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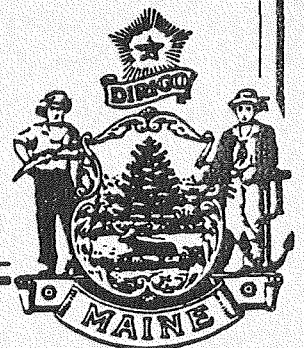
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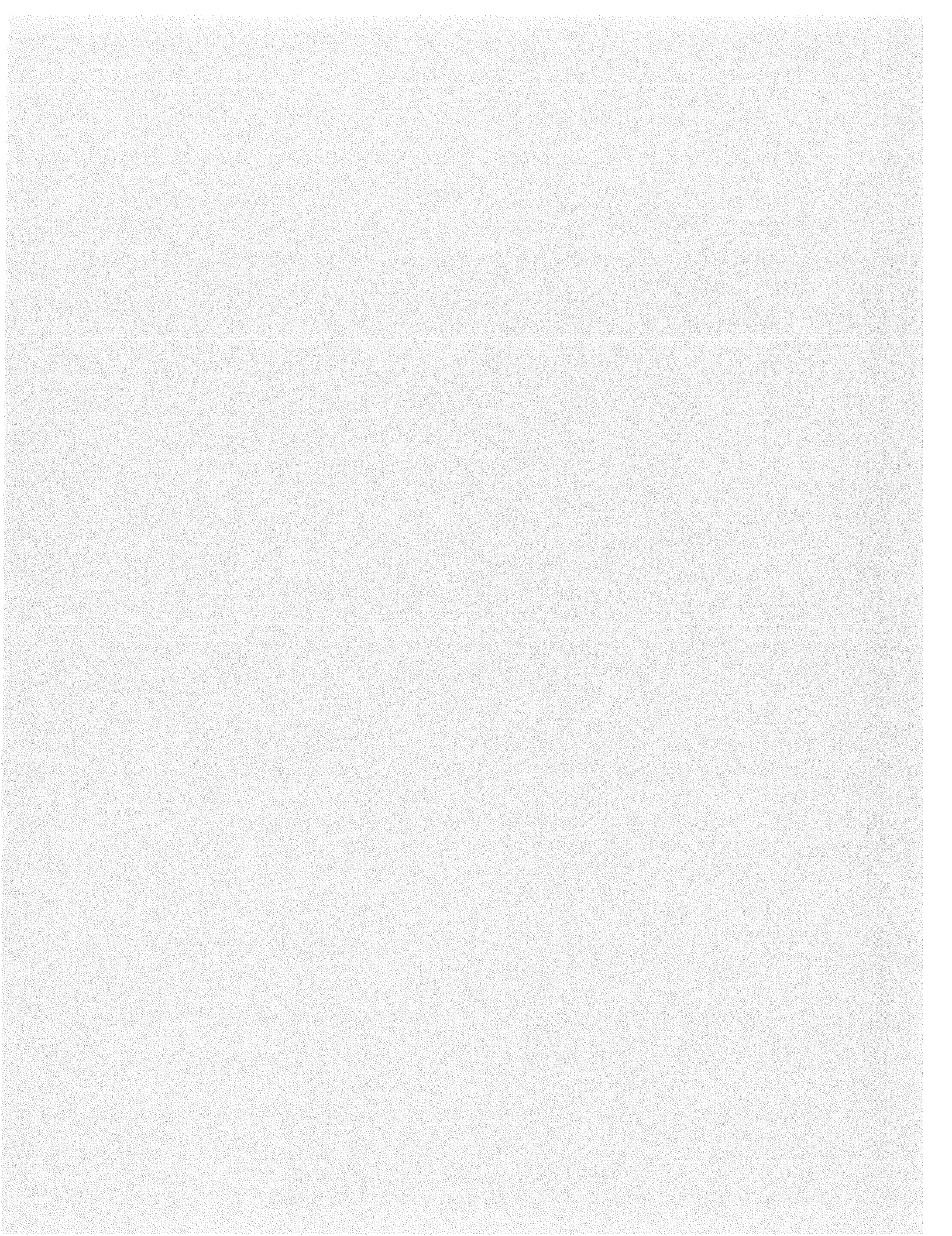


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**REPORT OF THE**  
**COMMISSION TO ASSESS**  
**THE IMPACT OF**  
**INCREASED STATE SPENDING**  
**ON THE**  
**UNIVERSITY OF MAINE SYSTEM**





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**COMMISSION TO ASSESS THE IMPACT OF**  
**INCREASED STATE SPENDING ON THE**  
**UNIVERSITY OF MAINE SYSTEM**

**DECEMBER 1990**

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## FOREWORD

The original intent of establishing the Commission to Assess the Impact of Increased State Spending on the University of Maine System was to look at how effectively the University was utilizing the recent increases in the level of state funding. However, since the inception of the Commission, the emphasis soon focused on the 1990-1991 biennium reductions in the increases in state support to the University. The focus of testimony and the conclusions of the analysis of this report highlight the effect of these reductions.

The Commission became particularly disturbed by recent budget developments. The original \$9.6 million appropriation reduction of the 1990-1991 biennium was a major setback for the University of Maine System, which seriously affected morale within the System. If the University is expected to meet the 15% reductions in its third and fourth quarter allotments for Fiscal Year 1991 as proposed by the Governor at the November 30, 1990 news conference, the University of Maine System will be forced to further reduce its budget for the remainder of Fiscal Year 1991 by \$11,132,425 beyond the \$9.6 million deappropriation. In addition, new target levels for the 1992-1993 biennium result in further cuts from the levels currently appropriated for Fiscal Year 1991.

In 1977, the University's appropriation was reduced by \$2.8 million or 7.6%. This reduction had a dramatic impact on the University's quality and employee morale for the next decade. The currently proposed reductions are actual reductions, rather than reductions in increases. The proposed targets will reduce the University's appropriation by \$2.5 million or 1.8% from the 1990 appropriation. However, this reduction, unlike 1977, would be imposed in the middle of an operational year which effectively doubles the impact. An additional \$1.6 million or 1.2% reduction from 1991 targets is being proposed for 1992 funding.

When compared to the original appropriation to the University of Maine System for 1991 of the First Regular Session of the 114th Legislature, these reductions are even more dramatic. The 1991 target represents a \$17.7 million or 11.4% reduction from the original 1991 appropriation. The 1992 target is a \$19.3 million or 12.5% reduction from the original 1991 appropriation. Even the target for 1993 is \$10.8 million below the original 1991 appropriation.

The Commission hopes that the Governor and the Legislature have gained an historical perspective on the impact of the budget cuts on the University in the late 70's and avoid future financial errors. A University of Maine System adequately funded is an important investment in the future of Maine.

# **EXECUTIVE SUMMARY**

## **GENERAL FINANCIAL HEALTH**

The Commission conducted a standardized analysis of a set of ratios specifically developed for higher education institutions to assess the credit worthiness, asset allocation, and general financial health. This analysis indicated that the University of Maine System has maintained a record of good overall financial standing through 1990. However, this analysis only begins to demonstrate the effect of the 1990-1991 biennium reductions in the General Fund appropriations to the University of Maine System. The Commission noted with concern what appears to be a general decline in many of these ratios from recent peaks in either 1987 or 1988. The greatest impact of the reductions will occur in 1991 which could not be included in this analysis. Therefore, it is likely that these downward trends will be exacerbated for 1991.

This analysis also provided an overall picture of the trends in University funding sources and uses. One of the most prominent trends has been the decline in Federal Revenue; its share has been reduced by nearly one-half since 1980. State support has had to make up the greatest part of this reduction in federal support. Although tuition and fees have generally been declining as a share of the total, the reductions in the state's General Fund appropriations to the University will reverse this trend and again place a greater burden on students. In addition, the decline in federal revenue has had its greatest impact on Student Aid.

## **AGGREGATE LEVEL OF STATE FUNDING**

The late 1970's had a significant impact on the level of state funding of the University of Maine System. The negative real growth during this period combined with other factors, such as the increase in state support of local education, and decreased the University's share of both General Fund revenue and total education expenditures.

Overall, State support to the University has improved during the 80's. The \$15 million down payment recommended by the Visiting Committee to the University of Maine provided much needed catch-up funding and a tremendous boost to employee morale and program quality.

While the University still received a 6% annual increase in 1990-1991 appropriations following the reductions, its increases lagged behind the growth in appropriations for the Department of Educational and Cultural Services, the Maine Technical College System, and the Maine Maritime Academy. The University's appropriation increases even lagged behind the growth in total General Fund appropriations during the 1990-1991 biennium.



## CAMPUS AND MISSION ALLOCATIONS

The University of Maine System budget allocation process is affected by a number of different factors, including individual campus decisions, which make it difficult to draw conclusions about the funding policy of the Board of Trustees. Legislative initiatives have also affected this allocation process. In many instances, the distribution of the University's Educational & General appropriation is based on a formula for equity purposes. This was the case for the allocation of the 1990-1991 reductions, which were distributed based on each campus' share of the 1989 total Educational and General budget.

Since 1986, the budget and the General Fund appropriations to each of the campuses have grown and, with the exception of the 1990-1991 biennium, they have grown in real terms. However, the 1990-1991 reductions, with few exceptions, represent a real decline in the level of state support for each of the campuses. The two most notable exceptions are the University of Maine at Augusta and the University of Southern Maine. These campuses received funding increases for two of the most recent new initiatives of the System, the Community College of Maine and the Lewiston-Auburn College, respectively.

In reviewing programs and capabilities of the campuses of the University, it became clear that one of the University's strengths is its diversity among campuses. Students benefit from this in terms of academic offerings and scope of educational setting. The State benefits by having such diversity for its citizens without unnecessary duplication.

The Commission encourages the University System, in accordance with the Visiting Committee Report, to continue to refine campus missions in order that campuses serve various geographical areas as well as a diversity of students and constituencies. The University of Maine should develop graduate and research programs in those areas where that campus can compete nationally, while maintaining strong undergraduate programs in all of its colleges. The University of Southern Maine should continue to evolve as a Comprehensive Urban University with limited graduate programs. The University of Maine at Farmington, University of Maine at Fort Kent, University of Maine at Machias, and University of Maine at Presque Isle should continue to be developed as baccalaureate granting institutions. Additionally, the University of Maine System should develop a community college component, a task which has been delegated to the University of Maine at Augusta. The Commission encourages each campus to fulfill its unique mission with excellence in mind.



## **ACTIVITY AND EXPENDITURE ALLOCATIONS**

The analysis by the Commission of the expenditure and activity allocations of the individual campuses highlighted that the University of Maine System was forced to cut back in many of the same activities and expenditures during the 1990-1991 biennium that received additional attention as part of the \$15 million down payment in 1987. In particular, travel and equipment received the largest increases during 1987, but have also been targeted for the largest reductions during the 1990-1991 biennium.

## **HUMAN RESOURCES**

The largest portion of the appropriation increases of the 1988-1989 biennium went into badly needed salary increases. Since a university system is only as good as its people, this was an appropriate first priority. University of Maine System faculty salaries have improved dramatically in recent years. In Fiscal Year 1981, University of Maine faculty salaries were ranked 49th in the nation when compared to faculty salaries paid at the major public university in each of the 50 states. That ranking has improved to 31st in Fiscal Year 1990. Salaries for faculty and staff, while still below national averages, are at least competitive. Also included in the increases was the implementation of the revised job classification system which positively impacted employee morale. Consequently, the System has been better able to attract and retain highly qualified and talented faculty and staff.

The \$15 million down payment was used to supplement a number of areas other than compensation such as out-of-state travel and equipment purchases. However, these expenditures also contributed to improved faculty morale through expanded faculty development programs and improved working environments. At a number of the campuses full-time faculty were added which further improved faculty working conditions and student/faculty ratios.

The Commission was presented with testimony and evidence that these improvements in morale have been seriously affected by the recent budget reductions. The budget reductions, as noted previously, hit hardest in travel budgets and equipment purchases, directly affecting faculty development programs and improvements in faculty equipment.

**The Commission urges the University to maintain faculty salaries at nationally competitive levels.**

Compensation represents more than 75% of total Educational and General expenditures, and is closer to 80% at some of the campuses. Given this sizable share of compensation related expenses, the budget reduction proposals necessitated that some of the reductions be realized through lay-offs. Despite an early retirement incentive program, the University was forced to lay-off 160 full-time equivalent positions. These lay-offs were implemented according to collective bargaining agreements. However, the Commission did hear testimony that some of the problems in the lay-off process resulted from a less than complete knowledge of the contracts by some administrators.

**The Commission recommends that administrators within the University System become familiar with the collective bargaining contract provisions, particularly as they apply to policies regarding notification of lay-offs.**

## **STUDENTS AND STUDENT COSTS**

Tuition and the University's Educational and General appropriations have grown at varying rates since the 1968 merger, but in the last two years tuition has been growing faster than the state appropriation. The current total annual cost of an education for all in-state on-campus undergraduate student is \$15,730 per student of which the student and family pay \$8,149 or 51.8%. This cost has increased from the 1986 level of \$10,192 for total cost per student with the student and family paying \$6,083 or 59.7% (just prior to the \$15 million down payment).

Federal support for student financial aid has remained virtually steady from Fiscal Year 1985 to 1989, while University support for the same period has grown at an average annual rate of 9.5%. This is due to the priority that the Trustees place on providing financial resources for needy students, especially in times when tuition is increasing at a faster rate than inflation. Despite increases in support from University sources and the State, student aid as a share of the Educational and General budget has been steadily declining. The Commission was also concerned with the make-up of the financial aid to students which demonstrated an increase in the reliance on loans versus scholarships and grants.

The decline in financial aid, increasing tuition rates in excess of inflation, and a heavier reliance on loans within student financial aid packages place a greater burden for meeting education costs on the student and family. The end result is that fewer students will be financially capable of attending the University.

**The Commission supports and commends the Trustees for providing increased financial aid to needy Maine students during periods of increased tuition costs.**

## **FACILITIES, MAINTENANCE, AND BORROWING**

The increase in state funding has been used to leverage increases in private support. The Pride and Promise Campaign, a private fund raising program intended to supplement recent bond issues is possible in large measure because the public perceives the University of Maine System as a quality system worth supporting.

**While the Capital Campaign is a much needed and justified capital program, the Commission urges the University to incorporate capital renewal and modernization of existing buildings as a priority and alternative in its capital planning.**

The University is able to fund only about one-half the maintenance expenditure level as recommended by the Joint Standing Committee on Audit and Program Review. The March 1988 Audit and Program Review report recommended budgeting maintenance at 1.5% of estimated building value. The lack of adequate funding for maintenance results in the harmful and more expensive practice of deferred maintenance. This practice results in additional future costs when relatively simple maintenance projects become major ones due to delaying early corrective action. It also places students, faculty, and employees at risk if safety related projects are delayed. To address this issue, the Trustees have requested increased Part II appropriation support of \$1.0 million in Fiscal Year 1992 and an additional \$1.5 million in Fiscal Year 1993 to substantially address ongoing maintenance.

**The Commission supports the Trustees supplemental request and encourages the University to continue to increase maintenance budgets until they reach the 1.5% goal and address deferred maintenance issues as funding becomes available.**

## **AUXILIARY ENTERPRISES, RESEARCH AND OTHER FUNDING**

The University of Maine has had a weak track record of attracting research funding when compared to other land-grant institutions in New England. Research benefits not only the University system through increased funding and prestige, but it also benefits the general public through studies of environmental problems, agriculture, forestry, fishing, and other areas requiring attention as a result of federal mandates. However, the University of Maine is trying harder to increase external support of research as evidenced in its increased submission of proposals, increased faculty involvement and increased awards. From Fiscal Year 1989 to Fiscal Year 1990 there were increases of 23% in proposals submitted, 14% more faculty involved, 29% more dollars requested, 30% more awards approved and 21% more funds received.

**The Commission applauds the University of Maine for the growth in the research area during the past two years and encourages it to continue with this progress.**

The Commission had a limited amount of time to review a number of other complex and sometimes controversial funding issues such as athletics, auxiliary enterprises, endowments and discretionary accounts. Although the state may have no statutory control over the use of many of these funds and accounts, the Governor, Legislators, and the general public are logically concerned with the proper use of all University of Maine System funds given the size of the state's financial commitment to the University.

**The Commission urges the University of Maine System to be aware of this public scrutiny of all university funds and to avoid expenditures which might be perceived as improper. This will be particularly important in the trying financial times to come. Academics should be given highest priority in the use of any funding.**

**The University should also continually evaluate the efficiency and the charges of the self-supporting, auxiliary enterprises to insure the efficient use of student dollars. If auxiliary enterprises can not be self-supporting, contracting with private firms should be considered.**

Given past criticisms of the financial commitment to athletics at the University of Maine and the current budgetary problems, it might be prudent to scale down the level of competition and cost. Thus, the Commission recommends that the President of the University of Maine seek to negotiate with the Presidents of the other comparable Universities in New England and the Middle Atlantic States to form a new Yankee Conference in which athletic scholarships, coaching, staffs and other costs be limited.

## **PENDING FUNDING PROPOSALS**

Recognizing the current economic conditions, the University understandably shared in the belt-tightening that was necessary. However, it is important that the progress made in recent years not be lost. The deappropriation of the current biennium and proposed future reductions threaten the progress that has been made in creating a public university system to serve the people of Maine as we move into the twenty-first century.

The Commission recommends that the University of Maine System receive a high priority in any budget deliberations. If additional reductions become necessary due to State economic conditions, it is the opinion of the Commission that the number of programs and/or access to those programs will have to be reduced or eliminated to preserve the quality of remaining mission-related programs.

## **TOPICS FOR FURTHER REVIEW**

The charge to the Commission was intentionally broad, consequently there were a number of topics which the Commission did not consider but are nevertheless worthy of further review.

The Commission recommends that the Joint Standing Committee on Education consider the following and make recommendations, where appropriate, to the Board of Trustees, Chancellor and full legislature.

- Honors Programs
- Academics vs. Public Service
- Admission Standards
- Preparation of Underprepared Students
- Academic Excellence
- Cost of Graduate Programs

## TABLE OF CONTENTS

	<u>Page</u>
<b>FOREWORD</b> . . . . .	i
<b>EXECUTIVE SUMMARY</b> . . . . .	ii
<b>I. INTRODUCTION</b>	1
Commission Background . . . . .	1
Purpose and Organization. . . . .	2
Board of Trustees - Governance. . . . .	2
University Budget . . . . .	3
<b>II. GENERAL FINANCIAL HEALTH</b>	5
Balance Sheet Ratios. . . . .	5
Net Operating Ratios. . . . .	6
Contribution Ratios . . . . .	7
Demand Ratios . . . . .	8
Credit Worthiness Ratios. . . . .	10
Conclusions and Recommendations . . . . .	10
Exhibit II-A University of Maine System Ratio Analysis . . . . .	12
<b>III. AGGREGATE LEVEL OF STATE FUNDING</b>	15
General Fund Appropriations - Historical Analysis . . . . .	15
University vs Total Education Funding . . . . .	16
Other Maine Public Higher Education Institutions. . . . .	17
General Fund Bond Issues. . . . .	17
Visiting Committee Report . . . . .	17
1990-1991 Budget Reductions . . . . .	18
Conclusions & Recommendations . . . . .	19
Exhibit III-A General Fund Appropriations. . . . .	20
Exhibit III-B General Fund Support - Education and The University of Maine System. . . . .	22
Exhibit III-C General Fund Support - Public Higher Education Institutions. . . . .	24
Exhibit III-D General Fund Appropriation - 114th 2nd Regular Session Reductions . . . . .	26
<b>IV. CAMPUS AND MISSION ALLOCATIONS</b>	29
E&G Budget Allocation Process . . . . .	29
University of Maine . . . . .	31
University of Maine at Augusta. . . . .	32
University of Maine at Farmington . . . . .	32

	<u>page</u>
<b>IV. CAMPUS AND MISSION ALLOCATIONS (continued)</b>	
University of Maine at Fort Kent . . . . .	33
University of Maine at Machias . . . . .	33
University of Maine at Presque Isle . . . . .	34
University of Southern Maine . . . . .	34
Chancellor's Office and System-Wide Services . . . . .	35
Accessibility . . . . .	37
Conclusions and Recommendations . . . . .	38
Exhibit IV-A University of Maine System Campus Allocations . . . . .	40
 <b>V. ACTIVITY AND EXPENDITURE ALLOCATIONS</b>	 43
Incentive Budgeting . . . . .	43
University of Maine System . . . . .	44
University of Maine . . . . .	44
University of Maine at Augusta . . . . .	45
University of Maine at Farmington . . . . .	45
University of Maine at Fort Kent . . . . .	45
University of Maine at Machias . . . . .	46
University of Maine at Presque Isle . . . . .	46
University of Southern Maine . . . . .	47
Impact of 1991 Reductions . . . . .	47
Conclusions and Recommendations . . . . .	48
Exhibit V-A University of Maine System E&G Actual Expenditures by Campus . . . . .	49
 <b>VI. HUMAN RESOURCES</b>	 73
Compensation . . . . .	73
Employee Benefits . . . . .	74
Faculty Salaries . . . . .	75
Quality of Faculty . . . . .	76
Student/Faculty Ratios . . . . .	77
Faculty Development Programs . . . . .	78
Job Classification Program . . . . .	78
Lay-Off Policies . . . . .	78
Administrators . . . . .	80
Conclusions and Recommendations . . . . .	80
Exhibit VI-A Faculty Salary Statistics . . . . .	81
 <b>VII. STUDENT LIFE AND STUDENT COSTS</b>	 83
Academic Offerings . . . . .	83
Student Costs . . . . .	83
Tuition and Fees . . . . .	84
Student Enrollment . . . . .	85
Admission Standards . . . . .	86
Technology . . . . .	86



**VII. STUDENT LIFE AND STUDENT COSTS (continued)**

Financial Aid . . . . .	86
Conclusions and Recommendations . . . . .	87
Exhibit VII-A: Programs Added and Eliminated 1985-1990. . . . .	88
Exhibit VII-B Student Costs . . . . .	90
Exhibit VII-C: 1990/91 Total Student Charges. . .	91
Exhibit VII-C: Comparison of Undergraduate Tuition. . . . .	92
Exhibit VII-D: UMS Acceptance and Enrollment. . .	95
Exhibit VII-E: Financial Aid by Course. . . . .	103
Exhibit VII-F: Financial Aid by Type. . . . .	104

**VIII. FACILITIES AND BORROWING**

Size of Plant . . . . .	105
Administrative Space. . . . .	105
State Bond Issues . . . . .	106
University Bonding. . . . .	106
Lewiston/Auburn Facility. . . . .	107
Pride and Promise Campaign. . . . .	107
Maintenance . . . . .	108
Conclusions and Recommendations . . . . .	108
Exhibit VIII-A UMS Projects Funded by General Fund Bond Proceeds . . . . .	110

**IX. AUXILIARY ENTERPRISES, RESEARCH AND OTHER FUNDS**

Auxiliary Enterprises . . . . .	113
Research, Grants and Contracts. . . . .	114
President's Discretionary Accounts. . . . .	115
Endowment . . . . .	116
Athletics . . . . .	116
Conclusions and Recommendations . . . . .	116
Exhibit IX-A UMS Grants and Contract Revenue by Source. . . . .	118
Exhibit IX-B UMS State Revenues by Agency . . .	119

**X. PENDING FUNDING PROPOSALS**

Economic Outlook. . . . .	121
1992-1993 Biennium Request vs Proposed Targets. . .	122
Conclusions and Recommendations . . . . .	122
Exhibit X-A Budget Requests vs Proposed Targets. . . . .	124
Exhibit X-B Appropriation Increases - Requested vs Enacted . . . . .	125
Exhibit X-C UMS 1992-1993 Biennium Financial Plan Overview. . . . .	127



# I. INTRODUCTION

This chapter is intended to provide a summary of the Commission's purpose and organization. It also provides a brief overview of the University of Maine System as a foundation for understanding the more detailed chapters which follow.

## Commission Background

The Second Regular Session of the 114th Legislature enacted this review of the University of Maine System (Resolves of 1989, chapter 101) in order to evaluate the effectiveness of the University of Maine System's use of state funding, particularly increased state support of the University since the \$15 million down payment in 1987 recommended by the Visiting Committee to the University of Maine. The Commission to Assess the Impact of Increased State Spending on the University of Maine System was charged with determining the effect of the increased state spending on the following aspects of the University of Maine System:

- Construction of educational facilities;
- Acquisition of equipment, supplies and services;
- Impact on the quality, size, turnover and morale of the faculty, including changes in class sizes and student to faculty ratios;
- Investments to improve the quality of student life;
- Range of academic offerings;
- Comparison of increases in administrative costs relative to increases in program and operating costs; and
- Distribution of funds among the campuses.

In addition, the Commission was given the broadest authority to study any other issues that the Commission deemed relevant. Although the Commission's name indicates that it should look at the effect of increased state spending, the \$9.6 million deappropriation from the University during the 2nd Regular Session of the 114th Legislature and the concern it has generated within the University System, the Legislature, and the general public prompted the Commission to concentrate on the effect of decreased state spending as well.

The Commission held its first meeting on July 31, 1990, generally holding its meetings at the System Office/Chancellor's Office in Bangor on approximately a monthly basis. The Commission had staff pull together voluminous quantitative data related to many of the above aspects and had presentations from faculty and others on various topics.

In addition, the Commission solicited comments from interested students, faculty, and employees of the University of Maine System. An initial advertisement in publications at each of the campuses generated fourteen written responses. To supplement this the Commission decided to hold a public meeting on November 9th. Utilizing the Interactive Television Network, the Commission was able to receive 3 hours of testimony from all across the State.

## **University Purpose and Organization**

The University of Maine System, as the state university of Maine, provides undergraduate, graduate and professional education in a variety of fields, conducts research and performs public service for the People of Maine. The 103rd Legislature voted to combine all units of the State College System and OPAL - Orono, Portland, Augusta, Law School - creating a consolidated University of Maine System in 1968 with a single Board of Trustees.

The University System currently consists of the following seven institutions:

- The University of Maine ("UM"), located at Orono and Bangor;
- The University of Maine at Augusta ("UMA");
- The University of Maine at Farmington ("UMF");
- The University of Maine at Fort Kent ("UMFK");
- The University of Mine at Machias ("UMM");
- The University of Maine at Presque Isle ("UMPI"); and
- The University of Southern Maine ("USM"), located at Portland and Gorham.

The University System also includes central administrative offices and the Maine Public Broadcasting Network ("MPBN").

## **Board of Trustees - Governance**

The University System is governed by a 16-member Board of Trustees. Fourteen members are appointed by the Governor for five-year terms. One member is a full-time student in the University System nominated by the Governor from a list of six eligible students submitted by the University System's Organization of Student Governments. The student member serves for a two-year term. The Maine Commissioner of Education serves as a voting member ex-officio of the board. The nominations of the members appointed by the Governor are subject to review by the State Legislature's Joint Standing Committee on Education and to confirmation by the Maine Senate.

The Board is empowered by law to appoint a Chancellor to serve at the Board's pleasure and to appoint a President, nominated by the Chancellor, for each Institution of the University's System. The Board, in consultation with the Chancellor, is the governing and planning body of the University System and is responsible for preparing and approving the operating and capital budgets of the University System and for presenting them to the State in accordance with law.

## University Budget

The University of Maine System is a large and complex institution. In Fiscal Year 1991 the seven-campus system budget is \$321.9 million, of which auxiliary enterprises - self-supporting services like residence halls and bookstores - account for \$45.6 million and sponsored research and other restricted purpose activities for \$64.5 million.

Most of the University budget - \$211.8 million - is in a category called "educational and general" (E&G) that covers the principal missions of instruction, research, and public service, plus the administrative support they require. More than 31 percent of E&G funds come from student tuition fees and other University sources, and 68.9 percent come from the State of Maine. A brief summary of University activities is shown below.

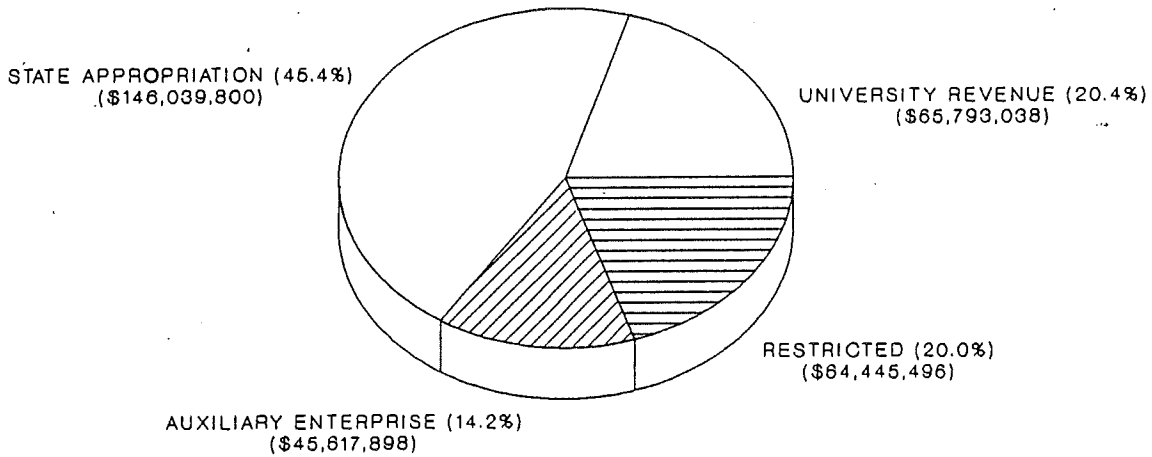
### Major University Activities

UNRESTRICTED E & G	AUXILIARY ENTERPRISES	RESTRICTED	ENDOWMENT
Activities which perform the primary mission of	Self-supporting	Supported by external funds	Since July 1, 1986 managed by the Common Fund, a higher education Investment Manager (South African Free Equities (58%) and Bonds (42%))
a) Instruction	Provides services to students, faculty and staff for a fee	Donor or Agency restricts use of funds to specific purposes	Market Value (6/30/90)
b) Research	Fees set to cover costs	A separate group of accounts provides reporting of stewardship	\$24.5M = Pool
c) Public Service	Example: Dormitories, Dining Halls, Bookstores	Internal research, non-credit courses and unrestricted gifts extending beyond fiscal year	\$28.6M - Total
\$211.8 million Budget in FY 1991	\$45.6 million budget in FY 1991	Cost Sharing	
Sources of Funding		\$64.5 Million Budget in FY 1991	
a) T & F (26.5%)			
b) State Approp. (68.9%)			
c) Other (4.6%)			

The University's Total FY 1991 budget is summarized below:

**UNIVERSITY OF MAINE SYSTEM  
FISCAL YEAR 1991 TOTAL BUDGET**

<u>TOTAL</u>	<u>Amount</u>	<u>% of Total</u>
State Appropriation (E&G)	\$146,039,800	45.4%
Other (UMS Revenue/Auxiliary Enterprise/Restricted)	<u>175,856,432</u>	<u>54.6%</u>
<b>Total</b>	<b>\$321,896,232</b>	<b>100.0%</b>
 <u>E&amp;G BUDGET</u>		
State Appropriation	\$146,039,800	68.9%
UMS Revenue	<u>65,793,038</u>	<u>31.1%</u>
<b>Total</b>	<b>\$211,832,838</b>	<b>100.0%</b>



• Educational & General

## II. GENERAL FINANCIAL HEALTH

In analyzing the financial health of a public higher education institution, this chapter utilizes the analytical framework developed by the accounting firm of Peat, Marwick, Mitchell and Company. This framework, entitled "Ratio Analysis in Higher Education", makes use of financial information reported in the yearly financial statements of colleges and universities to assess the following questions:

- What is the financial health of the institution for the time period being reported;
- Did the institution live within its financial means during that time period;
- What is the status of the specific financial variables which determine the answers to the previous two questions; and
- What is the credit worthiness of the institution for this time period?

These questions are addressed by a total of 25 different ratios, categorized into five groups which are presented on the following pages. These ratios are analyzed from the eleven-year period beginning in FY 1980 to the most recent financial statement information available, FY 1990. Exhibit II-A at the end of this chapter provides the actual calculations of these ratios.

### Balance Sheet Ratios

The first four ratios are intended to analyze the financial health of the institution over the time period being analyzed.

1. **Expendable Fund Balance to General Liabilities** assesses the financial health of the University in terms of available cash (liquidity) to meet obligations as they come due. According to the authors of this analyses, a value in excess of 100% or greater is the standard for adequate liquid assets, i.e. assets should be at least equal to liabilities. This ratio appears to have peaked in FY 1987 at 188.67% with the infusion of funds with the \$15 million supplemental appropriation and in FY 1990 declined to 102.95%, just above the standard. The eleven-year average for the University is 120.01%.



2. **Plant Equity to Plant Debt** assesses the institution's total investment in plant compared to the funds borrowed to finance the University's plant. The University of Maine System greatly exceeds the 300% standard (the value of plant should be three times the borrowing to finance the investment in plant) and appears to have peaked in 1988 at 874%. In FY 1990, this ratio declined to 612.76%. The eleven-year average was 665.23%. One of the major reasons why the University greatly exceeds the standard is that the State's General Fund Bond Issues to support University plant are not included.
3. **Expendable Fund Balance to Total Expenditures and Mandatory Transfers** describes the institution's ability to support current level of operations based on currently expendable resources. The suggested standard for this ratio is 33% (the expendable fund balance should be sufficient to cover expenses for one-third of a year) or positive numbers as long as Ratios 1 and 2 indicate financial health. While this University ratio has not attained the 33% standard, the eleven-year average was approximately 14% and was positive in each year. With the good health indicated in Ratios 1 and 2, these levels are acceptable.
4. **Non-Expendable Fund Balance to Total Expenditures and Mandatory Transfers** assesses the financial health in terms of non-expendable fund balances with the assumption that interest income earned on these balances significantly affects the institution's health. The positive values for the University of Maine System and the eleven-year average of 20.82% appear to indicate financial health. However, this ratio also indicates a declining trend since FY 1983.

### **Net Operating Ratios**

These ratios determine whether the institution has lived within its financial means.

5. **Net Total Revenues to Total Revenues** indicates whether the University's total current operations for the year resulted in a surplus or deficit. With one exception in FY 1984, the University operated in the black (with a surplus). The deficit in FY 1984 was primarily due to a delay in a \$2 million payment for a University collective bargaining agreement by the State until FY 1985. The surplus over the eleven-year period averaged 1.64% of total revenues. These surpluses are not cumulative as balances are included in the next year's revenues. This ratio reached a peak in FY 1987 coinciding with the \$15 million down payment recommended by the Visiting Committee.

6. Net Educational and General Revenues to Total Educational and General Revenues indicates that the University's E&G budget operated in the black; i.e., had a surplus in all except one year, also FY 1984. The delayed collective bargaining payment also accounts for this deficit. The E&G surpluses over the eleven-year period averaged 1.27% of E&G revenues. This ratio also peaked in FY 1987.
7. Net Auxiliary Revenue to Total Auxiliary Revenues demonstrates that the University's Auxiliary Enterprises have exceeded a break-even status with a eleven-year average of the surplus equal to 3.60% of total Auxiliary Revenues. This ratio has fluctuated greatly over this period and, in FY 1989, resulted in a slight deficit (-0.69%).

### **Contribution Ratios**

These six ratios highlight the degree for which the Educational and General (E&G) budget of the institution relies on particular funding sources. While no standards or thresholds are suggested, these ratios are best analyzed with respect to trends and the appropriateness of the allocation.

8. Tuition and Fees includes all tuitions assessed by credit hours to students including residence and non-residence students, full-time and part-time students, and graduate students. Fees paid by students are also included and represent such items as course fees, application fees, matriculation fees and graduation fees. Board approved tuition and fee waivers are reduced from this amount and include such waivers as indians, war orphans, employees and foreign students. This ratio has averaged 21.24% of total E&G expenditures since FY 1980. This figure had been declining in recent years. However, this ratio jumped from 18.58% in FY 1989 to 19.97% in FY 1990. The most recent proposed tuition increases will not affect this ratio until FY 1991.
9. Federal Revenues are composed of all expendable grants, contracts, and appropriations received from federal agencies such as U.S. Department of Agriculture, Department of Education and National Institute of Health. Examples of the use of these revenues are for Maine Agricultural Experimental Station, Cooperative Extension Service, Research and Student Financial Aid (by College Work Study Programs and Pell grants). The ratio has averaged 19.73% of total E&G expenditures. As expected, it has demonstrated a declining trend since its peak in FY 1980.

10. **State Revenues** are received as an appropriation for general operations. These revenues may also include state funded grants and contracts for research and public service activities, as well as state support for financial aid such as Blaine House Scholarship Program or the Maine Student Incentive Scholarship Program (MSISP). States revenues averaged 48.92% of the support for total E&G expenditures with an increasing trend. The State's share of the total declined from 56.02% in FY 1989 to 55.79% in FY 1990, and is likely to continue to decline in FY 1991.
11. **Other Revenues** are all miscellaneous revenues not described in other major contribution ratios. These other revenues are made up of sales and services of educational activities, such as student health fees, library fines, parking fees and fines, athletic ticket sales and farm sales. Additional activities reported in other revenues are Temporary Investment Income and income from Conferences and Institutes. The ratio has averaged 7.31% remaining relatively constant over this period.
12. **Private Gifts and Grants** is composed of all expendable gifts and grants from private sources such as foundations and industry. These revenues are basically used for research, public services and student financial aid. The ratio has averaged 3.51% over the eleven-year period with an increasing trend.
13. **Endowment Income** is composed of all revenue (income earned) from unrestricted and restricted donations that are endowed. Gain and losses on investments are excluded. The majority of this revenue is used for student financial aid. This ratio has fluctuated about the eleven-year average of 0.59%.

### **Demand Ratios**

The eight demand ratios highlight the allocation of Educational and General Revenues of the University among functional areas. Like contribution ratios, there are no specific standards, rather the data should be assessed for overall trends and appropriateness of allocations.

14. **Instruction** includes all expenditures for all University instruction, departmental research and public service that are not separately budgeted, and departmental chairs that are still involved in instruction, and excludes academic administration such as academic deans. This functional area has received on average approximately 33.39% of total E&G revenues over the eleven-year period. This area's share has demonstrated an increasing trend over this period. However, this amount declined slightly in FY 1990.

15. **Research** includes all expenditures for activities specifically organized to produce research outcomes, whether commissioned by an outside agency or separately budgeted. This area averaged 9.72%. Its lowest share was in FY 1988 and has increased slightly in both FY 1989 and FY 1990.
16. **Public Service** includes all funds expended for activities which are established primarily to provide non-instructional benefits to individuals and groups external to the University such as the Cooperative Extension Service and Maine Public Broadcasting Network. This area averaged 9.6% with some recent increases in this allocation. However, its FY 1990 share of the total represented a slight setback.
17. **Academic Support** includes all support services for the University's primary missions of instruction, research, and public service such as: libraries, museums, galleries, educational media services, academic computing support (excluding administrative data processing), academic administration (all campus deans), faculty development, and course and curriculum development. This area averaged allocations of E&G revenue of 9.5%, again with increases in recent years.
18. **Student Services** includes those expenditures with the primary purpose of contributing to the student's emotional and physical well-being and intellectual, cultural and social development outside the context of the formal instruction program such as: student services administration, student newspapers, intramural athletics student organizations, counseling and career guidance, financial aid administration, student admissions, student records, and student health services. This area averaged 6.74% with a slightly increasing trend over the eleven-year period.
19. **Institutional Support** includes expenditures for the Chancellor's Office, the Board of Trustees, campus executive and fiscal management, administrative computing support, and public relations. This averaged 8.59% over this period, peaking in FY 1987.
20. **Operations and Maintenance** includes all expenditures for plant operations and maintenance net of the amounts charged to Auxiliary Enterprises. This area averaged 8.71% over this period and has exhibited a slight downward trend in recent years.

21. Student Aid includes grants-in-aid, tuition and fee waivers, prizes to undergraduate students, and graduate student stipends but not financial aid administration. This area averaged 12.46% of total E&G revenues over the eleven year period and has demonstrated a downward trend since its peak in FY 1980 of 17.24%. This decline is largely due to the decline in federal support.

### **Credit Worthiness Ratios**

The last four ratios seek to measure credit worthiness through a variety of measures of ability to pay.

22. Available Assets to General Liabilities has averaged 618.26%, available assets are more than 6 times the amount of liabilities, which is well in excess of the 200% standard, indicating that the University is a good credit risk.
23. Debt Service to Unrestricted Current Fund Revenue has averaged 1.43% over the period of analyses and has exhibited a downward trend, again meeting the standards of this ratio analyses. Debt Service has increased since reaching its lowest point in FY 1987.
24. Matriculated Students to Completed Applications has been included as a measure of credit worthiness due to the dependence of institutions on tuition and fees as a source of revenue. Therefore, the attractiveness of the institution to students will affect revenues. This analysis in the case of the University of Maine System should be viewed in two segments due to a change in the method of calculation beginning in Fiscal Year 1987. In both segments the University attractiveness appears to be stable.
25. Trend in Full-Time Equivalent Enrollment uses 1980 as a base year to compare changes in enrollment, with the assumption that institutions, particularly private colleges, are dependent on tuition and fees as a major source of revenues. While the University of Maine System had shown a declining trend until Fiscal Year 1988, the three most recent years indicate a rebound in enrollments.

## Conclusions and Recommendations

The Commission conducted a standardized analysis of a set of ratios specifically developed for higher education institutions to assess the credit worthiness, asset allocation, and general financial health. This analysis indicated that the University of Maine System has maintained a record of good overall financial standing through 1990. However, this analysis only begins to demonstrate the effect of the 1990-1991 biennium reductions in the General Fund appropriations to the University of Maine System. The Commission noted with concern what appears to be a general decline in many of these ratios from recent peaks in either 1987 or 1988. The greatest impact of the reductions will occur in 1991 which could not be included in this analysis. Therefore, it is likely that these downward trends will be exacerbated for 1991.

This analysis also provided an overall picture of the trends in University funding sources and uses. One of the most prominent trends has been the decline in Federal Revenue; its share has been reduced by nearly one-half since 1980. State support has had to make up the greatest part of this reduction in federal support. Although tuition and fees have generally been declining as a share of the total, the reductions in the state's General Fund appropriations to the University will reverse this trend and again place a greater burden on students. In addition, the decline in federal revenue has had its greatest impact on Student Aid.

