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Board of Trustees Update

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BOARD OF TRUSTEES UPDATE

- 1) Academic and Student affairs (11 March 2016)
- 2) Finance and Technology (11 March 2016)
- 3) Investment Committee (14 March 2016)
- 4) Chancellor Page Update (14 March 2016)
- 5) Core Financial Ratios (13 March 2016)

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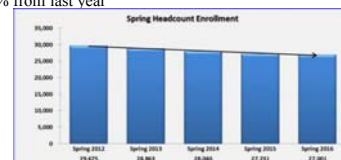


ACADEMIC & STUDENT AFFAIRS COMMITTEE

- Significant discussion about the Academic Transformation Plan.
 - This item was slated to be first in the BOT meeting, and it was taken off the agenda.
- Undergraduate Enrollment is up 3.5% →2012 & the same as last year
 - MBS is up 45% from 2012 and up 13% from last year
 - ENG is up 31% from 2012 and up 5% from last year

■ Across the system this is not the trend.

- UMaine teaches: 126,374 STE
 - Up 6% since 2012
- All other system: 164,510 STE
 - Down 15% since 2012



<http://staticweb.maine.edu/wp-content/uploads/2014/02/Full-Meeting-Materials62.pdf?846a82>

FINANCE AND TECHNOLOGY MEETING

- Initial budget deficit is \$20M
- \$3M Unallocated administrative savings (just sitting there)
- 2.3% increase in tuition and fees
- The Governor proposed an increase in our base budget of \$2.3M This money will come to us like tuition.
- Passed at the BOT meeting.

MARCH 2016

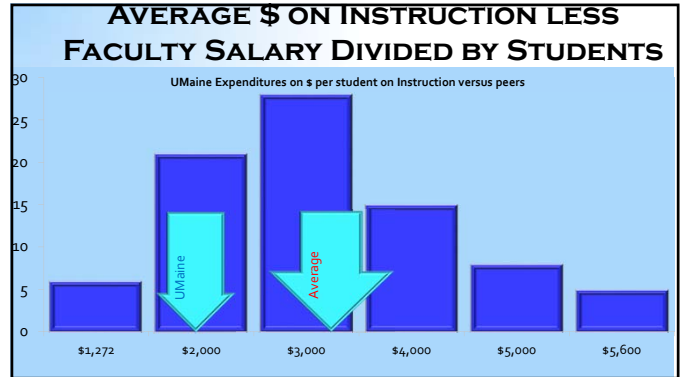
FINANCE AND TECHNOLOGY MEETING

- Strategic Integration Reserve: \$1,550,000 for IT
 - IT staffing analysis: \$50,000 (evaluate IT compensation)
 - Expand IT Direct Support for teaching
 - \$200,000 in FY 2016 and \$900,000 in FY 2017
 - Mainstreet Update: \$497,000
- A second Strategic Allocation for \$3,000,000
For UMFK, UMPI and UMM

MARCH 2016

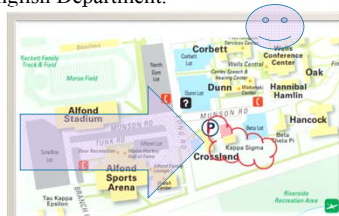
FINANCE AND TECHNOLOGY MEETING

- \$50M Bond has been approved
 - \$25M will go to pay back previous bonds
 - \$23M for the technology plan
 - IT Labor Study *(some of this is covered with different money)*
 - Wireless Technology Initiative
 - Classrooms for the Future
 - Mainstreet Modifications *(some of this is covered with diff money)*
- \$2M will be used to take down a building at UMM
 - <http://staticweb.maine.edu/wp-content/uploads/2014/02/US-IT-Work-Plan-Presentation-Jan-22-2016-printable.pdf?84682>



FINANCE AND TECHNOLOGY MEETING

- Establishment of the Steven King Chair at UMaine (\$1M- from Alford foundation). This will be a national search.
- Bringing in a talented and dedicated scholar will help keep and revenue the creativity in the English Department.
- University of Maine will demolish the Kappa Sigma house (near the beta lot) and and build parking.



INVESTMENT COMMITTEE

- We are down \$20M in 19 months. This is a combination of losses in the market and the fees we paid to loose these funds; discussion of divestment.
- I suggested that as a part of divesting we should raise parking fees. Because as I understand this- it is managed at the campus level- thus we could keep the money.
- But then I learned that our contract says Parking can not exceed \$35
- Last year we paid \$2M to loose \$1M.
- Thoughts?

MARCH 2016

CHANCELLOR PAGE'S UPDATE

- UMS undergone major cuts; 900 less FTE's than 6 years ago.
- UMS must look for efficiencies to enhance cost effectiveness.
- Portland Professional Project allocated an additional \$500,000.
- *Unified Online*: has been put on hold, so this is delated until May. Thus it is critical that we get that in our work in Faculty Senate.
- *Academic Transformation*: Chaffee Report has been put on hold..
- Beginning the search for the Vice Chancellor of Academic Affairs.

MARCH 2016

CHANCELLORS REPORT

- Chancellor received so many questions about One University that he has appointed a special committee to operationalize (Trustee Irwin).
- Using the 5 strategic targets (on the BOT website). Trustee Irwin will outline a plan of action to attain One University.
- The committee will translate this into actual steps for people to understand and create Key Strategic Outcomes (KSO) these should be the governing outcomes.
- There are many initiatives, that must be translated into a clear model--- fast!

MARCH 2016

CHANCELLORS REPORT

- The 52%: I asked the chancellor to define this and he assured me he would get back to me.
- He also said he would be happy to visit our Faculty Senate.
- Would you like to invite him?

FACULTY SENATE
MARCH 2016

CORE FINANCIAL RATIOS

- Primary Reserve Ratio: UMaine < 39% – expected 40%
- Net Operating Revenues Ratio: UMaine < (-3%) – expected 2%
- The Return on Net Position Ratio: UMaine < (-3%) expected 6%
- Viability Ratio: UMaine > 1.52% expected 1.25%
- Composite Financial Index: UMaine 1.8% expected low benchmark is 3%, high is 10%
- These numbers raised concerns across the BOT about our rating.

MARCH 2016

CORE FINANCIAL RATIO COMPOSITE

- The Primary Reserve Ratio: We are just below 0.40



CORE FINANCIAL RATIO COMPOSITE

- The Net Operating Revenues Ratio: We are not doing well at this – we are at -3% well below the expected 2%



CORE FINANCIAL RATIO COMPOSITE

- The Return on Net Position Ratio



CORE FINANCIAL RATIO COMPOSITE

- Viability Ratio



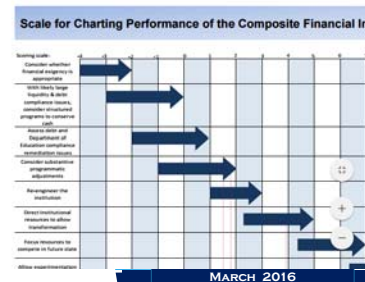
CORE FINANCIAL RATIO COMPOSITE

- Composite Financial Index suggests we are struggling.



CORE FINANCIAL RATIO COMPOSITE

- Composite Financial Index suggests we need to consider structured program changes.
- This is a deep decline revenues.
- No tuition increase, state appropriation was flat and we lost money in the market.



CORE FINANCIAL RATIO COMPOSITE

- We are in a delicate place.
- Our decisions must be carefully formulated.
- Moody: Wyke is suggesting that we are ok, if you look across the whole picture.
- Grog: Given that we have >53% old buildings & S&P rating may decline.

