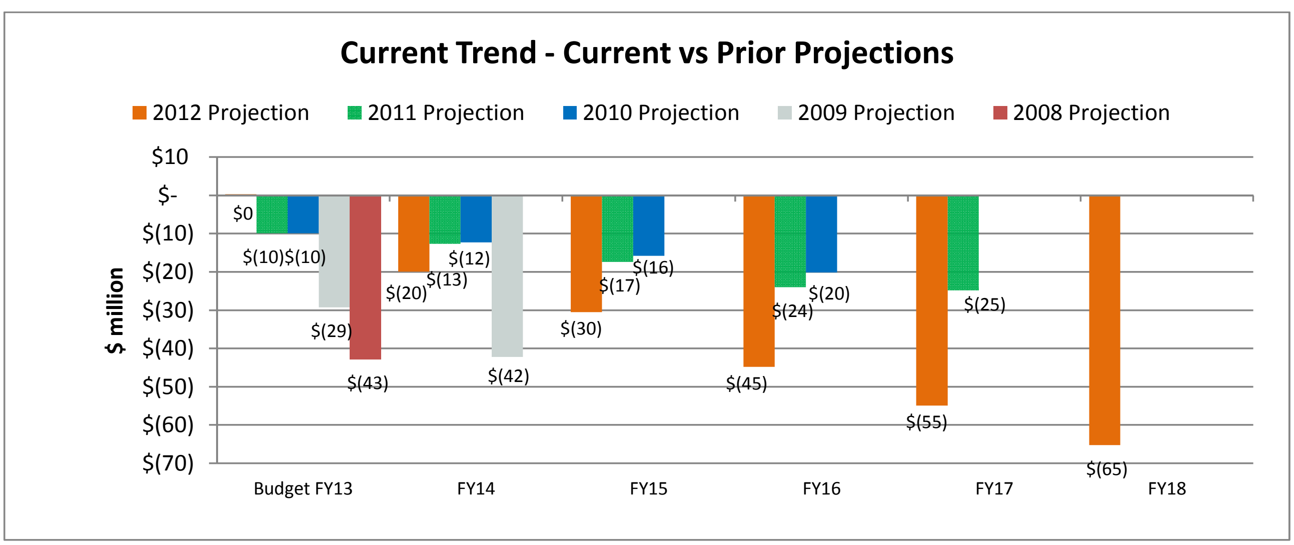
IV. Current Trend MYFA

As stated previously, the Historic Trend incorporated annual tuition increases of 5% or less. Since double-digit tuition increases in FY2008 and FY2009, the universities have made a concerted effort to reduce tuition increases. For FY2013, the University System instituted a freeze for in-state undergraduate tuition and the Unified Mandatory Fee. The System has committed to continue the current in-state, undergraduate tuition freeze during the next biennium (FY2014-FY2015) if appropriation is not reduced.

When these trends persist, revenues do not keep pace with expenses. The Current Trend projection shows that the System will need to implement course changing actions to ensure costs are in line with available resources. These actions will most likely be a combination of efforts to grow revenue beyond current forecasts and curtail costs.



The Current Trend projected gap has increased significantly from the prior projections as it reflects no tuition increases.



While the challenges continue, it is important to recognize the positive fiscal impact of various cost saving measures that have been implemented over the past few years. Many of these cost saving initiatives were based upon a foundation that required rescissions in staff, faculty, and programs; efforts to "bend the trend" in the cost of health care; efficiencies and economies to reduce costs; as well as understanding and cooperation from bargaining units to preserve the long-term interests of the System and its valued employees.

The fiscal position of the System will also be impacted as outcomes from the Board of Trustees Goals and Actions (adopted January 23, 2012) are achieved. The Board's goals address the need to guarantee student success, meet Maine's workforce needs, and provide a system for 21st century educational delivery.

The analyses that follow highlight some of the financial elements that contribute to the gap between revenue and expenses, define emerging challenges that alter the multi-year projections, and describe strategies that may create a sustainable financial forecast for the System.

V. Expense Drivers

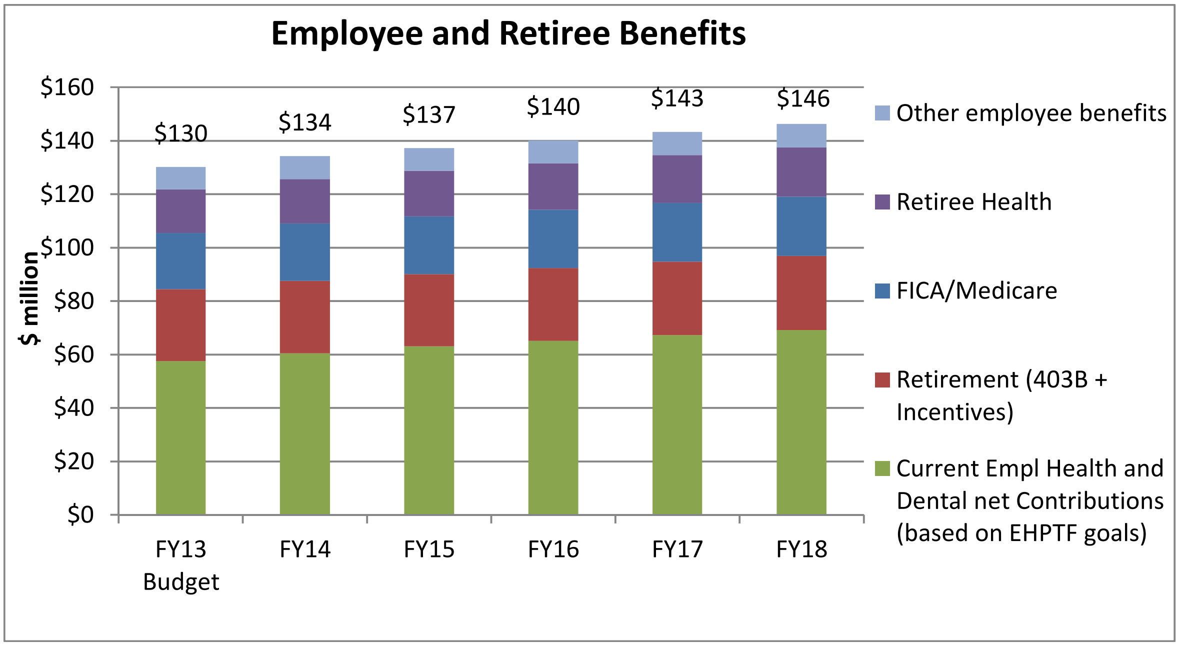
The University System has worked hard to curb spending. Since October 2007, the University System has reduced its workforce by 422 full-time equivalent (FTE) employees, or 7.8%. In FY2012 the University System closed a projected $37 million structural gap and our current FY2013 budget is balanced, closing a $43 million structural gap. As the charts in the prior section demonstrate, the revenues that support educational operations continue to lag behind the growth in expenses, requiring still deeper cuts in the future combined with new and increasing revenue sources.

a.) Health Care Costs and Total Compensation

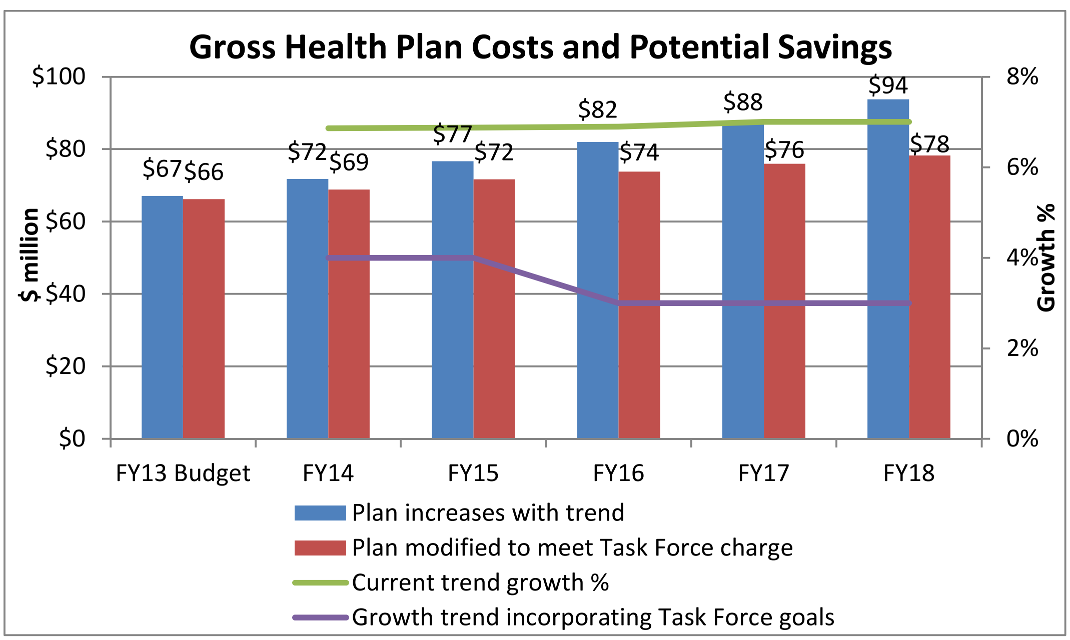
Health care costs (including dental insurance) for current employees and retired employees represent more than 57% of the current year benefits budget. The relatively new accounting requirement to recognize the future cost of retiree health care when it is earned and the soaring cost of health care in the United States are major drivers of the University System's overall benefit rate which is currently 51.4% of a full-time employee's salary and is now projected to reach 53.7% by FY2018.

