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The University of Maine System and the Future of Maine

The Final Report and Implementation Plan of the New Challenges, New Directions Initiative

November 16, 2009

Maine's Public Universities

UNIVERSITY OF MAINE SYSTEM

> # THE UNIVERSITY OF MAINE SYSTEM AND THE FUTURE OF MAINE
>
> ## THE FINAL REPORT AND IMPLEMENTATION PLAN OF THE NEW CHALLENGES, NEW DIRECTIONS INITIATIVE

INTRODUCTION

Maine faces a rapidly changing economic and social environment. The nation has been wracked by recession and recovery will take years, industries and careers are undergoing stunning changes, and the needs of modern society are evolving rapidly. At the heart of this dynamic and often distressing environment are some things that do not change—the desire to succeed, the search for meaningful and rewarding lives and careers, and the dream of building a better tomorrow for the next generation. These goals are particularly compelling in a state where the aspiration for a rewarding quality of life is a powerful force. It is imperative that our public universities help lead Maine forward into a positive future. University education, research, and public service are essential elements of individual opportunity, a strong economy, and vibrant cultural and community life.

During the past six months, the University of Maine System has undergone a rigorous and public assessment of its finances, its current performance, and its ability to meet the changing needs of Maine people as it faces an unprecedented financial challenge.

The "New Challenges, New Directions" initiative looked closely at both costs and opportunities in three broad arenas: Administrative, Student, and Financial Services; Academic Programs and Services; and Structure and Governance. Stakeholder work groups were formed, with representation from all seven universities and their communities. National consultants and experts were utilized to provide insight on best practices and the experience of other states. The work group reports have been invaluable in providing the UMS Board of Trustees with information, analysis, and recommendations that support this plan. Many people from campuses and communities worked hard to produce these reports and deserve thanks.

In this broad, public effort, the three core goals or principles of NCND's original charge focused the work. This will ensure the health and vitality of our universities and their capacity to achieve their respective missions.

<u>New Challenges, New Directions Core Goals</u>

1. Serve the changing and evolving knowledge, research, public service, and educational needs of the people, businesses, and organizations of the state.

2. Keep the cost of baccalaureate and graduate education affordable for our students by moderating tuition increases.

3. Implement efficiencies, organizational changes, and further economies of scale to bring spending in line with available resources.

<u>The conclusions of this study are clear:</u> the University of Maine System is a strong university system, but it must both resolve its financial issues and improve its performance in order to continue adding value to Maine in the years ahead. More than ever, the University of Maine System must play a critical role by serving more students more efficiently, strengthening a state economy which is becoming increasingly based on knowledge, research, and high-level skills, and supporting a society that depends on a well-informed and engaged citizenry. To be successful, we must work together more as a system rather than simply as a collection of seven separate universities.

The faculty and staff of our universities and administration work hard, care deeply, and have achieved much. The success of our graduates and the contributions of our universities to Maine's economy and quality of life are testimony to that. But in these times of new educational and economic challenges, we are now called upon to think more creatively, work differently, and achieve more.

The UMS Board of Trustees recognizes that it must exercise leadership and empower the Chancellor to direct the University of Maine System in accordance with this plan. This includes strengthening the System Office while also making it more efficient in operation and more responsive to campus needs, as described in the New Ways of Working section of this report.

The Trustees have embraced the recommendations put forward in the reports of all three arenas nearly in their entirety. To understand this plan in detail one must link back to the rich content of these reports. The analysis and supporting information for these recommendations appear in the three arena reports. (Visit *www.maine.edu/UMSNCND* to view reports.) One of the differences between the recommendations and this report is that, given the current state of the economy, it is not an opportune time to alter fundamentally the base funding of our universities. Nevertheless, we do recognize the need to expend our resources strategically and have committed to reallocating a small portion of the current State appropriations over time.

The work described in this plan prioritizes, organizes, and establishes action benchmarks against which to measure the implementation of the recommendations contained in the three arena

reports, plus a small number of additional recommendations brought forward in the public comment period.

