

# MAINE STATE LEGISLATURE

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INTERIM REPORT OF THE JOINT SELECT  
COMMITTEE TO REVIEW THE UNIVERSITY OF MAINE  
BUDGET CUTS OF PUBLIC SERVICE PROGRAMS

SECTION I. CHRONOLOGY OF EVENTS

In April of 1983, "A Self Review Report" was presented to the President of the University of Maine at Orono, Paul H. Silverman. This self study effort was led by James F. Horan, chairman of a steering committee comprising 36 university officials who examined the condition of the Orono Campus over an 18 month period. The study report concluded that there is an inadequate level of funding in academic areas of the university and that equipment budgets in the sciences have been seriously deteriorated by inflation. The study report further embraced the recommendation that every attempt be made to reallocate funds from other areas of the Orono budget to maintain academic quality.

On May 23, 1983, Dr. Silverman met with the Trustees and submitted a copy of the self review report. He indicated to the Trustees at that time that an additional \$5 million in funding was needed to strengthen the following academic areas:

Business Administration  
Engineering  
Honors Program  
Marine Sciences  
The Library  
Bangor Community College  
The Graduate School

Moreover, the Orono campus also suffered a blow in terms of prestige because of a recent revision in the definition of categories by the American Association of University Professors. Formerly, the AAUP's category I was defined as covering institutions which granted more than 15 PHD's per year. UMO, which normally produces 25-28 PHD's per year, was clearly in category I until the AAUP adopted a new definition of 30, putting Orono in category II A. Therefore, Orono's status as a state academic institution was diminished relative to comparable universities, although it did not experience any reduction in the number of PHD's granted.

In July, Dr. Silverman announced to Chancellor McCarthy that he had no choice but to continue the self study process further. Given inadequate financial resources, contraction and reallocation of funds within the University was necessary, and he indicated that his office would conduct a review to find out how budget cuts would affect certain areas of the campus. In the middle of July, letters from John D. Coupe, Vice President for Finance and Administration, were sent to seven departments, mainly in the public service area, asking for an assessment of how a cut of a specified amount would affect the organizations identified. Total proposed cuts amounted to approximately \$1 million, with the Cooperative Extension Service and the Agricultural Experiment Station sustaining the brunt of the proposed contraction and reallocation. Here is a list of the divisions which received letters from the president's office and the amount of the proposed cuts which were to take effect July 1, 1984, if executed.

1. Bureau of Labor Education - proposing a cut of \$116,807;
2. Bureau of Public Administration - proposing a cut of \$126,016;
3. Cooperative Extension Service - proposing a cut of \$250,000 to \$300,000, 1st year;
4. Agricultural Experiment Station - proposing a cut of \$250,000 to \$300,000, 1st year;
5. Social Science Research Institute - proposing a cut of \$48,657;
6. Balanced Growth Project - proposing a cut of \$30,024;
7. Conferences and Institutes - proposing a cut of \$30,603.

When the Cooperative Extension Service received their notice, they immediately organized six regional meetings with their constituency during the week of July 25, 1983. The Cooperative Extension Service called these meetings to consult with rural citizens and to express concerns about the significance of these proposed cuts. Extension officials clearly pointed out that the proposed cuts seemed quite inconsistent with the self study report which had recommended increased funding to public service areas in agriculture. Furthermore, citizens maintained that the timing of the proposed cuts was inappropriate, given renewed interest in agriculture and rural living. Finally, the Cooperative Extension Service viewed these proposed cuts as an unmistakable sign that public service at the Land Grant Institution was not receiving adequate priority.

At the meeting in Auburn, several members of the Legislature were informed of the serious nature of these proposed cuts, John Michael, House Chairman of the Legislature's Agriculture Committee, working together with Rep. Richard McCollister, suggested that Dr. Silverman be invited to appear before the Agriculture Committee on August 3, when it was already scheduled to convene for confirmation hearings. Dr. Silverman accepted the invitation of the Agriculture Committee to participate in the informal hearing which was conducted one day after the Education Committee quickly organized an informal hearing of their own. Dr. Silverman was also asked by Trustees of the University of Maine to appear at a special meeting on August 11 to explain more fully the nature of the impact study being conducted at Orono and how the decision to seek cuts from the public service area of the University was determined.

