

# MAINE STATE LEGISLATURE

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# **INVESTING IN MAINE'S UNIVERSITIES**

## **THE BIENNIUM PLAN**



**UNIVERSITY OF MAINE SYSTEM**

**SEPTEMBER 1998**





# UNIVERSITY OF MAINE SYSTEM

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## INVESTING IN MAINE'S UNIVERSITIES

### THE BIENNIUM PLAN

### CONTENTS

#### TABS

#### **FY98/99 IN REVIEW (THE CURRENT BIENNIUM)**

- The highlights for the two fiscal years of the current biennium (FY98/FY99).

#### **THE NEXT BIENNIUM**

- A summary of the upcoming Biennium Plan within the three priority areas of Maine's Economic Development, Access, and Quality Programs [including planned funding sources].
- Summary (Pages 8-11)

#### **THE PROCESS**

- A summary and detailed review of the University's biennium planning process including the relationship with the State budget process.

#### **STATE APPROPRIATION REQUEST**

- A summary of the State appropriation request based on the biennium plan and the Alternative budget required by the State Budget Office.

#### **STATE GENERAL OBLIGATION BONDS**

- Completed State Planning Office forms requesting State bonding for R&D Support, the Muskie Building and Energy Conservation.







# INVESTING IN MAINE'S UNIVERSITIES

## FY98/99 IN REVIEW

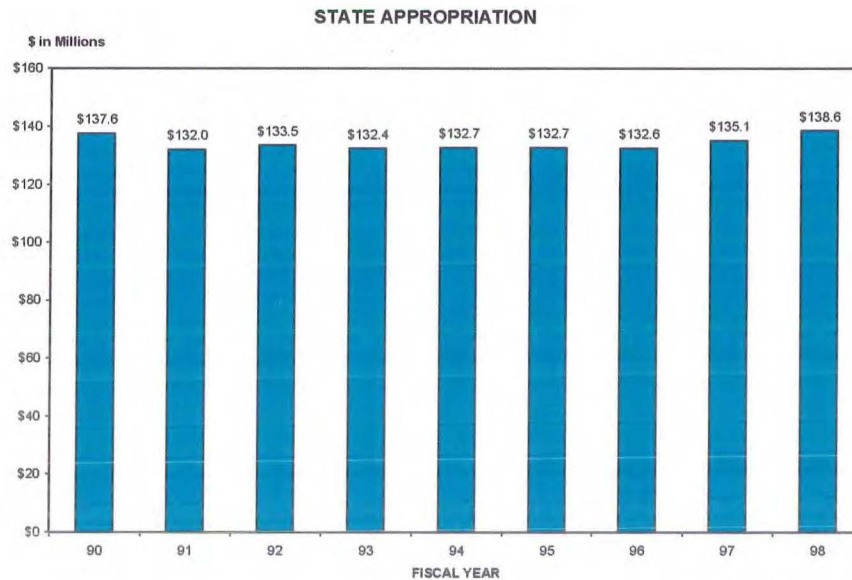
### (THE CURRENT BIENNIUM)

The System's current biennium has laid the framework for the next biennium plan. The most significant issue was the approval of a new model for distributing resources whereby early in the process the Board of Trustees identify priorities for the University of Maine System. Throughout the planning process, consideration is given to the sources of funding for supporting priorities. The reality is that the University received essentially level State funding for the last eight years (from FY90 to FY98—see chart below).

As a result of System initiatives that have been implemented over the last several years, Trustees have reaffirmed their commitment to keep tuition affordable and seek alternative sources of funding for future priorities. The process for establishing priorities for the next biennium, in fact, started in the first year of the current biennium (winter of 1998) when Trustees and constituent groups reviewed future issues and identified three major areas:

- (1) Maine's Economic Development,
- (2) Access, and
- (3) High Quality Programs and Learning Environment.

These priorities will be reviewed in detail in the next section (The Next Biennium).







## INVESTING IN MAINE'S UNIVERSITIES

### FY98/99 IN REVIEW

#### (THE CURRENT BIENNIUM)

The current biennium (FY98/99) began July 1, 1997 and provided support for compensation increases, student financial aid, research and development efforts focused on enhancing Maine's economy and both State and University bonding initiatives.

A planning commitment related to access was made with the understanding that the University would do everything possible to hold tuition rate increases to a reasonable level. Similarly, it was expected that this effort would be matched by the State in providing a reasonable increase in its support of the University. Translating this into expected outcomes, the University agreed to hold tuition increases to 3% per year if the State appropriation also increased by 3% per year.

At the conclusion of the process, the University was able to hold its tuition increases to 4.4% in FY98 and 3% in the second year (current year) of this biennium (FY99). This was made possible by the support of the State that increased the Universities' appropriation by 2% and 3% in the corresponding years of the current biennium. The affordability of education for Maine students in the second year of the current biennium was enhanced by the increase in funding for the Maine Student Incentive Scholarship Program (MSISP). The State not only increased the funding for the program (by \$4 million) but also increased the amount available for awards to UMS students from \$500 to \$1,000.

The Universities' most important resource is its employees. During the two years of the current biennium employees will receive:

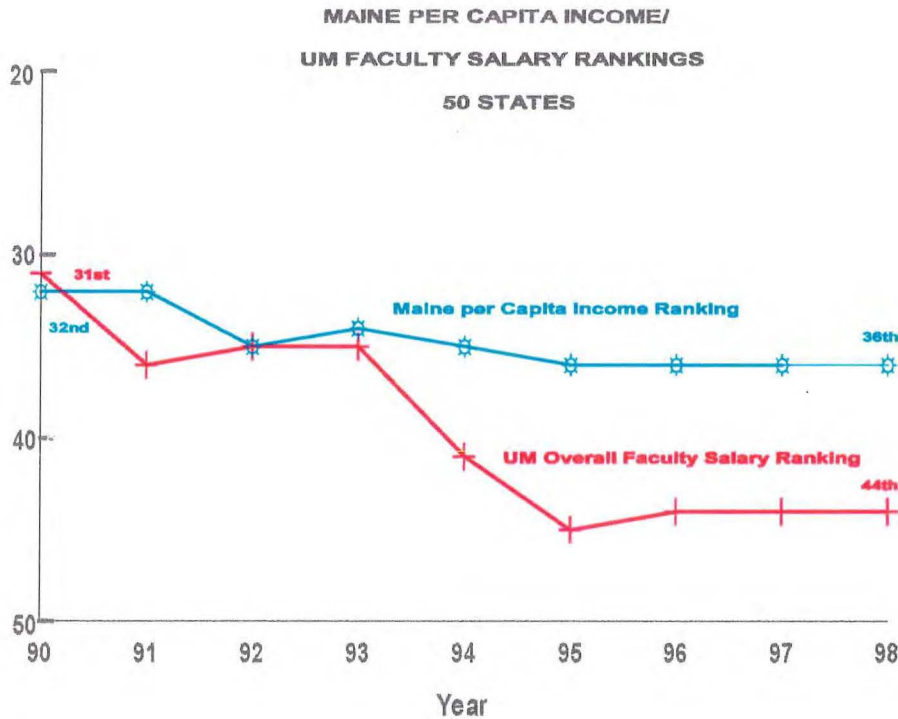
- (1) compensation increases in line with inflation,
- (2) an enhanced retirement program for classified employees, and
- (3) faculty adjustments above inflation in recognition of the gap between Maine's per capita income and the national ranking of faculty salaries. The challenge ahead of us to improve faculty compensation can be shown in the chart on the following page. Reaching Maine's per capita income ranking of 36<sup>th</sup> in the nation will require continued effort by the System and each individual University.

The success of this employee compensation package resulted not only from the positive funding support noted above but also from an improved collective bargaining process whereby increased input was sought early on in the process.



## INVESTING IN MAINE'S UNIVERSITIES

### FY98/99 IN REVIEW (THE CURRENT BIENNIUM)



This biennium has seen a renewed commitment by the Board of Trustees and the Universities to Capital Planning and preservation of capital assets as evidenced by two specific actions.

First, in November of 1997 the citizens of Maine approved a \$6.5 million bond referendum for the University in support of facility accessibility and regulatory compliance. The capital projects will provide for much needed safety, accessibility and regulatory upgrades to the University facilities used by students, employees and the general public.

Second, the University's own capital bonding authority was increased from \$27 million to \$100 million by the legislature during this biennium. After a year of determining the highest priority capital needs within the system, a \$28.6 million University revenue bond package was initiated by the Trustees and supported by the Legislative Appropriations Committee on June 5, 1998. This enhances the Universities' ability to maintain and expand its capital asset program into the future.