The plan will accomplish the following basic outcomes:

- The structural financial gap will be eliminated, with expenses and revenues in balance;
- Quality and academic integrity will be maintained in programs which define the essence of the universities and support the universities' evolving missions;
- More students will attend and graduate from our universities;
- New programs and research efforts will be offered to support economic development;
- Operations and service delivery will be more efficient, responsive, and cost effective;
- Technology will be used more broadly and intensively for program and service delivery.

THE CHALLENGES

The University System is facing two fundamental, critical, and interrelated challenges.

Financial Sustainability
The first challenge is financial and led to the creation of the New Challenges, New Directions Initiative which presented a budget planning scenario that has served as a guide for estimating the structural financial gap. Much has been done to date, but more shared sacrifice will be called for.

The projected growth in expenses exceeds the projected growth in revenues and will result, if no action is taken, in an annual shortfall in FY13 projected to be $42.8 million and is expected to grow thereafter. This is not sustainable. Neither can we continue to raise tuition at the rates necessary to bridge the budget gap. Consequently, this plan must first lay out steps to resolve this financial shortfall which, given current conditions, will most likely worsen.

Serving Maine People in a Time of Challenge and Change
The second challenge, despite current financial constraints, is to serve the people of Maine at a higher level than is currently the case. To do so, the University System must work in new and different ways to establish programs and services in geographic areas in Maine where they are most needed. Through better collaboration, reallocation, and careful planning, important undergraduate and graduate programs such as allied health, innovation, world languages and global studies, science education, and science, technology, engineering, and math (STEM) can be expanded in a timely fashion within current resources.

ACTIONS

What follows is a set of actions that draws on the talents of our faculty, staff, friends, and supporters to craft a University System with stronger universities, leaner operations—including the System Office, clearer objectives, and more focused, measurable outcomes. As noted, the initial analysis and discussion of these recommendations may be found in the three arena reports. Through these actions, the University of Maine System will become a more efficient and productive educational, economic, and cultural engine for the state and, in that role, will enhance the means by which Maine people can achieve a better future.

The work to be accomplished consists of a carefully chosen set of specific steps; a concise summary of actions, including persons responsible, priority, and completion date, follows on the next pages. In a separate report, the Work Plan, greater detail is provided for each action. In several cases the individual steps are combined into a single integrated work item. This companion report, posted on the UMS web site along with this Implementation Plan, is an essential component for understanding the scope and detail of work to be done.

Action Plan - Short-Term (2010 or sooner)

