5-25-2017

FY2018 E&G Budget Discussion

University of Maine

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FY2018 E&G Budget Discussion

Jeffrey E. Hecker
Executive VP for Academic Affairs & Provost

Susan J. Hunter
President

May 25, 2017

Carol Kim
VP Research & Dean of Graduate School

Claire Strickland
Chief Business Officer
Budget Cycle

UMaine Fiscal Year 2018
(July 1, 2017 through June 30, 2018)

2016
July  Aug  Sept  Oct  Nov  Dec  Jan  Feb  Mar  Apr  May  Jun

Campus FY18 Budget Development
Initial Conversations

• Enrollment update
• Review of allocations & assumptions

2017

Finalize preliminary FY18 Budget Working with VP’s, Deans & Directors

November 15th Campus Budget Discussion

January 25th Campus Budget Discussion

1st iteration of FY18 budgets updated into MaineStreet by 01/15/17

Initial campus budget review by members of FF&T

UMaine budget reviewed by FF&T of BOT

BOT final budget approved 5/22/17

Key
FF&T = Finance, Facilities & Technology
BOT = Board of Trustees

May 25 Campus Budget Discussion
Building Futures, Strengthening Maine

Board of Trustees Priority Outcomes
Our Focus for the Next 5 Years

• Increase Enrollment
• Improve Student Success & Completion
• Enhance the Fiscal Positioning of UMS
• Support Maine Through Research & Economic Development

Secondary Outcomes:
• Relevant Academic Programming
• Workforce Engagement
First Year Enrollment Goal

**Fall 2017**

2,300 first year students on October 15, 2017 (census)

**Fall 2016** first year students = 2,230
- largest in UMaine’s history
- previous record – 2,166 fall 2013

**Challenges**

Partnering with other UMS campuses to deliver the student Foundations Program

Capping enrollment in popular majors
- Bioengineering
- Mechanical Engineering
- Construction Engineering Technology
- Mechanical Engineering Technology
- Nursing
FY18 Confirmations & Melt

Fall 2017 First Year Confirmations as of 5.12.17

<table>
<thead>
<tr>
<th></th>
<th>In-State</th>
<th>Out-of-State</th>
<th>NEBHE, Canadian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmations</td>
<td>1,265</td>
<td>1,171</td>
<td>119</td>
</tr>
<tr>
<td>Melt</td>
<td>11%</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>Projected Oct. 15 Census</td>
<td>1,183</td>
<td>978</td>
<td>116</td>
</tr>
<tr>
<td></td>
<td>1,202</td>
<td>1,007</td>
<td>115</td>
</tr>
<tr>
<td></td>
<td>1,214</td>
<td>1,042</td>
<td>115</td>
</tr>
</tbody>
</table>

(same as 2016)
E&G Revenue & Expense

FY17

Revenue

- Tuition & Fees (Net of $3.0M waivers) $144.1M (56.9%)
- Unrestricted State Appropriation $82.5M (32.6%)
- Sales/Transfers/Other $18.4M (7.2%)
- Indirect Costs $8.4M (3.3%)

Total Revenue $253.4M

Expenditures

- Compensation & Benefits $151.6M (59.8%)
- Institutional Aid $42.6M (16.8%)
- All Other $59.2M (23.4%)

Expenditures Summary:

4.0% Fuel & Electricity $10.1M
2.4% Capital $6.2M
2.4% Library Acquisit. $6.1M
6.8% Shared Services $17.3M
1.0% Travel $2.5M
6.8% Other $17.0M
E&G Revenue & Expense

FY18

Revenue

$155.8M
Tuition & Fees
(Net of $3.0M waivers)
58.3%

$83.8M
Unrestricted
State Appropriation
31.4%

Sales/Transfers/other
$19.2M
Indirect Costs
$8.4M

$267.2M

Expenditures

$158.6M
Compensation & Benefits
59.4%

$46.1M
Institutional Aid
17.3%

$62.5M
All Other
23.3%

3.7% Fuel & Electricity
$10.0M
2.4% Capital
$6.5M
2.4% Library Acquisit.
$6.5M
6.8% Shared Services
$18.2M
1.0% Travel
$2.6M
7.0% Other
$18.7M
FY17 & FY18 Comparison

