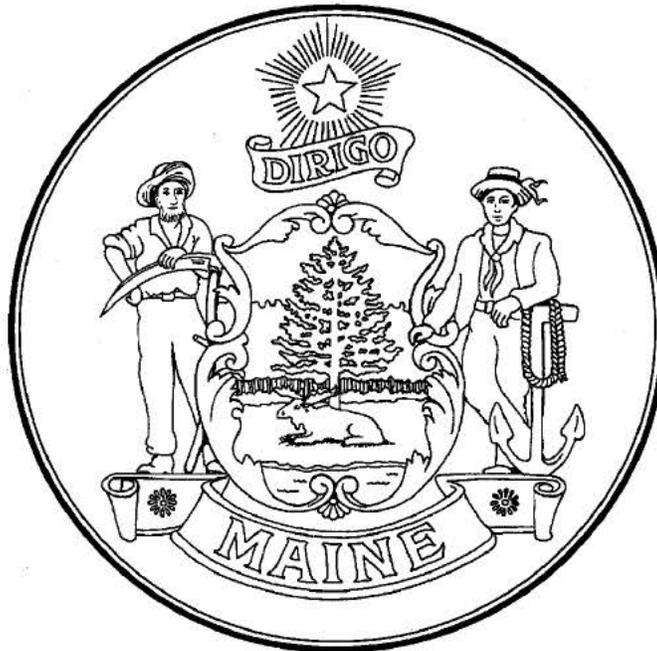


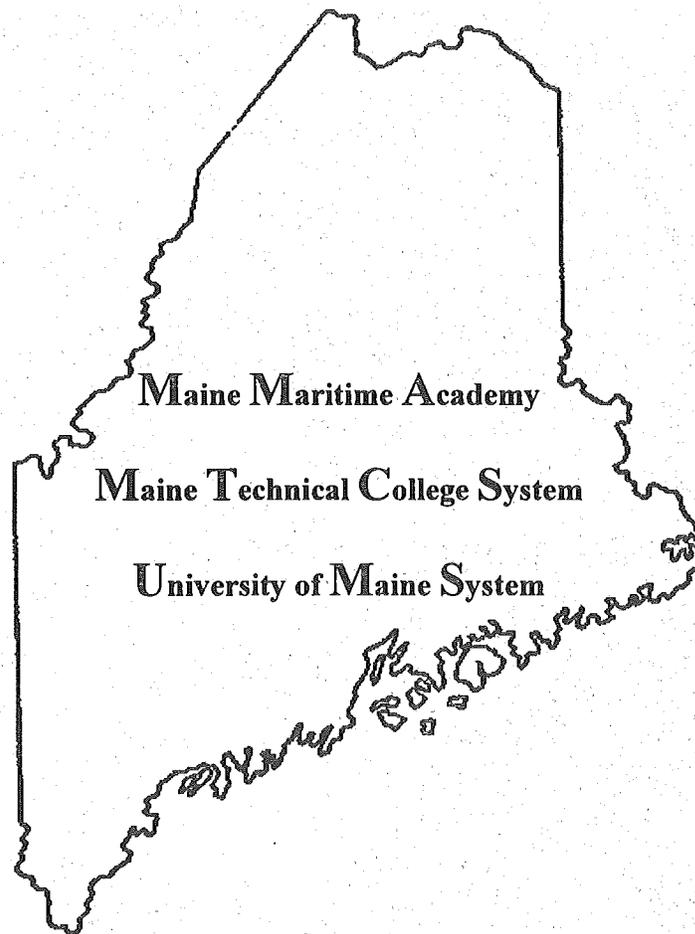
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Report of the Commission on Higher Education Governance



Final Report
July 1996

Central Maine Technical College ★ Eastern Maine Technical College ★ Kennebec Valley Technical College ★ Northern Maine Technical College ★ Southern Maine Technical College ★ Washington County Technical College ★ York County Technical College ★ University of Maine ★ University of Southern Maine ★ University of Maine at Farmington ★ University of Maine at Fort Kent ★ University of Maine at Machias ★ University of Maine at Presque Isle ★ University of Maine at Augusta ★ Maine Maritime Academy

STATE OF MAINE
117TH LEGISLATURE

Report of the Commission on Higher Education Governance

Final Report
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Staff:

Malory A.T. Otteson, Contract Analyst
Roy W. Lenardson, Legislative Analyst

Research assistance provided by:

Darlene Shores Lynch, Senior Researcher
Janet Dimillo, Contract Staff

Office of Policy and Legal Analysis
13 State House Station
Augusta, Maine 04333
(207) 287-1670

Members:

Norman Fournier, Chair
J. Duke Albanese
Robert Binswanger
Loring Hart
James Mullen
Elinor Multer
Michael D. Pearson
David W. C. Putnam
Richard G. Strout

TABLE OF CONTENTS

	<u>page</u>
Summary	i
Introduction.....	1
Goals for Higher Education	2
Investments for Maine's Future.....	3
Governance and Leadership.....	15
Finance and Budget.....	21
The Education Network of Maine.....	26
Academic Programs	29

APPENDICES

One	A list of People Who Have Testified and Submitted Written Testimony to the Commission
Two	Legislation Creating the Commission on Higher Education Governance
Three	National Comparisons for High School Graduation Attainment and Attendance at Public Higher Education Institutions
Four	Current Status of the Issues Raised in <u>The 1986 Visiting Committees Report</u>
Five	University of Maine System Profile
Six	Maine Technical College System Profile
Seven.....	Maine Maritime Academy Profile
Eight.....	1995 Comparative Financial Data, UMS, MTCS and MMA
Nine.....	University of Maine System (UMS) and the Maine Technical College System (MTCS). Comparison of system office staff (FTE), 1996-1996.
Ten	Education Coordinating Committee Statutory Authority
Eleven	Comparative Data for Budget, Endowment, Alumni and Advancement Staff (Fiscal Year Ended June 30, 1994)
Twelve.....	A Discussion on the Allocation of Resources, One Possible Alternative
Thirteen.....	Mission and Functions of the Community College
Fourteen	Maine Non-Profit Private Colleges & Universities

S ummary of the Commission on Higher Education Governance

The 1996 Commission on Higher Education Governance, one of many commissions, task forces and committees that have been appointed over the years to “look at” issues in higher education, has looked, and what the Commission has found is a remarkable disconnect between the public, the government and the institutions of higher education. In the past such a disconnect may have been attributed to a misunderstanding or misinformation, but this time it’s different. The disconnect seems to have become synonymous with distrust. Parents and students can’t understand why tuition has soared at twice the rate of inflation, elected officials search furiously for greater accountability for the public dollar, and higher education watches in disbelief as it struggles along with flat funding and a shrinking percentage of the State budget. Buildings deteriorate, enrollments remain flat and the most precious commodity of all in higher education, an institution’s reputation, hangs in the balance.

What possibly can a new report say or do that could overcome such a perilous outlook? This Commission has offered a series of recommendations that will help in a number of areas. But what must happen cannot be dictated by a report. The real solution is in the re-establishment of the partnership between the citizens of Maine, the Legislature, the Governor and our public and private institutions of higher education, a partnership that will remove the regrettable distrust that has grown between them. This partnership is so important that Maine’s success and future vitality as a State depend on it. We cannot wish, tax or spend our way to prosperity; we can only give the citizens the major tool they need in order to be prosperous, access to a good education.

What follows is a summary of key areas of the twenty-six recommendations submitted by the Commission in its report. (A summary of all twenty-six recommendations is attached.) This summary is by no means all inclusive of the work of the Commission, but merely an attempt to highlight a few of the more significant issues before the Commission over the past eight months.

S ystem Structures

The current structures of The University System, the Technical College System and the Maine Maritime Academy work well. It’s time to call a truce on this issue, and move on. This issue has little to do with structure and everything to do with leadership, or a lack of leadership. This Commission finds, as has been concluded by numerous other groups in the past, that the current governance structures of the current systems save resources and provide sound and sensible leadership effectively for a union of diverse campuses. The systems and the Legislature must focus their efforts on a notion of accountability which entails much more than moving around boxes or assigning new titles.

A ssociate of Art Degrees

As it currently stands, the University System, which offers Associate of Arts

(AA) degrees, has excess capacity throughout the system. The Maine Technical College System, which offers Associate of Science (AAS) degrees in keeping with its technical mission, does not currently offer AA degrees, is unable to meet the demand for its current technical offerings due to fiscal and other constraints. It would appear obvious then that the MTCS should not expand the mission to offer AA degrees, and the Commission recommends just that. However, beyond that, much of the discussion of the Commission centered around the notion that: the student demand for a technical education is great; the MTCS is doing an excellent job in meeting students needs; and the economy needs these students. In short, it's a formula for success. That formula should be expanded in order to meet the existing demand for a technical education and not expanded by duplicating what already exists in the University System, thus diverting already scarce resources. The Commission would be remiss, if it failed to ask the next logical question: Why, if there is plenty of space and ample offerings for AA degrees in the University System, isn't the UMS taking the initiative to work cooperatively with the MTCS?

E ducation Network of Maine (ENM)

ENM has provided an invaluable service to all of the citizens of the State by shifting the emphasis away from the traditional college student, the 18-22 year old, and on to the vast pool of "nontraditional students" located throughout the State. This shift has not come without a few sacrificial lambs along the way, and will undoubtedly continue to produce its share of controversy. But what's important here, is that ENM has proved in no uncertain terms that student demand for an education is no longer predicated on residence halls, fraternities, sports teams and college pubs. After a great deal of discussion the Commission concluded that ENM is a vital component of the University system and must be utilized fully. However, the Commission could see no justification for continuing to maintain ENM as a separate campus and recommends that ENM be within the Chancellor's Office and viewed as a system-wide service to all campuses. In addition, it is time to end the debate on degree granting status; ENM is not a campus, does not have a student body and does not have a faculty, and hence should not be given degree granting status.

F acilities management

The collective neglect of college and university facilities is a disaster developing before our very eyes, not only with the buildings but with the public trust. How can our institutions ever hope to increase funding or garner additional support when the most visible monuments of the public's dollar are left to decay? The condition of the facilities on the campuses is alarming, and in some cases dangerous. It is difficult to even hope that our words will somehow spur all the key players into action, as every single report on Higher Education since the middle 1970's has sounded the alarm on deferred maintenance. In short, we are left to plead with the governing boards of the institutions and with the Legislature and Governor to put a halt to this imprudent practice of deferred maintenance. We have recommended that each campus of the University of Maine System, the Maine Maritime Academy and the Maine Technical College System develop and implement a

comprehensive capital improvement plan. In addition, the Commission recommends that each campus include in its budgets an amount of money equal to 1.5% (or another percentage established by the respective governing boards) of the estimated total building value for maintenance purposes and that beginning immediately, all new construction projects or other capital improvements indicate the estimated annual amount which will be required to maintain the facility.

I Investment in Access for Maine's Students

The Governor, the Legislature and business leaders throughout the state have trumpeted the need for higher education for its citizens if we are to compete in the “new global economy”. Many have also stressed the need to raise the aspirations of our students. Well, fair enough...that costs money. But unlike many other expenditures in government, education offers the very likely reality of tremendous payback for the money invested. Study after study has indicated that the better educated the individual is the more money he or she is going to make. Every Maine citizen should know that we in fact do have an access problem. In 1995, Maine had one of the highest high school graduation rates in the country, yet Maine ranked 49th in the percentage of our high school graduates that went on to public college...49TH!! To our knowledge no one in Maine is recommending that students get a high school education and stop there. The Commission recommends that the Maine Legislature make a commitment to investing in Maine students through increased funding of the Maine Student Incentive Scholarship Program (MSISP). While it is not feasible to budget enough funding for all eligible students, the State should narrow the gap between eligibility and access.

I Investment in Research and Development for Maine's Future

The Legislature and the Governor should be advised that the University of Maine System is woefully lacking in necessary funding to support current research efforts. The booming economies along Route 128 in Boston, in the Research Triangle Park of North Carolina and in the Silicon Valley of California, owe much to their strong connections to research universities in their states. Across the nation, pockets of economic vitality reflect a common characteristic of adequate support from nearby colleges and universities regarding research and development. Such investment should be advocated, and supported by, the State of Maine and viewed as public policy aimed at economic development for the entire state. The Commission recommends that the Legislature increase appropriations directed to funding specific research grants and these research grants be awarded, first, based on the priority of their applicability to both current economic development in Maine and future economic potential, and secondly, based on the ability to leverage matching federal and foundation grant dollars. If Maine wants to pursue a plan for economic development, creating employment opportunities based in science and technology, to take us into the 21st Century, it must make the investment today in the research infrastructure.

A llocation of Resources

Much has been said concerning the need for our systems of higher education to become more accountable for the money they receive. However, exactly to whom the systems should be accountable, is less than clear. Is it the citizens of the state? Students? The Governing Boards? Is it the Legislature? Inevitably for any institution to succeed at improving accountability, it must be able to answer the question: “Accountable to whom?” The Commission recommends that the Legislature conduct a study of other methods of financing for public higher education, to examine alternatives to the current financial arrangement in which the institutions receive a lump sum from the State’s General Fund. The goals of any funding mechanism should: encourage a greater level of accountability and responsiveness; increase equity across the student population; allow institutions to focus their time and resources on the needs of the students; and encourage institutions to improve services and reduce costs.

T he Future

The great majority of the people of Maine can benefit from some form of education, and in fact the quality of life in Maine in the future will most likely depend on the ability of citizens to access higher education. As has been noted in many other reports on both higher education as well as reports on the economy, it is essential that there be access to post-secondary education of many kinds, for young people and adults, to enable them to acquire the skills that the changing economy will require of them. Furthermore, it is clear that higher education in Maine is not limited to the traditional 18-22 year old student, and in fact in the University of Maine System, these students are in the minority with almost 60% of the students 23 years old or older.

Maine’s systems of public higher education, coupled with the private colleges are a tremendous resource, and like any resource they must be valued and protected. It is the hope of the Commission that the public, the government and the institutions of higher education can reestablish the partnership and work together to insure that the people of Maine have the opportunity to fulfill their aspirations.



INTRODUCTION

The University of Maine System was created in 1968, when the state's public university and colleges were brought into one unified system, under one Board of Trustees, to provide greater coordination in meeting the higher education needs of the state. The Maine Technical College System was created in 1986, when the Vocational-Technical Institutes were brought out from the Department of Education into one unified system with its own governing board, to provide greater focus and increased coordination in meeting the need for a technically educated workforce. The Maine Maritime Academy was established in 1941 by an act of the Maine Legislature, as an institution based in Maine's tradition of maritime activity and dedicated to nautical training.

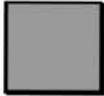
The Governor and Maine Legislature have periodically appointed commissions or committees to appraise the status and needs of these systems and institutions. This Commission has reviewed most of these reports. The Commission on Higher Education Governance was established in 1995, under Public Law 1995, Chapter 395, to undertake the first combined review of both of these systems and the Maine Maritime Academy, and the relationship between these public institutions and the private colleges in meeting both the needs of Maine students, and Maine's future economic and social needs.

The Commission met twenty-two times in completing its duties, as well as time spent in subcommittee meetings, forums and interviews. One public forum was held over the Education Network of Maine, with connections to the public institutions in Fort Kent, Presque Isle, Machias, Farmington, Orono, Augusta and Portland to provide state-wide access for comments.

In reaching the conclusions contained in this final report, the Commission reviewed numerous books, articles and reports, analyzed national and state data, and heard from a number of experts in post-secondary education. At almost every meeting, time was allotted to hear from interested individuals. The Commission has interviewed dozens of stakeholders, from chief executive and academic officers in the various systems and institutions to faculty members, students and staff. Written comments have also been received in response to questions circulated by the Commission. This input added much to the Commission's deliberations by providing valuable information, suggestions and recommendations (see Appendix One).

The scope of the duties assigned to this Commission were stated quite broadly in the enacting legislation (see Appendix Two). These duties included the following: (1) a review of the missions, roles, organization and leadership of the public institutions of higher education in Maine; (2) an examination of the adequacy of public and private higher education in meeting the diverse needs of Maine's citizens; (3) an examination of the efficient use of resources; (4) a review of the funding levels to public institutions of higher education; (5) a review of state funded financial aid; (6) an examination of academic program availability and overlap; (7) an examination of UMS' distance learning system; and (8) an examination of the relationship between the State and the private institutions of higher education.

In approaching these broad duties, the Commission highlighted several areas that appeared to need a more thorough review. These areas provide the format for this report. They are: Goals for Higher Education; Investments for Maine's Future; Governance and Leadership; Finance and Budget; the Education Network of Maine; and Academic Programs.



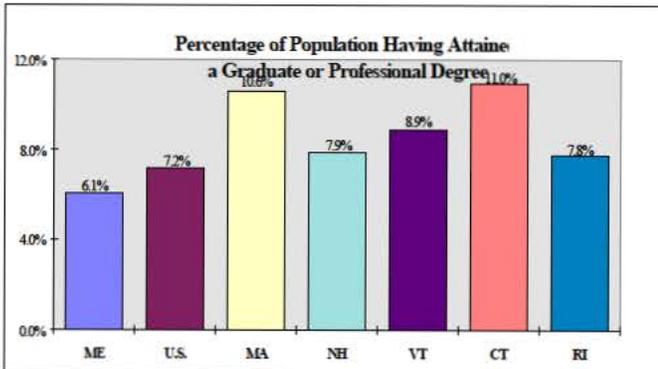
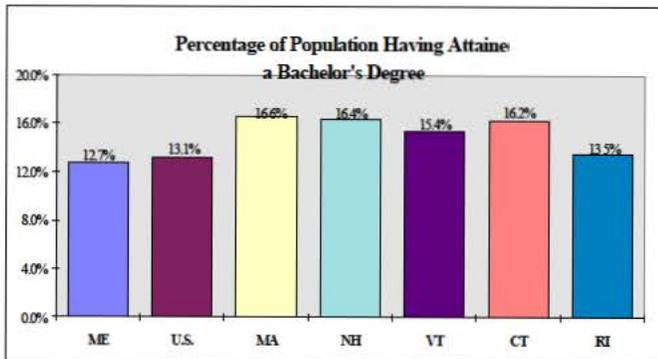
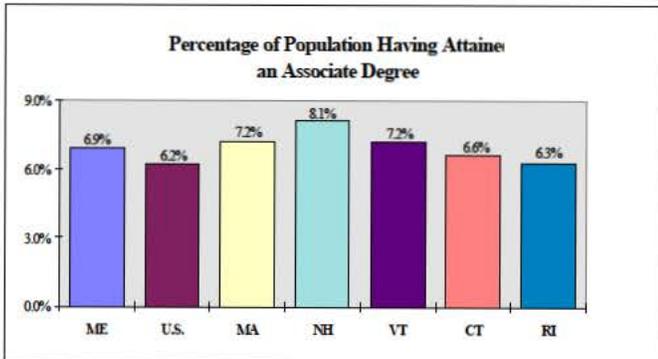
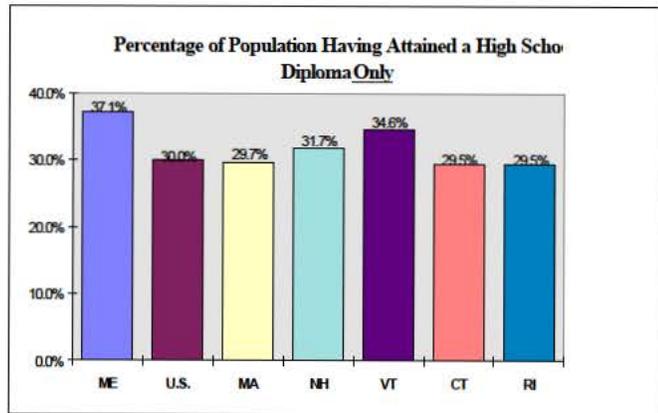
GOALS FOR HIGHER EDUCATION

The Commission believes that strong state-wide goals should be established to highlight the importance of higher education for the future of Maine and its citizens. After the publication of *A Nation at Risk* in 1983, the public debate on the quality of secondary education was heightened and reform movements sprang up in almost every state, including Maine. There were reforms and investments in secondary education to both strengthen the system and raise the students' aspirations to continue through graduation.