Recommendations Requiring Action	Arena	Ref	Priority	Executive Sponsor	Responsible Parties	Invest-ment	Svg/Rev FY13	Initiation	Completion Date	Metric
Administrative, Student, and Financial Services										
Implement University/System FY10 budget savings initiatives	I	p. 10	H	VCFA	CFOs		$13.2m	N/A	COMPLETE	Savings achieved
Implement convenience fee solution (UMF, UMM and USM)	I	C. 1.	H	VCFA	CIO, CFOs	$12k	$428k	Apr-09	COMPLETE	Savings achieved
Create IT Advisory Group composed of academic and administrative stakeholders	I	B. 2.	M	VCFA	CIO, IT Directors			Sep-09	COMPLETE	Advisory Group established
Create an Advisory Council for SWS composed of the presidents (or designees)	III	3. 1.	M	VCFA	Presidents			Sep-09	COMPLETE	Advisory Council established
Contain the total cost of compensation and benefits at current levels for FY10 & FY11	I	F. 5.	H	VCFA	HR, CFOs		$13.8m	Mar-09	Dec-09	Savings achieved
Implement strategic sourcing for procurement	I	E. 1.	H	VCFA	CFOs, Procurement		$600k	Jul-09	Jan-10	Savings achieved
Accelerate implementation of payroll streamlining	I	F. 3.	M	VCFA	HR Directors			Sep-09	Feb-10	90% direct deposit participation
Implement an annual survey of SWS customers to assess satisfaction with services	III	3. 2. D.	M	VCFA	SWS Advisory Council			Nov-09	Mar-10	Baseline established
Implement service level agreements between SWS and campuses	III	3. 2. E.	M	VCFA	SWS Advisory Council			Nov-09	Mar-10	SLAs implemented
Complete study of markets, strategic pricing & financial aid to improve access and affordability	III	4. 2.	H	VCFA	EDSA, CFOs	$250k	$3-5m	Oct-09	Mar-10	Implement recommendations
Adopt 'Centers of Expertise' model for HR and EEO	I	F. 2.	M	VCFA	HR Directors/EEO			Sep-09	Mar-10	Pilot implemented
Develop energy management support for campuses	I	D. 3.	M	VCFA	CFOs, UM		TBD	Nov-09	Apr-10	Support implemented
Conduct an annual system-wide planning summit on access, affordability & enrollment			M	EDSA	CSAOs, CFOs	$4k		Dec-09	Apr-10	Summit held/actions determined
Implement incentives for wellness	I	F. 4.	M	VCFA	HR	$250k	$600k	Sep-09	Apr-10	Launch wellness initiative
Conduct annual reviews of SWS services	III	3. 2. F.	M	VCFA	SWS Advisory Council			Mar-10	Jul-10	Performance evaluated
Implement the ERP Competency Center	I	B. 3.	H	VCFA	CIO	$259k		Sep-09	Jul-10	Positions hired & trained
Review current tuition waivers and interaction with financial aid to control costs	I	C. 2.	H	VCFA	BOT		$860k	Nov-09	Sep-10	Schedule BOT review/decision
Implement data entry for immunizations, Native American waivers & Stafford exit interviews at SPC	I	G. 2.	M	EDSA	SPC	$30k		May-09	Sep-10	SPC processing transactions
Implement automation of procurement and accounts payable	I	E. 2.	H	VCFA	CFOs, CIO	$1.3m	$239k	Sep-09	Dec-10	Technology & org implemented
Implement a common set of self-service practices and payment policies	II/UC	2	M	VCFA	EDSA, CFOs, CAOs			Jan-10	Dec-10	Polices/practices consistent
Incorporate document imaging and management into employee benefits administration	I	F. 1.	L	VCFA	CIO, HR Directors			Sep-09	Dec-10	Technology implemented
Academic Programs and Services										
Partner with Maine Community Adult Education programs	II/UC	6	H	EDSA				Sep-09	Jan-10	Collaboration implemented
Strengthen data collection and institutional research for distance education	II/UC	3, 4	M	VCAA	Institutional Research			Dec-09	Jan-10	New reports created/analyzed
Finalize establishment of peer groups by institution and identify base funding levels	III	Appx II	M	VCAA	CAOs, VCFA, CFOs			Sep-09	Mar-10	Base funding levels identified
Conduct an annual system-wide planning summit on academic program development			M	VCAA	CAOs	$4k		Nov-09	May-10	Summit held/actions determined
Accelerate the degree proposal and approval process			M	VCAA	CAOs			Sep-09	Sep-10	Process implemented
Increase statewide access to professional programs, particularly at the graduate level			H	VCAA	UM & USM presidents			Dec-09	Sep-10	Plan implemented
Create System-wide program on alternative energy education and research			H	VCAA	UM president			Dec-09	Sep-10	Plan implemented
Implement Three Year Baccalaureate Option			H	VCAA	CAOs, Deans			Nov-09	Sep-10	Option available
Increase enrollment in on-line degree programs to 1,000				VCAA	Presidents, CAOs	TBD	$780k	Jan-09	Sep-13	Enrollment is achieved
Governance										
Create an annual report on Measures of Progress to measure UMS performance			H	Chancellor	Sr. Staff			Sep-09	COMPLETE	Progress on measures published
Develop a UMS feedback website			M	BOT	Government Relations			Jan-10	Mar-10	Website launched
Conduct a biennial statewide planning summit on Maine's higher education needs			H	Chancellor	Sr. Staff, Presidents			Dec-09	Apr-10	Summit held/actions determined
Generate a Public Agenda	III	1. 1	H	Chancellor	Sr. Staff, Presidents	$4k		Sep-09	Apr-10	Public Agenda published
Create strategic investment fund (phase in)	III	4. 1.	H	Chancellor	BOT	$5.3m	TBD	Nov-09	May-10	Projects identified/funded
Define Role and Scope statements for each university providing mission differentiation	III	2. 2.	H	Chancellor	BOT			Jan-10	Nov-10	Role & Scope stmts established
Expand distance education mission and implement plan to expand	II/UC	1	H	Chancellor	Presidents			Jan-10	Dec-10	Missions adopted
Engage MCCS in planning, improving transfer of credits and sharing resources	III	2. 7.	H	Chancellor	Presidents			Jan-10	Dec-10	Plan developed
Board of Trustees and Boards of Visitors meet annually			M	BOT	Chair			Jan-10	Dec-10	BOT and BOVs have met