A well-documented priority for the University is participating in the economic development of the State of Maine. The University has played a critical role in this priority by emphasizing and supporting statewide interest in research and development opportunities at the University of Maine and the University of Southern Maine. It is impossible to enumerate all of the individuals, organizations, and legislative bodies who





## INVESTING IN MAINE'S UNIVERSITIES

### FY98/99 IN REVIEW

#### (THE CURRENT BIENNIUM)

have supported this statewide priority. What can be done is to recognize their efforts by summarizing the successes in the current biennium as follows.

- An increase in the University's base State appropriation for R&D of \$500,000 was received in the current biennium. This \$500,000 resulted in \$3.3 million in new matching R&D funding from federal sources.
- The University's State appropriation will be increased in the second year of the current biennium (FY99) by \$4 million for R&D.
- A \$13.5 million University R&D State bond package will be included in a November 1998 State bond referendum that will be used for R&D infrastructure improvements.

Finally, this biennium saw the creation of a new model for distributing resources within the University of Maine System. The model resulted from systemwide input from Trustees, working groups, faculty, staff, legislatures, and community forums and visits. The purpose was to develop an allocation process that responds to missions and priorities in as fair and equitable manner as possible. The resulting distribution of resources model has four distinguishing features:

- (1) It acknowledges that differing missions entail differing costs;
- (2) it builds in opportunities for Trustees to identify and fund priorities;
- (3) it calls for a review of funding decisions every three years, and
- (4) it includes an enrollment driven component to provide additional funding to support increased enrollment.

This model forms the framework for the next biennium that begins July 1, 1999.

As we move to the next biennium, there remains unfinished challenges. The University was successful in keeping tuition increases affordable; i.e., the most recent increase of 3% was the lowest tuition increase in the last ten years. Continuing to address student access and affordable tuition will remain a priority challenge for the future. Continuing and expanding on the biennium's successful R&D effort needs to be among the priorities.

The importance of supporting the ongoing operations through providing employees with reasonable compensation and building enrollments in support of academic missions is consistent with any planning effort. All of these challenges, and many more, move forward with us in the planning process for The Next Biennium.







# **INVESTING IN MAINE'S UNIVERSITIES**

## **THE NEXT BIENNIUM**

As noted in the previous section, the three System priorities for the next biennium are:

- I. Maine's Economic Development,
- II. Access, and
- III. High Quality Programs and Learning Environment

These three priorities are directly related and complementary to each other. A healthy Maine Economy translates into greater availability of resources for State supported entities such as its public higher education system which provides instruction, research and public service to all Maine citizens. Access to higher education by the citizens of Maine provides social and economic benefits to the individual and the communities they live in. Quality Programs and a conducive Learning Environment are essential to attracting and retaining students whose success in their academic pursuits results in a healthy qualified workforce and educated Maine citizens.

Within each of these priorities numerous needs can be identified. The following presents those needs identified by the planning process which involved discussions and meetings with Trustees, faculty, staff, students and public constituents. In addition to an increase in the State Appropriation to support the plan, internal and external private sources of funding play a greater role in supporting the priorities in the next biennium.

### **I. Maine's Economic Development**

It has often been said that Maine ranks dead last in the nation when it comes to spending for research and development. Attachment I documents this statement clearly showing Maine's place in the nation. This, however, is changing for the better as demonstrated in the current biennium by increased State appropriations and inclusion of a bond to support R&D on the November 1998 ballot.

Included in the next biennium plan is the continuation of this R&D initiative:

- continuing the \$4 million provided for R&D operating support in FY99;
- requesting an increase in Operating R&D support by \$6 million to reach the \$10 million level recommended by the joint legislative committee on R&D; and

## INVESTING IN MAINE'S UNIVERSITIES

### THE NEXT BIENNIUM

- proposing that the University provide increased internal operating R&D support by \$1.5 million in tandem with the State's \$6 million increased operating support.

Investing in publicly funded R&D has a proven track record of positively affecting economic development. Research and development has the potential to not only bring new federal funding to Maine (as shown by the \$3.3 million of new federal funds generated by the \$500,000 appropriation in FY98) but to create new industries and new jobs so important to Maine's economic future.

In looking to Maine's future, technological capabilities need to be considered. Specifically, continuing the University's involvement in adapting to new mediums of sharing information across the State (e.g., ATM - Asynchronous Transfer Mode), providing the availability of technology to students (e.g., computers) and supporting the academic programs providing technology education continues to play an ever increasing role in day to day operations. The possibilities for linking all of Maine's education structure with technology and the resulting sharing of programs and information is just beginning.

The University's financial plan includes a provision for an additional \$1,000,000 necessary to maintain the current facilities and allow educational courses and content to be distributed more broadly throughout the state. Asynchronous Transfer Mode (ATM) has recently been deployed in the State of Maine and is available to education under a very attractive special contract. The benefits of the ATM transmission services and emerging compression techniques are that educational content can be delivered to any location which subscribes to ATM services and has similar processing equipment. Currently the Department of Education K12 networking project is planning to deploy this type of equipment using this same ATM transport. With similar facilities the University will be better positioned to deliver educational and professional development content statewide.

The University's financial plan includes a provision for an additional \$1,000,000 in each year of the biennium to increase student access to computers. Students and the academic programs they enroll in need to be technologically ready and up-to-date. Providing technology access, training, software, and availability of hardware is a priority for the University. This modest funding request will assist in addressing such future needs as (1) accessible no cost connections; (2) increased access in classrooms; (3) multi-user software licenses; (4) low cost computer lease and loan arrangements for students; (5) training for students and faculty; (6) specialized computer clusters; and (7) tools to assist the faculty in developing Web courses.

## INVESTING IN MAINE'S UNIVERSITIES

### THE NEXT BIENNIUM

UMS BIENNIUM PLAN	DESCRIPTION	SUPPORT	
		INTERNAL	EXTERNAL
<u>Maine's Economic Development</u>			
A. Research and Development (Part I)	<ul style="list-style-type: none"> <li>Continue funding the \$4 million operating appropriation provided in FY99 in next biennium (FY00/FY01).</li> </ul>	██████████	State Appropriation \$4 Million
B. Research and Development <i>Part II ?</i>	<ul style="list-style-type: none"> <li>Increase State support by \$6 million for R&amp;D operations -- the level recommended by Joint Legislative Committee (\$10 million) and increase UMS internal R&amp;D support.</li> </ul>	University Support \$1.5 Million	State Appropriation \$6 Million
C. Technology	<ul style="list-style-type: none"> <li>Continue Statewide education access through technology via new technologies (e.g., ATM) and continuing shared opportunities at all levels of education.</li> <li>Increase student access to technology and enhance academic computing programs.</li> </ul>	██████████  ██████████	State Appropriation \$1 Million  State Appropriation \$2 Million

## II. AFFORDABLE ACCESS

As outlined in the new model for distributing resources, there is an enrollment component that provides increased funding when enrollments are up and a decrease in funding when enrollments decline. The enrollment formula component recognizes the necessity to provide increased support to Universities experiencing increased student participation. As mentioned earlier, the University of Maine System has made keeping tuition affordable a top priority.

Consistent with providing affordable tuition, student scholarship programs provide increased access potential for qualified students who might not otherwise participate in higher education. To further increase access, the University of Maine System's biennium plan proposes a new Endowed Match Scholarship Program. Under this program, the Universities will initiate private fund-raising campaigns for scholarships with each dollar raised matched by a one-time State appropriated fund. This program would provide an incentive for private donations through a matching state fund (up to \$10 million) for every private dollar raised. The purpose of the program is to create an endowed fund (\$20 million) to provide scholarships to needy Maine students attending one of the Universities of the University of Maine System. With the University and the State providing \$10 million each, approximately 1,100 students could receive \$1,000 awards every year. The importance of increasing the availability of scholarship aid to students can best be shown in the following graph.