**EXHIBIT II-A**  
**UNIVERSITY OF MAINE SYSTEM**  
**RATIO ANALYSIS - 1980 TO 1990**

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	11 Year Average
<b>Balance Sheet Ratios:</b>												
<b>1. Expendable Fund Balance to General Liabilities</b>												
	75.90%	85.54%	108.50%	118.33%	109.70%	118.54%	123.68%	188.67%	198.43%	121.84%	102.95%	120.01%
Unres. Current Fund Balance	8,969,519	8,231,505	12,044,006	12,432,907	6,560,289	7,069,831	9,558,189	13,997,387	15,180,295	12,221,073	13,522,098	
Restricted Current Fund Bal.	3,809,611	4,230,544	4,441,281	4,417,919	5,043,069	5,536,286	6,183,802	7,135,621	7,983,405	9,552,144	11,924,680	
Quasi-Endowment Fund	1,937,988	2,005,345	2,137,432	2,940,147	5,151,440	5,324,484	5,328,035	5,833,054	5,186,308	5,737,969	5,843,081	
Unexpendable Plant Fund	4,538,470	4,477,075	4,846,362	4,822,029	4,935,105	5,609,479	2,057,986	8,459,706	4,363,130	1,125,590	2,831,289	
Funds for Retire. of Indebt.	1,877,959	1,751,363	1,626,980	1,528,627	1,383,398	1,260,304	1,240,242	1,048,963	906,708	741,250	775,462	
Exp. Fund Balance	19,133,547	20,695,832	25,096,061	26,141,629	23,073,301	24,800,384	24,346,254	36,474,731	33,619,846	29,378,026	34,896,610	
Notes Payable	2,038,430	2,424,738	2,205,086	2,060,188	1,904,096	2,735,909	2,456,301	3,129,696	5,038,783	10,050,854	7,039,378	
Bonds Payable	22,596,160	21,768,240	20,925,320	20,031,860	19,128,400	18,186,180	17,228,960	16,202,810	15,161,660	14,061,580	26,856,500	
Mortgage Payable	573,669	0	0	0	0	0	0	0	0	0	0	
General Liabilities	25,208,259	24,192,978	23,130,406	22,092,048	21,032,496	20,922,089	19,685,261	19,332,506	20,200,443	24,112,434	33,895,878	
<b>2. Plant Equity to Plant Debt</b>												
	473.56%	506.16%	544.94%	581.14%	627.62%	661.43%	777.62%	852.90%	874.01%	805.35%	612.78%	665.23%
Net Investment in Plant	119,384,135	122,454,980	126,047,196	128,385,682	132,003,482	138,385,334	153,077,167	164,886,752	176,553,590	194,189,683	207,700,543	
General Liabilities	25,208,259	24,192,978	23,130,406	22,092,048	21,032,496	20,922,089	19,685,261	19,332,506	20,200,443	24,112,434	33,895,878	
<b>3. Expendable Fund Balance to Total Expenditures &amp; Mandatory Transfers</b>												
	14.69%	14.67%	16.60%	15.75%	12.86%	13.12%	12.38%	16.52%	13.70%	10.27%	11.37%	13.81%
Expendable Fund Balance	19,133,547	20,695,832	25,096,061	26,141,629	23,073,301	24,800,384	24,346,254	36,474,731	33,619,846	29,378,026	34,896,610	
Total E&G Expenses and MT's	109,508,421	117,975,329	125,745,846	138,308,207	150,378,608	158,954,270	165,963,889	189,438,059	212,654,448	245,093,923	265,223,260	
Total Auxiliary Enterprises	20,752,807	23,098,423	25,406,431	27,645,278	28,976,282	30,015,031	30,752,259	31,299,294	32,794,208	40,859,627	41,749,800	
Total Expend. and MT's	130,261,228	141,073,752	151,152,277	165,953,485	179,354,890	188,969,301	196,716,148	220,737,353	245,448,656	285,953,550	306,973,060	
<b>4. Nonexp. Fund Balance to Total Expenditures &amp; Mandatory Transfers</b>												
	22.93%	23.14%	21.89%	23.65%	21.06%	21.60%	21.27%	19.96%	19.01%	17.27%	17.18%	20.82%
Total Loan Fund Balance	21,313,404	22,851,311	23,924,560	25,408,892	26,771,801	27,598,448	27,733,497	27,609,849	27,853,116	28,815,252	29,999,178	
True Endowment Fund Balance	8,550,617	9,799,188	9,169,666	13,841,296	11,001,902	13,221,484	14,113,861	16,455,879	18,804,570	20,561,534	22,736,825	
Total Nonexp. Fund Bal.	29,864,021	32,650,499	33,094,226	39,250,188	37,773,703	40,819,932	41,847,358	44,065,728	46,657,686	49,376,786	52,736,003	
Total Expenditures & MT's	130,261,228	141,073,752	151,152,277	165,953,485	179,354,890	188,969,301	196,716,148	220,737,353	245,448,656	285,953,550	306,973,060	
<b>Net Operating Ratios:</b>												
<b>5. Net Total Revenues to Total Revenues</b>												
	1.56%	2.50%	3.86%	1.54%	-1.06%	0.87%	1.82%	2.71%	1.77%	0.75%	1.78%	1.64%
Total Revenues	132,321,203	144,692,058	157,223,076	168,541,136	177,476,477	190,637,309	200,362,685	226,888,352	249,866,316	288,108,185	312,522,522	
less Total E&G Expenses & MT's	(109,508,421)	(117,975,329)	(125,745,846)	(138,308,207)	(150,378,608)	(158,954,270)	(165,963,889)	(189,438,059)	(212,654,448)	(245,093,923)	(265,223,260)	
Total Auxiliary Enterprises	(20,752,807)	(23,098,423)	(25,406,431)	(27,645,278)	(28,976,282)	(30,015,031)	(30,752,259)	(31,299,294)	(32,794,208)	(40,859,627)	(41,749,800)	
Total Net Revenue	2,059,975	3,618,306	6,070,799	2,587,651	(1,878,413)	1,668,008	3,646,537	6,150,999	4,417,660	2,154,635	5,549,462	
Total Revenues	132,321,203	144,692,058	157,223,076	168,541,136	177,476,477	190,637,309	200,362,685	226,888,352	249,866,316	288,108,185	312,522,522	
<b>6. Net E&amp;G Revenues to Total E&amp;G Revenues</b>												
	1.46%	1.88%	3.02%	1.29%	-1.97%	0.52%	2.16%	2.21%	1.03%	0.98%	1.41%	1.27%
Total E&G Revenues	111,126,769	120,234,476	129,664,621	140,117,243	147,477,610	159,785,297	169,619,245	193,727,673	214,859,082	247,527,134	269,023,641	
less Total E&G Expenses & MT's	(109,508,421)	(117,975,329)	(125,745,846)	(138,308,207)	(150,378,608)	(158,954,270)	(165,963,889)	(189,438,059)	(212,654,448)	(245,093,923)	(265,223,260)	
Net E&G Revenues	1,618,348	2,259,147	3,918,775	1,809,036	(2,900,998)	831,027	3,655,356	4,289,614	2,204,634	2,433,211	3,800,381	
Total E&G Revenues	111,126,769	120,234,476	129,664,621	140,117,243	147,477,610	159,785,297	169,619,245	193,727,673	214,859,082	247,527,134	269,023,641	
<b>7. Net Auxiliary Revenues to Total Auxiliary Revenues</b>												
	2.08%	5.56%	7.81%	2.74%	3.41%	2.71%	-0.03%	5.61%	6.32%	-0.69%	4.02%	3.60%
Total Auxiliary Revenues	21,194,434	24,457,582	27,558,455	28,423,893	29,998,867	30,852,012	30,743,440	33,160,679	35,007,234	40,581,051	43,498,881	
less Total Auxiliary Enterprises	(20,752,807)	(23,098,423)	(25,406,431)	(27,645,278)	(28,976,282)	(30,015,031)	(30,752,259)	(31,299,294)	(32,794,208)	(40,859,627)	(41,749,800)	
Net Auxiliary Revenues	441,627	1,359,159	2,152,024	778,615	1,022,585	836,981	(8,819)	1,861,385	2,213,026	(278,576)	1,749,081	
Total Auxiliary Revenues	21,194,434	24,457,582	27,558,455	28,423,893	29,998,867	30,852,012	30,743,440	33,160,679	35,007,234	40,581,051	43,498,881	

- 12 -





EXHIBIT II-A (continued)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	11 Year Average
<b>Credit Worthiness Ratios:</b>												
<b>22. Avail. Assets to Gen. Liabilities</b>	<b>514.41%</b>	<b>544.92%</b>	<b>588.60%</b>	<b>585.88%</b>	<b>612.55%</b>	<b>601.55%</b>	<b>690.74%</b>	<b>729.07%</b>	<b>773.11%</b>	<b>852.42%</b>	<b>538.56%</b>	<b>618.26%</b>
Unrestricted Current Fund	14,229,096	15,336,062	18,905,550	21,110,001	14,431,974	16,503,681	19,734,256	24,673,228	24,501,504	26,529,050	31,198,698	
Unrestricted Quasi-Endowment	1,937,988	2,005,345	2,137,432	2,940,147	5,151,440	5,324,484	5,326,035	5,833,054	5,186,308	5,737,969	5,843,081	
Plant Fund	151,046,881	152,968,225	155,803,535	156,953,618	159,722,309	168,893,894	176,740,794	194,594,446	202,540,296	220,490,344	246,108,162	
Total Available Assets	167,213,965	170,309,632	176,846,517	181,003,766	179,305,723	188,722,059	201,801,085	225,100,728	232,228,108	252,757,363	283,149,941	
Unrestricted Current Fund	7,259,577	6,969,096	6,864,544	8,677,094	7,871,685	9,733,850	10,178,067	10,675,841	9,321,209	14,307,977	17,676,600	
Plant Fund	25,246,317	24,284,807	23,282,997	22,217,280	21,400,344	21,638,737	20,365,399	20,199,025	20,716,868	24,433,821	34,800,868	
Total Liabilities	32,505,894	31,253,903	30,147,541	30,894,374	29,272,029	31,372,587	30,541,466	30,874,866	30,038,077	38,741,798	52,477,468	
<b>23. Debt Service to Unrestricted Current Fund Revenues</b>	<b>1.98%</b>	<b>1.77%</b>	<b>1.64%</b>	<b>1.45%</b>	<b>1.36%</b>	<b>1.26%</b>	<b>1.27%</b>	<b>1.09%</b>	<b>1.14%</b>	<b>1.28%</b>	<b>1.43%</b>	<b>1.43%</b>
Debt Service	1,926,656	1,929,109	1,977,988	1,910,797	1,888,077	1,893,721	2,014,373	2,026,013	2,344,286	3,030,827	3,680,693	
Unres. Current Fund Rev.	97,306,439	108,800,939	120,737,705	131,356,700	138,418,703	150,118,123	158,852,416	185,810,821	205,368,790	237,699,086	257,306,438	
<b>24. Matriculated Students to Completed Applications</b>	<b>N/A</b>	<b>N/A</b>	<b>50.68%</b>	<b>48.38%</b>	<b>48.37%</b>	<b>46.46%</b>	<b>50.56%</b>	<b>40.28%</b>	<b>40.90%</b>	<b>40.49%</b>	<b>38.79%</b>	<b>44.99%</b>
Student Matriculations	0	0	4,535	4,583	4,741	4,567	5,109	3,713	3,948	4,395	5,001	
Completed Applications	0	0	8,951	9,477	9,802	9,830	10,105	9,217	9,653	10,854	12,894	
<b>25. FTE Enrollment to FTE Enrollment of Base Year (1980)</b>	<b>100.00%</b>	<b>101.32%</b>	<b>100.95%</b>	<b>100.25%</b>	<b>100.93%</b>	<b>96.55%</b>	<b>96.89%</b>	<b>95.39%</b>	<b>96.62%</b>	<b>102.70%</b>	<b>109.44%</b>	<b>100.28%</b>
Fall FTE Enrollment	20,604	20,876	20,799	20,656	20,796	20,305	19,964	19,655	19,907	21,161	22,550	
Base Year 1980 Enrollment	20,604	20,604	20,604	20,604	20,604	20,604	20,604	20,604	20,604	20,604	20,604	

### III. AGGREGATE LEVEL OF STATE FUNDING

This chapter provides a historical analysis of the state's support of the University of Maine System and the level of funding to the University System as a whole. The effect of the changes in the level of funding on the activities and at the campus level will be discussed in later chapters.

#### General Fund Appropriations - Historical Analysis

Exhibit III-A, "University of Maine System - General Fund Appropriations - 1968 to 1991" and the accompanying graph, at the end of this chapter, provide a historical analysis of the level of General Fund appropriations to the University of Maine System since its establishment in 1968. This analysis also includes inflation deflated appropriation levels using the Higher Education Price Index (HEPI). The HEPI is similar to the Consumer Price Index (CPI), however, HEPI utilizes the set of goods and services purchased by higher education institutions. The CPI utilizes the set of goods and services purchased by urban consumers. HEPI has been higher than the CPI in most years except in periods of high inflation such as during the early 1980's. The difference between the two indexes is a result of the inclusion of salaries and wages as one of the components in HEPI. The use of HEPI provides an accurate picture of the real growth of the state's support to the University of Maine System.

There have been three major events impacting State support of the University since its creation in 1968.

1. The first event occurred just over a decade ago (FY 1977) when Governor Longley reduced the University's appropriation by 7.7% -- this was a cut in the base appropriation, not a reduction of an increase. In real terms, this resulted in a 13.38% reduction.
2. The second event occurred in FY 1987 (ten years later) when the Visiting Committee (VICOM) recommended a \$15 million increase in State support to the University as a down payment for basic operating support. This infusion of funding resulted in a 27.16% growth in appropriations to the University System (22.09% in real terms).
3. The third major funding event occurred in the current biennium (1990-1991) when, due to lower than projected state revenues, the University's appropriation increases were reduced by \$9.6 million. The University's appropriations still grew by 6.62% and 6.2% in 1990 and 1991 respectively, representing small real growth rates of 0.57% and 0.16%.

Exhibit III-A also provides average growth rates, both nominal and real, for several periods. From FY 1968 to FY 1975, the University of Maine System enjoyed average annual growth rates of 11.47% and 4.65% in real terms. However, from FY 1975 to FY 1979, appropriations to the University grew by only 0.90%. This translated into negative real growth during this period of -5.51%. Average growth rates improved during the early 1980's, but from FY 1979 to FY 1984, they still averaged only 1.02% real growth. Since FY 1984, the University has enjoyed average nominal growth rates of 13.75% and average real growth rates of 8.10%.

### **University vs Total Education Funding**

One of the goals often cited by the University's administration is to improve the University's share of the State's "budget pie." Exhibit III-B and the three accompanying graphs provide a historical analysis of the University's status in this area. General Fund appropriations to the University are compared to actual total expenditures by the State for all educational programs and to total General Fund revenues. Total educational expenditures are also compared to General Fund revenues. This analysis also attempts to adjust for the effects of inflation by using a price deflator. A slightly broader index than HEPI is used for this analysis. The State and Local Government Price Deflator used in this case tracks fairly closely to the HEPI because it also includes salaries and wages.

The University System's total appropriation as a percentage of the state's general fund revenues has ranged from a high of 15.5% in FY 1968 to a low 7.8% in FY 1984. It is currently estimated to be 9.5% for DY 1991. From FY 1968 to FY 1976, the University's appropriation as a percentage of state revenues dropped from 15.5% to 11.2%. From FY 1976 to FY 1979, this percentage dropped further to 8.2% as a result of Governor Longley's budgets. Since FY, 1978 there has been a modest rebound bringing the University's share of state revenues to an estimated 9.5% in the current year.

The University's share of total educational expenditures also shows parallel variations with one notable exception, which is best illustrated in the first of the three graphs. In FY 1975, the share of educational expenditures to General Fund revenues shot up significantly. However, it was at the same time that the University's share of both educational expenditures and General Fund revenues began to decline. This was caused primarily by a significant increase in the State's share within the school subsidy formula from 33 1/3% to 50%.

The increase in the school subsidies resulted in a one-time significant realignment of the University's share of both the educational budget and total State budget at a lower level. After this realignment and the budget cut in FY 1977, the University's share of these respective budgets has remained relatively constant and improved slightly in most recent years.

## Other Maine Public Higher Education Institutions

This analysis provides a comparison of the General Fund support of the University of Maine System versus state support of the Maine Technical College System and the Maine Maritime Academy from FY 1980 to FY 1991. Annual percentage increases are compared as well as the respective share of total educational expenditures and the shares of total General Fund revenue. Real analysis using price deflators is not used in this Exhibit III-C and the three accompanying graphs at the end of this chapter as the comparison between the institutions would not be improved. However, if the HEPI is used, average annual real rates of growth since 1980 have been:

University of Maine System	5.24%
Maine Maritime Academy	3.98%
Maine Technical College System	2.07%

The University over this period generally fared better than the other two institutions on average. However, the Maritime Academy and the Technical Colleges weathered the 1990-1991 budget reductions better than the University. Average growth rates for the University of Maine System during the current, 1990-1991, biennium are approximately 6.4% compared to 15.8% for the Maine Maritime Academy and 8.7% for the Maine Technical College System.

## General Fund Bond Issues

This chapter is intended to highlight the aggregate level of state support of the University of Maine System since its establishment in FY 1968. However, the analyses of this chapter ignore the state funding of the University through General Fund bond issues. The list below presents a summary of the General Fund bond issues designated for the University. The voters of Maine have generally been very supportive of University of Maine System bond issues. See Chapter VIII for a more detailed description of the use of these bond proceeds.

105th Legislature	\$ 8,360,000
109th Legislature	\$ 2,000,000 *
111th Legislature	\$16,500,000
112th Legislature	\$ 7,700,000
113th Legislature	\$36,800,000

\* University of Maine's share of a bond issue for Energy Conservation Projects.

## Visiting Committee Report

The Visiting Committee to the University of Maine was established in 1974 to conduct a public review of the University of Maine System as a whole. In particular, the Committee was asked to review the University's overall mission and program priorities for the remainder of the century, its governance, the distinct mission

of each campus, the methods used for allocating funds among the campuses, and the relationship between the University and the Technical Colleges and the Maritime Academy.

The Visiting Committee completed its work and issued its report in January of 1986. One of the most fundamental recommendations of the Visiting Committee was the enactment of an immediate \$15 million supplemental appropriation "as a down payment on the long-term investment necessary to develop the University System Maine needs." The Legislature and the Governor passed that \$15 million supplemental appropriation for FY 1987. The University Board of Trustees and the University's administration began to implement many of the recommendations with this down payment. However, the recent budget developments have put many of these recommendations on hold. Later chapters will deal more specifically with some of the specific recommendations and the extent to which they have been implemented.

### **1990-1991 Budget Reductions**

After several years of double digit growth in total General Fund appropriations, FY 1990 revenues actually were below FY 1989 levels. During the interim between the First and Second Regular Sessions of the 114th Legislature, the Governor was forced to reduce General Fund revenue estimates and propose significant reductions in the amounts appropriated during the First Regular Session. The final package approved by the Legislature during the Second Regular Session resulted in reductions of General Fund appropriations from the levels appropriated during the First Regular Session of \$65,112,689 in FY 1990 and \$40,688,107 in FY 1991. Exhibit III-D highlights the effect of the budget reduction packages on the General Fund appropriations to the major departments and agencies. The remainder of the \$210 million dollar reduction package was covered by various revenue enhancing programs. Total General Fund appropriations still managed to grow due to a substantial surplus carried forward. It is important to note that these so-called budget reductions were, for most state agencies and departments and the University of Maine System, only a reduction in the increases received during the First Regular Session.

The decrease in the General Fund appropriations between the First and Second Regular Session levels represented a 4.11% reduction for FY 1990 and a 2.5% reduction in FY 1991. The University of Maine System's reductions of \$3,031,419 and \$6,600,000 in FY 1990 and FY 1991, respectively, represented reductions of 2.12% and 4.45%. The University of Maine System's reduction for the 1990-1991 biennium was 3.23%, approximately the same as the 3.25% reduction for total General Fund appropriations. As mentioned above, General Fund appropriations in each year grew both in total and for the University. Total General Fund appropriations grew by 7.4% after the reductions in FY 1989-90 and by 6.97% in FY 1990-91. The University of Maine System appropriations grew by 6.62% and 6.2%, lagging behind the growth in total General Fund appropriations. If the University's appropriations had kept pace with the increase in total General Fund appropriations, the University of Maine System would have received more than \$1 million additional funding each year (\$1,022,545 in FY 1989-90 and \$1,084,117 in FY 1990-91).

While the University of Maine System's Educational and General appropriation was reduced by \$9.6 million, the actual effect on the total E&G budget was lessened by an increase in tuition with the net reduction to the total E&G budget of \$7.6. The increase in tuition rates for 1990-91 was budgeted to offset \$2 million of the reductions. Of the \$3 million deappropriation from E&G in FY 1990 (MPBN's deappropriation was \$31,419 in FY 1990 and \$0 in FY 1991), \$2 million of the cuts would be postponed until FY 1991 by deferring expenditures due to the limited amount of planning time. Therefore, the University of Maine System needs to reduce its FY 1991 E&G budget by approximately \$6.6 million, 3.1% of the total E&G budget. The following chapters will deal more specifically with the effect of the cuts on the individual campuses, their programs, and their activities.

### **Conclusions and Recommendations**

The late 1970's had a significant impact on the level of state funding of the University of Maine System. The negative real growth during this period combined with other factors, such as the increase in state support of local education, and decreased the University's share of both General Fund revenue and total education expenditures.

Overall, State support to the University has improved during the 80's. The \$15 million down payment recommended by the Visiting Committee to the University of Maine provided much needed catch-up funding and a tremendous boost to employee morale and program quality.

While the University still received a 6% annual increase in 1990-1991 appropriations following the reductions, its increases lagged behind the growth in appropriations for the Department of Educational and Cultural Services, the Maine Technical College System, and the Maine Maritime Academy. The University's appropriation increases even lagged behind the growth in total General Fund appropriations during the 1990-1991 biennium.



**EXHIBIT III-A**  
**UNIVERSITY OF MAINE SYSTEM**  
**GENERAL FUND APPROPRIATIONS - 1968 TO 1991**

Fiscal Year	Nominal General Fund Appropriations			HEPI	Real General Fund Appropriations		
	E & G Appropriations	MPBN Appropriations	Total Univ. Appropriations		E & G Appropriations	MPBN Appropriations	Total Univ. Appropriations
1968	\$17,058,403	\$361,525	\$17,419,928	0.349	\$48,877,946	\$1,035,888	\$49,913,834
1969	\$17,074,425	\$371,822	\$17,446,247	0.371	\$46,022,709	\$1,002,216	\$47,024,925
1970	\$21,597,639	\$469,824	\$22,067,463	0.395	\$54,877,567	\$1,189,428	\$55,866,995
1971	\$24,251,105	\$531,918	\$24,783,023	0.421	\$57,603,575	\$1,263,463	\$58,867,038
1972	\$25,645,704	\$549,290	\$26,194,994	0.443	\$57,890,980	\$1,239,932	\$59,130,912
1973	\$27,528,392	\$579,589	\$28,107,981	0.467	\$58,947,306	\$1,241,047	\$60,188,353
1974	\$32,843,102	\$860,940	\$33,704,042	0.499	\$65,817,840	\$1,725,331	\$67,543,170
1975	\$36,368,544	\$883,372	\$37,251,916	0.543	\$68,977,061	\$1,626,836	\$68,603,897
1976	\$36,468,544	\$883,372	\$37,351,916	0.579	\$62,985,396	\$1,525,686	\$64,511,081
1977	\$33,681,690	\$795,035	\$34,476,725	0.617	\$54,589,449	\$1,288,549	\$55,877,998
1978	\$35,990,408	\$824,688	\$36,815,096	0.658	\$54,696,669	\$1,253,325	\$55,949,994
1979	\$37,754,928	\$855,782	\$38,610,710	0.706	\$53,477,235	\$1,212,156	\$54,689,391
1980	\$42,925,000	\$939,060	\$43,864,060	0.775	\$55,387,097	\$1,211,690	\$56,598,787
1981	\$48,296,000	\$1,015,978	\$49,311,978	0.859	\$56,223,516	\$1,182,745	\$57,406,261
1982	\$51,391,000	\$1,095,978	\$52,486,978	0.940	\$54,671,277	\$1,165,934	\$55,837,211
1983	\$56,704,400	\$1,215,978	\$57,920,378	1.000	\$56,704,400	\$1,215,978	\$57,920,378
1984	\$58,972,576	\$1,264,617	\$60,237,193	1.047	\$56,325,287	\$1,207,848	\$57,533,136
1985	\$71,564,188	\$1,315,202	\$72,879,390	1.105	\$64,763,971	\$1,190,228	\$65,954,199
1986	\$77,975,556	\$1,473,594	\$79,449,150	1.156	\$67,452,903	\$1,274,735	\$68,727,638
1987	\$99,423,713	\$1,602,419	\$101,026,132	1.204	\$82,577,835	\$1,330,913	\$83,908,748
1988	\$111,459,124	\$1,795,492	\$113,254,616	1.257	\$88,670,743	\$1,428,395	\$90,099,138
1989	\$129,250,492	\$1,845,007	\$131,095,499	1.331	\$97,107,808	\$1,386,181	\$98,493,989
1990	\$137,589,402	\$2,182,484	\$139,771,886	1.411	\$97,511,979	\$1,546,764	\$99,058,743
*1991	\$146,039,800	\$2,392,531	\$148,432,331	1.496	\$97,620,187	\$1,599,285	\$99,219,473

Fiscal Year	Nominal Percentage Annual Increases			HEPI Inflation Rate	Real Percentage Annual Increases		
	E & G Appropriations	MPBN Appropriations	Total Univ. Appropriations		E & G Appropriations	MPBN Appropriations	Total Univ. Appropriations
1969	0.09%	2.85%	0.15%	6.30%	-5.84%	-3.25%	-5.79%
1970	26.49%	26.36%	26.49%	6.47%	18.81%	18.68%	18.80%
1971	12.29%	13.22%	12.31%	6.58%	5.35%	6.22%	5.37%
1972	5.75%	3.27%	5.70%	5.23%	0.50%	-1.86%	0.45%
1973	7.34%	5.51%	7.30%	5.42%	1.82%	0.09%	1.79%
1974	19.31%	48.55%	19.91%	6.85%	11.66%	39.02%	12.22%
1975	10.73%	2.61%	10.53%	8.82%	1.76%	-5.71%	1.57%
1976	0.27%	0.00%	0.27%	6.63%	-5.96%	-6.22%	-5.97%
1977	-7.64%	-10.00%	-7.70%	6.56%	-13.33%	-15.54%	-13.38%
1978	6.85%	3.73%	6.78%	6.65%	0.20%	-2.73%	0.13%
1979	4.90%	3.77%	4.88%	7.29%	-2.23%	-3.28%	-2.25%
1980	13.69%	9.73%	13.61%	9.77%	3.57%	-0.04%	3.49%
1981	12.51%	8.19%	12.42%	10.84%	1.51%	-2.39%	1.43%
1982	6.41%	7.87%	6.44%	9.43%	-2.76%	-1.42%	-2.73%
1983	10.34%	10.95%	10.35%	6.38%	3.72%	4.29%	3.73%
1984	4.00%	4.00%	4.00%	4.70%	-0.67%	-0.67%	-0.67%
1985	21.35%	4.00%	20.99%	5.54%	14.98%	-1.46%	14.64%
1986	8.96%	12.04%	9.01%	4.62%	4.15%	7.10%	4.21%
1987	27.51%	8.74%	27.16%	4.15%	22.42%	4.41%	22.09%
1988	12.11%	12.05%	12.10%	4.40%	7.38%	7.32%	7.38%
1989	15.96%	2.76%	15.75%	5.89%	9.52%	-2.96%	9.32%
1990	6.45%	18.29%	6.62%	6.01%	0.42%	11.58%	0.57%
*1991	6.14%	9.62%	6.20%	6.02%	0.11%	3.40%	0.16%

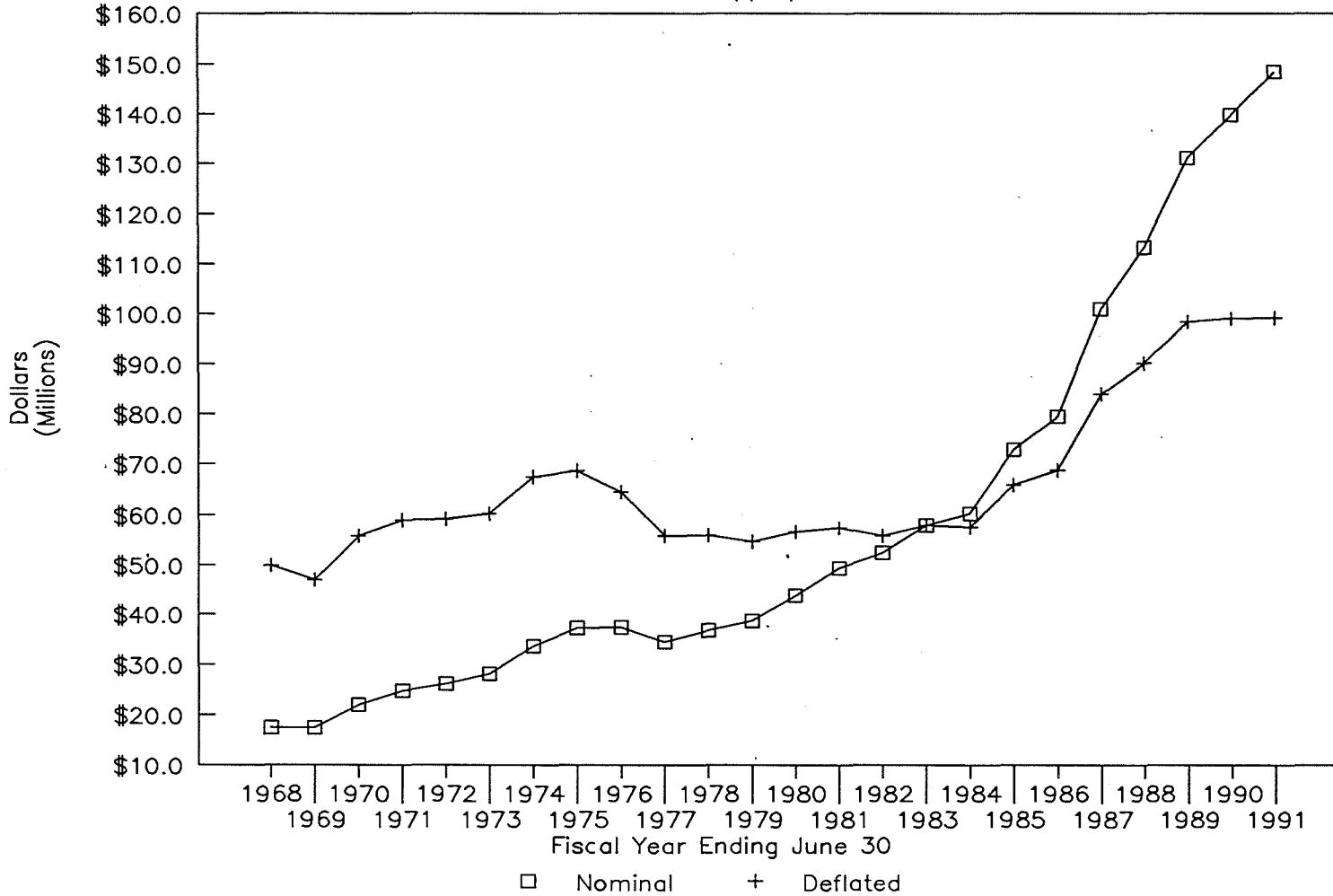
Period	Average Growth Rates - Nominal			Average Growth Rates - Real		
	E & G	MPBN	Total Univ.	E & G	MPBN	Total Univ.
1968 to 1975	11.42%	13.61%	11.47%	4.60%	6.66%	4.65%
1975 to 1979	0.94%	-0.79%	0.90%	-5.47%	-7.09%	-5.51%
1979 to 1984	9.33%	8.12%	9.30%	1.04%	-0.07%	1.02%
1984 to 1991	13.83%	9.54%	13.75%	8.17%	4.09%	8.10%
1968 to 1991	9.79%	8.56%	9.76%	3.05%	1.91%	3.03%

Notes: Real Analysis uses Higher Education Price Index (Fiscal Year 1983 = 1.00)  
 \* Represent Appropriations through the 114th Legislature and assumed HEPI rate.

EXHIBIT III-A  
GRAPH

University of Maine System

General Fund Appropriations



**EXHIBIT III-B  
GENERAL FUND SUPPORT  
UNIVERSITY AND EDUCATION**

Fiscal Year	University Appropriations	Education Expenditures	General Fund Revenues	Gov't Price Deflator	Adjusted with Government Price Deflator			University as a % of Revenues	University as a % of Education	Education as a % of Revenues
					University Appropriations	Education Expenditures	General Fund Revenues			
1968	17,419,928	57,714,166	112,683,387	0.329	52,948,109	175,422,997	342,502,696	15.46%	30.18%	51.22%
1969	17,446,247	62,771,916	123,766,230	0.350	49,846,420	179,348,331	353,617,800	14.10%	27.79%	50.72%
1970	22,067,463	82,417,724	167,685,146	0.377	58,534,385	218,614,653	444,788,186	13.16%	26.78%	49.15%
1971	24,783,023	87,035,464	185,288,585	0.407	60,891,948	213,846,349	455,254,509	13.38%	28.47%	46.97%
1972	26,194,994	103,090,778	210,615,245	0.431	60,777,248	239,189,740	488,666,462	12.44%	25.41%	48.95%
1973	28,107,961	107,530,127	234,312,496	0.460	61,104,263	233,761,146	509,374,991	12.00%	26.14%	45.89%
1974	33,704,042	111,223,481	254,823,637	0.499	67,543,170	222,892,747	510,668,611	13.23%	30.30%	43.65%
1975	37,251,916	167,106,012	294,987,321	0.556	66,999,849	300,550,381	530,552,736	12.63%	22.29%	56.65%
1976	37,351,916	171,655,635	333,585,746	0.602	62,046,372	285,142,251	554,129,146	11.20%	21.76%	51.46%
1977	34,476,725	206,109,662	383,446,553	0.639	53,954,186	322,550,332	600,072,853	8.99%	16.73%	53.75%
1978	36,815,096	219,168,138	433,756,750	0.684	53,823,240	320,421,254	634,147,295	8.49%	16.80%	50.53%
1979	38,610,710	236,264,260	470,490,030	0.742	52,035,997	318,415,445	634,083,598	8.21%	16.34%	50.22%
1980	43,864,060	268,398,807	522,273,861	0.821	53,427,600	326,916,939	636,143,558	8.40%	16.34%	51.39%
1981	49,311,978	294,169,542	578,954,080	0.900	54,791,087	326,855,047	643,282,311	8.52%	16.76%	50.81%
1982	52,486,978	333,910,795	639,916,837	0.968	54,222,085	344,949,168	661,071,113	8.20%	15.72%	52.18%
1983	57,920,378	360,533,616	677,506,114	1.026	56,452,610	351,397,287	660,337,343	8.55%	16.07%	53.21%
1984	60,237,193	388,102,413	774,768,162	1.073	56,139,043	361,698,428	722,057,933	7.77%	15.52%	50.09%
1985	72,879,390	423,035,131	848,218,341	1.125	64,781,680	376,031,228	753,971,859	8.59%	17.23%	49.87%
1986	79,449,150	499,836,254	948,570,406	1.167	68,079,820	428,308,701	812,828,111	8.38%	15.90%	52.69%
1987	101,026,132	555,867,508	1,117,804,252	1.204	83,908,748	461,683,977	928,408,847	9.04%	18.17%	49.73%
1988	113,254,616	633,188,683	1,291,702,852	1.257	90,099,138	503,730,058	1,027,607,679	8.77%	17.89%	49.02%
1989	113,095,499	715,347,236	1,430,615,011	1.320	85,678,408	541,929,724	1,083,799,251	7.91%	15.81%	50.00%
1990	139,771,886	799,395,728	1,420,350,436	1.380	101,283,975	579,272,267	1,029,239,446	9.84%	17.48%	56.28%
1991	148,432,331	880,994,261	1,568,989,592	1.449	102,437,772	608,001,560	1,082,808,552	9.46%	16.85%	56.15%

NOTES: Real Analysis uses State and Local Price Deflator (Calendar 1982 = 1.00)

University of Maine Figures include MPBN appropriations.

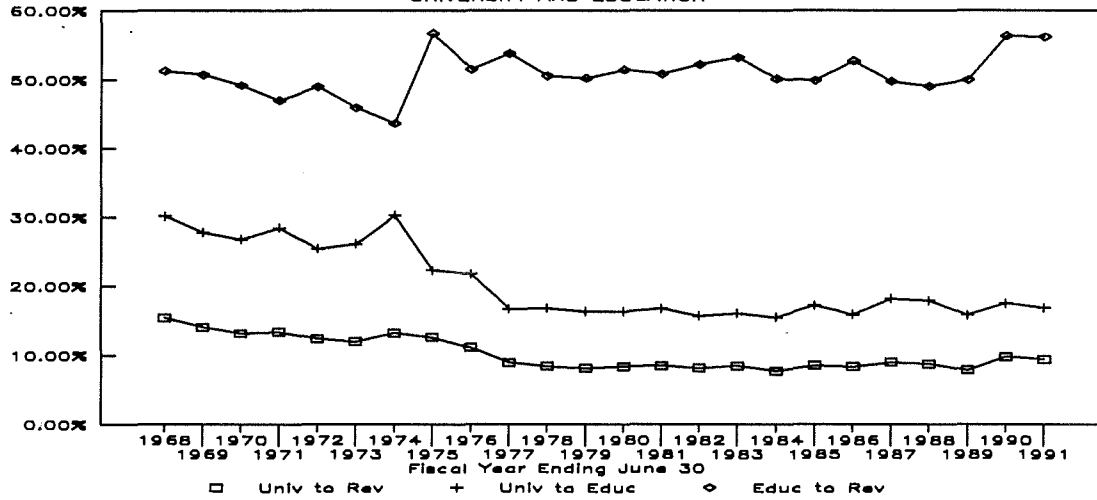
Education Expenditures include Dept. of Educ. & Cult. Services, Hist. Soc., Tech. Colleges, Maritime Academy, and the University.

Appropriations to the Finance Authority of Maine for Student Financial Aid Programs are also included.

Amounts for 1990 and 1991 represent appropriations or budgeted amounts through the 114th Legislature.

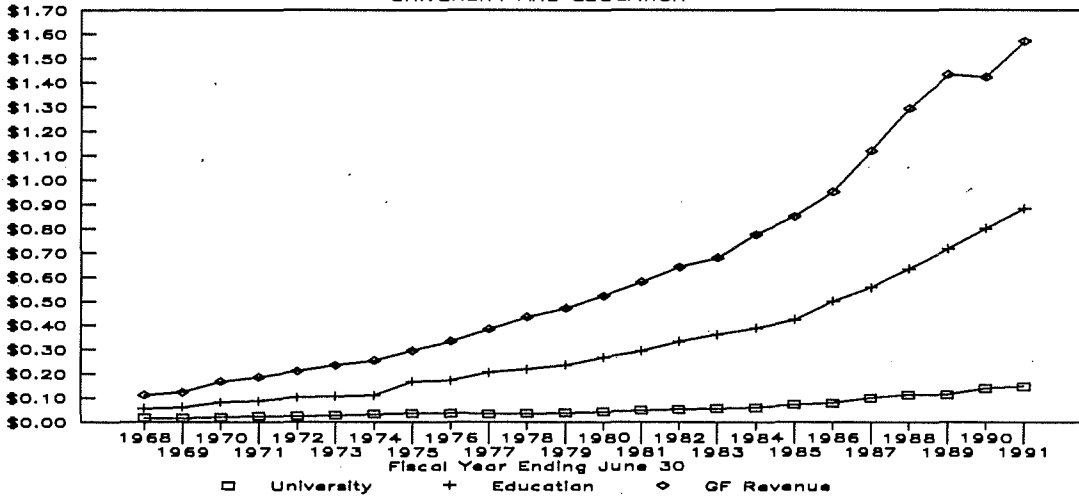
## EXHIBIT III-B GRAPHS

### GENERAL FUND SUPPORT UNIVERSITY AND EDUCATION



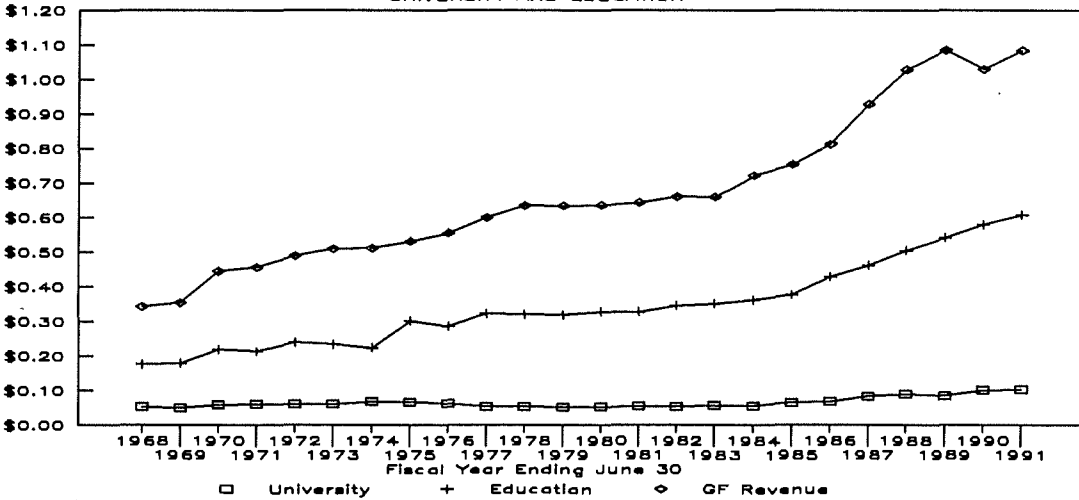
### GENERAL FUND SUPPORT UNIVERSITY AND EDUCATION

Dollars (billions)



### GENERAL FUND SUPPORT UNIVERSITY AND EDUCATION

1982 Dollars (billions)



**EXHIBIT III-C  
GENERAL FUND SUPPORT  
MAINE PUBLIC HIGHER EDUCATION INSTITUTIONS**

**General Fund Support**

Fiscal Year	University of Maine System	Me. Technical College System	Me. Maritime Academy
1980	\$43,864,060	\$10,454,431	\$2,396,136
1981	\$49,311,978	\$11,662,000	\$2,436,265
1982	\$52,486,978	\$12,539,203	\$2,963,800
1983	\$57,920,378	\$13,127,255	\$2,876,800
1984	\$60,237,193	\$13,980,027	\$3,055,132
1985	\$72,879,390	\$15,723,099	\$3,427,124
1986	\$79,515,004	\$18,227,665	\$3,722,390
1987	\$101,026,132	\$20,116,583	\$4,222,505
1988	\$113,254,616	\$19,498,105	\$4,766,894
1989	\$131,095,499	\$21,419,654	\$5,307,814
1990	\$139,771,886	\$24,061,695	\$6,343,794
1991	\$148,432,331	\$25,269,969	\$7,107,239

**Percentage Annual Increase**

Fiscal Year	University of Maine System	Me. Technical College System	Me. Maritime Academy
1981	12.42%	11.55%	1.67%
1982	6.44%	7.52%	21.65%
1983	10.35%	4.69%	-2.94%
1984	4.00%	6.50%	6.20%
1985	20.99%	12.47%	12.18%
1986	9.10%	15.93%	8.62%
1987	27.05%	10.36%	13.44%
1988	12.10%	-3.07%	12.89%
1989	15.75%	9.86%	11.35%
1990	6.62%	12.33%	19.52%
1991	6.20%	5.02%	12.03%
Average	11.72%	8.35%	10.39%

**Percent of General Fund Revenue**

Fiscal Year	University of Maine System	Me. Technical College System	Me. Maritime Academy
1980	8.40%	2.00%	0.46%
1981	8.52%	2.01%	0.42%
1982	8.20%	1.96%	0.46%
1983	8.55%	1.94%	0.42%
1984	7.77%	1.80%	0.39%
1985	8.59%	1.85%	0.40%
1986	8.38%	1.92%	0.39%
1987	9.04%	1.80%	0.38%
1988	8.77%	1.51%	0.37%
1989	9.16%	1.50%	0.37%
1990	9.84%	1.69%	0.45%
1991	9.46%	1.61%	0.45%
Average	8.72%	1.80%	0.41%

**Percent of Education Expenditures**

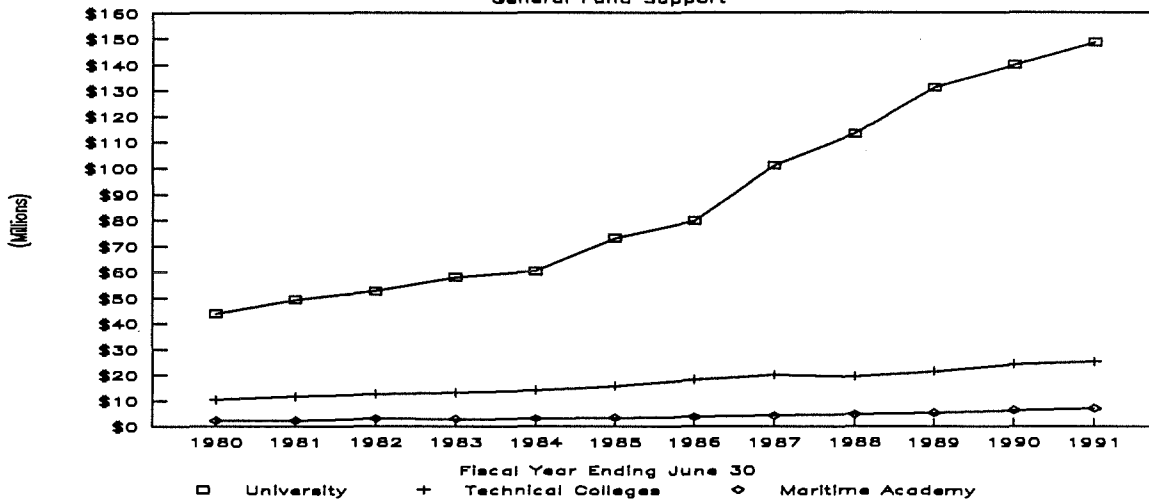
Fiscal Year	University of Maine System	Me. Technical College System	Me. Maritime Academy
1980	16.34%	3.90%	0.89%
1981	16.76%	3.96%	0.83%
1982	15.72%	3.76%	0.89%
1983	16.07%	3.64%	0.80%
1984	15.52%	3.60%	0.79%
1985	17.23%	3.72%	0.81%
1986	15.91%	3.65%	0.74%
1987	18.17%	3.62%	0.76%
1988	17.89%	3.08%	0.75%
1989	18.33%	2.99%	0.74%
1990	17.48%	3.01%	0.79%
1991	16.85%	2.87%	0.81%
Average	16.86%	3.48%	0.80%

Notes: Amounts in 1990 and 1991 based on Appropriations through 114th Legislature.  
University of Maine Appropriations include MPBN.