Priority: H-high; M-medium; L-low
Executive Sponsor: VCAA-Vice Chancellor for Academic Affairs; VCFA-Vice Chancellor for Finance & Administration; EDSA-Executive Director of Student Affairs
Ranked by completion date within category
Reference refers to Arena reports, see www.maine.edu/UMSNCND

Action Plan - Long-Term (2011 or later)

Recommendations Requiring Action	Arena	Ref	Priority	Executive Sponsor	Responsible Parties	Invest-ment	Svg/Rev FY13	Initiation	Completion Date	Metric
Administrative, Student, and Financial Services										
Develop a front end portal and virtual self service center for MaineStreet	I	G. 3.	H	VCFA	CIO, EDSA	$1m plus		Oct-09	Jun-11	Portal launched
Implement the Hybrid IT Consolidation Model	I	B. 1.	H	VCFA	CIO, IT Directors		$1.1m	Sep-09	Jul-11	Model implemented
Implement one-stop student service at each campus	I	G. 4.	M	EDSA	Presidents, CFOs, CSAOs			Sep-09	Aug-11	One-stop centers established
Replace outdated facilities information management system	I	D. 1,2	L	VCFA	CIO, Facility Directors	$750k - $1m		Sep-10	Dec-11	Technology implemented
Negotiate and implement incentives for use of quality care	I	F. 4.	M	VCFA	HR			Jan-11	Jan-12	Agreements achieved
Expand HR employee and manager self service tools	I	F. 1.	L	VCFA	CIO, HR Directors			Jan-11	Jan-12	Technology implemented
Implement HR self service portal and case management tools	I	F. 1.	L	VCFA	CIO, HR Directors			Jan-11	Jan-13	Portal launched
Modernize distance learning technologies and connectivity	II/UC	1, 5, 7	M	VCFA	CIO	TBD		Jan-10	Sep-13	Technology implemented
Academic Programs and Services										
Implement seamless student transfer of credit hours within UMS	III	2. 3.	H	EDSA	VCAA, CAOs			Sep-09	Jan-11	Satisfaction improved
Increase the number of graduates in allied health programs			H	VCFA	CAOs			Jan-10	Sep-11	Implement expansion
Review; grow; justify; or eliminate courses with enrollment of 12 or fewer	II	1	H	VCAA	CAOs		$2m	Sep-09	Sep-13	Changes implemented/savings
Review; grow or eliminate academic programs with five or fewer graduates	II	2	H	VCAA	CAOs			Sep-09	Sep-13	Changes implemented/savings
Establish and reach student-faculty ratio targets	II	3	H	VCAA	CAOs		$6-8m	Nov-09	Sep-13	Targets achieved
Modernize the operation of University College	II/UC	10 - 18	M	UMA President	UC staff	TBD		Jan-10	Sep-13	Policies implemented
Governance										
Implement refined missions and 5-year strategic plans for each university	III	2. 2.	H	Presidents	University Community			Jan-10	Jun-11	Missions implemented
Implement a common calendar for the seven universities	III		M	Chancellor	Presidents, VCFA, CAOs			Jan-10	Sep-11	Common calendar implemented
Establish and reach enrollment targets	II	4	H	Chancellor	Presidents		$3-5m	Jan-10	Sep-13	1000 headcount
Establish and reach student graduation targets	II	5	H	Chancellor	Presidents			Jan-10	Nov-13	18% completion; 50% graduation

