FY20 Educational & General Campus Budget Discussion

University of Maine

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Our Strategic Values Drive our Budget

Fostering Learner Success

Growing and Stewarding Partnerships

Creating and Innovating for Maine and Beyond
The Board of Trustees draft “Declaration of Strategic Priorities” also will drive budget allocation.

**Fostering Learner Success**
- Advancing workforce readiness
- Increasing Maine educational attainment

**Growing and Stewarding Partnerships**
- Align innovation to drive employer responsiveness
- Maintain competitiveness and sustainability to meet critical State needs

**Creating and Innovating for Maine and Beyond**
- Advancing economic development
- Align academic programs and innovation to drive student success
FY19 Educational & General Budget (E&G)

Revenue

- Tuition & Fee Revenue
- State Appropriation
- Sales & Services /Other
- Transfers from Auxiliaries
- Indirect Cost Recovery

Expense

- Compensation & Benefits
- Scholarships & Grants
- Other Expenses

November 26, 2018
FY19 Educational & General Budget (E&G)  Total: $281.6M

### Revenue
- Tuition & Fee Revenue (net of 3.1M in waivers) 60.0%
- State Appropriation 29.7%
- Indirect Cost Recovery 3.0%
- Sales & Services/Other 6.1%
- Transfers from Auxiliaries 1.2%

Total: $169M

### Expense
- Compensation & Benefits 58.6%
- Scholarships & Grants 18.3%
- Other 23.1%

Total: $165.1M

### Breakdown
- Tuition & Fee Revenue: $83.5M
- Compensation & Benefits: $65.1M
- Scholarships & Grants: $51.4M
- Other: $19.9M

### Revenue Breakdown
- Tuition & Fee Revenue: $83.5M
- State Appropriation: $16.9M
- Indirect Cost Recovery: $2.5M
- Sales & Services/Other: $17.4M
- Transfers from Auxiliaries: $3.3M

### Expense Breakdown
- Compensation & Benefits: $65.1M
- Scholarships & Grants: $51.4M
- Other: $19.9M
- Transfers from Auxiliaries: $18.7M
- Indirect Cost Recovery: $10.1M
- Fuel & Electricity: $6.9M
- Library Acquisitions: $6.7M
- Travel: $2.8M

November 26, 2018
UMaine Budget Process within State of Maine Budget Cycle

Fiscal Year Ends, June 30

Fiscal Year Begins, July 1

May-June 2019

Legislature and Governor Finalize State Budget

September 2018

Board of Trustees State Budget Request

Spring 2019

Budget Hearings/Work Sessions/ Advocacy

January 2019

Governor’s Budget Proposal due to Legislature

Campus Budget Process

Fiscal Year Ends, June 30

Fiscal Year Begins, July 1

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Campus Budget Process
FY20 UMaine Budget Timeline

- **July**: Initial Conversations
  - FY20 Budget Development
  - Review of UMS Allocations & Assumptions
  - Enrollment Update

- **August**: Develop preliminary FY20 Budget working with VP’s, Deans & Directors

- **September**: 1st iteration of FY20 budgets updated into Maine-Street by 01/16/19

- **October**: Draft campus budget presented to BOT Chair, FF&T Chair, & Sr. UMS leadership

- **November**: Budget reviewed by full FF&T of BOT

- **December**: Final budget approved by BOT

- **January**: Final FY20 campus budget adjustments

- **February**: Final FY20 campus budget adjustments

- **March**: Draft campus budget presented to BOT Chair, FF&T Chair, & Sr. UMS leadership

- **April**: Budget reviewed by full FF&T of BOT

- **May**: Final budget approved by BOT

- **June**: Develop preliminary FY20 Budget working with VP’s, Deans & Directors

**Key**
- E&G = Education & General
- FF&T = Finance, Facilities & Technology
- BOT = Board of Trustees

**Campus Budget Presentations**
- Nov. 26
- Feb. TBD
- May TBD
FY20 Incremental Revenue and Expense Budget Levers

FIXED

Revenue

Expense

FLEXIBLE

Revenue

Expense

November 26, 2018
FY20 Incremental Revenue and Expense Budget Levers

**FIXED**

- **Tuition & Fees due to projected rate increases**
  - e.g., In-State & Out-of-State Increase