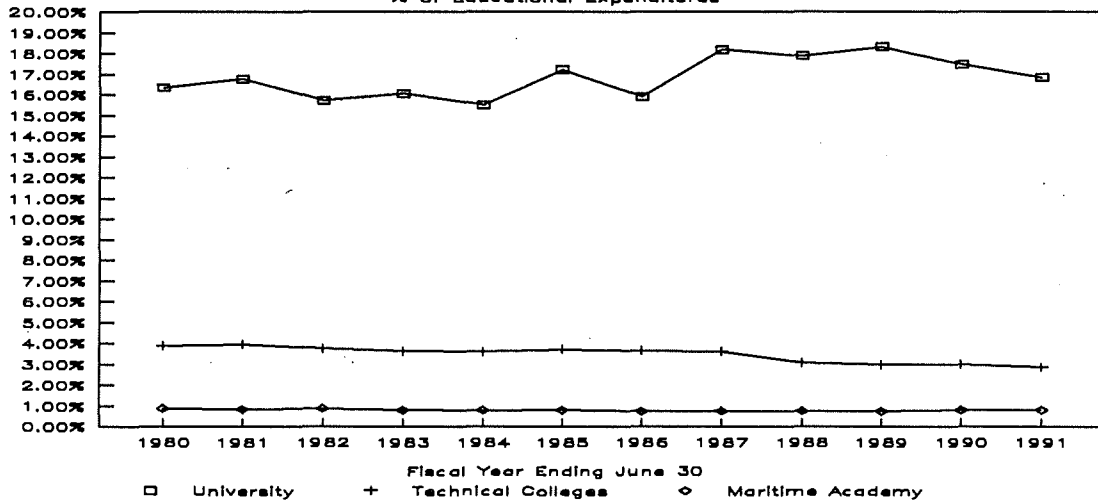
# EXHIBIT III-C

## GRAPHS

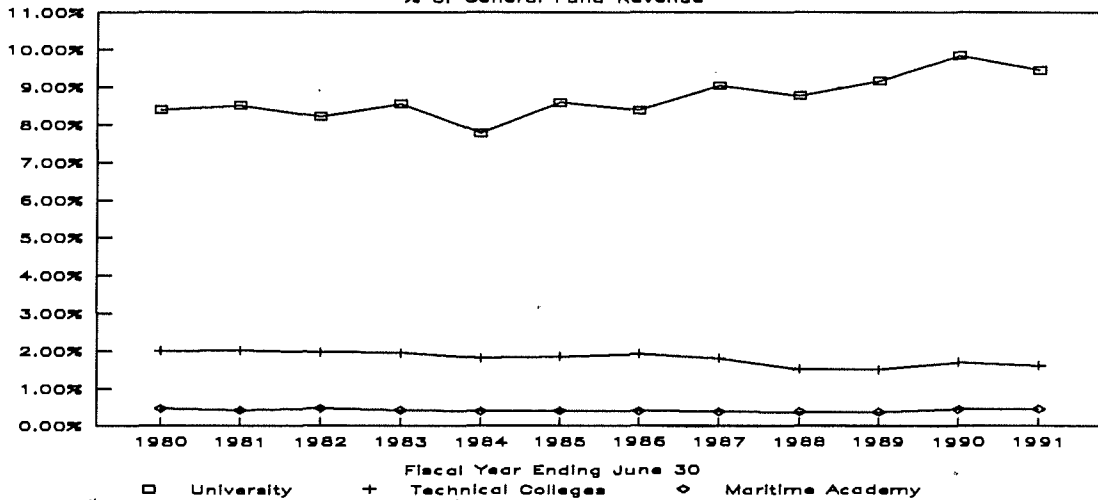
### Public Higher Education General Fund Support



### Public Higher Education % of Educational Expenditures



### Public Higher Education % of General Fund Revenue



**EXHIBIT III-D**  
**GENERAL FUND APPROPRIATIONS**  
**114TH 2ND REGULAR SESSION REDUCTIONS**

DEPARTMENT/AGENCY:	FY 86	FY 87	FY 88	FY 89	FY 90	FY 90	FY 90	FY 91	FY 91	FY 91
	APPROPRIATIONS	APPROPRIATIONS	APPROPRIATIONS	APPROPRIATIONS	APPROPRIATIONS	APPROPRIATIONS	(REDUCTIONS)	APPROPRIATIONS	APPROPRIATIONS	(REDUCTIONS)
					114TH 1ST REG	114TH 2ND REG	INCREASES	114TH 1ST REG	114TH 2ND REG	INCREASES
ADMINISTRATION	\$1,219,511	\$1,313,965	\$21,658,150	\$11,471,035	\$24,823,653	\$23,401,966	(\$1,421,687)	\$14,170,258	\$11,921,158	(\$2,249,100)
AGRICULTURE	\$4,904,810	\$5,102,182	\$5,619,491	\$5,875,179	\$6,744,714	\$6,491,028	(\$253,686)	\$6,561,937	\$5,992,537	(\$569,400)
ATTORNEY GENERAL	\$4,601,872	\$4,782,565	\$5,500,730	\$5,933,421	\$7,484,307	\$7,040,307	(\$444,000)	\$7,549,977	\$7,207,365	(\$342,612)
AUDIT	\$806,867	\$1,113,558	\$1,312,786	\$1,375,645	\$1,564,785	\$1,417,483	(\$147,302)	\$1,679,127	\$1,542,215	(\$136,912)
CONSERVATION	\$12,306,965	\$14,013,971	\$14,485,755	\$15,520,643	\$17,462,733	\$16,681,848	(\$780,885)	\$17,990,788	\$17,551,972	(\$438,816)
CORRECTIONS	\$32,870,779	\$37,688,822	\$44,645,067	\$50,438,458	\$52,252,481	\$54,104,315	\$1,851,834	\$56,173,941	\$55,496,447	(\$677,494)
CULTURAL AGENCIES	\$28,996	\$28,076	\$28,918	\$29,786	\$29,786	\$5,829,809	\$5,800,023	\$29,786	\$5,982,643	\$5,952,857
DEFENSE & VET. SERVICES	\$4,581,138	\$4,477,222	\$4,662,617	\$5,031,008	\$6,688,987	\$6,490,948	(\$198,039)	\$5,494,817	\$4,980,514	(\$514,303)
ECO. & COMM. DEVELOPMENT	\$0	\$0	\$55,000	\$6,569,573	\$10,845,660	\$9,909,879	(\$935,781)	\$10,563,388	\$8,941,032	(\$1,622,356)
EDUCATION	\$417,123,004	\$456,221,202	\$496,152,300	\$557,494,483	\$633,297,244	\$623,256,427	(\$10,040,817)	\$700,296,468	\$685,285,987	(\$15,010,481)
ENVIRONMENTAL PROTECTION	\$3,790,493	\$3,999,111	\$4,963,652	\$7,147,886	\$7,065,420	\$6,613,594	(\$451,826)	\$6,983,515	\$6,707,392	(\$276,123)
EXECUTIVE	\$9,841,087	\$10,780,262	\$13,345,683	\$15,214,953	\$10,719,836	\$10,259,781	(\$460,055)	\$9,492,714	\$15,641,709	\$6,148,995
FINANCE	\$51,180,351	\$58,677,902	\$6,779,611	\$107,204,048	\$81,836,719	\$39,951,352	(\$41,885,367)	\$45,581,902	\$35,103,437	(\$10,478,465)
FAME	\$609,501	\$1,369,881	(\$350,119)	\$499,881	\$542,226	\$520,115	(\$22,111)	\$559,881	\$8,822,092	\$8,262,231
HOUSING AUTHORITY, MAINE ST	\$0	\$0	\$0	\$0	\$500,000	\$500,000	\$0	\$0	\$500,000	\$500,000
HUMAN RIGHTS COMMISSION	\$265,349	\$291,444	\$324,723	\$408,205	\$459,033	\$454,189	(\$4,844)	\$471,279	\$466,273	(\$5,006)
HUMAN SERVICES	\$171,613,186	\$190,592,698	\$211,847,282	\$247,251,144	\$277,895,523	\$275,040,519	(\$2,855,004)	\$313,800,825	\$295,838,080	(\$17,962,745)
IF&W	\$333,054	\$306,463	\$526,757	\$824,571	\$500,654	\$434,886	(\$66,768)	\$1,810,828	\$15,782,345	\$13,951,517
JUDICIAL	\$19,363,277	\$20,880,405	\$24,190,281	\$26,798,903	\$30,633,977	\$30,607,177	(\$26,800)	\$32,434,942	\$30,786,942	(\$1,648,000)
LABOR	\$2,031,073	\$2,302,450	\$3,523,820	\$5,560,183	\$6,228,039	\$6,013,661	(\$214,378)	\$6,119,612	\$5,796,151	(\$323,461)
LEGISLATURE	\$8,195,646	\$10,742,614	\$12,662,491	\$15,529,920	\$15,493,183	\$15,253,900	(\$239,283)	\$17,851,484	\$16,771,072	(\$1,080,412)
ME. HEALTH CARE FIN. COMM.	\$160,046	\$166,678	\$193,567	\$206,903	\$235,347	\$199,162	(\$36,185)	\$5,579,759	\$2,281,866	(\$3,297,893)
MARINE RESOURCES	\$5,286,880	\$5,413,329	\$5,790,429	\$6,410,381	\$7,214,491	\$6,697,119	(\$517,372)	\$7,213,623	\$6,640,991	(\$572,632)
MARITIME ACADEMY, MAINE	\$3,645,870	\$4,133,505	\$4,591,224	\$5,307,814	\$6,556,893	\$6,343,794	(\$213,099)	\$7,462,986	\$7,107,239	(\$355,747)
MH/MR	\$75,846,138	\$79,889,798	\$90,839,160	\$101,359,435	\$123,473,737	\$125,874,092	\$2,400,355	\$127,166,208	\$127,778,392	\$612,184
PROF. & FIN. REGULATION	\$470,116	\$522,875	\$568,742	\$645,143	\$870,814	\$725,712	(\$145,102)	\$875,432	\$662,445	(\$212,987)
PUBLIC SAFETY	\$7,275,223	\$7,004,943	\$8,039,952	\$8,766,960	\$17,608,253	\$16,405,184	(\$1,203,069)	\$17,721,267	\$15,277,866	(\$2,443,401)
PUBLIC UTILITIES COMMISSION	\$758,873	\$798,124	\$873,945	\$920,102	\$983,472	\$905,785	(\$77,687)	\$1,024,726	\$919,763	(\$104,963)
SECRETARY OF STATE	\$1,366,463	\$1,577,456	\$1,703,841	\$2,187,616	\$9,402,537	\$3,106,237	(\$6,296,300)	\$2,916,975	\$2,959,147	\$42,172
TECHNICAL COLLEGE SYSTEM	\$0	\$0	\$19,398,113	\$21,419,654	\$24,869,969	\$24,061,695	(\$808,274)	\$26,534,586	\$25,269,969	(\$1,264,617)
TRANSPORTATION	\$2,935,310	\$3,272,029	\$21,161,214	\$3,054,859	\$4,243,677	\$4,062,017	(\$181,660)	\$3,399,093	\$3,098,638	(\$300,455)
TREASURER OF STATE	\$35,252,996	\$37,807,330	\$40,392,927	\$42,317,416	\$47,751,021	\$45,516,021	(\$2,235,000)	\$49,816,969	\$41,949,021	(\$7,867,948)
UNIVERSITY OF MAINE SYSTEM	\$79,449,150	\$101,026,132	\$113,254,616	\$131,095,499	\$142,803,305	\$139,771,886	(\$3,031,419)	\$155,032,331	\$148,432,331	(\$6,600,000)
WORKERS' COMP. COMMISSION	\$2,883,759	\$2,828,567	\$3,589,180	\$4,343,268	\$5,068,084	\$4,940,381	(\$127,703)	\$5,236,113	\$5,129,857	(\$106,256)
MISC. IND. AGENCIES	\$829,798	\$1,457,852	\$2,387,678	\$1,736,250	\$1,680,053	\$1,835,655	\$155,602	\$1,736,620	\$2,041,142	\$304,522
<b>TOTAL GENERAL FUND</b>	<b>\$961,825,581</b>	<b>\$1,070,583,411</b>	<b>\$1,184,719,563</b>	<b>\$1,415,950,225</b>	<b>\$1,585,830,813</b>	<b>\$1,520,717,924</b>	<b>(\$65,112,889)</b>	<b>\$1,667,334,137</b>	<b>\$1,626,646,030</b>	<b>(\$40,688,107)</b>
DEPT OF EDUC & CUL SERVICES	\$417,123,004	\$456,221,202	\$515,550,413	\$578,914,137	\$658,209,558	\$653,250,262	(\$4,959,296)	\$726,891,034	\$724,888,037	(\$2,002,997)

DEPT OF EDUC & CUL SERVICES PROVIDED TO ACCOUNT FOR SEPARATION OF TECHNICAL COLLEGES, STUDENT FINANCIAL ASSISTANCE, AND CULTURAL AGENCIES.

**EXHIBIT III-D**  
**GENERAL FUND APPROPRIATIONS**  
**114TH 2ND REGULAR SESSION REDUCTIONS**  
**ANNUAL % CHANGE & % REDUCTIONS**

DEPARTMENT/AGENCY:	FY 86 TO FY 87 % INCREASE	FY 87 TO FY 88 % INCREASE	FY 88 TO FY 89 % INCREASE	FY 89 TO FY 90 % INCREASE PRIOR TO REDUCTIONS	FY 89 TO FY 90 % INCREASE AFTER REDUCTIONS	FY 90 TO FY 91 % INCREASE PRIOR TO REDUCTIONS	FY 90 TO FY 91 % INCREASE AFTER REDUCTIONS	FY 90 % REDUCTIONS	FY 91 % REDUCTIONS	BIENNIUM % REDUCTIONS
ADMINISTRATION	7.75%	1548.30%	-47.04%	116.40%	104.01%	-42.92%	-49.08%	-5.73%	-15.87%	-9.41%
AGRICULTURE	4.02%	10.14%	4.55%	14.80%	10.48%	-2.71%	-7.68%	-3.76%	-8.68%	-6.19%
ATTORNEY GENERAL	3.93%	15.02%	7.87%	26.14%	18.66%	0.88%	2.37%	-5.93%	-4.54%	-5.23%
AUDIT	38.01%	17.89%	4.79%	13.75%	3.04%	7.31%	8.80%	-9.41%	-8.15%	-8.76%
CONSERVATION	13.87%	3.37%	7.14%	12.51%	7.48%	3.02%	5.22%	-4.47%	-2.44%	-3.44%
CORRECTIONS	14.66%	18.46%	12.98%	3.60%	7.27%	7.50%	2.57%	3.54%	-1.21%	1.08%
CULTURAL AGENCIES	4.00%	3.00%	3.00%	0.00%	19472.31%	0.00%	2.62%	0.00%	19985.42%	19728.87%
DEFENSE & VET. SERVICES	-2.27%	4.14%	7.90%	32.96%	29.02%	-17.85%	-23.27%	-2.96%	-9.36%	-5.85%
ECO. & COMM. DEVELOPMENT	ERR	ERR	11844.68%	65.09%	50.85%	-2.60%	-9.78%	-8.63%	-15.36%	-11.95%
EDUCATION	9.37%	8.75%	12.36%	13.60%	11.80%	10.58%	9.95%	-1.59%	-2.14%	-1.88%
ENVIRONMENTAL PROTECTION	5.50%	24.12%	44.00%	-1.15%	-7.47%	-1.16%	1.42%	-6.39%	-3.95%	-5.18%
EXECUTIVE	9.54%	23.80%	14.01%	-29.54%	-32.57%	-11.45%	52.46%	-4.29%	64.78%	28.15%
FINANCE	14.65%	-88.45%	1481.27%	-23.66%	-62.73%	-44.30%	-12.13%	-51.18%	-22.99%	-41.10%
FAME	124.75%	-125.56%	-242.77%	8.47%	4.05%	3.25%	1596.18%	-4.08%	1475.76%	747.68%
HOUSING AUTHORITY, MAINE ST	ERR	ERR	ERR	ERR	ERR	-100.00%	0.00%	ERR	ERR	100.00%
HUMAN RIGHTS COMMISSION	9.83%	11.42%	25.71%	12.45%	11.26%	2.67%	2.66%	-1.06%	-1.06%	-1.06%
HUMAN SERVICES	11.06%	11.15%	16.71%	12.39%	11.24%	12.92%	7.56%	-1.03%	-5.72%	-3.52%
IF&W	-7.98%	71.88%	56.54%	-39.28%	-47.26%	261.69%	3524.48%	-13.14%	770.45%	600.73%
JUDICIAL	7.84%	15.85%	10.78%	14.31%	14.21%	5.88%	0.59%	-0.09%	-5.08%	-2.66%
LABOR	13.36%	53.05%	57.79%	12.01%	8.16%	-1.74%	-3.62%	-3.44%	-5.29%	-4.36%
LEGISLATURE	31.08%	17.87%	22.65%	-0.24%	-1.78%	15.22%	9.95%	-1.54%	-6.05%	-3.96%
ME. HEALTH CARE FIN. COMM.	4.14%	16.13%	6.89%	13.75%	-3.74%	2270.86%	1045.73%	-15.38%	-59.10%	-67.33%
MARINE RESOURCES	2.39%	6.97%	10.71%	12.54%	4.47%	-0.01%	-0.84%	-7.17%	-7.94%	-7.55%
MARITIME ACADEMY, MAINE	13.37%	11.07%	15.61%	23.53%	19.52%	13.82%	12.03%	-3.25%	-4.77%	-4.06%
MH/MR	5.33%	13.71%	11.58%	21.82%	24.19%	2.99%	1.51%	1.94%	0.48%	1.20%
PROF. & FIN. REGULATION	11.22%	8.77%	13.43%	34.98%	12.49%	0.53%	-8.72%	-16.66%	-24.33%	-20.51%
PUBLIC SAFETY	-3.72%	14.78%	9.04%	100.85%	87.13%	0.64%	-8.87%	-8.83%	-13.79%	-10.32%
PUBLIC UTILITIES COMMISSION	5.17%	9.50%	5.28%	6.89%	-1.56%	4.19%	1.54%	-7.90%	-10.24%	-9.10%
SECRETARY OF STATE	15.44%	8.01%	28.39%	329.81%	41.99%	-68.98%	-4.74%	-66.96%	1.45%	-50.77%
TECHNICAL COLLEGE SYSTEM	ERR	ERR	10.42%	16.11%	12.33%	6.69%	5.02%	-3.25%	-4.77%	-4.03%
TRANSPORTATION	11.47%	548.73%	-85.56%	38.92%	32.97%	-19.90%	-23.72%	-4.28%	-8.84%	-6.31%
TREASURER OF STATE	7.25%	6.84%	4.76%	12.84%	7.56%	4.33%	-7.84%	-4.68%	-15.79%	-10.35%
UNIVERSITY OF MAINE SYSTEM	27.16%	12.10%	15.75%	8.93%	6.62%	8.56%	6.20%	-2.12%	-4.26%	-3.23%
WORKERS' COMP. COMMISSION	-1.91%	26.89%	21.01%	16.69%	13.75%	3.32%	3.84%	-2.52%	-2.03%	-2.27%
MISC. IND. AGENCIES	75.69%	63.78%	-27.28%	-3.24%	5.73%	3.37%	11.19%	9.26%	17.54%	13.47%
TOTAL GENERAL FUND	11.31%	10.66%	19.52%	12.00%	7.40%	5.14%	6.97%	-4.11%	-2.44%	-3.25%
DEPT OF EDUC & CUL SERVICES	9.37%	13.00%	12.29%	13.70%	12.84%	10.43%	10.97%	-0.75%	-0.28%	-0.50%





## IV. CAMPUS AND MISSION ALLOCATIONS

This chapter provides an analysis of the distribution of funds among the campuses. Exhibit IV-A at the end of this chapter concentrates on the Educational and General (E&G) budgets of the campuses and the allocation of the University's E&G General Fund appropriation among the campuses by the Board of Trustees. The General Fund appropriation to the Maine Public Broadcasting Network (MPBN) is not included in this chapter because it receives a separate appropriation determined by the Legislature and the Governor.

Exhibit IV-A details the distribution of the E&G budget and the General Fund E&G appropriation for each of the seven campuses and the Chancellor's Office/System-Wide Services. It also provides each campus' percentage share and the annual growth both nominal and real (again using the Higher Education Price Index as the price deflator) of both E&G budget and E&G appropriation.

Exhibit IV-A also looks at the dependency of each of the campuses on the General Fund to support the E&G activities of each of the campuses, which indicates, to a limited degree, the vulnerability of each of the campuses and their missions to changes in the level of state support. The University of Maine System as a whole is heavily reliant on the State for financial support as is expected of a public educational institution. The University System will depend on the General Fund appropriation to account for 45.4% of its total budget in FY 1991. It is even more dependent on the State to support its E&G budget. In FY 1991, the State appropriation accounts for 68.9% of the E&G budget. Ratio #10 in Chapter II also highlighted a growing dependence on state funding in the 1980's.

The intent of this chapter is to provide some insight into the effect of the \$15 million down payment in FY 1987 and the 1990-1991 biennium budget reductions on the allocation of funds to the campuses. It concentrates on the effect of changes in state spending on the allocation of funds to the campuses on an aggregate basis. The next chapter will concentrate on the use of the funds at the various campuses.

### **E&G Budget Allocation Process**

The allocation of budget resources within the University of Maine System involves several phases. The most politically sensitive of these allocation decisions is the distribution of the General Fund E&G appropriation. The process is not only politically sensitive with respect to the individual campuses, but the Governor, individual Legislators, and the Legislature as a whole have been keenly interested in this process. Therefore, the Board of Trustees often allocates the General Fund appropriation according to a

formula, such as each campus' share of the total budget. This was true in the decision to allocate the 1990-1991 biennium reductions. These were allocated to each campus based on the FY 1989 E&G base budgets of each of the campuses.

Based on this formula-type distribution, one would expect the E&G appropriation distribution among the campuses to remain fairly constant over time. However, there are a number of other variables which come into play, such as individual campus decisions and special allocations initiated by either the Board of Trustees, the Governor, or the Legislature. Recent examples of these are the Lewiston/Auburn College at the University of Southern Maine and the Community College of Maine at the University of Maine at Augusta.

Campuses are responsible for determining their revenue budgets each year. This involves making decisions about the level of services that will be provided, the number of courses to be offered, and the level of fees to be established for non-tuition related services. These decisions impact the level of enrollment and the expected campus revenue that will be realized from the various revenue sources. Any changes in revenue level that are not related to tuition changes are reflected in campus expense budgets, i.e., if campus revenues increase, campus expense budgets are increased by an equal amount and vice versa. Because campus revenue budgets have an impact on campus expense budgets, they also have an impact on the campus share of the total system expense budget and state appropriations.

In addition to campus revenue planning, the budget allocation process involves a detailed fiscal planning process that includes individuals at all levels of the organization. This planning process ultimately results in a budget plan that is approved by the Campus Presidents, the Chancellor, and the Board of Trustees. This budget plan includes:

1. campus reallocations within existing resources;
2. campus budget adjustments due to revenue changes (described in the previous paragraph) and;
3. new funding for collective bargaining, inflation, and priority program needs.

By the nature of some of these elements, there is a disproportionate allocation of resources among the campuses. For example, if a campus has a high number of faculty who are receiving a higher than average compensation increase, that campus will get a higher share of the funding for compensation increases. Another example would be an allocation of program funds to address a specific need, i.e., improve access at certain campuses or address a specific weakness at a campus.

## University of Maine

The University of Maine (UM) has a mission established by the Board of Trustees to be the Land-Grant and Sea Grant institution of the University of Maine System. Land grant colleges were first established under the provisions of the federal Morrill Act (1862) which provided federal lands to each state which could be sold and the proceeds used to establish an endowment for the purposes of creating public state controlled institutions of higher education. Originally intended to stress education in agriculture and mechanic arts, the missions of land grant institutions have expanded over time to encompass all aspects of a well rounded "liberal and practical education". At the present time, there are 71 Land Grant institutions across the 50 states and protectorates; 16 states have two designated institutions.

Sea Grant institutions also exist through federal funding received from the Office of Sea Grant, National Oceanic and Atmospheric Agency. The UM's status as a Sea Grant institution is in partnership with the University of New Hampshire and enables UM to provide a program of marine research, graduate education and a marine extension program.

As the Land and Sea Grant institution within the University of Maine System, UM has three primary responsibilities:

- provide undergraduate and graduate' educational programming;
- conduct basic and applied research of a state, national or international significance; and
- provide statewide public service programming.

UM has accounted for approximately half of the E&G budget of the University of Maine System and approximately the same share of the System's E&G General Fund appropriation. UM's shares of the E&G budget and E&G appropriation have declined since FY 1988 and FY 1987, respectively. This is largely due to new initiatives at some of the other campuses. UM's E&G budget and E&G appropriation have grown nominally since FY 1986 and, with the exception of FY 1990 and FY 1991 have grown in real terms. UM depends on the General Fund for 66.43% of the campus' total E&G Budget in FY 1991.

UM's share of the \$15 million down payment was \$8,467,155 or 56.45% of the total. The percentage represented an increase in its allocation of the General Fund appropriation. However, as noted above, UM's share did not improve significantly. UM's share of the 1990-1991 reductions was established at 51.2% equal to its share of the FY 1989 E&G budget of the System. This represents a \$512,000 cut in FY 1990, \$1,024,000 of deferred expenses from FY 1990 to be funded from FY 1991 resources, and an additional \$2,355,200 in FY 1991. UM also postponed its FY 1990 \$512,000 cut to FY 1991. UM decided to realize its entire biennium cut in FY 1991 which totals \$3,379,200.

## **University of Maine at Augusta**

The University of Maine at Augusta (UMA) has a stated mission from the Board of Trustees to be the Community College of the University System. In that capacity, UMA has chosen to emphasize the following responsibilities:

- provide open access to inadequately prepared students who wish to eventually take college level courses;
- offer appropriate associate degree programs which may also be used as the first two years of a baccalaureate degree; and
- delivery of programs through extensive use of off-campus centers.

UMA also offers a limited number of its own baccalaureate degree programs, as well as baccalaureate and masters programs which are brokered from other campuses in the University of Maine System.

Most recently, UMA was designated by the Board of Trustees as the campus responsible for the implementation and administration of "The Community College of Maine/Telecommunications System".

UMA has averaged 5.41% of the total E&G budget since FY 1986 and 5.19% of the total E&G General Fund appropriation. Its share has increased the greatest, particularly in recent years. The major reason for this was the addition of the Interactive Television Network/Community College of Maine program. (See accessibility section of this chapter.) UMA's dependence on the General Fund has averaged 66.20% of its E&G budget since FY 1986.

UMA's share of the \$15 million on down payment was \$696,500 or 4.64%. This represented an increase in its share. Its share of the 1990-1991 biennium reductions was 5.3% or \$53,000 in FY 1990 and \$296,800 in FY 1991.

## **University of Maine at Farmington**

The University of Maine at Farmington (UMF) has a mission to be a regional baccalaureate institution within the University of Maine System. In addition to its regional mission, UMF emphasizes its long history as a center for undergraduate teacher training in the State. While striving to maintain leadership as a teacher education facility, in recent years UMF has broadened its academic mission to liberal arts, sciences and human services.

UMF is also an educational research and cultural center for the region which it serves and includes public service to the community as an important responsibility.

UMF has accounted for approximately 6% of both the total E&G budget and the E&G General Fund appropriation (averaging 6.07% and 6.00%, respectively, since FY 1986). Its percentage shares have declined slightly since FY 1986. UMF's reliance on the General Fund has averaged 68.32% of its E&G budget since FY 1986.

UMF's share of the \$15 million down payment was \$908,000 or 6.05%. This was slightly below its allocation percentage of the 1986 General Fund E&G appropriation. Its share of the 1990-1991 biennium reductions was 6.1% or \$61,000 in FY 1990 and \$341,600 in FY 1991. Again, this distribution is based on its FY 1989 share of the E&G budget.

### **University of Maine at Fort Kent**

As defined by its current mission statement, the University of Maine at Fort Kent (UMFK) exists as a regional baccalaureate institution of the University of Maine System. Within that context, UMFK has a particular mission which is directly related to the nature of the region it is located in. UMFK fashions itself as an institution which functions as an educational and cultural center for the St. John River Valley region; a region which has predominant French-Canadian, Acadian and Anglo cultural influences.

In adapting to its unique cultural setting, UMFK strives to meet the bicultural educational needs of traditional and non-traditional students by offering a variety of undergraduate associate and baccalaureate degree programs, cultural programs, public service programming for the region and the offering of several graduate programs originating from other campuses in the University of Maine System.

UMFK represents the smallest percentage of the E&G budget and General Fund appropriation, averaging 1.88% and 2.13% respectively since FY 1986. This has declined steadily in the 1980's. However, UMFK's E&G budget and appropriation have grown since FY 1986 and, with the exception of the current biennium, it has grown in real terms. Its dependence on the General Fund has averaged 78.18% of UMFK's E&G budget since FY 1986.

UMFK's share of the \$15 million was \$68,000 or 0.45% of the total. This was below its FY 1986 allocation percentage which was 2.43%. Its share of the budget reductions is established at 1.9% or \$19,000 in FY 1990 and \$106,400 in FY 1991.

### **University of Maine at Machias**

As defined by its current mission, the University of Maine at Machias (UMM) is a regional baccalaureate institution within the University of Maine System. Its location in Machias establishes UMM as the easternmost public university in the United States. UMM seeks to maximize its unique geographical location by providing academic programs which integrate an awareness of the natural environment into the various curriculums. UMM prides itself in offering noteworthy academic programs in science, recreation management and teacher education.

UMM also interprets its mission as a responsibility to provide applied research, public service, and cultural opportunities to the larger Washington County Area.

UMM University of Maine at Machias represents the second smallest of the E&G budget and General Fund appropriations, averaging 2.45% and 2.69% respectively since FY 1986. This has also remained relatively constant over time. Like the UMFK, UMM is one of the most heavily dependent on the General Fund support which has averaged 75.83% of its E&G budget.

UMM's share of the \$15 million was \$501,000 or 3.34%. This percentage was above UMM's average historical percentage. However, this increase was short-lived as UMM's share has declined from FY 1988 to FY 1990.

### **University of Maine at Presque Isle**

The University of Maine at Presque Isle (UMPI) has a mission as a regional baccalaureate institution within the University of Maine System. UMPI interprets this mission as an obligation to provide diverse academic programming, research, public service, and cultural programming to Aroostook County as well as to other in-state and out-of-state students.

UMPI also seeks to fulfill its mission by providing graduate programs originating from other University of Maine System campuses, as well as through the establishment of outreach centers at Loring Air Force Base and in Houlton.

UMPI has averaged 3.68% of the System's total E&G budget and 3.95% of the total E&G General Fund appropriation since FY 1986. These percentages have declined from their FY 1986 levels of 4.02% and 4.44% respectively. The actual amounts received have grown and, with the exception of this biennium, they have grown in real terms. UMPI is also heavily dependent on General Fund appropriations which averaged 74.32% of its E&G budget since FY 1986.

UMPI's share of the \$15 million down payment was \$215,000 or 1.43%. This was below UMPI's FY 1986 share of the E&G appropriation which was 4.44%. UMPI's share of the 1990-1991 total biennium reduction was 3.7% or \$37,000 in FY 1990 and \$207,200 in FY 1991.

### **University of Southern Maine**

The University of Southern Maine (USM) has a mission from the Board of Trustees to be the urban comprehensive campus for the University of Maine System. USM also has a mission to be "one of" the graduate centers for the system.

In accomplishing its mission as an urban comprehensive University, USM has been directed by the Board to develop overall programming that is aimed at a diverse, non-traditional student body. One of the recent additions to this mission was the opening of the Lewiston/Auburn College which is affiliated with USM. (See accessibility section of this chapter.) Further, USM has been mandated to develop an educational effort which:

- improves education in public schools;
- strengthens management capabilities of individuals and organizations;
- contributes to the development of public policy;
- leads the effort to improve human service efforts in the state;
- develops technologies essential to the southern Maine region; and
- enhances the overall quality of urban life.

Finally, like the other campuses in the University of Maine System, USM has a public service responsibility to the region in which it is located.

The University of Southern Maine has averaged 22.79% of the total E&G System's budget and received 22.27% of the University's E&G General Fund appropriation since FY 1986. Its share has declined slightly since its peak in FY 1987. USM has relied on the General Fund for an average of 67.59% of its E&G budget since FY 1986.

USM's share of the \$15 million down payment was \$4,144,345 or 27.63%. This was significantly above USM's FY 1986 share of 21.58%. USM's E&G budget and appropriation have grown in real terms since FY 1986 in every year except FY 1991. Its share of the 1990-1991 reductions was 22.7% which was its share of the FY 1989 total system E&G budget. USM, like UM, postponed its FY 1990 reductions until FY 1991. Therefore, its FY 1991 reduction totals \$1,498,200.

### **Chancellor's Office and System-Wide Services**

The Board of Trustees relies on the Chancellor and the various offices that are under his responsibility to provide system-wide leadership and to administer certain system-wide responsibilities. Although it is common for many to make a generic reference to the "Chancellor's Office" (CO) when discussing the wide range of system-wide services (SWS) that currently exist, it is necessary to accurately identify the various organizational units and the particular services provided on a system-wide basis.

An accurate reference to the "Chancellor's Office" refers to but a small part of the total array of system-wide personnel and services. In brief, these individuals and functions can be separated out as follows:



- Chancellor's Office. Includes the System's most senior chief executive officers and their immediate support staff;
- Operating Departments. Provide administrative services and coordinating functions, such as accounting, payroll, human resources, collective bargaining, facilities, computer center, etc., for the System as a whole; and
- System wide costs. Certain costs incurred by the sever campus system are identified as system-wide costs and are administered by the Chancellor's Office and the various operating departments.

The Chancellor's Office and System-Wide Services (CO/SWS) has averaged 6.72% of the System's total E&G budget and 7.88% of the System's E&G General Fund appropriation and has grown since FY 1986. CO/SWS is heavily dependent on the General Fund which has averaged 80.86% of its E&G budget, as it has no tuition revenue as the campuses have.

CO/SWS did not receive any direct share of the \$15 million down payment which accounts for the interruption in the growth of the CO/SWS's share of the total E&G budget. However, CO/SWS was allocated a portion of the 1990-1991 reductions based on its FY 1989 share of the system total E&G budget or 6.7%. This translates into reductions of \$67,000 in FY 1990 and \$375,200 in FY 1991.

Most of the growth in the CO/SWS budget is due to special system-wide budget items that are provided to all campuses but managed centrally. Examples are as follows:

1. ITV Telecommunications has grown from nothing in FY 1986 to \$1,172,850 in FY 1990. This budget has been transferred to UMA in FY 1991.
2. System-wide insurance costs have grown from \$506,883 in FY 1986 to \$939,702 in FY 1990.
3. The Computer Center has grown from \$1,898,254 in FY 1986 to \$3,090,245 in order to meet the computing needs of the system.
4. Employee benefit costs have grown from \$1,166,318 in FY 1986 to \$2,424,504 in FY 1990. Much of this growth is due to the increased costs of health insurance for University retirees across the system.
5. A \$500,000 campus maintenance program is administered and funded centrally providing urgent high cost maintenance support (often on a matching basis) to campus E&G buildings.

The Chancellor's Office (CO) consisted of 11 employees in FY 1986 which grew to 12 in FY 1990. This additional employee was a part-time temporary student employee in the clerk's office who worked a few hours a day for several months. In essence, therefore, the size of the Chancellor's Office remained stable from FY 1986 to FY 1990. A Governmental Relations position was filled in FY 1991. The Chancellor's Office budget has grown from \$553,183 in FY 1986 to \$781,808 in FY 1990, an increase of 41%. This compares to the University System budget increase for the same period of 62%.

Some new items include the establishment in June 1985 of an Augusta Office whose FY 1991 budget is detailed below.

<u>Item</u>	<u>Budget</u>
Service including custodial	\$ 1,800
Supplies & materials	3,000
Telephone	9,000
Postage and shipping	5,938
Electricity incl.elec.heating	6,000
Other utilities including water	130
Equipment maintenance and maintenance contracts	5,500
Office rental	60,200
Miscellaneous and other expenses	688
TOTAL	<u>\$92,256</u>

### **Accessibility**

One often stated goal of education and higher education specifically is to make it accessible to everyone. The University of Maine System has undertaken two major projects that have contributed significantly towards realizing this goal - the Interactive Television Network (ITV) and the Lewiston-Auburn College. A summary of the appropriations and the increase that they represent are presented in the table below.

#### **Lewiston/Auburn College and Community College of Maine<sup>1</sup>**

	<u>Lewiston/Auburn College</u>		<u>Community College of Maine</u>	
	<u>Annual Increase</u>	<u>Total Appropriation</u>	<u>Annual Increase</u>	<u>Total Appropriation</u>
FY 1988	\$100,000	\$ 100,000	\$ 0	\$ 0
FY 1989	900,000	1,000,000	2,200,000	2,200,000
FY 1990	850,000	1,850,000	1,528,536 <sup>3</sup>	3,728,536
FY 1991	304,692 <sup>2</sup>	2,154,692	659,452 <sup>4</sup>	4,387,988

<sup>1</sup>Includes funding for operating costs and employee benefits.

<sup>2</sup>\$380,000 increase less \$75,308 due to FY 1991 deappropriation.

<sup>3</sup>\$1,550,000 increase less \$21,464 due to FY 1990 deappropriation.

<sup>4</sup>\$760,000 increase less \$100,548 due to FY 1991 deappropriation.

In its first year and one-half of operation the Community College of Maine (CCM) recorded 10,400 registrations in 133 ITV courses offered at 77 locations across the State. The vast majority of these students would not have had an opportunity to enroll in college otherwise. For example, on the Maine islands of North Haven, Vinalhaven and Islesboro, students wishing to enroll in college have traditionally had no alternative but to relocate to the mainland. Since CCM's inception in September 1989, North Haven has had 92 registrations, Vinalhaven 62 and Islesboro 42 registrations, many of these by women with families, whose only access to higher education is the Community College of Maine.

### **Conclusions & Recommendations**

The University of Maine System budget allocations process is affected by a number of different factors, including individual campus decisions, which make it difficult to draw conclusions about the funding policy of the Board of Trustees. Legislative initiatives have also affected this allocation process. In many instances, the distribution of the University's Educational and General appropriation is based on a formula for equity purposes. This was the case for the allocation of the 1990-1991 reductions, which were distributed based on each campus' share of the 1989 total Educational and General Budget.

Since 1986, the budget and the General Fund appropriations to each of the campuses have grown and, with the exception of the 1990-1991 biennium, they have grown in real terms. However, the 1990-1991 reductions, with few exceptions, represent a real decline in the level of state support for each of the campuses. The two most notable exceptions are the University of Maine at Augusta and the University of Southern Maine. These campuses received funding increases for two of the most recent new initiatives of the System, the Community College of Maine and the Lewiston-Auburn College, respectively.

In reviewing programs and capabilities of the campuses of the University, it became clear that one of the University's strengths is its diversity among campuses. Students benefit from this in terms of academic offerings and scope of educational setting. The State benefits by having such diversity for its citizens without unnecessary duplication.

The Commission encourages the University System, in accordance with the Visiting Committee Report, to continue to refine campus missions in order that campuses serve various geographical areas as well as a diversity of students and constituencies. The University of Maine should develop graduate and research programs in those areas where that campus can compete nationally, while maintaining strong undergraduate programs in all of its colleges. The University of Southern Maine should continue to evolve as a Comprehensive Urban University with

limited graduate programs. The University of Maine at Farmington, University of Maine at Fort Kent, University of Maine at Machias, and University of Maine at Presque Isle should continue to be developed as baccalaureate granting institutions. Additionally, the University of Maine System should develop a community college component, a task which has been delegated to the University of Maine at Augusta. The Commission encourages each campus to fulfill its unique mission with excellence in mind.