As a result of the massive display of support for the Cooperative Extension Service in Maine at the informal hearings and the special Trustees' meeting, the Legislative Council on August 4, 1983, formed a select committee comprising members of both the Standing Committees on Agriculture and Education. The Committee held its first organizational meeting and scheduled a hearing for August 17, 1983. The following agenda was prepared for testimony on that day.

JOINT SELECT COMMITTEE TO REVIEW THE PROPOSED  
BUDGET CUTS IN PUBLIC SERVICE PROGRAMS AT THE  
UNIVERSITY OF MAINE AT ORONO

AGENDA

AUGUST 17, 1983

Dr. Silverman

Orono Prespective

Dean Clapp, Engineering and Science  
Dean Tarr, Acting Dean of the Graduate School  
Librarian, no testimony  
Dr. Gerald Work, Professor of Education and Union Representative  
Dr. Jerome Nadelhaft, Associate Professor of History and  
Representative of the Council of Colleges

Thomas Monaghan, Chairman, Board of Trustees, other trustees

Chancellor McCarthy

Vice Chancellor for Finance and Administration, William Sullivan

Senator Mary Najarian, Senate Chair of the Appropriations Committee

Presidents of other campuses in order of appearance:

Constance Carlson, UM-Presque Isle  
Byron Skinner, UM-Augusta  
Robert Woodbury, University of Southern Maine  
Judith Strickner, UM-Farmington  
Frederick Reynolds, UM-Machias

Department Heads

Bureau of Labor Education, John Hanson  
Bureau of Public Administration, Kathryn Goodwin  
Cooperative Extension, Harold McNeill  
Social Science Research Institute, David Wihry  
Agriculture Experiment Station, Wallace Dunham  
Balanced Growth, Arthur Johnson  
Conference and Institutes, Bruce Stinson

The hearing began at 1:00 p.m. on the 17th and lasted until shortly after 8:00 p.m.

In addition, several other representatives from academic departments and public service divisions expressed their views on the financial condition of the University and the effect of inadequate resources on their ability to perform their responsibilities. In particular, several representatives from Engineering and Science claimed that a virtual cap on equipment and program budget items has remained in effect for almost a decade, even though enrollments have climbed from 900 to 1600 students. Inflation has severely eroded the buying power of those diminished

resources to the point: (1) where some qualified students are not admitted; (2) where unacceptable decisions have to be made between hiring Faculty to fill vacancies or to buy adequate supplies to run the laboratories; (3) where the Science Department is not able to acquire the types of equipment which are needed to demonstrate current technology; (4) where certain science departments such as Chemistry, have been placed on temporary accreditation status, a two-year review schedule as opposed to a normal six-year evaluation.

This committee views with alarm the news it received from testimony about the condition of the Science and Engineering Departments at Orono. At a time when science and technology are the foci of the current national debate about educational quality, faculty in the science areas at Orono appear to have been struggling for several years with inadequate resources to match student demand and to demonstrate the changes in technological developments. If nothing else, this committee strongly urges that this issue receive adequate study in the interim by a designated committee.

Finally, a large amount of time on August 17th was spent discussing the University's planning and budgeting process. These issues are discussed more fully in Section III of the Report which follows:

## SECTION II. MORE BACKGROUND AND A DISCUSSION OF EXISTING ISSUES WHICH NEED FURTHER EXAMINATION

Before the hearing was conducted on August 17, 1983, Dr. Silverman called the President of the Board of Trustees, Thomas Monaghan, to announce the reports received from the Cooperative Extension Service and the Agricultural Experiment Station showed that cuts to those public service units could not be sustained without seriously affecting the capability to provide effective service. Therefore, Dr. Silverman maintained he would not recommend to the Trustees in September 1983 that cuts be made to those programs, nor to the Bureau of Public Administration and the Bureau of Labor Education. Continued study of the three other public service units, the Balanced Growth Project, the Social Science Research Institute, and Conferences and Institutes was needed before a decision could be made with respect to those programs.