Maine now has an excellent graduation rate at the secondary level, with 86% of high school students graduating in 1994. This ranked Maine as number six nationally. Unfortunately, Maine ranked forty-nine nationally in the percentage of high school graduates that continued on into public post-secondary education (see Appendix Three).

The 1990 census figures for educational attainment are also indicative of the historical level of aspiration of Maine citizens. As the chart on the right indicates, in 1990, Maine's population had achieved above average attainment for high school and associate degrees, but below average attainment of bachelors and graduate degrees. In the number of bachelors and graduate degrees attained, Maine falls well behind the other New England states.

The failure of the State to recognize this trend as a problem, and to address the issue of student aspirations for higher education, will assure a dismal economic future for Maine. One in which Maine's beautiful natural resources are overshadowed by its high poverty levels and under-prepared workforce.



Source: Higher Education: Maine and the Nation, Selected Data (Census date, 1990)

Therefore, the Commission offers these goals to guide and encourage the efforts of higher education in Maine:



- Higher education should lead Maine’s efforts to create its own future by:**
1. Raising the aspirations of Maine’s youth.
 2. Providing diverse learning opportunities for all Maine citizens.
 3. Providing access to higher education irrespective of financial need.
 4. Effectively using resources to provide educational services.
 5. Preparing people and institutions for new technologies in the global economy.
 6. Providing greater access to information.
 7. Engaging in “cutting edge research”, especially in natural resources and emerging Maine industries.
 8. Providing occupational and technical training.
 9. Developing collaborative strategies between the public and private institutions to seek ways and means of further cooperation.
 10. Developing the potential of Maine people by:
 - * Increasing literacy
 - * Teaching how to learn
 - * Expanding cultural knowledge
 - * Enhancing personal growth and enrichment

INVESTMENTS FOR MAINE’S FUTURE

General Discussion

Business leaders, educators and state officials in Maine have long stressed the importance of investing in a strong system of higher education if Maine is to achieve economic good health. The Commission concurs. Based on its extensive study of the data, the Commission strongly believes that, while improvements in efficiency should be ongoing, Maine must no longer rely on calls for greater efficiency as a substitute for providing adequate financial resources for the state’s public higher educational institutions. For a national perspective, the chart on the right illustrates where Maine ranks compared to other states in terms of per capita support for higher education. At \$140 per capita appropriation for higher education, Maine ranks 41 and is below the national average of \$164.

In 1987, in a move which Down East magazine has characterized as one of “astounding foresight”, the people of Maine approved an investment of \$35 million in the acquisition of “Land for Maine’s Future”. In 1997, Maine needs to commit itself to “Education for Maine’s Future.”

Top Ten Per Capita State Appropriations for Higher Education

1.	Hawaii	\$327
2.	Alaska	\$283
3.	Wyoming	\$270
4.	New Mexico	\$265
5.	North Carolina	\$244
6.	Alabama	\$241
7.	Mississippi	\$236
8.	Nebraska	\$228
9.	Iowa	\$227
10.	Minnesota	\$226
	(U.S. Avg.)	\$164)
	41. Maine	\$140

Source: Higher Education: Maine and the Nation (1995)

While the deleterious effects of the past five years of flat funding vary by institution, the Maine Technical College System (MTCS) and the University of Maine System (UMS) have both been damaged. The citizens

of Maine, including elected officials, must recognize that failure to increase funding has serious long-term consequences. The quality of higher education (including research and public service) available in the state's public institutions will decline or the number of students being educated will drop, or both. A decision to continue flat funding should be seen for what it is, a decision to diminish higher education in Maine.

The following letter received from the president of one of Maine's premiere private colleges clearly states both the importance of strong public institutions of higher education, and the consequences of not properly investing in them.

From the standpoint of Bowdoin College the single great problem that underlies all three of the questions you pose is the declining strength of the University of Maine. In all other states with which I am familiar, a "flag-ship" land-grant university, with strong graduate and research programs, disposes a library, laboratories, cultural performances and intellectual concentrations of strength that create a major field of force for higher education in the state -- and in the state economy.... The swirl of intellectual activity generated by the state university also ties the state into scientific and scholarly currents in other states and abroad, and in palpable ways, this creates a climate that invigorates other colleges in the state.

After six years in Maine, I am still puzzled that the economic importance of a flagship university is not well recognized.... The consequence is that educational strength in Maine is increasingly concentrated in its private colleges, which are solely undergraduate institutions and are remote from the State Legislature and the Department [of Education].... These colleges are great institutions, but they do not add up to, or replace, the major intellectual concentration of a strong state university.

- Robert H. Edwards, President

Maine is a state with truly extraordinary natural resources, a strong Yankee work ethic, low crime rates, and an advanced telecommunications network, all of which should arguably attract businesses and industry to this great state. However, the failure to invest adequately in the human resources of Maine will result in opportunities lost, and Maine will be an example of a state that could have moved to the front of the pack, but failed to commit to a vision. Though finances are tight, investments must be made, with slight increases in the short run, and additional funding as the economy grows over the long haul.

Findings

Throughout its review, and across the institutions, the Commission has seen evidence of an emerging separation of the student population into two distinct groups, with two distinct sets of needs. There is a segment of students who are 17 to 22 years old, perceived as traditional learners following traditional paths, and there is a growing segment of students between the ages of 23 and 50 (and many older) who are pursuing specific personal, occupational or professional goals. National statistical data clearly shows the growth of this segment of non-traditional students. According to the National Center for Education Statistics (NCES), between 1980 and 1990, the enrollment of students under the age of 25 increased by only 3 percent. During the same period, enrollment of persons 25 and over rose 34 percent nationally. From 1990 to 1998, NCES projects a rise of 14 percent in enrollments of persons over 25, and an increase of only 6 percent in the enrollments under age 25.

These adult learners, age 23 to 50, represent 56% of the University of Maine System (UMS) student body. In general, these older students are more mature, more experienced, more pressed for time by the demands of families and employment, and more motivated in pursuit of their education. They are seeking economical, effective education as close to work or home as possible. The chart to the right shows a more detailed breakdown by age group. The student profile at the Maine Technical College System also indicates a rise in the average age of students. The average age of the Fall 1995 freshmen class in the MTCS was 29 years old.

22 or less	12,859	(41%)
23 to 30	7,629	(25%)
31 to 40	5,698	(18%)
41 to 50	3,981	(13%)
51 or more	870	(3%)

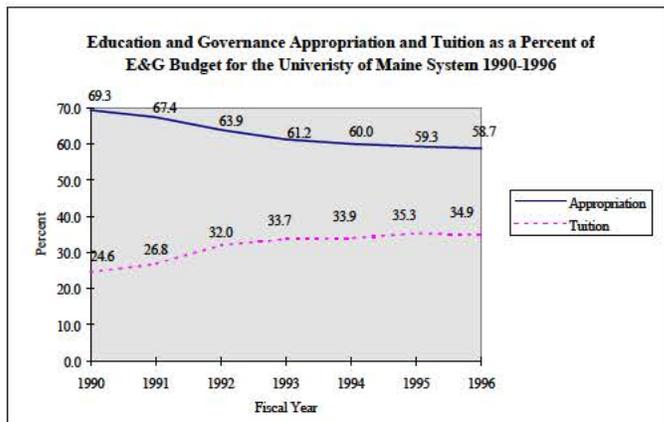
Source: Office of Finance and Treasurer (UMS)

The Commission's findings within the public institutions are explored by system.

□ UNIVERSITY OF MAINE SYSTEM (UMS)

In 1986, the Report of the Visiting Committee to the University of Maine was presented to the Governor and Legislature. It was the most extensive review of the system to date. The Commission on Higher Education Governance has reviewed this report extensively and updated many of its findings to determine the current state of the University of Maine System (see Appendix Four for the update and Appendix Five for a description of UMS today). The following are some of the highlights of the Commission's update, as well as other findings pertaining to the University of Maine System (UMS).

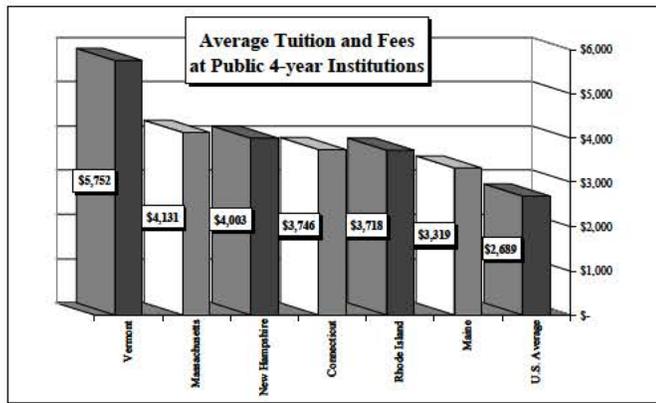
- ◇ The UMS experienced flat funding between 1975-1979, when state funding grew by only 4% overall. The impacts of this were highlighted in the 1986 Visiting Committee Report. The first major effect was an increase in tuition; the second was to impoverish academic support budgets; and the third was to cap faculty salaries. As is pointed out in the section on Finance and Budget, a new period of flat funding has occurred between 1990 and 1996, with a net decrease of 1.8% in state funds. Funding to the UMS is currently below the 1989 high mark.
- ◇ Each UMS campus is undertaking an annual 2 percent cut over the next five years to allow for internal reallocation of funds. The Commission applauds the intention of increasing efficiency and effectiveness.



Source: Office of Finance and Treasurer (UMS)
E&G - is the Education and Governance Budget or General Operating Budget

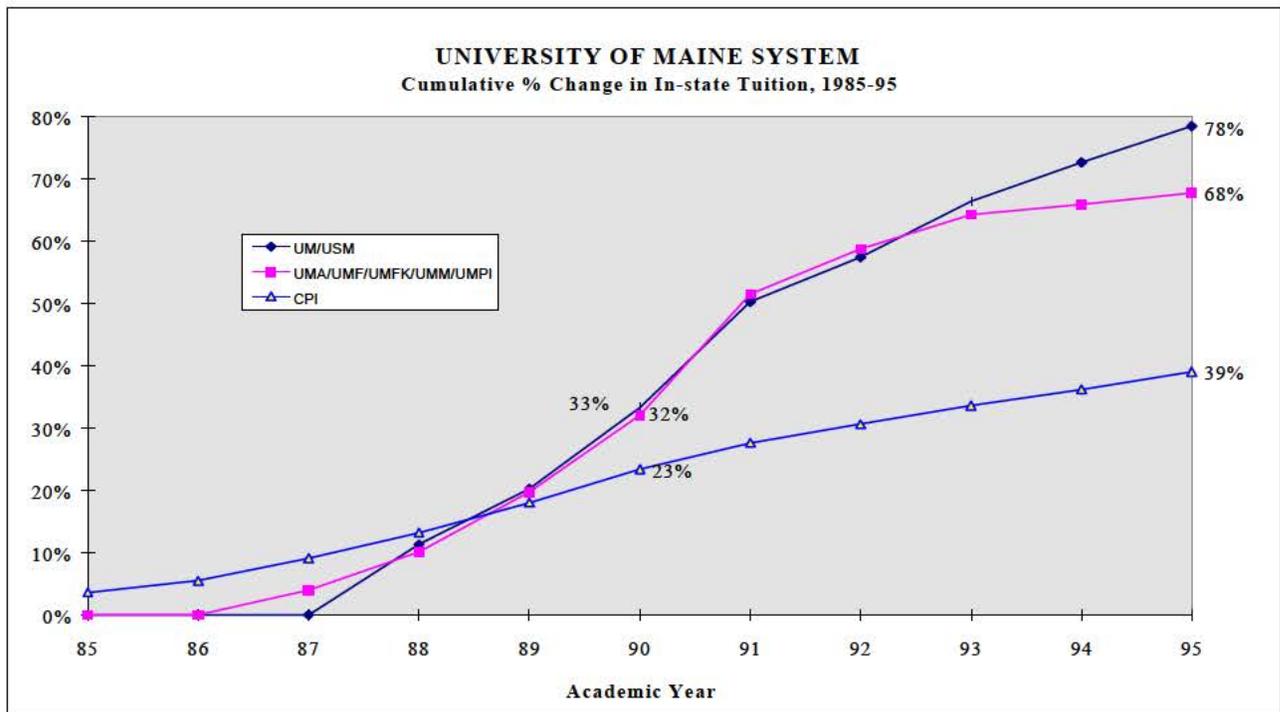
- ◇ The Visiting Committee Report, in 1986, called for higher funding for UMS to end its reliance on tuition increases. The increased funding that came as a result of that report brought UMS appropriations to a high in 1989, and did end its reliance on tuition for a time. However, as can be seen in the chart to the left, this reliance has returned. Currently, tuition accounts for 34.9% of the budget, while in 1985 it was less than one quarter.

◇ As the chart on the right indicates, UMS has a high average tuition compared to the national average. Maine ranks behind the other New England states in four-year tuition and behind the Northern New England states in two-year tuition, however, the New England region has the highest over all tuition averages of any region in the nation. Maine currently ranks 12th nationally for public tuitions at four-year institutions and 7th for two-year institutions.



Source: Chronicle of Higher Education, September 1, 1995

◇ Since 1985, Maine's cumulative change for in-state tuition has been much higher than the cumulative change in the Consumer Price Index (CPI) (see chart below). As can be seen, tuition in Maine has risen at twice the rate of inflation since 1987.



Source: University of Maine System, Office of Finance and Treasurer, July, 1995.
Consumer Price Index is based on CPI (U), meaning buying pattern of urban consumers.

◇ The Commission also has concerns that overall, New England loses a higher proportion of high school graduates attending colleges out-of-state than any other region of the country. According to the recently released Higher Education Report Card, 1995, by Research Associates of Washington, Maine ranks 7th nationally in the percentage of students who migrate out-of-state for college. In 1992, 49.6% of the students graduating from Maine high schools and continuing into post-secondary education left the state. This increasing migration is noted with concern by both Maine's public and private colleges.

- ◇ In 1986, the Carnegie classification ¹ of UM as a research and doctoral institution was dropped, due to its poor facilities and lack of doctoral graduates. This has since been restored, although Maine currently ranks 50th among the states in dollars-per-capita expenditures for research and development. Yet even though Maine ranks as the lowest in terms of state expenditures for research, the University of Maine faculty members have had a good rate of success in their competition for federal research funds. From 1991 to 1994 the success rate for faculty submitting proposals to the National Science Foundation was 35%, which was above the other EPSCoR states² and approximately at the national average.

The Commission notes with concern that these grants often require state funding to “match” the federal or other private foundation dollars in order to “draw down” this money. For example, UM was unable to raise the \$750,000 needed to complete the state share in order to receive a \$4.5 million grant through EPSCoR and the National Science Foundation, to fund a wood-hybrids facility and cold-water aquaculture facility, until a recent initiative by the Chancellor provided funds for this match. The Chancellor downsized the central office to re-allocate these funds.

A rough approximation of the direct loss to Maine is that for want of \$2.2 million in state matching funds, the University is losing \$8.48 million from outside sources, and with this the construction- and service-related jobs that come along with these types of projects.

- ◇ The Visiting Committee Report stressed that “the library is the center of the academic enterprise. The libraries on each campus, but most especially at the research and doctoral university, require constant attention. Automation of services, electronic interlibrary communications, and acquisition of new technology should be kept up to date. The library collections...cannot be allowed to fall behind.”

These concerns were addressed through several specific allocations in the late 1980s, although current holdings of the libraries in the University of Maine System are still a concern. These libraries provide an important public service to the community by offering access to research materials for non-students and students at other institutions as well. The University of Maine library in particular needs to be able to support a high level of research, yet it is not able to keep up with the demands for periodicals and new acquisitions. Also, in the recent round of accreditation reports for the campuses, both at Farmington and

Machias were reminded of concerns with their library resources and plans.

Average Salary of Full-Time Faculty Members 1993-94			
	Public Universities	Other Public 4-Year	Public 2-Year
Connecticut	\$62,965	\$53,374	\$46,813
Maine	45,096	40,753	32,514
Massachusetts	60,961	49,899	39,721
New Hampshire	48,114	41,276	33,682
Rhode Island	54,472	45,257	40,398
Vermont	45,743	35,972	33,087
U.S. Average	\$51,493	\$45,677	\$41,040

Source: Chronicle of Higher Education

- ◇ Faculty salaries continue to be a concern. The chart on the left shows that UM has the lowest average salaries in New England for its peer institutions and is \$6,000 below the national average for public universities. This has a tremendous impact on the ability to attract and retain faculty capable of quality instruction as well as quality research. Overall,

¹ The Carnegie Foundation maintains a classification system for institutions of higher education. They designate all such institutions across the country.

² The EPSCoR states were designated by the National Science Foundation as the eighteen states that have historically fallen behind national averages in ability to attract research funding from federal sources. These states are Alabama, Arkansas, Idaho, Kansas, Kentucky, Louisiana, Maine, Mississippi, Montana, Nebraska, Nevada, North Dakota, Oklahoma, South Carolina, South Dakota, Vermont, West Virginia and Wyoming.

UMS salaries are below national averages.