**EXHIBIT IV-A  
UNIVERSITY OF MAINE SYSTEM  
CAMPUS ALLOCATIONS**

**Unrestricted E & G Budgeted Expenditures**

Fiscal Year	UM	UMA	UMF	UMFK	UMM	UMPI	USM	CO/SWS	TOTAL
1986	63,472,274	5,757,840	7,472,092	2,518,521	3,083,212	4,931,088	27,220,328	8,225,968	122,661,319
1987	73,249,935	6,578,606	8,860,672	2,698,892	3,624,228	5,452,396	33,180,013	8,741,543	142,384,285
1988	81,168,875	7,106,622	9,922,991	2,990,079	4,071,000	5,890,825	35,939,657	10,184,655	157,274,704
1989	91,326,862	9,468,662	10,793,842	3,302,559	4,345,371	6,553,227	40,477,903	12,035,746	178,304,172
1990	99,912,680	12,350,600	11,563,072	3,559,912	4,650,358	6,867,134	45,556,488	14,076,361	198,536,603
1991	105,251,190	15,053,326	12,515,912	3,772,128	4,862,329	7,061,629	48,121,111	15,195,213	211,832,838

**Unrestricted E & G Budgeted Expenditures - % of System Total**

Fiscal Year	UM	UMA	UMF	UMFK	UMM	UMPI	USM	CO/SWS	TOTAL
1986	51.75%	4.69%	6.09%	2.05%	2.50%	4.02%	22.19%	6.71%	100.00%
1987	51.45%	4.62%	6.22%	1.89%	2.55%	3.83%	23.30%	6.14%	100.00%
1988	51.61%	4.52%	6.31%	1.90%	2.59%	3.75%	22.85%	6.48%	100.00%
1989	51.22%	5.31%	6.05%	1.85%	2.44%	3.68%	22.70%	6.75%	100.00%
1990	50.32%	6.22%	5.82%	1.79%	2.34%	3.46%	22.95%	7.09%	100.00%
1991	49.69%	7.11%	5.91%	1.78%	2.30%	3.33%	22.72%	7.17%	100.00%
Average	51.01%	5.41%	6.07%	1.88%	2.45%	3.68%	22.79%	6.72%	100.00%

**Unrestricted E & G Budgeted Expenditures - % Annual Growth**

Fiscal Year	UM	UMA	UMF	UMFK	UMM	UMPI	USM	CO/SWS	TOTAL
1986	10.94%	6.46%	8.24%	7.60%	8.41%	7.13%	9.08%	23.17%	10.58%
1987	15.40%	14.25%	18.58%	7.08%	18.31%	10.57%	21.89%	6.27%	16.08%
1988	10.81%	8.03%	11.99%	10.87%	12.33%	8.04%	8.32%	16.51%	10.46%
1989	12.51%	33.24%	8.78%	10.45%	6.74%	11.24%	12.63%	18.18%	13.37%
1990	9.40%	30.44%	7.13%	7.79%	7.02%	4.79%	12.55%	16.95%	11.35%
1991	5.34%	21.88%	8.24%	5.96%	4.56%	2.83%	5.63%	7.95%	6.70%
Average	10.69%	18.60%	10.42%	8.28%	9.47%	7.39%	11.57%	14.68%	11.38%

**Unrestricted E & G Budgeted Expenditures - % Real Annual Growth**

Fiscal Year	UM	UMA	UMF	UMFK	UMM	UMPI	USM	CO/SWS	TOTAL
1986	6.04%	1.76%	3.46%	2.85%	3.63%	2.41%	4.27%	17.74%	5.70%
1987	10.80%	9.70%	13.86%	2.81%	13.60%	6.16%	17.03%	2.03%	11.45%
1988	6.14%	3.47%	7.27%	6.20%	7.59%	3.49%	3.75%	11.60%	5.80%
1989	6.26%	25.83%	2.73%	4.31%	0.81%	5.06%	6.37%	11.61%	7.07%
1990	3.20%	23.04%	1.05%	1.68%	0.95%	-1.15%	6.17%	10.32%	5.03%
1991	-0.64%	14.96%	2.09%	-0.06%	-1.38%	-3.01%	-0.37%	1.82%	0.63%
Average	5.24%	12.76%	4.99%	2.95%	4.08%	2.11%	6.07%	9.04%	5.90%

UM - University of Maine  
 UMA - University of Maine at Augusta  
 UMF - University of Maine at Farmington  
 UMFK - University of Maine at Fort Kent  
 UMM - University of Maine at Machias  
 UMPI - University of Maine at Presque Isle  
 USM - University of Southern Maine  
 CO/SWS - Chancellor's Office/System-Wide Services

**EXHIBIT IV-A  
UNIVERSITY OF MAINE SYSTEM  
CAMPUS ALLOCATIONS  
(CONTINUED)**

**General Fund Appropriations**

Fiscal Year	UM	UMA	UMF	UMFK	UMM	UMPI	USM	CO/SWS	TOTAL
1986	39,420,143	3,368,885	4,859,919	1,893,616	2,148,033	3,464,680	16,823,312	5,998,968	77,975,558
1987	50,750,734	4,337,049	6,111,909	2,093,566	2,785,368	4,028,448	22,612,096	6,704,543	99,423,713
1988	58,644,715	4,700,111	6,996,119	2,379,899	3,201,590	4,439,193	24,864,842	8,232,655	111,459,124
1989	64,988,426	6,858,222	7,609,951	2,646,975	3,449,443	5,058,082	28,618,847	10,020,746	129,250,492
1990	67,103,365	8,092,107	7,893,543	2,805,620	3,504,163	5,187,367	31,075,876	11,927,361	137,589,402
1991	69,921,667	10,347,724	8,342,371	2,930,777	3,627,742	5,205,242	32,484,064	13,180,213	146,039,800

**General Fund Appropriations - % of System Total**

Fiscal Year	UM	UMA	UMF	UMFK	UMM	UMPI	USM	CO/SWS	TOTAL
1986	50.55%	4.32%	6.23%	2.43%	2.75%	4.44%	21.58%	7.69%	100.00%
1987	51.04%	4.36%	6.15%	2.11%	2.80%	4.05%	22.74%	6.74%	100.00%
1988	50.82%	4.22%	6.28%	2.14%	2.87%	3.98%	22.31%	7.39%	100.00%
1989	50.28%	5.31%	5.89%	2.05%	2.67%	3.91%	22.14%	7.75%	100.00%
1990	48.77%	5.88%	5.74%	2.04%	2.55%	3.77%	22.59%	8.67%	100.00%
1991	47.88%	7.09%	5.71%	2.01%	2.48%	3.56%	22.24%	9.03%	100.00%
Average	49.89%	5.19%	6.00%	2.13%	2.69%	3.95%	22.27%	7.88%	100.00%

**General Fund Appropriations - % Annual Growth**

Fiscal Year	UM	UMA	UMF	UMFK	UMM	UMPI	USM	CO/SWS	TOTAL
1986	13.37%	13.95%	12.12%	10.04%	9.78%	11.77%	11.94%	36.40%	8.96%
1987	28.74%	28.81%	25.76%	10.56%	29.67%	16.27%	34.41%	11.76%	27.51%
1988	11.61%	8.37%	14.47%	13.68%	14.94%	10.20%	9.96%	22.79%	12.11%
1989	14.73%	45.92%	8.77%	11.22%	7.74%	13.94%	15.10%	21.72%	15.96%
1990	3.25%	17.99%	3.73%	5.99%	1.59%	2.56%	8.59%	19.03%	6.45%
1991	4.20%	27.87%	5.69%	4.46%	3.53%	0.34%	4.53%	10.50%	6.14%
Average	12.35%	23.23%	11.53%	9.28%	10.84%	9.02%	13.71%	20.07%	12.62%

**General Fund Appropriations - % Real Annual Growth**

Fiscal Year	UM	UMA	UMF	UMFK	UMM	UMPI	USM	CO/SWS	TOTAL
1986	8.37%	8.92%	7.18%	5.18%	4.94%	6.84%	7.00%	30.39%	4.15%
1987	23.61%	23.68%	20.75%	6.15%	24.50%	11.64%	29.05%	7.31%	22.42%
1988	6.91%	3.80%	9.64%	8.88%	10.10%	5.55%	5.33%	17.61%	7.38%
1989	8.35%	37.80%	2.73%	5.04%	1.75%	7.61%	8.70%	14.95%	9.52%
1990	-2.60%	11.30%	-2.15%	-0.02%	-4.17%	-3.26%	2.43%	12.28%	0.42%
1991	-1.72%	20.61%	-0.32%	-1.47%	-2.36%	-5.36%	-1.41%	4.23%	0.11%
Average	6.82%	17.16%	6.04%	3.90%	5.38%	3.66%	8.11%	14.16%	7.08%

**Dependence on General Fund Appropriations  
% of E&G Budget by Campus**

Fiscal Year	UM	UMA	UMF	UMFK	UMM	UMPI	USM	CO/SWS	TOTAL
1986	62.11%	58.47%	65.04%	75.19%	70.12%	70.26%	61.80%	72.93%	63.57%
1987	69.28%	65.93%	68.98%	77.63%	76.85%	73.88%	68.15%	76.70%	69.83%
1988	69.79%	66.14%	70.50%	79.59%	78.64%	75.36%	69.18%	80.83%	70.87%
1989	71.16%	72.43%	70.50%	80.15%	79.38%	77.18%	70.70%	83.26%	72.49%
1990	67.16%	65.52%	68.27%	78.81%	75.35%	75.54%	68.21%	84.73%	69.30%
1991	66.43%	68.74%	66.65%	77.70%	74.61%	73.71%	67.50%	86.74%	68.94%
Average	67.66%	66.20%	68.32%	78.18%	75.83%	74.32%	67.59%	80.86%	69.17%



## V. ACTIVITY AND EXPENDITURE ALLOCATIONS

This chapter reviews the actual expenditures of the campuses of the University of Maine System over the five year period from FY 1986 to FY 1990. The basis for this chapter is a very detailed analysis of the actual expenditures for the total University System and each campus, see Exhibit V-A provided at the end of this chapter. These actual expenditures are analyzed by type of expenditure or object code such as salaries, employee benefits, travel, contracts, etc. and by activity such as instruction, research, student aid. This analysis also included a separate accounting of the \$15 million supplemental appropriation in FY 1987. Actual expenditure data shows the effect of the reductions in FY 1990 which represent only a small portion of the reductions. Therefore, a section is included to discuss the budgeted effects for FY 1991.

### Incentive Budgeting

In order to encourage frugality or, more exactly, to discourage excessive spending to use up year-end balances, the Board of Trustees has a policy that 80% of campus year-end budget variances go to an incentive budgeting account for campus discretionary use and 20% is earmarked for maintenance purposes. Although major expenditures from these reserves, like large single-purpose expenditures, generally require advance Trustee or Chancellor approval, the reserves provide a continuing source of off-budget funds for campus Presidents to respond to special opportunities or circumstances. The figures shown below represent 100% of the campus year-end budget variance prior to distribution to incentive budgeting accounts and maintenance reserves. Although the total amount of the variance may seem substantial at \$580,346 in FY 1990, this amount represents approximately 0.3% of the total FY 1990 budget which is actually very close budgeting. Policies at the individual campuses may vary. Some may provide incentives down to department or account level.

#### University of Maine System Incentive Budgeting Distribution FY 1986-FY 1990

	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	SHARE OF FY90 E&G BUDGET
UM	\$ 1,012	\$119,287	\$265,858	\$147,748	\$159,060	0.2%
UMA	86,528	56,702	27,784	5,186	67,652	0.5%
UMF	33,378	63,362	81,480	92,914	66,976	0.6%
UMFK	9,304	13,054	17,666	6,614	12,909	0.4%
UMM	14,562	27,856	54,291	22,902	81,468	1.8%
UMPI	95,167	25,379	51,798	44,974	42,423	0.6%
USM	<u>35,307</u>	<u>58,261</u>	<u>42,462</u>	<u>10,779</u>	<u>149,858</u>	<u>0.3%</u>
TOTAL	\$275,258	\$363,901	\$541,339	\$331,117	\$580,346	0.3%



## University of Maine System

In FY 1986, compensation accounted for 78.4% of E&G expenditures. This percentage dropped to 74.7% in FY 1987 due to the \$15 million supplemental appropriation. Almost 70% of the supplemental appropriation was used for goods and services to bolster departmental operating budgets. This resulted in the goods and services share of expenditures increasing from 21.6% in FY 1986 to 25.3% in FY 1987. In FY 1988 and FY 1989, the University System's highest priority was the improvement of faculty and classified employee salaries and wages. As a result of these actions, compensation's share of expenditures grew from 74.7% in FY 1987 to 75.7% in FY 1989. Compensation's share of expenditures further increased to 76.8% in FY 1990. This increase in FY 1990 was due to the \$3 million deappropriation whereby the University had to make substantial cuts in goods and services budgets, especially telephone, travel, and equipment. Because of the deappropriation, the momentum that resulted from the \$15 million supplemental appropriation is jeopardized.

For each of the campuses, a Table summarizes the impact of the \$15 million down payment, the impact of the FY 1990 budget reductions, and general trends over the 1986-1990 period. The Table highlights those activities and expenditures designated by object code that received a disproportionate increase of the \$15 million down payment or decrease of the FY 1990 reductions.

### University of Maine

<u>Activities</u>	<u>Object Code</u>
<p>\$15 million down payment:</p> <ul style="list-style-type: none"> <li>Academic Support</li> <li>Institutional Support</li> <li>Student Aid</li> <li>Instruction</li> </ul>	<ul style="list-style-type: none"> <li>Equipment</li> <li>Out-of-State</li> <li>Travel</li> </ul>
<p>FY 1990 Reductions:</p> <ul style="list-style-type: none"> <li>Student Aid</li> </ul>	<ul style="list-style-type: none"> <li>Equipment</li> <li>Vehicle</li> <li>Purchases</li> <li>Out-of-state</li> <li>Travel</li> <li>Telephone</li> </ul>
<p>Trends/Comments:</p>	<ul style="list-style-type: none"> <li>Compensation declined then increased from 79.7% to 75.4% to 79.4%.</li> <li>Out-of-state travel; has declined since 1988.</li> <li>Public Service increased from 0.9% to 1.6%</li> <li>Student Aid increased from 1.5% to 2.6%, then declined to 2.4%.</li> <li>Instruction declined from 42.2% to 40.8%.</li> <li>Physical Plant declined from 12.3% to 10.3%.</li> </ul>

## University of Maine at Augusta

	<u>Activities</u>	<u>Object/Code</u>
\$15 million down payment	Academic Support Institutional Support	Compensation Equipment Out of State Travel
FY 1990 Reductions:	Public Service	Insurance Memberships/Subscriptions
Trends/Comments:	Compensation declined from 81% to 70.3% from 1986 to 1990. Equipment increased from 1.2% to 5.8% Instruction declined from 39.8% to 32% Institutional Support increased from 11.6% to 16.3% Academic Support increased from 12.7% to 22.2%	

## University of Maine at Farmington

	<u>Activities</u>	<u>Object Code</u>
\$15 million down payment:	Student Aid Academic Support	Scholarships and Grants
FY 1990 Reductions:	Research Student Aid (slightly)	Student Wages Postage Equipment Vehicles
Trends/Comments:	Compensation declined from 78% to 76.5% Scholarships and Grants increased from 2.4% to 4.4% Instruction declined 49.1% to 47.5% Research and Public Service were new additions.	

## University of Maine at Fort Kent

	<u>Activity</u>	<u>Object</u>
\$15 million down payment:	Academic Support Institution Support Student Aid	Library Acquisitions Student Wages Scholarships and Grants
FY 1990 Reductions:	Academic Support	Postage Computer Services Out-of-State Travel
Trends/Comments:	Compensation declined slightly from 81% to 79.4% Equipment increased from 0.7% to 2.5% Instruction declined from 39.4% to 35.3% Physical Plant declined from 16.4% to 11.8% Public Service was added Student Services increased from 8.4% to 10.9%	

## University of Maine at Machias

	<u>Activity</u>	<u>Object</u>
\$15 million down payment:	Academic Support Student Aid Student Services Instruction	Equipment Library Acquisitions Scholarships and Grants
FY 1990 Reductions:	Research Physical Plant	Vehicles Rentals Maintenance Travel (in-state and out-of-state)
Trends/Comments:	Compensation increased from 76.2% to 78.1% Instruction increased from 34% to 35.9% (peaked in 1988 at 39.5%) Student Aid increased from 4.1% to 5%	

## University of Maine at Presque Isle

	<u>Activity</u>	<u>Object Code</u>
\$15 million down payment:	Academic Support Institutional Support Public Service	Equipment Library Acquisitions Out-of-state travel
FY 1990 Reductions:	Public Service Institution Support	Contracts Memberships/Subscriptions Printing/Photocopy Travel Equipment
Trends/Comments:	Compensation declined from 80.3% to 78.6% Equipment increased from 1.2% to 2.1% Instruction declined from 46.7% to 42.1% Student Services increased from 7.7% to 8.9% Academic Support increased from 7.7% to 9.3%	

## University of Southern Maine

<u>Activity</u>	<u>Object and Code</u>
\$15 million down payment:	Instruction Academic Support Student Aid
	Equipment Library Acquisitions Scholarships and Grants Maintenance Out of state Travel
FY 1990 Reductions:	Research Public Service
	Telephone Travel
Trends/Comments:	Compensation declined from 79.6% to 77.9% Equipment increased from 1.7% to 2.4% Library Acquisitions increased from 1.9% to 2.3% Instruction declined from 40.4% to 38.4% Institutional Support declined from 11.5% to 10.3% Student Services increased from 8.0% to 10.0%

### Impact of FY 1991 Reductions

The table below summarizes the impact in FY 1991 of the budget reductions. It includes the number of Full-Time Equivalent (FTE) personnel to be laid off and the percentage of the reductions in expenditures for travel, equipment, and other operating costs. These expenditures and the percent reduction are based on budgeted amounts not actual expenditures as in the previous sections of this chapter.

	<u>REDUCTIONS IN FTE PERSONNEL</u>	<u>BUDGET REDUCTIONS</u>		
		TRAVEL	EQUIPMENT	OTHER OPERATING*
UM	97	16.7%	19.6%	10.0%
UMA	8	9.7	0.6	2.2
UMF	6	22.8	42.3	8.4
UMFK	4	7.3	11.6	7.9
UMM	2	32.1	8.3	13.3
UMPI	5	12.8	42.9	7.9
USM	32	8.1	18.5	6.2
CO/SWS	<u>6</u>	<u>16.8</u>	<u>12.8</u>	<u>2.6</u>
	160	15.3%	15.4%	7.3%

\* Includes utilities, maintenance, library acquisitions, supplies, etc.

## **Conclusions and Recommendations**

The analysis by the Commission of the expenditure and activity allocations of the individual campuses highlighted that the University of Maine System was forced to cut back in many of the same activities and expenditures during the 1990-1991 biennium that received additional attention as part of the \$15 million down payment in 1987. In particular, travel and equipment received the largest increases during 1987, but have also been targeted for the largest reductions during the 1990-1991 biennium.

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### SYSTEM TOTAL

By Object Code	FY86	FY87		FY88	FY89	FY90	
		Excluding \$15.0 M	\$15.0 M Only				
Salaries	\$52,686,397	\$55,726,427	\$2,369,934	\$58,096,361	\$67,449,963	\$76,907,175	\$85,257,220
Wages	16,961,826	17,920,417	476,320	18,396,737	20,239,783	24,386,500	26,316,557
Student Wages	2,710,349	2,579,477	859,638	3,439,115	3,898,004	4,323,127	4,976,823
Employee Benefits	14,718,092	18,721,159	1,749	18,722,908	21,108,937	26,022,686	28,561,132
Subtotal Compensation	87,076,664	94,947,480	3,707,641	98,655,121	112,696,687	131,639,488	145,111,732
Outside Services	1,552,858	2,006,228	309,334	2,315,562	2,502,406	2,771,914	3,185,060
Memberships/Subscriptions	346,277	403,634	46,430	450,064	507,730	581,429	654,002
Supplies & Materials	2,456,134	2,570,678	540,455	3,111,133	3,264,330	3,638,306	3,697,581
Telephone	1,752,549	1,924,998	98,521	2,023,519	2,062,020	2,498,220	2,212,982
Postage & Shipping	745,593	852,198	49,757	901,955	994,153	1,229,992	1,253,075
Printing & Photocopying	1,354,522	1,356,998	241,489	1,598,487	1,802,424	2,102,932	2,344,012
Computer Services	501,926	499,551	21,382	520,933	577,771	599,245	679,514
In-State Travel	843,144	852,550	113,028	965,578	1,040,318	1,172,431	1,135,673
Out-of-State Travel	1,727,070	1,624,243	674,085	2,298,328	2,814,510	3,132,771	2,633,203
Heating Fuels	1,128,328	877,895	(10,347)	867,548	913,240	1,027,899	1,291,951
Vehicle Fuels	102,158	82,002	56	82,058	97,242	137,283	135,678
Electricity	1,558,914	1,608,620	0	1,608,620	1,721,038	2,081,852	2,228,870
Water & Sewer	186,393	236,003	372	236,375	248,459	330,471	338,083
Insurance	561,457	725,007	750	725,757	850,951	1,188,602	1,504,308
Maintenance & Alterations	3,557,745	3,696,695	811,305	4,508,000	4,470,563	5,117,691	5,322,696
Rentals	754,565	272,349	8,000	280,349	527,256	1,138,376	2,166,513
Scholarships & Grants	1,431,269	1,926,159	852,853	2,779,012	2,958,670	3,654,757	3,732,158
Equipment	2,390,847	2,703,200	2,973,895	5,677,095	6,087,019	6,522,987	5,855,606
Library Acquisitons	1,921,541	1,791,289	801,914	2,593,203	2,787,897	3,060,026	3,280,786
Vehicle Purchases	79,681	30,093	54,995	85,088	193,978	85,453	56,537
Other/Credits	(941,955)	(1,095,016)	830,057	(264,959)	381,732	222,449	77,272
Subtotal Goods & Services	24,011,016	24,945,374	8,418,331	33,363,705	36,803,707	42,295,086	43,785,560
<b>Grand Total by Object Code</b>	<b>\$111,087,680</b>	<b>\$119,892,854</b>	<b>\$12,125,972</b>	<b>\$132,018,826</b>	<b>\$149,500,394</b>	<b>\$173,934,574</b>	<b>\$188,897,292</b>
<b>By Activity</b>							
Instruction	\$43,977,306	\$45,948,325	\$5,210,289	\$51,158,614	\$57,521,300	\$65,598,235	\$71,187,385
Research	1,024,276	1,127,870	205,778	1,333,648	1,443,161	1,821,300	1,926,339
Public Service	1,176,607	1,265,596	284,148	1,549,744	2,421,666	2,732,048	2,913,890
Academic Support	13,315,489	13,479,344	2,860,893	16,340,237	19,608,503	21,247,249	23,325,995
Student Services	9,916,535	10,340,538	681,792	11,022,330	12,734,452	15,411,922	16,944,482
Institutional Support	12,319,205	13,346,295	1,137,391	14,483,686	16,141,290	18,990,929	20,371,270
Physical Plant	12,514,578	13,128,679	648,762	13,777,441	14,878,728	17,815,884	19,147,310
Student Aid	2,125,590	2,535,048	1,095,170	3,630,218	3,642,357	4,294,324	4,519,490
Employee Benefits	14,718,094	18,721,159	1,749	18,722,908	21,108,937	26,022,683	28,561,131
<b>Total by Activity</b>	<b>\$111,087,680</b>	<b>\$119,892,854</b>	<b>\$12,125,972</b>	<b>\$132,018,826</b>	<b>\$149,500,394</b>	<b>\$173,934,574</b>	<b>\$188,897,292</b>

NOTE: Totals do not equal due to transfers.

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### PERCENTAGE DISTRIBUTION

#### SYSTEM TOTAL

By Object Code	FY86	FY87			FY88	FY89	FY90
		Excluding \$15.0 M	\$15.0 M Only	Including \$15.0 M			
Salaries	47.4	46.5	19.5	44.0	45.1	44.2	45.1
Wages	15.3	14.9	3.9	13.9	13.5	14.0	13.9
Student Wages	2.4	2.2	7.1	2.6	2.6	2.5	2.6
Employee Benefits	13.2	15.6	0.0	14.2	14.1	15.0	15.1
Subtotal Compensation	78.4	79.2	30.6	74.7	75.4	75.7	76.8
Outside Services	1.4	1.7	2.6	1.8	1.7	1.6	1.7
Memberships/Subscriptions	0.3	0.3	0.4	0.3	0.3	0.3	0.3
Supplies & Materials	2.2	2.1	4.5	2.4	2.2	2.1	2.0
Telephone	1.6	1.6	0.8	1.5	1.4	1.4	1.2
Postage & Shipping	0.7	0.7	0.4	0.7	0.7	0.7	0.7
Printing & Photocopying	1.2	1.1	2.0	1.2	1.2	1.2	1.2
Computer Services	0.5	0.4	0.2	0.4	0.4	0.3	0.4
In-State Travel	0.8	0.7	0.9	0.7	0.7	0.7	0.6
Out-of-State Travel	1.6	1.4	5.6	1.7	1.9	1.8	1.4
Heating Fuels	1.0	0.7	(0.1)	0.7	0.6	0.6	0.7
Vehicle Fuels	0.1	0.1	0.0	0.1	0.1	0.1	0.1
Electricity	1.4	1.3	0.0	1.2	1.2	1.2	1.2
Water & Sewer	0.2	0.2	0.0	0.2	0.2	0.2	0.2
Insurance	0.5	0.6	0.0	0.5	0.6	0.7	0.8
Maintenance & Alterations	3.2	3.1	6.7	3.4	3.0	2.9	2.8
Rentals	0.7	0.2	0.1	0.2	0.4	0.7	1.1
Scholarships & Grants	1.3	1.6	7.0	2.1	2.0	2.1	2.0
Equipment	2.2	2.3	24.5	4.3	4.1	3.8	3.1
Library Acquisisitons	1.7	1.5	6.6	2.0	1.9	1.8	1.7
Vehicle Purchases	0.1	0.0	0.5	0.1	0.1	0.0	0.0
Other/Credits	(0.8)	(0.9)	6.8	(0.2)	0.3	0.1	0.0
Subtotal Goods & Services	21.6	20.8	69.4	25.3	24.6	24.3	23.2
<b>Grand Total by Object Code</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>By Activity</b>							
Instruction	39.6	38.3	43.0	38.8	38.5	37.7	37.7
Research	0.9	0.9	1.7	1.0	1.0	1.0	1.0
Public Service	1.1	1.1	2.3	1.2	1.6	1.6	1.5
Academic Support	12.0	11.2	23.6	12.4	13.1	12.2	12.3
Student Services	8.9	8.6	5.6	8.3	8.5	8.9	9.0
Institutional Support	11.1	11.1	9.4	11.0	10.8	10.9	10.8
Physical Plant	11.3	11.0	5.4	10.4	10.0	10.2	10.1
Student Aid	1.9	2.1	9.0	2.7	2.4	2.5	2.4
Employee Benefits	13.2	15.6	0.0	14.2	14.1	15.0	15.1
<b>Total by Activity</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

NOTE: Detail may not add to total due to rounding.

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### ANNUAL PERCENTAGE INCREASE

#### SYSTEM TOTAL

By Object Code	FY87*	FY88	FY89	FY90
Salaries	10.3	16.1	14.0	10.9
Wages	8.5	10.0	20.5	7.9
Student Wages	26.9	13.3	10.9	15.1
Employee Benefits	27.2	12.7	23.3	9.8
Subtotal Compensation	13.3	14.2	16.8	10.2
Outside Services	49.1	8.1	10.8	14.9
Memberships/Subscriptions	30.0	12.8	14.5	12.5
Supplies & Materials	26.7	4.9	11.5	1.6
Telephone	15.5	1.9	21.2	(11.4)
Postage & Shipping	21.0	10.2	23.7	1.9
Printing & Photocopying	18.0	12.8	16.7	11.5
Computer Services	3.8	10.9	3.7	13.4
In-State Travel	14.5	7.7	12.7	(3.1)
Out-of-State Travel	33.1	22.5	11.3	(15.9)
Heating Fuels	(23.1)	5.3	12.6	25.7
Vehicle Fuels	(19.7)	18.5	41.2	(1.2)
Electricity	3.2	7.0	21.0	7.1
Water & Sewer	26.8	5.1	33.0	2.3
Insurance	29.3	17.3	39.7	26.6
Maintenance & Alterations	26.7	(0.8)	14.5	4.0
Rentals	(62.8)	88.1	115.9	90.3
Scholarships & Grants	94.2	6.5	23.5	2.1
Equipment	137.5	7.2	7.2	(10.2)
Library Acquisitions	35.0	7.5	9.8	7.2
Vehicle Purchases	6.8	128.0	(55.9)	(33.8)
Other/Credits	(71.9)	(244.1)	(41.7)	(65.3)
Subtotal Goods & Services	39.0	10.3	14.9	3.5
Grand Total by Object Code	18.8	13.2	16.3	8.6
<b>By Activity</b>				
Instruction	16.3	12.4	14.0	8.5
Research	30.2	8.2	26.2	5.8
Public Service	31.7	56.3	12.8	6.7
Academic Support	22.7	20.0	8.4	9.8
Student Services	11.2	15.5	21.0	9.9
Institutional Support	17.6	11.4	17.7	7.3
Physical Plant	10.1	8.0	19.7	7.5
Student Aid	70.8	0.3	17.9	5.2
Employee Benefits	27.2	12.7	23.3	9.8
Total by Activity	18.8	13.2	16.3	8.6

\* Including \$15.0 million supplemental appropriation.



# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### UM

By Object Code	FY86	FY87			FY88	FY89	FY90
		Excluding \$15.0 M	\$15.0 M Only	Including \$15.0 M			
Salaries	\$24,935,440	\$26,511,602	\$1,103,173	\$27,614,775	\$32,329,161	\$36,928,380	\$40,922,550
Wages	9,666,160	10,222,140	115,418	10,337,558	11,330,518	13,446,675	14,384,454
Student Wages	1,586,570	1,516,696	593,552	2,110,248	2,499,061	2,826,170	3,106,470
Employee Benefits	7,193,632	9,599,269	1,052	9,600,321	10,745,750	12,960,254	14,204,083
Subtotal Compensation	43,381,802	47,849,707	1,813,195	49,662,902	56,904,490	66,161,479	72,617,557
Outside Services	439,828	483,655	132,526	616,181	784,826	922,644	968,597
Memberships/Subscriptions	129,478	157,148	25,210	182,358	235,685	254,974	309,817
Supplies & Materials	1,236,728	1,166,360	359,911	1,526,271	1,672,016	1,761,293	1,778,139
Telephone	790,934	720,615	44,598	765,213	823,820	959,682	732,190
Postage & Shipping	322,710	376,374	28,878	405,252	429,046	505,780	510,346
Printing & Photocopying	662,836	587,509	154,634	742,143	852,574	903,437	984,182
Computer Services	225,690	219,912	11,501	231,413	263,896	268,449	327,600
In-State Travel	247,605	246,233	79,643	325,876	359,706	400,654	400,717
Out-of-State Travel	1,118,405	1,034,871	434,445	1,469,316	1,835,007	1,998,779	1,649,991
Heating Fuels	577,344	414,586	0	414,586	441,081	464,410	684,384
Vehicle Fuels	70,598	58,129	56	58,185	61,705	104,449	85,982
Electricity	987,095	1,005,695	0	1,005,695	1,090,324	1,382,375	1,384,777
Water & Sewer	109,434	156,961	19	156,980	187,368	186,176	241,421
Insurance	2,852	4,938	0	4,938	12,361	32,702	30,663
Maintenance & Alterations	2,076,310	2,141,044	424,367	2,565,411	2,421,784	2,866,365	2,732,811
Rentals	116,114	132,402	3,325	135,727	153,573	218,291	256,624
Scholarships & Grants	826,533	1,214,857	361,239	1,576,096	1,702,801	2,226,016	2,232,882
Equipment	1,304,199	1,208,430	1,946,909	3,155,339	3,445,306	3,243,729	2,459,763
Library Acquisitons	1,111,712	1,077,907	313,600	1,391,507	1,556,866	1,769,085	1,822,052
Vehicle Purchases	19,700	2,783	0	2,783	162,141	40,342	19,479
Other/Credits	(1,304,924)	(1,435,291)	607,191	(828,100)	(887,842)	(943,625)	(778,323)
Subtotal Goods & Services	11,071,181	10,975,118	4,928,052	15,903,170	17,604,044	19,566,007	18,834,094
<b>Grand Total by Object Code</b>	<b>\$54,452,983</b>	<b>\$58,824,825</b>	<b>\$6,741,247</b>	<b>\$65,566,072</b>	<b>\$74,508,534</b>	<b>\$85,727,486</b>	<b>\$91,451,651</b>
<b>By Activity</b>							
Instruction	\$22,956,865	\$24,135,636	\$2,914,451	\$27,050,087	\$30,698,785	\$34,786,465	\$37,332,389
Research	841,797	864,530	202,450	1,066,980	1,170,056	1,639,159	1,796,603
Public Service	499,163	485,649	249,632	735,281	1,350,227	1,264,848	1,445,058
Academic Support	5,357,772	5,259,443	1,516,383	6,775,826	7,565,353	8,216,800	8,575,942
Student Services	5,577,012	5,592,480	296,505	5,888,985	7,001,206	8,347,432	9,017,439
Institutional Support	4,553,979	4,794,486	875,232	5,669,718	6,590,977	7,316,569	7,512,678
Physical Plant	6,675,549	6,929,391	284,061	7,213,452	7,716,455	8,983,551	9,379,605
Student Aid	797,214	1,163,941	401,481	1,565,422	1,669,725	2,212,408	2,187,854
Employee Benefits	7,193,632	9,599,269	1,052	9,600,321	10,745,750	12,960,254	14,204,083
<b>Total by Activity</b>	<b>\$54,452,983</b>	<b>\$58,824,825</b>	<b>\$6,741,247</b>	<b>\$65,566,072</b>	<b>\$74,508,534</b>	<b>\$85,727,486</b>	<b>\$91,451,651</b>

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### PERCENTAGE DISTRIBUTION

#### UM

By Object Code	FY86	FY87		FY88	FY89	FY90
		Excluding \$15.0 M	\$15.0 M Only			
Salaries	45.8	45.1	16.4	42.1	43.4	44.7
Wages	17.8	17.4	1.7	15.8	15.2	15.7
Student Wages	2.9	2.6	8.8	3.2	3.4	3.4
Employee Benefits	13.2	16.3	0.0	14.6	14.4	15.5
Subtotal Compensation	79.7	81.3	26.9	75.7	76.4	79.4
Outside Services	0.8	0.8	2.0	0.9	1.1	1.1
Memberships/Subscriptions	0.2	0.3	0.4	0.3	0.3	0.3
Supplies & Materials	2.3	2.0	5.3	2.3	2.2	1.9
Telephone	1.5	1.2	0.7	1.2	1.1	0.8
Postage & Shipping	0.6	0.6	0.4	0.6	0.6	0.6
Printing & Photocopying	1.2	1.0	2.3	1.1	1.1	1.1
Computer Services	0.4	0.4	0.2	0.4	0.4	0.4
In-State Travel	0.5	0.4	1.2	0.5	0.5	0.4
Out-of-State Travel	2.1	1.8	6.4	2.2	2.5	1.8
Heating Fuels	1.1	0.7	0.0	0.6	0.6	0.7
Vehicle Fuels	0.1	0.1	0.0	0.1	0.1	0.1
Electricity	1.8	1.7	0.0	1.5	1.5	1.5
Water & Sewer	0.2	0.3	0.0	0.2	0.3	0.3
Insurance	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance & Alterations	3.8	3.6	6.3	3.9	3.3	3.0
Rentals	0.2	0.2	0.0	0.2	0.2	0.3
Scholarships & Grants	1.5	2.1	5.4	2.4	2.3	2.4
Equipment	2.4	2.1	28.9	4.8	4.6	2.7
Library Acquisitions	2.0	1.8	4.7	2.1	2.1	2.0
Vehicle Purchases	0.0	0.0	0.0	0.0	0.2	0.0
Other/Credits	(2.4)	(2.4)	9.0	(1.3)	(1.2)	(0.9)
Subtotal Goods & Services	20.3	18.7	73.1	24.3	23.6	20.6
<b>Grand Total by Object Code</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>By Activity</b>						
Instruction	42.2	41.0	43.2	41.3	41.2	40.8
Research	1.5	1.5	3.0	1.6	1.6	2.0
Public Service	0.9	0.8	3.7	1.1	1.8	1.6
Academic Support	9.8	8.9	22.5	10.3	10.2	9.4
Student Services	10.2	9.5	4.4	9.0	9.4	9.9
Institutional Support	8.4	8.2	13.0	8.6	8.8	8.2
Physical Plant	12.3	11.8	4.2	11.0	10.4	10.3
Student Aid	1.5	2.0	6.0	2.4	2.2	2.4
Employee Benefits	13.2	16.3	0.0	14.6	14.4	15.5
<b>Total by Activity</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

NOTE: Detail may not add to total due to rounding.

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### ANNUAL PERCENTAGE INCREASE

#### UM

By Object Code	FY87*	FY88	FY89	FY90
Salaries	10.7	17.1	14.2	10.8
Wages	6.9	9.6	18.7	7.0
Student Wages	33.0	18.4	13.1	9.9
Employee Benefits	33.5	11.9	20.6	9.6
Subtotal Compensation	14.5	14.6	16.3	9.8
Outside Services	40.1	27.4	17.6	5.0
Memberships/Subscriptions	40.8	29.2	8.2	21.5
Supplies & Materials	23.4	9.5	5.3	1.0
Telephone	(3.3)	7.7	16.5	(23.7)
Postage & Shipping	25.6	5.9	17.9	0.9
Printing & Photocopying	12.0	14.9	6.0	8.9
Computer Services	2.5	14.0	1.7	22.0
In-State Travel	31.6	10.4	11.4	0.0
Out-of-State Travel	31.4	24.9	8.9	(17.5)
Heating Fuels	(28.2)	6.4	5.3	47.4
Vehicle Fuels	(17.6)	6.0	69.3	(17.7)
Electricity	1.9	8.4	26.8	0.2
Water & Sewer	43.4	19.4	(0.6)	29.7
Insurance	73.1	150.3	164.6	(6.2)
Maintenance & Alterations	23.6	(5.6)	18.4	(4.7)
Rentals	16.9	13.1	42.1	17.6
Scholarships & Grants	90.7	8.0	30.7	0.3
Equipment	141.9	9.2	(5.9)	(24.2)
Library Acquisitions	25.2	11.9	13.6	3.0
Vehicle Purchases	(85.9)	5,726.1	(75.1)	(51.7)
Other/Credits	(36.5)	7.2	6.3	(17.5)
Subtotal Goods & Services	43.6	10.7	11.1	(3.7)
<b>Grand Total by Object Code</b>	<b>20.4</b>	<b>13.6</b>	<b>15.1</b>	<b>6.7</b>
<b>By Activity</b>				
Instruction	17.8	13.5	13.3	7.3
Research	26.8	9.7	40.1	9.6
Public Service	47.3	83.6	(6.3)	14.2
Academic Support	26.5	11.7	8.6	4.4
Student Services	5.6	18.9	19.2	8.0
Institutional Support	24.5	16.2	11.0	2.7
Physical Plant	8.1	7.0	16.4	4.4
Student Aid	96.4	6.7	32.5	(1.1)
Employee Benefits	33.5	11.9	20.6	9.6
<b>Total by Activity</b>	<b>20.4</b>	<b>13.6</b>	<b>15.1</b>	<b>6.7</b>

\* Including \$15.0 million supplemental appropriation.

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### UMA

By Object Code	FY86	FY87			FY88	FY89	FY90
		Excluding \$15.0 M	\$15.0 M Only	Including \$15.0 M			
Salaries	\$3,010,747	\$3,087,774	\$69,084	\$3,156,858	\$3,636,834	\$4,394,378	\$5,113,903
Wages	642,352	659,326	71,450	730,776	855,321	1,051,945	1,304,628
Student Wages	55,110	65,473	0	65,473	71,305	14,545	39,723
Employee Benefits	683,011	749,334	0	749,334	1,161,137	1,114,982	1,241,976
Subtotal Compensation	4,391,220	4,561,907	140,534	4,702,441	5,724,597	6,575,850	7,700,230
Outside Services	57,724	64,813	34,295	99,108	200,780	204,024	411,403
Memberships/Subscriptions	14,560	18,105	66	18,171	20,016	36,346	27,555
Supplies & Materials	82,173	102,544	14,406	116,950	154,856	167,727	286,456
Telephone	81,994	93,929	1,161	95,090	122,545	106,130	219,808
Postage & Shipping	33,508	42,328	11,401	53,729	55,449	98,836	130,260
Printing & Photocopying	68,948	61,458	34,145	95,603	116,198	173,131	248,804
Computer Services	35,928	45,336	0	45,336	50,729	44,883	51,836
In-State Travel	54,745	70,935	3,209	74,144	83,687	125,458	127,869
Out-of-State Travel	21,168	15,620	22,028	37,648	48,548	87,306	92,552
Heating Fuels	41,969	31,069	(10,347)	20,722	33,983	42,737	34,348
Vehicle Fuels	1,816	2,298	0	2,298	2,176	2,852	4,156
Electricity	92,239	88,725	0	88,725	92,425	87,522	101,453
Water & Sewer	6,128	6,372	353	6,725	8,926	10,440	11,376
Insurance	922	301	134	435	1,728	2,277	1,231
Maintenance & Alterations	47,159	113,198	34,115	147,313	171,013	127,251	168,296
Rentals	138,578	169,647	582	170,229	190,595	218,574	212,671
Scholarships & Grants	59,768	80,169	0	80,169	85,153	131,007	134,595
Equipment	63,926	76,054	225,258	301,312	189,662	217,867	634,950
Library Acquisitions	97,473	85,919	7,300	93,219	85,713	100,615	147,363
Vehicle Purchases	10,130	0	35,147	35,147	1,399	0	20,807
Other/Credits	16,034	(12,805)	7,345	(5,460)	47,004	110,313	180,483
Subtotal Goods & Services	1,026,890	1,156,015	420,598	1,576,613	1,762,585	2,095,296	3,248,272
<b>Grand Total by Object Code</b>	<b>\$5,418,110</b>	<b>\$5,717,922</b>	<b>\$561,132</b>	<b>\$6,279,054</b>	<b>\$7,487,182</b>	<b>\$8,671,146</b>	<b>\$10,948,502</b>
<b>By Activity</b>							
Instruction	\$2,154,822	\$2,211,869	\$93,890	\$2,305,759	\$2,566,834	\$3,063,678	\$3,500,394
Research	0	0	0	0	0	0	0
Public Service	209,734	238,448	15,125	253,573	360,357	459,863	400,626
Academic Support	685,710	657,369	238,114	895,483	1,127,874	1,337,619	2,430,711
Student Services	457,919	485,323	19,452	504,775	489,160	588,266	590,540
Institutional Support	625,883	668,260	134,223	802,483	928,300	1,294,720	1,786,764
Physical Plant	490,125	567,729	60,328	628,057	710,497	692,892	862,900
Student Aid	110,905	139,590	0	139,590	143,023	119,127	134,591
Employee Benefits	683,012	749,334	0	749,334	1,161,137	1,114,981	1,241,976
<b>Total by Activity</b>	<b>\$5,418,110</b>	<b>\$5,717,922</b>	<b>\$561,132</b>	<b>\$6,279,054</b>	<b>\$7,487,182</b>	<b>\$8,671,146</b>	<b>\$10,948,502</b>

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### PERCENTAGE DISTRIBUTION

#### UMA

By Object Code	FY86	FY87			FY88	FY89	FY90
		Excluding \$15.0 M	\$15.0 M Only	Including \$15.0 M			
Salaries	55.6	54.0	12.3	50.3	48.6	50.7	46.7
Wages	11.9	11.5	12.7	11.6	11.4	12.1	11.9
Student Wages	1.0	1.1	0.0	1.0	1.0	0.2	0.4
Employee Benefits	12.6	13.1	0.0	11.9	15.5	12.9	11.3
Subtotal Compensation	81.0	79.8	25.0	74.9	76.5	75.8	70.3
Outside Services	1.1	1.1	6.1	1.6	2.7	2.4	3.8
Memberships/Subscriptions	0.3	0.3	0.0	0.3	0.3	0.4	0.3
Supplies & Materials	1.5	1.8	2.6	1.9	2.1	1.9	2.6
Telephone	1.5	1.6	0.2	1.5	1.6	1.2	2.0
Postage & Shipping	0.6	0.7	2.0	0.9	0.7	1.1	1.2
Printing & Photocopying	1.3	1.1	6.1	1.5	1.6	2.0	2.3
Computer Services	0.7	0.8	0.0	0.7	0.7	0.5	0.5
In-State Travel	1.0	1.2	0.6	1.2	1.1	1.4	1.2
Out-of-State Travel	0.4	0.3	3.9	0.6	0.6	1.0	0.8
Heating Fuels	0.8	0.5	(1.8)	0.3	0.5	0.5	0.3
Vehicle Fuels	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Electricity	1.7	1.6	0.0	1.4	1.2	1.0	0.9
Water & Sewer	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance & Alterations	0.9	2.0	6.1	2.3	2.3	1.5	1.5
Rentals	2.6	3.0	0.1	2.7	2.5	2.5	1.9
Scholarships & Grants	1.1	1.4	0.0	1.3	1.1	1.5	1.2
Equipment	1.2	1.3	40.1	4.8	2.5	2.5	5.8
Library Acquisitons	1.8	1.5	1.3	1.5	1.1	1.2	1.3
Vehicle Purchases	0.2	0.0	6.3	0.6	0.0	0.0	0.2
Other/Credits	0.3	(0.2)	1.3	(0.1)	0.6	1.3	1.6
Subtotal Goods & Services	19.0	20.2	75.0	25.1	23.5	24.2	29.7
Grand Total by Object Code	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>By Activity</b>							
Instruction	39.8	38.7	16.7	36.7	34.3	35.3	32.0
Research	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Service	3.9	4.2	2.7	4.0	4.8	5.3	3.7
Academic Support	12.7	11.5	42.4	14.3	15.1	15.4	22.2
Student Services	8.5	8.5	3.5	8.0	6.5	6.8	5.4
Institutional Support	11.6	11.7	23.9	12.8	12.4	14.9	16.3
Physical Plant	9.0	9.9	10.8	10.0	9.5	8.0	7.9
Student Aid	2.0	2.4	0.0	2.2	1.9	1.4	1.2
Employee Benefits	12.6	13.1	0.0	11.9	15.5	12.9	11.3
Total by Activity	100.0	100.0	100.0	100.0	100.0	100.0	100.0

NOTE: Detail may not add to total due to rounding.