The System recognizes that benefit packages—in particular health care coverage—are important components of compensation. The employee health care plan is crucial to attracting and retaining highly qualified faculty and staff, but its rapidly escalating costs crowd out the University System's ability to increase salaries and wages and invest in other mission-critical expenses.

The Employee Health Plan Task Force (EHPTF) is focusing on improving the health status of employees and their dependents and protecting them from catastrophic cost while managing the costs of the health care plan. The Task Force is pursuing savings via employee education and wellness programs, and partnerships with employees, bargaining units, and health care providers. The Current Trend MYFA assumes that the EHPTF recommendations are successfully implemented and that the "bend the trend" goals of decreasing growth rates that begin at a 6% increase in FY2012 and eventually move to a more modest 3% increase in FY2016 and beyond are realized.

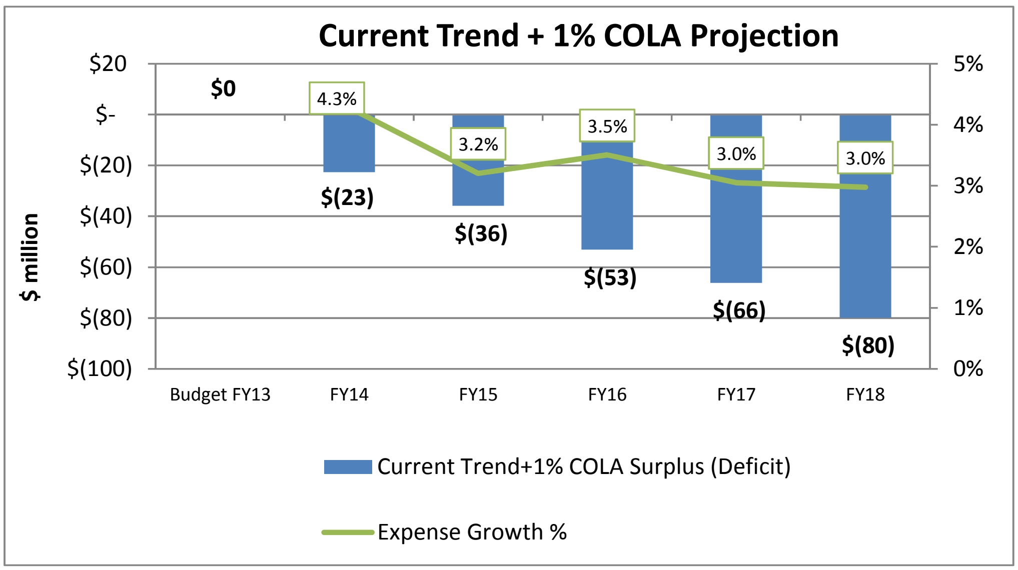


If the Current Trend MYFA had not incorporated the EHPTF cost saving goals, it would shift the cost increases from the declining growth rates to the trend increase of 7% annually. Attaining these goals will save nearly $16 million annually by 2018 and over $43 million over the five year period of the MYFA.



Minimizing health care costs will be a team effort; and all employees can contribute to this effort. If the goals of the Task Force are realized, the System may be able to shift budgeted compensation dollars from benefit costs to salaries.

Even without any cost of living adjustment (COLA), employee salaries in aggregate increase each year given promotions, post-tenure review, step, and satisfactory performance increases that are negotiated in bargaining-unit contracts or stipulated in employee policies. Without any cost of living adjustment, salary costs across the System will increase on average 1% annually. The assumptions that non-COLA increases will grow 1% and that no COLA increase will be offered were incorporated into the Current Trend scenario, which ends FY2018 with a $65 million deficit. If just a 1% cost of living adjustment is added to those Current Trend assumptions, expenses increase an additional 0.5% annually and the System ends FY2018 with a much steeper deficit of $80 million.

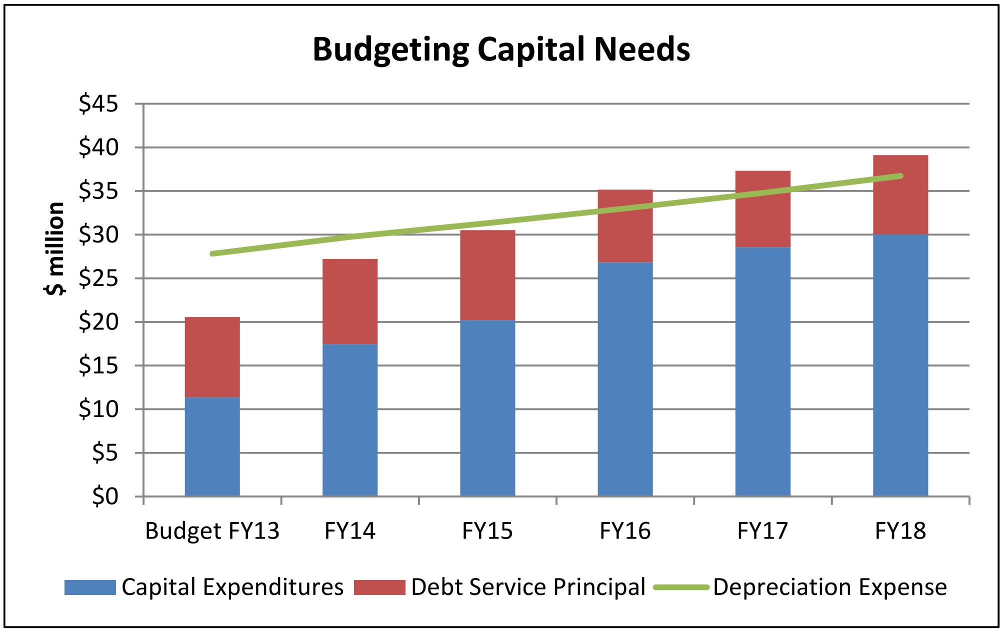


b.) Fully Budgeting Depreciation

The operating budget of the University of Maine System comprises the direct education-related costs of faculty and staff as well as program and service delivery. These expenses are forefront on the minds of campus stakeholders as the System strives for balanced budgets. But the physical plants that accommodate the people and programs are also vital to the future health and sustainability of the University of Maine System. Historically low capital renewal spending has contributed to a significant backlog in critical deferred maintenance with repairs estimated at $400 million and total asset reinvestment needs of $720 million. The percentage of space with a renovation age of more than 50 years has increased to 35% of all space as of FY2011, up from 29% in FY2006. As a result, the System is not adequately protecting approximately $2 billion of physical assets.

Since 2007 the System has worked with the campuses to implement a more disciplined approach to budgeting and funding capital investments by phasing in full budgeting for depreciation. The System uses annual depreciation expense (an accounting total based on the age and value of existing physical assets) as a metric to move toward a more fully funded capital program.

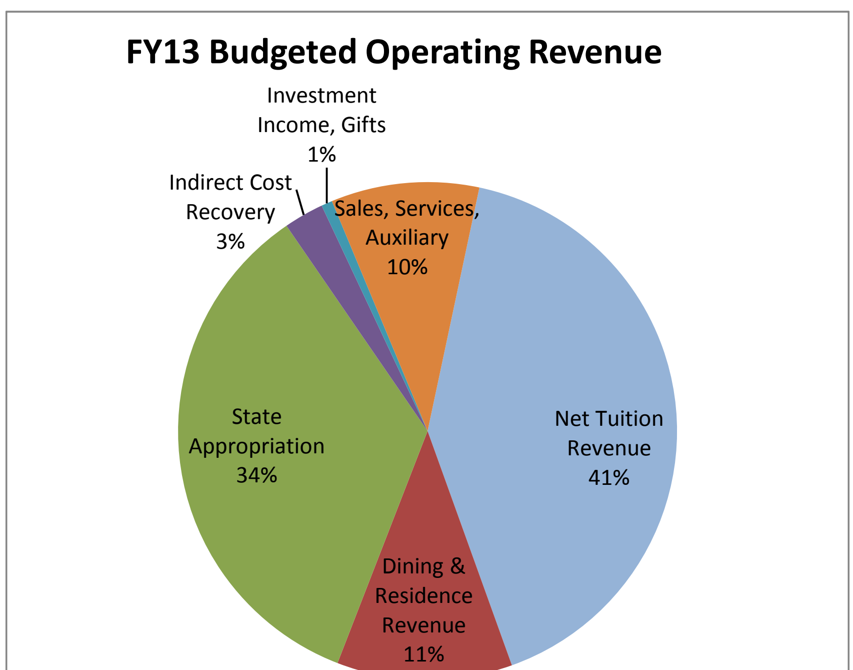
Specific goals state that E&G depreciation will be fully budgeted by FY2016 and that Auxiliary Enterprise depreciation was to be fully budgeted by FY2011. In the MYFA, the progress toward the goal is measured by investments in Capital Expenditures and the repayment of Debt Service Principal. The goal by FY2016 is for the annual operating budget to include the total depreciation expense. This budgeting discipline ensures that the operating budget anticipates the true cash outlays required to fund debt service principal obligations and current capital needs. That discipline is a major cost that has not been fully budgeted historically, so it contributes to expense growth. Fully budgeting depreciation is only a starting point; while the budget impact is significant, budgeting for current depreciation expense does not generate sufficient cash to address the substantial backlog of critical deferred maintenance and repairs.