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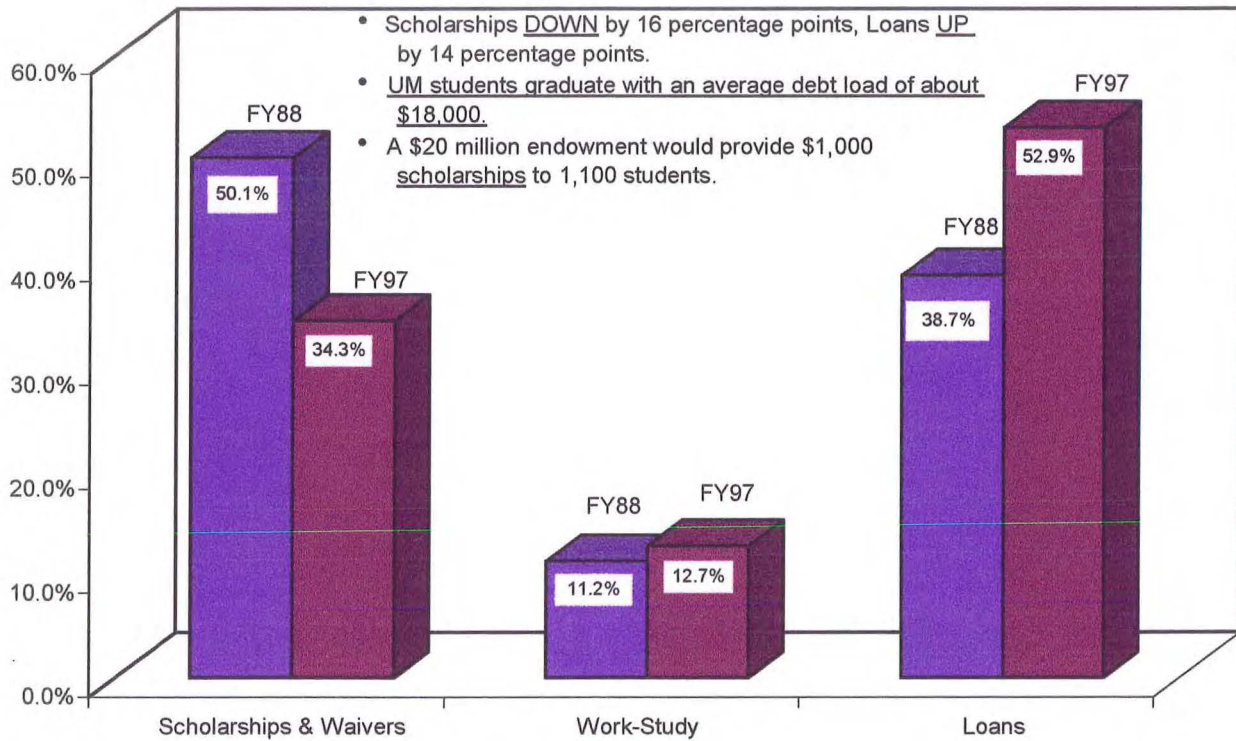
1899

1900

5-11-1891

## INVESTING IN MAINE'S UNIVERSITIES

### THE NEXT BIENNIUM



- Scholarships DOWN by 16 percentage points, Loans UP by 14 percentage points.
- UM students graduate with an average debt load of about \$18,000.
- A \$20 million endowment would provide \$1,000 scholarships to 1,100 students.

Finally, in line with affordable tuition and increased availability of scholarship funds, the University needs to do a better job of communicating its programs, services, and value to prospective and existing students. The plan proposes that funding be found internally to support an increased emphasis on - enrollment marketing and retention.

UMS BIENNIUM PLAN	DESCRIPTION	SUPPORT	
		INTERNAL	EXTERNAL
<u>Access</u>			
A. Affordable Access	• Maintain affordable tuition for students.	Average Tuition Increase 2.5%	—
B. Create Endowed Maine Student Scholarship Program	• Increase student financial aid by initiating an endowed match program—private donations used to match one-time State funding—\$1,000 awards to 1,100 students every year.	Private Donations (\$10 Million)	State Funding (\$10 Million)
C. Continue Increased Funding for Maine Student Incentive Scholarship Program (MSISP)	• State appropriated \$4 million to FAME for MSISP in FY99 and Increased Public Institution awards to \$1,000 from \$500.	—	Continue State Support (\$4 Million)
D. Enrollment Marketing and Retention Programs	• Provide funding to attract and retain students at all Universities through mini grants funded by internal efficiencies.	Internal Funding	—



## **INVESTING IN MAINE'S UNIVERSITIES**

### **THE NEXT BIENNIUM**

#### **III. High Quality Programs & Learning Environment**

Quality enhancement is one of the University of Maine System's highest priorities. To achieve this priority, our goal is simply one of providing the people of Maine with an affordable, first-rate educational experience. This means a wide range of support services – orientation and advising sessions, placement testing, developmental course offerings – designed to ensure student success during the first year and beyond. It includes general educational core courses designed to guarantee broad exposure to the liberal arts disciplines as well as mastery of essential life skills such as writing, critical thinking, quantitative skills, and computer literacy.

The following are some examples of the high quality programs currently being offered:

- A sensor program in Electrical and Computer Engineering provides both practical applications and an economic return to the state. With support from the National Science Foundation, the department established one of the nation's few undergraduate sensor testing programs with its own fabrication and testing laboratory. This program combines physics and chemistry with electronics, computers, and the engineering of small devices. Faculty foster an interdisciplinary approach ranging from automobiles and the environment to medicine and manufacturing.
- Bachelor of Fine Arts in Creative Writing Program that offers a strong combination of writing and literature courses in a greater context of the liberal arts curriculum. Students improve and grow as writers of fiction, poetry and nonfiction, and learn the skills essential to journalism, technical writing, publishing, advertising and public relations.
- Environmental Studies and Forest Technology Program which encourages students to investigate the spruce-fir forests, boreal bogs, scenic lakes, and wild rivers. This program is field oriented with a focus on the wise use of the forest as an important renewable resource.
- Nursing Programs which provide students with hands on experience through collaboration with community agencies to provide affordable, accessible health care for people who traditionally have gone without health care. Under faculty guidance, nursing students provide home-based health screenings, nutrition counseling, parenting advice and other services.
- Social Work Program that combines liberal arts with professional social work to prepare graduates for employment in the human services field. With an emphasis on social work in rural areas, the program is particularly suited to meet the needs of greater Maine. This program incorporates creative teaching methods, outstanding faculty, strong community support and intensive field work.

## INVESTING IN MAINE'S UNIVERSITIES

### THE NEXT BIENNIUM

Each biennium, the faculty, students, and staff of our seven universities work with the Trustees, the Chancellor, and the Presidents to identify how we can best provide the high-quality educational experience that is our common goal. The priorities for the Biennium Plan include:

1. Human Resources - In order to attract and retain quality faculty and staff, the system must offer salaries that are closer to those of similar institutions.
2. Faculty Excellence through Support of Chairs & Professorships - Universities will do this by a concerted effort to seek endowed gifts in support of faculty excellence.
3. Increasing Library Collections at each University - The System plans to enhance university libraries in order to raise the quality of academic support available to students and faculty for learning.

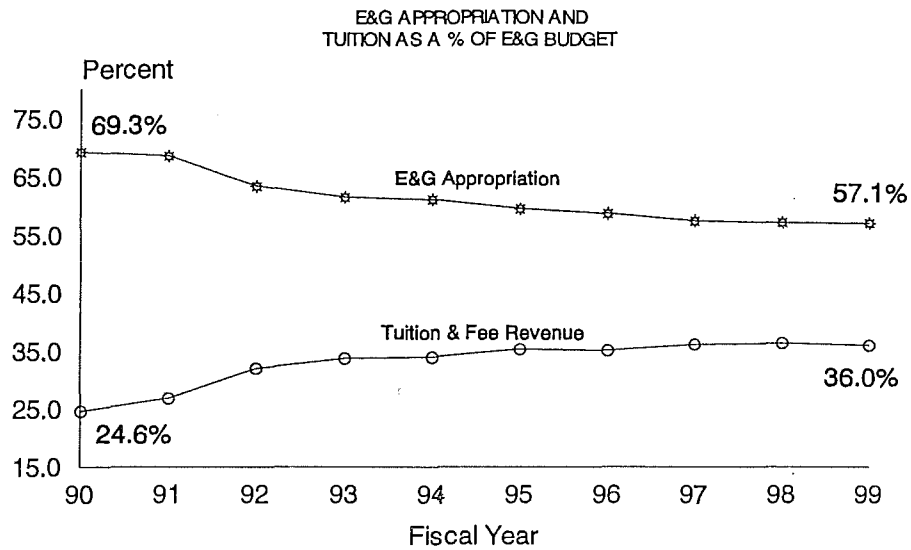
UMS BIENNIUM PLAN	DESCRIPTION	SUPPORT	
		INTERNAL	EXTERNAL
<u>III.1. High Quality Programs</u>			
A. Compensation (Part I)	<ul style="list-style-type: none"> <li>• Provide for basic inflation in the operating budget.</li> </ul>	██████████	State Appropriation 3.4%
B. Trustee Professorships	<ul style="list-style-type: none"> <li>• Establish pool to which campuses apply for special professorships.</li> </ul>	Internal/Private Funding	██████████
C. Increase Endowed Chairs and Professorships	<ul style="list-style-type: none"> <li>• Increase ability to offer endowed Chairs and Professorships across the system.</li> </ul>	Private Fund Raising	██████████
<u>III.2. High Quality Learning Environment</u>			
A. Invest in Libraries	<ul style="list-style-type: none"> <li>• Campuses conduct \$2.9 million fund raising campaign to upgrade library holdings.</li> </ul>	Private Fund Raising	██████████



# INVESTING IN MAINE'S UNIVERSITIES

## THE NEXT BIENNIUM

As shown in the following chart, tuition has become an ever-increasing share of the operating budget, increasing from about 25% to 36% next year. The plan is to begin reversing this trend by holding tuition increases to an average of 2.5% per year (see Access priority) and requesting increased State support of 3.4% per year.