### Revenue FY17
- **Tuition & Fees**: $144.1M (Net of $3.0M waivers)
- **Unrestricted State Appropriation**: 56.9%
- **Sales/Transfers/other**: $18.4M
- **Indirect Costs**: $8.4M

### Revenue FY18
- **Tuition & Fees**: $155.8M (Net of $3.0M waivers)
- **Unrestricted State Appropriation**: 58.3%
- **Sales/Transfers/other**: $19.2M
- **Indirect Costs**: $8.4M

### Expenditures FY17
- **Compensation & Benefits**: $151.6M
  - Institutional Aid: 59.8%
  - All Other: 16.8%
- **All Other**: 23.4%

### Expenditures FY18
- **Compensation & Benefits**: $158.6M
  - Institutional Aid: 59.4%
  - All Other: 17.3%
- **All Other**: 23.3%

### Details
- **4.0% Fuel & Electricity**: $10.1M
- **2.4% Capital**: $6.2M
- **2.4% Library Acquisit.**: $6.1M
- **6.8% Shared Services**: $17.3M
- **1.0% Travel**: $2.5M
- **6.8% Other**: $17.0M
- **3.7% Fuel & Electricity**: $10.0M
- **2.4% Capital**: $6.5M
- **2.4% Library Acquisit.**: $6.5M
- **6.8% Shared Services**: $18.2M
- **1.0% Travel**: $2.6M
- **7.0% Other**: $18.7M
## Tuition and Room & Board Rates

### Tuition – per Credit Hour

<table>
<thead>
<tr>
<th></th>
<th>FY17 Current</th>
<th>FY18 Proposed</th>
<th>$ Increase</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-State Undergraduate</td>
<td>$279</td>
<td>$286</td>
<td>$7</td>
<td>2.5%</td>
</tr>
<tr>
<td>In-State Graduate</td>
<td>$418</td>
<td>$429</td>
<td>$11</td>
<td>2.6%</td>
</tr>
<tr>
<td>Out of-State Undergrad</td>
<td>$908</td>
<td>$932</td>
<td>$24</td>
<td>2.6%</td>
</tr>
<tr>
<td>Out of-State Graduate</td>
<td>$1,361</td>
<td>$1,397</td>
<td>$36</td>
<td>2.6%</td>
</tr>
<tr>
<td>NEBHE/Canadian</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduate</td>
<td>$432</td>
<td>$458</td>
<td>$26</td>
<td>6.0%</td>
</tr>
<tr>
<td>Graduate</td>
<td>$648</td>
<td>$686</td>
<td>$38</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

### Room & Board Rates*

<table>
<thead>
<tr>
<th></th>
<th>FY17 Current</th>
<th>FY18 Proposed</th>
<th>$ Increase</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room</td>
<td>$5,154</td>
<td>$5,270</td>
<td>$116</td>
<td>2.2%</td>
</tr>
<tr>
<td>Board</td>
<td>4,710</td>
<td>4,875</td>
<td>165</td>
<td>3.5%</td>
</tr>
<tr>
<td>Total</td>
<td><strong>$9,864</strong></td>
<td><strong>$10,145</strong></td>
<td><strong>$281</strong></td>
<td><strong>2.8%</strong></td>
</tr>
</tbody>
</table>

*Board rates shown are based on the meal plan with the greatest projected number of diners. Room rates are based on double occupancy. Several other meal plans and room rates are available.
Mandatory Fees

(Annual unless listed as per credit hour)