Consistent State support for capital construction improvements in higher education facilities (similar to the funding structure in place for K-12) would free more of the E&G operating budget for education-specific costs of programs and services.

VI. Revenue Drivers

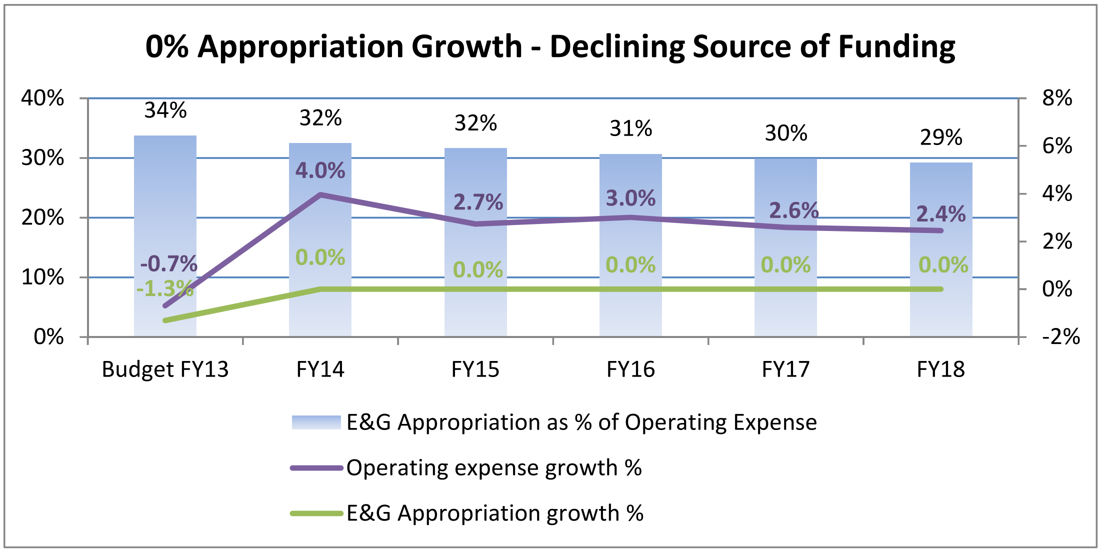
The two largest sources of operating funds are net tuition revenue and E&G State appropriation. Currently net tuition revenue (tuition and fee charges, less financial aid) represents 41% of unrestricted revenue sources and the State appropriation represents 34%. Dining and residence revenue represents 11% of unrestricted funding and other auxiliary sales and services contribute 10%.



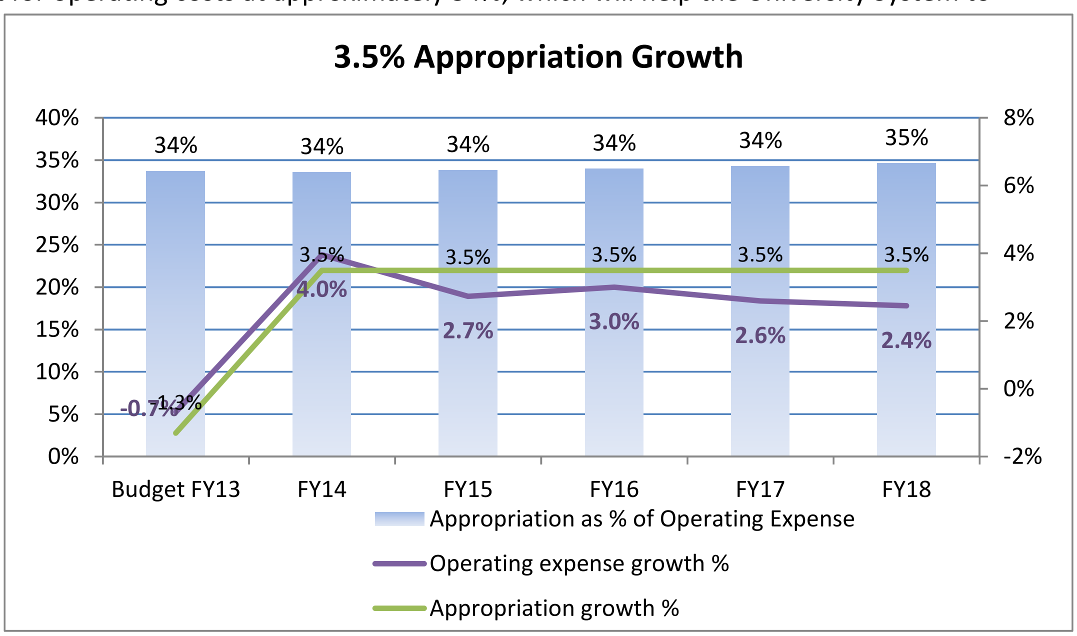
Following are the prognoses for the two major revenue sources, appropriation and tuition.

a.) State Appropriation

The Current Trend MYFA assumes that the E&G State appropriation allocated to the University System is flat (0% increase) for each of the five fiscal years of the projection. The following chart shows that stagnant State appropriation does not keep pace with rising expenses and that State appropriation covers a smaller percentage of operating costs each year. In FY2013, E&G State appropriation funds represent 34% of the System's operating budget, however with costs of operations increasing at an average rate of 2.9% annually over the next five fiscal years, this level of support is projected to decline to 29% by FY2018.



The chart below shows that an annual 3.5% increase in State appropriation would maintain the current level of State support for operating costs at approximately 34%, which will help the University System to keep pace with the growth in expenses and curb future increases in tuition. If the 3.5% increase in State appropriation continued through FY2018, it would have a major impact on keeping tuition affordable and closing the structural gap.



b.) Enrollment and Tuition Pricing

Student revenue is comprised of tuition and fees, and auxiliary dining and residence revenue. This analysis focuses on net student revenue (less financial aid) because the System is committed to maintaining its level of financial aid and scholarships as a percentage of tuition cost. This mirrors the System's commitment to providing accessible and affordable education to Maine students. Net student revenue currently represents 52% (41% for tuition and fees less financial aid and 11% for dining and residence revenue) of the current FY2013 budgeted revenues.

In December 2009 the University of Maine System engaged Noel-Levitz, a consulting firm specializing in enrollment management, to conduct a comprehensive study of markets, strategic pricing, and financial aid to help the System improve access and affordability. The report on the first phase of the project was delivered in May 2010, and provided enrollment management assessments for each UMS campus; price sensitivity research among college-bound high school students, parents, and other prospective adult undergraduates in the state of Maine; and, most significantly for planning purposes, projections of probable new student enrollment levels over the next decade.

The report presented grim enrollment projections because the System campuses' approximate 30% market share among Maine high school students is impacted by the state's shrinking demographics of this segment of the population. This projection continues for transfer student enrollments which are projected to decline 7% - 18% by 2020.

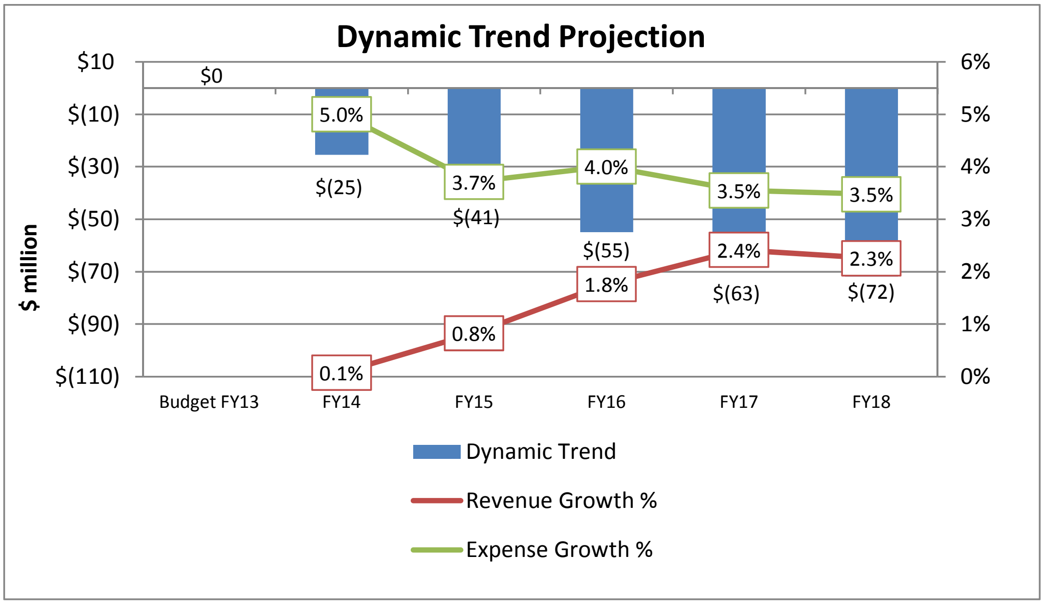
In light of the importance of the baccalaureate degree to Maine's economic future and the priority for public higher education to offer programs that are accessible and affordable, the System must carefully consider any tuition increases. This priority, along with declining demographic trends and flat enrollment projections, means that there are limits to the growth of tuition revenue to fill the gap between expenses and funding sources.