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**SUMMARY**  
**THE NEXT BIENNIUM**

<b>I. Maine's Economic Development</b>	<b>II. Access</b>	<b>III. High Quality Programs and Learning Environment</b>
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<b>UMS BIENNIUM PLAN</b>	<b>DESCRIPTION</b>	<b>SUPPORT</b>	
		<b>INTERNAL</b>	<b>EXTERNAL</b>

**I. Maine's Economic Development**

<p><b>A. Research and Development (Part I)</b></p>	<ul style="list-style-type: none"> <li>● Continue funding the \$4 million operating appropriation provided in FY99 in next biennium (FY00/FY01).</li> </ul>	<p>---</p>	<p>State Appropriation \$4 Million</p>
<p><b>B. Research and Development</b></p>	<ul style="list-style-type: none"> <li>● Increase State support by \$6 million for R&amp;D operations -- the level recommended by Joint Legislative Committee (\$10 million) and Increase UMS internal R &amp; D support.</li> </ul>	<p>University Support \$1.5 Million</p>	<p>State Appropriation \$6 Million</p>
<p><b>C. Technology</b></p>	<ul style="list-style-type: none"> <li>● Continue Statewide education access through technology via new technologies (e.g., ATM) and continuing shared opportunities at all levels of education. (PART I)</li> <li>● Increase student access to technology and enhance academic computing programs.</li> </ul>	<p>---</p>	<p>State Appropriation \$1 Million</p> <p>State Appropriation \$2 Million</p>

**SUMMARY**  
**THE NEXT BIENNIUM (Continued)**

<u>UMS BIENNIUM PLAN</u>	<u>DESCRIPTION</u>	<u>SUPPORT</u>	
		<u>INTERNAL</u>	<u>EXTERNAL</u>
<b>II. <u>Access</u></b>			
A. Affordable Access	<ul style="list-style-type: none"> <li>● Maintain affordable tuition for students</li> </ul>	Average Tuition Increase 2.5%	—
B. Create Endowed Maine Student Scholarship Program	<ul style="list-style-type: none"> <li>● Increase student financial aid by initiating an endowed match program -- private donations used to match one-time State funding -- \$1,000 awards to 1,100 students every year.</li> </ul>	Private Donations (\$10 Million)	State Funding (\$10 Million)
C. Continue Increased Funding for Maine Student Incentive Scholarship Program (MSISP)	<ul style="list-style-type: none"> <li>● State appropriated \$4 million to FAME for MSISP in FY99 and Increased Public Institution awards to \$1,000 from \$500.</li> </ul>	—	Continue State Support (\$4 Million)
D. Enrollment Marketing and Retention Programs	<ul style="list-style-type: none"> <li>● Provide funding to attract and retain students at all Universities through mini grants funded by internal efficiencies.</li> </ul>	Internal Funding	—

**SUMMARY**  
**THE NEXT BIENNIUM (Continued)**

UMS BIENNIUM PLAN	DESCRIPTION	SUPPORT	
		INTERNAL	EXTERNAL
<u>III.1 High Quality Programs</u>			
A. Compensation ( <u>Part I</u> )	● Provide for basic inflation in the operating budget.	—	State Appropriation 3.4%
B. Trustee Professorships	● Establish pool to which campuses apply for special professorships.	Internal/Private Funding	—
C. Increase Endowed Chairs and Professorships	● Increase ability to offer endowed chairs and professorships across the System.	Private Fund Raising	—
<u>III.2 High Quality Learning Environment</u>			
Invest in Libraries	● Campuses conduct \$2.9 million fund raising campaign to upgrade library holdings.	Private Fund Raising	—

# THE NEXT BIENNIUM (Continued)

## Funding Summary

### I. University Funding

A. Affordable Access – Average Tuition Increase	2.5% Per Year
B. R&D Operation Support (Above \$4 million)	\$1.5 Million
C. Enrollment Marketing & Retention Program/Mini Grants/Internal Efficiencies	\$100,000
D. Fund Raising	
1. For Library Collections	\$2.9 Million
2. Endowed Chairs and Professorships	Fund Raising
3. Create Endowed Student Aid Match Program with State	\$10 Million
4. Trustee Professorships	\$85,000

### II. State Appropriation Request

#### **Part I**

Current Services Request—funding to support the ongoing operations of the University

A. Increase in E&G State Appropriation to Support Compensation and Ongoing Operations	3.4% Per Year
B. Continue \$4 million Operating R&D Funding	\$4 Million
C. Statewide Education Access Through Technology (e.g., ATM Technology)	\$1 Million

#### **Part II**

New or Expanded Services—funding to support items other than the continuance of existing services

A. R&D Operating Support (Above \$4 million) to reach \$10 million	\$6 Million
B. Create Endowed Student Aid Match Program	\$10 Million
C. Student Access to Technology and Enhance Academic Computing Programs	\$2 Million
D. Support Continuance of MSISP Increased Funding ( <u>\$4 million to FAME</u> )	—

### III. State General Obligation Bonds (To be submitted to State Planning Office)

A. Increased R&D Support (In addition to November 1998 Bonding)	\$12 Million
B. Muskie Building (Discussed in 118 <sup>th</sup> Legislature)	\$3.5 Million
C. Energy Conservation (Previously submitted to State Planning Office)	\$8 Million

## RESEARCH AND DEVELOPMENT

State	University R&D	
	\$	Rank
Maryland	\$224.08	1
Massachusetts	184.78	2
Alaska	125.98	3
Connecticut	113.71	4
New Mexico	113.68	5
Iowa	110.76	6
Utah	103.22	7
Rhode Island	102.88	8
Colorado	96.43	9
New York	91.53	10
North Carolina	91.51	11
Wisconsin	91.12	12
Pennsylvania	89.88	13
Nebraska	89.42	14
Vermont	88.50	15
New Hampshire	88.46	16
North Dakota	86.91	17
Georgia	84.21	18
Arizona	81.27	19
Washington	80.66	20
Texas	78.29	21
California	78.02	22
Oregon	77.31	23
Michigan	76.45	24
Delaware	70.76	25
Wyoming	70.46	26
Missouri	70.36	27
Alabama	69.58	28
Minnesota	68.95	29
Illinois	67.90	30
Virginia	65.88	31
Kansas	65.84	32
Louisiana	62.06	33
Montana	60.99	34
Hawaii	59.04	35
Tennessee	58.21	36
Indiana	57.77	37
Ohio	55.87	38
Nevada	54.03	39
South Carolina	53.59	40
Oklahoma	53.29	41
New Jersey	51.10	42
Idaho	47.63	43
Mississippi	42.38	44
Florida	38.73	45
Kentucky	32.65	46
Arkansas	32.44	47
West Virginia	32.43	48
South Dakota	29.74	49
→ Maine	23.68	50

Research and Development Expenditures  
(at Doctorate-granting Institutions) on a  
Per Capita Basis, Fiscal year 1994

Source: The Corporation for Enterprise Development  
The 1996 Development Report Card.  
Washington, DC







## THE PROCESS

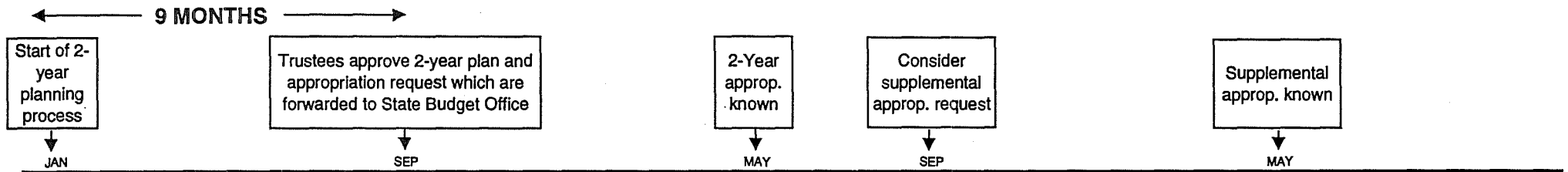
- Jan '98 - July
  - Trustees identify priorities for next biennium.
  
- July
  - Trustees review preliminary Two-Year Plan and related biennium State Appropriation Request.
  
- September
  - Trustees approve Plan and Appropriation Request submitted to Governor.
  
- Jan '99 - May
  - Governor submits State Budget to Legislature. Education and Appropriation Committees conduct budget hearings.
  
- May - June
  - Two-Year Appropriation Known.
  
- July  
(each year)
  - Annual E&G Operating Budgets based on priorities and revenue sources identified in Two-Year Plan.
  