	<u>1995</u>	<u>1985</u>
UMFK	88%	99%
UMA	86%	91%
UMM	84%	90%
UM	82%	89%
USM	78%	94%
UMF	74%	80%
UMPI	73%	93%

◇ Admission standards vary as do admission rates to the individual UMS campuses. The varied admission rates are partly in keeping with the selectivity of the standards, and partly owing to the inability of students to obtain the financial package needed to attend after they have been accepted. Overall, the UMS admission rates have declined since 1985 as can be seen in the chart to the left. Whether this is indicative only of increasing standards, or whether lower financial access has contributed as well, the Commission cannot determine.

◇ The UMS has been operating in a mode of “deferred maintenance” for the past 20 years, with estimates ranging from \$30 million to as high as \$50 million dollars in total deferred maintenance costs. Numerous reports³ have warned repeatedly that the practice of deferred maintenance results in harmful and expensive effects. The chart below illustrates the current “deficit” between the recommended 1.5% maintenance budget (based on building value) and the actual maintenance budgets for each campus, and also includes the MTCS campuses and the Maine Maritime Academy, which highlight a similar pattern of deferred maintenance

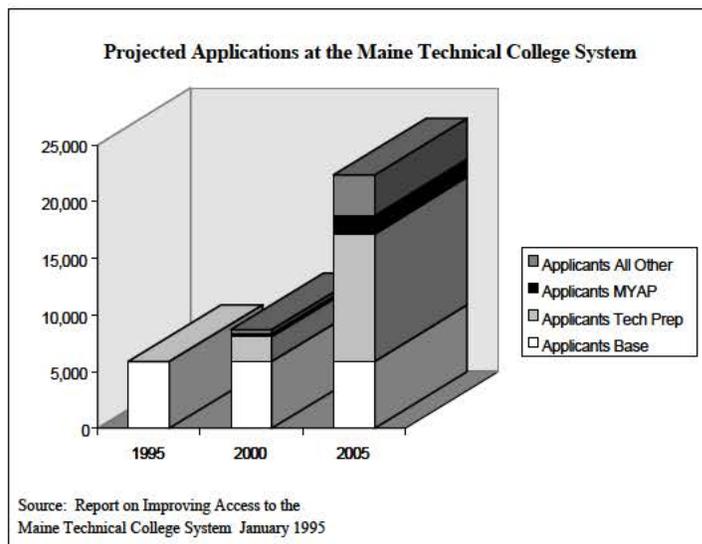
Campus	FY95 Bldg. Value	1.5% of Bldg. Value	Actual Maintenance Budget
UMA	\$41,849,331	\$627,740	\$ 56,995
UMF	\$37,410,489	\$561,157	\$290,105
UMFK	\$10,887,557	\$163,313	\$75,910
UMM	\$14,650,811	\$219,762	\$94,422
UM	\$280,589,429	\$4,208,841	\$335,016
USM	\$112,098,838	\$1,681,483	\$499,195
UMPI	\$24,805,138	\$372,077	\$278,573
MMA	\$54,254,305	\$813,815	\$633,679
CMTC	\$19,082,026	\$286,230	\$58,515
EMTC	\$16,885,692	\$253,285	\$27,117
KVTC	\$10,413,394	\$156,201	\$48,598
NMTC	\$19,710,462	\$295,657	\$163,199
SMTC	\$35,348,695	\$530,230	\$371,320
WMTC	\$16,758,803	\$251,382	\$204,261
TOTALS	\$694,744,970	\$10,421,173	3,136,905

Source: Data provided by each of the System/Campus Offices.

³In 1988, the University of Maine System was reviewed under the Legislature’s Audit and Program review process and addressed the issue of deferred maintenance in some detail. Coopers and Lybrand in its final report University of Maine System Admi

□ MAINE TECHNICAL COLLEGE SYSTEM (MTCS)

In 1995, a study report was presented to the Legislature reviewing the Maine Technical College System (MTCS) entitled, Report on Improving Access to the Maine Technical College System (see Appendix Six for a description of the system). The Commission has reviewed this report and feels that some of the findings presented should be highlighted again for review by Maine's policy-makers. As was reported, "technologically advanced fields now account for the fastest growing segment of the global marketplace. Nearly 40 percent of the country's economic growth since 1990 is attributed to spending by US businesses on high-tech equipment. In 1991, the Maine Department of Labor estimated that a minimum of 60,000 additional technicians would be needed by the year 2000 to meet the growing need for skilled labor in the state".



- ◇ Applications to the MTCS grew by more than 30% between 1989 and 1994, and according to the findings of the Report on Improving Access, the expectation is that they will more than triple in the next decade. Over 21,000 people are expected to seek entry to the MTCS by the year 2005 as a direct result of the many school-to-work initiatives currently in place in Maine's secondary schools, including the Maine Youth Apprenticeship Program (MYAP and the Tech Prep Program (see chart on left). While applications increased by over 30%, the basic state appropriation to the MTCS

grew by only 5%. Like the UMS, the MTCS was forced to increase student tuitions. Tuitions have risen by nearly 74% at the MTCS since 1989. These rising tuitions are directly related to student access to Maine's institutions of higher education. Financial aid is available, but the increasing numbers of students in need of assistance spreads this aid out ever more thinly to those who qualify, with many qualified students able to receive no assistance at all.

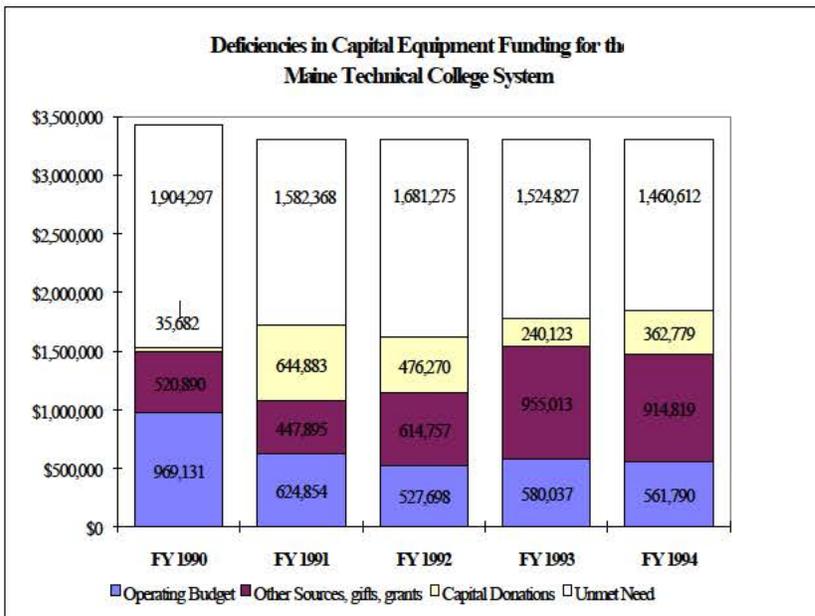
strative Survey Project(May 1992) noted that "there does not appear to be a clear capital planning process which provides a long-term view of "full funds" expenditure requirements, with a prioritized view of major needs."

Admission Rates at the Maine Technical College System 1995

YCTC	77%
NMTC	76%
WCTC	61%
CMTC	53%
SMTC	46%
EMTC	43%
KVTC	39%
SYSTEM	51%

Source: MTC System Office

The MTCS has an open admissions policy in most of its programs (there are a few that have more stringent requirements owing to their highly technical nature), but there is a lack of offerings in relation to demand owing primarily to the lack of resources to hire more faculty. An open admissions policy should mean that if the space is available and the minimum requirement of a high school diploma or GED is met, all applicants are accepted. However, as can be seen in the chart to the left, in 1995 the MTCS reported that it was forced to reject 49% of its applicants. Admission rates varied from a low of 39% at Kennebec Valley Technical College (KVTC) to a high of 79% at York County Technical College (YCTC).



Source: Report on Improving Access to the Maine Technical College System

technology. This leaves an annual shortfall of \$1.6 million and virtually assures that technology at Maine’s Technical Colleges will fall behind industry standards⁴.

THE MAINE MARITIME ACADEMY

Established as a military college, the Academy had as its mission the provision of a comprehensive course of instruction and professional training to prepare graduates to become licensed officers in the U.S. Merchant Marine or to serve as commissioned officers in the U.S. Navy or Coast Guard. Today Maine Maritime Academy’s enrollment stands at approximately 660, and the Academy has modern buildings, sophisticated labs and simulators, and a 534-foot training ship, the “State of Maine”.

The Commission finds that the MMA is a unique institution serving a very specific population (see Appendix Seven for a description). It is an institution based on the maritime tradition in Maine, and with its access to ship board duty, offers a distinct opportunity to Maine students. The current curricular growth is reflected in

⁴ Report on Access p. 13.

◇ The Report on Access also pointed out that the MTCS is highly dependent on quality technology to sustain a quality technical education, yet since FY 1990, the system-wide budget for capital equipment has shrunk by half. As the chart to the right shows, and the report highlighted, “The actual average renewal activity for capital equipment from 1990-94...has been \$1.7 million, only 52 percent of the amount that Maine’s Technical Colleges should be reinvesting to maintain their

the new Associate in Science degree programs and the Master of Science in Maritime Management (M.S.M.M.) degree program.

Maine Maritime Academy awards the Bachelor of Science degree with majors in marina management, marine engineering operations, marine engineering technology, marine systems engineering, marine transportation, nautical science, ocean studies, power engineering technology, and small vessel operations. The Associate in Science degree is awarded with majors in marina management and small vessel operations.

The Commission notes that the appropriation amount per student is high in comparison to the other public institutions (see Appendix Eight), however, whether this is a reflection of its full time resident population, the Commission was unable to determine. The timeframe of this review did not allow for a more thorough examination of the MMA.

□ FINANCIAL ACCESS FOR MAINE'S STUDENTS

Findings

In recent years, the cost of higher education has increased while financial aid, particularly grant aid, has not kept pace. In the late 1970s, the average student financial aid package consisted of 75% grants and only 25% loans. In 1995, approximately 75% of aid was in the form of loans, and only 25% was in the form of grants. If this trend continues, the cost of higher education will become an increasingly onerous burden for students and their families.

In Maine, the level of state funding to financial aid has not kept pace with rising tuitions or with national averages. According to the report, Higher Education: Maine and the Nation: Selected Data, prepared by the office of institutional studies at the University of Maine, in 1993-94, Maine ranked as number thirty-seven nationally in per capita state funding to financial aid. As the chart to the right indicates, Maine is the second lowest state spender in New England for financial aid.

Combined with these changes in available financial aid, the rising tuition in Maine is having an impact on enrollments, which are currently declining, even though enrollments have continued to climb nationally. According to the National Center for Education Statistics, Maine was one of only four states to have a decrease or to maintain flat enrollments between the years 1989 and 1994.

The Maine Department of Labor statistics show an increasing demand for post-secondary education in the workplace for the 21st Century, and as stated previously, while Maine has a high school completion rate that is exceptionally high, Maine has an average per capita associate degree level of attainment and a per capita baccalaureate and graduate degree level of attainment that is below average.

The Commission found there to be five main sources of financial aid available to students:

1. Federal grant and loan funds - future uncertain.
2. The colleges themselves (endowments and tuition "discounts").
3. Maine grant funds (Maine Student Incentive Scholarship Program) - level funding.

Connecticut	\$20,841,000
Maine	\$ 5,170,000
Massachusetts	\$59,580,000
New Hampshire	\$ 1,598,000
Rhode Island	\$ 6,840,000
Vermont	\$11,323,000
Source: Chronicle of Higher Education, September 1, 1995	

4. Student loans from banks, etc., guaranteed by federal and state governments. The Finance Authority of Maine (FAME) is the State's guarantor of student loans in the Federal Family Education Loan Program. The federal government has initiated a new Direct Loan Program to operate parallel to the Federal Family Education Loan Program.
5. Private sources, such as those identified by guidance offices, financial aid officers and FAME's Scholarship Book and Scholarship Search Service.

Financial aid from any source may range from full tuition to much smaller amounts, perhaps only a few hundred dollars. Part time students are generally eligible for some form of aid as long as they are enrolled in a degree program. The criteria for federal and state financial aid awards are the same for four year and two year degree candidates, including those in the technical colleges. Athletic scholarships are given only to Class 1 inter-collegiate competition institutions, i.e., UM only. No state funds are used for athletic scholarships.

The State of Maine appropriated over \$8 million this past year for student grants and loans. Of that amount, approximately \$5 million was awarded under the Maine Student Incentive Scholarship Program (MSISP) based on the greatest financial need. Students with the greatest need are awarded grants first until funds are exhausted, as established in Maine statute. As the chart to the right highlights, the State funds for financial aid have essentially been fixed for the past five years

The MSISP has reciprocal arrangements with thirteen states currently. This reciprocal arrangement allows students to take their state funds with them to the institutions of their choice, within the states participating. In recent years Maine has seen a net loss of students in this program. In 1995, 1,750 Maine students left the state with approximately \$1.5 million in MSISP funds, and 762 out-of-state students came into Maine with a approximately \$.5 million in reciprocal funding.

Total General Fund Dollars for Financial Aid, 1991-1995	
1991	\$8,314,833
1992	\$8,696,040
1993	\$8,054,498
1994	\$7,882,049
1995	\$8,138,140

Source: UMS Office of the Treasurer.

The total amount of financial aid going to Maine students each year from all sources is about \$450 million. The \$5 million in grants provided by FAME is just over 1% of the total amount of aid. In addition to the \$5 million in grants, FAME will also guarantee about \$125 million in loans each year under the Federal Family Education Loan Programs, including Stafford Loans and PLUS Loans. These are loans that must be repaid, so only in the event of a default does the State contribute. Fortunately, it can be noted that the default rate on student loans in Maine is among the lowest in the nation.

In addition to the MSISP, state-sponsored sources of financial aid include the Teachers for Maine Program for aspiring teachers, the Medical Education Program for students in medical school, credit-based loans from the Maine Educational Loan Authority, and Indian Scholarships at the University of Maine System.

Based on all the preceding findings, the Commission offers these five recommendations for investments in Maine's future economic well-being :

Recommendation 1: Investment in Quality Higher Education

The Commission recommends that the State Legislature provide the UMS, the MTCS and the MMA with a level of predictability in their funding which would allow them to meet annually increasing costs largely out of their control (e.g. employee cost-of-living increases and increasing energy costs), without further diminishing services and quality. This should be accomplished by granting cost-of-living increases tied to the baseline appropriation of FY97. This annual increase should continue until the Legislature has reviewed and determined

an effective alternative method of allocation to public higher education (based on Recommendation 16 in the section on Finance and Budget).

The Commission also recommends that the Legislature make future investments in public higher education, dependent on the system's or campus's level of achievement in meeting the objectives set out in their performance budgeting goals. This could be used as an incentive to the campuses to meet, and exceed, their stated benchmarks of performance outcomes.

Rationale: The financial planners within the large and complex systems of higher education in Maine need to have some level of predictability in their annual funding levels to sustain growth and set in place goals and objectives. In the past decade, the systems went through a boom and bust cycle of funding from the state. Such cycles can lead to excessive expansion on the one hand, and forced or arbitrary cut backs on the other. Given a predictable baseline of growth, tuition should level off.

The ability to use the excess funds available in good fiscal years as an incentive to keep the system financial operations efficient and effective will also enhance the growth from the investments. In 1986, the Visitor's Committee report noted with concern the effects from the flat funding the UMS had experienced in the late 1970s. Unfortunately, the investment of \$15 million the report advocated, and the university received, was partly spent to offset the negatives resulting from these years. The UMS was able to move forward in some areas, but had the system been receiving a predictable minimum of investment, and had they been held to a level of efficiency prior to, and after, the infusion of funding - the investment could have had a longer reaching impact on advancing the level of education, research, technological advancement, and public service available to Maine's citizens. A healthy and effective University system and Technical College system are cornerstones to a healthy sustainable economy and Maine's future economic development.

Recommendation 2: Investment in Access for Technical Education

The Commission recommends that the Legislature re-visit the report Improving Access to the MTCS and that it follow through with implementing recommendations one and two as an investment in Maine's future economic development.

***Recommendation #1** To meet increasing student and industry demands, the Study Committee recommends that beginning in fiscal year 1997 the State of Maine invest \$1.8 million annually in a growth plan for the Maine Technical College System to increase enrollment from its current level of 4,500 full- and part-time matriculated students to 10,000 by the year 2006. This increase should be initiated primarily through greater utilization of existing college facilities*

***Recommendation #2** The Study Committee recommends creating and annually investing in an equipment renewal program for the MTCS in the amount of \$1 million beginning in fiscal year 1998. This action will ensure up-to-date equipment in each technology, based on average useful life expectancy.*

The Commission also recommends that the MTCS move to enhance its technical course offerings through expanded evening courses and a year round utilization of its campuses. Given sufficient resources to expand offerings, the system can make better use of its facilities.

Recommendation 3: Investment in the Infrastructure

The Commission recommends that the State Legislature allocate to the University of Maine System \$1.5 million per year over the next two biennia in order to bring the UMS maintenance budget from its current .35% of building value to 1.5% of building value to allow it to address the deferred maintenance on its campuses.

The Commission further recommends that each campus of the University of Maine System, the Maine Maritime Academy and the Maine Technical College System develop and implement a comprehensive capital improvement plan, which would include each campus designating in its budget an amount of money equal to 1.5%⁵ of the estimated total building value for maintenance purposes, and that beginning immediately, all new construction projects or other capital improvements indicate the estimated annual amount which will be required to maintain the facility.

Rationale: The practice of building new facilities, regardless of the source of the money, without earmarking money for maintenance should be stopped immediately. While the Commission supports assistance to the UMS in bringing its facilities up to standard in the short term, every institution should ensure that all new facilities or renovations can be maintained properly to prevent further situations of deferred maintenance. If the current funding level is inadequate, then there should be an additional appropriation request, and increased borrowing should focus on the area of maintenance and repair of campus buildings.

Recommendation 4: Investment in Research and Development for Maine's Future

The Legislature and the Governor should be advised that higher education in Maine is woefully lacking in necessary funding to support current research efforts. Based on a review of the financial needs to support research conducted by the University of Maine alone, the Commission recommends that the state provide a minimum of \$10 million over the next biennium, directed to funding specific research grants. The Commission further recommends that this increase in research dollars be awarded first based on the project's applicability to both current economic development in Maine and emerging industries and, second, in order to leverage matching federal and foundation grant dollars.

Rationale: Across the nation, pockets of economic vitality reflect a common characteristic of adequate support from nearby colleges and universities regarding research and development. Such investment should be supported by the State of Maine and viewed as public policy aimed at economic development for the entire state. This is a solid base on which Maine could build to enhance its economic development. The booming economies along Route 128 in Boston, in the Research Triangle Park of North Carolina and in the Silicon Valley of California owe much to their strong connections to research universities in their states. If Maine wants to pursue a plan for economic development by creating employment opportunities based in science and technology to take us into the 21st Century, it must make the investment today in the research infrastructure.