VII. Dynamic Trend MYFA

Up until now this report's focus has been the Historic and Current Trends that demonstrate progress to date in achieving a sustainable budget as well as pointing out the challenges represented by the factors driving both costs and revenues.

However, a more dynamic model would seek to improve the salary and wages component of employee compensation over time and also recognize that tuition cannot remain flat indefinitely. This dynamic model changes the assumption in the MYFA to provide a 2% annual cost of living increase. It also incorporates tuition increases in FY2016-2018 equivalent to the three-year rolling average in the change in personal income as forecasted by the Maine Consensus Economic Forecasting Commission. (The utilization of the change in personal income serves as a proxy for change in median family income, as that metric is not currently projected for future years.) The University System will have to pay particular attention to price sensitivity as this level of annual increase may not be sustainable over fiscal years 2016-2018. These two changes result in a net increase to the gap of $7 million for a total gap of $72 million by FY2018.

As in the Current Trend, it should be noted that the Dynamic Trend does not include any contingency for a reduction in appropriation which would increase the projected deficit.



In an ideal situation:

- State policy-makers would recognize the connection of baccalaureate education to Maine's economic future by providing a reasonable level of investment that kept pace with operating costs and capital infrastructure needs;
- Tuition would grow at a rate no greater than the three-year rolling average increase in Maine's median family income to ensure the affordability of a university education for decades to come;
- The institutions within the University System would work collaboratively to harness efficiencies in administrative and academic delivery systems and technology would be employed to enhance overall productivity;
- Increases in health care costs would be manageable and the trend in total compensation for employees would focus on salary and wages.

While the Dynamic Trend MYFA shows a $72 million gap, that distance can be closed by ensuring reasonable and predictable increases in State appropriation; a reduced but more competitively compensated workforce, that is also more collaborative, efficient, and productive; resources that keep pace with current capital needs; and strategies to recruit and retain a more diverse student population that results in both improved enrollment projections and higher educational attainment for Maine citizens.

VIII. Strategies for Sustainability – Dynamic Trend

The following Strategy Scenarios adjust the key budget variables of the Dynamic Trend to form alternate paths to a balanced budget in FY2018 through adjustments to State appropriation, enrollment, capital renewal commitment, total compensation, and full time equivalent employees. *For each strategy, the System continues to assume no increase in in-state, undergraduate tuition, the mandatory unified fee, or appropriation for FY2014 and FY2015.*

a.) Strategy Scenario I

One strategy scenario for closing the $72 million Dynamic Trend gap would require a 4% increase in State appropriation in FY2016, FY2017, and FY2018. When this funding option is applied over these three fiscal years, it results in increased State appropriation of $22 million.

Since October 2007, the University System has reduced its workforce by 7.8% or 422 FTE employees. This has been a challenging undertaking where individual campuses have struggled to maintain services and quality. While the institutions of the University System have embraced a greater degree of collaboration, there are still many opportunities to employ greater efficiencies that would both ease the current downsizing challenges and allow for greater workforce reduction. However, this will require a major review of what jobs and programs are needed at which institutions and what degree of collaboration maximizes efficiency while still delivering effective educational programs. If a 6.3% workforce reduction was instituted over the next five fiscal years, this would save approximately $27 million in FY2018.

The University System has consistently maintained an approximate 30% share of Maine's high school graduates over the past decade. Given that this segment of the Maine population will dramatically decline over the next decade, our institutions need to place a greater emphasis on enrollment management to both retain and recruit a greater number of students. Ideally, the University System will increase its share of high school graduates by demonstrating the value of Maine's four-year public higher education institutions over other options and by increasing the aspirations of graduates who currently do not choose to pursue any college education. The System would attract more adult students who choose to continue their education full-time or part-time, either in a classroom or over the Internet. And, the System would improve the transfer rate from Maine's Community College System. Acknowledging there will be expenses associated with increased financial aid, faculty and student support, a 2% annual increase over current enrollment projections would yield an additional $23 million in revenue in FY2018.

These strategies combined result in a balanced budget by FY2018. However, given the current state of the economy, it may be overly optimistic to assume that the State can increase appropriations to this level and that students can absorb tuition and fee increases. Also, the level of collaboration and consolidation required to bridge the workforce reduction in this scenario will challenge the current culture of our seven-university System, and enrollment increases of even 2% will be difficult given the declining demographics.

b.) Strategy Scenario II

This scenario again utilizes a 4% increase in appropriation in FY2016, FY2017, and FY2018 which reduces the funding gap by $22 million in FY2018.

However, in lieu of greater workforce reductions, this strategy forgoes the 2% annual cost of living increase and instead replaces it with a variable COLA equal to 0.5% in FY2014, 0.5% in FY2015, 0.75% in FY2016, 0.75% in FY2017, and 1.0% in FY2018 and would be negotiated as part of the collective bargaining contracts. This approach reduces the funding gap by $20 million in FY2018.

If the goal of fully budgeting E&G depreciation remained at the current level of 60% of full funding for depreciation in FY2018 instead of the current 100% target, this would save $13 million in FY2018.

A more moderate enrollment increase of 1.5% closes the gap by providing an additional $17 million in revenue in FY2018.

While this scenario balances the budget in FY2018, the uncertainty of appropriation, tuition and fees, and enrollment increases still remain. This scenario does not provide adequate salary and wage compensation to sustain a talented workforce in the future, nor does it harness the ample opportunities for collaboration and efficiencies. This scenario also further diminishes the System's ability to address the backlog in critical deferred maintenance and repairs and the total asset reinvestment needs.

c.) Strategy Scenario III

The third scenario regrettably assumes no assistance from the State in improving the appropriation to the University System. This scenario again utilizes a moderate enrollment increase of 1.5% annually and generates $17 million in additional revenue in FY2018.

This scenario also replaces the 2% annual cost of living increase with a variable COLA, reducing the funding gap by $20 million in FY2018. A 6.5% workforce reduction at the lower average compensation rate used in this scenario provides savings of $27 million in FY2018. Slowing the depreciation goal to achieve only 75% funding of depreciation by FY2018 instead of the current 100% target would save $8 million in FY2018 and close the gap.

While this scenario also balances the budget in FY2018, its resulting trend points toward less and less State support. Additionally, the level of collaboration and consolidation required to bridge the workforce reduction in this scenario will challenge the current culture of our seven-university System. This scenario also further diminishes the System's ability to address the backlog in critical deferred maintenance and repairs and the total asset reinvestment needs. Finally, this scenario does not provide for adequate salary and wage compensation to attract and sustain a talented workforce in the future.

Summary: Strategies for Sustainability		Net Change from Dynamic Trend Scenario	
Strategy Scenario I			
Appropriation growth 4% (FY2016-FY2018)	⇑	revenue	$22 M
Workforce reduction (6.3%)	⇓	expense	$27 M
Enrollment increase (2%)	⇑	revenue	$23 M
FY 2018 Impact, Strategy Scenario I:			**$72 M**
Strategy Scenario II			
Appropriation growth 4% (FY2016-FY2018)	⇑	revenue	$22 M
Variable COLA	⇓	expense	$20 M
Reduce full funding for depreciation to 60%	⇓	expense	$13 M
Enrollment increase (1.5%)	⇑	revenue	$17 M
FY 2018 Impact, Strategy Scenario II:			**$72 M**
Strategy Scenario III			
Enrollment increase (1.5%)	⇑	revenue	$17 M
Variable COLA	⇓	expense	$20 M
Reduce full funding for depreciation to 75%	⇓	expense	$8 M
Workforce reduction (6.5%)	⇓	expense	$27 M
FY 2018 Impact, Strategy Scenario III:			**$72 M**

IX. Closing

This report contains combinations of various strategies to form scenarios for achieving a balanced budget in FY2018. It is intended only to continue the conversation that must occur within our University community and within the State to ensure that the University of Maine System is able to meet the needs of Maine and its citizens for decades to come. Like any projections and analyses, this report is impacted by the assumptions that are incorporated and the imperfect ability to predict the future. At a high level, it represents a valuable tool to understand how the major components of the budget can be manipulated to find a balance; however, it is important to note that actual application of any of these strategies will yield varying results.

Negative financial and demographic forces require the University of Maine System to undergo transformative change to preserve and improve quality and ensure financial sustainability.

Of all the factors impacting the University System, the State of Maine's fiscal performance is the most significant. The global financial environment continues to require the State to make significant adjustments for losses in revenue. As a result, State funding for the University of Maine System has been negatively adjusted through curtailments and reduced appropriation, continuing a twenty year trend whereby State appropriation for the University System has declined as a percentage of the State budget as well as a percentage of the University System's budget. Additionally, State support for capital infrastructure improvements is sporadic and declining. At present, the economic recovery is fragile and volatile conditions persist, placing future State appropriation and bonding for the University System at risk.