  - Detail of Process – Attachment



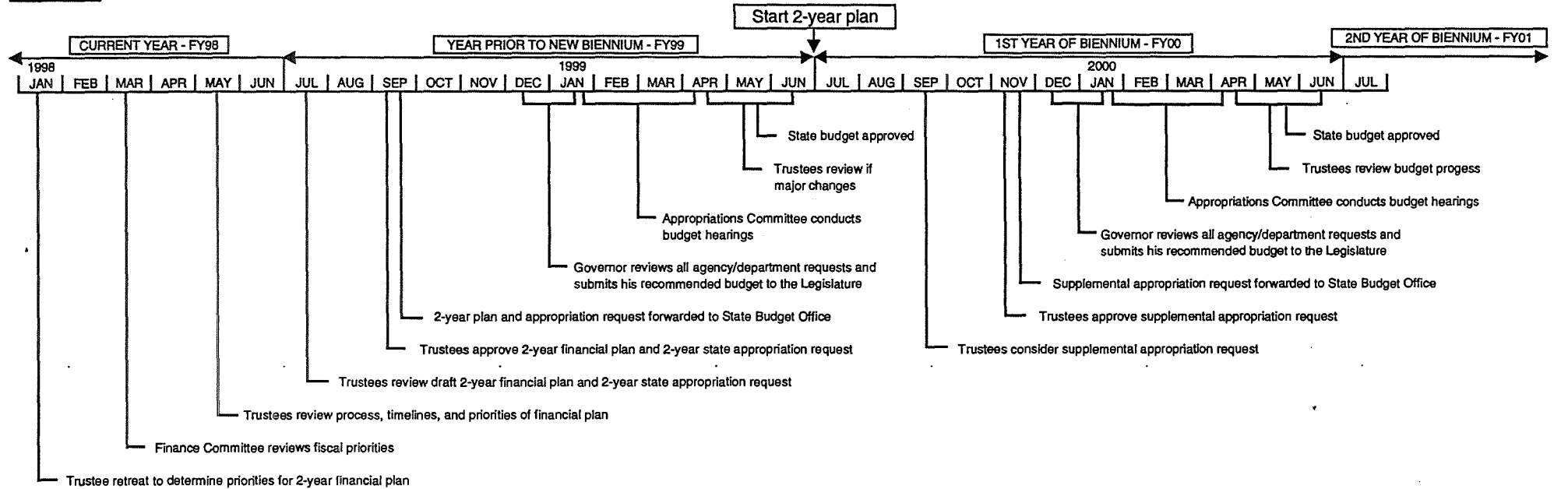
**UNIVERSITY OF MAINE SYSTEM**  
**TYPICAL BIENNIAL BUDGET CYCLE**

**TWO YEAR FINANCIAL PLAN**

**A. OVERVIEW**



**B. DETAIL**



**STATE  
REQUEST**



UNIVERSITY OF MAINE SYSTEM

**APPROPRIATION REQUEST TO 119TH LEGISLATURE - SUMMARY**

	<u>TODAY</u>	<u>1ST YEAR OF NEXT BIENNIUM</u>		<u>2ND YEAR OF NEXT BIENNIUM</u>			
	<u>FY99</u> Base <u>Budget</u>	<u>FY2000</u>		<u>FY2001</u>			
		<u>Proposed Increase</u>	<u>Base Budget</u>	<u>Proposed Increase</u>	<u>Base Budget</u>		
<b><u>Part I - Current Services</u></b>							
3.4% Increase (e.g. compensation)	\$146,452,445 <sup>1</sup>	\$4,979,383	3.4%	\$151,431,828	\$5,148,682	3.4%	\$156,580,510
Statewide Access thru Technology	0	1,000,000		1,000,000	0		1,000,000
Subtotal Part I	<u>\$146,452,445</u>	\$5,979,383	<u>4.1%</u>	<u>\$152,431,828</u>	\$5,148,682	<u>3.4%</u>	<u>\$157,580,510</u>
<b><u>Part II - New or Expanded Services</u></b>							
Research & Development				\$6,000,000			\$6,000,000
Student Access to Technology and Enhance Academic Computing Programs				1,000,000			2,000,000
Endowed Student Aid Match Pgm <sup>2</sup> (one-time funding)				<u>10,000,000</u>			<u>0</u>
Subtotal Part II				\$17,000,000			\$8,000,000

<sup>1</sup>Includes the \$4,000,000 appropriation for Research & Development available in FY99.

<sup>2</sup>One-time FY2000 appropriation request to be matched by \$10 million from private donations to create a \$20 million endowed scholarship program.

Appropriation not requested to be continued in FY2001.

					AGENCY CONTACTS			
POLICY	:	02 EDUCATION AND CULTURE			UMB EXEC	-	SALLY G. VAMVAKIAS, CHRPRSON	207-973-3211
UMBRELLA	:	UNI BOARD OF TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM			UNI EXEC	-	SALLY G. VAMVAKIAS, CHRPRSON	207-973-3211
UNIT	:	421 BOARD OF TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM			UNI MNGR	-	TERRENCE J. MACTAGGART, CHAN	207-973-3220
PROGRAM	:	0031 EDUCATIONAL & GENERAL ACTIVITIES - U OF M SYSTEM			PGM FISC	-	B. RUSSELL SMITH, TREASURER	207-973-3351
APPROP	:	01078A003101 UNIVERSITY OF MAINE SYSTEM			PGM MNGR	-	TERRENCE J. MACTAGGART, CHAN	207-973-3220
					BUDGET-00		BUDGET-01	FND/ACCT

** ALL OTHER	2	138,565,672	146,452,445	152,431,828	157,580,510		010
TOTAL APPROP/ALLOC *		138,565,672	146,452,445	152,431,828	157,580,510		

**REQUIRED STATE FORM**

AGENCY CONTACTS

UMB EXEC - SALLY G. VAMVAKIAS, CHRPRSON 207-973-3211  
 UNI EXEC - SALLY G. VAMVAKIAS, CHRPRSON 207-973-3211  
 UNI MNGR - TERRENCE J. MACTAGGART, CHAN 207-973-3220  
 PGM FISC - B. RUSSELL SMITH, TREASURER 207-973-3351  
 PGM MNGR - TERRENCE J. MACTAGGART, CHAN 207-973-3220

POLICY : 02 EDUCATION AND CULTURE  
 UMBRELLA : UNI BOARD OF TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM  
 UNIT : 421 BOARD OF TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM  
 PROGRAM : 0031 EDUCATIONAL & GENERAL ACTIVITIES - U OF M SYSTEM  
 APPROP : 01078A003101 UNIVERSITY OF MAINE SYSTEM

	OBJT	PRELIM - 98	WK PRGRAM-99	DEPT-00	DEPT-01	BUDGET-00	BUDGET-01
GRANTS TO PUB AND PRIV ORGN	6400	138,565,672	148,452,445	152,431,828	157,580,510		
** ALL OTHER>>		138,565,672	146,452,445	152,431,828	157,580,510		
TOTAL EXPENDITURES *		138,565,672	146,452,445	152,431,828	157,580,510		

The State Appropriation to the University of Maine System has risen in 1998 and 1999 by 2.6% and 2.8%, respectively after being LEVEL for the last 8 years. Level funding has resulted in a reduction of the University's share of the State Budget (from 10.0% in FY90 to 7.3% in FY99). During this same period, tuition (as a percent of the budget) has increased from 24.6% to 36.0%.

From FY90 through FY99, State General Fund Revenue has increased by a total of 45.6%. During this same period, the University of Maine System E&G state appropriation actually increased by a total of 6.4%. If the University's appropriation had grown at the same rate as General Fund Revenue, it would be \$200.3 million in FY99, \$53.9 million higher than has been appropriated.

**Compensation**

The proposed budget includes funds for inflation in employee compensation and benefit costs. Unlike State agencies, the University must fund all of its retirement, health and other compensation costs from its E&G budget. These costs have always been provided for, furthermore, in the operating budget, with no current obligations deferred until future years. The budget contains salary adjustments necessary to prevent employee compensation from eroding in relation to the increasing cost of living faced by University employees. It is important to note that the University competes in a national marketplace when attracting and retaining competent faculty and support staff. In a recent salary comparison, UM salaries rank 44th nationally (only 6 are lower) and last in New England when compared to faculty salaries paid at the major public university of each of the 50 states. Maine per capita income for 1998, on the other hand, ranked 36th nationally.