Despite the President's decision to spare the public service programs mentioned, several issues remain unresolved. These issues revolve around the significance of the Cooperative Extension Service and the Agriculture Experiment Station to Orono's mission as the Land Grant Institution for Maine. Further, these issues relate to the degree of priority that is placed on Public Service, one of the three major roles assumed by Orono as the Land Grant College. Therefore, the Select Committee strongly feels the need to further scrutinize the following questions in further depth:

1. Although cuts to several public service units of the University of Maine at Orono are no longer currently contemplated, what guarantee is there that these public service units will not again be identified for "contraction and reallocation" of funds.
2. Is a guarantee either advisable or necessary?
  - a) Then should public service problems be removed entirely from

the University of Maine at Orono?

b) Then should public service programs be assigned to another campus in the system-or divided and assigned to all the campuses of the University system?

c) Then should line item budgeting be instituted for public service programs within the University?

d) Then should the Legislature make a separate, upfront allocation to fund the public service arm of the University?

e) Then should a formal understanding be established between the Legislature and University officials about the amount of funding directed toward public service programs from year-to-year.

f) Then should all parts of the University system be directed to provide funding support the public service divisions, if they are to remain at Orono.

g) Then should the Legislature more specifically define the relationship that should exist between the Cooperative Extension Service and the Department of Agriculture, Food and Rural Resources.

Furthermore, the wide-ranging nature of the testimony on August 17 revealed the important nature of several other issues which are bound together in this examination of the University of Maine. It is clear to the Joint Select Committee that serious questions remain about Orono's financial condition and that campus's struggle to maintain academic quality. Therefore, the committee suggests a continued review to examine:

1. The financial condition of the University and how resource constraints are affecting educational opportunity;
2. The level of educational opportunity for Maine students at Orono in technical, scientific, and business fields; and
3. The level of educational opportunity at other campuses for students entering programs which are restricted because of funding limits;
4. The comparison between Orono and other Land Grant institutions of relative size and the comparison of the other campuses in the University system of Maine with state college campuses in other parts of the country;
5. The advisability of line-item budgeting for state appropriations to the University.

### SECTION III. THE BUDGET PROCESS

The public outcry created by the proposed budget cuts at UMO raised several issues for the Committee. For example - What is the University budget process? What role do the various parties, including the Legislature, play in the process? How do long range planning for the

University and the budget process intermesh? Is the current process the best approach?

As outlined in testimony presented to the Committee at the August 17 hearing, the planning process and the budget process are inextricably linked. Testimony from the trustees at the hearing left the impression that the planning process is somewhat informal, but material received from the chancellor's office reveals a structured planning process for program development which is systematic yet flexible to accommodate new initiatives from more than one point of origin. The chancellor says it is more accurate to describe planning as a number of processes rather than one, single process. A principle planning blue print for the University appears to be the "green book," published in 1977.

Based on the information at hand, the Committee is still uncertain about the existence of an effective distinction in the planning process between program development at the various campuses of the University and an overall institutional planning approach which charts the future for each major institution within the University system.

In any event, this is the Committee's understanding of how the University budget request for State Funds is determined:

- The Campus Presidents with assistance from the Chancellor's Office appear before the Board of Trustees individually to describe the programs they intend to undertake during the next school year and the cost of those programs. That occurs in the fall. The meetings are open to the public.

- The Trustees review the requests and decide which will be included in their request for State funding (Other sources of University funds are tuition money and grants and payments from the Federal government and other sources).

- The Trustees submit the University budget to the Governor in October.

- The Governor and his staff meet informally with members of the Board of Trustees to discuss the budget request. The Governor finalizes his budget, including the University's request, and submits it to the Legislature.

- The Appropriations Committee holds public hearings and work sessions on the Governor's budget package and develops its recommendations.

