

5-5-1978

## Board of Trustees Finance Committee May 5, 1978

University Of Maine System

Follow this and additional works at: <https://digitalcommons.library.umaine.edu/bot-corp-records>



Part of the [Educational Administration and Supervision Commons](#)

---

### Repository Citation

University Of Maine System. (date).Board of Trustees [Meeting minutes]. Raymond H. Fogler Library Special Collections Department, University of Maine, Orono, Maine.

This Minutes is brought to you for free and open access by DigitalCommons@UMaine. It has been accepted for inclusion in Corporate Records by an authorized administrator of DigitalCommons@UMaine. For more information, please contact [um.library.technical.services@maine.edu](mailto:um.library.technical.services@maine.edu).

UNIVERSITY OF MAINE  
BOARD OF TRUSTEES

APPROVED BY THE BOARD OF TRUSTEES

002

May 5, 1978  
Bangor, Maine

DATE: 7/19/78

FINANCE COMMITTEE

CLERK: \_\_\_\_\_

PRESENT: Robert Masterton, Chairman; Francis Brown, Bernard Carpenter, Artemus Weatherbee, James Horan. Other Trustees: Stanley Evans, Joseph Hakanson, and Susan Kominsky. Staff: Patrick McCarthy, William Sullivan, Robert Binswanger, Russell Smith, Mary Ann Haas, Richard Spath, Stanley Salwak, Kenneth Allen, Donald Beattie, Einar Olsen, Howard Neville, and Arthur Buswell.

Chairman Masterton convened the meeting which had been called to provide an opportunity for campus Presidents to discuss their budget plans for the upcoming year, and he invited Chancellor McCarthy to initiate discussion. The Chancellor explained that the campus budget preparation functions at two levels: 1) the technical level where the president working with staff determines that the rules and regulations have been followed and that the budget is free of error; and 2) the communication level which provides a review of the campus mission and its program implications. He listed the four parts of the regular budget building process: 1) Base - use of last year's dollar level in calculating for this year; 2) allowance for inflation, and using the formula approach; 3) Compensation adjustments; and 4) Part II - new programs. Chancellor McCarthy indicated that the campuses would present a mini-version of their regular budget process, incorporating all the items listed above. They would be showing new needs, priorities, programs, identifying special sources of money, and looking at desirable objectives for the future if the funds were available.

Vice Chancellor Sullivan informed the Committee that 80% of the University's budget goes for salaries, wages and benefits. The faculty salary study is underway, but meanwhile it is proposed that a major part of the increased funding available for this year be used for increases in salaries and wages. He explained that any increase would also raise the cost of fringe benefits. The cost of a 6% increase would be approximately \$2.5 million. Increased social security rates would absorb \$100,000, changes in the classified retirement plan would cost \$150,000 and the budget includes \$15,000 to give present retirees under the classified plan a one-time increase to help meet the rising cost of living. Mr. Sullivan added that there are 150 retirees who would benefit from this plan. In addition to compensation adjustments, there will be a 6% increase in campus budgets to cover inflation. The total cost of all increases would be \$3.35 million which would be covered by increased revenue of \$3.5 million, of which half is derived from an increase in the state appropriation and half from increased tuition. The remaining \$150,000 would be available for funding new campus programs. A formal budget incorporating these recommendations will be submitted for Board approval at the May meeting.

Following the introductory remarks from the staff, the Presidents were invited to discuss their campus budgets individually.

University of Maine at Fort Kent. President Spath noted that his campus budget had few major increases.

Plans for FY 1978/79:

Salary increase - reflects increased responsibilities assumed by Academic Dean since President has been serving as Academic Planner at Portland-Gorham.

Enrollment - trend toward increased night-student enrollment.

Library - Library budget reflects new microfilm department and acquisition of additional books and periodicals.

Inter-campus cooperation - Fort Kent and Presque Isle will share both a Project Research Consultant and an Agricultural Economist.

Maintenance - President assured the Committee that the amount budgeted was adequate for the coming year.

Ricker Closing - UMFK anticipates little impact.

Priorities for new money - basic skills center.

University of Maine at Presque Isle. President Salwak reviewed UMPI objectives accomplished in 1977/78 and took note of the search which is underway for an Agricultural Economist who will be employed on a joint appointment basis by UMPI and UMFK.

Plans for FY 78/79 fall into four categories:

- a. improvements in present operations
- b. outreach - increase accessibility of programs and services
- c. faculty improvements, research and development
- d. public service

Discussion highlights:

Ricker Closing - little impact on UMPI.