Priority: H-high; M-medium; L-low
Executive Sponsor: VCAA-Vice Chancellor for Academic Affairs; VCFA-Vice Chancellor for Finance & Administration; EDSA-Executive Director of Student Affairs
Ranked by completion date within category
Reference refers to Arena reports, see www.maine.edu/UMSNCND

A. Closing the Financial Gap

The first responsibility of this plan is to generate enough savings, efficiencies, and revenues to resolve the projected operating shortfall by FY13. Taken together, the many actions shown in the Action Plan—some large, some small—accomplish this first goal. The universities deserve credit for achieving considerable savings to-date and acknowledgement that the bulk of savings will need to occur at that level. These savings are summarized below:

Administrative, Student, and Financial Services Savings:

SAVINGS TARGET (in millions)	FY10	FY11	FY12	FY13
Universities/SWS Savings	$11.5	$12.4	$12.8	$13.2
Work Force Management	$6.5	$14.2	$14.4	$13.8
Hybrid IT Model and Other Savings	$0.9	$1.1	$1.1	$1.1
Finance and Accounting/Waivers	$0.4	$1.2	$1.3	$1.3
Strategic Procurement	$0.6 - $1.1	$0.6 - $1.5	$0.6 - $1.7	$0.6 - $1.9
Savings	**$19.9 - $20.4**	**$29.5 - $30.4**	**$30.2 - $31.3**	**$30.0 - $31.3**

Academic Programs and Services Savings:

SAVINGS TARGET (in millions)	FY10	FY11	FY12	FY13
Review of Low-Enrolled Courses	$1.0	$1.0	$1.5	$2.0
Faculty-Student Ratios/Program Review	$0.0	$2.0 - $3.0	$5.0 - $7.0	$6.0 - $8.0
Savings	**$1.0**	**$3.0 - $4.0**	**$6.5 - $8.5**	**$8.0 - $10.0**

Revenue Growth Above Current Projections:

SAVINGS TARGET (in millions)	FY10	FY11	FY12	FY13
Enrollments: Recruitment/Retention	$0.0	$0.0 - $0.8	$1.0 - $2.0	$3.0 - $5.0

The recommendations from the three arena reports point to new and strategic uses of tuition and fees and student financial aid, as part of student recruitment strategies aimed at reversing the recent trend of flat enrollment. Tuition policy must seek not only to provide necessary revenue, but also to promote access and completion, while student financial aid policy must ensure the affordability of higher education. Implementation of a System-wide strategy to recruit and retain students through strategic pricing of tuition and use of student financial aid will serve to improve Maine's higher education attainment levels.

As the Arena III Task Force report states, "no organization can cut its way to long-term success." Revenue growth is essential to the long-term sustainability of our seven university system. A holistic and integrated approach to attract and retain an additional 500 to 700 full-time equivalent students would yield approximately $3-5 million in increased net revenues by FY13, if developed and implemented over the next two years.

Investments

The investments identified are necessary to modernize our capacity to better serve our students and to produce the savings needed to balance the FY13 budget. These investments have long-term returns that make this overall financial plan sustainable for the foreseeable future. Investments will come from savings, reallocations and from the Strategic Investment Fund (SIF) which is being carefully expanded as part of this plan.

The Strategic Investment Fund provides funds to support new initiatives, as well as existing programs, through reinvestment. The procedures and criteria for use of the funds will be developed by January 2010. In the current fiscal year, FY10, $1 million in stimulus funds were set aside for this purpose. The UMS will then begin a phase-in of funding over three years to reach a total of 3% of State appropriations. In FY 11, an amount equal to 1% of appropriations, or $1.7 million, will be set aside from either stimulus funds or appropriations; in FY12, an amount equal to 2% of appropriations, or $3.5 million; and in FY13, an amount equal to 3% of appropriations, or $5.3 million. Additional funds for the SIF will come from new appropriations beyond the current level.