Recommendation 5: Investment in Access for Maine's Students

The Commission recommends that the Maine Legislature make a commitment to investing in Maine students through increased funding of the Maine Student Incentive Scholarship Program (MSISP). While it is not feasible to budget enough funding for all eligible students, the Commission recommends an annual increase of \$1 million, for the next five years, to narrow the gap between eligibility and access. These would take the total state appropriation for MSISP to approximately \$10 million, which would bring the program very close to meeting the needs of all eligible students. An annual increase of \$1 million will allow an additional 1,300 students to be added to the program each year.

⁵ This is a standard figure used in higher education nationally.

Rationale: A “Five-Year Investment Plan” such as this would send a message to students and their parents that higher education is important and that it should be a priority for Maine people. For many Maine students, access to higher education - university, community college or technical college - is closely associated with affordability. In Maine, approximately 35,000 students each year will apply for grants for higher education through MSISP. Of that number, about 22,000 will evidence a need for aid based on the statutory criteria, however, only half those students will actually receive this aid owing to the lack of money available. The remainder must borrow increasing amounts of money to complete their education. Some may have to abandon their goals for higher education due to these financial concerns.

The Commission feels strongly that the State of Maine must be there to assist its qualified students in gaining access to higher education for the future development of the state’s economy. Maine must have a qualified workforce as well as residents with the knowledge and skills to compete for the types of jobs needed in the future, or Maine will be unable to attract new industries.



GOVERNANCE AND LEADERSHIP

STATE-WIDE SYSTEMS, PLANNING AND COORDINATION

General discussion

The Commission has reviewed a number of recent articles and books regarding national trends in higher education governance and has heard directly from experts in higher education. Systems of higher education in place nation-wide were reviewed by the Commission as a source of comparison to the systems currently in place in Maine. In this process, the Commission came to several conclusions relative to the governance of public higher education:

- ◇ State public institutions nationally, and in Maine, have been organized within traditional structures, but new factors such as changing economies, new technologies and a scarcity of resources are cutting across these structures;
- ◇ The focus of public higher education should be on state-wide needs rather than institutional needs, where it is has been traditionally; and
- ◇ There are many examples nationally of collaborative agreements breaking down between institutions of public higher education owing to competition for scarce resources. Competition becomes heightened as institutions expand and duplicate services and programs in an attempt to extend their missions to generate more revenues.

Findings

The Commission saw evidence of movement nationally toward merging systems of higher education and has reviewed mergers of varying degrees in Minnesota, North Carolina, South Carolina, New Hampshire, North Dakota, Massachusetts, Alaska and Maryland. This trend appears to be emerging as states compete for increasingly scarce federal dollars and see their own state resources for higher education shrinking in the face of increased costs for other state programs. However, there are also rising concerns over this movement to consolidate. In many cases, it has cost more to conduct the re-organization than has been saved, at least in the short-term. In other cases, the time spent and the focus to re-organize has interrupted the normal activities and initiatives of the systems involved, often adversely impacting the quality of the educational experience for the student.

There is general agreement among Commission members that the governance structures in Maine on the system level fit within the range of accepted national models for higher education governance. When the UMS was created in 1968 and the MTCS was established in 1986, the consensus was that both represented improvements over the random associations then in place. These systems are seen by some as national models for post-secondary educational organization and leadership.

In reviewing these two systems, the Commission concluded that a great deal of work is being accomplished through the system offices and that the operations appear to be continually striving for greater efficiencies. In the system offices there are functions of leadership and there are system-wide functions, such as financial analysis and legal counsel. Other system services are support type services, including central computing and facilities management. These system-wide functions are by far the larger of the two, for example, there are fifteen employees in the Chancellor's office and ninety-eight employed through system-wide services. The same staffing differentials are seen in the system office of the MTCS. (See Appendix Nine for complete list.)

The Commission has concluded that both the position of Chancellor, and the position of President of the MTCS, are effective and necessary for the efficient operation of the systems. As a consequence, the Commission is working from the conviction that the systems are not broken, but rather are in need of fine tuning to provide state-wide vision, planning, coordination and accountability.

A review of the current operation of Maine's system of public higher education shows the lack of a formal mechanism for intersystem cooperation. As a result the Commission finds there is:

- ◇ no state level cooperative planning for higher education in Maine, as evidenced recently in the conflict between the MMA and the University of Maine (UM) in Orono over the creation of a new School of Marine Sciences at UM. Current planning appears to be institution-based or single-system-based;
- ◇ no single source of information for potential students to consult concerning what is the state-wide availability of course and program offerings or what can be transferred among the campuses and systems of higher education in Maine;
- ◇ no state-wide articulation of agreements between the UMS and the MTCS for course transferability and applicability (some regional arrangements exist between individual institutions, but there is an absence of any overall mechanism or established process for coordination);
- ◇ the potential for duplication of programs, as evidenced by the rapid expansion of nursing programs seen state-wide in the 1970's and 1980's by the technical colleges, private institutions and campuses in the UMS (the Commission notes that there is little unnecessary duplication currently between the public institutions); and
- ◇ confusion and conflict over the governance of community college services and associate degree offerings state-wide, resulting in the potential for unproductive competition, redundancy and duplication of services.

The following criteria were developed by the Commission to guide its deliberations on state-wide coordination:

- ◇ it is preferable to build on the strengths of the systems, rather than create new structures or bureaucracies;
- ◇ a state-wide vision, or a "public agenda" for higher education, should be developed based on a needs assessment;
- ◇ some level of autonomy should be maintained at the campus level;
- ◇ faculty and students should be assured the opportunity to participate in intersystem coordination and planning;

- ◇ a regional approach, to involve the community in planning for individual institutions should be established;
- ◇ intersystem coordination should also consider the resources of private institutions;
- ◇ a coordinating authority should be established for public institutions; and
- ◇ accountability for the overall operation of public higher education in Maine should ultimately rest with the Governor since he, or she, is where all lines of authority converge.

Based on these findings and criteria, the Commission makes the following recommendations:

Recommendation 6: Maintain System Structures

The Commission recommends maintaining the current system structure for both the University of Maine System (UMS) and the Maine Technical College System (MTCS). However, the Commission also recommends that the Boards of Trustees and the CEOs of these systems establish processes to routinely examine ways in which the efficiencies of the administrative structures might be maximized and administrative and professional personnel reduced whenever possible. The Commission also recommends that faculty be utilized in the administrative positions and functions whenever possible, for example, through part-time appointments or rotating leadership positions.

Rationale: After reviewing several options of organizational structures as alternatives, the Commission concluded that a system approach is in the best interest of the campuses and the students. The Commission understands that it is difficult to have an efficient system while maintaining the autonomous identity of the campuses, although it is extremely important to achieve this balance. Not only do campuses retain a regional affiliation in this way and allow for greater identification with students, they also have improved fundraising ability. The system approach, conversely, allows for greater efficiencies and accountability to the public and the Legislature. If each campus competed in the legislative process it could result in substantial inequities of support based on political power, not public policy. The system structure also provides a focus on the overall needs of the whole, to supplement the views of the individual campuses.

While the Commission realizes that the UMS and the MTCS are not out of line with national norms for administrative and professional staffing levels, as can be seen on the chart to the right, limited resources must force them to continually strive for greater efficiencies. A greater participation by the faculty in administrative functions might not only alleviate the need for additional personnel, but allow a greater sense of participation by faculty in the governance of the systems.

	FTE Student/ FTE Staff Ratios			
	Fall 1991*			
	<u>UMS</u>	<u>MTCS</u>	<u>MMA</u>	<u>US</u>
Professional Staff	39.8	100	10.4	29.3
Administrative or Managerial Staff	87.8	113	42.3	94.9

*Most recent year available for national data.

Sources: UMS Office of Finance and Treasurer, MTCS system office, MMA Administrative Office and NCES Digest of Education Statistics, 1994.

Recommendation 7: Provide Statewide Planning

The Governor should convene a “Blaine House Conference on Post-Secondary Education” in the Fall of 1997 to establish a public agenda for higher education in Maine, incorporating representatives of a diversity of perspectives. The conference should be an ongoing process held in the Fall of the second year of each Governor’s Term of office. The dialogue should focus primarily on identifying the current state-wide needs for higher

education in Maine, including a review of the geographic and scheduling access in response to the state's changing demographics. The Conference should also focus on questions of governance, retraining of teachers and faculty to take advantage of emerging technologies, the state of desired cooperation among all institutional entities, the adequacy of our financial investment, the level of contributions to the Maine economy and the relationship between primary, secondary and post-secondary education.

- ◇ An Ad Hoc committee responsible for planning the Conference should be convened by the Governor with representatives from Maine's public and private post-secondary institutions, major employers, unions, K-12 schools, small businesses, the Science and Technology Foundation and major professional groups.
- ◇ A mini-summit should be held at the mid-point between Conferences to review implementation of Conference findings and recommendations, to update the Governor and Legislature on this review and to begin the planning process for the following Conference.

Rationale: This conference would give the Governor and the Legislature an opportunity to gain a clear picture every four years of the state of post-secondary education in Maine. It would also assure a greater conscious commitment on the part of all players to keep lines of communication open and to attempt to determine and meet the needs of the Maine people and the Maine economy. A carefully prepared Blaine House Conference could be carried statewide over the Education Network of Maine and the Maine Public Broadcasting Network to assure broad public access. To an extent not now evident, it would also guarantee a state-wide dialogue and create a better understanding about the importance of higher education as a valuable investment for all Maine people. The Commission also hopes that there would be a rising appreciation of the value of life-long learning to Maine people and to the economy of Maine.

Recommendation 8: Improve State-wide Coordination

The existing Education Coordinating Committee, which was established by the Legislature concurrently with the Commission on Higher Education Governance in 1995, was an effort to enhance coordination in education, both secondary and post-secondary (see Appendix Ten for the enacting legislation). The Commission recommends that this Committee be expanded in its duties and scope of action. The recommended changes are that the Committee be charged to:

- ◇ develop a four year strategic plan to meet the needs identified by the Blaine House Conference convened by the Governor;
- ◇ work collaboratively to meet the goals of this strategic plan;
- ◇ provide for regional cooperation to meet these goals through the coordination of regional resources, including the private institutions of post-secondary education, and with input from constituents including faculty and students;
- ◇ recommend incentives to be used to encourage greater collaboration and coordination among the systems and institutions of post-secondary education (for example, a retention of savings achieved through collaboration and coordination could be reinvested in institutional development);
- ◇ examine how to routinely maintain course listings to inform students which courses in other public institutions satisfy given requirements. Such updated information should be widely available to the public through current technological means, for example, through the Internet, at the least possible cost. While the right of any college faculty to judge the suitability of courses offered to meet its stated requirements should be defended, the student should have the information available to make reasoned choices; and
- ◇ meet a minimum of four times yearly to conduct its work in an effective manner.

Staffing for this Committee would come from the system or institutional offices of the members involved, as the Committee designates, within their current budget allocations. The Committee should be reconvened by the Chancellor of the UMS at the completion of this Commission's work.

Rationale: The Committee has met only twice to date. In their second meeting they concluded that they should await the outcome of this Commission's work. They concluded that this Commission, in pursuing its duties, would be able to give them clearer direction.

□ BOARD OF TRUSTEES ISSUES

General Discussion

The Boards of Trustees are the citizen leaders and policy makers of the systems and campuses of public post-secondary education in Maine. As such, the decisions and actions of the Board are a major factor in the success or failure of Maine's public higher education system. Selection, participation and effectiveness of the Board are a key to the success or failure of the system.

Findings

The Commission has noted that the attendance level at Boards of Trustees meetings can be very uneven, with some boards having a better average attendance than others. Currently, both the MMA and the MTCS have established standards designated whereby a number of unexcused absences might result in a Board member's automatic resignation. However, there is no legal authority given to any of the boards of trustees to follow through on this standard.

The Commission also heard from several current board members of the two systems about the importance of receiving the skills and expertise or regional representation from perspective board members that they need through the gubernatorial appointment process. Especially for the MTCS, with the highly technical nature of the education provided, technical expertise is often needed.

Recommendation 9: Board of Trustee Appointments, Attendance and Roles

The Commission recommends that the Legislature review the needs of the Boards of Trustees of the UMS, the MTCS, and the MMA to establish guidelines to both assure attendance at meetings, and to assure that a basic adherence to the duties and responsibilities of membership are maintained. The Commission further recommends that the Boards of Trustees, themselves, become more active in making their needs known to the Governor early in the appointment process, so that these needs can be taken into consideration in his, or her, deliberations. The Commission also recommends that the legislation governing the duties of the Boards of Trustees be amended to include a requirement that each board member should strive to maintain a high level of cooperation and collaboration among the systems.

□ UMS PUBLIC AWARENESS EFFORTS

General Discussion

Although the University of Maine System has many areas of strength, as discussed elsewhere in this report, it has received negative media attention in recent years. The media have highlighted lawsuits with faculty, controversies within the sports programs at two of the campuses, lack of confidence in the system leadership with coverage of protests by faculty and students, and concerns over the distribution of funds among the system campuses. The Commission has also heard from many individuals and groups that feel mistrust and have concerns with the governance and leadership of the System.

As has been noted, the level of funding from state appropriations to the UMS has been flat for several years. The Legislature has not been supportive of UMS efforts to improve this funding. In fact, several pieces of legislation were submitted in 1994 and 1995 legislative sessions that would have started dismantling the system, although these did not receive the support needed to become law. Not coincidentally, the UMS has had no better luck going directly to the public for increased support. The UMS has not been able to pass recent bond measures needed for the maintenance and expansion of facilities and infrastructure, owing to the public's general lack of support. There is a growing perception that the UMS has been declining in quality and in leadership.

Recommendation 10: Enhance Public Awareness of UMS

The Commission recommends that the University of Maine Board of Trustees work with the Chancellor to review the current public awareness efforts at both the system and campus level. The Commission urges that the Board of Trustees and the Chancellor provide leadership in promoting awareness to the public and the Legislature about the benefits of the UMS to the State of Maine. In both the importance of research and higher education to the future economic development of Maine, and in the nationally and internationally recognized faculty, the UMS has much to promote.

Rationale: In general, the system does not appear to focus on familiarizing Maine citizens with its achievements and with the system's contributions to the State of Maine. The Commission notes that future funding levels are likely to be influenced by the public's perception of the UMS.

□ MISSIONS AND ROLES

General discussion

The Commission spent time in the beginning of its deliberations agreeing to a definition of the terms "mission" and "role" in order to develop a shared framework for reviewing the campus missions and the system missions. There was general agreement on the following definitions:

The "Mission" is the reason for the existence of a campus or system.

- ◇ There should be an identified population to be served.
- ◇ The focus should include the region served.
- ◇ There should be a definition (if applicable) of the campus relationship to the system.

The "Role" is how the mission is achieved.

- ◇ It is subject to change as the needs of the region and population served change.
- ◇ It is seen in the degrees offered.
- ◇ It might be an academic thrust or campus strength within the mission.
- ◇ Part of the role is as an economic player within the community it serves.

Findings

The Commission reviewed the mission statements of the University of Maine System and the Maine Technical College System, as well as the mission statements of the campuses in these systems, and the mission statement of the Maine Maritime Academy. Beyond these mission statements, the Commission also discussed the missions or actual roles that these institutions play in their geographic areas.

In many cases the Commission did find distinctiveness in the mission statements and roles of the campuses, both within and between the systems. There was also a sense reflected that many of the campuses are meeting

regional needs. The Commission, however, did find some similarities of missions and roles between institutions.

In general, the Commission offers this recommendation to assist the systems and campuses in more clearly defining their missions to encourage a more focused use of resources.

Recommendation 11: Campus and System Missions Delineated

The Commission recommends that individual campus missions be tied more clearly into the overall mission of their system, either the MTCS or UMS. The Commission also recommends that, in general, campus mission statements need to be more concisely worded and reviewed more frequently. In addition, the mission statements should more clearly reflect the needs of the regions they serve. And finally, the Commission recommends that each campus carefully consider the mission and role of the other institutions within its geographic region when reviewing its own, so that minimum overlap occurs. The Commission feels that a closer adherence to mission may be needed within many campuses. More frequent review and more concisely worded mission statements would assist in this matter.

FINANCE AND BUDGET

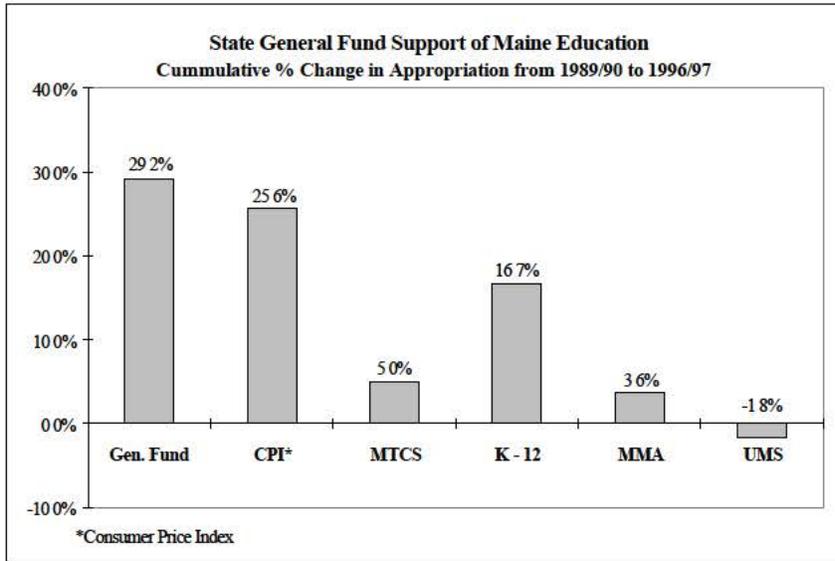
General Discussion

The Commission notes several themes in the financing of public higher education both nationally and here in Maine:

- ◇ States remain the primary funding source for higher education, and as a result the financial stability of public colleges and universities is very closely related to the financial health of the state. This is particularly true in Maine;
- ◇ Students are being asked to incur a greater percentage of the total costs of education, resulting in fewer students able to pursue educational opportunities;
- ◇ Throughout the 1980s, public higher education, nationally, enjoyed a substantial increase in its revenues, with public funding more than doubling, while tuition and fees tripled. The 1990s have been a different story with revenues from the Federal and state governments slowing dramatically, and in fact decreasing when adjusted for inflation. Tuition however has continued to climb; and
- ◇ The demands for accountability for state dollars which fund higher education have increased dramatically and dominate the discussions of higher education in legislatures throughout the country.

Findings

What follows are a number of findings which help to bring into focus some of the underlying factors which shaped the recommendations of the Commission.

