

UMS Response to Difficult Economic Times: A Status Report

Given the difficult economic climate facing the University of Maine System and its students, UMS is taking immediate steps to keep higher education affordable and accessible to Maine citizens. Those actions involve additional on-line courses; more cost controls and reductions; enhancing student services; and providing more student financial aid opportunities.

These efforts are necessary due to the same concerns facing individuals and organizations across the country—an anemic economy threatened by volatile credit and asset markets, a weak dollar, rising energy and food costs, growing health care costs, a declining manufacturing sector, accelerating federal debt, and tight state budgets.

Despite those conditions, UMS is committed to keeping higher education affordable and accessible through the actions below. Additional opportunities are continually being explored and implemented.

1. ACTIONS HELPING STUDENTS:

Programmatic Changes

- Three-year BA/BS completion options are being explored at several universities to reduce students' total cost of education; to enable them to graduate and earn income in less time; and to expand Maine's skilled workforce
- Shared degrees System-wide are being investigated by the universities, allowing them to expand their offerings through collaboration to better accommodate student and state needs, especially in:
 - Science, Technology, Engineering, and Math (STEM)
 - World Languages
 - Other critical disciplines necessary for a vibrant Maine economy
- Explore opportunities to offer more live courses at University College Outreach Centers

Increase Use of Technology:

- Increase the use of technology in academic year 08-09 to make attending the University System more affordable and convenient to working adults and commuter students
 - In Fall 2008, 255 online sections are being offered – a 26.8% increase over last year – with a capacity of 3,927 enrollments
 - The Fall 2008 ITV schedule is essentially at full capacity - only Tuesday at 7am and Friday at 7pm slots are currently not scheduled
 - New videostream archiving of ITV courses is being implemented this fall to provide flexibility to students' schedules
 - Many traditional courses are currently being evaluated for the possibility of using technology to reduce the number of meetings on campus
- Additional opportunities to expand the use of technology and remote course offerings will continue to be explored through the summer and next semester, adjusting to student responses and needs

Increase Financial Aid and Assistance:

- Increase the total estimated available student financial aid by 11% in FY09
 - \$4.4 million in unrestricted aid
 - \$0.3 million in endowed scholarships
 - \$2.4 million in PELL grants
 - \$0.1 million increase in racino-funded scholarships
- Direct students to enhanced federally funded programs, e.g., *TEACH Grant Program*, and *Pell Grants*
- Assist with Student Loans
 - *Stafford Loans* funding will be available to UMS students either through the FFEL program or Direct Loan
 - All universities have communication plans in place to notify students of any changes, to help them identify new lenders and to plan proactively, and to implement contingency plans should the situation become more serious

2. FY09 ACTIONS TO SAVE MONEY AND REDUCE ONGOING FINANCIAL OBLIGATIONS:

- \$15.4 million in savings projected from budget reductions throughout the System; 140 positions eliminated
- \$300,000 savings from freezing compensation increases for System employees with salaries over \$100,000 and other reductions in non-personnel expenses
- \$2 million annual reduction in GASB 45 actuarial funding requirement in FY09 based on Retiree Medical Task Force recommendations
- \$800,000 savings from incremental recovery pass-through via federal benefit rate for grants and contracts
- \$200,000 savings in business insurance
- Financial oversight plan implemented to enhance financial reporting, planning and transparency, improve internal controls and maximize the use of our investment in the PeopleSoft finance and human resources system

3. CURRENT ENERGY SAVINGS INITIATIVES

- Installation of a wind turbine at UMPI
- Investigate a co-generation plant at UMaine
- Energy audits in progress at all universities
- Participation in Governor's wood energy alternative fuel initiative
- Reevaluation of energy procurement practices
- Capital renewal projects underway at each university
- Explore energy conservation measures that include telecommuting, meetings by Polycom, robust communications, alternative work and class schedules, etc.
 - i. Further expand the use of Polycom (videoconference) for meetings. During FY07, 665 video sessions occurred with an estimated cost savings of \$175,560. During FY08, 764 video sessions occurred with an estimated cost savings of \$201,696

4. LONG-TERM COST SAVINGS/REVENUE ENHANCEMENT INITIATIVES:

- Enhanced procurement initiative funded by the Davis Educational Foundation Grant (\$325,000)
- Shared Processing Center for student services to be expanded upon full implementation of PeopleSoft in FY09; possible next steps include:
 - Data entry of immunization records
 - Data entry of graduate school admission records
- Consolidation of IT services where supported by business case analysis
- Aggressive wellness campaign launched System-wide
- Outsourcing options reviewed where significant cost savings can be achieved
- Establish a study group to provide new revenue enhancement opportunities System-wide