<table>
<thead>
<tr>
<th>Fee Type</th>
<th>Credit Hours</th>
<th>FY17 Current</th>
<th>FY18 Proposed</th>
<th>Increase</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Graduate Student Activity Fee</strong></td>
<td>1 or More</td>
<td>$80</td>
<td>$80</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Credit Hours</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Undergraduate Student Activity Fee</strong></td>
<td>6 or More</td>
<td>$90</td>
<td>$106</td>
<td>16</td>
<td>17.8%</td>
</tr>
<tr>
<td></td>
<td>Credit Hours</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Communication Fee</strong></td>
<td>6 or More</td>
<td>$30</td>
<td>$30</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Credit Hours</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Recreation Center Fee</strong></td>
<td>0 to 5</td>
<td>$162</td>
<td>$162</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Credit Hours</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6 or More</td>
<td>$270</td>
<td>$270</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Credit Hours</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Unified Fee</strong></td>
<td>0 to 5</td>
<td>$250</td>
<td>$256</td>
<td>6</td>
<td>2.4%</td>
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<tr>
<td></td>
<td>Credit Hours</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6 to 11</td>
<td>$762</td>
<td>$782</td>
<td>20</td>
<td>2.6%</td>
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<tr>
<td></td>
<td>Credit Hours</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12 to 15</td>
<td>$1,868</td>
<td>$1,916</td>
<td>48</td>
<td>2.6%</td>
</tr>
<tr>
<td></td>
<td>Credit Hours</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16 or More</td>
<td>$1,916</td>
<td>$1,966</td>
<td>50</td>
<td>2.6%</td>
</tr>
<tr>
<td></td>
<td>Credit Hours</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Student voted fee
Maine Economic Improvement Funds (MEIF)

- Maine Economic Improvement Fund is a Restricted State Appropriation.
- The University of Maine supports the Maine Economic Improvement Fund with E&G dollars to cover the contractual salary increases and changes in benefit rates.
- Funds are used to build research infrastructure in the technology sectors identified by the State.
  - Leverage external grants and contracts
  - Support researchers and technicians
  - Support graduate and undergraduate students (non $ tuition)
  - Support product innovation
  - Purchase equipment to upgrade university labs
  - Protect intellectual property developed by these activities
FY18 MEIF base appropriation to UMaine $13.2M
UMaine unrestricted support $5.8M

Total MEIF funds $19.0M

MEIF Commitments
- Salaries, Wages, Benefits & Stipends $14.4M
- Operating $1.9M
- Cost Share $2.7M

75.8%
MEIF Breakdown by Sector

$19.0M

Aquaculture & Marine Science
$4.4M

Information Technology
$3.0M

Forestry & Agriculture
$2.8M

Composites
$2.5M

Precision Manufacturing
$2.3M

Environmental
$1.9M

Biotechnology
$1.3M

Cross Sector
$0.8M
MEIF Project Examples

- **Biotechnology**: Regulation of the Extracellular Matrix During Development
- **Cross Sector**: State Surveillance of Opioid Morbidity and Mortality
- **Environmental**: Multi and Hyperspectral Bio Optical Identification and Tracking of Water Masses
- **Aquaculture & Marine Science**: Maine EPSCoR - SEANET: Sustainable Ecological Aquaculture Network
- **Precision Manufacturing**: Interstitial Fluid Analysis: Feasibility Study for Use in Threat Exposure
- **Information Technology**: NSF – Teaching Fellowship Program
- **Composites**: Design Development of Prototype Engineered Energy Efficient and Low Logistic Burden Materials and Processes IV
- **Forestry & Agriculture**: Penobscot Experimental Forest Research and Technology Transfer
FY18 Budget Summary

**Levers**

**STRAEGIC**
- Revenue Increases/(Decreases)
  - $4,228,777

**NON-DISCRETIONARY**
- Net Incremental Revenue
  - $3,863,359

**Expense**
- Total Incremental Expense
  - ($5,811,512)

Non-Discretionary Parameters Gap
- ($1,948,153)

Strategic Surplus
- $1,187,568

Total Non-Discretionary and Strategic Campus Gap:
- ($760,585)
Leading to Increased Enrollment
Enhanced Fiscal Positioning

Results in

Increased Student Retention & Graduation
Research & Economic Dev.

Investments in Faculty, Students & Staff

Enrollment: Driving Force

Shift Dependence From State Appropriation

65%
63%
37%
35%

Permits

Revenue
Expense
Revenue
Expense

Learning: Millions Shifting Dependence From State Appropriation

Investments in Faculty, Students & Staff
Student Success & Opportunities

Focus on Increased Enrollment