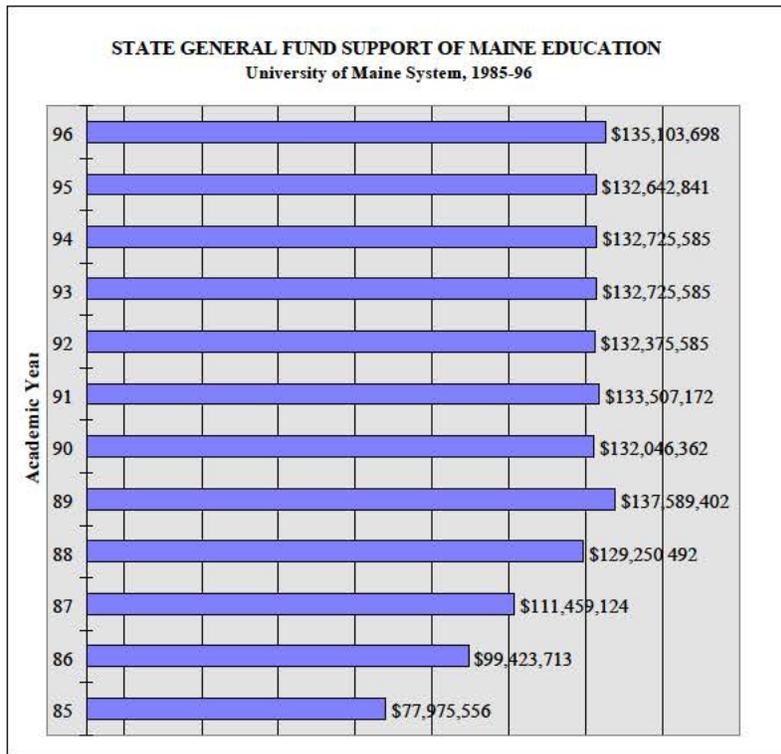


Source: Office of Finance and Treasurer (UMS), MTCS Financial Office and MMA Financial Office

5%⁶, the Maine Maritime Academy realized a smaller gain of 3.6%, and the UMS actually saw a net decrease of 1.8%.

As depicted in the previous chart, the General Fund Support for the UMS has slowed and in fact reversed. This reversal comes on the heels of increases in the 1980s as can be seen in the chart to the right. The chart traces the funding history for the UMS since 1985. There was a substantial increase in state funding from 1985 to 1989 of 69% in overall dollar values, which included the \$15 million “downpayment” to the UMS recommended by the Visitor’s Committee. However, in the period from FY90 to the present, UMS funding has fallen below the amount of General Fund dollars it received in FY89, which was its all time high point. It should be noted that while General Fund revenue

As the chart to the left clearly demonstrates, public post-secondary education has been treated very differently by the Legislature than Maine’s primary and secondary education with regard to the distribution of state dollars. The chart provides a snapshot of the cumulative change in appropriations for the last 7 years, from FY90 to the current biennium. While the General Fund grew by over 29.2% and the share to K-12 education grew by 16.7%, the MTCS received an increase of only



Source: University of Maine System, Office of Finance and Treasurer, August 1995

⁶ This figure excludes special legislative initiatives such as the Maine Quality Centers and Career Advantage programs, and the start up funds for the campus in York County

nues have remained flat, expenditures have not. Much of the disparity has been made up by tuition, which has increased more than 40% since 1990.

- ◇ Issues of accountability continue to dominate much of the discussion in State Government concerning the use of General Fund dollars. It is interesting to note that this “accountability phenomenon” has been present for some time. A survey conducted in 1988 asked Legislators to rank in order of importance, the ways by which the present relationship between the Legislature and the University of Maine System could be improved. Number 1 was “increased accountability from the UMS”. Additionally, Legislators were asked to respond to the statement “Government must be supplied with better data by academia if it is to judge the effectiveness with which higher education uses the tax revenues it receives.” Fifty five percent indicated that they strongly agreed with that statement, thirty-three percent somewhat agreed, and only nine percent somewhat or strongly disagreed. While this may not be surprising to many, it does indicate that issues regarding accountability are a continuing concern of the Legislature.
- ◇ The current appropriation mechanism by which institutions receive their funding is extremely complex and does not offer a comfortable level of predictability. Enrollments, federal grants, state funding, tuition levels, and many other considerations provide an inordinate number of variables which the managers of the institutions must accommodate as they attempt to run their operations. In addition, as public entities, there are a number of political and legislative restrictions which further influence, sometimes negatively, the predictability factor as well as the ability of the trustees to properly manage the affairs of their respective institutions.

Comparison of FundRaising Effort of Selected Peer Institutions, FY 95

<u>Peer Institutions</u>	<u>Fundraising \$</u>
University of Rhode Island	7,489,000
University of Idaho	8,848,000
University of Vermont	13,680,000
University of Maine	14,091,000
University of N. Hampshire	16,422,000
West Virginia University	23,104,000
University of Arkansas	43,530,000
University of Nebraska	47,458,000

Source: The Chronicle of Higher Education Almanac, September 1, 1995.

- ◇ The University of Maine raises a substantial amount of money through fundraising efforts. However, as can be seen in the chart at the left, when compared to its peer institutions⁷ the University of Maine has potential for growth in this regard.
- ◇ The potential for growth in total endowments held by the University of Maine is also apparent when compared to its peer institutions nationally (see Appendix Eleven). The University of Maine maintains approximately \$31 million in endowments currently, while the average for its peers is \$215.6 million.

Recommendation 12: Increase the UMS Authority to Borrow

The Commission recommends that the current statutory limit of \$27 million, for authority of the University of Maine System to borrow money, should be eliminated and the Legislature should grant the Board of Trustees authority to establish an appropriate level of debt based on the needs of UMS and the ability to meet any financial obligations that will result from such borrowing. Without this authority, UMS will continue to be hindered in its ability to plan for its future needs.

⁷ Peer institutions judged comparable to Maine in population, income and relative size of the public institutions based on the Higher Education Report Card, 1995 by Kent Halstead, Research Associates of Washington, April, 1996.

Rationale: The Commission understands that the University has made some preliminary requests for increased borrowing capacity from the current level of 27 million to 100 million. The Commission agrees that the University System has a need for additional bonding authority, however, members felt that the University limit of 100 million is as arbitrary as the 27 million. In essence, the Commission believes that the University should establish a level of borrowing based on its needs and its ability to meet the future financial obligations resulting from increased borrowing.

For perspective on the truly limiting nature of the current UMS ability to borrow money, compare it to school districts in Maine which have authority under Maine Law to request borrowing of up to 10% of the district's property valuation, an amount that would enable many school districts in Maine to bond for an amount substantially greater than the entire University system is currently allowed. It should be noted that the recommendation for additional bonding authority does not rely on the State's General Fund for repayment, but assumes that such a debt would be repaid, in its entirety, by the University.

Recommendation 13: Increase Efficiency (privatization, consolidation & cost sharing)

The Commission strongly supports the efforts of the current Board of Trustees of the UMS in its establishment of an Administrative Costs Effectiveness Task Force and recommends that the Board consider a permanent task force to continually examine ways in which to achieve savings. The Commission also recommends that both the Maine Technical College System and the Maine Maritime Academy adopt a similar strategy of establishing a task force to review cost savings. In addition, the Commission recommends that cost sharing and other efficiencies be examined across the three systems.

Rationale: In a November 20, 1995 memorandum to the members of the University of Maine System community, the chair of the Board of Trustees said;

Because it is not prudent to continue to focus on short-term crisis management, the Board charges the Chancellor and Presidents to increase their efforts to implement strategies and mechanisms to increase cost effectiveness of their institutions or units either through reducing costs or adding revenues. The board expects that all possible strategies will be considered to achieve the resources necessary for a University System comprised of fairly compensated people, high quality programs, and a well maintained physical plant."

The Commission concurs with the chair and views this approach as a positive step in establishing the Legislature's wishes for increased fiscal accountability. It is an excellent strategy and one that the Commission wholeheartedly endorses. Ideas such as joint purchasing among the three systems could yield potential savings as well.

Recommendation 14: Move to Performance Budgeting

The Commission strongly supports and concurs with the Legislature that the UMS, MMA and MTC should each begin to establish a system of Performance Budgeting as required by the 117th Legislature in Public Law 1996 chapter 705.

Rationale: The public is demanding that government and public institutions be more responsive. A recent survey indicated that only 33% of Maine citizens rated the value of services received for tax dollars as good. Performance Budgeting is designed to link spending to results in the belief that the public is more willing to pay for results. The Legislature as well as the Executive Branch, has determined that an effective way of

reaching this new level of accountability is by using a system of budgeting that is based on results. With performance budgeting, the University, MMA and MTC will no longer develop a budget based on last year's expenditures and then decide what can be accomplished. Instead, the institutions will first identify what they wish to accomplish, by establishing outcome-based goals or benchmarks, and then determining related costs of implementing those goals.

Recommendation 15: Increase Endowment/Development Funds

The Commission recommends that Maine's institutions of public higher education evaluate their present levels of annual giving from alumni, as well as from foundations, businesses and other benefactors. They should focus on methods to increase annual fundraising and endowment levels at each of the campuses and at the system level. They should also examine carefully the activities of all development offices to assure adequate return for the money spent and review present investment practices. In addition, the Commission recommends that within the two multi-campus systems of public higher education there should be collaboration to assist the smaller campuses in this effort. The presidents, and the Chancellor, must move to sophisticated fundraising and development methods to offset rising costs and shrinking public dollars.

Recommendation 16: Resource Appropriations by the Legislature

The Commission recommends that the Legislature conduct a study of other methods of financing for public higher education to examine alternatives to the current financial arrangement in which the institutions receive a lump sum from the State's General Fund. Included in this study should be a model of funding in which students pay the full cost of attending a public college or university in Maine, with the General Fund appropriation allocated to the student based on need (see Appendix Twelve for an example). The Commission also recommends that the current appropriation formula to the UMS and the MTCS be reviewed by the Legislature for changes to tie it, at least in part, more directly to the enrollment levels of the systems as a whole.

Rationale: A great deal has been said concerning the need for our higher education system to increase its accountability for the money it receives. However, missing in that accountability is exactly to whom the systems should be accountable. Is it the citizens of the state? Students? The Governing Boards? Or is it the Legislature? Inevitably for any institution to succeed at improving accountability, it must be able to answer the question: "Accountable to whom?"

The goals of any funding mechanism should encourage:

- ◇ a greater level of accountability and responsiveness;
- ◇ increased equity across the student population;
- ◇ institutions to focus their entire time and resources on the needs of the students; and
- ◇ institutions to improve services and reduce costs.

Recommendation 17: Resource Allocation by the UMS Board of Trustees

The Commission recommends that the UMS Board of Trustees review the current system allocation formula to update it from its present format, which is reflective of historical precedent and not current fiscal realities. The Commission further recommends that while an emphasis on enrollment is essential to this review, it is important for the Trustees to maintain the educational status of the University of Maine as the state's "Flagship" institution. As such, UM merits special consideration for its emphasis on public service and research.

Rationale: The allocation formula in use today is not greatly changed from its original form, based in the 1860s and revised in the 1960s. This formula has not been thoroughly reviewed in light of the current fiscal realities and changing mission emphasis at the seven different campuses. UM is Maine's Land Grant (and

Sea Grant) institution. Its leadership role supports the entire spectrum of higher education in Maine, whether public or private. In fulfilling the requirements of leadership, the University provides a high level of public service, allows extensive research for Maine's future, is a premiere provider of graduate education in the state, and is the only public institution currently offering a Ph.D. degree. It must have the resources required for its role, including the lower student/faculty ratio in graduate programs, a particularly skilled and experienced faculty, and extensive library and research capabilities.



THE EDUCATION NETWORK OF MAINE

The Education Network of Maine is the unit of the University of Maine System responsible for providing the means by which distance students access university courses, degree programs, and support services.

General Discussion

The Education Network of Maine (ENM) is truly a unique operation in public higher education and is viewed nationally as a model delivery system for distance education. The statewide network was developed in 1989 for the University of Maine System by the University of Maine at Augusta (UMA) in consultation with Maine's Technical College System, Maine Maritime Academy, other University campuses, Maine Public Broadcasting System, New England Telephone and the Maine Department of Education. The Education Network consolidates distance education services on behalf of the University of Maine System. The intent was to avoid costly duplication of distance learning equipment and services on campuses and provide a one-stop source for information to off-campus students statewide.

Findings

Today, the Education Network of Maine is a separate campus within the University System and assists campuses in serving approximately 3,500 students every semester at more than 100 locations. Each semester, the network carries more than 80 credit courses leading to seven full associate degrees, five bachelor's degrees, and three masters degrees in Education, Industrial Technology and Library & Information Science.

The statewide mission is accomplished by means of a three-part structure:

- ◇ **The technology network.** This is the "pipe" through which courses flow from campus to off-campus centers, high school sites and cable systems across Maine. The Network's technology-based services include:
 - ◇ interactive television
 - ◇ videoconferencing
 - ◇ home-site classes on community cable TV
 - ◇ toll-free audio conferencing
 - ◇ computer conferencing
 - ◇ electronic mail
 - ◇ CAPS mainframe, URSUS access⁸, and UMS campus interactivity
 - ◇ instructional and promotional videotapes
 - ◇ compressed video (planned for Fall 1996)

- ◇ **The learner support network.** Ten University centers and more than 100 other sites located throughout Maine enable students to access campus courses delivered via the network technology and by faculty

⁸ CAPS is the Computing and Data Processing Services, URSUS is the University Resources Serving Users Statewide

teaching on-site. At the centers, community members can attend national and state teleconferences, seminars in professional development and a variety of meetings and workshops. Center and Teleservice staff offer students a range of academic and student support services, including:

- ◇ toll-free student information center (Teleservice)
- ◇ testing and assessment
- ◇ advising
- ◇ career counseling
- ◇ study skill workshops and tutoring
- ◇ URSUS (computerized library access)
- ◇ financial aid assistance
- ◇ technical support
- ◇ orientation for new students

◇ **The academic support network.** The academic support network provides administrative and logistical support and distance education services to the faculty who teach through the Network. Distance education services provided by the academic support network include:

- ◇ instructional design for distance learning
- ◇ instructional technology application
- ◇ faculty HELP line
- ◇ materials distribution
- ◇ production services

The Commission also notes that while the Education Network of Maine is a leading provider of distance education it is not the only provider. The Commission heard testimony from Saint Joseph's College, which operates one of the nation's largest distance education programs with 4500 students in all 50 states and 40 foreign countries (400 students from Maine). The Commission would encourage the Education Network of Maine to establish a relationship with Saint Joseph's College.

Recommendation 18: Status of the Education Network of Maine

The Commission is unequivocal in its belief that the network is a service of the university system and as such does not qualify as a campus nor should it be considered as such. The Commission recommends that degree granting authority not be given to ENM. The Commission also recommends that the responsibility for the network, as a system-wide utility service to all campuses, should reside within the Chancellor's office.

The Commission recognizes the presence of the major installation on the UMA campus and believes moving it would not be prudent. However, the Commission recommends that the offices of ENM be separated from those of UMA through a more official designation.

Rationale: A few key issues that the Commission considered in arriving at this recommendation are as follows:

- ◇ Governance structures for degree granting entities must correspond to campus authority and mission.
- ◇ Determination of course content and its quality is a faculty prerogative.
- ◇ ENM has no full or part time faculty, academic programs, nor a student body.
- ◇ ENM provides a statewide service in concert with university faculty.

- ◇ Individual campus explorations of distance learning should continue to go forward apart from ENM, but subject to Chancellor’s review.
- ◇ UMS trustees have discussed campus designation, proposed it, then denied it, and currently state “at this time” no plan to seek degree granting authority or accreditation for ENM.

Recommendation 19: Administrative Leadership of ENM

It is the consensus of the Commission, that use of the term “President” for the head of the Education Network of Maine raises significant questions concerning its appropriateness, especially when compared to the duties and responsibilities of other campus presidents. Therefore, the Commission recommends that the Chancellor and the UMS Board of Trustees review this issue. Title and administrative functions should reflect the fact that the ENM is a service unit of the Chancellor’s Office. At the same time, the importance of this activity and its unique potential for Maine suggest that the head of ENM should continue to report directly to the Chancellor.

Recommendation 20: Mission Expansion at the Education Network of Maine

The Commission recommends that the University of Maine System Board of Trustees review the possibility of broadening the mission of ENM to include a stronger focus on serving professionals and their training, or staff development needs statewide, in such fields as medicine, nursing, teaching (K-16), social work, law and engineering. As a part of this service, ENM should use its expertise to support the need for training at campuses where faculty members are, themselves, learning how to offer distance educational for such professionals.

As a result of the high cost of operations, the Commission also recommends a serious commitment by ENM staff to explore all avenues leading to new private sources of revenue to increase network capacity.

Rationale: Although, the Commission realizes that the Network is currently working at capacity, with virtually no “down time”, it also acknowledges the need for extensive training across the state in these fields. There is currently the presence of excellent equipment and highly trained support personnel at ENM. Through distance learning and new delivery technologies, the ability to offer extensive training throughout the state can be made more available.

Recommendation 21: The Education Network of Maine Partnership

The Commission recommends that the responsibilities be more clearly delineated between the faculty teaching classes over the ENM, and the administration and staff of ENM. The technical quality of broadcasts and the technological support provided are matters for ENM staff. The evaluation of the faculty, general procedures for appointment of faculty, the content of the curriculum, and issues concerning whether a course will fulfill stated academic requirements (e.g. for prerequisites or to meet distribution standards) should be the responsibility of the individual campus and faculty offering the course.

Rationale: As the faculty teaching over the ENM network are drawn from the individual campuses of the UMS and courses originate from these campuses, the campuses must clearly have the responsibility for the curriculum and conduct of the classes or courses offered. Similarly, appointment of faculty, compensation levels, course loads and faculty evaluation must also be the province of the individual campuses. However, there remain a few areas that the Commission believes must be jointly resolved by the campuses and ENM. They are as follows:

- ◇ The specific details of the ITV faculty selection process must be clarified.

- ◇ The ways in which the requirements for teaching classes over the ENM network differ from those for on-site teaching must be delineated so that faculty members will understand what is expected of them. (e.g., timelines for mailing of exams).
- ◇ The technological support available for each instructor must be spelled out - this includes both support from the operations base and support available at each receiving site.

Recommendation 22: The Education Network of Maine Cost Analysis

The Commission recommends that the Chancellor and the Board of Trustees obtain the services of an outside firm to conduct a full and public cost analysis of ENM to address directly the perception of some that the finances of ENM are not held to the same standards as other UMS components. This analysis would encompass the following, at a minimum: (1) the expense of the initial installation; (2) the expense of equipment maintenance and necessary technical staff; (3) the cost of eventual equipment up-date or replacement - given swift changes in the delivery technology; and (4) the limits to expansion of services without expanding present capacity.