- **State Appropriation Increase**

- **Compensation - Contractual**
  - Projected Salary & Wage Negotiated Increases & Benefits

- **Operational Increases**
  - e.g., University Shared Services
  - e.g., Maintenance of Facilities / Utilities

**Revenue**

**Expense**

**FLEXIBLE**

- **Tuition & Fees due to enrollment adjustments**
  - e.g., Changes to In-State & Out-of-State Enrollment
  - e.g., Changes to Undergraduate & Graduate Enrollment

- **Indirect Cost Recovery**
  - e.g., Increased Grant Funding

- **Auxiliary Enterprise Transfer**

- **Position Related Increases**
  - e.g., Transition Academic One-time to Base
  - e.g., GTA Stipend Increases & Partner Accom.

- **Operational Increases**
  - e.g., Library Acquisitions

- **Scholarships & Grants**
  - e.g., Scholarship Increases (Including Flagship, Need-based, Maine Match, Athletics, etc.)
### FY20 Fixed Levers (Incremental changes to FY19)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition &amp; Fees <em>due to projected rate increases</em></td>
<td>$3,808,222</td>
</tr>
<tr>
<td>State Appropriation Increase</td>
<td>401,110</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$4,209,332</strong></td>
</tr>
</tbody>
</table>

**FIXED**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation - Contractual</td>
<td>-$4,017,500</td>
</tr>
<tr>
<td>Operational Increases</td>
<td>-$1,850,298</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>-$5,867,798</strong></td>
</tr>
<tr>
<td>Revenue</td>
<td>Subtotal</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Tuition &amp; Fees <em>related to enrollment adjustments</em></td>
<td>$5,323,829</td>
</tr>
<tr>
<td>Indirect Cost Recovery (ICR)</td>
<td>500,000</td>
</tr>
<tr>
<td>Auxiliary Enterprise Transfer</td>
<td>300,000</td>
</tr>
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<td><strong>Subtotal</strong></td>
<td><strong>$6,123,829</strong></td>
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**FLEXIBLE**

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<tr>
<th>Expense</th>
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<tr>
<td>Position Related Increases</td>
<td>- $1,175,363</td>
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<tr>
<td>Scholarships &amp; Grants</td>
<td>- 4,690,000</td>
</tr>
<tr>
<td>Operational Increases</td>
<td>- 250,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>- $6,115,363</strong></td>
</tr>
</tbody>
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*our opportunities to do new things*

November 26, 2018
$4,209,332 - $5,867,798 = $1,650,000

$6,123,829 - $6,115,363 = $1,466,46

FY20 Incremental Structural Gap (revenues minus expenses)

Fixed plus Flexible Revenue = $10,333,161
Fixed plus Flexible Expense = -11,983,161

Net Structural Gap = -$1,650,000
Our Strategic Values Drive our Budget

Fostering Learner Success

Growing and Stewarding Partnerships

Creating and Innovating for Maine and Beyond
## FY20 Flexible Levers (Incremental changes to FY19)

**Revenue**

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**Expense**

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*our opportunities to do new things*

November 26, 2018
## What if Scenarios

*our opportunities to do new things*

### Enrollment Changes

<table>
<thead>
<tr>
<th>First-Year Enrollment</th>
<th>Increased 1st Year Retention</th>
<th>Incremental Revenue Increase</th>
<th>Changed Structural Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,350</td>
<td></td>
<td></td>
<td>- $1,650,000</td>
</tr>
<tr>
<td>2,400</td>
<td></td>
<td>$804,115</td>
<td>- $845,885</td>
</tr>
<tr>
<td>2,400</td>
<td>+ 3%</td>
<td>$1,917,657</td>
<td>$267,657</td>
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### Grant Related Changes

<table>
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<tr>
<th>Grant Expenditures</th>
<th>Increased Expenditures</th>
<th>Incremental ICR</th>
<th>Changed Structural Gap</th>
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</thead>
<tbody>
<tr>
<td>$49,343,151</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>$49,843,151</td>
<td>$500,000</td>
<td>$100,000</td>
<td>$367,657</td>
</tr>
</tbody>
</table>
Questions