Further, current demographic projections indicate that the number of Maine high school graduates will decline over the next decade leading to reduced enrollment of traditional age college students. This demographic change also implies that for Maine, today's workforce is also tomorrow's workforce. Increased competition for both traditional and non-traditional students and the options in higher education delivery mechanisms require that the University System rapidly adjust to attract and serve more students in ways that best meet their needs.

In addition to the escalating national trend in health care costs, since 2008 governmental accounting standards require the System to account for other post-employment benefits (OPEB), primarily health care, on an accrual basis. This means that the expense is recognized at the time it is earned by an employee (present), rather than when it is used in retirement (future). This accounting requirement has added significant expense for the University System, as it has for every governmental entity in the nation.

Another factor outside of the System's control is the market-driven compensation required to attract and retain a talented faculty and staff. The System competes for quality faculty and researchers in an increasingly global marketplace to ensure that our graduates and Maine businesses can also compete in that marketplace.

Most importantly, as the University of Maine System engages in the work ahead, there is an opportunity to craft a System that is vibrant, innovative, and relevant—meeting the evolving knowledge, research, public service, and education needs of students and the citizens of Maine. The University of Maine System is focused on creating mission excellence in its three core areas of education research and public service.

In January 2012, the University of Maine System Board of Trustees identified specific goals and actions to serve as the foundation of this effort to achieve mission excellence. The three overarching goals are:

I. Student Guarantee: Access, Affordability, and Graduation
II. Employer Guarantee: Maine's Workforce Needs Met by University Graduates
III. 21st Century Educational Delivery: Online, Year-Round Operations, Productivity, and Resources Focused on Mission.

Directives currently completed or in progress to achieve these goals include:

- Control tuition and fee increases
- Limit required credit hours per degree
- Link community college transfer and general education
- Strengthen adult degree completion opportunities
- Align funding with performance-based outcomes
- Reallocate administration and infrastructure savings to core mission

This transformation of achieving *Mission Excellence* will better position Maine's Public Universities to remain both competitive and relevant in this changing environment to attain financial sustainability and prosper in the future.

XI. APPENDIX:

Dynamic Multi-Year Financial Analysis

Summary, System and Campus Level Detail

UNIVERSITY OF MAINE SYSTEM MULTI-YEAR FINANCIAL ANALYSIS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)

	BUDGET	PROJECTIONS				
	FY13	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**
UMAINE	$0	($11,991,548)	($19,924,429)	($28,849,381)	($34,559,385)	($40,492,372)
UMA	183,995	(2,437,649)	(4,019,268)	(4,609,274)	(5,008,389)	(5,876,146)
UMF	41,232	(469,472)	(1,587,213)	(2,011,486)	(2,198,984)	(2,406,788)
UMFK	829	(947,210)	(1,198,037)	(1,274,589)	(1,378,341)	(1,488,408)
UMM	0	(382,773)	(429,917)	(408,204)	(560,721)	(706,291)
UMPI	0	(815,252)	(1,242,184)	(1,431,383)	(1,537,429)	(1,633,946)
USM	82,883	(4,658,256)	(8,408,266)	(10,608,624)	(11,357,211)	(12,249,760)
SYSTEMWIDE SERVICES	0	(3,727,381)	(4,659,045)	(5,754,716)	(6,376,916)	(7,020,363)
NET INCREASE(DECREASE)	$308,939	($25,429,541)	($41,468,359)	($54,947,657)	($62,977,376)	($71,874,074)
Incremental Change		*($25,738,480)*	*($16,038,818)*	*($13,479,298)*	*($8,029,719)*	*($8,896,697)*

Assumptions: FY16-FY18 Tuition & Unified Fee increases 3.9%, 4.0%, 4.0% respectively based on CEFC November 2012 projections for personal income utilizing a 3-year rolling average to serve as a proxy for change in median family income; 0% Appropriation; 1% Non-COLA; 2% COLA; current employee medical @ EHPTF goals

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UNIVERSITY OF MAINE SYSTEM MULTI-YEAR FINANCIAL ANALYSIS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
TOTAL SYSTEM

	BUDGET	PROJECTIONS									
	FY13	**FY14**	**%**	**FY15**	**%**	**FY16**	**%**	**FY17**	**%**	**FY18**	**%**
Credit Hours	699,273	700,259	*0.1%*	704,830	*0.7%*	711,801	*1.0%*	715,144	*0.5%*	717,323	*0.3%*
Operating Revenue											
Tuition Revenue	$228,393,665	$232,370,114	*1.7%*	$234,914,402	*1.1%*	$245,734,411	*4.6%*	$256,792,266	*4.5%*	$267,802,848	*4.3%*
Fee Revenue	37,332,922	37,468,773	*0.4%*	37,744,473	*0.7%*	39,210,311	*3.9%*	40,598,051	*3.5%*	42,003,242	*3.5%*
Dining & Residence Revenue	59,431,272	60,615,067	*2.0%*	63,352,194	*4.5%*	66,301,031	*4.7%*	69,382,177	*4.6%*	72,067,752	*3.9%*
Tuition Waivers/Scholarships	(50,433,611)	(53,178,899)	*5.4%*	(55,252,955)	*3.9%*	(59,520,668)	*7.7%*	(62,987,108)	*5.8%*	(66,637,244)	*5.8%*
Net Student Charges Revenue	274,724,248	277,275,055	*0.9%*	280,758,114	*1.3%*	291,725,085	*3.9%*	303,785,386	*4.1%*	315,236,598	*3.8%*
State Appropriation	180,657,102	178,694,798	*-1.1%*	178,694,798	*0.0%*	176,164,798	*-1.4%*	176,164,798	*0.0%*	176,164,798	*0.0%*
Other Revenues (interest, ICR, etc.)	67,436,104	67,246,271	*-0.3%*	68,090,376	*1.3%*	68,969,830	*1.3%*	69,885,339	*1.3%*	70,837,642	*1.4%*
Total Operating Revenue	$522,817,454	$523,216,124	*0.1%*	$527,543,288	*0.8%*	$536,859,713	*1.8%*	$549,835,523	*2.4%*	$562,239,038	*2.3%*
Operating Expenditures											
Salaries, Wages, & Benefits	$350,355,414	$360,212,349	*2.8%*	$373,036,380	*3.6%*	$386,592,836	*3.6%*	$400,618,192	*3.6%*	$415,355,108	*3.7%*
Fuel & Electricity	22,552,053	23,372,818	*3.6%*	24,060,259	*2.9%*	24,721,445	*2.7%*	25,410,964	*2.8%*	26,136,146	*2.9%*
Goods & Services (incl. debt service)	139,255,634	147,607,262	*6.0%*	151,705,559	*2.8%*	153,665,271	*1.3%*	158,190,338	*2.9%*	162,591,906	*2.8%*
Capital Expenditures	11,356,627	17,453,236	*53.7%*	20,209,449	*15.8%*	26,827,818	*32.7%*	28,593,405	*6.6%*	30,029,952	*5.0%*
Total Operating Expenditures	523,519,728	548,645,665	*4.8%*	569,011,647	*3.7%*	591,807,370	*4.0%*	612,812,899	*3.5%*	634,113,112	*3.5%*
Net Increase (Decrease)	($702,274)	($25,429,541)		($41,468,359)		($54,947,657)		($62,977,376)		($71,874,074)	
Tuition Freeze Mitigation	1,011,213	-		-		-		-		-	
Net Increase (Decrease)	$308,939	($25,429,541)		($41,468,359)		($54,947,657)		($62,977,376)		($71,874,074)	
Incremental Change		*($25,738,480)*		*($16,038,818)*		*($13,479,298)*		*($8,029,719)*		*($8,896,697)*	