Rationale: The Commission finds that this perception contributes to a sense of distrust of the network, which partially impairs its ability to perform as a utility to the UMS. There appears to exist some public confusion and misconceptions of ENM costs, both initial and on-going.



ACADEMIC PROGRAMS

TWO-YEAR OFFERINGS

General discussion

Nationally the debate about the role of community college is extensive. The competition for increasingly scarce resources appears to be driving this issue as institutions extend their missions to create increased revenues. Nationally, there is a trend towards the merger of community colleges and technical or vocational colleges into more comprehensive two year institutions.

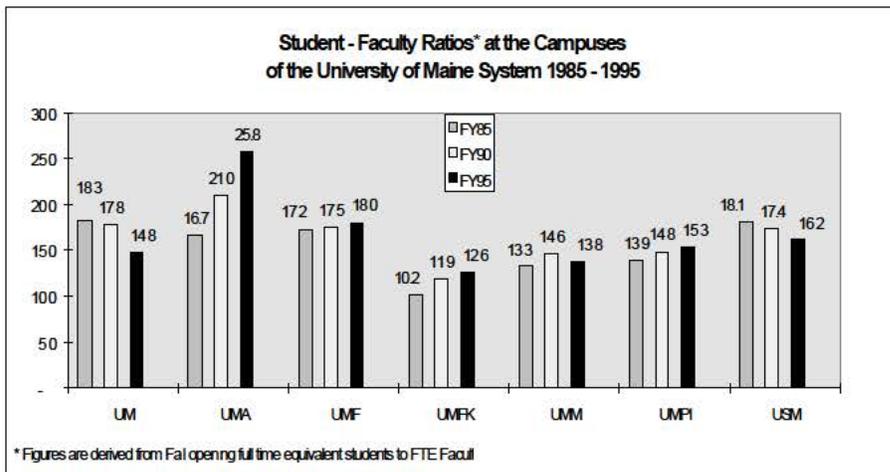
Findings

In reviewing this issue the Commission agreed on a definition of the community college services and features normally provided by a community college system (see Appendix Thirteen). The Commission concluded that these services and features should be provided through collaborative effort and not through a single system. This is the current situation in Maine. Several aspects of these features of access and support are found in the UMS regional baccalaureate institutions, many aspects are found through UMA and ENM and also to some degree through the present offerings of the MTCS.

The Board of Trustees of the Maine Technical College System currently wishes to expand its offerings to include associate of arts degrees. In the view of the MTCS this will generate revenue, as it is less costly to deliver these courses than the technical/occupational courses. The Board sees this as one avenue for MTCS to maintain and expand their popular occupational programs with less financial burden on the State. The MTCS has also strengthened and expanded the academic course offerings in recent years to meet the changing nature of the job market, which is requiring a combination of technical and academic skills for workers to more easily learn new skills and communicate more effectively. These factors, tied to the increased transferability of an associate of arts degree, has also spurred this movement.

The Board of Trustees of the University of Maine System has also focused energy on associate degree offerings in the past few years with its newly re-designated "Community College of Maine" at the University of Maine at Augusta (UMA). UMS has made several changes in recent years to concentrate two-year offerings at the UMA campus, and through the Education Network of Maine. These changes include the following:

- ◇ UM recently eliminated almost all of its two-year programs, partly through new affiliations with other institutions, as in the case of the transfer of University College of Bangor to the University of Maine at Augusta. This was also done with the intent to focus UM's efforts on baccalaureate and graduate level instruction.
- ◇ Since 1985, USM has also focused more resources on four-year programming and less on two-year, although it still maintains a few associate level offerings seen as a special need in the Southern Maine region. By 1995, only 3.6% of the enrolled students were in associate level programs.
- ◇ UMF has discontinued two-year offerings in order to concentrate on four-year programs.



Given this reliance on the University of Maine at Augusta to perform a state-wide community college function, there are several findings of concern with its current status. The Commission found that, while the student to faculty ratios within the UMS vary con-

considerably, of note is the increasing ratio at UMA, from 16.7 in 1985 to 25.8 in 1995. This is especially concerning when taken in comparison to the national average, which for 1995 was 16.4 (see chart above on FTE student and faculty ratios).

Also of concern is the level of state appropriation funds which the BOT has allocated to UMA. The chart on the right highlights this concern. The FTE figures (which means the amount per full time student) for UMA from both appropriations and the E&G budget are very low in comparison to the average of the system. The state FTE appropriation to UMA is over \$3,000 less than the average of \$4,873. The E&G budget FTE to UMA is \$3,800 less than the average of \$8,416.

UNIVERSITY OF MAINE SYSTEM E&G Budget/Appropriation Per Annual FTE Student		
	FY 95	FY 96
E&G Budget		
UM	\$12,246	\$13,431
UMA	4,564	4,594
UMF	6,698	6,749
UMFK	8,629	9,127
UMM	7,715	8,686
UMPI	7,428	7,734
USM	8,220	8,592
E&G Appropriation		
UM	\$7,322	\$8,112
UMA	1,514	1,856
UMF	3,511	3,448
UMFK	5,608	5,827
UMM	4,856	5,419
UMPI	4,795	4,869
USM	4,576	4,577

Source: Office of Finance and Treasurer (UMS)

The status of the University of Maine at Augusta's accreditation has been impacted adversely by some of the recent moves involving it, such as the separation of the Education Network of Maine (ENM). According to the recently completed Report on the Self Study of UMA prepared for their re-accreditation process, the separation of ENM from UMA resulted in a rise of UMA's dependence on tuition and fees from 45% to 83%. UMA's re-accreditation currently is deferred until further review in January of 1997 (although UMA continues to be accredited throughout this process).

The Visiting's Committee had noted in 1985 a concern with the level of enrollment in 2-year programs in Maine. However, since 1985 total enrollment in two-year degree programs has increased in Maine from approximately 7,000 enrolled to approximately 8,300 in 1995, amounting to an increase of 19 percent.

The key issues identified by the Commission were:

- ◇ The growth in enrollment in the UMS in the past ten years has largely been at UMA. Similarly, there has been an increase in enrollments at the MTCS.
- ◇ There is some reflection of community college services in the missions of the three regional baccalaureate institutions of UMS (UMFK, UMPI, and UMM).
- ◇ The MTCS is considering the expansion of its mission to offer associate of arts degrees.

Problems identified by the Commission:

- ◇ Maine has the seventh highest tuition for two year public institutions in the nation.
- ◇ The average 1995 reported admissions rate at the MTCS was only 51%, owing primarily to lack of funding for additional faculty.
- ◇ There is an increasing demand for complementary skills to meet the changing demands of the workplace in the 21st Century.
- ◇ The per student state appropriation to deliver programs at UMA is half of the average of the rest of the UMS.
- ◇ The reliance on part-time faculty at UMA is very high, with only 39% of the faculty full-time, compared to a system average of 63%.

Recommendation 23: The MTCS and the Associate of Art Degree

The Commission recommends that the MTCS not expand their mission to offer associate of art degrees at this time. The need for technical education is great and as stated previously, the Commission believes that the MTCS should concentrate on expanding year round access to this type of education. The Commission also

recommends that the MTCS work with the UMS in establishing regional plans to determine the needs for both technical and academic two-year programming and to meet these needs through combined efforts, based on their respective missions and resources. The Commission notes there may be the need to re-visit this issue in the future as circumstances change.

Rationale: A continuing competition for scarce resources to offer potentially duplicative offerings cannot be sustained in the current financial environment. The Legislature has made it clear that it desires and expects a resolution to the issues of competition between the public systems of higher education, and it has thus far refrained from direct intervention. This restraint cannot and probably should not be maintained in the absence of a concerted effort by the players to achieve a resolution to this issue. The Commission identified three primary concerns with the MTCS expanding to offer associate of arts degrees at this time. They are as follows:

- ◇ it does not fit their mission;
- ◇ they may not have enough resources to support the expansion; and
- ◇ they may duplicate offerings at UMS and, therefore, drain State resources while providing no new access.

Recommendation 24: Status of UMA as the Community College of Maine

The Commission recommends that the UMS Board of Trustees and the Chancellor thoroughly examine the current status of the University of Maine at Augusta and its ability to sustain its state-wide mission as the Community College of Maine. UMA's fiscal integrity and staffing levels should be a priority of this examination.

Rationale: As a community college, UMA has, with few exceptions, an open admission policy. It must be prepared to provide appropriate services for students with a wide range of educational capabilities, needs and aspirations. As noted above, UMA has become dependent on tuition and fees to an extent far greater than at any other UMS campus and its student/faculty ratio, at 25.8 to 1, is far greater than at any other campus. These issues must be addressed if the role of a community college is to be effectively carried out by UMA.

The Commission also notes concerns about the level of community involvement and student support which can be sustained state-wide through the Community College of Maine, based in one central location at the University of Maine at Augusta.

PRIVATE COLLEGES

General Discussion

The Commission acknowledges the long history of service in Maine by the private institutions of higher education in providing needed academic programs. They play a significant role in the higher education environment of Maine. The Maine Higher Education Council can provide a vehicle for the collaboration of the private and public institutions in Maine. A coming focus will be on the shared concern over the increasing out-migration of Maine students seeking higher education.

The Commission notes the significance and importance of preserving the traditional independence of these institutions to provide a level of diversity in their missions and programs. There is a great diversity of offerings among the twelve private not-for-profit colleges in Maine, and there is an even greater diversity of offerings

through the many private proprietary institutions. These institutions provide a great complement to the public institutions in offering wide access to post-secondary education for the people of Maine.

Findings

There are differences in the accreditation, admissions and faculty requirements of the twelve private colleges in Maine. There are mission differences among themselves and differences with the public institutions. These differences allow for a greater diversity of access and offerings for Maine students. Currently, the twelve private colleges enroll over 11,000 students (see Appendix Fourteen). Of these students, a approximately two-thirds are Maine residents. These colleges employ over 900 faculty and 2,000 staff employees, with salary payrolls of close to \$60 million and hourly payrolls of close to \$30 million. The collective impact on the state's economy is high.

The Commission has received comments from several private college presidents stating that they want and need a strong state system of public higher education to both complement and enhance their offerings.

Recommendation 25: Cooperation With Private Colleges

The Commission recommends that the public institutions of higher education continue to collaborate with the private colleges, through the coming Blaine House Conferences, the Maine Higher Education Council, and other means, with an emphasis on raising the aspirations of the people of Maine for their continued education and for their children's future. A continually improving communication and cooperation level between these two forces can only provide increasing benefits for Maine.

□ ACADEMIC PROGRAM INFORMATION

The Commission has identified access to academic information to be an issue that has re-surfaced throughout the literature it has reviewed. Transfer of credits is no longer the prime concern in student planning, but the applicability of courses to the desired programs continues to be an issue of concern. This issue has been noted in the earlier recommendation to the Education Coordinating Committee, yet the Commission concluded that it deserved further consideration.

Recommendation 26: Improve Access to Academic Program Information

The Commission recommends that single point access for information and advising be developed in all public institutions so that potential students can not only access all of the information needed to apply for admission to any institution, but can also have access to face-to-face advising on how to proceed with their academic planning.

Rationale: In general the Commission notes that geographic, scheduling and admissions access to public higher education in Maine is reasonably good, largely in part due to the wide diversity of institutions and offerings available. However, access to the information that enables students to plan and gain admissions or transfers continues to be vitally important. While students apparently have little difficulty in transferring credits within the University of Maine System, there is anecdotal information that transfer can be more difficult between the systems. Moreover, in both cases there appear to be problems when students attempt to offer courses from one institution to meet the specific program requirements at another institution. While the student may receive credit for the course, he or she may need to take an additional course to meet program or pre-requisite requirements. This result in extra costs and additional time for the student.

APPENDICES

- One** A list of People Who Have Testified and Submitted Written Testimony to the Commission
- Two** Legislation Creating the Commission on Higher Education Governance
- Three** National Comparisons for High School Graduation Attainment and Attendance at Public Higher Education Institutions
- Four** Current Status of the Issues Raised in The 1986 Visiting Committees Report
- Five** University of Maine System Profile
- Six** Maine Technical College System Profile
- Seven** Maine Maritime Academy Profile
- Eight** 1995 Comparative Financial Data, UMS, MTCS and MMA
- Nine** University of Maine System (UMS) and the Maine Technical College System (MTCS). Comparison of system office staff (FTE), 1996-1996.
- Ten** Education Coordinating Committee Statutory Authority
- Eleven** Comparative Data for Budget, Endowment, Alumni and Advancement Staff (Fiscal Year Ended June 30, 1994)
- Twelve** A Discussion on the Allocation of Resources, One Possible Alternative
- Thirteen** Mission and Functions of the Community College
- Fourteen** Maine Non-Profit Private Colleges & Universities

Appendix One**A list of People Who Have Testified and Submitted Written Testimony to the Commission**

First Name/M. Init.	Last Name	Organization	Title
Richard	Asam, Ph.D.	University of Maine at Presque Isle	Professor of Communication
Wendy	Ault	Co-Chair, Education&Cultural Affairs	State Representative
Richard	Barnes	USM	Dean, College of Education and Human Development
William H.	Beardsley	Husson College	President
Jane E.	Boulanger	Southern Maine Technical College	President, Faculty Senate
Markus	Braun	UMA	President, Student Senate
Tom	Broussard	Career Prospects, Inc.	President
Holly	Bubier	Central Maine Technical College	President, Student Senate
Robert	Cobb	University of Maine at Orono	Dean, College of Education
Charles	Colgan	USM	Associate Professor, Muskie Institute
George	Connick	Education Network of Maine	President
William R.	Cotter	Colby College	President
Margaret	Danielson	University College of Bangor	Curriculum Coordinator, Liberal Studies Program
James E.	Davitt	University College of Bangor	Assistant Professor, Faculty Governance Committee
Stanley	Devino	University of Maine at Orono	Dean, College of Business Administration
Richard G.	Dumont	University of Maine at Fort Kent	President
Charles	Duncan	University of Maine at Machias	Professor
W. Michael	Easton	University of Maine at Presque Isle	President
Robert H.	Edwards	Bowdoin College	President
William	Eisenhardt	MMA	Provost/VP Academic Affairs
Richard	Erickson	MMA	Budget Director
Valerie	Fett McLeod		Student
James	Feverston	EMTC	VP/Dean of Academic Affairs
John	Fitzsimmons	MTCS	President
Leslie	Fleming	University of Maine at Orono	Dean, College of Arts and Humanities
Greg	Fletcher	KVTC	Faculty
Eileen	Foley	University College of Bangor	Associate Professor
Sonja	Fongemie	NMTC	Dean of Continuing Education
Belinda	Frank		Student
Patricia	Geary	USM, Portland	Dean, School of Nursing
Roger	Gilmore	Maine College of Art	President
Royal	Goheen, Dr.	UMPI	Faculty Assembly President

First Name/M. Init.	Last Name	Organization	Title
Chuck	Gregory	SMTC	Past President, Faculty Senate
Jean	Gutman	USM	Dean, School of Business, Economics and Management
Tom	Hannula	UM	Assoc. Professor, Math
Donald W.	Harward	Bates College	President
Joyce	Hedlund	EMTC	President
William	Hess	Unity College	President, Independent College Association
Roy	Hibyan	MTCS	Chair, Board of Trustees
William	Hierstein	CMTC	President
Jim	Horan	UMS	President, Associated Faculties
David B.	House	St. Joseph's College	President
Durwood	Huffman, Dr.	NMTC	President
Frederick	Hutchinson	University of Maine at Orono	President
Fay E.	Ingersoll	C.M.M.C. School of Nursing	Director
George	Jacobson, Jr.	UM	Professor
Roger R.	Johnson	Biddeford-Saco Chamber	Executive Director
Gary	Johnson	USM	Chair, Faculty Senate
Theodora	Kalikow	University of Maine at Farmington	President
Bennett	Katz	UMS	Trustee
Judy	Kemp	University of Maine at Machias	Vice President for Academic Affairs
Anita	Kurth	University College of Bangor	Associate Professor of English
Mark	Lapping	USM	Provost/and VP for Academic Affairs
Grace	Leonard	UMA	Division Chair
Robert	Lively	University of Maine at Farmington	Dean, College of Arts and Sciences
Nancy	MacKnight	UMS	Vice Chancellor of Academic Affairs
Charles	MacRoy	University of Maine at Augusta	Acting President
Donald E.	Martel		Student
Tom	McDonald	BOT	Former President of Faculty Reps
Aims C.	McGuinness, Jr.	Nat'l. Ctr. for Higher Ed. Mngmt. Systems	
Nancy	McKenny	UMA	Student Government
Charlie	Mercer	Finance Authority of Maine	
Ben	Mieklejohn	UM	President, Student Government
John H.	Milligan	UMA, UCBangor	President Student Senate
Catherine S-C.	Newell	Adult Education in the Telstar Region	Director of Adult Education
Paul	Nordstrom	University of Maine at Machias	President
Richard	Pattenaude	USM	President

First Name/M. Init.	Last Name	Organization	Title
James B.	Patton, Ph.D, PE	University of Maine	Assistant Professor
Robert M.	Perce	WCTC	President Student Senate
Tammy L.	Putnam		Student
Richard	Randall	UMA	Provost
Jean	Reeves	CMTC	Dean of Students
Ronald	Renaud	WCTC	President
Frederic	Reynolds	UMS BOT	Member
Gary	Rhodes	YCTC	VP/Academic Dean
Robert K.	Roper	University College of Bangor	Associate Professor of Business Management
Wayne	Ross	SMTC	President
Norma	Roussin		Student
Paul	Rueben	UMA	Student, Lewiston/Auburn College
Barbie	Sadler		Student
Jon	Schlenker	UMA	Faculty
Gerald	Sevigny	MTCS	President, Faculty Association
Marilyn	Shea	UMF	Chair, Faculty Senate
Jack	Six	UMA	Faculty
William H.	Slavick	USM	Professor of English, (retired)
Russ	Smith	UMS	Chief Financial Officer
Darrel	Staat	YCTC	President
Gene F.	Stearns	Casco Bay College	President
Charles	Tarr	UM, Graduate School	Dean, UM Graduate School
Ansley Coe	Throckmorton	Bangor Theological Seminary	President
Ralph E.	Townsend	University of Maine at Orono	President, Faculty Senate
Len	Tyler	MMA	President
Leonard	Tyler	MMA	President
Sally	Vamvakias,	UMS	Chair, Board of Trustees
Doug	Villone	University of Maine at Farmington	Student Senate President
William	Warren	SMTC	VP/Dean of Academic Affairs
Charles G.	Waugh, Dr.	UMA	Professor of Communication and Psychology
Charles	Weeks	MMA	Professor, Nautical Science&President Faculty Senate
Tim	Westwig	USM	President, Student Senate
Karen	White	KVTC	Dean of Continuing Education
Bill	Willan	UMFK	Dean of Academic Affairs
George E.	Wildey	New England School of Broadcasting	President

First Name/M. Init.	Last Name	Organization	Title
George	Wood	UMS BOT	Vice-Chair
Bob	Woodbury	UMS	Chancellor
Barbara	Woodlee	Kennebec Valley Technical College	President
Joseph	Zubrick	UMPI	Dean of Arts and Sciences

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Appendix Two

Legislation Creating the Commission on Higher Education Governance

Sec. Q-1. Commission establishedThe Commission on Higher Education Governance, referred to in this Part as the "commission," is established.