**Technology**

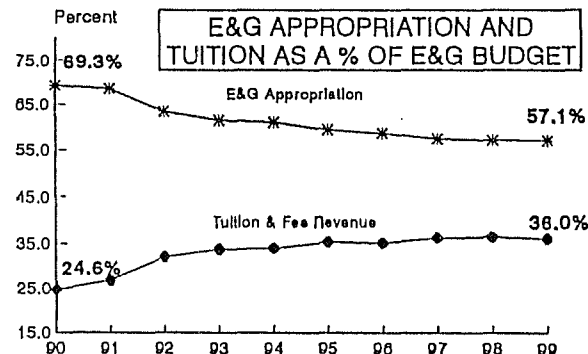
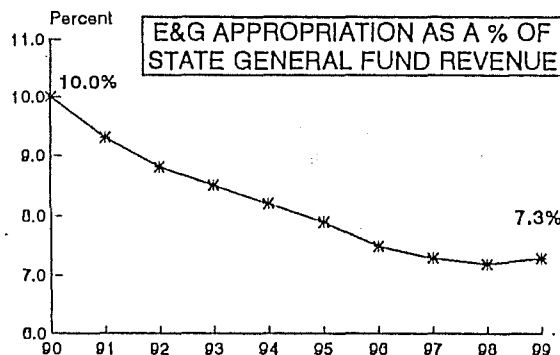
The University's financial plan includes a provision for an additional \$1,000,000 necessary to maintain the current facilities and allow educational courses and content to be distributed more broadly throughout the state. Asynchronous Transfer Mode (ATM) has recently been deployed in the State of Maine and is available to education under a very attractive special contract. The benefits of the ATM transmission services and emerging compression techniques are that educational content can be delivered to any location which subscribes to ATM services and has similar processing equipment. Currently the Department of Education K12 networking project is planning to deploy this type of equipment using this same ATM transport. With similar facilities the University will be better positioned to deliver educational and professional development content statewide.

The University of Maine System's Part I (current services) budget plan reflects that funding level which is necessary for the continuation of programs at levels comparable to those already authorized and funded by the Legislature. The funding for the ongoing operating portion of this modest biennium plan is based on a partnership between THE UNIVERSITY AND THE STATE and consists of: (1) a modest 2.5% increase in tuition in each year (THE UNIVERSITY) and (2) a corresponding 4.1% (FY00) and 3.4% (FY01) increase in the State appropriation (THE STATE). The 4.1% increase in the State appropriation (FY00) includes 0.7% or \$1,000,000 increase to provide for the Statewide access to technology program. The Part I requested appropriation increase is \$5,979,383 in FY00 and an additional \$5,148,682 in FY01.

**UNIVERSITY OF MAINE SYSTEM**

1989/90 - 1998/99

**REQUIRED STATE FORM**



UMBRELLA : UNI BOARD OF TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM  
 UNIT : 421 BOARD OF TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM  
 PROGRAM : 0031 EDUCATIONAL & GENERAL ACTIVITIES - U OF M SYSTEM

EXPENDITURE DETAIL BY FAMILIAR ACTIVITY NAME	ACT GROUP	ACTUAL 1997-98		ESTIMATED 1998-99		DEPARTMENT REQUEST 1999-00		DEPARTMENT REQUEST 2000-01	
		GENERAL FUND	OTHER FUNDS	GENERAL FUND	OTHER FUNDS	GENERAL FUND	OTHER FUNDS	GENERAL FUND	OTHER FUNDS
	000								
	100								
	200								
	300								
EDUCATIONAL & GENERAL	400	138,565,672		146,452,445		152,431,828		157,580,510	
	500								
	600								
	700								
	800								
	900								
<b>TOTAL EXPENDITURES-ALL ACTIVITIES</b>		<b>138,565,672</b>		<b>146,452,445</b>		<b>152,431,828</b>		<b>157,580,510</b>	

**STATEMENT OF MISSION:**

The University of Maine System unites seven distinctive public universities in the common purposes of providing first-rate higher education at reasonable cost in order to improve the quality of life for the citizens of Maine. The System, through its Universities, carries out the traditional tripartite mission -- teaching, research, and public service. As a System, it extends its mission as a major resource for the State, linking economic growth, the education of its people, and the application of research and scholarship. The Educational & General (E&G) budget provides for undergraduate, graduate, and professional educational programs. It provides non-credit courses, University-sponsored research and services through cooperative extension and other activities. The program also includes support services to students and employees, and administrative activities to assure compliance with federal, state and audit and reporting requirements. The figures show the share of FY99 costs assigned to each activity: Instruction 31%, Research 2%, Public Service 3%, Academic Support 14%, Student Services 9%, Institutional Support 12%, Operations & Maintenance 9%, Student Aid 4%, and Employee Benefits 16%.

**GOALS:**

The University of Maine System's goal is to: Provide High Quality Undergraduate and Graduate Education that is Accessible to and Valued by a Broad Range of Maine Citizens. This appropriation provides State support for the University of Maine System's E&G activities; student tuition provides most of the balance of the funds used for this purpose. The E&G program covers education, public service and University-sponsored research at the seven campuses of the University of Maine System, which enrolled 30,018 students in the fall of 1997, 89% of whom are Maine residents. The E&G plan does not cover residence/dining, bookstore and other "auxiliary enterprises" which are supported entirely from their own revenues, nor does it include research and other activities funded by outside sponsors.

**OBJECTIVES:**

The University of Maine System's part I (current services) budget plan reflects that funding level which is necessary for the continuation of existing programs at levels comparable to those already authorized and funded by the Legislature. The State Appropriation to the University of Maine System has risen in 1998 and 1999 by 2.6% and 2.8%, respectfully after being LEVEL for the last 8 years. This has resulted in a reduction of the University's share of the State Budget (from 10.0% in FY90 to 7.3% in FY99). During this same period, tuition (as a percent of the budget) has increased from 24.8% to 36.0%. This part I request represents the bare minimum necessary to meet inflation and continue current services, including a small amount for statewide education access through technology.

**STRATEGIES:**

Higher education is clearly the State's best long term investment in economic and social prosperity. The trustees and the campuses continue to work toward providing greater access to higher education at a lower cost to Maine citizens through the development of distance learning and other information technologies. The campuses are redefining missions, reallocating resources, and streamlining their programs in order to revitalize undergraduate education and strengthen research and graduate study in areas of vital importance to the economic development of the State.

**REQUIRED STATE FORM**



**Attachment C  
BIENNIAL BUDGET REQUEST  
PART I**

**DEPARTMENT:** BOARD OF TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM

**FUND:** 01078A003101 UNIVERSITY OF MAINE SYSTEM

**GOAL:** Provide high quality undergraduate education that is accessible to and valued by a broad range of Maine citizens.

**OBJECTIVE:** By Fall 2002, enroll 2000 additional students in the University of Maine System.

**PROGRAM – STRATEGY:** Make the University of Maine System more attractive to prospective and continuing students.

LINE CATEGORY	FY 2000	FY 2001
Personal Services	\$	\$
All Other	\$ 152,431,828	\$ 157,580,510
Capital Expenditures	\$	\$
<b>TOTAL</b>	<b>\$ 152,431,828</b>	<b>\$ 157,580,510</b>

**PERFORMANCE MEASURES:**

	FY 2000	FY 2001
1. Increase the number of Maine high school graduates going on to post-secondary education.	1.0%	1.0%
2. Increase Financial Aid to students.	2.0%	2.0%
3. Increase annual gifts/donations.	4.0%	4.0%
4. Increase research & development funding.	\$6 million	\$1.5 million
5. Increase student headcount enrollment.	350	400

**REQUIRED STATE FORM**

UMBRELLA: UNI Trustees - Univ. ME System  
 UNIT: 421 Trustees - Univ. ME System  
 PROGRAM: 0031 E&G Activities-U of M System  
 ACCOUNT: 01078A003101 Univ. of ME System

DEPT. GOVERNOR  
 PRIORITY PRIORITY  
 NUMBER: 1 NUMBER: \_\_\_\_\_  
 DATE DATE  
 ASSIGNED: \_\_\_\_\_ ASSIGNED: \_\_\_\_\_

NEW Y\_\_\_ N\_\_\_ ORIGINAL SUBMISSION#\_\_\_\_\_  
 REVISION #\_\_\_ TO ORIGINAL SUBMISSION #\_\_\_\_\_  
 DELETION #\_\_\_ TO ORIGINAL SUBMISSION #\_\_\_\_\_  
 DATE SUBMITTED \_\_\_\_\_

PROPOSED NEW OR EXPANDED ACTIVITY	LINE CATEGORY	PROPOSED EXPENDITURE LEVEL	
		Proposed for 00	Proposed for 01
<u>COMPLETE IN 25 WORDS OR LESS:</u>			
Provides funds for:	Positions Legis. Count	( )	( )
	Positions Other Count	( )	( )
Research & development, student access to computers, enhance academic computing programs and endowed student aid match program.	Personal Services		
	All Other	17,000,000	8,000,000
	Capital		
<b>TOTAL \$</b>		<b>17,000,000</b>	<b>8,000,000</b>

The State Appropriation to the University of Maine System has risen in 1998 and 1999 by 2.6% and 2.8%, respectively after being LEVEL for the last 8 years. Level funding has resulted in a reduction of the University's share of the State Budget (from 10.0% in FY90 to 7.3% in FY99). During this same period, tuition (as a percent of the budget) has increased from 24.6% to 36.0%. From FY90 through FY99, State General Fund Revenue has increased by a total of 45.6%. During this same period, the University of Maine System E&G state appropriation actually increased by a total of 6.4%. The following New or Expanded Programs request represents an effort to recapture some of this lost momentum.