The three "New Challenges New Directions" arena reports have identified savings, cost avoidance actions, efficiencies, and new revenues that **offset the structural deficit by FY13**. If that shortfall increases we will need to intensify our work but the basic strategies do not change.

When adopted, these changes will produce the following broad operational <u>outcomes:</u>

- A substantial reduction in projected costs;
- A more transparent, accountable, and agile approach to problem solving;
- Increased operational efficiency drawing on best practices in organizational management;
- A stronger emphasis, internally and externally, on "customer service";
- A consistent focus on improving quality of operations and programs;
- Increased enrollments, particularly in high need, high demand programs.

Even with these efforts, additional cost reductions will likely be necessary for the System Office and the seven universities given the continued uncertainty of the economy.

B. Serving the People of Maine

This plan must do more than produce financial sustainability. It must also protect academic quality and expand the impact of the System. This occurs at several levels. The broad outcomes of this work are identified below; specifics are found in the Action Plan in the body of this report, in the attached Measures of Progress, and in the separate Work Plan that will guide implementation.

1. *Individual Growth and Opportunity:* National research has made it clear that the most important measure of individual success is graduation from college. This must include all students: traditional undergraduates, non-traditional students, graduate students, currently employed individuals, and those who transfer into our institutions. All learning must have a high-quality academic foundation of arts and sciences so that graduates, no matter what academic degree they receive, develop the educational grounding that they will need for life, careers, and citizenship. Increasing graduation rates will also depend on enhancing student support programs.

   The detailed work in this area will achieve the following broad <u>outcomes</u>:

   o Simplify transfer among UMS institutions, and also from other institutions, particularly the Maine Community Colleges;
   o Increase the number of undergraduate and graduate programs in essential academic fields;
   o Keep college affordable through cost containment and efficient operations;
   o Increase financial aid for those who cannot afford college;
   o Invest in student support programs that increase retention and graduation;
   o Recruit those who otherwise might not attend a Maine university;
   o Support students through graduation with focused academic and student services.

2. *Economic Competitiveness:* The economy of the 21st century will be built upon knowledge, technology, advanced skills, and global interaction. The majority of future jobs and businesses will rely on people with more education and knowledge, on processes that are more sophisticated, and on products that are not yet invented. Building and supporting the new economy in Maine will rely greatly upon the resources, responsiveness, and creativity of the University of Maine System's universities—allowing us to draw more effectively on our geographic access to Canada and Europe.

The detailed work in this area will achieve the following broad <u>outcomes</u>:

- o Add undergraduate and graduate programs and degrees which support living in an increasingly diverse and global society, e.g., allied health professions, sustainable energy, science education, informatics, innovation, world languages and STEM (science, technology, engineering, and math);
- o Increase learning opportunities for working adults;
- o Enhance the role of each university as a regional partner in economic development;
- o Expand distance education into a key component in the System's access strategy by expanding capacity and increasing enrollment in on-line degree programs;
- o Strengthen basic and applied research linked to Maine's future;
- o Emphasize the traditional statewide land grant role of the University of Maine.

3. *Quality of Life:* The rigors of a dynamic and mobile society demand greater attention to the quality of life in our communities. Universities offer cultural events, provide continuing education and self improvement courses, partner in studying and addressing local issues such as community planning and diversity, and offer convening functions for discussion and the development of public policy.

The detailed work in this area will achieve the following broad <u>outcomes</u>:

- o More active faculty, staff, and student engagement in the lives of their communities;
- o Greater public access to university resources, programs, and events;
- o More frequent faculty, staff, and student involvement in community and regional problem solving.

NEW WAYS OF WORKING

Accomplishing this plan requires substantial changes in how we work.

This was made clear in the Task Force Report (<u>www.maine.edu/UMSTaskForce</u>) which urged the University of Maine System to "act as a union not a confederation." This would add the ability to "…provide focus, quality, and consumer-friendliness to the System." An example would be to move forward quickly on a common calendar. The Task Force also recommended that the University System restructure System-wide Services, to make those services "…accountable, while at the same time urging the University System to explore the expansion of common service provision and purchases" in selected areas. In addition, the Task Force called for the "use of financial policy to realize System goals."