Sec. Q-2. Commission membershipThe commission consists of 11 members, none of whom may be employed by public or private institutions of higher education in the State, appointed as follows:

1. Five members, including the chair of the commission, appointed by the Governor;
2. Three members appointed by the President of the Senate; and
3. Three members appointed by the Speaker of the House of Representatives.

Sec. Q-3. Appointments; meetingsAll appointments must be made no later than 30 days following the effective date of this Part. Within 15 days of the appointment of all members, the Chair of the Legislative Council shall call and convene the first meeting of the commission.

Sec. Q-4. Duties. The commission shall:

1. Review the missions, roles, organizational structure and leadership structure of the State's public institutions of higher education, including the Maine Maritime Academy, the Maine Technical College System and the University of Maine System;
2. Examine the adequacy of opportunities offered to meet the diverse needs of people of the State by public institutions of higher education and the role of the State's private institutions of higher education in complementing those opportunities;
3. Examine how effectively and productively resources are utilized to achieve higher education institutional missions and address the State's economic and social needs;
4. Conduct a review of state funding levels among all constituent entities of public higher education in the State in relationship to each other and to national averages and trends;
5. Review the level and type of state-funded financial aid available to resident students;
6. Examine the provision of community college services, associate degree programs, baccalaureate programs and graduate programs to ensure that the full range of needed academic programs are widely available in the State and are delivered without wasteful overlap by the appropriate institutions;
7. Examine the role, scope, nature and resource needs of distance learning through instructional television provided by the University of Maine System; and

8. Examine the relationship between State Government and the State's private institutions of higher education, including the role of the Legislature in approving degree programs at private institutions of higher education.

Sec. Q-5. Staff assistance.The commission shall request staffing assistance from the Legislative Council and the University of Maine System. The commission may also contract for necessary professional assistance.

Sec. Q-6. Reimbursement.The members of the commission are entitled to receive the legislative per diem and must be reimbursed for expenses upon approval of the chair of the Legislative Council.

Sec. Q-7. Report. The commission shall submit a report outlining its findings pursuant to section 4 of this Part, together with any necessary implementing legislation, to the Second Regular Session of the 117th Legislature no later than December 15, 1995.

Sec. Q-8. Appropriation.The following funds are appropriated from the General Fund to carry out the purposes of this Part.

1995-96

LEGISLATURE

Commission on Higher Education Governance

Personal Services	\$ 6,050
All Other	68,960

Provides funds to the Commission on Higher Education Governance for the per diem and expenses of members, to contract for professional services and for miscellaneous commission expenses.

LEGISLATURE

TOTAL

\$75,000

Appendix Three

National Comparisons for High School Graduation Attainment and Attendance at Public Higher Education Institutions

Percent of Graduates from High School per 18-year-old Population Top Ten States	
State	Percent
Hawaii	89.0%
Iowa	88.6%
Minnesota	87.6%
North Dakota	86.5%
South Dakota	86.4%
Maine	86.2%
Nebraska	85.9%
New Hampshire	85.6%
Massachusetts	85.0%
Montana	84.9%

Source: Higher Education Report Card: 1995 Comparisons of State Public Higher Education Systems and National Trends, Research Associates of Washington

Full Time Equivalent Public Higher Education Students to High School Graduates by Rank (top 10)	
1.	Arizona
2.	California
3.	Alabama
4.	New Mexico
5.	Colorado
6.	Delaware
7.	Kansas
8.	North Carolina
9.	Mississippi
10.	Washington
49.	Maine

Source: Higher Education Report Card: 1995 Comparisons of State Public Higher Education Systems and National Trends, Research Associates of Washington

Appendix Four

Current Status of the Issues Raised in The 1986 Visiting Committee Report

A. The Structure of the University System.

1. The Visiting Committee recommends that the University System consist of four elements: a research and doctoral university, an urban comprehensive university, a group of regional baccalaureate colleges, and a community college component. The Visiting Committee does not recommend the inclusion of the Vocational Technical Institutes or the Maine Maritime Academy in the University System.

This has remained largely the same, with the exception of the status of the University of Maine at Farmington. The mission of Farmington was changed from one of a regional baccalaureate institution to a focus as a small, selective and supportive, baccalaureate liberal arts campus. This was set in motion by, then, President Orenduff in the late 1980s. The decision to limit enrollment to 2000 FTE was made and approved by the BOT, and the new mission was approved in 1991. It was seen as an additional aspect of diversity added into the system. The system had no other campus of that type at that time, yet that is a traditional type of New England institution.

2. The Visiting Committee recommends that the University of Maine at Orono be strengthened as a research and doctoral institution, befitting its historic role as the state's land-grant university, and that its graduate offerings rest upon a first-class undergraduate educational program.

The Visiting Committee recognized that in order for this recommendation to be fulfilled, UM must have adequate financial support. They stressed that the University of Maine should be developed in comparison not with other campuses of the University System in Maine, but with reference to peer research and graduate institutions in other public university systems. They felt that the System can be no better than its principal unit, which is UM. The data shows many changes in the funding levels and ranking at UM since 1986, however there are still reasons to maintain concerns.

U Maine in comparison to its peer institutions shows a total FTE enrollment of almost 4,000 less than the mean for these states. The total FTE has dropped from 9,484 in 1985 to 8,567 in 1995, and in 1996 it has dropped again to 7,582. This is partly due to the transfer of UC/B students to UMA, however that only accounts for a 664 FTE loss. The state appropriation to UM compares favorably to the peer institutions, on average. In 1986, the Visiting Committee noted that UM ranked only fourth in state appropriation per FTE. Today UM ranks first, receiving \$3239 per FTE above the system average.

However, the amount that UM receives from the total E&G budget is lower than the average figure for its peers, at \$1,603 less per FTE than the mean. The Visiting Committee pointed out that the UM share of the total E&G budget fell from 55% to 48% after the creation of the system. Today that figure is 47% of the total. And the tuition at UM is considerably lower than its peers in New England. Although the system tuition as a whole ranks 12th nationally, the tuition differential between the land-grant institution and the others is not as great as in many other states.

There have been many changes at UM in recent years, the intent of which is to strengthen the undergraduate educational program at UM. The two year level programming has largely been eliminated, partly through new affiliations with other institutions, as in the case of the transfer of University College of Bangor to the University of Maine at Augusta. This was not done without controversy, but with the intent to focus UM's efforts on baccalaureate and graduate level instruction. The admissions requirements have also recently been increased with an eye to improving the quality of the students attending the institution. It should be noted, though, that the part-time faculty make up 43% of the entire faculty at UM. As will be discussed under item number 3, the Visiting Committee noted with concern that USM had 47% reliance on part-time faculty in 1985.

The Carnegie classification of UMO as a research and doctoral institution had been dropped at the time of the Visiting Committee's Report. UM had lost its ability to be considered as such due to its poor facilities and lack of doctoral graduates. **This has since been restored.**

The amount of research dollars, however, are still insufficient to make UM an outstanding research institution. Maine ranks last in New England in per capita research spending in doctorate-granting institutions. Overall, Maine ranks 50th among states in dollars-per-capita expenditures for research and development. The library continues to be unable to maintain sufficient materials. Funding to the University of Maine's Fogler Library has not kept up with the rising costs of books and periodicals. As a result, no new journals have been added since 1991, and the library has seen periods where funding for new book purchases were terminated for months.

Faculty salaries at UM were a concern to the Visiting Committee as well. UM still has the lowest average of salaries in New England for its peer institutions and is \$6,000 below the national average for public universities.

3. The Visiting Committee recommends that the University of Southern Maine continue to be developed as an urban comprehensive university, offering an undergraduate program of high quality and limited graduate programs, and collaborating in the delivery of programs to the southern Maine region and to other units of the System.

In the view of the Visiting Committee, USM had been overextended and underfunded, and it was concerned that the future welfare of USM was closely related to its ability to adhere to its defined mission. The priorities that they cited were: "strong undergraduate programs, limited graduate offerings (including the Law School, which appeared to respond to a special need in Maine), and cooperation with UMO and others in delivering certain programs to various parts of the state, including southern Maine." They also cited the possibility of an "Applied Research Center" to be developed in the southern region.

The Muskie Institute has been developed and continues to grow as a nationally known and respected research center. It has grown from a base of 50 faculty and staff and \$2.5 million in grant and contract awards five years ago, to over 175 people and over \$9 million in research awards.

Since 1986, USM has focused more resources on four-year programming and less on two-year, although it still maintains a few AA level offerings seen as a special need in the Southern Maine region. In 1995, only 3.6% of the enrolled students were in Associate level programs. Its focus continues to be to offer a wide variety of baccalaureate and masters level programs as befits its mission. The Visiting Committee noted that the acceptance rates had risen from 88% to 95% of those applying, indicating a lower standard for acceptance. The rate today is 78%, which is considerably lower. Total FTE enrollment has, however, grown from 5654 in 1985 to 5814 in 1995. Overall, the UMS system acceptance rates have declined since 1985, although this may be indicative of either higher standards or lower financial access.

The concerns cited by the Visiting Committee on the low funding level to USM have to some degree been alleviated. In 1985, USM received \$900 less than the per FTE system average from appropriations, today that figure is \$296 less than the average. USM receives 24% of the total E&G budget compared to UM's 47%, but in 1985, USM received only 22% of the total.

USM's recent accreditation review did note that it should continue in its efforts to reduce its reliance on part time faculty. In 1985, part-time faculty consisted of 47 % of the entire faculty. In 1995 that figure had dropped to only 39 %. But like UM, the average salaries for faculty are below national and regional averages.

4. The Visiting Committee recommends the regional baccalaureate institutions at Farmington, Fort Kent, Machias, and Presque Isle continue to offer two- and four-year programs consonant with their defined missions.

With the exception of Farmington, this continues today. As noted in number one above, the mission at Farmington has changed since 1985.

As was noted by the Visiting Committee in 1985, the appropriation per FTE remains high in comparison to the system average. Both UMM and UMFK are above the average in appropriation and in actual budget per FTE. UMPI, while close to the average FTE appropriation, is \$682 less than the FTE average in total budget amount. UMF is substantially below the average in both categories.

The Visiting Committee noted with concern that FTE enrollment at the regional campuses had fallen from 5,260 in 1980 to 4,810 in 1985. In 1985, without UMF, the number for the three regional campuses was 1725 and, in 1995 it was 2,138, an increase of 24%. UMF in 1985 was 1,760 and in 1995 it was 2147, an increase of 16%. However, the differences in faculty to student ratios at the various campuses is great. The ratio continues to be lower at the three regional campuses, although the variance has decreased. National averages (for the last year available - 1991) were 15.5 for 4-year public institutions and 22.4 at 2-year public institutions. UMFK and UMM were the only ones substantially below the national average at that time, and UMM has since seen its ratio increase by a greater percentage.

5. The Visiting Committee recommends the establishment and recognition within the University System of a formal community college program, one that will collaborate at both administrative and programmatic levels with the VTIs (now MTCS).

Two items stand out as needing comment. First, the Visiting Committee called for a revitalization of a Joint Committee of the UMS and the MTCS to be encouraged to carry out cooperative ventures between the two systems. This has largely been ignored in any formal sense, and the Commission has addressed this in their recommendations elsewhere. Secondly, the Visiting Committee recommended that regional advisory boards be established to bring the community and business leaders together with the UMS and the MTCS to encourage supporting cooperative efforts as well. This has occurred in some instances at the lead of the campuses themselves, but has never been established as a policy or directive statewide.

The Visiting Committee noted concerns in 1985 with the level of enrollment in 2-year programs in Maine. Since 1985 enrollment in two-year degree programs has increased in Maine from approximately 7,000 enrolled to approximately 8,300 in 1995, an increase of 19%. In 1993 in Maine, 23% of the students enrolled in public higher education were either attending two-year institutions or were enrolled in two-year programs within the UMS. This was low in comparison to the other New England states with both Vermont and New Hampshire at 26%, Rhode Island at 40%, Connecticut at 43%, and Massachusetts at 44%. However, Maine had a higher percentage of attainment of Associate degrees than the national average. By comparison, Maine fell behind all the New England, and national averages in attainment of both Bachelor's degrees and graduate or professional degrees.

The FTE figures going to UMA from both appropriations and the E&G budget are very low in comparison to the average of the system. UMA is dedicated to be the Community College of Maine, which is a state-wide mission, yet their level of funding is extremely low. The state FTE appropriation to UMA is over \$3,000 less than the average of \$4,873. The E&G budget FTE to UMA is \$3,800 less than the average of \$8,416.

The Commission has also noted that the acceptance figures at the MTCS are only 51% overall. It varies from a low of 43% at EMTC to a high of 77% at YCTC. This figure is reflective of lack of space and financing for students to attend. The report on Improving Access to the Maine Technical College System touches on the reasons behind this problem and also highlights the need to increase the numbers attending the MTCS. This is an access issue that should be commented upon.

6. The Visiting Committee recommends changes in the names of the University System and some of its components. These are not merely nominal changes, but modifications that reflect the structure that the Visiting Committee is recommending, a more accurate description than the present set of names. The Visiting Committee considers the present basic legal structure of the University System as it stands to be acceptable and to require no change.

Only two changes were adopted, UMO to UM and the University System to the UMS.

B. The Academic Program

7. The Visiting Committee recommends that there should be varying standards of admission for the different institutions in the system.

This occurs today, with stricter admissions standards at UM, especially with the new standards set in place by President Hutchinson recently, and to USM. Within the regional baccalaureate institutions the standards vary with degree level as

well, with open admissions to the two-year programs they offer. Farmington not only has higher admissions standards, but a limited enrollment of 2,000 FTE.

8. The Visiting Committee recommends that procedures for academic program review be strengthened and enforced, and that funds be provided for external evaluation.

External review has been established and continues today. The review process has also been strengthened and remains consistent. Consistency to mission has been added to the demands in both reviewing current programs, but also in mounting new programs.

The Commission has recommended elsewhere that new program planning procedures be mandated to include a survey of offerings in the region, including those at private institutions. Currently it is a requirement in the Format for New Program Proposals that an extensive survey be conducted of similar programs in private institutions, but it is not required in the UMS Policy and Procedures Manual. The MTCS does mandate that this type of survey occur prior to new program implementation.

The Visiting Committee pointed out that “any consideration of the quality of the programs touches upon the sensitive issue of transfer. Automatic transfer of credit from one program to another or between institutions should not be assumed as desirable. And yet if equivalency is established, through proper evaluative processes, transfer of credit should be arranged. The only judges of ‘equivalency’ are the faculty members who are engaged in teaching the courses, and provision should be made for faculty members to confer with each other to establish what is transferable and what is not. The central issue is the quality of the program. Transfer should be a possibility when and where appropriate. It should be neither easy nor out of the question.”

The Visiting Committee also pointed out the lack of monitoring what students actually learn in their studies. They stated that the tendency in program review is to focus on “resources needed rather than results. They are not explicitly linked to the budget process.” This is an area that is going to be impacted by the new performance budgeting procedures.

9. The Visiting Committee recommends that efforts be made to have the accreditation process apply to the University System as well as to the separate entities within it.

There was a Board of Trustees decision to not go forward with this as it is not a recognized standard within university systems across the country.

10. The Visiting Committee recommends that the Board recognize as a central priority the strengthening of the faculties, not just at UMO but throughout the System, and that a program of faculty development be given encouragement, financial and otherwise.

The Visiting Committee stated that “[f]aculty development is not simply a matter of adequate salaries (though that is a very important part of it). There should be incentives for a faculty member to undertake programs in enrichment of his or her own scholarly perspective, through more liberal sabbatical arrangements, funds for travel to professional meetings, and the pursuit of research projects.” In its deliberations, the Commission has heard from faculty that the funds going to faculty development are not sufficient to the needs today for attendance at conferences, meetings, and for research, etc. The UMS finance office is unable to give a specified amount to this issue as funding comes from and through so many sources.

The Visiting Committee noted concerns about the status of part-time faculty. The part-time faculty within the UMS are now unionized with a standard contract based employment which affords them many rights they did not have in 1985. Also, there are newly endowed Libra Professorships within the UMS.

11. The Visiting Committee recommends that funds be augmented for the libraries and computer services, with assurance of continuing support for improvement and strengthening.

The Visiting Committee stressed that “the library is the center of the academic enterprise. The libraries on each campus, but most especially at the research and doctoral university, require constant attention. Automation of services, electronic interlibrary communications, and acquisition of new technology should be kept up to date. The library collections, including books, periodicals, microfilm, microfiche, and government documents from both the state and federal sources, cannot be allowed to fall behind.”

This was addressed through several specific allocations in the late 1980s, however, the current holdings of the libraries in the UMS are still a concern. The UM library needs to be able to support a high level of research and as was pointed out by earlier, they are not able to keep up with the demands for periodicals and new acquisitions. In the recent round of accreditation reports for the campuses, two were still reminded of deficits in their library resources.

Computerization through URSUS has been developed, and is extensive today.

12. The Visiting Committee recommends that academic support services be provided in such areas as maintenance and replacement of equipment, clerical services to the faculty, and laboratory supplies.

\$4 Million dollars was allocated to academic support services from the \$15 million extra allocation that followed this report. Almost \$14 was spent in FY94 on these activities.

13. The Visiting Committee recommends that the Chancellor and Board of Trustees acknowledge teacher education as one of the most important functions of the University System.

Teacher education continues today to be the focus of several of the campus missions within the system.

C. Governance and Leadership.

14. The Visiting Committee recommends that the Board address itself to the policies of the System, concern itself with missions and the means to fulfill them, and avoid unnecessary involvement in the problems that arise on separate campuses.

The Commission has heard from many that the BOT is good about not micro-managing, but sticking to policy level debate.

The Visiting Committee noted that the Board should beware not to become insulated from the campuses and what is happening on them. We heard from several people at UMA who had concerns about this aspect, but in the accreditation document, it is noted that “the University’s Board of Trustees have recently undertaken consultation with campus representatives, indicative that the campus will more meaningfully participate in decisions affecting its future.”