The University is requesting \$17.0 million in FY00 and \$8.0 million in FY01 for new or expanded programs.

	FY00	FY01 Increase	FY01
1. Increase state support by \$6 million for research & development operations -- the level recommended by Joint Legislative Committee on Research & Development \$10 million, \$4 million was appropriated in FY99.	\$6,000,000	-0-	\$6,000,000
2. Increase student access to computers and enhance academic computer programs.	1,000,000	1,000,000	2,000,000
3. Increase student financial aid by initiating an endowed Match program -- private donations used to match one-time State funding -- \$1,000 awards to 1,100 students (State provides \$10 million / University raises \$10 million through private donations).	10,000,000	(10,000,000)	0
<b>Total Part II</b>	<b>\$17,000,000</b>	<b>(\$9,000,000)</b>	<b>\$8,000,000</b>

REQUIRED STATE FORM

FORM : C EXPENDITURES

POLICY : 02 EDUCATION AND CULTURE  
 UMBRELLA : UNI BOARD OF TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM  
 UNIT : 421 BOARD OF TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM  
 PROGRAM : 0031 EDUCATIONAL & GENERAL ACTIVITIES - U OF M SYSTEM  
 ACCOUNT : 01078A003101 UNIVERSITY OF MAINE SYSTEM  
 PART : II

AGENCY CONTACTS

SALLY G. VAMVAKIAS, CHRPRSON 207-973-3211  
 SALLY G. VAMVAKIAS, CHRPRSON 207-973-3211  
 TERRENCE J. MACTAGGART, CHAN 207-973-3220  
 B. RUSSELL SMITH, TREASURER 207-973-3351  
 TERRENCE J. MACTAGGART, CHAN 207-973-3220

C & O Description	C & O	DEPT 00	DEPT 01
Grants to Public and Private Organizations	6400	\$17,000,000	\$8,000,000

**Research & Development**

Investing in publicly funded R&D has a proven track record of positively affecting economic development. Research and Development has the potential to bring new federal funding to Maine and create new industries and new jobs critical to Maine's economic future. The University is requesting an increase of \$6 million as recommended by the joint legislative committee on R&D. The University of Maine System will increase internal R&D support by \$1.5 million in tandem with the State's support.

**Technology**

The University's financial plan includes a provision for an additional \$1,000,000 in each year of the biennium to increase student access to computers. Students and the academic programs they enroll in need to be technologically ready and up-to-date. Providing technology access, training, software, and availability of hardware is a priority for the University. This modest funding request will assist in addressing such future needs as (1) accessible no cost connections; (2) increased access in classrooms; (3) multi-user software licenses; (4) low cost computer lease and loan arrangements for students; (5) training for students and faculty; (6) specialized computer clusters; and (7) tools to assist the faculty in developing Web courses.

**Student Aid**

Consistent with providing affordable tuition, student scholarship programs provide increased access potential for qualified students who might not otherwise participate in higher education. To further increase access, the University of Maine System's biennium plan proposes a new Endowed Match Scholarship Program. Under this program, the Universities will initiate private fund-raising campaigns for scholarships with each dollar raised matched by a one-time State appropriated fund. This program would provide an incentive for private donations through a matching state fund (up to \$10 million) for every private dollar raised. The purpose of the program is to create an endowed fund (\$20 million) to provide scholarships to needy Maine students attending one of the Universities of the University of Maine System. With the University and the State providing \$10 million each, approximately 1,100 students could receive \$1,000 awards every year.

**REQUIRED STATE FORM**

# ALTERNATIVE BUDGET PROPOSALS

**DEPARTMENT/AGENCY:** BOARD OF TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM  
**PROGRAM:** EDUCATIONAL & GENERAL ACTIVITIES - UNIVERSITY OF MAINE SYSTEM  
**ACCOUNT:** 01078A003101 UNIVERSITY OF MAINE SYSTEM  
**PRIORITY # \_\_\_\_\_ OF \_\_\_\_\_ ALTERNATIVE BUDGET PROPOSALS**

## DOLLAR IMPACT:

<u>FY2000</u>	<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>
\$3,221,954	\$3,292,837		

The alternative budget proposal requested by the State Budget Office provides an increase of 2.2% in fiscal year 2000 and 2.2% in fiscal year 2001 in State funding for the University of Maine System. This compares to the University's requested increase of 4.1% in fiscal year 2000 and 3.4% in fiscal year 2001. It is well known that prior to this the University's State appropriation has not changed over the last eight years (from FY90 - FY98), i.e., basically level funding from the State.

The key elements of the University's upcoming Biennium Plan are (1) Maine's Economic Development, (2) Access to an affordable education for qualified students who might not otherwise participate in higher education and (3) High Quality Programs and Learning Environment.

Maine's Economic Development involves the continuation of the \$4 million increase in R&D that began in FY99. In addition, the University is requesting an increase in Operating R&D of \$6 million to reach the \$10 million level recommended by the joint legislative committee on R&D. In tandem with this, the University intends to increase internal Operating R&D by \$1.5 million. Increasing R&D support is extremely important to the State of Maine in light of the fact that Maine currently ranks last in the nation when it comes to spending for research and development. In looking to Maine's future, technological capabilities need to be considered. The University's financial plan includes a provision for an additional \$1,000,000 to continue the University's involvement in adapting to new mediums of sharing information across the State using Asynchronous Transfer Mode (ATM). A new provision for an additional \$1,000,000 in each year of the biennium will increase student access to computers and enhance academic computing programs. Affordable Access to a higher education for Maine's people includes the University of Maine System's effort to keep tuition costs affordable and the creation of an endowed scholarship fund to provide increased access to qualified students who might not otherwise participate in higher education. The scholarship program is a new initiative involving a partnership between the University of Maine System and the State. Funding for the scholarships (\$20 million) consists of private donations matched dollar for dollar by state funds (up to \$10 million). This program would create \$1,000 scholarships for approximately 1,100 students. The importance of creating the endowed scholarship fund is evidenced by the fact that scholarships and waivers have decreased by 16% from FY88 to FY97, while loans have increased by 14%. High Quality Programs and Learning Environment stresses the University of Maine System's goal to provide the people of Maine with an affordable, first-rate educational experience. This includes (1) investing in libraries and faculty chairs and professorships, (2) enhancing support services designed to ensure student success during the first year and beyond, (3) general educational core courses designed to guarantee broad exposure to the liberal arts disciplines, and (4) the mastery of essential life skills such as writing, critical thinking, quantitative skills, and computer literacy. Continued support for increases in compensation will provide for basic inflation in the operating budget.

Without a reasonable level of predictability of State support, the key elements of the University's Biennium Plan will be negatively impacted, e.g., affordable tuition, availability of student scholarships, Maine's economic development through R&D and technology advancements, and basic compensation increases for faculty and staff. Attracting exceptional faculty is already difficult since in 1998 the University of Maine's faculty salary ranks 44<sup>th</sup> in the nation, while Maine's per capita income ranks 36<sup>th</sup>.

## REQUIRED STATE FORM

## (IMPACT ASSESSMENT)

Please Assess the impact this proposal will have on the program by circling the appropriate number under each category:

### Operational Impact:

1. Eliminates all services provided by the program.
2. Eliminates some services provided by the program.
3. Reduces the level of services provided by the program.
4. Will not have a measurable impact on services provided by the program.

### Outcome Impact:

(If you circle 1,2 or 3 above, indicate the impact the program has on outcome/results.)

1. Critical
2. Vital
3. Essential
4. Desirable
5. Beneficial
6. Useful

### Legal Impact:

1. Eliminates federally mandated services.
2. Results in the direct reduction of federal support for the program.
3. Eliminates services required by Maine law.
4. Impacts services which are not legally required, but have been Department or Agency mandated services.









## 119<sup>TH</sup> BIENNIAL BOND REQUEST

**Agency/Organization Name:** University of Maine System

**Address:** 107 Maine Avenue, Bangor, Maine 04401-4380

**Contact Name:** B. Russell Smith **Phone:** (207) 973-3351 **E-mail:** BRS@Maine.Maine.edu

**Bond Abstract:** (3-5 sentences that describe how the bond funds would be used)

### R&D SUPPORT

Create engineering complexes at UM and USM as well as other laboratory facilities at both universities which will allow rapid expansion of R&D activities in composite materials engineering, information science and engineering, environmental engineering, computer and electrical engineering and biotechnology. These capital improvements will stimulate new collaboration and interdisciplinary research among disciplines that directly support the industrial sectors targeted for investment by Maine's Economic Development Strategy and the State Science and Technology Plan.

**Documentation of Need:** (Please explain why this activity should be considered; attach additional sheet if necessary)

Modern, expanded facilities, including research and teaching laboratories, classrooms, conference, and office space, are needed to support the teaching and research missions of the University of Maine's College of Engineering and the University of Southern Maine's School of Applied Sciences and College of Arts and Sciences.