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### ANNUAL PERCENTAGE INCREASE

##### UMA

By Object Code	FY87*	FY88	FY89	FY90
Salaries	4.9	15.2	20.8	16.4
Wages	13.8	17.0	23.0	24.0
Student Wages	18.8	8.9	(79.6)	173.1
Employee Benefits	9.7	55.0	(4.0)	11.4
Subtotal Compensation	7.1	21.7	14.9	17.1
Outside Services	71.7	102.6	1.6	101.6
Memberships/Subscriptions	24.8	10.2	81.6	(24.2)
Supplies & Materials	42.3	32.4	8.3	70.8
Telephone	16.0	28.9	(13.4)	107.1
Postage & Shipping	60.3	3.2	78.2	31.8
Printing & Photocopying	38.7	21.5	49.0	43.7
Computer Services	26.2	11.9	(11.5)	15.5
In-State Travel	35.4	12.9	49.9	1.9
Out-of-State Travel	77.9	29.0	79.8	6.0
Heating Fuels	(50.6)	64.0	25.8	(19.6)
Vehicle Fuels	26.5	(5.3)	31.1	45.7
Electricity	(3.8)	4.2	(5.3)	15.9
Water & Sewer	9.7	32.7	17.0	9.0
Insurance	(52.8)	297.2	31.8	(45.9)
Maintenance & Alterations	212.4	16.1	(25.6)	32.3
Rentals	22.8	12.0	14.7	(2.7)
Scholarships & Grants	34.1	6.2	53.8	2.7
Equipment	371.3	(37.1)	14.9	191.4
Library Acquisitions	(4.4)	(8.1)	17.4	46.5
Vehicle Purchases	247.0	(96.0)	(100.0)	0.0
Other/Credits	(134.1)	(960.9)	134.7	63.6
Subtotal Goods & Services	53.5	11.8	18.9	55.0
Grand Total by Object Code	15.9	19.2	15.8	26.3
<b>By Activity</b>				
Instruction	7.0	11.3	19.4	14.3
Research	0.0	0.0	0.0	0.0
Public Service	20.9	42.1	27.6	(12.9)
Academic Support	30.6	26.0	18.6	81.7
Student Services	10.2	(3.1)	20.3	0.4
Institutional Support	28.2	15.7	39.5	38.0
Physical Plant	28.1	13.1	(2.5)	24.5
Student Aid	25.9	2.5	(16.7)	13.0
Employee Benefits	9.7	55.0	(4.0)	11.4
Total by Activity	15.9	19.2	15.8	26.3

\* Including \$15.0 million supplemental appropriation.

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### UMF

By Object Code	FY87				FY88	FY89	FY90
	FY86	Excluding \$15.0 M	\$15.0 M Only	Including \$15.0 M			
Salaries	\$3,981,326	\$4,179,465	\$203,935	\$4,383,400	\$4,879,224	\$5,465,175	\$5,920,951
Wages	948,373	1,027,278	102,329	1,129,607	1,224,760	1,429,703	1,551,257
Student Wages	135,787	121,047	7,719	128,766	113,184	117,499	102,557
Employee Benefits	923,995	1,164,731	605	1,165,336	1,186,216	1,621,738	1,694,699
Subtotal Compensation	<u>5,989,481</u>	<u>6,492,521</u>	<u>314,588</u>	<u>6,807,109</u>	<u>7,403,384</u>	<u>8,634,115</u>	<u>9,269,464</u>
Outside Services	152,192	263,540	34,432	297,972	265,985	305,138	300,158
Memberships/Subscriptions	21,440	26,595	262	26,857	29,095	28,947	33,923
Supplies & Materials	197,965	224,984	24,299	249,283	274,677	313,857	312,994
Telephone	130,880	142,197	41	142,238	153,434	132,322	134,653
Postage & Shipping	68,830	77,761	522	78,283	75,477	102,533	92,207
Printing & Photocopying	116,336	115,334	1,182	116,516	130,427	144,022	171,895
Computer Services	28,350	28,145	0	28,145	27,964	27,587	32,228
In-State Travel	87,452	84,887	14,027	98,914	102,626	112,684	123,525
Out-of-State Travel	135,201	129,868	20,676	150,544	179,447	219,441	259,181
Heating Fuels	97,549	78,929	0	78,929	80,685	91,531	95,881
Vehicle Fuels	1,072	980	0	980	1,715	1,301	1,796
Electricity	102,291	98,984	0	98,984	101,019	108,035	129,246
Water & Sewer	13,665	14,425	0	14,425	15,612	14,705	16,381
Insurance	1,470	1,971	0	1,971	1,334	1,958	3,615
Maintenance & Alterations	45,739	45,651	10,513	56,164	39,447	58,511	74,627
Rentals	15,940	17,199	36	17,235	10,861	11,804	10,947
Scholarships & Grants	181,143	189,624	350,000	539,624	545,153	524,588	527,107
Equipment	140,328	178,375	52,993	231,368	178,824	251,800	224,474
Library Acquisitions	81,506	82,415	18,000	100,415	102,061	106,268	107,420
Vehicle Purchases	11,847	0	0	0	0	26,328	16,200
Other/Credits	57,980	50,656	3,459	54,115	85,123	77,018	179,453
Subtotal Goods & Services	<u>1,689,176</u>	<u>1,852,520</u>	<u>530,442</u>	<u>2,382,962</u>	<u>2,400,966</u>	<u>2,660,378</u>	<u>2,847,911</u>
<b>Grand Total by Object Code</b>	<u><u>\$7,678,657</u></u>	<u><u>\$8,345,041</u></u>	<u><u>\$845,030</u></u>	<u><u>\$9,190,071</u></u>	<u><u>\$9,804,350</u></u>	<u><u>\$11,294,493</u></u>	<u><u>\$12,117,375</u></u>
<b>By Activity</b>							
Instruction	\$3,769,029	\$3,925,683	\$282,881	\$4,208,564	\$4,628,311	\$5,215,032	\$5,752,799
Research	0	0	0	0	13,517	45,861	31,652
Public Service	0	0	0	0	87,098	124,708	133,637
Academic Support	569,750	671,387	85,318	756,705	746,569	820,963	923,269
Student Services	772,151	800,579	45,967	846,546	922,166	991,290	1,047,643
Institutional Support	633,483	653,777	8,830	662,607	681,131	862,085	926,302
Physical Plant	714,404	831,980	71,429	903,409	893,713	989,868	989,402
Student Aid	295,845	296,904	350,000	646,904	645,629	622,948	617,972
Employee Benefits	923,995	1,164,731	605	1,165,336	1,186,216	1,621,738	1,694,699
<b>Total by Activity</b>	<u><u>\$7,678,657</u></u>	<u><u>\$8,345,041</u></u>	<u><u>\$845,030</u></u>	<u><u>\$9,190,071</u></u>	<u><u>\$9,804,350</u></u>	<u><u>\$11,294,493</u></u>	<u><u>\$12,117,375</u></u>

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### PERCENTAGE DISTRIBUTION

By Object Code	UMF						
	FY86	FY87			FY88	FY89	FY90
		Excluding \$15.0 M	\$15.0 M Only	Including \$15.0 M			
Salaries	51.8	50.1	24.1	47.7	49.8	48.4	48.9
Wages	12.4	12.3	12.1	12.3	12.5	12.7	12.8
Student Wages	1.8	1.5	0.9	1.4	1.2	1.0	0.8
Employee Benefits	12.0	14.0	0.1	12.7	12.1	14.4	14.0
Subtotal Compensation	78.0	77.8	37.2	74.1	75.5	76.4	76.5
Outside Services	2.0	3.2	4.1	3.2	2.7	2.7	2.5
Memberships/Subscriptions	0.3	0.3	0.0	0.3	0.3	0.3	0.3
Supplies & Materials	2.6	2.7	2.9	2.7	2.8	2.8	2.6
Telephone	1.7	1.7	0.0	1.5	1.6	1.2	1.1
Postage & Shipping	0.9	0.9	0.1	0.9	0.8	0.9	0.8
Printing & Photocopying	1.5	1.4	0.1	1.3	1.3	1.3	1.4
Computer Services	0.4	0.3	0.0	0.3	0.3	0.2	0.3
In-State Travel	1.1	1.0	1.7	1.1	1.0	1.0	1.0
Out-of-State Travel	1.8	1.6	2.4	1.6	1.8	1.9	2.1
Heating Fuels	1.3	0.9	0.0	0.9	0.8	0.8	0.8
Vehicle Fuels	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Electricity	1.3	1.2	0.0	1.1	1.0	1.0	1.1
Water & Sewer	0.2	0.2	0.0	0.2	0.2	0.1	0.1
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance & Alterations	0.6	0.5	1.2	0.6	0.4	0.5	0.6
Rentals	0.2	0.2	0.0	0.2	0.1	0.1	0.1
Scholarships & Grants	2.4	2.3	41.4	5.9	5.6	4.6	4.4
Equipment	1.8	2.1	6.3	2.5	1.8	2.2	1.9
Library Acquisitions	1.1	1.0	2.1	1.1	1.0	0.9	0.9
Vehicle Purchases	0.2	0.0	0.0	0.0	0.0	0.2	0.1
Other/Credits	0.8	0.6	0.4	0.6	0.9	0.7	1.5
Subtotal Goods & Services	22.0	22.2	62.8	25.9	24.5	23.6	23.5
<b>Grand Total by Object Code</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>By Activity</b>							
Instruction	49.1	47.0	33.5	45.8	47.2	46.2	47.5
Research	0.0	0.0	0.0	0.0	0.1	0.4	0.3
Public Service	0.0	0.0	0.0	0.0	0.9	1.1	1.1
Academic Support	7.4	8.0	10.1	8.2	7.6	7.3	7.6
Student Services	10.1	9.6	5.4	9.2	9.4	8.8	8.6
Institutional Support	8.2	7.8	1.0	7.2	6.9	7.6	7.6
Physical Plant	9.3	10.0	8.5	9.8	9.1	8.8	8.2
Student Aid	3.9	3.6	41.4	7.0	6.6	5.5	5.1
Employee Benefits	12.0	14.0	0.1	12.7	12.1	14.4	14.0
<b>Total by Activity</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

NOTE: Detail may not add to total due to rounding.



# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### ANNUAL PERCENTAGE INCREASE

#### UMF

By Object Code	FY87*	FY88	FY89	FY90
Salaries	10.1	11.3	12.0	8.3
Wages	19.1	8.4	16.7	8.5
Student Wages	(5.2)	(12.1)	3.8	(12.7)
Employee Benefits	26.1	1.8	36.7	4.5
Subtotal Compensation	13.7	8.8	16.6	7.4
Outside Services	95.8	(10.7)	14.7	(1.6)
Memberships/Subscriptions	25.3	8.3	(0.5)	17.2
Supplies & Materials	25.9	10.2	14.3	(0.3)
Telephone	8.7	7.9	(13.8)	1.8
Postage & Shipping	13.7	(3.6)	35.8	(10.1)
Printing & Photocopying	0.2	11.9	10.4	19.4
Computer Services	(0.7)	(0.6)	(1.3)	16.8
In-State Travel	13.1	3.8	9.8	9.6
Out-of-State Travel	11.3	19.2	22.3	18.1
Heating Fuels	(19.1)	2.2	13.4	4.8
Vehicle Fuels	(8.6)	75.0	(24.1)	38.0
Electricity	(3.2)	2.1	6.9	19.6
Water & Sewer	5.6	8.2	(5.8)	11.4
Insurance	34.1	(32.3)	46.8	84.6
Maintenance & Alterations	22.8	(29.8)	48.3	27.5
Rentals	8.1	(37.0)	8.7	(7.3)
Scholarships & Grants	197.9	1.0	(3.8)	0.5
Equipment	64.9	(22.7)	40.8	(10.9)
Library Acquisitions	23.2	1.6	4.1	1.1
Vehicle Purchases	(100.0)	0.0	0.0	(38.5)
Other/Credits	(6.7)	57.3	(9.5)	133.0
Subtotal Goods & Services	41.1	0.8	10.8	7.0
Grand Total by Object Code	19.7	6.7	15.2	7.3
<b>By Activity</b>				
Instruction	11.7	10.0	12.7	10.3
Research	0.0	0.0	239.3	(31.0)
Public Service	0.0	0.0	43.2	7.2
Academic Support	32.8	(1.3)	10.0	12.5
Student Services	9.6	8.9	7.5	5.7
Institutional Support	4.6	2.8	26.6	7.4
Physical Plant	26.5	(1.1)	10.8	0.0
Student Aid	118.7	(0.2)	(3.5)	(0.8)
Employee Benefits	26.1	1.8	36.7	4.5
Total by Activity	19.7	6.7	15.2	7.3

\* Including \$15.0 million supplemental appropriation.

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### UMFK

By Object Code	FY86	FY87			FY88	FY89	FY90
		Excluding \$15.0 M	\$15.0 M Only	Including \$15.0 M			
Salaries	\$1,291,439	\$1,298,447	\$23,050	\$1,321,497	\$1,388,366	\$1,627,425	\$1,766,441
Wages	397,317	440,958	0	440,958	476,792	533,851	574,100
Student Wages	39,663	40,297	5,393	45,690	62,864	63,911	88,099
Employee Benefits	288,267	390,380	0	390,380	387,826	476,543	468,028
Subtotal Compensation	2,016,686	2,170,082	28,443	2,198,525	2,315,848	2,701,730	2,896,668
Outside Services	29,575	19,955	0	19,955	31,854	38,238	62,001
Memberships/Subscriptions	6,259	7,258	0	7,258	9,183	13,561	13,726
Supplies & Materials	24,756	39,717	825	40,542	39,914	53,688	54,746
Telephone	31,764	25,921	201	26,122	29,117	30,898	36,021
Postage & Shipping	20,201	20,579	129	20,708	18,635	30,301	27,921
Printing & Photocopying	25,090	46,261	1,578	47,839	44,409	44,852	47,395
Computer Services	4,321	4,710	0	4,710	5,868	8,185	7,468
In-State Travel	50,562	33,624	1,192	34,816	63,184	61,286	64,868
Out-of-State Travel	24,521	29,558	699	30,257	46,567	48,475	45,723
Heating Fuels	48,300	37,451	0	37,451	27,874	50,630	47,594
Vehicle Fuels	0	0	0	0	0	0	0
Electricity	24,254	23,500	0	23,500	26,911	29,701	32,537
Water & Sewer	6,634	7,285	0	7,285	7,971	8,341	8,808
Insurance	150	179	0	179	240	0	34
Maintenance & Alterations	50,253	59,721	0	59,721	41,303	34,032	44,224
Rentals	11,314	11,630	0	11,630	4,522	3,047	7,000
Scholarships & Grants	32,439	31,676	9,700	41,376	41,601	44,632	51,972
Equipment	18,628	19,935	695	20,630	37,391	76,572	91,181
Library Acquisitions	33,896	26,427	10,000	36,427	38,068	42,256	37,653
Vehicle Purchases	27,000	3,510	0	3,510	0	2,745	0
Other/Credits	2,387	17,517	711	18,228	41,789	55,021	71,684
Subtotal Goods & Services	472,304	466,414	25,730	492,144	556,401	676,461	752,556
<b>Grand Total by Object Code</b>	<b>\$2,488,990</b>	<b>\$2,636,496</b>	<b>\$54,173</b>	<b>\$2,690,669</b>	<b>\$2,872,249</b>	<b>\$3,378,191</b>	<b>\$3,649,224</b>
<b>By Activity</b>							
Instruction	\$980,986	\$1,009,490	\$8,869	\$1,018,359	\$1,027,037	\$1,173,866	\$1,288,554
Research	0	0	0	0	0	0	0
Public Service	0	0	0	0	47,304	79,158	104,415
Academic Support	172,632	187,181	15,428	202,609	261,686	298,902	293,221
Student Services	209,903	229,689	0	229,689	310,741	329,301	397,966
Institutional Support	358,049	347,476	14,783	362,259	349,906	497,083	546,431
Physical Plant	408,258	402,374	0	402,374	400,885	424,339	432,393
Student Aid	70,894	69,906	15,093	84,999	86,864	98,999	118,216
Employee Benefits	288,268	390,380	0	390,380	387,826	476,543	468,028
<b>Total by Activity</b>	<b>\$2,488,990</b>	<b>\$2,636,496</b>	<b>\$54,173</b>	<b>\$2,690,669</b>	<b>\$2,872,249</b>	<b>\$3,378,191</b>	<b>\$3,649,224</b>

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### PERCENTAGE DISTRIBUTION

#### UMFK

By Object Code	FY87				FY88	FY89	FY90
	FY86	Excluding \$15.0 M	\$15.0 M Only	Including \$15.0 M			
Salaries	51.9	49.2	42.5	49.1	48.3	48.2	48.4
Wages	16.0	16.7	0.0	16.4	16.6	15.8	15.7
Student Wages	1.6	1.5	10.0	1.7	2.2	1.9	2.4
Employee Benefits	11.6	14.8	0.0	14.5	13.5	14.1	12.8
Subtotal Compensation	81.0	82.3	52.5	81.7	80.6	80.0	79.4
Outside Services	1.2	0.8	0.0	0.7	1.1	1.1	1.7
Memberships/Subscriptions	0.3	0.3	0.0	0.3	0.3	0.4	0.4
Supplies & Materials	1.0	1.5	1.5	1.5	1.4	1.6	1.5
Telephone	1.3	1.0	0.4	1.0	1.0	0.9	1.0
Postage & Shipping	0.8	0.8	0.2	0.8	0.6	0.9	0.8
Printing & Photocopying	1.0	1.8	2.9	1.8	1.5	1.3	1.3
Computer Services	0.2	0.2	0.0	0.2	0.2	0.2	0.2
In-State Travel	2.0	1.3	2.2	1.3	2.2	1.8	1.8
Out-of-State Travel	1.0	1.1	1.3	1.1	1.6	1.4	1.3
Heating Fuels	1.9	1.4	0.0	1.4	1.0	1.5	1.3
Vehicle Fuels	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Electricity	1.0	0.9	0.0	0.9	0.9	0.9	0.9
Water & Sewer	0.3	0.3	0.0	0.3	0.3	0.2	0.2
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance & Alterations	2.0	2.3	0.0	2.2	1.4	1.0	1.2
Rentals	0.5	0.4	0.0	0.4	0.2	0.1	0.2
Scholarships & Grants	1.3	1.2	17.9	1.5	1.4	1.3	1.4
Equipment	0.7	0.8	1.3	0.8	1.3	2.3	2.5
Library Acquisitions	1.4	1.0	18.5	1.4	1.3	1.3	1.0
Vehicle Purchases	1.1	0.1	0.0	0.1	0.0	0.1	0.0
Other/Credits	0.1	0.7	1.3	0.7	1.5	1.6	2.0
Subtotal Goods & Services	19.0	17.7	47.5	18.3	19.4	20.0	20.6
Grand Total by Object Code	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>By Activity</b>							
Instruction	39.4	38.3	16.4	37.8	35.8	34.7	35.3
Research	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Service	0.0	0.0	0.0	0.0	1.6	2.3	2.9
Academic Support	6.9	7.1	28.5	7.5	9.1	8.8	8.0
Student Services	8.4	8.7	0.0	8.5	10.8	9.7	10.9
Institutional Support	14.4	13.2	27.3	13.5	12.2	14.7	15.0
Physical Plant	16.4	15.3	0.0	15.0	14.0	12.6	11.8
Student Aid	2.8	2.7	27.9	3.2	3.0	2.9	3.2
Employee Benefits	11.6	14.8	0.0	14.5	13.5	14.1	12.8
Total by Activity	100.0	100.0	100.0	100.0	100.0	100.0	100.0

NOTE: Detail may not add to total due to rounding.

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM E&G ACTUAL EXPENDITURES BY CAMPUS

### ANNUAL PERCENTAGE INCREASE

#### UMFK

By Object Code	FY87*	FY88	FY89	FY90
Salaries	2.3	5.1	17.2	8.5
Wages	11.0	8.1	12.0	7.5
Student Wages	15.2	37.6	1.7	37.8
Employee Benefits	35.4	(0.7)	22.9	(1.8)
Subtotal Compensation	9.0	5.3	16.7	7.2
Outside Services	(32.5)	59.6	20.0	62.1
Memberships/Subscriptions	16.0	26.5	47.7	1.2
Supplies & Materials	63.8	(1.5)	34.5	2.0
Telephone	(17.8)	11.5	6.1	16.6
Postage & Shipping	2.5	(10.0)	62.6	(7.9)
Printing & Photocopying	90.7	(7.2)	1.0	5.7
Computer Services	9.0	24.6	39.5	(8.8)
In-State Travel	(31.1)	81.5	(3.0)	5.8
Out-of-State Travel	23.4	53.9	4.1	(5.7)
Heating Fuels	(22.5)	(25.6)	81.6	(6.0)
Vehicle Fuels	0.0	0.0	0.0	0.0
Electricity	(3.1)	14.5	10.4	9.5
Water & Sewer	9.8	9.4	4.6	5.6
Insurance	19.3	34.1	(100.0)	0.0
Maintenance & Alterations	18.8	(30.8)	(17.6)	29.9
Rentals	2.8	(61.1)	(32.6)	129.7
Scholarships & Grants	27.6	0.5	7.3	16.4
Equipment	10.7	81.2	104.8	19.1
Library Acquisitions	7.5	4.5	11.0	(10.9)
Vehicle Purchases	(87.0)	(100.0)	0.0	(100.0)
Other/Credits	663.6	129.3	31.7	30.3
Subtotal Goods & Services	4.2	13.1	21.6	11.2
Grand Total by Object Code	8.1	6.7	17.6	8.0
<b>By Activity</b>				
Instruction	3.8	0.9	14.3	9.8
Research	0.0	0.0	0.0	0.0
Public Service	0.0	0.0	67.3	31.9
Academic Support	17.4	29.2	14.2	(1.9)
Student Services	9.4	35.3	6.0	20.9
Institutional Support	1.2	(3.4)	42.1	9.9
Physical Plant	(1.4)	(0.4)	5.9	1.9
Student Aid	19.9	2.2	14.0	19.4
Employee Benefits	35.4	(0.7)	22.9	(1.8)
Total by Activity	8.1	6.7	17.6	8.0

\* Including \$15.0 million supplemental appropriation.

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### UMM

By Object Code	FY86	FY87		FY88	FY89	FY90	
		Excluding \$15.0 M	\$15.0 M Only				Including \$15.0 M
Salaries	\$1,479,432	\$1,579,463	\$107,151	\$1,686,614	\$1,961,212	\$2,154,816	\$2,366,210
Wages	378,204	392,859	26,520	419,379	491,574	577,251	624,801
Student Wages	69,221	60,830	31,915	92,745	107,996	119,182	125,061
Employee Benefits	406,761	473,032	0	473,032	534,162	605,596	632,359
Subtotal Compensation	<u>2,333,618</u>	<u>2,506,184</u>	<u>165,586</u>	<u>2,671,770</u>	<u>3,094,944</u>	<u>3,456,845</u>	<u>3,748,431</u>
Outside Services	25,842	46,565	3,505	50,070	39,952	50,511	49,279
Memberships/Subscriptions	11,467	8,931	310	9,241	14,811	16,194	15,186
Supplies & Materials	61,624	63,821	4,739	68,560	83,104	84,554	87,102
Telephone	63,570	64,913	1,259	66,172	75,824	73,669	71,073
Postage & Shipping	19,982	23,144	1,418	24,562	23,493	27,820	33,501
Printing & Photocopying	37,557	39,454	1,795	41,249	17,210	54,088	71,195
Computer Services	3,610	4,550	0	4,550	5,345	5,392	5,935
In-State Travel	52,787	52,563	5,206	57,769	65,401	85,160	74,608
Out-of-State Travel	58,744	36,506	10,800	47,306	55,659	54,285	51,193
Heating Fuels	64,823	51,414	0	51,414	48,175	62,894	61,047
Vehicle Fuels	2,375	2,173	0	2,173	1,911	971	2,634
Electricity	34,820	33,956	0	33,956	35,925	42,344	48,355
Water & Sewer	4,578	4,613	0	4,613	5,003	5,043	5,325
Insurance	39	36	0	36	112	716	1,084
Maintenance & Alterations	71,723	117,999	5,143	123,142	135,428	137,376	98,694
Rentals	8,613	8,288	0	8,288	6,883	18,676	11,424
Scholarships & Grants	55,683	65,392	30,413	95,805	69,982	101,110	104,387
Equipment	59,920	62,205	124,176	186,381	159,313	127,545	108,865
Library Acquisisitons	31,694	32,749	21,027	53,776	52,087	28,041	42,149
Vehicle Purchases	0	0	13,955	13,955	25,938	12,875	0
Other/Credits	59,156	47,316	7,718	55,034	78,838	104,765	108,408
Subtotal Goods & Services	<u>728,607</u>	<u>766,588</u>	<u>231,464</u>	<u>998,052</u>	<u>1,000,394</u>	<u>1,094,029</u>	<u>1,051,444</u>
Grand Total by Object Code	<u>\$3,062,225</u>	<u>\$3,272,772</u>	<u>\$397,050</u>	<u>\$3,669,822</u>	<u>\$4,095,338</u>	<u>\$4,550,874</u>	<u>\$4,799,875</u>
<b>By Activity</b>							
Instruction	\$1,040,914	\$1,080,518	\$138,006	\$1,218,524	\$1,575,526	\$1,676,508	\$1,724,237
Research	6,430	3,226	0	3,226	1,793	4,731	1,536
Public Service	142,522	120,736	0	120,736	56,555	73,628	131,447
Academic Support	251,641	276,818	109,627	386,445	346,432	438,444	434,021
Student Services	384,505	413,857	70,920	484,777	533,267	564,685	627,791
Institutional Support	360,801	399,970	15,888	415,858	425,814	521,166	595,487
Physical Plant	344,614	378,393	0	378,393	443,811	447,831	411,292
Student Aid	124,037	126,222	62,609	188,831	177,978	218,285	241,706
Employee Benefits	406,761	473,032	0	473,032	534,162	605,596	632,358
Total by Activity	<u>\$3,062,225</u>	<u>\$3,272,772</u>	<u>\$397,050</u>	<u>\$3,669,822</u>	<u>\$4,095,338</u>	<u>\$4,550,874</u>	<u>\$4,799,875</u>

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### PERCENTAGE DISTRIBUTION

#### UMM

By Object Code	FY86	FY87		FY88	FY89	FY90	
		Excluding \$15.0 M	\$15.0 M Only				
Salaries	48.3	48.3	27.0	46.0	47.9	47.3	49.3
Wages	12.4	12.0	6.7	11.4	12.0	12.7	13.0
Student Wages	2.3	1.9	8.0	2.5	2.6	2.6	2.6
Employee Benefits	13.3	14.5	0.0	12.9	13.0	13.3	13.2
Subtotal Compensation	76.2	76.6	41.7	72.8	75.6	76.0	78.1
Outside Services	0.8	1.4	0.9	1.4	1.0	1.1	1.0
Memberships/Subscriptions	0.4	0.3	0.1	0.3	0.4	0.4	0.3
Supplies & Materials	2.0	2.0	1.2	1.9	2.0	1.9	1.8
Telephone	2.1	2.0	0.3	1.8	1.9	1.6	1.5
Postage & Shipping	0.7	0.7	0.4	0.7	0.6	0.6	0.7
Printing & Photocopying	1.2	1.2	0.5	1.1	0.4	1.2	1.5
Computer Services	0.1	0.1	0.0	0.1	0.1	0.1	0.1
In-State Travel	1.7	1.6	1.3	1.6	1.6	1.9	1.6
Out-of-State Travel	1.9	1.1	2.7	1.3	1.4	1.2	1.1
Heating Fuels	2.1	1.6	0.0	1.4	1.2	1.4	1.3
Vehicle Fuels	0.1	0.1	0.0	0.1	0.0	0.0	0.1
Electricity	1.1	1.0	0.0	0.9	0.9	0.9	1.0
Water & Sewer	0.1	0.1	0.0	0.1	0.1	0.1	0.1
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance & Alterations	2.3	3.6	1.3	3.4	3.3	3.0	2.1
Rentals	0.3	0.3	0.0	0.2	0.2	0.4	0.2
Scholarships & Grants	1.8	2.0	7.7	2.6	1.7	2.2	2.2
Equipment	2.0	1.9	31.3	5.1	3.9	2.8	2.3
Library Acquisisitons	1.0	1.0	5.3	1.5	1.3	0.6	0.9
Vehicle Purchases	0.0	0.0	3.5	0.4	0.6	0.3	0.0
Other/Credits	1.9	1.4	1.9	1.5	1.9	2.3	2.3
Subtotal Goods & Services	23.8	23.4	58.3	27.2	24.4	24.0	21.9
<b>Grand Total by Object Code</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>By Activity</b>							
Instruction	34.0	33.0	34.8	33.2	38.5	36.8	35.9
Research	0.2	0.1	0.0	0.1	0.0	0.1	0.0
Public Service	4.7	3.7	0.0	3.3	1.4	1.6	2.7
Academic Support	8.2	8.5	27.6	10.5	8.5	9.6	9.0
Student Services	12.6	12.6	17.9	13.2	13.0	12.4	13.1
Institutional Support	11.8	12.2	4.0	11.3	10.4	11.5	12.4
Physical Plant	11.3	11.6	0.0	10.3	10.8	9.8	8.6
Student Aid	4.1	3.9	15.8	5.1	4.3	4.8	5.0
Employee Benefits	13.3	14.5	0.0	12.9	13.0	13.3	13.2
<b>Total by Activity</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

NOTE: Detail may not add to total due to rounding.

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### ANNUAL PERCENTAGE INCREASE

#### UMM

By Object Code	FY87*	FY88	FY89	FY90
Salaries	14.0	16.3	9.9	9.8
Wages	10.9	17.2	17.4	8.2
Student Wages	34.0	16.4	10.4	4.9
Employee Benefits	16.3	12.9	13.4	4.4
Subtotal Compensation	14.5	15.8	11.7	8.4
Outside Services	93.8	(20.2)	26.4	(2.4)
Memberships/Subscriptions	(19.4)	60.3	9.3	(6.2)
Supplies & Materials	11.3	21.2	1.7	3.0
Telephone	4.1	14.6	(2.8)	(3.5)
Postage & Shipping	22.9	(4.4)	18.4	20.4
Printing & Photocopying	9.8	(58.3)	214.3	31.6
Computer Services	26.0	17.5	0.9	10.1
In-State Travel	9.4	13.2	30.2	(12.4)
Out-of-State Travel	(19.5)	17.7	(2.5)	(5.7)
Heating Fuels	(20.7)	(6.3)	30.6	(2.9)
Vehicle Fuels	(8.5)	(12.1)	(49.2)	171.3
Electricity	(2.5)	5.8	17.9	14.2
Water & Sewer	0.8	8.5	0.8	5.6
Insurance	(7.7)	211.1	539.3	51.4
Maintenance & Alterations	71.7	10.0	1.4	(28.2)
Rentals	(3.8)	(17.0)	171.3	(38.8)
Scholarships & Grants	72.1	(27.0)	44.5	3.2
Equipment	211.0	(14.5)	(19.9)	(14.6)
Library Acquisitions	69.7	(3.1)	(46.2)	50.3
Vehicle Purchases	0.0	85.9	(50.4)	(100.0)
Other/Credits	(7.0)	43.3	32.9	3.5
Subtotal Goods & Services	37.0	0.2	9.4	(3.9)
Grand Total by Object Code	19.8	11.6	11.1	5.5
<b>By Activity</b>				
Instruction	17.1	29.3	6.4	2.8
Research	(49.8)	(44.4)	163.9	(67.5)
Public Service	(15.3)	(53.2)	30.2	78.5
Academic Support	53.6	(10.4)	26.6	(1.0)
Student Services	26.1	10.0	5.9	11.2
Institutional Support	15.3	2.4	22.4	14.3
Physical Plant	9.8	17.3	0.9	(8.2)
Student Aid	52.2	(5.7)	22.6	10.7
Employee Benefits	16.3	12.9	13.4	4.4
Total by Activity	19.8	11.6	11.1	5.5

\* Including \$15.0 million supplemental appropriation.

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### UMPI

By Object Code	FY86	FY87			FY88	FY89	FY90
		Excluding \$15.0 M	\$15.0 M Only	Including \$15.0 M			
Salaries	\$2,614,874	\$2,742,048	\$30,174	\$2,772,222	\$3,106,143	\$3,327,674	\$3,652,433
Wages	624,610	709,678	375	710,053	739,309	934,030	950,920
Student Wages	98,767	99,825	0	99,825	110,615	115,955	124,774
Employee Benefits	598,058	869,494	0	869,494	879,795	1,102,055	1,001,002
Subtotal Compensation	3,936,309	4,421,045	30,549	4,451,594	4,835,862	5,479,714	5,729,129
Outside Services	46,688	51,616	5,479	57,095	95,129	138,526	46,580
Memberships/Subscriptions	17,275	21,348	503	21,851	20,691	35,809	28,477
Supplies & Materials	114,598	154,865	10,418	165,283	186,927	238,233	249,937
Telephone	56,825	65,694	0	65,694	64,533	68,525	75,061
Postage & Shipping	27,526	31,454	182	31,636	36,171	45,931	46,826
Printing & Photocopying	100,980	47,730	2,799	50,529	53,776	94,461	75,599
Computer Services	16,744	16,401	30	16,431	15,630	18,980	23,342
In-State Travel	78,745	92,301	4,929	97,230	102,520	102,458	92,260
Out-of-State Travel	51,438	72,102	20,159	92,261	105,509	109,170	87,955
Heating Fuels	92,443	74,572	0	74,572	79,906	73,923	74,365
Vehicle Fuels	102	0	0	0	0	0	5
Electricity	63,166	61,947	0	61,947	69,766	74,149	78,360
Water & Sewer	5,634	5,828	0	5,828	8,325	9,357	7,861
Insurance	75	123	0	123	37	3,099	7,283
Maintenance & Alterations	72,378	78,839	15,363	94,202	98,618	128,328	125,883
Rentals	1,656	(4,359)	0	(4,359)	7,260	17,862	44,728
Scholarships & Grants	26,918	27,797	0	27,797	38,052	69,502	65,023
Equipment	56,981	104,396	49,932	154,328	147,179	169,648	153,624
Library Acquisitons	43,498	38,867	31,426	70,293	76,054	80,109	80,433
Vehicle Purchases	0	5,150	0	5,150	4,500	0	0
Other/Credits	92,228	122,266	10,160	132,426	149,502	94,479	196,495
Subtotal Goods & Services	965,898	1,068,937	151,380	1,220,317	1,360,085	1,572,549	1,560,097
<b>Grand Total by Object Code</b>	<b>\$4,902,207</b>	<b>\$5,489,982</b>	<b>\$181,929</b>	<b>\$5,671,911</b>	<b>\$6,195,947</b>	<b>\$7,052,263</b>	<b>\$7,289,226</b>
<b>By Activity</b>							
Instruction	\$2,291,607	\$2,347,913	\$48,068	\$2,395,981	\$2,632,081	\$2,776,262	\$3,067,831
Research	9,404	8,079	0	8,079	8,678	12,014	14,902
Public Service	100,086	169,319	19,391	188,710	206,742	229,948	214,783
Academic Support	377,957	391,598	66,288	457,886	508,510	636,646	681,424
Student Services	375,318	451,737	0	451,737	576,138	629,728	648,047
Institutional Support	532,889	581,201	32,238	613,439	622,363	810,270	757,694
Physical Plant	491,580	548,584	15,944	564,528	623,187	704,460	723,231
Student Aid	125,308	122,057	0	122,057	138,453	150,881	180,312
Employee Benefits	598,058	869,494	0	869,494	879,795	1,102,054	1,001,002
<b>Total by Activity</b>	<b>\$4,902,207</b>	<b>\$5,489,982</b>	<b>\$181,929</b>	<b>\$5,671,911</b>	<b>\$6,195,947</b>	<b>\$7,052,263</b>	<b>\$7,289,226</b>



# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### PERCENTAGE DISTRIBUTION

#### UMPI

By Object Code	FY86	FY87			FY88	FY89	FY90
		Excluding \$15.0 M	\$15.0 M Only	Including \$15.0 M			
Salaries	53.3	49.9	16.6	48.9	50.1	47.2	50.1
Wages	12.7	12.9	0.2	12.5	11.9	13.2	13.0
Student Wages	2.0	1.8	0.0	1.8	1.8	1.6	1.7
Employee Benefits	12.2	15.8	0.0	15.3	14.2	15.6	13.7
Subtotal Compensation	80.3	80.5	16.8	78.5	78.0	77.7	78.6
Outside Services	1.0	0.9	3.0	1.0	1.5	2.0	0.6
Memberships/Subscriptions	0.4	0.4	0.3	0.4	0.3	0.5	0.4
Supplies & Materials	2.3	2.8	5.7	2.9	3.0	3.4	3.4
Telephone	1.2	1.2	0.0	1.2	1.0	1.0	1.0
Postage & Shipping	0.6	0.6	0.1	0.6	0.6	0.7	0.6
Printing & Photocopying	2.1	0.9	1.5	0.9	0.9	1.3	1.0
Computer Services	0.3	0.3	0.0	0.3	0.3	0.3	0.3
In-State Travel	1.6	1.7	2.7	1.7	1.7	1.5	1.3
Out-of-State Travel	1.0	1.3	11.1	1.6	1.7	1.5	1.2
Heating Fuels	1.9	1.4	0.0	1.3	1.3	1.0	1.0
Vehicle Fuels	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Electricity	1.3	1.1	0.0	1.1	1.1	1.1	1.1
Water & Sewer	0.1	0.1	0.0	0.1	0.1	0.1	0.1
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Maintenance & Alterations	1.5	1.4	8.4	1.7	1.6	1.8	1.7
Rentals	0.0	(0.1)	0.0	(0.1)	0.1	0.3	0.6
Scholarships & Grants	0.5	0.5	0.0	0.5	0.6	1.0	0.9
Equipment	1.2	1.9	27.4	2.7	2.4	2.4	2.1
Library Acquisitions	0.9	0.7	17.3	1.2	1.2	1.1	1.1
Vehicle Purchases	0.0	0.1	0.0	0.1	0.1	0.0	0.0
Other/Credits	1.9	2.2	5.6	2.3	2.4	1.3	2.7
Subtotal Goods & Services	19.7	19.5	83.2	21.5	22.0	22.3	21.4
<b>Grand Total by Object Code</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>By Activity</b>							
Instruction	46.7	42.8	26.4	42.2	42.5	39.4	42.1
Research	0.2	0.1	0.0	0.1	0.1	0.2	0.2
Public Service	2.0	3.1	10.7	3.3	3.3	3.3	2.9
Academic Support	7.7	7.1	36.4	8.1	8.2	9.0	9.3
Student Services	7.7	8.2	0.0	8.0	9.3	8.9	8.9
Institutional Support	10.9	10.6	17.7	10.8	10.0	11.5	10.4
Physical Plant	10.0	10.0	8.8	10.0	10.1	10.0	9.9
Student Aid	2.6	2.2	0.0	2.2	2.2	2.1	2.5
Employee Benefits	12.2	15.8	0.0	15.3	14.2	15.6	13.7
<b>Total by Activity</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

NOTE: Detail may not add to total due to rounding.

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### ANNUAL PERCENTAGE INCREASE

#### UMPI

By Object Code	FY87*	FY88	FY89	FY90
Salaries	6.0	12.0	7.1	9.8
Wages	13.7	4.1	26.3	1.8
Student Wages	1.1	10.8	4.8	7.6
Employee Benefits	45.4	1.2	25.3	(9.2)
Subtotal Compensation	13.1	8.6	13.3	4.6
Outside Services	22.3	66.6	45.6	(66.4)
Memberships/Subscriptions	28.5	(5.3)	73.1	(20.5)
Supplies & Materials	44.2	13.1	27.4	4.9
Telephone	15.6	(1.8)	6.2	9.5
Postage & Shipping	14.9	14.3	27.0	1.9
Printing & Photocopying	(50.0)	6.4	75.7	(20.0)
Computer Services	(1.9)	(4.9)	21.4	23.0
In-State Travel	23.5	5.4	(0.1)	(10.0)
Out-of-State Travel	79.4	14.4	3.5	(19.4)
Heating Fuels	(19.3)	7.2	(7.5)	0.6
Vehicle Fuels	(100.0)	0.0	0.0	0.0
Electricity	(1.9)	12.6	6.3	5.7
Water & Sewer	3.4	42.8	12.4	(16.0)
Insurance	64.0	(69.9)	8,275.7	135.0
Maintenance & Alterations	30.2	4.7	30.1	(1.9)
Rentals	(363.2)	(266.6)	146.0	150.4
Scholarships & Grants	3.3	36.9	82.7	(6.4)
Equipment	170.8	(4.6)	15.3	(9.4)
Library Acquisitions	61.6	8.2	5.3	0.4
Vehicle Purchases	0.0	(12.6)	(100.0)	0.0
Other/Credits	43.6	12.9	(36.8)	108.0
Subtotal Goods & Services	26.3	11.5	15.6	(0.8)
Grand Total by Object Code	15.7	9.2	13.8	3.4
<b>By Activity</b>				
Instruction	4.6	9.9	5.5	10.5
Research	(14.1)	7.4	38.4	24.0
Public Service	88.5	9.6	11.2	(6.6)
Academic Support	21.1	11.1	25.2	7.0
Student Services	20.4	27.5	9.3	2.9
Institutional Support	15.1	1.5	30.2	(6.5)
Physical Plant	14.8	10.4	13.0	2.7
Student Aid	(2.6)	13.4	9.0	19.5
Employee Benefits	45.4	1.2	25.3	(9.2)
Total by Activity	15.7	9.2	13.8	3.4

\* Including \$15.0 million supplemental appropriation.