15. The Visiting Committee recommends that the Board of Trustees delineate clearly the different responsibilities of the Chancellor and the institutional Presidents.

The Commission has received materials and heard from many on this topic. There is, in writing, a clearly defined difference in the responsibilities of these two levels of administration.

16. The Visiting Committee recommends that the Board develop a procedure of working through committees, and that it regard the Administrative Council as advisory rather than as a voting body to approve decisions or policy.

This Visiting Committee system is the current working system of the BOT.

The Administrative Council was also legislatively altered. It is now the President’s Council, which is an advisory group to the Chancellor, and not a voting body.

17. The Visiting Committee recommends that the Board of Trustees be chosen with special care, with consideration not only for intellectual qualifications appropriate for the management of so crucial an enterprise, but for the wide and unprejudiced concern that a member of the Board must demonstrate in the adjudication of statewide issues.

This resulted in the advisory committee that the Commission heard about that assists the Governor in his appointment process.

D. Financial Support.

18. The Visiting Committee recommends that the increased support expected to be forthcoming for the University System in the next few years be seen as a strong reason to end the reliance of the System on tuition increases.

This is addressed in many of the charts the Commission has reviewed. The reliance on tuition abated for a time in the late 1980s, however, it has returned in the 1990s to a greater degree than in 1985. Currently, tuition accounts for 34.9% of the budget, while in 1985 it was still under one quarter. Maine ranks 12th nationally for public four-year institutions and 7th for public two-year institutions. Since 1985, Maine's cumulative change for in-state tuition has been 78% for UM and USM and 68% for the other five campuses, while the CPI only went up a cumulative 39%. Out-of-state tuition rose somewhat slower, with a cumulative increase of 75% for UM and USM, and 64% for the other five.

UMS has a high average tuition compared to the national averages, even though it ranks behind the other New England states in four-year tuition average and behind the Northern New England states in two-year tuition. It must be noted that New England loses a high proportion of her high school graduates to college out-of-state. Maine ranks 7th nationally in percentage of students migrating elsewhere for college. In 1992, Maine had 49.6% of the high school graduates attending college leave the state.

19. The Visiting Committee recommends that a larger allocation of funds be directed to financial aid for students.

In 1985, the Visiting Committee noted that 63% of student aid came from the federal government, and today that amount is only 34%, according to the UMS annual report. In 1985, 36% of the aid came from the UMS, through E & G funds earmarked for scholarships, work programs, matching funds, and tuition waivers, and today that amount is 56%. The amount of direct state spending on student aid varies widely in New England. From a high in Connecticut of \$20,841,000 to a low in New Hampshire of \$1,598,000. Maine spent \$5,170,000 in 1993-94. That amount has increased since then to approximately \$8 million in FY95. The MSIP program provided \$900,000 in financial aid directly from the state in 1985, and in FY95 \$5 million was allocated through that program. Maine ranked number 37 nationally on state spending to student aid in 1993-94.

In 1994, \$58.7 million was awarded through UMS in student aid to 21,617 students for an average award of \$2,715, with approximately 71% of the students receive some aid. \$12.6 million was awarded through the Maine Maritime Academy to 545 students for an average award of \$4,787, with 74.9 of students receiving aid. The average award through the MTCS was \$3,689 with 66.5% receiving aid.

20. The Visiting Committee recommends that the Legislature enact an immediate fifteen million dollar supplemental appropriation for the University System as a down payment on the long-term investment necessary to develop the University System Maine needs.

This was awarded

Appendix Five

UNIVERSITY OF MAINE SYSTEM PROFILE

The University of Maine System has seven campuses, located in Portland-Gorham, Augusta, Farmington, Machias, Orono, Presque Isle and Fort Kent. There are affiliated campuses at Lewiston-Auburn and Bangor, as well as 10 University Centers and 100 sites throughout the state offering access to courses and programs. Like its counterparts across the nation, the UMS is established with a tripartite mission, to teach, conduct research and provide public service.

The University of Maine (UM) has the most extensive programs, given its responsibilities as the land-grant and sea-grant institution of the state. It offers almost 200 academic programs at the baccalaureate, masters and doctorate levels. The University of Southern Maine (USM), located in the most densely populated region of the state, offers selected associate degree programs and more than 50 academic programs at the baccalaureate, masters and doctoral levels, as well as the state's only school of law.

The University of Maine at Machias (UMM), the University of Maine at Fort Kent (UMFK), and the University of Maine at Presque Isle (UMPI), are the three regional campuses, serving students at both the four-year and two-year levels. The University of Maine at Farmington (UMF) is a residential, exclusively baccalaureate institution offering over 20 academic programs. The University of Maine at Augusta (UMA) is primarily, but not exclusively, a two-year institution offering almost 30 academic programs. The Education Network of Maine is housed on the UMA campus and provides the university's state-wide, interactive television and distance learning network.

STUDENTS

Headcount Enrollment (Fall 95) : 31,115

Full-time:	16,425	In-State:	27,773
Part-Time:	14,690	Out-of-State:	3,342
Undergraduate:	27,035	Men:	12,361
Graduate:	4,080	Women:	18,754

Degrees Awarded (1994/95) : 4,198

Associate:	692	Certificate of	
Bachelors:	3,365	Advanced Study:	26
Masters:	716	Professional:	79
Doctorate:	40		

EMPLOYEES (1995/96)

Number of Regular Employees: 4,572

	<u>Number</u>	<u>Avg. Salary</u>
Faculty:	1,413	All ranks \$44,290
Professional & Admin.:	1,330	\$35,604
Classified:	1,829	\$20,684

Full-Time Instructional Faculty:

	<u>Number</u>	<u>Avg. Salary</u>
Professor:	312	\$54,248
Assoc. Professor:	445	\$43,289
Asst. Professor	212	\$35,796
Instructor:	43	\$28,597
Lecturer:	22	\$35,822
All Ranks:	1,034	\$44,290

FISCAL

FY 96 Operating Budget (thousands):

Unrestricted E&G:	\$225,884
Auxiliary Enterprises:	\$44,502

Financial Aid (94/95):

Total Aid Awarded:	\$58.7M
No. Students Receiving Aid:	22,107
Avg. Award per Student	\$2,656

PHYSICAL FACILITIES

University Owned Land and Facilities

Developed Area:	1,294 acres
Gross Area of Facilities:	7,496,284 sq. ft
Replacement Value of Land and Facilities	\$1,067,315,883

Residence Halls:

Number:	39
Capacity:	6,439

Appendix Six**MAINE TECHNICAL COLLEGE
SYSTEM PROFILE**

The Maine Technical College System now has seven campuses, with the recent addition of a campus in York County. These campuses are located in Sanford (York County Technical College), South Portland (Southern Maine Technical College), Auburn (Central Maine Technical College), Fairfield (Kennebec Valley Technical College), Bangor (Eastern Maine Technical College), Calais (Washington County Technical College and Presque Isle (Northern Maine Technical College). They offer nearly 200 associate degree, diploma and certificate programs in a variety of fields, including allied health and nursing, business, marine and natural resources, public safety, automotive, electronics, and graphic arts. The MTCS offers an apprenticeship program in a variety of trade and technical fields, combining on-the-job training with related classroom instruction.

STUDENTS

Fall 1994 Enrollment*	
Full-time (degree-seeking)	3,133
Part-time (degree-seeking)	1,312
All Other Credit	
Full-time	31
Part-time	<u>2,813</u>
Total Headcount (credit)	7,289
FTE (FY95)	4,643
Total Non-credit Enrollment (FY95)	15,558
Degrees Awarded 1994-1995	
Diploma	389
Associate Degree	1,141

EMPLOYEES

Full-time Employees: 1994-95	
Faculty	304
Professional	50
<u>Classified</u>	<u>310</u>
Total	664
FTE/faculty	15-1
FTE/other employees	13-1

FISCAL

Education and General Revenue - FY95

State Appropriation	**\$23,422,497
Tuition & Fees	11,570,702
<u>Other</u>	<u>10,758,992</u>
Total	\$45,752,191

State Appropriation/FTE 5,045

Tuition Rate: 1994-95

In-State	1,740
Out-of-State	3,810

PHYSICAL FACILITIES

MTCS Replacement Value of Land and Facilities: \$118,199,072

* Enrollment taken from Integrated Postsecondary Education Data System (IPEDS).

**Excludes \$1.2M start-up funds for York County Technical College.

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Appendix Seven

MAINE MARITIME ACADEMY PROFILE

Established as a military college, the Academy had as its mission the provision of a comprehensive course of instruction and professional training to prepare graduates to become licensed officers in the U.S. Merchant Marine or to serve as commissioned officers in the U.S. Navy or Coast Guard. Today Maine Maritime Academy's enrollment stands at approximately 660, and the Academy has modern buildings, sophisticated labs and simulators, and a 534-foot training ship, the "State of Maine".

It is an institution based on the maritime tradition in Maine, and with its access to ship board duty, offers a distinct opportunity to Maine students. The current curricular growth is reflected in the new Associate in Science degree programs and the Master of Science in Maritime Management (M.S.M.M.) degree program.

Maine Maritime Academy awards the Bachelor of Science degree with majors in marina management, marine engineering operations, marine engineering technology, marine systems engineering, marine transportation, nautical science, ocean studies, power engineering technology, and small vessel operations. The Associate in Science degree is awarded with majors in marina management and small vessel operations.

STUDENTS

	<u>1985</u>	<u>1995</u>
Enrollment:	555	661
Resident:	406	404
Non-resident:	149	257
Full-time:	555	661
Average Age:	20.8	23.5

Degrees Awarded (1994/95):

Associate:	14
Bachelors:	129
Masters:	14

EMPLOYEES

	<u>1985</u>	<u>1995</u>
Faculty:	49	60
Staff:	47	56
Classified:	68	49
Exempt:	*	<u>14</u>
Total	164	179

FISCAL

Total Current Fund: \$15,249,345
(expenditures and mandatory
transfers - unrestricted)

Financial aid (1994-95):

Total Aid Awarded: \$2.6M
Number of Students Receiving Aid: 545
Average Award Per Student: \$4,787

PHYSICAL FACILITIES

MMA Owned Land and Facilities:

Replacement Value of Land and Facilities: \$79,641,641

* This category was not in existence in 1985.

Appendix Eight

1995 Comparative Financial Data UMS, MTCS and MMA

	UMS	MTCS	MMA
1995 State Appropriation	\$131,725,585	\$24,622,497	\$6,472,200
FTE Students	20301	4444	661
State Appropriation per FTE	\$6,489	\$5,541	\$9,792
Tuition and Fees	\$79,745,407	\$11,570,702	\$3,518,426
Total E&G Revenues	\$312,824,101	\$51,275,227	\$15,410,527
State Appropriation as Percent of Total Revenues	42.11%	48.02%	42%
Tuition and Fees as Percent of Total Revenues	25.49%	22.57%	22.83%
Expenditures Per FTE Student:			
Instruction	\$4,979	\$4,641	\$5,897
Academic Support	\$1,809	\$1,248	\$691
Student Services	\$1,165	\$893	\$2,278
Institutional Support	\$1,466	\$1,693	\$1,693
Operation/Maintenance	\$1,074	\$1,123	\$3,485
Student Aid	\$1,660	\$879	\$304
System Office Expenditures	\$12,161,123	\$2,727,033	N/A
System Office State	\$8,552,092	\$1,769,834	N/A

Appendix Nine

University of Maine System (UMS) and the Maine Technical College System (MTCS). Comparison of system office staff (FTE), 1995-1996

<u>Position</u>	<u>UMS</u>	<u>MTCS</u>
Chancellor / President	1	1
- Direct support staff	5	2.75*
- Academic Affairs	5	**
- Administration	2	0
- Clerk/Board of Trustees	2	0
System-wide Services		
- Internal Audit	8	
- Financial Office	20	10
- Facilities	14	0
- Human Resources	15	2
- Legal Counsel	3	2
- Public Affairs	0	1.5
- State/Federal Programs	0	1.1
- Systems Librarian	1	0
- Computing Services	37	0
Total	113	20.35

* This includes an office receptionist used by the system-wide staff as well.

** The President of NMTC fills this system position as well as his position as president.

Source: System Offices of UMS and MTCS.

Appendix Ten

Education Coordinating Committee Statutory Authority

“The Education Coordinating Committee, referred to in this chapter as the "committees," is established to promote efficiency, cooperative effort and strategic planning between the Department of Education, the State Board of Education, the University of Maine System, the Maine Technical College System and the Maine Maritime Academy. The committee consists of the Commissioner of Education, the Chair of the State Board of Education, the Chancellor of the University of Maine System, the Chair of the Board of Trustees of the University of Maine System, the Chair of the Board of Trustees of the Maine Technical College System, the President of the Maine Maritime Academy and the Chair of the Board of Trustees of the Maine Maritime Academy.

The committee shall meet at least 2 times each year. The commissioner shall convene the first meeting of the committee by October 15, 1995. The committee shall elect a chair from among its members to serve for a term to be determined by the committee. The committee shall report on its deliberations and any recommendations to the Governor and the joint standing committee of the Legislature having jurisdiction over education matters by February 15th each year.”

Appendix 11

**Comparative Data for Budget, Endowment, Alumni and Advancement Staff
Fiscal Year Ended June 30, 1994**

Institution	Annual Budget	Endowment as % of Budget	Endowment	Endowment \$ per Alumni	Number of Alumni	Advancement Staff	General Fund Support %						
1 Virginia	#####	89%	3	#####	1	6,538	1	130,000	6	219	1	74%	8
2 Pittsburg	#####	62%	4	#####	3	2,316	4	164,311	1	129	2	100%	1
3 Buffalo	#####	31%	8	#####	4	1,216	7	148,000	3	100	5	48%	12
4 Virginia Tech	#####	36%	7	#####	5	1,229	6	135,905	4	122	3	50%	11
5 Massachusetts	#####	10%	12	36,427,000	10	228	11	160,102	2	106	4	100%	2
6 Connecticut	#####	14%	10	42,834,000	9	319	10	134,170	5	90	6	82%	5
7 Delaware	#####	137%	2	#####	2	4,625	2	88,000	7	37	10	100%	3
8 Vermont	#####	41%	5	#####	7	1,567	5	67,000	10	59	8	96%	4
9 Rhode Island	#####	14%	11	21,350,000	12	285	11	75,000	9	45	9	78%	6
10 New Hampshire	#####	39%	6	56,000,000	8	700	8	80,000	8	0	12	60%	9
11 Maine	#####	31%	9	31,088,441 *	11	600	9	51,848	11	16*	11	60%	10
12 William & Mary	84,889,973	147%	1	#####	6	2,448	3	50,995	12	85	7	77%	7

The above data is ranked by annual budget in the first column. The other columns indicate the data and the rank immediately to the right.
* Excludes the University of Maine Foundation.

Appendix Twelve

A Discussion on the Allocation of Resources One Possible Alternative

It is clear that any shift from the current funding structure should be approached cautiously to assure that its intended effects do in fact occur, and unintended effects are avoided. Potential exists for reduced demand at the public institutions as the tuition increases to reflect true costs of attendance. Access may also be hindered as the new allocation is phased into place. The commission discussed some of the parameters that the governing boards should use as they consider possible new funding structures and recommends that the following factors be considered during the implementation of a student based revenue system in place of the institutional based revenue system:

- ◆ The program should be phased in over a number of years, until the total charges reflect full costs. (5-7 years seems reasonable.)
- ◆ Portability of student aid should be restricted solely within the public institutions within the State of Maine for the immediate future.
- ◆ Statutory Restrictions on deficits and surpluses should be eliminated to allow the governing bodies greater flexibility to engage in long term strategic planning for periods extending beyond the biennium.

How could this work?

Step 1 The trustees of each State institution would establish a tuition/room and board rate which covered all educational costs (including funded depreciation) using a “break-even” budget or a budget with a moderate surplus, at their discretion.

$$\text{Tuition} = \frac{\text{Total cost of education} - \text{Non-tuition Income}^{**}}{\text{Anticipated Number of Students}}$$

* **Total cost of education** includes room, board, fees, tuition and related costs
** **Non tuition income** includes earnings from endowment, accumulated surplus, etc.

Step 2 Those students who could pay the full tuition would do so; those who could not (the majority) would apply for a tuition grant from the State, the amount to be determined by existing financial aid departments using conventional formulas similar to those currently in use at the institutions.

Step 3 The General Fund Appropriation from the State would be replaced by the tuition in Step 2 above. (Other things being equal, total revenue to an institution would not change as a result of the implementation of this system.)

Step 4 Any deficit which an institution incurred in a given period (which could result from underestimating costs or overestimating the number of students) could be covered by borrowing by the institution and repaid by the institution.

Step 5 Any surplus could be retained by the institution, and utilized for repayment of debt, capital investment (e.g., funding depreciation), or reinvestment in a quasi-endowment to generate income.

Appendix Thirteen

Mission and Functions of the Community College

Features of the Community College Mission:

- 1) A commitment to access, usually encompassing the following:
 - economic access - through low tuition and a commitment to financial aid.
 - geographic access - due to a largely commuter student population.
 - open admissions policies.
 - responsiveness to the students' diverse needs of time and method of delivery.
- 2) A central focus on teaching, not research, with the student as the focal point.
- 3) Design of programs to respond to the needs of its community or region.
- 4) Extensive involvement of representatives of the service area (i.e. employers, civic leaders, students, and community organizations) in defining needs and setting priorities, as well as in general governance.

Functions of the Community College:

- 1) Lower division instruction towards the first two years of a baccalaureate degree.
- 2) Vocational and technical programs.
- 3) Pre-collegiate remedial education for youths and adults.
- 4) Instruction, training and technical assistance to local employers.
- 5) Collaboration with K-12 public education systems to ensure adequate preparation of students for postsecondary education.
- 6) Providing community services and cultural resources to the community.
- 7) Linking the community with educational and training resources outside of the region through technology and telecommunications.

Source: Abridged from the Idaho Study, National Center for Higher Education Management Systems.

Appendix Fourteen

MAINE NON-PROFIT PRIVATE COLLEGES & UNIVERSITIES*
Enrollment: 1995-1996

<u>Institution Name</u>	<u>Enrollment</u>
Bates College	1,562
Bowdoin College	1,489
C. M. M. C. School of Nursing	88
Colby College	1,650
College of the Atlantic	230
Husson College	2,077
Maine College of Art	281
Saint Joseph's College	953
Thomas College	946
Unity College	479
University of New England	1,510
Westbrook College	268

Total

11,533

Source: Peterson's Guide to Colleges and Universities. (1996)

*This list includes only those schools operating as non-profit institutions and does not include proprietary institutions