Maintenance - several areas in need of repair; means to cover this cost have been found.

Continuing Education - UMPI has an 8 a.m. to 10 p.m. schedule.

Out-of-State Enrollments - with increased tuition, revenues have increased \$85,000.

Budget Cuts in Event of a Forced Reduction - program expansion and community workshops.

University of Maine at Portland-Gorham. Acting President Allen told the Committee that the campus academic planning process which is underway is to be completed by July.

Discussion highlights:

Maintenance - reserve fund is being built up.

Enrollment - day student enrollment is down; part-time remains the same. Law School enrollment remains the same.

Budget Cuts in Event of a Forced Reduction or Priorities for New Money - Should there be reductions in the budget, Dr. Allen said custodial care could be reduced. If more money were added, then he would add to the nursing program and increase involvement in allied health programs.

University of Maine at Augusta. Plans for 1978/79:

- a. consolidation of library and media center
- b. employ grants writer to attract funding
- c. seek grants for remedial problems
- d. improvement of outreach programs

President Beattie characterized the campus weaknesses as 1) loss of federal funding for nursing program; 2) increased part-time enrollment due to tuition costs; 3) maintenance; and 4) need for outreach counselors.

More money is being used for part-time instructors in the divisions and new programs. There is a 33% budget increase for the Fine Arts program.

Budget Cuts in Event of a Forced Reduction - In the event of a forced reduction, President Beattie felt that the campus could cut back programs with small enrollments and perhaps eliminate a secretarial position or two.

University of Maine at Farmington. President Olsen noted that tuition revenue is down this year even if overall enrollment remains the same, since there has been a definite drop in out-of-state students. Consequently Farmington will have no unusual changes in budget allocations.

Discussion highlights:

Budget - priorities for new money - If there was money for expansion, President Olsen listed the following areas: HERC/Health Education, teacher education, part-time learner program, graduate education, and increased student activity in the field.

President Olsen added that the campus is working closely with the "Greenbook" recommendations.

University of Maine at Orono. President Neville reviewed the budget development process at UMO and listed the changes to the budget this year:

- a. library acquisitions have been cut back due to inflation
- b. cooperative education programs have been funded
- c. equipment budgets need more money
- d. \$100,000 increase in the maintenance budget for needed projects
- e. \$99,000 increase in fuel this year

Enrollment - There are 5,000 applications for the freshman class this year. The percentage who apply have dropped 5%, but the percentage admitted has gone up 8%. The campus notifies admitted students that it will provide housing, but not necessarily on campus. Out-of-state enrollment is holding steady. The graduate program has stabilized in the areas of education and engineering. There is no drop in Bangor Community College enrollment.

Tuition - FY 1977-78 produced higher revenues than expected. Projections indicate approximately the same number of students for FY 78-79. There is an increase in the waiver account due to the increased number of Indian students. There is a general increase in tuition revenue accounts.

Accreditation - The accreditation list is good. The college of Business Administration is up next. Trustees inquired about the importance of accreditation. President Neville explained that the type of job open to the graduate would be less desirable and the quality of faculty would suffer.

Programs - President Neville highlighted those areas to receive emphasis this year: library, business administration, engineering, and marine resources.

Other - Forest resources is a program which needs to be reviewed for future direction over the next five years. There is a push on to reach the monetary goal set for completion of the Performing Arts Center. During Maine Scholars Day, the campus hopes to interest the top 5% of graduating high school classes. The Founders Endowment Fund is reported to be going well.

Maintenance - President Neville stated that maintenance had to be done on a regular basis and the reserve for this is small. There is, however, a larger utility reserve fund.

In closing, President Neville felt that his budget request was modest this year.

University of Maine at Machias.

Discussion Highlights:

Reallocation - President Buswell announced that the Division of Education budget will be reduced due to a decision not to fill a position vacated by retirement. These monies would go to the improvement of Math/Science services.

Enrollment - Student enrollment has dropped slightly reflecting a reduction in out-of-state students. Due to increased costs, there has been a shift from full-time to part-time students.

Library - There is a need for a larger library, the original library having been built for a smaller student body. The campus would like a third librarian in order to make the library accessible to students for longer hours.

Maintenance - Increase in maintenance budget for needed projects.

CO/SWS. Mr. Sullivan briefed the Committee on the development of the internal audit staff. In addition, he will recruit in the Fall a person to handle student financial affairs such as loans, student bankruptcies, collections, etc. Computer services are being expanded to aid in accounting procedures and other areas.

Adjournment.

Sandra F. Johnson  
for  
JoAnne R. Magill  
Clerk of the Board