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### USM

By Object Code	FY86	FY87			FY88	FY89	FY90
		Excluding \$15.0 M	\$15.0 M Only	Including \$15.0 M			
Salaries	\$13,623,687	\$14,403,718	\$833,367	\$15,237,085	\$17,969,025	\$20,317,459	\$22,375,904
Wages	3,663,981	3,811,507	160,228	3,971,735	4,400,934	5,539,504	6,025,141
Student Wages	626,301	577,351	221,059	798,410	826,149	920,899	1,205,828
Employee Benefits	3,329,441	4,140,218	92	4,140,310	4,711,281	5,849,001	6,213,837
Subtotal Compensation	21,243,410	22,932,794	1,214,746	24,147,540	27,907,389	32,626,863	35,820,710
Outside Services	574,446	686,833	99,097	785,930	736,266	750,158	896,548
Memberships/Subscriptions	94,232	92,874	20,079	112,953	101,760	122,992	137,705
Supplies & Materials	508,136	550,409	125,857	676,266	609,205	754,888	687,036
Telephone	436,428	634,198	51,261	685,459	617,089	923,108	738,682
Postage & Shipping	199,093	225,470	7,227	232,697	276,869	330,012	318,974
Printing & Photocopying	317,327	424,086	45,356	469,442	520,774	610,713	642,576
Computer Services	130,113	122,314	9,851	132,165	179,177	142,265	171,665
In-State Travel	131,898	126,744	4,822	131,566	149,241	152,331	137,221
Out-of-State Travel	263,635	242,779	165,278	408,057	440,570	502,972	417,927
Heating Fuels	199,553	184,950	0	184,950	196,088	235,577	283,927
Vehicle Fuels	16,179	11,144	0	11,144	19,947	14,074	15,084
Electricity	246,604	287,287	0	287,287	293,211	343,954	428,003
Water & Sewer	39,646	39,865	0	39,865	14,394	94,872	44,487
Insurance	4,642	6,632	616	7,248	5,817	15,898	40,723
Maintenance & Alterations	801,897	688,865	321,804	1,010,669	1,005,592	1,308,060	1,418,391
Rentals	152,827	143,812	4,057	147,869	260,645	731,365	977,555
Scholarships & Grants	248,785	316,644	101,501	418,145	475,928	557,902	616,057
Equipment	443,334	537,426	573,932	1,111,358	681,662	1,090,293	1,125,937
Library Acquisitons	519,954	446,230	400,561	846,791	876,719	933,090	1,038,915
Vehicle Purchases	0	18,650	5,893	24,543	0	3,163	51
Other/Credits	103,405	8,086	193,473	201,559	668,602	581,092	7,132
Subtotal Goods & Services	5,432,134	5,795,298	2,130,665	7,925,963	8,129,556	10,198,779	10,144,596
<b>Grand Total by Object Code</b>	<b>\$26,675,544</b>	<b>\$28,728,092</b>	<b>\$3,345,411</b>	<b>\$32,073,503</b>	<b>\$36,036,945</b>	<b>\$42,825,642</b>	<b>\$45,965,306</b>
<b>By Activity</b>							
Instruction	\$10,783,083	\$11,237,216	\$1,724,124	\$12,961,340	\$14,392,726	\$16,511,247	\$17,629,015
Research	166,645	252,035	3,328	255,363	249,117	119,535	81,646
Public Service	225,102	251,444	0	251,444	313,383	499,895	483,924
Academic Support	4,091,213	4,314,568	829,735	5,144,303	6,269,186	6,716,975	6,990,388
Student Services	2,139,727	2,366,873	248,948	2,615,821	2,901,774	3,961,220	4,615,056
Institutional Support	3,080,477	3,394,734	56,197	3,450,931	3,808,324	4,651,257	4,745,884
Physical Plant	2,258,469	2,154,576	217,000	2,371,576	2,610,469	3,644,837	4,166,717
Student Aid	601,387	616,428	265,987	882,415	780,685	871,676	1,038,839
Employee Benefits	3,329,441	4,140,218	92	4,140,310	4,711,281	5,849,000	6,213,837
<b>Total by Activity</b>	<b>\$26,675,544</b>	<b>\$28,728,092</b>	<b>\$3,345,411</b>	<b>\$32,073,503</b>	<b>\$36,036,945</b>	<b>\$42,825,642</b>	<b>\$45,965,306</b>

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### PERCENTAGE DISTRIBUTION

#### USM

By Object Code	FY86	FY87			FY88	FY89	FY90
		Excluding \$15.0 M	\$15.0 M Only	Including \$15.0 M			
Salaries	51.1	50.1	24.9	47.5	49.9	47.4	48.7
Wages	13.7	13.3	4.8	12.4	12.2	12.9	13.1
Student Wages	2.3	2.0	6.6	2.5	2.3	2.2	2.6
Employee Benefits	12.5	14.4	0.0	12.9	13.1	13.7	13.5
Subtotal Compensation	79.6	79.8	36.3	75.3	77.4	76.2	77.9
Outside Services	2.2	2.4	3.0	2.5	2.0	1.8	2.0
Memberships/Subscriptions	0.4	0.3	0.6	0.4	0.3	0.3	0.3
Supplies & Materials	1.9	1.9	3.8	2.1	1.7	1.8	1.5
Telephone	1.6	2.2	1.5	2.1	1.7	2.2	1.6
Postage & Shipping	0.7	0.8	0.2	0.7	0.8	0.8	0.7
Printing & Photocopying	1.2	1.5	1.4	1.5	1.4	1.4	1.4
Computer Services	0.5	0.4	0.3	0.4	0.5	0.3	0.4
In-State Travel	0.5	0.4	0.1	0.4	0.4	0.4	0.3
Out-of-State Travel	1.0	0.8	4.9	1.3	1.2	1.2	0.9
Heating Fuels	0.7	0.6	0.0	0.6	0.5	0.6	0.6
Vehicle Fuels	0.1	0.0	0.0	0.0	0.1	0.0	0.0
Electricity	0.9	1.0	0.0	0.9	0.8	0.8	0.9
Water & Sewer	0.1	0.1	0.0	0.1	0.0	0.2	0.1
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Maintenance & Alterations	3.0	2.4	9.6	3.2	2.8	3.1	3.1
Rentals	0.6	0.5	0.1	0.5	0.7	1.7	2.1
Scholarships & Grants	0.9	1.1	3.0	1.3	1.3	1.3	1.3
Equipment	1.7	1.9	17.2	3.5	1.9	2.5	2.4
Library Acquisisitons	1.9	1.6	12.0	2.6	2.4	2.2	2.3
Vehicle Purchases	0.0	0.1	0.2	0.1	0.0	0.0	0.0
Other/Credits	0.4	0.0	5.8	0.6	1.9	1.4	0.0
Subtotal Goods & Services	20.4	20.2	63.7	24.7	22.6	23.8	22.1
Grand Total by Object Code	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>By Activity</b>							
Instruction	40.4	39.1	51.5	40.4	39.9	38.6	38.4
Research	0.6	0.9	0.1	0.8	0.7	0.3	0.2
Public Service	0.8	0.9	0.0	0.8	0.9	1.2	1.1
Academic Support	15.3	15.0	24.8	16.0	17.4	15.7	15.2
Student Services	8.0	8.2	7.4	8.2	8.1	9.2	10.0
Institutional Support	11.5	11.8	1.7	10.8	10.6	10.9	10.3
Physical Plant	8.5	7.5	6.5	7.4	7.2	8.5	9.1
Student Aid	2.3	2.1	8.0	2.8	2.2	2.0	2.3
Employee Benefits	12.5	14.4	0.0	12.9	13.1	13.7	13.5
Total by Activity	100.0	100.0	100.0	100.0	100.0	100.0	100.0

NOTE: Detail may not add to total due to rounding.

# EXHIBIT V-A

## UNIVERSITY OF MAINE SYSTEM

### E&G ACTUAL EXPENDITURES BY CAMPUS

#### ANNUAL PERCENTAGE INCREASE

#### USM

By Object Code	FY87*	FY88	FY89	FY90
Salaries	11.8	17.9	13.1	10.1
Wages	8.4	10.8	25.9	8.8
Student Wages	27.5	3.5	11.5	30.9
Employee Benefits	24.4	13.8	24.1	6.2
Subtotal Compensation	13.7	15.6	16.9	9.8
Outside Services	36.8	(6.3)	1.9	19.5
Memberships/Subscriptions	19.9	(9.9)	20.9	12.0
Supplies & Materials	33.1	(9.9)	23.9	(9.0)
Telephone	57.1	(10.0)	49.6	(20.0)
Postage & Shipping	16.9	19.0	19.2	(3.3)
Printing & Photocopying	47.9	10.9	17.3	5.2
Computer Services	1.6	35.6	(20.6)	20.7
In-State Travel	(0.3)	13.4	2.1	(9.9)
Out-of-State Travel	54.8	8.0	14.2	(16.9)
Heating Fuels	(7.3)	8.0	20.1	20.5
Vehicle Fuels	(31.1)	79.0	(29.4)	7.2
Electricity	16.5	2.1	17.3	24.4
Water & Sewer	0.6	(63.9)	559.1	(53.1)
Insurance	56.1	(19.7)	173.3	156.2
Maintenance & Alterations	26.0	(0.5)	30.1	8.4
Rentals	(3.2)	76.3	180.6	33.7
Scholarships & Grants	68.1	13.8	17.2	10.4
Equipment	150.7	(38.7)	59.9	3.3
Library Acquisitions	62.9	3.5	6.4	11.3
Vehicle Purchases	0.0	(100.0)	0.0	(98.4)
Other/Credits	94.9	231.7	(13.1)	(98.8)
Subtotal Goods & Services	45.9	2.6	25.5	(0.5)
Grand Total by Object Code	20.2	12.4	18.8	7.3
<b>By Activity</b>				
Instruction	20.2	11.0	14.7	6.8
Research	53.2	(2.4)	(52.0)	(31.7)
Public Service	11.7	24.6	59.5	(3.2)
Academic Support	25.7	21.9	7.1	4.1
Student Services	22.3	10.9	36.5	16.5
Institutional Support	12.0	10.4	22.1	2.0
Physical Plant	5.0	10.1	39.6	14.3
Student Aid	46.7	(11.5)	11.7	19.2
Employee Benefits	24.4	13.8	24.1	6.2
Total by Activity	20.2	12.4	18.8	7.3

\* Including \$15.0 million supplemental appropriation.

## VI. HUMAN RESOURCES

The previous chapter highlights the importance of Human Resources in terms of the cost of compensation compared to the total University budget. This chapter reviews several areas related to the employees and faculty of the University of Maine System.

### Compensation

One benchmark with which University personnel gauge their standing is the salary increases granted to state employees. The table below presents a comparison of the various personnel groups of the University System with the salary increases of the Executive Branch employees of Maine State Government. The increases provided to University employees on average have tracked quite closely to the increases provided state employees. Concern was expressed over the increases in the salaries of the top administration. However, the evidence in recent years indicates that their increases have been below the average percentage increase offered to all University personnel.

#### GROWTH IN UM SYSTEM AND STATE SALARIES & WAGES

	CHANCELLOR PRESIDENTS <sup>9</sup>	UM SYSTEM AVERAGE S&W % INCREASE				STATE OF MAINE EXECUTIVE BRANCH
		FACULTY	PROFESSIONAL	CLASSIFIED	AVERAGE	
FY 86	6.0%	7.0%	7.0%	7.0%	7.0%	7.0% <sup>5</sup>
FY 87	*	6.0	6.0	6.0	6.0	6.0
FY 88	6.0	10.75 <sup>2</sup>	6.5	6.1	8.2	5.0
FY 89	8.4	10.25 <sup>2</sup>	6.5	15.6 <sup>3</sup>	10.9	8.6 <sup>6</sup>
FY 90	7.8	6.0	6.0	5.5	5.8	8.0 <sup>7</sup>
FY 91	4.5	6.0	6.0	5.5	5.8	8.0 <sup>8</sup>
FY 92 (Planned)	**	7.0	7.0	7.0	7.0	9.0

\* FY 87 was a year in which the University System experienced the appointment of three Chancellors and four Presidents. As a result of this unusual turnover, a meaningful percentage could not be calculated.

\*\* To be determined by the Board of Trustees.

<sup>1</sup> Weighted by FY 86 average salary and number of employees. The weighting factors are faculty (.437), professional (.259), and classified (.304).

<sup>2</sup> Represents special targets since UMS faculty salaries were near the bottom of national salary comparisons.

<sup>3</sup> Includes wage adjustments that resulted from a special legislative appropriation to fund a revision to the classified employee job classification program. These increases varied by collective bargaining unit and by employee but averaged 9.5%.

<sup>4</sup> Includes Cost-of-Living plus an average 2% step increase.

<sup>5</sup> COLA = 3.5% provided 7/1/85 and 1.5% on 1/1/86.

<sup>6</sup> COLA = 3.0% provided 7/1/88 and 3.0% on 1/1/89.

<sup>7</sup> COLA = 3.0% provided 7/1/89 and 3.0% on 4/1/90.

<sup>8</sup> COLA = 3.0% provided 10/1/90 and 3.0% on 4/1/91.

<sup>9</sup> Housing Allowances: University maintained housing or a housing allowance in lieu of housing is provided.

	FY 90	FY 91
Chancellor	\$15,000	\$15,660
President, UMA	\$11,000	\$11,484

## Employee Benefits

This section provides a discussion of the major employee benefits offered to University of Maine System employees and faculty. These benefits are also compared with the benefits of state employees.

Health Plans. The benefit levels are similar although the plans are structured differently.

The University pays full cost for single, married and family coverage but this dollar amount is less in all categories than the 60% of premium the state pays as their portion of the insurance for spouse and family coverage.

The University has a comprehensive plan with a \$150 deductible, the state a basic/major medical plan with \$100 deductible. Both plans require pre-admission certification for hospitalizations and some surgeries. The state has prescription card arrangements for both mail order and pharmacy use.

An analysis of the University's health benefit costs follows:

### University of Maine System Health Benefit Costs

FY 1984	\$ 4,580,237
FY 1985	\$ 5,489,521
FY 1986	\$ 3,958,805*
FY 1987	\$ 6,730,117
FY 1988	\$ 7,465,742
FY 1989	\$ 9,747,674
FY 1990	\$10,681,476

\* Changed from a premium based health policy to a cost reimbursement method which resulted in a one-time savings during the transition year.

Dental Plans. The state provides paid dental insurance for its employees and contributory coverage for their dependents. The University does not provide dental insurance benefits.

Life Insurance. The state and University offer the same paid basic life coverage of one times salary. Supplemental insurance is paid for by the employee in both places.

Leave. The leave benefits are very similar though not identical.

Tuition Waiver. The state provides tuition and fee refunds for advanced courses in fields that have prior supervisory approval.

The University provides a tuition waiver on a space available basis for up to two courses a semester. Spouses and dependent children who attend full-time are eligible for a waiver of 1/2 tuition.

Retirement. The state provides a defined benefit retirement plan. The employee contribution is 6.5% of base salary, the state contribution is 19.49%. (Approximately one-half of this amount is for the unfunded liability.) Forty-five University employees are still in this plan.

The bulk of the University professional employees are in TIAA/CREF, a defined contribution plan. Most of the classified employees are in the Non-Contributory Retirement Plan, a defined benefit plan. University professional employees contribute 4% of base salary and the University contributed 10%. The University contributed approximately 4% of salary to the Non-Contributory Retirement Plan.

All University employees in the Non-Contributory and TIAA/CREF plans are also covered by Social Security, to which they and the University contribute 7.65% of base salary.

### **Faculty Salaries**

The Table below shows the significant advances made in the ranking of University of Maine faculty salaries since 1981. Referring back to the chart of Salary Increases, there is a direct correlation between the significant salary increases provided to faculty in FY 1988 and FY 1989 of 10.75% and 10.25% respectively with the jump in ranking below. Exhibit VI-A at the end of the chapter provides a more complete description of the University of Maine System's faculty ranking for the different levels of faculty status.



## University of Maine System Faculty Salary Statistics

### UMS Salary Ranking Compared to Major Public Universities Nationally

Year	Overall <sup>2</sup>
FY 1981	49
FY 1982 <sup>1</sup>	48
FY 1983	49
FY 1984	46
FY 1985 <sup>1</sup>	45
FY 1986	48
FY 1987	46
FY 1988	38
FY 1989	32
FY 1990	31

<sup>1</sup>There were 49 reporting institutions - Alaska did not report.

<sup>2</sup>Based on using a Paasche index in which the distribution of faculty by rank at the University of Maine was used as a weight. This eliminates the distortion caused by variations in the distribution of faculty by rank at other institutions and therefore provides more comparable data.

### Quality of Faculty

The quality of any college or university depends most heavily on the quality of its faculty. While support services and facilities are important, it is the faculty who do the essential work of the university in the classrooms, labs, and studios. Faculty are unlike other types of workers in most other industries because faculty are not only responsible for doing certain work, they are largely responsible for determining what the work is. A faculty member implements his or her own plan of work according to the dictates of the discipline in which that faculty member is an expert. Although university administrators have some oversight responsibility, they must defer to faculty expertise in many matters such as curriculum and teaching methodologies.

Because of this important inter-relationship between the quality of the faculty and the quality of the University of Maine System, the Commission hoped to determine whether changes in quality could be measured by some quantitative means, such as the number of PhD's at a given campus. However, most measures would require so many qualifiers as to limit their usefulness. The other consideration in determining the quality of the faculty is the type of work they do; whether administrative in nature, research, or strictly teaching. Each type of faculty plays an important role but each has to be evaluated according to different standards and measures.

The only measures of quality available to the Commission were the subjective assessments of the campus Presidents. Their responses indicated that the quality of faculty had improved at each of the campuses since the \$15 million down payment in FY 1987. Vacancies were easier to fill and more top choice candidates were

accepting. They also indicated that the University of Maine System had been able to retain its highest quality faculty. The reasons for the improvement was tied directly to the down payment. Besides competitive faculty salary, the equipment purchases, improving facilities, and faculty development programs provided more attractive work setting for faculty and improved faculty morale. The additional teaching positions added at some of the campuses also provided more reasonable workloads. However, the Presidents and faculty testifying before the Commission indicated that the recent budget reductions have adversely affected faculty morale.

### Student/Faculty Ratios

The Table below shows that in general the student/faculty ratio declined as a result of the FY 1987 supplemental appropriation. Beginning in FY 1989, however, the ratio has begun to increase. In fact, the System ratio is almost at the level prior to the down payment.

	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
<b>UM</b>					
Fall FTE Students	9,484.5	9,118.5	9,236.2	9,976.7	10,476.4
E&G FTE Faculty	655.65	695.60	722.80	763.80	758.70
Student/Faculty Ratio	14.47	13.11	12.78	13.06	13.81
<b>UMA</b>					
Fall FTE Students	1,339.4	1,333.8	1,415.4	1,537.9	1,752.7
E&G FTE Faculty	58.00	58.50	61.50	63.50	64.50
Student/Faculty Ratio	23.09	22.80	23.01	24.22	27.17
<b>UMF</b>					
Fall FTE Students	1,760.1	1,748.3	1,836.8	1,870.4	2,057.9
E&G FTE Faculty	95.00	98.70	102.80	106.40	109.60
Student/Faculty Ratio	18.53	17.71	17.87	17.58	18.78
<b>UMFK</b>					
Fall FTE Students	346.6	355.5	352.9	335.8	395.1
E&G FTE Faculty	37.75	34.62	31.75	30.75	30.75
Student Faculty Ratio	9.18	10.27	11.11	10.92	12.85
<b>UMM</b>					
Fall FTE Students	531.5	529.9	507.4	545.8	594.8
E&G FTE Faculty	36.60	37.70	39.60	40.10	41.50
Student/Faculty Ratio	14.52	14.06	12.81	13.61	14.33
<b>UMPI</b>					
Fall FTE Students	847.5	836.8	877.7	888.2	981.9
E&G FTE Faculty	61.00	58.00	62.40	63.50	65.50
Student/Faculty Ratio	13.89	14.43	14.07	13.99	14.99
<b>USM</b>					
Fall FTE Students	5,654.7	5,732.6	5,681.5	6,006.0	6,291.6
E&G FTE Faculty	268.50	276.80	316.10	311.00	315.80
Student/Faculty Ratio	21.06	20.71	17.97	19.31	19.92
<b>ALL CAMPUSES</b>					
Fall FTE Students	19,964.3	19,655.4	19,907.9	21,160.8	22,550.4
E&G FTE Faculty	1,212.50	1,259.92	1,336.95	1,379.05	1,386.35
Student/Faculty Ratio	16.47	15.60	14.89	15.34	16.27

## **Faculty Development Programs**

One of the recommendations of the Visiting Committee was that a "program of faculty development be given encouragement, financial and otherwise." There was a significant increase in this area immediately following the \$15 million down payment. However, the 1990-1991 budget reductions seem to have taken their greatest toll in this area. Most of these programs are dependent on out-of-state travel which, as indicated in the analysis of the cuts at the campus in Chapter VI, usually was reduced to meet FY 1990 budget targets. It is very likely that similar reductions will be exercised in FY 1991.

## **Job Classification Program**

In FY 1988, with \$2.7 million from the Legislature, the University of Maine System implemented a revised Job Classification Program. The Job Classification Program is used to determine the appropriate wage band assignments for all classified (hourly paid) positions within the University. The revised Job Classification Program resulted from a labor-management study involving the University, three collective bargaining units, and the advisory council for non-represented classified employees.

The study resulted in revised job descriptions for approximately 300 job titles, and revised wage band assignments for many jobs. The point-factor system which is used to determine a wage band assignment was extensively modified to reflect current University values, the diversity of work performed, and changes in how work is performed. This project was the first major overhaul of the Classification Program since it was developed in the late 1960's.

Implementation of the revised Program resulted in an overall wage increase of approximately 9.5% for the University's more than 2,000 classified employees. Wages following implementation were both more internally equitable and more competitive in the job market, improving the University's ability to recruit and retain well qualified employees.

## **Lay-Off Policies**

Given the high percentage of the University's E&G budget comprised of compensation, the only way for the University to realize the significant budget reductions required to meet the FY 1991 portion of the \$9.6 million reduction was to lay off employees. The table below summarizes the lay-offs by type of personnel.

## Reductions in FTE Personnel or Positions

	<u>Total</u>	<u>Faculty</u>	<u>Professional</u>	<u>Classified</u>
UM	97	28	33	36
UMA	8	3	5	0
UMF	6	4	0	2
UMFK	4	0	2	2
UMM	2	2	0	0
UMPI	5	1	3	1
USM	32	20	6	6
CO/SWS	<u>6</u>	<u>0</u>	<u>3</u>	<u>3</u>
	160	58	52	50

The large number of lay-offs announced by the University of Maine System concerned many legislators, particularly with regard to the decision of which positions would be laid-off. The Commission asked the University to detail the process.

The System's first approach to reducing the number of employees was through normal attrition and turnover process. In addition, the University offered an early retirement incentive program to employees with at least 10 years service who were between 55 and 65 years old if they retired during the period April 1, 1990 to June 30, 1990. Academic year appointees (faculty) were allowed to take their retirement any time up to August 31, 1990. The incentive consisted of the following:

- two years of University-paid health insurance premiums for the retiree and any dependents;
- 50% of University-paid premiums thereafter until retiree reaches age 65;
- life insurance for two years;
- continuation of employee or dependent tuition waiver for two years.

Early retirees normally pay the full cost of health insurance for themselves and any dependents until they reach age 65, when the University pays the Medicare supplement premium for the retiree and one-half of the supplement premium for any dependent.

A total of 32 individuals took advantage of the incentive, 20 professionals (including 11 faculty) and 12 classified employees.

The remaining lay-offs were decided at the campus level and were guided by collective bargaining agreements. However, the Commission heard that the notification requirements had not been strictly followed. A union representative indicated that this resulted from a less than complete knowledge of the terms of the agreement by some administrators.

## Administrators

The Commission reviewed the growth in all types of employees in the University. After reviewing faculty (teaching and non-teaching), professional (administrative and support), and classified employees, it was clear that the largest growth occurred in the non-administrative professional employee category (see table below). This is primarily due to the ever-increasing federal and state regulations (mandating contracts on such activities as health and safety and waste disposal), increased technology use (computers), support for research and grant activity, and increased student services (counseling for non-traditional students, day care).

### UNIVERSITY OF MAINE SYSTEM TOTAL - ALL CAMPUSES

#### E&G REGULAR FTE EMPLOYEES

	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
<b>FACULTY</b>					
50% or More Teaching	1,013.25	1,035.10	1,076.74	1,159.59	1,122.22
Other	<u>199.25</u>	<u>224.82</u>	<u>260.21</u>	<u>219.46</u>	<u>264.13</u>
Subtotal Faculty	1,212.50	1,259.92	1,336.95	1,379.05	1,386.35
<b>PROFESSIONAL</b>					
Administrative	161.25	175.25	181.25	192.10	202.50
Other	<u>379.25</u>	<u>408.62</u>	<u>466.66</u>	<u>498.33</u>	<u>567.19</u>
Subtotal Professional	540.50	583.87	647.91	690.43	769.69
<b>CLASSIFIED</b>	<u>1,252.46</u>	<u>1,287.73</u>	<u>1,337.87</u>	<u>1,405.62</u>	<u>1,446.64</u>
<b>TOTAL</b>	<u>3,005.46</u>	<u>3,131.52</u>	<u>3,322.73</u>	<u>3,475.10</u>	<u>3,602.68</u>

### Conclusions and Recommendations

The largest portion of the appropriation increases of the 1988-1989 biennium went into badly needed salary increases. Since a university system is only as good as its people, this was an appropriate first priority. University of Maine System faculty salaries have improved dramatically in recent years. In Fiscal Year 1981, University of Maine faculty salaries were ranked 49th in the nation when compared to faculty salaries paid at the major public university in each of the 50 states. That ranking has improved to 31st in Fiscal Year 1990. Salaries for faculty and staff, while still below national averages, are at least competitive. Also included in the increases was the implementation of the revised job classification system which positively impacted employee morale. Consequently, the System has been better able to attract and retain highly qualified and talented faculty and staff.

The \$15 million down payment was used to supplement a number of areas other than compensation such as out-of-state travel and equipment purchases. However, these expenditures also contributed to improved faculty morale through expanded faculty development programs and improved working environments. At a number of the

campuses full-time faculty were added which further improved faculty working conditions and student/faculty ratios.

The Commission was presented with testimony and evidence that these improvements in morale have been seriously affected by the recent budget reductions. The budget reductions, as noted previously, hit hardest in travel budgets and equipment purchases, directly affecting faculty development programs and improvements in faculty equipment.

**The Commission urges the University to maintain faculty salaries at nationally competitive levels.**

Compensation represents more than 75% of total Educational and General expenditures, and is closer to 80% at some of the campuses. Given this sizable share of compensation related expenses, the budget reduction proposals necessitated that some of the reductions be realized through lay-offs. Despite an early retirement incentive program, the University was forced to lay-off 160 full-time equivalent positions. These lay-offs were implemented according to collective bargaining agreements. However, the Commission did hear testimony that some of the problems in the lay-off process resulted from a less than complete knowledge of the contracts by some administrators.

**The Commission recommends that administrators within the University System become familiar with the collective bargaining contract provisions, particularly as they apply to policies regarding notification of lay-offs.**

# EXHIBIT VI-A

## UNIVERSITY OF MAINE SYSTEM

### FACULTY SALARY STATISTICS

#### SALARY RANKING OF MAJOR PUBLIC UNIVERSITIES IN ALPHABETICAL ORDER, BY RANK, 1989/90\*

	Professor	Associate Professor	Assistant Professor	Instructor	Lecturer	Total	Overall
Univ. of Alabama	33	35	44	40	27	37	39
Univ. of Alaska	12	3	3	7	-	18	8
Univ. of Arizona	20	24	24	26	18	24	24
Univ. of Arkansas	42	40	42	41	28	42	44
Univ. of California	1	8	5-	-	-	1	1
Univ. of Colorado	26	18	11	12	-	17	18
Univ. of Connecticut	8	4	4	2	2	2	4
Univ. of Delaware	18	22	27	29	22	28	23
Univ. of Florida	15	7	1	6	-	11	5
Univ. of Georgia	25	33	33	39	1	30	29
Univ. of Hawaii	23	21	21	18	-	23	20
Univ. of Idaho	46	45	40	30	-	44	45
Univ. of Illinois	14	14	6	4	9	8	13
Indiana University	19	25	30	17	19	20	26
Univ. of Iowa	16	11	7	5	-	10	11
Univ. of Kansas	35	31	37	25	-	25	34
Univ. of Kentucky	37	38	32	8	-	33	35
Louisiana State Univ.	36	39	41	43	-	43	38
Univ. of Maine	32	30	31	33	4	36	31
Univ. of Maryland	7	10	8	20	8	13	10
Univ. of Massachusetts	11	5	14	9	11	6	9
Univ. of Michigan	5	2	2	10	16	4	2
Univ. of Minnesota	17	20	16	11	-	15	17
Univ. of Mississippi	44	43	43	38	-	45	43
Univ. of Missouri	39	37	28	36	-	35	36
Univ. of Montana	50	50	50	-	-	50	50
Univ. of Nebraska	34	34	26	44	-	31	32
Univ. of Nevada	29	16	25	-	20	38	22
Univ. of New Hampshire	31	26	39	3	-	32	30
Rutgers State Univ.	4	6	9	28	7	7	7
Univ. of New Mexico	41	44	38	32	15	39	40
SUNY at Buffalo	3	1	12	34	14	5	3
Univ. of North Carolina	9	13	19	14	12	12	15
Univ. of North Dakota	49	48	46	45	24	48	48
Ohio State Univ.	10	12	13	22	-	14	12
Univ. of Oklahoma	40	36	45	38	29	41	42
Univ. of Oregon	45	46	48	35	-	46	46
Pennsylvania State Univ.	13	15	17	42	23	22	16
Univ. of Rhode Island	28	19	18	1	-	19	19
Univ. of South Carolina	27	29	23	27	3	27	28
Univ. of South Dakota	48	49	49	46	-	49	49
Univ. of Tennessee	30	32	34	31	10	26	33
Univ. of Texas	6	17	15	15	5	9	14
Univ. of Utah	38	42	35	23	-	34	37
Univ. of Vermont	24	27	29	13	17	29	27
Univ. of Virginia	2	9	10	21	6	3	6
Univ. of Washington	22	28	22	16	21	21	25
West Virginia Univ.	47	47	47	37	26	47	47
Univ. of Wisconsin	21	23	20	19	13	16	21
Univ. of Wyoming	43	41	36	24	25	40	41

\* Prepared by Maryse Eymonerie Associates and based on data that are also used for the purpose of the AAUP Annual Report on the Economic Status of the Profession, published in Academe: Bulletin of the AAUP.

## VII. STUDENT LIFE AND STUDENT COSTS

This chapter looks at the effect of the recent changes in the levels of state funding to the University of Maine System from the Student's perspective. The changes in funding have affected the quality of student life in a number of areas, such as the number of academic offerings and student faculty ratios. This chapter also looks at the quality of student life in terms of its cost to the University student in tuition and fees and the availability of financial aid.

### Academic Offerings

An important measure of the quality of student life is the number and quality of academic program offerings. The University of Maine System has a continuing and effective program review process in place with about forty to fifty program reviews being conducted each year. These reviews, utilizing outside consultants, have led to program modifications and improvements. There have even been some programs eliminated. Exhibit VII-A at the end of this chapter provides a listing of the programs added or eliminated since FY 1985. Eight programs have been eliminated since FY 1985, about a quarter of the number added during that same period.

An issue related to the number and quality of academic programs is the ability of students to transfer credits from one campus or program to another. The ability of students to transfer credits improves access to more advanced higher or specific academic programs. However, due to differences in requirements between campuses and programs, this transfer is not always easily accomplished. The University of Maine System has been working on improving this transfers of credits.

### Student Costs

The cost to a Maine resident of a year at one of the University of Maine System campuses will average \$8,149 in FY 1991. This has increased from \$6,083 for FY 1986. The cost to out-of-state students is considerably higher with the major difference being the difference in tuition rates. Non-resident rates are set at between 2.4 and 2.8 times the in-state rate. In FY 1991, the differential was \$3,637.

Exhibit VII-B at the end of this chapter summarizes the cost of an undergraduate University of Maine System education for in-state, on-campus students from FY 1986 to FY 1991. The burden borne by the students and their families decreased from almost 60% just prior to the 1987 down payment to less than 52% in the current fiscal year. The portion contributed by the state increased from less than 36% to more than 43% over this same period. The \$15 million down payment shifted the burden significantly from the students to the state in one year. In the years immediately following, the state's portion of these costs continued to grow, reaching its highest point in FY 1989, conversely, the student's share reached its lowest point in that same year.



The budget reductions of the 1990-1991 biennium have reversed the trend toward lessening the financial burden on the student and the family. Since FY 1986, the average annual growth of the state's share of in-state, undergraduate per student cost was 13.31%, while the growth in the student's share only averaged 6.02% annually for the same period. However, the growth between FY 1989 and FY 1990 and between FY 1990 and FY 1991 was 2.99% and 5.64%, respectively, for the state's share, while the student's share grew at 6.76% and 8.89%, respectively.

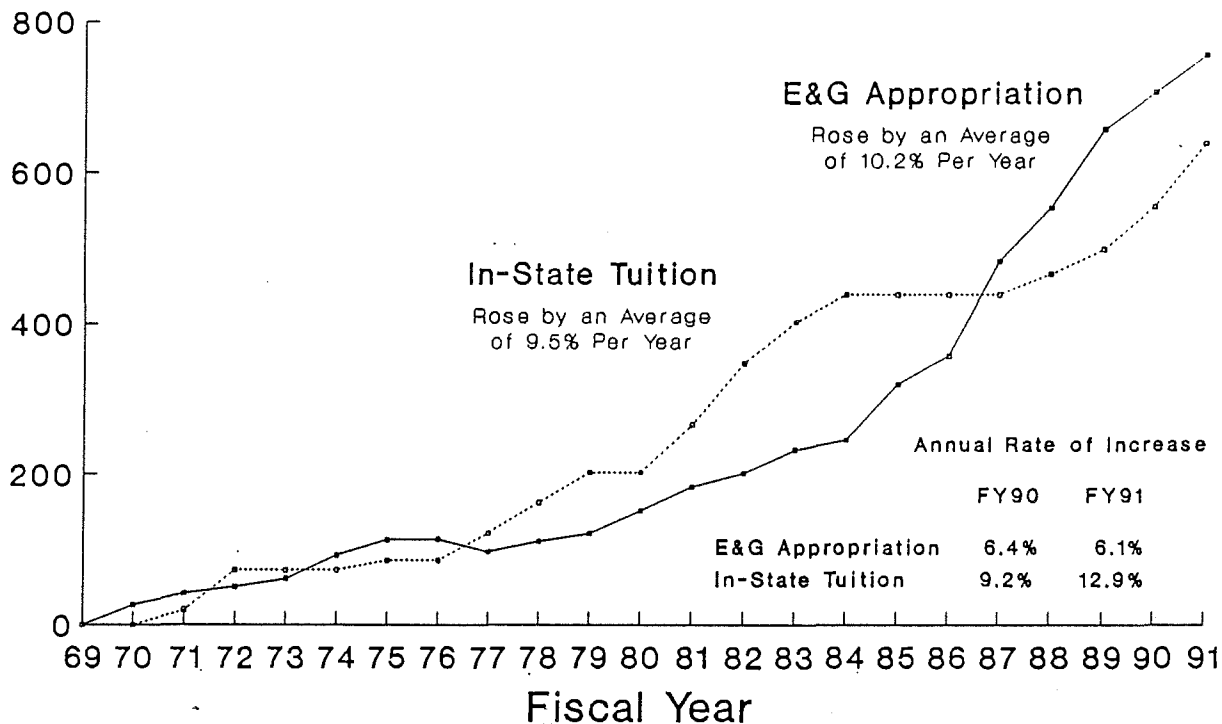
### **Tuition and Fees**

The Board of Trustees establishes tuition rates, normally charged by credit hour, for in-state and out-of-state undergraduate, graduate, and law students. Prior to the recent increases in tuition rates, the board had a long term policy of setting total tuition and fee revenue to equal one-third of the System's total Educational and General budget. Some current guidelines include setting out-of-state tuition at a rate between 2.4 and 2.8 times the in-state rate and setting tuition charges for graduate students at least 130% of the established rate for undergraduates at the University of Maine and the University of Southern Maine. Exhibit VII-C provides the major annual student charges for 1990-91.

Although low when compared to New England (see Exhibit VII-D), University of Maine System tuition rates make our campuses among the more expensive public institutions of higher education in the United States. Seventy-five percent of like institutions charge less than the UMS average for both in-state and out-of-state students.

As demonstrated by the graph at the top of the next page, the growth in UMS average tuition rates was approximately the same as the growth in the E&G state appropriation from FY 1969 to FY 1976. Beginning in FY 1977 tuition rates increased faster than the E&G appropriation. This was necessary to make up for the appropriation reduction of FY 1977 and subsequent years of low growth in the appropriation. Beginning in FY 1985, the growth rate for the E&G state appropriation increased substantially. By FY 1987, the year of the \$15 million supplemental appropriation, the cumulative percentage growth in the E&G appropriation exceeded the growth in tuition and has stayed higher than tuition to the present time. Tuition remained constant for the four years from FY 1984 to FY 1987. However, the rate of increase for tuition for the 1990-1991 biennium exceeded that of the state appropriation.

# UNIVERSITY OF MAINE SYSTEM CUMULATIVE % INCREASE IN E&G APPROPRIATION AND AVERAGE TUITION



## Student Enrollment

The Table below details the growth of student enrollment at each of the campuses. From 1986 to 1990 enrollment levels for the University System have increased by more than 3,300 students.

### Opening Fall FTE Enrollment\* (Fall 1986-Fall 1990)

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
UM	9,118.5	9,236.2	9,976.7	10,476.4	10,603.4
UMA	1,333.8	1,415.4	1,537.9	1,752.7	1,960.3
UMF	1,748.3	1,836.8	1,870.4	2,057.9	2,032.0
UMFK	355.5	352.9	335.8	395.1	406.1
UMM	529.9	507.4	545.8	594.8	675.8
UMPI	836.8	877.7	888.2	981.9	1,003.7
USM	<u>5,732.6</u>	<u>5,681.5</u>	<u>6,006.0</u>	<u>6,291.6</u>	<u>6,292.9</u>
<b>TOTAL</b>	<b>19,655.4</b>	<b>19,907.9</b>	<b>21,160.8</b>	<b>22,550.4</b>	<b>22,974.2</b>

\* The formula for calculating Fall FTE is as follows:

$$\frac{\text{Fall Undergraduate Credit Hrs}}{15} + \frac{\text{Fall Professional (Law) Credit Hrs}}{15} + \frac{\text{Fall Graduate Credit Hrs}}{9} = \text{Fall FTE}$$

## **Admission Standards**

University and college admission criteria are determined in large part by the mission of an institution. Acceptance rates (the number of students accepted for admission compared to the number of applications) reflect both the admission criteria and the size and quality of the pool of students who apply for admission. Thus, in interpreting acceptance rates, one must keep in mind the institution's mission and the size and quality of the admission pool. Providing access is a first priority on some University of Maine System campuses, while increasing selectivity, especially in certain programs, is foremost on others. For instance, the University of Maine at Augusta aims for a 100% acceptance rate, while the University of Maine has been trying to raise its standards and, thereby, reduce the acceptance rate for its baccalaureate programs.

Exhibit VII-E at the end of this chapter details the acceptance and enrollment rates for each campus.

## **Technology**

The Commission invited the University to make a presentation before the Commission to justify the recent expenditures for the computer/communication project at the Orono campus. This was highlighted as a concern by the students and some legislators who were not able to readily see the impact of the \$3.5 million allocated for this purpose from the latest General Fund bond issue. Students did not see any improvement in the availability of personal computers. The lines for access to these computers indicates that there are still some improvements to be made.

The University's presentation included several faculty members and directors of the project at the Orono campus. They pointed out the long term benefits that will be derived from this investment. It also became clear that something had to be done in this area.

The University of Southern Maine also received some bond issue funds which were allocated to purchase computer equipment for general access. Due to the continually evolving nature of computer technology and the growing demand for use, the University of Southern Maine proposed a technology fee to dedicate \$2 per credit hour (in excess of \$350,000 annually) to improving the University of Southern Maine student computer resources.

## **Financial Aid**

Federal support for student financial aid has remained virtually steady from FY 1985 to FY 1989. University support for the same period has grown at an average annual rate of 9.5%. This is due to the priority that the Trustees place on providing financial resources for needy students, especially in times when tuition is increasing at a faster rate than inflation (See Exhibit VII-F).

Exhibit VII-G provides a breakdown of financial aid by type: i.e., scholarships and waivers, work-study, and loans. Work-study and loans have increased as a percentage of the total; while scholarships and waivers have declined from 1985 to 1990.

### **Conclusions and Recommendations**

Tuition and the University's Educational and General appropriations have grown at varying rates since the 1968 merger, but in the last two years tuition has been growing faster than the state appropriation. The current total annual cost of an education for all in-state on-campus undergraduate student is \$15,730 per student of which the student and family pay \$8,149 or 51.8%. This cost has increased from the 1986 level of \$10,192 for total cost per student with the student and family paying \$6,083 or 59.7% (just prior to the \$15 million down payment).

Federal support for student financial aid has remained virtually steady from Fiscal Year 1985 to 1989, while University support for the same period has grown at an average annual rate of 9.5%. This is due to the priority that the Trustees place on providing financial resources for needy students, especially in times when tuition is increasing at a faster rate than inflation. Despite increases in support from University sources and the State, student aid as a share of the Educational and General budget has been steadily declining. The Commission was also concerned with the make-up of the financial aid to students which demonstrated an increase in the reliance on loans versus scholarships and grants.

The decline in financial aid, increasing tuition rates in excess of inflation, and a heavier reliance on loans within student financial aid packages place a greater burden for meeting education costs on the student and family. The end result is that fewer students will be financially capable of attending the University.