These changes would make it easier to "align financing, including allocation of State General Fund appropriations, tuition policy, and student aid policy, with the goals of the public agenda and differentiated institutional missions."

It will take time and fortitude to develop these substantive changes. New structures are needed to facilitate new ways of working but they will not replace the role of the presidents and university leadership; nor can they weaken the rich tradition of shared governance. Also the Chancellor will need a more visible presence in the state capitol, working regularly from his existing System office provided by the University of Maine at Augusta, to meet with State and other leaders to impact public policy.

The plan includes the establishment of the following System-wide improvements and innovations:

A. ***Public Agenda*** - Working with educational institutions, State leadership, and the private and non-profit sectors, the Chancellor will lead the way in generating a broad Public Agenda by late spring of 2010, that has, at its core, the goals of enrolling and graduating more students, strengthening the economy, and enhancing Maine's quality of life. The end result would be a shared set of priorities that articulate the value of higher education and the steps needed to strengthen it.

B. ***Statewide Summit on Maine's Higher Education Needs*** - Every two years, the Chancellor and Chair of the UMS Board of Trustees will co-host a statewide public summit on the status of higher education in Maine to assess changing employment patterns and projections. The findings of the summit, distributed widely, will guide the System in prioritizing new programs and activities that better serve the citizens of Maine.

C. ***System Program Development Summit*** - Academic and administrative leadership of each university will gather annually with System leadership for a multi-day discussion of needed program changes, deletions, or additions. Annual SWOT (Strength-Weakness-Opportunity-Threat) reports by each university will inform this discussion. The development of an annual report to the Trustees on planned undergraduate and graduate program developments will be the outcome of this work. Some programs will require greater collaboration such as the joint UMaine-USM effort to provide greater access statewide to graduate and professional degrees.

D. ***Access, Affordability, and Enrollment Summit*** - Student affairs officers and enrollment management leaders will meet annually to develop coordinated strategies to grow enrollment. The development of an annually updated integrated enrollment management plan, including specific strategies for each university, will be the outcome of this work and will be provided to the Trustees.

E. **Shared Services Advisory Council** - The Advisory Council will evaluate the needs of the universities and their constituencies and help shape the growth, reduction, or changes in shared and/or centralized services and the opportunity to employ alternative service models, such as university-based delivery. The Advisory Council will also assist in further defining those services that constitute shared operations between—and on behalf of—the universities, versus governance functions that serve the leadership and oversight responsibilities of the UMS Board of Trustees. Internal satisfaction surveys will be an integral part of this work and will be utilized to improve services. The Advisory Council, made up of presidents (or their designees) and chaired by the Vice Chancellor of Finance and Administration, will meet regularly to provide guidance, oversight, and university input.

F. **Annual Report on Measures of Progress** - A public report will assess progress based on a set of metrics related to public satisfaction as well as the financial, public service, and academic performance of the System. A list of metrics appears in Appendix I.

G. **UMS Feedback Web site** - Students, faculty, staff, and members of the public will have access to a web site where they may communicate their suggestions, satisfaction, or concerns. This initiative will increase the customer service capacity of the university both internally and externally.

The above are the first and most immediate steps necessary to implement new ways of working and identifying problems and solutions.

SUMMARY/CONCLUSION

The University of Maine System is responding to the challenges it faces by seeing them as opportunities—opportunities to think more creatively and deeply about finances, purposes, work, and outcomes. The process has been open and inclusive. The implementation of the plan will be undertaken with the same commitment to accountability and transparency.

Through greater collaboration and an unwavering focus on the state's priorities, we indeed will be able to say—and demonstrate—that we are adding value through educational opportunity, public service, research, and economic development.