UNIVERSITY OF MAINE SYSTEM MULTI-YEAR FINANCIAL ANALYSIS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
UMAINE

	BUDGET	PROJECTIONS									
	FY13	**FY14**	**%**	**FY15**	**%**	**FY16**	**%**	**FY17**	**%**	**FY18**	**%**
Credit Hours	260,000	261,655	*0.6%*	263,245	*0.6%*	264,816	*0.6%*	266,357	*0.6%*	267,948	*0.6%*
Operating Revenue											
Tuition Revenue	$100,465,627	$103,408,961	*2.9%*	$104,721,153	*1.3%*	$109,303,814	*4.4%*	$114,482,975	*4.7%*	$119,842,298	*4.7%*
Fee Revenue	18,674,314	18,718,180	*0.2%*	18,845,328	*0.7%*	19,619,756	*4.1%*	20,444,456	*4.2%*	21,305,104	*4.2%*
Dining & Residence Revenue	33,819,955	34,496,354	*2.0%*	35,358,763	*2.5%*	36,242,732	*2.5%*	37,148,800	*2.5%*	38,077,520	*2.5%*
Tuition Waivers/Scholarships	(32,267,536)	(33,851,872)	*4.9%*	(34,867,429)	*3.0%*	(37,228,440)	*6.8%*	(39,787,060)	*6.9%*	(42,523,362)	*6.9%*
Net Student Charges Revenue	120,692,360	122,771,623	*1.7%*	124,057,815	*1.0%*	127,937,862	*3.1%*	132,289,171	*3.4%*	136,701,560	*3.3%*
State Appropriation	82,310,599	80,777,200	*-1.9%*	80,777,200	*0.0%*	78,861,200	*-2.4%*	78,861,200	*0.0%*	78,861,200	*0.0%*
Other Revenues (interest, ICR, etc.)	43,702,472	44,247,755	*1.2%*	44,965,285	*1.6%*	45,697,165	*1.6%*	46,443,683	*1.6%*	47,205,131	*1.6%*
Total Operating Revenue	$246,705,431	$247,796,578	*0.4%*	$249,800,300	*0.8%*	$252,496,227	*1.1%*	$257,594,054	*2.0%*	$262,767,891	*2.0%*
Operating Expenditures											
Salaries, Wages, & Benefits	$151,399,881	$156,375,469	*3.3%*	$162,727,025	*4.1%*	$169,507,855	*4.2%*	$176,548,801	*4.2%*	$183,951,532	*4.2%*
Fuel & Electricity	12,417,733	12,969,024	*4.4%*	13,358,028	*3.0%*	13,758,702	*3.0%*	14,171,394	*3.0%*	14,596,465	*3.0%*
Goods & Services (incl. debt service)	77,268,168	81,181,747	*5.1%*	83,313,699	*2.6%*	84,020,265	*0.8%*	86,483,296	*2.9%*	88,826,713	*2.7%*
Capital Expenditures	5,787,416	9,261,886	*60.0%*	10,325,977	*11.5%*	14,058,786	*36.1%*	14,949,948	*6.3%*	15,885,553	*6.3%*
Total Operating Expenditures	$246,873,198	$259,788,126	*5.2%*	$269,724,729	*3.8%*	$281,345,608	*4.3%*	$292,153,439	*3.8%*	$303,260,263	*3.8%*
Net Increase (Decrease)	($167,767)	($11,991,548)		($19,924,429)		($28,849,381)		($34,559,385)		($40,492,372)	
Tuition Freeze Mitigation	167,767	-		-		-		-		-	
Net Increase (Decrease)	$0	($11,991,548)		($19,924,429)		($28,849,381)		($34,559,385)		($40,492,372)	
Incremental Change		*($11,991,548)*		*($7,932,881)*		*($8,924,952)*		*($5,710,004)*		*($5,932,987)*	

UNIVERSITY OF MAINE SYSTEM MULTI-YEAR FINANCIAL ANALYSIS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
UMA

	BUDGET	PROJECTIONS									
	FY13	**FY14**	**%**	**FY15**	**%**	**FY16**	**%**	**FY17**	**%**	**FY18**	**%**
Credit Hours	94,432	93,728	*-0.7%*	93,081	*-0.7%*	94,327	*1.3%*	95,622	*1.4%*	95,622	*0.0%*
Operating Revenue											
Tuition Revenue	$20,830,657	$20,433,530	*-1.9%*	$20,311,491	*-0.6%*	$21,261,724	*4.7%*	$22,422,743	*5.5%*	$23,290,371	*3.9%*
Fee Revenue	3,424,229	3,501,091	*2.2%*	3,470,913	*-0.9%*	3,590,446	*3.4%*	3,717,945	*3.6%*	3,819,137	*2.7%*
Dining & Residence Revenue	0	0	-	0	-	0	-	0	-	0	-
Tuition Waivers/Scholarships	(2,488,404)	(2,463,520)	*-1.0%*	(2,438,885)	*-1.0%*	(2,558,390)	*4.9%*	(2,686,310)	*5.0%*	(2,793,762)	*4.0%*
Net Student Charges Revenue	21,766,482	21,471,101	*-1.4%*	21,343,519	*-0.6%*	22,293,780	*4.5%*	23,454,378	*5.2%*	24,315,746	*3.7%*
State Appropriation	14,108,565	13,839,431	*-1.9%*	13,839,431	*0.0%*	13,839,431	*0.0%*	13,839,431	*0.0%*	13,839,431	*0.0%*
Other Revenues (interest, ICR, etc.)	2,244,340	2,108,840	*-6.0%*	2,048,840	*-2.8%*	1,998,840	*-2.4%*	1,958,840	*-2.0%*	1,928,840	*-1.5%*
Total Operating Revenue	$38,119,387	$37,419,372	*-1.8%*	$37,231,790	*-0.5%*	$38,132,051	*2.4%*	$39,252,649	*2.9%*	$40,084,017	*2.1%*
Operating Expenditures											
Salaries, Wages, & Benefits	$28,711,794	$29,929,749	*4.2%*	$30,953,076	*3.4%*	$31,981,363	*3.3%*	$33,101,806	*3.5%*	$34,346,169	*3.8%*
Fuel & Electricity	1,076,716	1,127,500	*4.7%*	1,158,491	*2.7%*	1,163,241	*0.4%*	1,174,350	*1.0%*	1,197,837	*2.0%*
Goods & Services (incl. debt service)	7,809,831	7,935,060	*1.6%*	8,083,933	*1.9%*	8,293,835	*2.6%*	8,578,784	*3.4%*	8,893,699	*3.7%*
Capital Expenditures	636,893	864,712	*35.8%*	1,055,558	*22.1%*	1,302,886	*23.4%*	1,406,098	*7.9%*	1,522,458	*8.3%*
Total Operating Expenditures	$38,235,234	$39,857,021	*4.2%*	$41,251,058	*3.5%*	$42,741,325	*3.6%*	$44,261,038	*3.6%*	$45,960,163	*3.8%*
Net Increase (Decrease)	($115,847)	($2,437,649)		($4,019,268)		($4,609,274)		($5,008,389)		($5,876,146)	
Tuition Freeze Mitigation	299,842	-		-		-		-		-	
Net Increase (Decrease)	$183,995	($2,437,649)		($4,019,268)		($4,609,274)		($5,008,389)		($5,876,146)	
Incremental Change		*($2,621,644)*		*($1,581,619)*		*($590,006)*		*($399,115)*		*($867,757)*	

UNIVERSITY OF MAINE SYSTEM MULTI-YEAR FINANCIAL ANALYSIS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
UMF

	BUDGET	PROJECTIONS									
	FY13	**FY14**	**%**	**FY15**	**%**	**FY16**	**%**	**FY17**	**%**	**FY18**	**%**
Credit Hours	63,556	60,337	*-5.1%*	60,039	*-0.5%*	59,881	*-0.3%*	59,904	*0.0%*	60,029	*0.2%*
Operating Revenue											
Tuition Revenue	$19,486,748	$18,466,069	*-5.2%*	$18,370,012	*-0.5%*	$19,044,499	*3.7%*	$19,832,907	*4.1%*	$20,652,499	*4.1%*
Fee Revenue	1,864,449	1,762,997	*-5.4%*	1,781,570	*1.1%*	1,874,536	*5.2%*	1,981,134	*5.7%*	2,082,319	*5.1%*
Dining & Residence Revenue	9,010,917	9,192,378	*2.0%*	9,504,237	*3.4%*	9,824,702	*3.4%*	10,157,404	*3.4%*	10,502,756	*3.4%*
Tuition Waivers/Scholarships	(2,760,321)	(2,760,321)	*0.0%*	(2,760,321)	*0.0%*	(2,867,974)	*3.9%*	(2,982,693)	*4.0%*	(3,102,001)	*4.0%*
Net Student Charges Revenue	27,601,793	26,661,123	*-3.4%*	26,895,498	*0.9%*	27,875,763	*3.6%*	28,988,752	*4.0%*	30,135,573	*4.0%*
State Appropriation	10,306,863	10,110,163	*-1.9%*	10,110,163	*0.0%*	10,110,163	*0.0%*	10,110,163	*0.0%*	10,110,163	*0.0%*
Other Revenues (interest, ICR, etc.)	2,003,296	2,093,159	*4.5%*	2,093,159	*0.0%*	2,093,159	*0.0%*	2,093,159	*0.0%*	2,093,159	*0.0%*
Total Operating Revenue	$39,911,952	$38,864,445	*-2.6%*	$39,098,820	*0.6%*	$40,079,085	*2.5%*	$41,192,074	*2.8%*	$42,338,895	*2.8%*
Operating Expenditures											
Salaries, Wages, & Benefits	$26,443,046	$26,685,666	*0.9%*	$27,463,385	*2.9%*	$28,279,862	*3.0%*	$29,104,385	*2.9%*	$29,953,647	*2.9%*
Fuel & Electricity	2,585,107	2,695,608	*4.3%*	2,855,554	*5.9%*	2,998,331	*5.0%*	3,148,247	*5.0%*	3,305,660	*5.0%*
Goods & Services (incl. debt service)	9,171,572	8,793,660	*-4.1%*	9,126,434	*3.8%*	9,289,277	*1.8%*	9,530,914	*2.6%*	9,808,806	*2.9%*
Capital Expenditures	1,771,625	1,158,983	*-34.6%*	1,240,660	*7.0%*	1,523,101	*22.8%*	1,607,512	*5.5%*	1,677,570	*4.4%*
Total Operating Expenditures	$39,971,350	$39,333,917	*-1.6%*	$40,686,033	*3.4%*	$42,090,571	*3.5%*	$43,391,058	*3.1%*	$44,745,683	*3.1%*
Net Increase (Decrease)	($59,398)	($469,472)		($1,587,213)		($2,011,486)		($2,198,984)		($2,406,788)	
Tuition Freeze Mitigation	100,630	-		-		-		-		-	
Net Increase (Decrease)	$41,232	($469,472)		($1,587,213)		($2,011,486)		($2,198,984)		($2,406,788)	
Incremental Change		*($510,704)*		*($1,117,741)*		*($424,273)*		*($187,498)*		*($207,804)*	