**The Commission supports and commends the Trustees for providing increased financial aid to needy Maine students during periods of increased tuition costs.**

## EXHIBIT VII-A

### University of Maine System Programs Added and Eliminated, 1985-1990

	<u>PROGRAMS ADDED</u>	<u>PROGRAMS ELIMINATED</u>
<b><u>1985</u></b>		
UM	Ph.D. Biological Sciences	
UMM	B.S. Biology	
USM	M.S. in Applied Immunology	
<b><u>1986</u></b>		
UM	B.S. Computer Engineering B.S. Landscape Horticulture M.S. Computer Science M.S. Surveying Engineering	
UMA	A.A. Social Services Bachelor of Music in Jazz and Contemporary Music	
UMPI	Bachelor of Fine Arts	A.S. Nursing
USM	B.S. Electrical Engineering M.A. New England Studies	A.S. Selected Studies B.A. Earth Science
<b><u>1987</u></b>		
UM	B.S. Construction Management Technology B.S. Food Industry Systems Master of Forestry	
UMFK	B.S. Computer Applications	
USM	B.A. Physics M.S. School Psychology M.S. Statistics	
<b><u>1988</u></b>		
UM	Master of Social Work Master of Wildlife Conservation Ph.D. Geological Sciences	
UMA	A.A. Architectural Studies	
UMF	A.S. Business Administration	
UMM	B.A. Behavioral Science	B.S. Biological Technology

## Exhibit VII-A (cont.)

	<u>PROGRAMS ADDED</u>	<u>PROGRAMS ELIMINATED</u>
<b><u>1989</u></b>		
<b>UM</b>	A.S. Hotel, Restaurant and Tourism Management B.S. Hotel, Restaurant and Tourism Administration Ph.D. Surveying Engineering	
<b>UMF</b>	B.S. Early Childhood Special Education	
<b>UMPI</b>	B.S. Health Education Bachelor of Social Work	
<b><u>1990</u></b>		
<b>UM</b>		A.S. Agricultural Mechanization Technology A.S. Animal Agricultural Technology
<b>USM</b>		B.S. Education (undergraduate major) B.S. Secondary Education

## Exhibit VII-B Student Costs 1985-86 to 1990-91

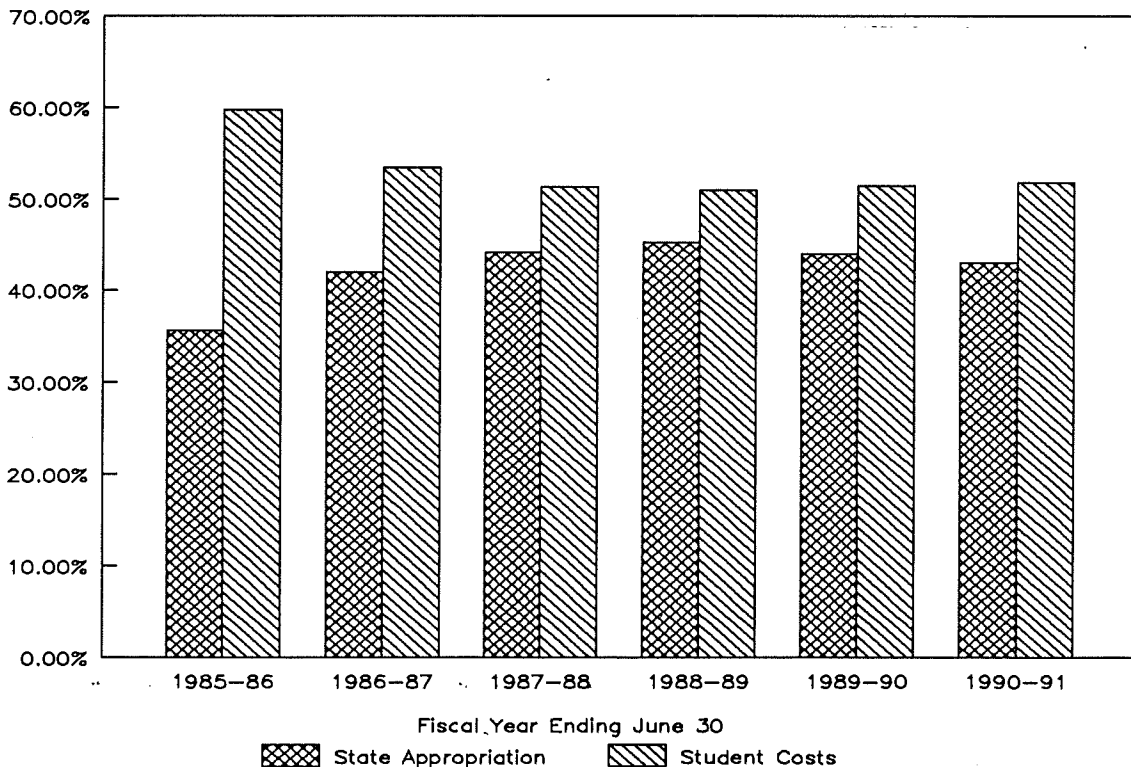
Average Cost Per In-State Undergraduate Student

	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	Ave. Annual Growth
<b>Paid by State:</b>							
State Appropriation	\$3,627	\$4,974	\$5,679	\$6,228	\$6,414	\$6,776	13.31%
<b>Paid by University:</b>							
University Sources	\$482	\$543	\$579	\$520	\$662	\$805	10.80%
<b>Paid by Student and Family:</b>							
Tuition & Fees	\$1,595	\$1,606	\$1,755	\$1,844	\$1,993	\$2,248	7.10%
Books & Personal	\$1,653	\$1,721	\$1,724	\$1,886	\$2,001	\$2,096	4.86%
Room	\$1,400	\$1,497	\$1,562	\$1,637	\$1,746	\$1,914	6.45%
Board	\$1,435	\$1,508	\$1,553	\$1,643	\$1,744	\$1,891	5.67%
<b>Total - Student &amp; Family</b>	<b>\$6,083</b>	<b>\$6,332</b>	<b>\$6,594</b>	<b>\$7,010</b>	<b>\$7,484</b>	<b>\$8,149</b>	<b>6.02%</b>
<b>Total Cost</b>	<b>\$10,192</b>	<b>\$11,849</b>	<b>\$12,852</b>	<b>\$13,758</b>	<b>\$14,560</b>	<b>\$15,730</b>	<b>9.07%</b>

Percent of Total Cost Per In-State Undergraduate Student

	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	6-Year Average
<b>Paid by State:</b>							
State Appropriation	35.59%	41.98%	44.19%	45.27%	44.05%	43.08%	42.36%
<b>Paid by University:</b>							
University Sources	4.73%	4.58%	4.51%	3.78%	4.55%	5.12%	4.54%
<b>Paid by Student and Family:</b>							
Tuition & Fees	15.65%	13.55%	13.66%	13.40%	13.69%	14.29%	14.04%
Books & Personal	16.22%	14.52%	13.41%	13.71%	13.74%	13.32%	14.16%
Room	13.74%	12.63%	12.15%	11.90%	11.99%	12.17%	12.43%
Board	14.08%	12.73%	12.08%	11.94%	11.98%	12.02%	12.47%
<b>Total - Student &amp; Family</b>	<b>59.68%</b>	<b>53.44%</b>	<b>51.31%</b>	<b>50.95%</b>	<b>51.40%</b>	<b>51.81%</b>	<b>53.10%</b>
<b>Total Cost</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

### State Appropriation vs Student Share Cost Per In-State Undergraduate Student



**EXHIBIT VII-C**

**UNIVERSITY OF MAINE SYSTEM**

**1990/91 TOTAL STUDENT CHARGES**

	Annual Tuition	Mandatory Fees	Tuition & Mandatory Fees	Room & Board	Total
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**I. Undergraduate**

<b>In-State</b>					
UM	\$2,070	\$327	\$2,397	\$3,945	\$6,342
UMA	1,920	45	1,965	-	-
UMF	1,920	150	2,070	3,388	5,458
UMFK	1,920	60	1,980	3,395	5,375
UMM	1,920	85	2,005	3,090	5,095
UMPI	1,920	150	2,070	3,284	5,354
USM	2,070	144	2,214	3,844	6,058

<b>Out-of-State</b>					
UM	\$5,850	\$327	\$6,177	\$3,945	\$10,122
UMA	4,650	45	4,695	-	-
UMF	4,650	150	4,800	3,388	8,188
UMFK	4,650	60	4,710	3,395	8,105
UMM	4,650	85	4,735	3,090	7,825
UMPI	4,650	150	4,800	3,284	8,084
USM	5,850	144	5,994	3,844	9,838

**II. Graduate**

<b>In-State</b>					
UM	\$2,700	\$327	\$3,027	\$3,945	\$6,972
UMA	2,700	45	2,745	-	-
UMF	2,700	150	2,850	3,388	6,238
UMFK	2,700	60	2,760	3,395	6,155
UMM	2,700	85	2,785	3,090	5,875
UMPI	2,700	0	2,700	3,284	5,984
USM	2,700	84	2,784	3,844	6,628
USM Law	4,920	80	5,000	3,844	8,844

<b>Out-of-State</b>					
UM	\$7,620	\$327	\$7,947	\$3,945	\$11,892
UMA	7,620	45	7,665	-	-
UMF	7,620	150	7,770	3,388	11,158
UMFK	7,620	60	7,680	3,395	11,075
UMM	7,620	85	7,705	3,090	10,795
UMPI	7,620	0	7,620	3,284	10,904
USM	7,620	84	7,704	3,844	11,548
USM Law	9,840	80	9,920	3,844	13,764

NOTE: UMA has no residence or dining halls.



EXHIBIT VII-D

UNIVERSITY OF MAINE SYSTEM

COMPARISON OF UNDERGRADUATE TUITION & MANDATORY FEES

AT NEW ENGLAND LAND-GRANT UNIVERSITIES  
AND  
MAINE PRIVATE COLLEGES

1989/90 VS 1990/91

	<u>1989/90<sup>1</sup></u>	<u>1990/91<sup>2</sup></u>	<u>DIFFERENCE</u>	
			<u>\$</u>	<u>%</u>
<u>Resident</u>				
University of Vermont	\$ 3,986	\$ 4,578	592	14.9
University of New Hampshire	3,314 <sup>4</sup>	3,558	244	7.4
University of Massachusetts	2,630	3,477	847	32.2
University of Connecticut	2,631	2,974	343	13.0
University of Rhode Island	2,507	2,747	240	9.6
University of Maine	2,092	2,397	305	14.6
<u>Non-Resident</u>				
University of Vermont	\$11,986	\$13,178	1,192	9.9
University of New Hampshire	8,804	9,638	834	9.5
University of Massachusetts	6,536	8,330	1,794	27.4
University of Connecticut	6,811	7,774	963	14.1
University of Rhode Island	6,611	7,251	640	9.7
University of Maine	5,422	6,177	755	13.9
<u>Maine Private Colleges<sup>2</sup></u>				
Bates	\$15,430	\$16,940 <sup>3</sup>	1,510	9.8
Colby	14,120	15,330	1,210	8.6
Bowdoin	14,060	15,320	1,260	9.0
Husson	6,800	7,135	335	4.9

<sup>1</sup>SOURCE: National Association of State Universities and Land-Grant Colleges.

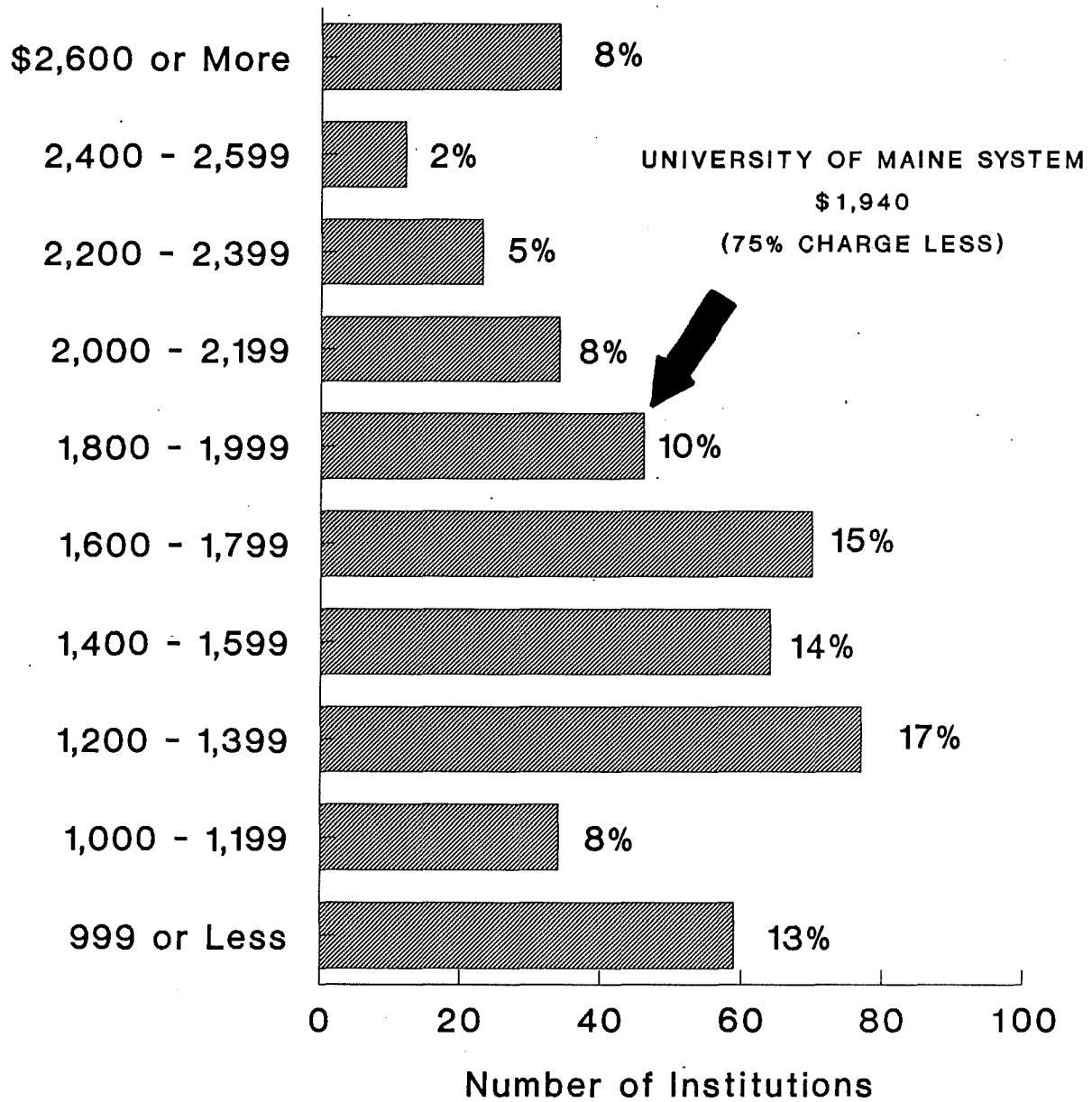
<sup>2</sup>SOURCE: Telephone Survey.

<sup>3</sup>One comprehensive fee of \$19,905 is charged to all students and includes tuition and room and board. Room and board is estimated at \$2,965.

<sup>4</sup>Includes \$300 mid-semester spring tuition increase.

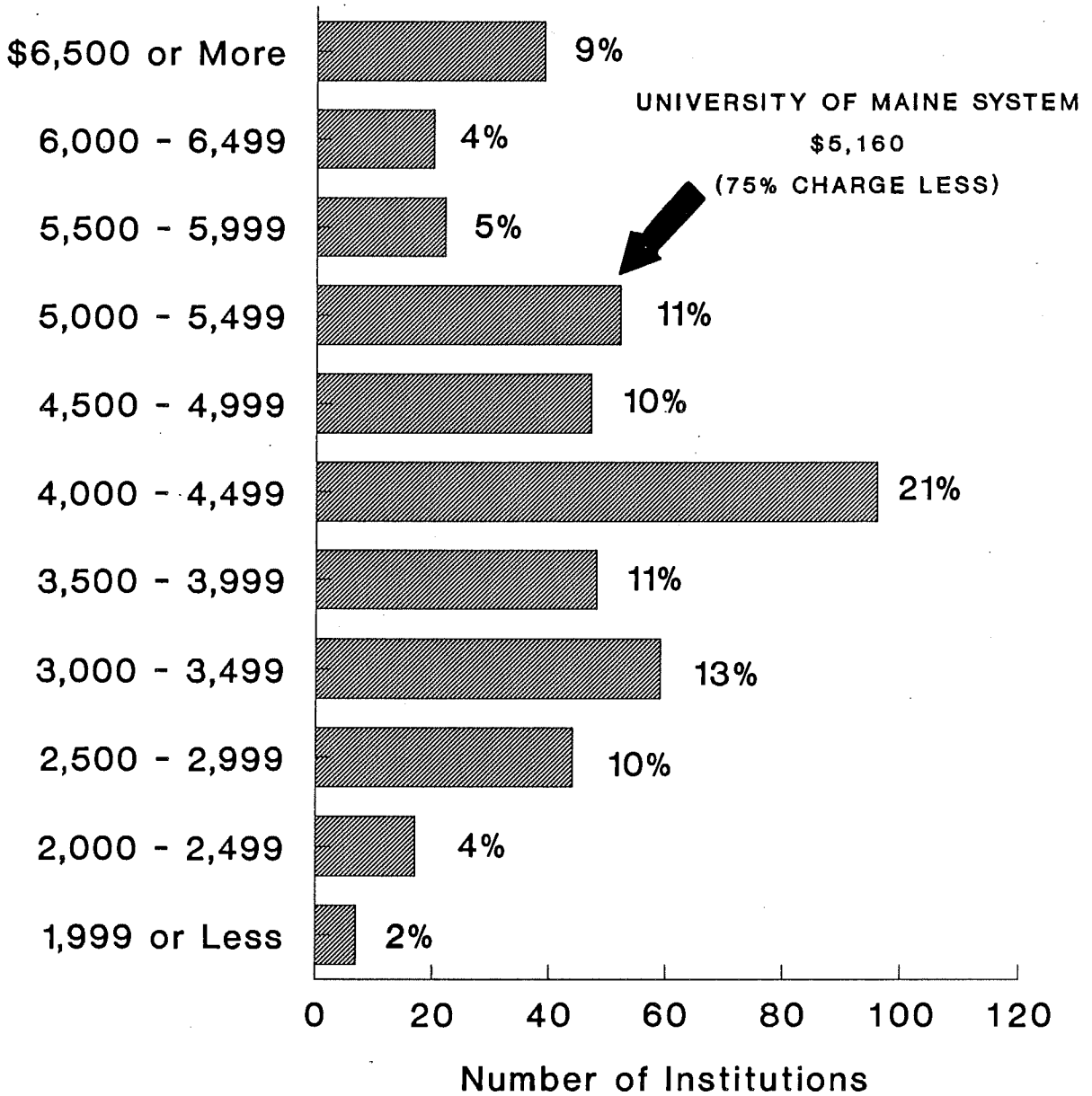
**EXHIBIT VII-D**  
(continued)

**UNIVERSITY OF MAINE SYSTEM  
RESIDENT TUITION AT U.S. PUBLIC  
COLLEGES AND UNIVERSITIES  
1989/90**



**EXHIBIT VII-D**  
(continued)

**UNIVERSITY OF MAINE SYSTEM  
NON-RESIDENT TUITION AT U.S. PUBLIC  
COLLEGES AND UNIVERSITIES  
1989/90**



## EXHIBIT VII-E

### UNIVERSITY OF MAINE SYSTEM ACCEPTANCE & ENROLLMENT FALL FIRST-TIME FIRST-YEAR STUDENTS

#### SYSTEM TOTAL

	<u>Applicants</u>	<u>Accepted Applicants</u>	<u>Enrolled Students</u>
<b>Fall 1985</b>			
Number	8,528	7,425	3,876
Percent	-	87	52
<b>Fall 1986</b>			
Number	9,217	7,603	3,713
Percent	-	82	49
<b>Fall 1987</b>			
Number	9,653	7,855	3,948
Percent	-	81	50
<b>Fall 1988</b>			
Number	10,854	8,684	4,395
Percent	-	80	51
<b>Fall 1989</b>			
Number	12,894	10,754	5,001
Percent	-	83	47
<b>Fall 1990*</b>			
Number	12,454	9,794	
Percent	-	79	

\* As of August 1990.

## EXHIBIT VII-E

### UNIVERSITY OF MAINE SYSTEM ACCEPTANCE & ENROLLMENT FALL FIRST-TIME FIRST-YEAR STUDENTS

	UM		
	<u>Applicants</u>	<u>Accepted Applicants</u>	<u>Enrolled Students</u>
<b>Fall 1985</b>			
Number	4,201	3,586	1,631
Percent	-	85	45
<b>Fall 1986</b>			
Number	4,781	3,641	1,425
Percent	-	76	39
<b>Fall 1987</b>			
Number	4,893	3,688	1,588
Percent	-	75	43
<b>Fall 1988</b>			
Number	5,694	4,347	1,890
Percent	-	76	43
<b>Fall 1989</b>			
Number	6,956	6,045	2,402
Percent	-	87	40
<b>Fall 1990*</b>			
Number	6,129	4,991	
Percent	-	81	

\* As of August 1990.

## EXHIBIT VII-E

### UNIVERSITY OF MAINE SYSTEM ACCEPTANCE & ENROLLMENT FALL FIRST-TIME FIRST-YEAR STUDENTS

#### UMA

	<u>Applicants</u>	<u>Accepted Applicants</u>	<u>Enrolled Students</u>
<b>Fall 1985</b>			
Number	493	434	271
Percent	-	88	62
<b>Fall 1986</b>			
Number	496	461	319
Percent	-	93	69
<b>Fall 1987</b>			
Number	489	451	328
Percent	-	92	73
<b>Fall 1988</b>			
Number	590	548	401
Percent	-	93	73
<b>Fall 1989</b>			
Number	710	683	470
Percent	-	96	69
<b>Fall 1990*</b>			
Number	1,170	965	
Percent	-	82	

\* As of August 1990.

## EXHIBIT VII-E

### UNIVERSITY OF MAINE SYSTEM ACCEPTANCE & ENROLLMENT FALL FIRST-TIME FIRST-YEAR STUDENTS

#### UMF

	<u>Applicants</u>	<u>Accepted Applicants</u>	<u>Enrolled Students</u>
<b>Fall 1985</b>			
Number	825	677	415
Percent	-	82	61
<b>Fall 1986</b>			
Number	944	738	432
Percent	-	78	59
<b>Fall 1987</b>			
Number	1,064	795	443
Percent	-	75	56
<b>Fall 1988</b>			
Number	1,047	803	458
Percent	-	77	57
<b>Fall 1989</b>			
Number	1,203	880	477
Percent	-	73	54
<b>Fall 1990*</b>			
Number	1,261	921	
Percent	-	73	

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\* As of August 1990.

## EXHIBIT VII-E

### UNIVERSITY OF MAINE SYSTEM ACCEPTANCE & ENROLLMENT FALL FIRST-TIME FIRST-YEAR STUDENTS

#### UMFK

	<u>Applicants</u>	<u>Accepted Applicants</u>	<u>Enrolled Students</u>
<b>Fall 1985</b>			
Number	240	240	73
Percent	-	100	30
<b>Fall 1986</b>			
Number	225	225	96
Percent	-	100	43
<b>Fall 1987</b>			
Number	203	203	70
Percent	-	100	34
<b>Fall 1988</b>			
Number	214	214	77
Percent	-	100	36
<b>Fall 1989</b>			
Number	262	247	120
Percent	-	94	49
<b>Fall 1990*</b>			
Number	290	260	
Percent	-	90	

\* As of August, 1990.



## EXHIBIT VII-E

### UNIVERSITY OF MAINE SYSTEM ACCEPTANCE & ENROLLMENT FALL FIRST-TIME FIRST-YEAR STUDENTS

#### UMM

	<u>Applicants</u>	<u>Accepted Applicants</u>	<u>Enrolled Students</u>
<b>Fall 1985</b>			
Number	265	245	103
Percent	-	92	42
<b>Fall 1986</b>			
Number	275	248	143
Percent	-	90	58
<b>Fall 1987</b>			
Number	312	283	134
Percent	-	91	47
<b>Fall 1988</b>			
Number	347	308	157
Percent	-	89	51
<b>Fall 1989</b>			
Number	419	352	183
Percent	-	84	52
<b>Fall 1990*</b>			
Number	459	379	
Percent	-	83	

\* As of August 1990.

## EXHIBIT VII-E

### UNIVERSITY OF MAINE SYSTEM ACCEPTANCE & ENROLLMENT FALL FIRST-TIME FIRST-YEAR STUDENTS

#### UMPI

	<u>Applicants</u>	<u>Accepted Applicants</u>	<u>Enrolled Students</u>
<b>Fall 1985</b>			
Number	356	208	193
Percent	-	58	93
<b>Fall 1986</b>			
Number	291	282	155
Percent	-	97	55
<b>Fall 1987</b>			
Number	370	364	216
Percent	-	98	59
<b>Fall 1988</b>			
Number	335	319	174
Percent	-	95	55
<b>Fall 1989</b>			
Number	450	392	225
Percent	-	87	57
<b>Fall 1990*</b>			
Number	427	350	
Percent	-	82	

\* As of August 1990.

## EXHIBIT VII-E

### UNIVERSITY OF MAINE SYSTEM ACCEPTANCE & ENROLLMENT FALL FIRST-TIME FIRST-YEAR STUDENTS

#### USM

	<u>Applicants</u>	<u>Accepted Applicants</u>	<u>Enrolled Students</u>
<b>Fall 1985</b>			
Number	2,148	2,035	1,190
Percent	-	95	58
<b>Fall 1986</b>			
Number	2,205	2,008	1,143
Percent	-	91	57
<b>Fall 1987</b>			
Number	2,322	2,071	1,169
Percent	-	89	56
<b>Fall 1988</b>			
Number	2,627	2,145	1,238
Percent	-	82	58
<b>Fall 1989</b>			
Number	2,894	2,155	1,124
Percent	-	74	52
<b>Fall 1990*</b>			
Number	2,718	1,928	
Percent	-	71	

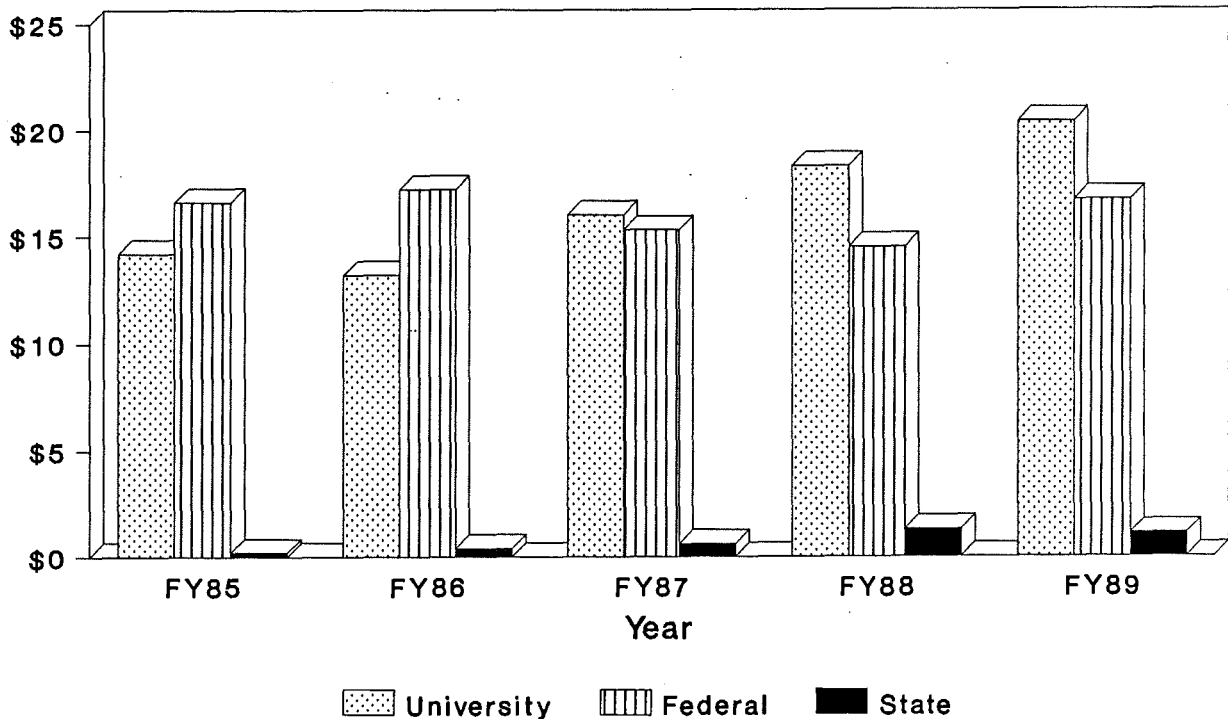
\* As of August 1990.

## EXHIBIT VII-F

### Financial Aid By Source (\$ in Millions)

	<u>1984/85</u>	<u>1985/86</u>	<u>1986/87</u>	<u>1987/88</u>	<u>1988/89</u>	<u>1989/90</u> Estimate
University	\$14.2 45%	\$13.2 43%	\$16.0 50%	\$18.3 53%	\$20.4 53%	\$20.9 53%
Federal	16.6 54%	17.2 55%	15.3 48%	14.5 43%	16.7 44%	17.1 44%
State	.2 1%	.4 2%	.6 2%	1.3 4%	1.1 3%	1.2 3%
Total	<u>\$31.0 100%</u>	<u>\$30.8 100%</u>	<u>\$31.9 100%</u>	<u>\$34.1 100%</u>	<u>\$38.2 100%</u>	<u>\$39.2 100%</u>

### UNIVERSITY OF MAINE SYSTEM Historical Level of Aid Funding (Millions \$)

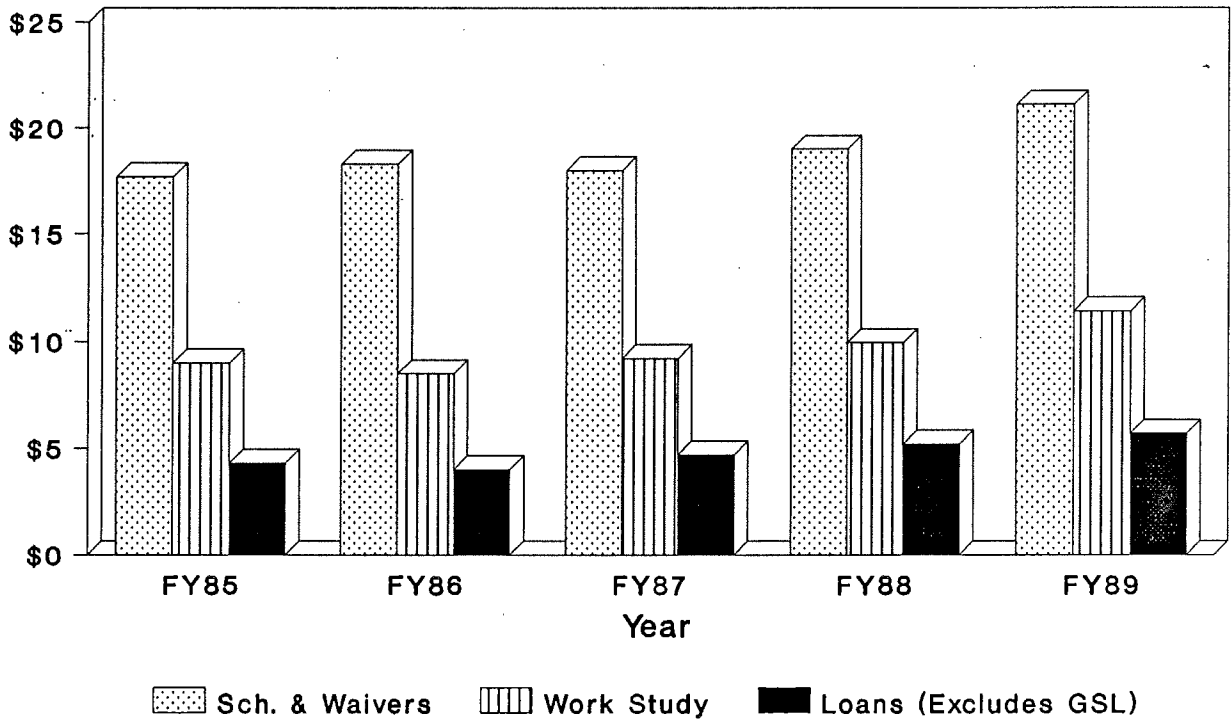


## EXHIBIT VII-G

### Financial Aid By Type (\$ in Millions)

	<u>1984/85</u>		<u>1985/86</u>		<u>1986/87</u>		<u>1987/88</u>		<u>1988/89</u>		<u>1989/90</u> Estimate	
Scholarships & Waivers	\$17.7	57%	\$18.3	59%	\$18.0	56%	\$19.0	56%	\$21.1	55%	\$20.8	53%
Work-Study	9.0	29%	8.5	28%	9.2	29%	9.9	29%	11.4	30%	12.6	32%
Loans	4.3	14%	4.0	13%	4.7	15%	5.2	15%	5.7	15%	5.8	15%
<b>Total</b>	<b>\$31.0</b>	<b>100%</b>	<b>\$30.8</b>	<b>100%</b>	<b>\$31.9</b>	<b>100%</b>	<b>\$34.1</b>	<b>100%</b>	<b>\$38.2</b>	<b>100%</b>	<b>\$39.2</b>	<b>100%</b>

### UNIVERSITY OF MAINE SYSTEM Historical Level of Aid Funding (Millions \$)



## VIII. FACILITIES AND BORROWING

This chapter discusses several aspects of the University of Maine System related to its physical plant and its funding. The growth in the University, the increase in the percentage of space used for administration versus instruction and other purposes, maintenance issues, the method of funding both General Fund and University bonding and other means of funding are reviewed here.

### Size of Plant

The University of Maine System is a major landowner and building manager, with 1,294 developed acres and 6.9 million square feet of facilities in use. Replacement value of all University land and facilities currently exceeds \$664 million. The table below highlights the growth in the value of the University's plant since 1986.

#### Plant Replacement Value (in millions)

1986	\$513.1
1987	\$543.2
1988	\$567.5
1989	\$609.7
1990	\$664.9

### Administrative Space

One of the concerns often expressed by Legislators is the apparent increase in the amount of space used for administration versus other uses. The Commission analyzed a report on the use of assignable space, which summarized the assignable area for all departments and functions by room use category. The Table below separates out that percentage of area assigned to "institutional support." This information was not available for prior years, consequently, trends could not be analyzed.

#### 1989 Administrative Space vs. Total Office Facilities

<u>Campus</u>	Area in Square Feet		<u>Percentage</u>
	<u>Institutional Support Area</u>	<u>Total Area</u>	
UM	79,889	457,435	17.5
UMA	4,920	14,994	32.8
UMF	13,204	51,241	25.8
UMFK	6,837	17,073	40.0
UMM	5,067	18,594	27.3
UMPI	12,235	33,469	36.6
USM	24,181	129,300	18.7
CO/SWS and MPBN	13,985	26,526	52.7

## **State Bond Issues**

Earlier in this report in Chapter III, the support of the University of Maine System through the use of General Fund bond issues was mentioned. Exhibit VIII-A provides a summary of the projects funded by the three latest bond issues, the \$16,500,000 bond issue approved by the 111th Legislature, the \$7,700,000 bond issue approved by the 112th Legislature, and the \$36,800,000 bond issue approved by the 113th Legislature.

## **University Bonding**

The 1987-1988 Report of the Joint Standing Committee on Audit and Program Review on the University of Maine System (UMS) included a recommendation that the UMS be granted tax-exempt borrowing authority. Previously, there has been some uncertainty with regard to the tax status of UMS borrowing in anticipation of assured revenues. The Audit and Program Review Committee clearly distinguished that UMS should have tax-exempt borrowing authority, but not bonding authority.

UMS, with the advice of counsel, interpreted the statutory changes to permit bonding by UMS. The Joint Standing Committee on Appropriations and Financial Affairs during the First Regular Session of the 114th Legislature sought to clarify and resolve this difference in interpretation. The Appropriations Committee was concerned about unlimited bonding authority for UMS for a number of reasons. Although the State of Maine is not legally or morally obligated to honor UMS bonds in the case of default, there is an "implied" moral obligation given the size of State Government's commitment to UMS. The major bond rating agencies consider the level of University debt in their reviews of state finances. Therefore, the Appropriations Committee felt that University borrowing without limit could negatively affect the state's credit rating. The Appropriations Committee was also concerned with the lack of legislative oversight in UMS bonding, as growth in UMS plant could eventually affect the levels of General Fund appropriations required by UMS.

The Appropriations Committee decided to let the interpretation allowing bonding for UMS to stand but to establish a \$18 million limit on the amount of outstanding bonds. UMS had originally proposed \$25 million as the cap. The Appropriations Committee also added a legislative review requirement. No borrowing could be finalized until reviewed by the Appropriations Committee; UMS would have to submit information on the projects to be funded by the borrowing to the Office of Fiscal and Program Review at least 60 days in advance of the closing on the projects.

## **Lewiston/Auburn Facility**

The Lewiston/Auburn (LA) college is a recent initiative to expand access to the university programs affiliated with the University of Southern Maine (USM), as mentioned earlier in Chapter IV. The short-term solution to providing a presence in the LA area was to lease a facility and to renovate it to meet the USM's requirements. Due to the taxable status of the Lessor in this case, USM is paying approximately \$300,000 more than it would have to pay if it had purchased the facility. The estimated cost to purchase the building is approximately \$5.2 million.

## **Pride and Promise Campaign**

Early in 1989, the Board of Trustees authorized a capital campaign, the first in the country to be launched as a system-wide venture. The Pride and Promise Campaign has two aims, Quality and Accessibility, which are the basis for the System's capital campaign, which seeks at least \$65 million from private sources over a five-year period. The \$65 million is targeted for seven categories of need:

- \$15 million to create endowed faculty positions: chairs, professorships and fellowships;
- \$10 million to endow scholarships for undergraduate students and fellowships for graduate students;
- \$11.5 million to underwrite academic program support including library acquisitions, equipment, curriculum development, and research;
- \$10.5 million to renovate and construct facilities throughout the System, thus supplementing bond-issue funds;
- \$2 million to enhance public service programming in the humanities and the arts;
- \$1 million to endow a new Fund for Multi-Campus Initiatives that will provide seed money for promising cooperative ventures; and
- \$15 million through separate campus-based annual fund programs to strengthen a variety of academic areas.



## **Maintenance**

Currently, each campus budgets a certain amount for annual maintenance costs. These funds are used to maintain all aspects of physical plant activity on the various campuses. By system-wide policy, each campus has established a non-lapsing maintenance reserve account which can receive funds in two ways:

- any unexpended balance from a maintenance account is placed in its entirety into the campus maintenance reserve account; and
- the system makes use of a concept referred to as "incentive budgeting" (see Chapter V). Under the incentive budgeting process, any unexpended balance from a non-maintenance account is divided into 80% and 20% portions. The 80% is, in fact, the portion used for incentive budgeting; the campus presidents are allowed to use this money at their discretion for unfunded educational or administrative purposes on their campus. The other 20% is designated for deposit into the campus maintenance reserve account.

Maintenance reserve accounts are used to provide funds for anticipated future expenditures that occur at intervals longer than one fiscal year. Theoretically, a maintenance reserve system would allow campuses to "put away" a certain sum of money every year towards the anticipated repair or replacement of a portion of campus facilities.

The Committee on Audit and Program Review, as part of its 1987-88 review of the University determined that 1.5% of the total estimated replacement value on all buildings should be budgeted for maintenance. The Committee recommended that this amount be budgeted annually for maintenance and to avoid the harmful and more expensive practice of deferred maintenance.

In FY 1991, the University of Maine System is still only able to fund about one-half of the recommended amount.

## **Conclusions and Recommendations**

The increase in state funding has been used to leverage increases in private support. The Pride and Promise Campaign, a private fund raising program intended to supplement recent bond issues is possible in large measure because the public perceives the University of Maine System as a quality system worth supporting.

**While the Capital Campaign is a much needed and justified capital program, the Commission urges the University to incorporate capital renewal and modernization of existing buildings as a priority and alternative in its capital planning.**

The University is able to fund only about one-half the maintenance expenditure level as recommended by the Joint Standing Committee on Audit and Program Review. The March 1988 Audit and Program Review report recommended budgeting maintenance at 1.5% of estimated building value. The lack of adequate funding for maintenance results in the harmful and more expensive practice of deferred maintenance. This practice results in additional future costs when relatively simple maintenance projects become major ones due to delaying early corrective action. It also places students, faculty, and employees at risk if safety related projects are delayed. To address this issue, the Trustees have requested increased Part II appropriation support of \$1.0 million in Fiscal Year 1992 and an additional \$1.5 million in Fiscal Year 1993 to substantially address ongoing maintenance.

**The Commission supports the Trustees supplemental request and encourages the University to continue to increase maintenance budgets until they reach the 1.5% goal and address deferred maintenance issues as funding becomes available.**

**EXHIBIT VIII-A**  
**UMS PROJECTS FUNDED**  
**BY**  
**GENERAL FUND BOND PROCEEDS**

111th Legislature

G.O. Bonds \$16,500,000

1.	Chemical Engineering Bldg. Addition - Orono		\$3,000,000	
2.	Biological Science Bldg. Addition - Orono		3,000,000	
3.	Classroom Building - USM			3,500,000
4.	Renovations, Alteration & Minor Addition			
	Includes Handicapped Alteration		4,000,000	
	Augusta - Farm House Addition	\$120,000		
	Jewett Elevator	80,000		
	Art & Ceramic Shop	11,000		
	Music Alterations	32,600		
	Day Care Center	3,900		
	Athletic Field		2,500	
	Farmington - Mantor Library Renov	140,000		
	Mills House Renovation	50,000		
	Honors Center		10,000	
	Theatre Renovation	160,000		
	Additional Off Space	140,000		
	Fort Kent - Science Lab & Greenhouse	175,000		
	Library Expansion	75,000		
	Machias - Kimball Renovation	74,000		
	Powers Interior	82,000		
	Campus Entrance	44,000		
	Orono - Aubert Renovation	600,000		
	Alumni Renovations	500,000		
	Memorial Gym Renov	400,000		
	Presque Isle - Wieden Renovations	500,000		
	Southern Maine - Corthell Hall Renov	250,000		
	CRAS Renovation	350,000		
	Scn Bldg Equip & Renov	200,000		
5.	Academic Computing Phase I		\$3,000,000	
	Augusta	\$ 152,000		
	Farmington	152,000		
	Fort Kent	152,000		
	Machias	152,000		
	Orono	1,374,000		
	Presque Isle	152,000		
	Southern Maine	866,000		

112th Legislature

G.O. Bonds \$7,700,000

1.	Library Automation		\$1,600,000
2.	Asbestos Abatement		500,000
	Augusta	\$ 5,000	
	Farmington	40,000	
	Fort Kent	10,000	
	Machias	25,000	
	Orono	250,000	
	Presque Isle	50,000	
	Southern Maine	120,000	

**EXHIBIT VIII-A (continued)**

**UMS PROJECTS FUNDED  
BY  
GENERAL FUND BOND PROCEEDS**

3.	Handicapped Accessibility		\$ 400,000
	Augusta	\$ 1,000	
	Farmington	20,000	
	Fort Kent	4,000	
	Machias	30,000	
	Orono	160,000	
	Presque Isle	90,000	
	Southern Maine	95,000	
4.	Academic Computing Phase II		\$ 750,000
	Augusta	\$ 30,000	
	Farmington	60,000	
	Fort Kent	20,000	
	Machias	25,000	
	Orono	375,000	
	Presque Isle	50,000	
	Southern Maine	190,000	
5.	Science Lab Addition - Augusta		\$ 800,000
6.	Addition to Ricker/Preble - Farmington		1,000,000
7.	Library Addition- Fort Kent		400,000
8.	Library Addition - Machias		700,000
9.	Aubert Renovations - Phase II		800,000
10.	Streets & Parking - Presque Isle		250,000
11.	Fine Arts Renovation - Southern Maine		500,000

**113th Legislature**

G.O. Bonds \$36,800,000

1.	Library/Learning Resource Center Addition -Augusta	\$ 2,040,000
2.	Student Center Renovations - Augusta	160,000
3.	Academic Bldg Renovations - Farmington	1,550,000
4.	Health, Phys Ed, Recreation Expansion - Farmington	1,450,000
5.	Science Wing - Fort Kent	1,100,000
6.	Academic Building Renovations - Machias	700,000
7.	Support Building - Machias	150,000
8.	Performing Arts Completion - Machias	150,000
9.	Classrooms/Business Administration Building - Orono	6,000,000
10.	Science Building - Orono	5,000,000
11.	Communications System - Orono	3,500,000
12.	Academic Building Renovations - Orono	1,900,000
13.	Performing Arts Building - Orono	2,000,000
14.	Campus Center - Presque Isle	1,000,000
15.	Academic Building Renovations - Presque Isle	510,000
16.	Support Building - Presque Isle	440,000
17.	Library Addition - Southern Maine	9,150,000
	Campus Library	7,140,000
	Law School Library	1,010,000
	Parking Garage	1,000,000



## IX. AUXILIARY ENTERPRISES, RESEARCH AND OTHER FUNDING

The previous chapters of this report have dealt with the Educational and General (E&G) Budget of the University of Maine System (UMS) and the Maine Public Broadcasting Network (MPBN), the two recipients of state General Fund appropriations. UMS also receives state funds through contracts with state agencies, which combined with other funding from the General Fund represent a substantial commitment of state resources. Given the extent of this commitment, the Commission decided to look at all UMS funding sources, even though the state may have no legal control over the use of these funds.

### Auxiliary Enterprises

Auxiliary Enterprises are self-supporting entities. The most notable examples of these are dormitories, dining halls and campus bookstores. The Commission analyzed these auxiliary enterprises at two of the largest campuses, the University of Maine (UM) and the University of Southern Maine (USM). The Tables below summarize the actual revenue and expenses and the ending balances of the Dining and Residence accounts and the bookstore accounts at UM and USM.