- The Legislature enacts a State budget. The amount requested by the University, the Governor's recommendation for university funding and the amount appropriated for the University by the Legislature for the last 4 biennia is as follows:

	<u>Department Requests</u>	<u>Governor's Recommendations</u>	<u>Legislative Appropriation</u>
<u>111th Legislature</u>			
<u>PART I</u>			
1983-84	\$64,480,979	\$58,972,576	\$58,972,576
1984-85	73,072,591	61,331,479	61,331,479
<u>SUPPLEMENTALS</u>			
1984-85 (Lewiston Area Campus)			2,000,000
1984-85			2,000,000
<u>110th Legislature</u>			
<u>PART I</u>			
1981-82	48,296,000	48,296,000	49,093,000
1982-83	48,296,000	48,296,000	49,707,000
<u>SUPPLEMENTALS</u>			
1981-82			2,298,000
1982-83			6,997,400
<u>109th Legislature</u>			
<u>PART I</u>			
1979-80	44,350,000	39,980,000	39,980,000
1980-81	50,341,430	42,390,000	42,390,000
<u>SUPPLEMENTALS</u>			
1979-80			2,945,000
1980-81			5,906,000
<u>108TH LEGISLATURE</u>			
<u>PART I</u>			
1977-78	36,481,044	34,463,746	35,290,408
1978-79	39,218,623	35,423,656	37,054,928

(Education and General activities only)

The Committee is concerned that the budget process, however it is structured, be the best one for the University and the people of the State—that State funds be distributed among the campuses and the departments in the most equitable manner. There was considerable testimony at the hearing regarding whether UMO was getting its fair share of the University's budget vis-a-vis the other campuses. There was also substantial testimony given of shortages of equipment, texts, technical journals and supplies, difficulty in filling faculty vacancies and deferral of maintenance at UMO. Whether or not the situation at Orono constitutes a "crisis" or merely a "problem" was the subject of debate. Regardless of what it is called, it is clear that UMO has some financial shortages. That, or course, was the reason for President Silverman's proposed cuts in the first place. The extent to which other campuses share in those shortages is unclear to the Committee at this time. It is also unclear to what extent the budget process outlined above contributes to or perpetrates those shortages.

It seems to the Committee that the traditional autonomy of the University from Legislative oversight has made it difficult for the Legislature to be involved in and aware of budget decisions affecting the



University. Historically the Legislature considers funds for the University in only one bill - the Governor's budget request. That bill is reviewed and reported out by the Appropriations Committee. The Education Committee which is responsible for substantive education issues plays no role in the process.

The strength of the Appropriations Committee rests in its ability to assess budget proposals. It should not be expected to accumulate extensive knowledge in areas of policy and program development. The development of this knowledge is properly the responsibility of the other joint standing committees.

The University budget process has been studied previously. Among the recommendations which have been proposed are that the Education Committee, or some other select committee, play a role in the review of the University's budget by the Legislature. Another possibility is the institution of a line item budget for the University. The Committee supports the continued independence and academic freedom of the University. However, that independence must be balanced against the need for legislative involvement to assure that state funds are used in a way which fulfills the needs of Maine students and enriches the quality of Maine life.

The Committee is not able to make a recommendation at this time. It does feel that the question of Legislatures involvement with the University budget should be examined further.

#### FINAL CONCLUSION OF INTERIM REPORT:

Given the serious nature of these unresolved issues, the Joint Select Committee requests permission to continue this review and issue a more complete report in December. This request is made with knowledge of the natural tendency for Legislative Committees to promote their existence. Yet in this instance, we feel the need to proceed is entirely justified because so many fundamental issues require further clarification. To summarize, these concerns are:

1. The need to protect the Cooperative Extension Service and the Agriculture Experiment Station from disabling funding cuts which place vital services to the agricultural community of Maine in jeopardy.
2. The need to explore the possibilities for a new relationship between the Cooperative Extension Service/Experiment Station and the University System.
3. The need to study the adequacy of funding currently directed toward the Cooperative Extension Service/Experiment Station to perform their responsibilities vis-a-vis the agricultural community of Maine.
4. The need to determine the financial condition of the University of Maine at Orono and the effect of its funding resources on the quality of education there, particularly in the Engineering and Science, Business, and Computer fields.
5. The need to examine the extent to which the University System

adhered to established budgeting and planning processes which conform to statutory requirements for the development of the University as a whole:

Chapter 303, University of Maine 2251 establishes policies to be adhered to in the State's plan for higher education. See appendix.

Finally, in our deliberations with the University it appears that these requirements are not being met. We are extremely concerned about this situation since it goes to the very essence of why we created a super University System. We feel this area should be more fully investigated.