UNIVERSITY OF MAINE SYSTEM MULTI-YEAR FINANCIAL ANALYSIS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
UMFK

	BUDGET	PROJECTIONS									
	FY13	**FY14**	**%**	**FY15**	**%**	**FY16**	**%**	**FY17**	**%**	**FY18**	**%**
Credit Hours	24,263	24,644	*1.6%*	25,091	*1.8%*	25,442	*1.4%*	25,464	*0.1%*	25,464	*0.0%*
Operating Revenue											
Tuition Revenue	$6,168,971	$6,157,240	*-0.2%*	$6,308,690	*2.5%*	$6,699,636	*6.2%*	$6,977,688	*4.2%*	$7,266,454	*4.1%*
Fee Revenue	689,422	689,422	*0.0%*	689,422	*0.0%*	712,883	*3.4%*	737,884	*3.5%*	763,885	*3.5%*
Dining & Residence Revenue	1,415,430	1,443,739	*2.0%*	1,472,614	*2.0%*	1,502,066	*2.0%*	1,532,107	*2.0%*	1,562,749	*2.0%*
Tuition Waivers/Scholarships	(1,004,940)	(1,005,895)	*0.1%*	(1,032,660)	*2.7%*	(1,099,481)	*6.5%*	(1,143,559)	*4.0%*	(1,187,301)	*3.8%*
Net Student Charges Revenue	7,268,883	7,284,506	*0.2%*	7,438,066	*2.1%*	7,815,104	*5.1%*	8,104,120	*3.7%*	8,405,787	*3.7%*
State Appropriation	4,319,955	4,238,218	*-1.9%*	4,238,218	*0.0%*	4,208,218	*-0.7%*	4,208,218	*0.0%*	4,208,218	*0.0%*
Other Revenues (interest, ICR, etc.)	316,026	316,026	*0.0%*	316,026	*0.0%*	316,026	*0.0%*	316,026	*0.0%*	316,026	*0.0%*
Total Operating Revenue	$11,904,864	$11,838,750	*-0.6%*	$11,992,310	*1.3%*	$12,339,348	*2.9%*	$12,628,364	*2.3%*	$12,930,031	*2.4%*
Operating Expenditures											
Salaries, Wages, & Benefits	$8,749,036	$8,958,604	*2.4%*	$9,222,362	*2.9%*	$9,498,201	*3.0%*	$9,777,421	*2.9%*	$10,065,017	*2.9%*
Fuel & Electricity	692,150	705,993	*2.0%*	720,113	*2.0%*	734,515	*2.0%*	749,205	*2.0%*	764,189	*2.0%*
Goods & Services (incl. debt service)	2,518,961	2,917,590	*15.8%*	3,002,450	*2.9%*	3,094,547	*3.1%*	3,183,978	*2.9%*	3,242,003	*1.8%*
Capital Expenditures	0	203,773	-	245,422	*20.4%*	286,674	*16.8%*	296,101	*3.3%*	347,230	*17.3%*
Total Operating Expenditures	$11,960,147	$12,785,960	*6.9%*	$13,190,347	*3.2%*	$13,613,937	*3.2%*	$14,006,705	*2.9%*	$14,418,439	*2.9%*
Net Increase (Decrease)	($55,283)	($947,210)		($1,198,037)		($1,274,589)		($1,378,341)		($1,488,408)	
Tuition Freeze Mitigation	56,112	-		-		-		-		-	
Net Increase (Decrease)	$829	($947,210)		($1,198,037)		($1,274,589)		($1,378,341)		($1,488,408)	
Incremental Change		*($948,039)*		*($250,827)*		*($76,552)*		*($103,752)*		*($110,067)*	

UNIVERSITY OF MAINE SYSTEM MULTI-YEAR FINANCIAL ANALYSIS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
UMM

	BUDGET	PROJECTIONS									
	FY13	FY14	%	FY15	%	FY16	%	FY17	%	FY18	%
Credit Hours	18,579	20,076	*8.1%*	20,978	*4.5%*	21,819	*4.0%*	21,819	*0.0%*	21,819	*0.0%*
Operating Revenue											
Tuition Revenue	$5,451,910	$5,834,044	*7.0%*	$6,095,832	*4.5%*	$6,575,700	*7.9%*	$6,836,657	*4.0%*	$7,117,290	*4.1%*
Fee Revenue	457,550	492,767	*7.7%*	512,478	*4.0%*	542,410	*5.8%*	554,177	*2.2%*	566,415	*2.2%*
Dining & Residence Revenue	2,063,000	2,166,150	*5.0%*	2,263,627	*4.5%*	2,354,172	*4.0%*	2,354,172	*0.0%*	2,354,172	*0.0%*
Tuition Waivers/Scholarships	(1,893,060)	(2,082,366)	*10.0%*	(2,176,072)	*4.5%*	(2,347,982)	*7.9%*	(2,441,901)	*4.0%*	(2,539,577)	*4.0%*
Net Student Charges Revenue	6,079,400	6,410,595	*5.4%*	6,695,865	*4.4%*	7,124,300	*6.4%*	7,303,105	*2.5%*	7,498,300	*2.7%*
State Appropriation	4,285,604	4,203,867	*-1.9%*	4,203,867	*0.0%*	4,203,867	*0.0%*	4,203,867	*0.0%*	4,203,867	*0.0%*
Other Revenues (interest, ICR, etc.)	509,400	510,150	*0.1%*	510,938	*0.2%*	511,765	*0.2%*	512,633	*0.2%*	513,545	*0.2%*
Total Operating Revenue	$10,874,404	$11,124,612	*2.3%*	$11,410,670	*2.6%*	$11,839,932	*3.8%*	$12,019,605	*1.5%*	$12,215,712	*1.6%*
Operating Expenditures											
Salaries, Wages, & Benefits	$7,017,763	$7,183,649	*2.4%*	$7,392,572	*2.9%*	$7,611,116	*3.0%*	$7,832,306	*2.9%*	$8,060,132	*2.9%*
Fuel & Electricity	787,426	826,797	*5.0%*	868,137	*5.0%*	911,544	*5.0%*	957,121	*5.0%*	1,004,977	*5.0%*
Goods & Services (incl. debt service)	3,038,197	3,351,449	*10.3%*	3,428,556	*2.3%*	3,515,177	*2.5%*	3,594,273	*2.3%*	3,647,972	*1.5%*
Capital Expenditures	56,647	145,490	*156.8%*	151,322	*4.0%*	210,299	*39.0%*	196,626	*-6.5%*	208,922	*6.3%*
Total Operating Expenditures	$10,900,033	$11,507,385	*5.6%*	$11,840,587	*2.9%*	$12,248,136	*3.4%*	$12,580,326	*2.7%*	$12,922,003	*2.7%*
Net Increase (Decrease)	($25,629)	($382,773)		($429,917)		($408,204)		($560,721)		($706,291)	
Tuition Freeze Mitigation	25,629	-		-		-		-		-	
Net Increase (Decrease)	$0	($382,773)		($429,917)		($408,204)		($560,721)		($706,291)	
Incremental Change		*($382,773)*		*($47,144)*		*$21,713*		*($152,517)*		*($145,570)*	