#### Auxiliary Enterprises - Growth of Revenue vs Expense University of Maine

	<u>Revenue</u>	<u>Expense</u>	<u>Net</u>	<u>Balance</u>
FY 86				
Dining & Residence	15,108,941	15,110,488	(1,547)	339,403
Bookstore	3,320,221	3,365,500	(45,279)	728,107
FY 87				
Dining & Residence	15,866,976	14,841,570	1,025,406	1,405,476
Bookstore	3,712,270	3,484,749	227,521	880,979
FY 88				
Dining & Residence	16,449,202	15,770,543	678,659	1,004,270
Bookstore	3,834,015	3,675,903	159,112	397,172
FY 89				
Dining & Residence	19,018,743	19,352,480	(333,737)	127,145
Bookstore	4,703,532	4,495,022	208,510	570,654
FY 90				
Dining & Residence	19,774,575	19,232,881	541,694	754,839
Bookstore	5,450,592	5,280,340	170,252	457,654

**Auxiliary Enterprises - Growth of Revenue vs Expense  
University of Southern Maine**

	<u>Revenue</u>	<u>Expense</u>	<u>Net</u>	<u>Balance</u>
FY 86				
Dining & Residence	3,154,055	3,142,536	11,519	162,376
Bookstore	1,473,056	1,424,808	48,248	65,872
FY 87				
Dining & Residence	3,434,376	3,476,475	(42,099)	(29,723)
Bookstore	1,620,200	1,564,224	55,976	121,848
FY 88				
Dining & Residence	3,744,240	3,591,105	153,135	123,412
Bookstore	1,773,457	1,728,393	45,064	86,658
FY 89				
Dining & Residence	4,604,166	4,723,750	(119,584)	3,828
Bookstore	2,127,090	1,990,597	136,493	286,962
FY 90				
Dining & Residence	5,300,330	5,295,491	4,839	8,667
	2,482,040	2,350,350	131,690	418,652

Another auxiliary enterprise account at UM which the Commission reviewed was the MicroComputer Resource Center (MRC). This entity sells computers to students. MRC has major contracts with Apple, IBM and Zenith. The "educational discount" is around 45% off list and MRC marks everything up 10%. It also charges a stepped shipping rate of \$35 per system, \$10 per monitor and \$5 per printer. Before June 1990, MRC charged different rates for the three vendors and tried to "average" the shipping and handling in the markups.

MRC financially was mixed with other computer support services. This made it difficult to identify costs specific to the MRC. As of July 1, 1990 the MRC sales and service have been separated along with the price changes so they can be carefully monitored and appropriately adjusted.

UM continues to support the MRC as a service that happens to offer computers for sale, not a retail operation. However, with help from the Department of Internal Audit, UM reviewed and reorganized the financial end of this service as if it were a not-for-profit business.

**Research, Grants and Contracts**

Grants and contracts are an important factor in the amount of research conducted by the University of Maine System. Total revenues realized for FY 1989 were \$40.5 million, an increase of \$6 million (17.6%) over the previous year's revenue. Even though the total revenues have increased in grants and contracts, the amount received from federal agencies has decreased as a percentage of total revenues. In FY 1985, federal revenue represented 54%,

whereas in FY 1989 only 40% of total revenue was received from federal agencies. Private funding and University contributions to grants and contracts activity has almost doubled over the past five years.

Exhibit IX-A at the end of this chapter summarizes the grants and contracts revenue by source, and Exhibit IX-B provides a breakdown of state contracts with the University by state agency. In 1989, the State contributed 13% of the total grants and contracts revenue. Of this amount, the Department of Education and Cultural Services contributed 24% or approximately \$1,238,000. The Department of Human Services accounted for over 20% or \$1,051,000. The Executive Department and the Department of Agriculture contributed the next largest portions or approximately 11% each.

Although the amount of grants and contracts revenue has improved in the past two years indicating additional support for research at the University of Maine System, a 1988-89 study conducted by a faculty committee of the University of Maine (UM) that examined the "environment for research" on the Orono campus indicated otherwise. The faculty committee compared the status of research at UM with other New England Land Grant Universities. A downward trend in the amount of sponsored research was discovered. UM lagged behind the other New England Land Grant Universities in terms of dollars of sponsored activities. This faculty committee, stressing the Visiting Committee recommendation that UM be strengthened as a research and doctoral institution, recommended a greater commitment to research.

### **President's Discretionary Accounts**

The President's Discretionary Account permits a campus to make University expenditures which have not been accommodated in the campus operating budget. It consists of funds not appropriated by the Legislature nor budgeted by Trustees. More than 94% of these funds come from gifts.

Expenditures may be made up to the amount of the account balance. Because the funds arise from private, rather than public sources, Presidents are allowed greater discretion in the use of the funds than in expenditures of E&G monies. All uses must be for official University purposes, however, and the list of expenditures will be reviewed each year by the Chancellor, and discussed by the Chancellor with the Finance Committee of the Board.

During early part of 1989, several legislators reacted negatively to some of the expenditures from the University of Maine's Discretionary Account.



## **Endowment**

The University of Maine System, as with most public universities, is not very heavily reliant on endowment income. In Chapter II, Ratio #13 showed that endowment income has averaged approximately 0.6% of the E&G budget since FY 1980. In FY 1990, endowment income totaled \$1,707,387, up from \$1,359,219 in FY 1989. A large portion of this endowment income is used for student financial aid.

## **Athletics**

While the Commission had hoped to explore in-depth the complex and sometimes controversial subject of athletics, there was not sufficient time to adequately cover this issue. The amount of Educational and General support net of revenue from athletics varies from campus to campus. UM is certainly the most visible of the athletics programs. UM as a Division I-AA participant is committed to a given level of financial commitment.

## **Conclusions and Recommendations**

The University of Maine has had a weak track record of attracting research funding when compared to other land-grant institutions in New England. Research benefits not only the University system through increased funding and prestige, but it also benefits the general public through studies of environmental problems, agriculture, forestry, fishing, and other areas requiring attention as a result of federal mandates. However, the University of Maine is trying harder to increase external support of research as evidenced in its increased submission of proposals, increased faculty involvement and increased awards. From Fiscal Year 1989 to Fiscal Year 1990 there were increases of 23% in proposals submitted, 14% more faculty involved, 29% more dollars requested, 30% more awards approved and 21% more funds received.

**The Commission applauds the University of Maine for the growth in the research area during the past two years and encourages it to continue with this progress.**

The Commission had a limited amount of time to review a number of other complex and sometimes controversial funding issues such as athletics, auxiliary enterprises, endowments and discretionary accounts. Although the state may have no statutory control over the use of many of these funds and accounts, the Governor, Legislators, and the general public are logically concerned with the proper use of all University of Maine System funds given the size of the state's financial commitment to the University.

**The Commission urges the University of Maine System to be aware of this public scrutiny of all university funds and to avoid expenditures which might be perceived as improper. This will be particularly important in the trying financial times to come. Academics should be given highest priority in the use of any funding.**

The University should also continually evaluate the efficiency and the charges of the self-supporting, auxiliary enterprises to insure the efficient use of student dollars. If auxiliary enterprises can not be self-supporting, contracting with private firms should be considered.

Given past criticisms of the financial commitment to athletics at the University of Maine and the current budgetary problems, it might be prudent to scale down the level of competition and cost. Thus, the Commission recommends that the President of the University of Maine seek to negotiate with the Presidents of the other comparable Universities in New England and the Middle Atlantic States to form a new Yankee Conference in which athletic scholarships, coaching, staffs and other costs be limited.

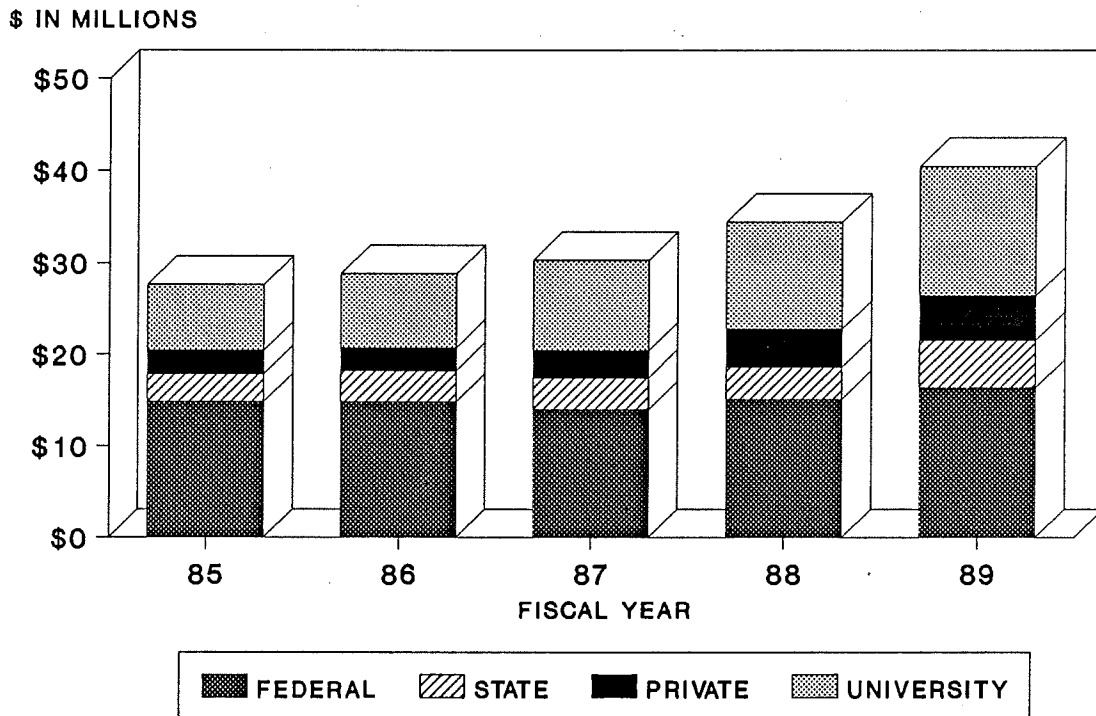
## EXHIBIT IX-A

# GRANTS AND CONTRACTS REVENUE BY SOURCE (\$ In Thousands)

	FY85		FY86		FY87		FY88		FY89	
	\$	%	\$	%	\$	%	\$	%	\$	%
Federal	14,798	54	14,808	51	13,954	46	15,107	44	16,345	40
State	3,067	11	3,405	12	3,471	11	3,516	10	5,213	13
Private	2,569	9	2,503	9	2,988	10	4,175	12	4,889	12
University	<u>7,197</u>	<u>26</u>	<u>8,106</u>	<u>28</u>	<u>9,888</u>	<u>33</u>	<u>11,656</u>	<u>34</u>	<u>14,086</u>	<u>35</u>
Total	<u>27,631</u>	<u>100</u>	<u>28,822</u>	<u>100</u>	<u>30,301</u>	<u>100</u>	<u>34,454</u>	<u>100</u>	<u>40,533*</u>	<u>100</u>

\* Includes \$10.5 million for the University of Maine Agricultural Experiment Station and \$8.3 million for the University of Maine Cooperative Extension. Agricultural Experiment Station revenues for FY89 are: Federal \$3.2 million, State \$.7 million, Private \$1.3 million, and University \$5.3 million. Cooperative Extension revenues for FY89 are: Federal \$3.4 million, State \$.7 million, Private \$.1 million, and University \$4.1 million.

## REVENUE BY SOURCE FY85 - FY89



## EXHIBIT IX-B

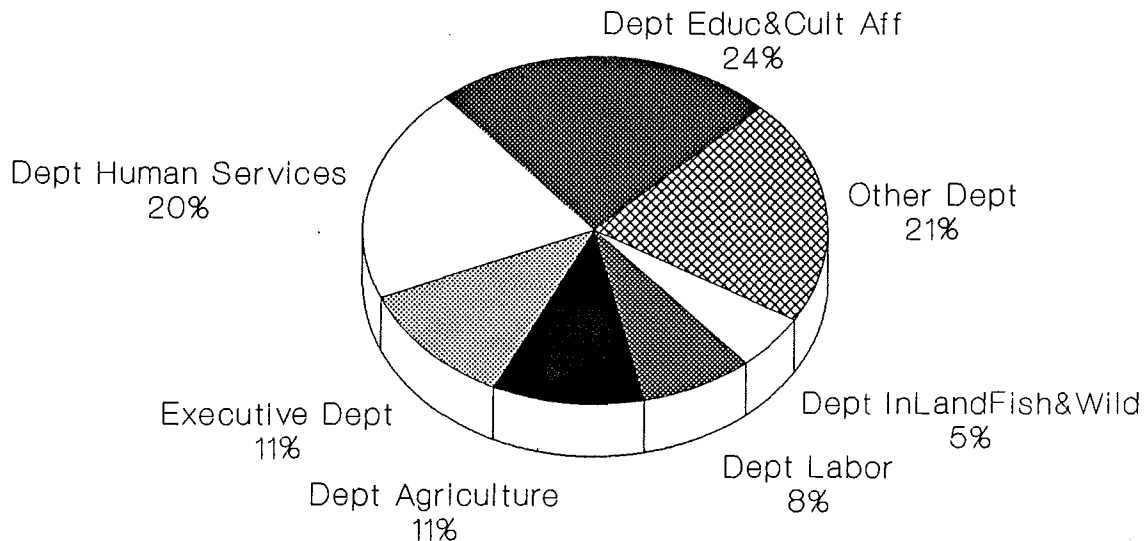
# GRANTS AND CONTRACTS REVENUE BY AGENCY

The table and graph below indicate the level of funding received from the State agencies.

**STATE REVENUES BY AGENCY**  
(\$ in Thousands)

Agency	FY85		FY86		FY87		FY88		FY89	
	\$	%	\$	%	\$	%	\$	%	\$	%
Dept Educ & Cultural Affairs	\$ 814	27	\$ 941	28	\$1,176	34	\$ 902	26	\$ 1,238	24
Dept Human Services	614	20	740	22	734	21	900	26	1,051	20
Executive Department	81	3	184	5	244	7	269	8	598	11
Dept Agriculture	322	10	363	11	330	10	361	10	552	11
Dept Labor	129	4	192	6	255	7	337	10	407	8
Dept Inland Fish & Wildlife	248	8	119	3	92	3	122	3	265	5
Dept Mental Health & Retardation	0	0	48	1	23	1	46	1	133	3
Dept Transportation	0	0	0	0	0	0	20	1	69	1
Dept Economics & Community Dev	0	0	0	0	0	0	0	0	54	1
Dept Corrections	134	4	0	0	0	0	0	0	32	1
Dept Marine Resources	52	2	49	1	17	0	0	0	15	0
Dept Conservation	81	3	201	6	78	2	18	1	6	0
Dept Environmental Protection	2	0	5	0	25	1	23	1	5	0
Other	590	19	563	17	497	14	518	15	788	15
	<u>\$3,067</u>	<u>100</u>	<u>\$3,405</u>	<u>100</u>	<u>\$3,471</u>	<u>100</u>	<u>\$3,516</u>	<u>100</u>	<u>\$5,213</u>	<u>100</u>

**STATE REVENUES BY AGENCY**  
FY89





## X. PENDING FUNDING PROPOSALS

While this Commission was initially established to study the effect of increased state spending on the University of Maine System, it has been the effects of the budget reductions of this current biennium, proposed additional cuts for 1990-91, and the Governor's recommended budget targets for the 1992-1993 biennium that have moved to the forefront in the minds and the concerns of Commission members and all those associated with the University of Maine System. Therefore, this chapter briefly reviews the current economic outlook for the state, the effect of proposed additional cuts in 1990-91, and the request versus recommended funding levels for the upcoming 1992-1993 biennium.

### **Economic Outlook**

There has been a great deal of uncertainty surrounding the health of the Maine economy. In early 1990, the 2nd Regular Session of the 114th Legislature was faced with the task of overcoming a \$210 million projected General Fund revenue shortfall for the 1990-1991 biennium. This task was accomplished with the effect on the University of Maine System being a \$9.6 million reduction in the amounts originally appropriated to it during the 1st Regular Session of the 114th Legislature.

Actual General Fund revenues had decreased by 3.6% from FY 1989 to FY 1990 and FY 1991 budgeted revenue had been optimistically projected for 13.75% growth over FY 1990 levels. At a November 30, 1990 press conference, the Governor announced that revenues again would be less than projected. The estimated shortfall for the remainder of FY 1991 was estimated to be in excess of \$100 million. Pending legislative action to the contrary, the Governor has indicated that a 15% curtailment in the January, 1991 to June, 1991 allotments to state agencies would be required. Consequently, payments to the University would be reduced by an additional \$11,132,425 in 1990-91 for the Educational and General Budget and the Maine Public Broadcasting Network. In addition, new target levels were established for the 1992-1993 biennium which result in further cuts from the amounts originally appropriated for FY 1991 during the 1st Regular Session of the 114th Legislature.

These proposed budget reductions are more significant than the cuts of FY 1977, when the University's appropriation was reduced by \$2.8 million or 7.6%. The currently proposed reductions are actual reductions, rather than reductions in increases. The proposed FY 1991 targets will reduce the University's appropriation by \$2.5 million or 1.8% from the FY 1990 appropriation. However, this reduction, unlike 1977, would be imposed in the middle of an operational year which effectively doubles the impact. An additional \$1.6 million or 1.2% reduction from FY 1991 targets is being proposed for FY 1992 funding.

When compared to the original appropriation to the University of Maine System for FY 1991 of the 1st Regular Session of the 114th Legislature, these reductions are even more dramatic. The FY 1991 target represents a \$17.7 million or 11.4% reduction from the original FY 1991 appropriation. The FY 1992 target is a \$19.3 million or 12.5% reduction from the original FY 1991 appropriation. Even the target for FY 1993 is \$10.8 million below the original FY 1991 appropriation. Exhibit X-A at the end of this chapter graphs the effect of the recent reductions and the proposed on the level of the University's Educational and General appropriation targets.

### **1992-1993 Biennium Request vs Proposed Targets**

The Board of Trustees' finalized budget request to the Governor and the Legislature for the 1992-1993 biennium considered the current economic situation facing the State. The institutions of the University of Maine System have agreed to the most austere financial plan proposed in the last ten years. Exhibit X-B at the end of this chapter details the System's requests and the recommended amounts for the last ten years.

Some of the members of the Board had expressed dissenting opinions on this austere budget request. They felt that it would be more appropriate to show exactly what the needs of the System are for the next biennium and let the Governor and the Legislature at least be aware of the full needs, when they make their decisions. Although the Governor and the Legislature have been generous in recent years with respect to funding the University of Maine System, the University of Maine System's requests have not been fully funded (See Exhibit X-B).

While there is the possibility that even the most austere of requests might be further reduced by the Governor and the Legislature, the majority of the Trustees felt that it would appear insensitive to recommend a normal budget request given the bleak economic outlook and the drastic cuts which loom ahead for many state agencies. An overview to the 1992-1993 Financial Plan for the University of Maine System is provided in Exhibit X-C at the end of this chapter.

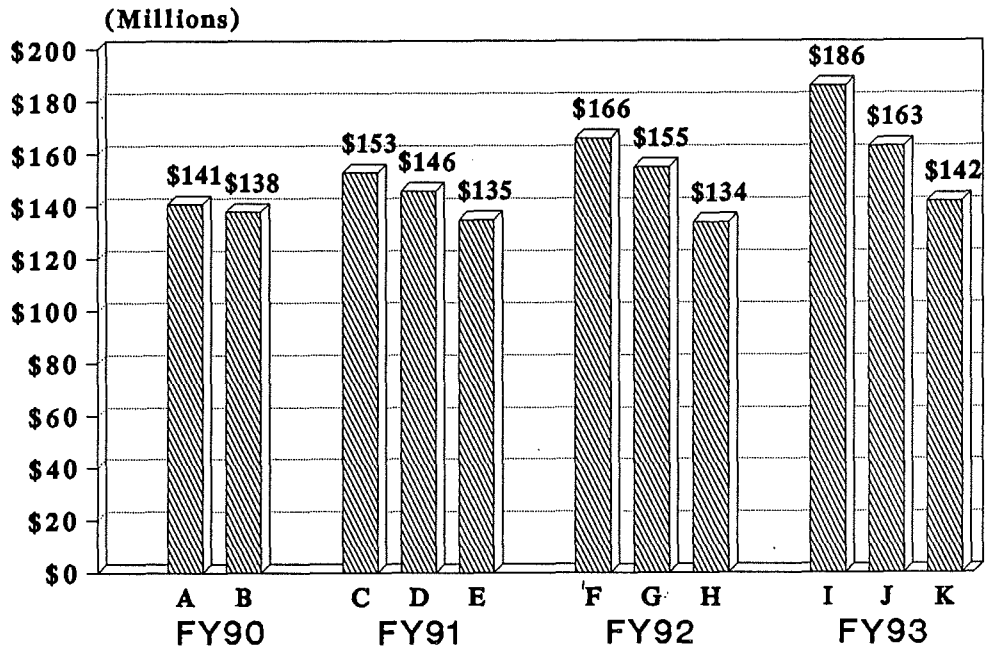
### **Conclusions and Recommendations**

Recognizing the current economic conditions, the University understandably shared in the belt-tightening that was necessary. However, it is important that the progress made in recent years not be lost. The deappropriation of the current biennium and proposed future reductions threaten the progress that has been made in creating a public university system to serve the people of Maine as we move into the twenty-first century.

The Commission recommends that the University of Maine System receive a high priority in any budget deliberations. If additional reductions become necessary due to State economic conditions, it is the opinion of the Commission that the number of programs and/or access to those programs will have to be reduced or eliminated to preserve the quality of remaining mission-related programs.

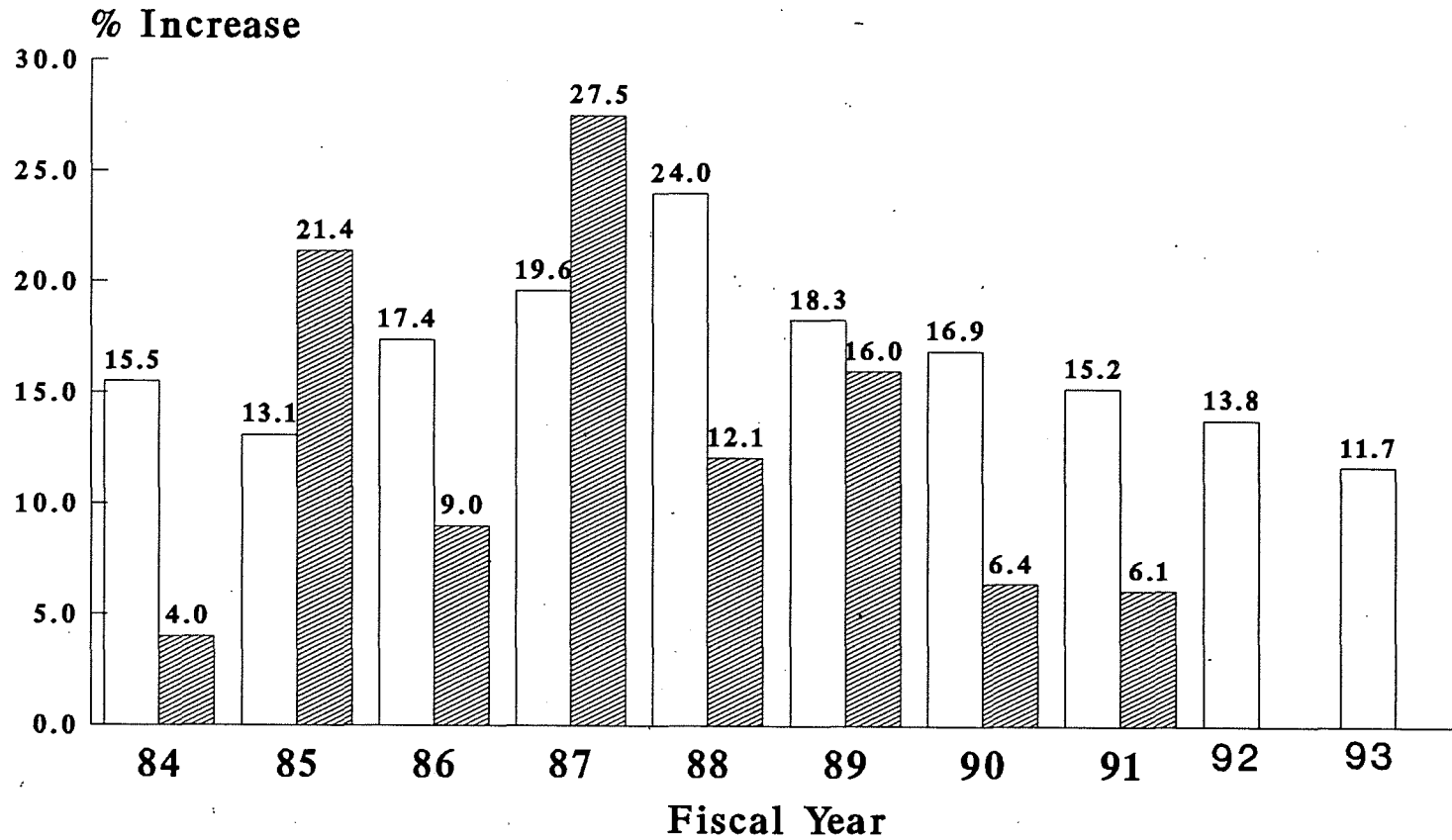
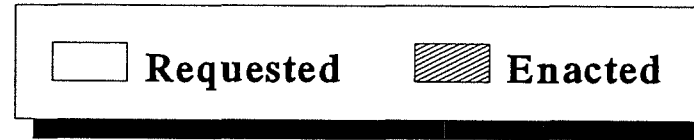


**EXHIBIT X-A  
UNIVERSITY OF MAINE SYSTEM  
BUDGET REQUESTS AND PROPOSED TARGETS**



A	FY90	\$140.6	Original Appropriation
B	FY90	\$137.6	Revised Appropriation
C	FY91	\$152.6	Original Appropriation
D	FY91	\$146.0	Revised Appropriation
E	FY91	\$135.1	Target (15% reduction from D)
F	FY92	\$166.2	Trustee Request for 1st Year of Biennium
G	FY92	\$154.7	Governor's Recommendation (Unfunded)
H	FY92	\$133.5	Target Without New State Funds
I	FY93	\$185.6	Trustee Request for 2nd Year of Biennium
J	FY93	\$162.7	Governor's Recommendation (Unfunded)
K	FY93	\$141.9	Target Without New State Funds

EXHIBIT X-B  
UNIVERSITY OF MAINE SYSTEM  
APPROPRIATION INCREASES - REQUEST VS ENACTED



## Exhibit X-B (Continued)

### UNIVERSITY OF MAINE SYSTEM

#### UNRESTRICTED E&G APPROPRIATION

	University Request	Governor's Recommendation	Actual	State General Fund Revenue	Requested Increase		Recommended Increase		Actual Increase		General Fund Revenue Increase	
					\$	%	\$	%	\$	%	\$	%
110th Legislature												
FY82	56,007,859	49,093,000	51,391,000	637,499,912	7,711,859	16.0	797,000	1.7	3,095,000	6.4	54,025,712	9.3
FY83	64,210,904	49,707,000	56,704,400	675,024,649	8,203,045	14.6	614,000	1.3	5,313,400	10.3	37,524,737	5.9
Biennium Total	120,218,763	98,800,000	108,095,400	1,312,524,561	15,914,904		1,411,000		8,408,400		91,550,449	
111th Legislature												
FY84	65,480,979	59,972,576	58,972,576	772,402,631	8,776,579	15.5	3,268,176	5.8	2,268,176	4.0	97,377,982	14.4
FY85	74,072,591	62,331,479	71,564,188	845,739,399	8,591,612	13.1	2,358,903	3.9	12,591,612	21.4	73,336,768	9.5
Biennium Total	139,553,570	122,304,055	130,536,764	1,618,142,030	17,368,191		5,627,079		14,859,788		170,714,750	
112th Legislature												
FY86	84,011,556	78,011,556	77,975,556	945,891,458	12,447,368	17.4	6,447,368	9.0	6,411,368	9.0	100,152,059	11.8
FY87	100,459,713	84,459,713	99,423,713	1,114,868,905	16,448,157	19.6	6,448,157	8.3	21,448,157	27.5	168,977,447	17.9
Biennium Total	184,471,269	162,471,269	177,399,269	2,060,760,363	28,895,525		12,895,525		27,859,525		269,129,506	
113th Legislature												
FY88	123,273,713	110,406,424	111,459,124	1,291,702,852	23,850,000	24.0	10,982,711	11.0	12,035,411	12.1	176,833,947	15.9
FY89	145,873,713	121,478,617	129,250,492	1,430,608,215	22,600,000	18.3	11,072,193	10.0	17,791,368	16.0	138,905,363	10.8
Biennium Total	269,147,426	231,885,041	240,709,616	2,722,311,067	46,450,000		22,054,904		29,826,779		315,739,310	
114th Legislature												
FY90	151,050,492	142,973,794	137,589,402	1,422,584,668	21,800,000	16.9	13,723,302	10.6	8,338,910	6.4	(8,023,547)	(0.6)
FY91	174,050,492	156,489,800	146,039,800	1,583,930,787	23,000,000	15.2	13,516,006	9.5	8,450,398	6.1	161,346,119	11.3
Biennium Total	325,100,984	299,463,594	283,629,202	3,006,515,455	44,800,000		27,239,308		16,789,308		153,322,572	
115th Legislature												
FY92	166,227,000				20,187,200	13.8						
FY93	185,612,000				19,385,000	11.7						
Biennium Total	351,839,000				39,572,200							

NOTE: Requested and recommended figures are for the 1st regular session of each biennium. General fund revenue figures for FY90-FY93 are estimates.

**EXHIBIT X-C**

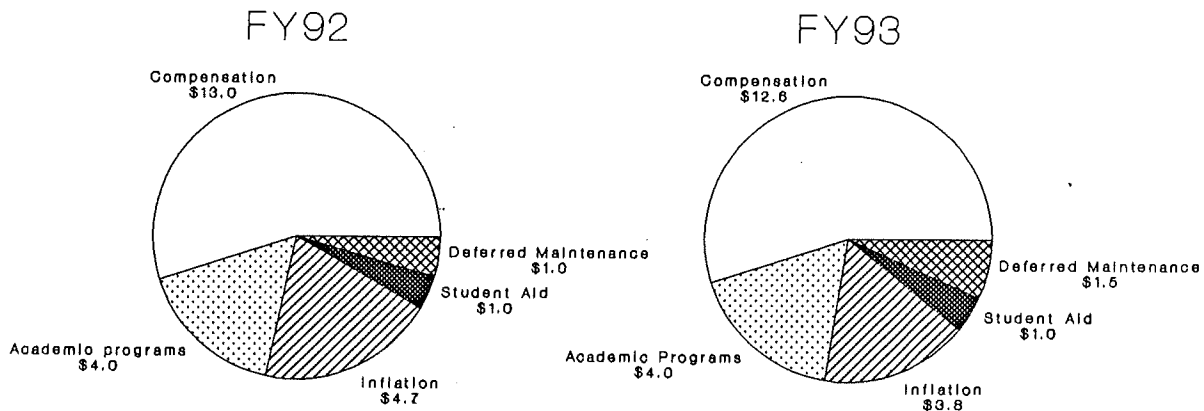
**UNIVERSITY OF MAINE SYSTEM**

**1992-1993 BIENNIUM FINANCIAL PLAN OVERVIEW**

**E&G FINANCIAL PLAN OVERVIEW**

**(\$ In Millions)**

<b><u>USES OF NEW FUNDS</u></b>	<b>Added in <u>FY92</u></b>	<b>Added in <u>FY93</u></b>
● <b>Employee Compensation</b> (FY92 is 3rd year of current contract)	<b>\$13.0</b>	<b>\$12.6</b>
● <b>Academic Programs</b>	<b>4.0</b>	<b>4.0</b>
● <b>Inflation</b>	<b>4.7</b>	<b>3.8</b>
● <b>Student Financial Aid</b>	<b>1.0</b>	<b>1.0</b>
● <b>Deferred Maintenance</b>	<b><u>1.0</u></b>	<b><u>1.5</u></b>
<b>Total New Funds</b>	<b><u>\$23.7</u></b>	<b><u>\$22.9</u></b>



**EXHIBIT X-C  
(continued)**

**UNIVERSITY OF MAINE SYSTEM  
1992-1993 BIENNIUM FINANCIAL PLAN OVERVIEW**

**E&G FINANCIAL PLAN**

**PLAN OVERVIEW**

**COMPENSATION**

In 1989 the state of Maine signed a 3-year contract with its employee unions, for the first time extending a collective bargaining agreement beyond the end of the biennium. Following this pattern, the University System made a similar agreement, coincidentally for the same overall percentage increase 7%. (State employees also receive longevity/merit increases not subject to negotiations). The biennium appropriation request contains funds for fulfilling the third year of the contract, and for funding salary levels yet to be negotiated for the second year of the biennium. Also included in the request are increases in employee benefits (which rose by 15% last year) and funds for certain retiree benefits, principally health insurance.

**ACADEMIC PROGRAMS**

The Biennium Plan reflects the four cornerstones of the University of Maine System Goals Statement: (1) "commitment to fulfill its mission of teaching, research, and public service by serving the state of Maine, the New England region, and the nation with excellence, diversity, and common purpose"; (2) "dedication to expand educational opportunities, especially for Maine citizens, encouraging all who seek learning to achieve their potential through full participation in the University System"; (3) "recognition that we live in a diverse nation that is part of a pluralistic, global society..."; and (4) "determination to enhance the quality of existing programs and, where appropriate, to set new directions and add new programs and services in order to respond to a rapidly changing world."

In light of the current fiscal strictures in the state, the academic programs portion of the Biennium Plan selects from the on-going and targeted goals of the Goals Statement the following categories for support: (1) K-12/UMS Partnerships and improvement of teacher education, supported by \$800,000 in the first year of the biennium and an additional \$1,000,000 in the second; (2) improving the quality of undergraduate education, in order to move toward delivery of higher education of the highest possible quality available to all Maine citizens, with requests of \$1,410,000 in the first year and an additional \$1,790,000 in the second year to provide multicultural programming, to support enhancement and expansion of honors programs, and to improve introductory courses and academic support services; 3)

**EXHIBIT X-C  
(continued)**

**UNIVERSITY OF MAINE SYSTEM  
1992-1993 BIENNIUM FINANCIAL PLAN OVERVIEW**

**E&G FINANCIAL PLAN**

**PLAN OVERVIEW**

research and graduate study, in order to move Maine up from the ranking of fiftieth in the nation in State support of research and toward the goal for research and graduate study recommended by the 1986 Report of the Visiting Committee, with requests of \$550,000 in the first year and an additional \$500,000 in the second, and in addition requests of \$740,000 in the first year and an additional \$710,000 in the second year for a special initiative in Marine Studies at the University of Maine System in response to a recognized vital need of the State; and (4) further advances in the library automation system, with a request of \$500,000 in the first year in order to enhance the URSUS system by adding journal indices.

**INFLATION**

Every year the cost to buy goods and services increases for all individuals and organizations but Universities and colleges often face unique situations where inflationary pressures outpace the average inflation rate. Library periodical costs for example are increasing at a rate of 20% per year. The August 13, 1990 Merrill Lynch Market Letter notes that overall inflation in the U.S. is likely to increase to 6% because of higher oil prices. If fuel oil prices stabilize at current (September '90) rates and future consumption and price changes follow traditional seasonal cycles, the increase in our E&G energy costs in the current year (FY91) will be \$600,000 over last year. The University's request includes \$1.0 million in the first year of the biennium to cover projected increased oil and electricity costs. The University construction program approved by Maine voters in recent years is beginning to bring important new facilities to the campuses. Despite their efficient design, the new buildings still require operating and maintenance expenditures, adding to already heavily taxed campus budgets. Included in the inflation figure are funds which cover the cost of heating, lighting, cleaning and maintaining the additional E&G space added on campuses since the last biennium request (\$800,000 in FY92 and \$700,000 in FY93). The operation and maintenance for any new buildings from other than bond issues will be provided from ongoing budgets.

**STUDENT FINANCIAL AID**

Increased student financial aid has three primary objectives: to help students meet the increased cost of attendance, to compensate in part the reduced Federal support, and to reduce the loan burden on graduating students. Due to inflation student costs have and will continue to increase. Campus based aid programs from the

**EXHIBIT X-C  
(continued)**

**UNIVERSITY OF MAINE SYSTEM  
1992-1993 BIENNIUM FINANCIAL PLAN OVERVIEW  
E&G FINANCIAL PLAN  
PLAN OVERVIEW**

Federal Government have remained relatively stable, but are costing the institutions more because the Federal Government is requiring increased matching contributions. Prior to FY90, the Federal Government did not require institutions to match the Supplemental Education Opportunity Grant Program (SEOG), a program providing needy students grant assistance. Beginning in FY92 a 15% match requirement must be provided from institutional funds. This, coupled with an increase in the College Work-Study institutional match requirement (from 20% to 30%) results in increased institutional costs of about \$1.0 million in FY92. In FY93 an additional \$1.0 million of student financial aid is provided to reduce student reliance on student loans. (At UM, the average graduating senior leaves the institution owing over \$7,000).

**DEFERRED MAINTENANCE**

Limited budgets in recent years, and new statutory mandates, have reduced sharply the funds available for routine maintenance work on campus buildings. A survey by the Audit and Program Review committee concluded that the University System average of 0.75% of building value spent on maintenance was approximately half of the accepted national guidelines. The biennium plan would help campuses close this gap and protect the investment the state has made in University E&G buildings.

**EXHIBIT X-C  
(continued)**

**UNIVERSITY OF MAINE SYSTEM  
1992-1993 BIENNIUM FINANCIAL PLAN OVERVIEW  
E&G FINANCIAL PLAN**

<u>Sources of New Funds</u>	<u>Added in FY92</u>	<u>Added in FY93</u>	
University Revenues (Increase in Student Tuition)	\$ 3.5	\$ 3.5	
Increased Appropriation from State	<u>\$ 20.2</u>	<u>\$ 19.4</u>	
Total New Funds	\$ 23.7	\$ 22.9	
<u>State Appropriation Request</u>			<u>Biennium Total*</u>
Total Requested Appropriation	<u>\$166.2</u>	<u>\$185.6</u>	
<b>Increases over Prior Year</b>			
<b>Part I</b>			
Compensation	\$ 13.0	\$ 4.2	
Inflation	4.7	3.8	
Total Part I Request	<u>\$ 17.7</u>	<u>\$ 8.0</u>	<u>\$43.4</u>
<b>Part II</b>			
Compensation	\$ 0	\$ 8.4	
Academic Programs	4.0	4.0	
Student Financial Aid	1.0	1.0	
Maintenance	1.0	1.5	
Subtotal	\$ 6.0	\$ 14.9	
Less University Revenues	(\$ 3.5)	(\$ 3.5)	
Total Part II Request	<u>\$ 2.5</u>	<u>\$ 11.4</u>	<u>\$16.4</u>
Total Increase Requested	<u>\$ 20.2</u>	<u>\$ 19.4</u>	<u>\$59.8</u>

\* The biennium total is two times the first year (since it carries forward into the second year) plus the second year.



**EXHIBIT X-C**  
**(continued)**

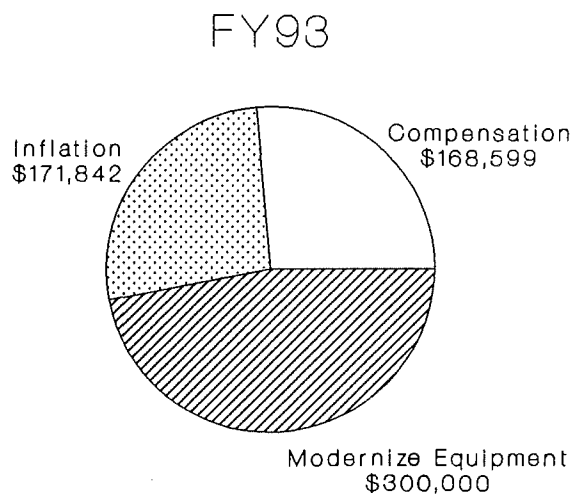
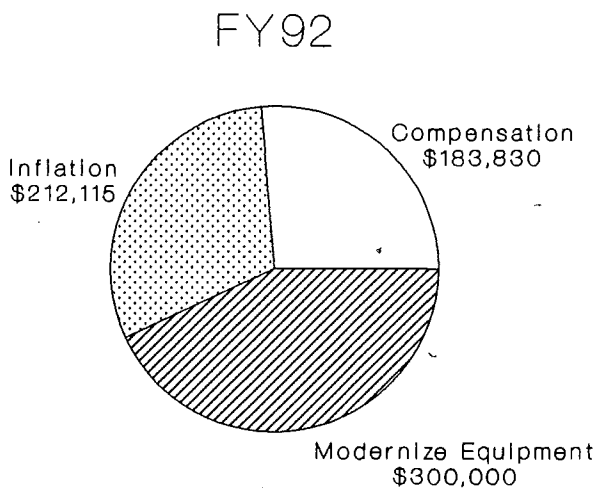
**UNIVERSITY OF MAINE SYSTEM**  
**1992-1993 BIENNIUM FINANCIAL PLAN OVERVIEW**  
**MPBN FINANCIAL PLAN**

MPBN's Biennium Plan is based on the same funding factors for compensation, inflation and energy as in the University of Maine System E&G Biennium Plan.

The single highest priority (and only request) for new or expanded program funding included in the MPBN Biennium Plan is a capital equipment modernization plan to be phased in over four years. The electronic physical plant is in desperate need of modernization. MPBN has a current capital investment in equipment of \$7,660,000 of which \$5,052,000 has been depreciated. Without continuing attention to the equipment replacement needs of the network, the ability to produce local radio and television programming will be hampered. Without attention to the transmission system, reliability will continue to decline and the Maine audience will not be served. The plan includes \$300,000 in FY92 and an additional \$300,000 in FY93 to establish a pool of funds to be used for this purpose.

**MPBN PLAN OVERVIEW**

<b><u>USES OF NEW FUNDS</u></b>	<b>Added in <u>FY92</u></b>	<b>Added in <u>FY93</u></b>
● Employee Compensation (FY92 is 3rd year of current contract)	\$183,830	\$168,599
● Inflation	212,115	171,842
● Capital Equipment Modernization	<u>300,000</u>	<u>300,000</u>
<b>Total New Funds</b>	<b><u>\$695,945</u></b>	<b><u>\$640,441</u></b>



**EXHIBIT X-C  
(continued)**

**UNIVERSITY OF MAINE SYSTEM  
1992-1993 BIENNIUM FINANCIAL PLAN OVERVIEW  
MPBN FINANCIAL PLAN**

<u>Sources of New Funds</u>	<u>Added in FY92</u>	<u>Added in FY93</u>	
MPBN Revenues	\$ 58,688	\$ 59,863	
Increased Appropriation from State	<u>637,257</u>	<u>580,578</u>	
Total New Funds	\$ 695,945	\$ 640,441	
 <u>State Appropriation Request</u>			 <u>Biennium Total*</u>
Total Requested Appropriation	\$3,029,788	\$3,610,366	
 Increases over Prior Year			
Part I			
Compensation	\$ 183,830	\$ 56,199	
Inflation	212,115	171,842	
Total Part I Request	<u>\$ 395,945</u>	<u>\$ 228,041</u>	<u>\$1,019,931</u>
 Part II			
Compensation	\$ 0	\$ 112,400	
Capital Equipment Modernization	300,000	300,000	
Subtotal	300,000	412,400	
Less University Revenues	(\$ 58,688)	(\$ 59,863)	
Total Part II Request	<u>\$ 241,312</u>	<u>\$ 352,537</u>	<u>\$ 835,161</u>
 Total Increase Requested	 <u>\$ 637,257</u>	 <u>\$ 580,578</u>	 <u>\$1,855,092</u>

\* The biennium total is two times the first year (since it carries forward into the second year) plus the second year.