At UMaine, Boardman Hall, which now houses the Department of Civil and Environmental Engineering and the Department of Spatial Information Science and Engineering, is located in close proximity to most of the other engineering facilities. Renovation and expansion of Boardman Hall would replace the defunct Machine Tool Lab and provide physical connections to the Crosby Lab and Barrows Hall, which house the Department of Mechanical Engineering and the Department of Computer and Electrical Engineering, respectively. The envisioned Engineering Complex will facilitate expansion of R&D activities in composite materials engineering, information science and engineering, environmental engineering, and computer science and electrical engineering, and will stimulate new collaboration and interdisciplinary research among these disciplines. The Complex will be equipped with state-of-the-art communications systems for delivering courses and seminars to off-campus sites around the state.

Much of the existing building would be renovated to classroom, conference, and office space, while the addition would provide modern research and teaching laboratories with appropriate utilities. This project is outlined in the 1998 University of Maine Capital Plan. It is one of four top institutional priorities for renewal and construction.

At USM, an addition would be built at the Mitchell Technology Center on the Gorham Campus which would allow consolidation of the Departments of Computer Science and Physics with Electrical Engineering and Industrial Technology. Laboratory improvements and an upgraded telecommunications system in the Mitchell Center will support research and training activities in computer and electrical engineering, microelectronics and materials science. Improved and expanded facilities will support the joint UMaine/USM Master's degree program in Electrical Engineering, and facilitate collaboration on engineering research projects between the two institutions. Increased capacity in these fields is critical to businesses and employees in southern Maine.

Additional laboratory expansion and renovation to support the biosciences will also occur in the Science Building on USM's Portland Campus. Up-to-date research and teaching laboratories are critical to USM's role in the collaborative provision of Ph.D. programs in the biosciences with UMaine, Maine Medical Center and the Jackson Laboratory on behalf of Maine's biotechnology industry. The upgrading of laboratories and the consolidation of units made possible by the Gorham Mitchell Center and Portland Science Building expansions and renovations are priorities in USM's five-year strategic plan, *USM in the 21<sup>st</sup> Century*.

**Outcome:** (Please identify the agency's strategic plan objective that these bond funds would support)

Provide high quality undergraduate and graduate education that is accessible to and valued by a broad range of Maine citizens.

**Requested Year and Amount:**

FY2000: \$12,000,000 GF Request: \_\_\_\_\_ Other Funds Levered: \_\_\_\_\_ Source: \_\_\_\_\_  
FY2001: \_\_\_\_\_ GF Request: \_\_\_\_\_ Other Funds Levered: \_\_\_\_\_ Source: \_\_\_\_\_

Office of Finance and Treasurer  
Md8(32)

## 119<sup>TH</sup> BIENNIAL BOND REQUEST

**Agency/Organization Name:** University of Maine System

**Address:** 107 Maine Avenue, Bangor, Maine 04401-4380

**Contact Name:** B. Russell Smith **Phone:** (207) 973-3351 **E-mail:** BRS@Maine.Maine.edu

**Bond Abstract:** (3-5 sentences that describe how the bond funds would be used)

### MUSKIE BUILDING

A \$3.5 million bond, with matching funds from private and other sources, will be used to renovate an existing underutilized building to house the Edmund S. Muskie School of Public Service and create a public service conference center to serve the people of Southern Maine. The Building will consolidate in one location the School's growing academic, research, and public service programs, provide needed classroom space for other academic units, and provide conference and classroom facilities for USM's Public Service operations. The Building will serve as a living memorial to Edmund S. Muskie, one of Maine's most distinguished citizens.

**Documentation of Need:** (Please explain why this activity should be considered; attach additional sheet if necessary)

The University's ability to grow and meet the needs of the public and non-profit sectors are severely constrained by present space limitations. There is a particular need for additional space to house the educational, research, and public service programs of the Muskie School and to develop on-campus conference facilities. Renovations of an underutilized campus facility would allow the University to consolidate all of the Muskie School's Portland-based activities in one location, provide needed space for Public Service programs, and eliminate current rental costs of approximately \$165,000 per year.

Since its inception in 1990, the Muskie School has shown remarkable growth and development as a research and teaching institution and has made a significant regional impact. From a base in 1990 of some 40 staff, four faculty, and \$2 million in grant and contract awards, it has grown over six years to more than 200 professional and support staff, and more than \$14 million in annual grants and contracts. The University estimates that this results in an additional \$14 million of the spending and a total of some 400 jobs for the Maine economy. Fully 80% of these grants and contracts represent "new money" for Maine, making the School an important exporter of services and importer of quality jobs.

USM has a proud history of public service. In the past year the University sponsored non-credit courses and programs which attracted more than 77,000 people. Research, technical assistance, training, and other direct service activities serve citizens and communities throughout the state. Yet USM has virtually no space for these people and must rent space throughout the community to provide non-credit instruction.

The proposed Muskie School will house a conference center, with state-of-the-art communications technology, near downtown Portland and available hotels and dormitories. It will also feature a forum space for public dialogue and debate of public issues. There are currently no comparable facilities in Portland, Maine's largest city, for small to medium size academic conventions and regional meetings. The prestige of the Muskie School and the quality of the facility will attract national and international conferences. In coordination with the Greater Portland Convention and Visitors Bureau, the University expects to host five 2-3 day conferences per year at the Muskie School, adding some \$300-400,000 annually to the regional economy in conference fees and distance education revenues.

The lack of adequate facilities at USM has reached a point where academic programs cannot expand, conferences cannot be held, and personnel cannot be housed. The renovation of the now nearly empty 50,000 square foot building (purchased several years ago after being abandoned as a commercial site) is an efficient solution to USM's space challenges. It will bring current programs back to campus, reduce rental costs and support growth in areas that support the economy of Southern Maine. This project is an excellent investment for the people of Maine.

**Outcome:** (Please identify the agency's strategic plan objective that these bond funds would support)

Provide high quality undergraduate and graduate education that is accessible to and valued by a broad range of Maine citizens.

**Requested Year and Amount:**

FY2000: \$3,500,000 GF Request: \_\_\_\_\_ Other Funds Levered: \_\_\_\_\_ Source: \_\_\_\_\_

FY2001: \_\_\_\_\_ GF Request: \_\_\_\_\_ Other Funds Levered: \_\_\_\_\_ Source: \_\_\_\_\_

# 119<sup>TH</sup> BIENNIAL BOND REQUEST

**Agency/Organization Name:** University of Maine System  
**Address:** 107 Maine Avenue, Bangor, Maine 04401-4380  
**Contact Name:** B. Russell Smith **Phone:** (207) 973-3351 **E-Mail:** BRS@Maine.Maine.edu

**Bond Abstract:** (3-5 sentences that describe how the bond funds would be used)

## ENERGY CONSERVATION:

Bond funds will be used to provide modifications to University System facilities to reduce unnecessary consumption of energy used to heat, light or operate University System Libraries, Classrooms and Laboratories.

**Documentation of Need:** (Please explain why this activity should be considered; attach additional sheet if necessary)

The great majority of University System facilities were constructed during a period of low oil cost and low electrical rates. As a result, it was uneconomical at the time of the initial construction to provide all of the energy saving features which are currently considered routine. Thus, the cost to heat and light the University System's older facilities is much greater than if the buildings were constructed to current energy standards. Not only do many older University System buildings fail to meet current energy standards, many items of operating equipment are old and inefficient.

Over the past few years, University System Campuses have invested their normal operating funds in projects with relatively short pay-back periods (3 years or less). The savings achieved from these projects have assisted campuses in meeting inflationary pressures on goods and services. It is now time to address projects which have a longer pay-back period.

The projects which are listed for this program are projects which were included in the previous year's request to the State Planning Office, but were not included in the final bond issue.

A review of the University System facilities has identified a variety of priority energy conservation measures requiring an investment of approximately \$8.0 million.

University of Maine	\$3,932,000
University of Maine at Augusta	560,000
University of Maine at Farmington	568,000
University of Maine at Fort Kent	168,000
University of Maine at Machias	216,000
University of Maine at Presque Isle	304,000
University of Southern Maine	<u>2,252,000</u>
TOTAL	\$8,000,000

**Outcome:** (Please identify the agency's strategic plan objective that these bond funds would support)

Provide high quality undergraduate and graduate education that is accessible to and valued by a broad range of Maine citizens.

## **Requested Year and Amount:**

FY2000: \_\_\_\_\_ GF Request: \_\_\_\_\_ Other Funds Levered: \_\_\_\_\_ Source: \_\_\_\_\_  
FY2001: \$8,000,000 GF Request: \_\_\_\_\_ Other Funds Levered: \_\_\_\_\_ Source: \_\_\_\_\_