Appendix I: Measures of Progress

	BASE YEAR	2-YEAR TARGET	4-YEAR TARGET
I. INDIVIDUAL GROWTH AND OPPORTUNITY			
1. Fall enrollment			
Total Headcount	32,608	33,109	33,610
Total FTE Count	23,688	24,046	24,405
Undergraduate (Headcount)	28,290	28,665	29,040
(FTE)	20,943	21,251	21,560
Graduate (Headcount)	4,318	4,444	4,570
(FTE)	2,745	2,795	2,845
In-State (Headcount)	28,309	28,745	29,180
(FTE)	19,853	20,154	20,455
Out-of-State (Headcount)	4,299	4,365	4,430
(FTE)	3,834	3,892	3,950
2. New Undergraduates			
Total new undergraduates	6,483	6,570	6,680
1st Time	4,608	4,670	4,750
Transfer	1,875	1,900	1,930
3. Graduation and Retention Rate			
First-to-second year retention rate	69.1%	70%	75%
6-year graduation rate	47.6%	48%	50%
Annual completion rate (degrees as percentage of total enrollment)	17.2%	17.3%	18.1%
4. Degrees Conferred			
Total degrees conferred	5,610	5,735	6,075
Associates	348	350	375
Bachelors	4,173	4,250	4,500
Masters	927	950	1,000
Certificate of Advanced Studies	40	45	50
Doctorate	50	55	60
Law	72	85	90
5. College Costs			
Family contribution as a percentage of state household income (demonstrates true out of pocket cost)	11.9%	11.9%	11.9%
Family contribution as a percentage of cost of education	31.7%	31.7%	31.7%
6. Biennial National Survey of Student Engagement (NSSE) scores (Number of universities at or above peer average)			
Level of Academic Challenge	3	4	6
Enriching Educational Experiences	3	4	6
Supportive Campus Environment	5	6	6
7. Survey of the General Population			
"Very or Somewhat Favorable Overall Impression of the UMS"	75.3%	77%	79%

	BASE YEAR	2-YEAR TARGET	4-YEAR TARGET
II. ECONOMIC COMPETITIVENESS			
1. Total R&D Expenditures ($millions)			
Total Funds	$72.0	$80.0	$100.0
Federal	$36.0	$41.0	$57.0
State	$9.0	$10.0	$11.0
Private	$11.0	$12.0	$14.0
University	$16.0	$17.0	$18.0
2. MEIF Funds and Leveraged Funds ($millions)			
MEIF Funds	$13.8	$15.0	$18.0
Grants & Contracts Generated	$51.3	$55.0	$60.0
Total Funds	$65.1	$70.0	$78.0
Supported R&D Jobs	597	600	625
3. Business support measures			
Businesses assisted (contracts)	193	197	200
Patents Filed	17	18	20
Patents Issued	3	4	5
4. Percentage of Enrolled UMS Student Body Aged 25-64	36.6%	37.8%	38.7%
5. Science, Technology, Engineering and Mathematics (STEM) Degrees Awarded	864	900	950
6. Nursing and Allied Health Degrees Awarded	447	500	600
7. Business Degrees Awarded	659	700	750
8. Learning Opportunities through Technology			
Credit hours served through technology	38,156	40,064	41,972
Number of class sections offered through technology	1,712	1,798	1,883
Number of students enrolled in online degree programs	400	700	1,000
9. Percentage of Maine Population with at Least a Baccalaureate Degree (25+)	25.9%	26%	26.2%
10. Percentage of Maine Population with a Graduate Degree (25+)	8.9%	9%	9.2%

	BASE YEAR	2-YEAR TARGET	4-YEAR TARGET
III. FINANCIAL SUSTAINABILITY			
1. Financial Indicators			
Primary Reserve Ratio = Expendable Net Assets/Total Expenses	26.8%	26.0%	27.0%
Return on Net Assets Ratio = Change in Net Assets/Total Net Assets	1.5%	1.5%	2.0%
Net Oper Rev Ratio = Oper Inc (Ls) Plus Net Non Oper Rev (Exp)/Oper Rev Plus Nonoper Rev	0.4%	0.5%	0.8%
Viability Ratio = Expendable Net Assets/Long Term Debt	80.2%	84.0%	90.0%
Debt Burden Ratio = Debt Service/Total Expenditures	2.7%	< 5%	< 5%
2. Staffing Ratios			
FTE Student/FTE Faculty Ratios (NCES-IPEDS)	14.8	15.5	16.0