UNIVERSITY OF MAINE SYSTEM MULTI-YEAR FINANCIAL ANALYSIS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
UMPI

	BUDGET	PROJECTIONS									
	FY13	**FY14**	**%**	**FY15**	**%**	**FY16**	**%**	**FY17**	**%**	**FY18**	**%**
Credit Hours	30,163	30,163	*0.0%*	30,163	*0.0%*	30,163	*0.0%*	30,163	*0.0%*	30,163	*0.0%*
Operating Revenue											
Tuition Revenue	$7,400,838	$7,477,450	*1.0%*	$7,475,080	*0.0%*	$7,762,552	*3.8%*	$8,066,714	*3.9%*	$8,393,419	*4.1%*
Fee Revenue	600,393	600,393	*0.0%*	600,393	*0.0%*	617,649	*2.9%*	636,037	*3.0%*	655,161	*3.0%*
Dining & Residence Revenue	2,088,950	2,162,063	*3.5%*	2,237,735	*3.5%*	2,322,769	*3.8%*	2,406,389	*3.6%*	2,493,019	*3.6%*
Tuition Waivers/Scholarships	(1,250,407)	(1,252,331)	*0.2%*	(1,254,322)	*0.2%*	(1,303,005)	*3.9%*	(1,354,881)	*4.0%*	(1,408,823)	*4.0%*
Net Student Charges Revenue	8,839,774	8,987,575	*1.7%*	9,058,886	*0.8%*	9,399,965	*3.8%*	9,754,259	*3.8%*	10,132,776	*3.9%*
State Appropriation	6,353,531	6,232,255	*-1.9%*	6,232,255	*0.0%*	6,232,255	*0.0%*	6,232,255	*0.0%*	6,232,255	*0.0%*
Other Revenues (interest, ICR, etc.)	785,844	733,869	*-6.6%*	710,480	*-3.2%*	688,261	*-3.1%*	667,153	*-3.1%*	647,100	*-3.0%*
Total Operating Revenue	$15,979,149	$15,953,699	*-0.2%*	$16,001,621	*0.3%*	$16,320,481	*2.0%*	$16,653,667	*2.0%*	$17,012,131	*2.2%*
Operating Expenditures											
Salaries, Wages, & Benefits	$11,237,244	$11,507,103	*2.4%*	$11,847,904	*3.0%*	$12,204,907	*3.0%*	$12,565,914	*3.0%*	$12,937,752	*3.0%*
Fuel & Electricity	1,209,277	1,218,347	*0.8%*	1,227,599	*0.8%*	1,237,507	*0.8%*	1,247,142	*0.8%*	1,256,969	*0.8%*
Goods & Services (incl. debt service)	3,413,637	3,454,820	*1.2%*	3,486,443	*0.9%*	3,527,249	*1.2%*	3,563,358	*1.0%*	3,602,909	*1.1%*
Capital Expenditures	163,562	588,681	*259.9%*	681,859	*15.8%*	782,201	*14.7%*	814,682	*4.2%*	848,447	*4.1%*
Total Operating Expenditures	$16,023,720	$16,768,951	*4.7%*	$17,243,805	*2.8%*	$17,751,864	*2.9%*	$18,191,096	*2.5%*	$18,646,077	*2.5%*
Net Increase (Decrease)	($44,571)	($815,252)		($1,242,184)		($1,431,383)		($1,537,429)		($1,633,946)	
Tuition Freeze Mitigation	44,571	-		-		-		-		-	
Net Increase (Decrease)	$0	($815,252)		($1,242,184)		($1,431,383)		($1,537,429)		($1,633,946)	
Incremental Change		*($815,252)*		*($426,933)*		*($189,199)*		*($106,046)*		*($96,517)*	

UNIVERSITY OF MAINE SYSTEM MULTI-YEAR FINANCIAL ANALYSIS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
USM

	BUDGET	PROJECTIONS									
	FY13	**FY14**	**%**	**FY15**	**%**	**FY16**	**%**	**FY17**	**%**	**FY18**	**%**
Credit Hours	208,280	209,656	*0.7%*	212,233	*1.2%*	215,353	*1.5%*	215,815	*0.2%*	216,278	*0.2%*
Operating Revenue											
Tuition Revenue	$68,588,914	$70,592,820	*2.9%*	$71,632,144	*1.5%*	$75,086,486	*4.8%*	$78,172,582	*4.1%*	$81,240,517	*3.9%*
Fee Revenue	11,622,565	11,703,923	*0.7%*	11,844,369	*1.2%*	12,252,631	*3.4%*	12,526,418	*2.2%*	12,811,221	*2.3%*
Dining & Residence Revenue	11,033,020	11,154,383	*1.1%*	12,515,218	*12.2%*	14,054,590	*12.3%*	15,783,305	*12.3%*	17,077,536	*8.2%*
Tuition Waivers/Scholarships	(8,728,554)	(9,722,205)	*11.4%*	(10,682,877)	*9.9%*	(12,073,432)	*13.0%*	(12,547,061)	*3.9%*	(13,037,029)	*3.9%*
Net Student Charges Revenue	82,515,945	83,728,921	*1.5%*	85,308,854	*1.9%*	89,320,275	*4.7%*	93,935,244	*5.2%*	98,092,245	*4.4%*
State Appropriation	41,351,316	40,571,825	*-1.9%*	40,571,825	*0.0%*	40,092,825	*-1.2%*	40,092,825	*0.0%*	40,092,825	*0.0%*
Other Revenues (interest, ICR, etc.)	14,233,843	13,573,843	*-4.6%*	13,760,843	*1.4%*	13,957,193	*1.4%*	14,163,361	*1.5%*	14,379,837	*1.5%*
Total Operating Revenue	$138,101,104	$137,874,589	*-0.2%*	$139,641,522	*1.3%*	$143,370,293	*2.7%*	$148,191,430	*3.4%*	$152,564,907	*3.0%*
Operating Expenditures											
Salaries, Wages, & Benefits	$102,331,186	$104,761,466	*2.4%*	$108,175,885	*3.3%*	$111,788,288	*3.3%*	$115,495,535	*3.3%*	$119,363,931	*3.3%*
Fuel & Electricity	3,721,491	3,764,288	*1.1%*	3,803,813	*1.0%*	3,845,655	*1.1%*	3,887,957	*1.1%*	3,930,724	*1.1%*
Goods & Services (incl. debt service)	30,515,557	31,020,060	*1.7%*	32,298,519	*4.1%*	32,949,303	*2.0%*	34,266,211	*4.0%*	35,572,740	*3.8%*
Capital Expenditures	1,766,649	2,987,031	*69.1%*	3,771,571	*26.3%*	5,395,671	*43.1%*	5,898,938	*9.3%*	5,947,272	*0.8%*
Total Operating Expenditures	$138,334,883	$142,532,845	*3.0%*	$148,049,788	*3.9%*	$153,978,917	*4.0%*	$159,548,641	*3.6%*	$164,814,667	*3.3%*
Net Increase (Decrease)	($233,779)	($4,658,256)		($8,408,266)		($10,608,624)		($11,357,211)		($12,249,760)	
Tuition Freeze Mitigation	316,662	-		-		-		-		-	
Net Increase (Decrease)	$82,883	($4,658,256)		($8,408,266)		($10,608,624)		($11,357,211)		($12,249,760)	
Incremental Change		*($4,741,139)*		*($3,750,010)*		*($2,200,358)*		*($748,587)*		*($892,548)*	

UNIVERSITY OF MAINE SYSTEM MULTI-YEAR FINANCIAL ANALYSIS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
SYSTEMWIDE SERVICES

	BUDGET	PROJECTIONS									
	FY13	**FY14**	**%**	**FY15**	**%**	**FY16**	**%**	**FY17**	**%**	**FY18**	**%**
Credit Hours	0	0	-	0	-	0	-	0	-	0	-
Operating Revenue											
Tuition Revenue	$0	$0	-	$0	-	$0	-	$0	-	$0	-
Fee Revenue	0	0	-	0	-	0	-	0	-	0	-
Dining & Residence Revenue	0	0	-	0	-	0	-	0	-	0	-
Tuition Waivers/Scholarships	(40,389)	(40,389)	*0.0%*	(40,389)	*0.0%*	(41,964)	*3.9%*	(43,643)	*4.0%*	(45,389)	*4.0%*
Net Student Charges Revenue	(40,389)	(40,389)	*0.0%*	(40,389)	*0.0%*	(41,964)	*3.9%*	(43,643)	*4.0%*	(45,389)	*4.0%*
State Appropriation	15,658,365	13,436,895	*-14.2%*	13,436,895	*0.0%*	13,331,895	*-0.8%*	13,331,895	*0.0%*	13,331,895	*0.0%*
Other Revenues (interest, ICR, etc.)	3,640,883	3,662,629	*0.6%*	3,684,805	*0.6%*	3,707,421	*0.6%*	3,730,484	*0.6%*	3,754,004	*0.6%*
Total Operating Revenue	$19,258,859	$17,059,135	*-11.4%*	$17,081,311	*0.1%*	$16,997,352	*-0.5%*	$17,018,736	*0.1%*	$17,040,510	*0.1%*
Operating Expenditures											
Salaries, Wages, & Benefits	$14,465,464	$14,810,643	*2.4%*	$15,254,171	*3.0%*	$15,721,244	*3.1%*	$16,192,024	*3.0%*	$16,676,928	*3.0%*
Fuel & Electricity	62,153	65,261	*5.0%*	68,524	*5.0%*	71,950	*5.0%*	75,548	*5.0%*	79,325	*5.0%*
Goods & Services (incl. debt service)	3,557,407	3,667,932	*3.1%*	3,680,581	*0.3%*	3,690,674	*0.3%*	3,704,580	*0.4%*	3,712,120	*0.2%*
Capital Expenditures	1,173,835	2,242,680	*91.1%*	2,737,080	*22.0%*	3,268,200	*19.4%*	3,423,500	*4.8%*	3,592,500	*4.9%*
Total Operating Expenditures	$19,258,859	$20,786,516	*7.9%*	$21,740,356	*4.6%*	$22,752,068	*4.7%*	$23,395,652	*2.8%*	$24,060,873	*2.8%*
Net Increase (Decrease)	$0	($3,727,381)		($4,659,045)		($5,754,716)		($6,376,916)		($7,020,363)	
Tuition Freeze Mitigation	0	-		-		-		-		-	
Net Increase (Decrease)	$0	($3,727,381)		($4,659,045)		($5,754,716)		($6,376,916)		($7,020,363)	
Incremental Change		*($3,727,381)*		*($931,664)*		*($1,095,671)*		*($622,200)*		*($643,447)*	