



FY2019

PROPOSED UNIFIED OPERATING BUDGET, CAPITAL BUDGET & STUDENT CHARGES

Board of Trustees

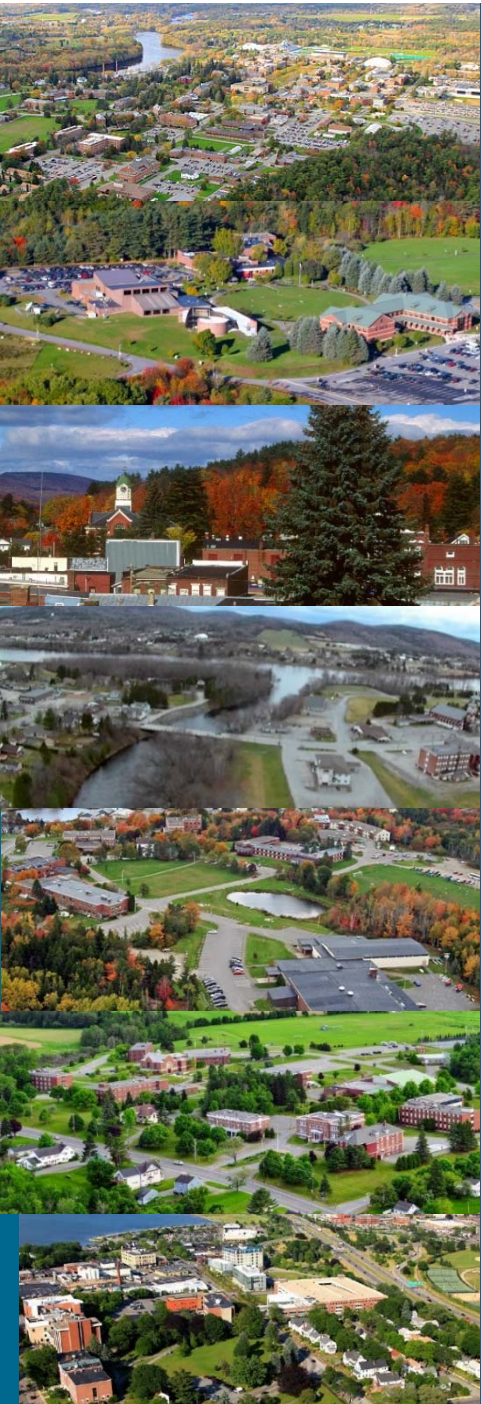
May 20-21, 2018

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FY19 Budget Overview

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- **Budget focus on Board of Trustees priority & secondary outcomes**
 - **Enrollment Increase**
 - Early College projected credit hour increase of 2.9%
 - UMPI estimates 4,200 credit hours in the new CBE program
 - UM's budget reflects a 0.3% enrollment increase with continued growth in out of state enrollments
 - **In-state, undergraduate tuition & Unified Fee increase at CPI at most campuses – 2.3%**
 - **Utilization of reserve funds**
 - 2 campuses are using campus reserves to balance in FY19
 - University Services is utilizing reserves to reduce cost allocation to campuses
 - **FY19 appropriation is budget flat per State's FY2018-2019 biennial budget.**

FY19 Budget Overview

	E&G	Auxiliary	Total	Campus Reserves	Administrative Savings	Budget Stabilization	Total
UMaine	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
UMA	(2,864,084)	(86,929)	(2,951,013)	2,951,013	-	-	-
UMF	-	-	-	-	-	-	-
UMFK	212,476	(205,843)	6,633	-	-	-	6,633
UMM	-	-	-	-	-	-	-
UMPI	(273,066)	273,066	-	-	-	-	-
USM (Excl. Law)	-	-	-	-	-	-	-
Maine Law	(1,193,446)	-	(1,193,446)	693,446*	-	500,000	-
Governance	-	-	-	-	-	-	-
Univ. Svs	(525,433)	-	(525,433)	525,433	-	-	-
**Total	\$(4,643,553)	\$ (19,706)	\$(4,663,259)	\$ 4,169,892	\$ 0	\$ 500,000	\$ 6,633

*Maine Law reserves have been exhausted – reflects USM reserve transfer

**Does not include \$3.3 million in administrative savings set aside for strategic investment

Budget Stabilization Fund

- The Budget Stabilization Fund was created to enable the UMS to smooth the financial impact of adverse markets, economic conditions, and address other financial challenges.
- The Budget Stabilization Fund was established in 2010 and has been built from net investment income that exceeded budget pursuant to the Board of Trustees investment policy.
- The treasurer will only authorize all or a portion of the transfer needed to offset a net unrestricted operating loss for each institution at the close of FY18 and FY19.

	Balance 7/1/17	\$ 11,452,838
	Projected	
Utilization	FY18	FY19
Law School	(275,320)	(500,000)
Investment gain/loss	TBD	-
Subtotal	(\$ 275,320)	(\$ 500,000)
	Projected Balance	\$ 10,677,518

The Law School annually receives a transfer from USM for \$856,808 representing their portion of State Appropriation.

Budget Stabilization Fund

University of Southern Maine
FY19 PROPOSED BUDGET
Law School

	FY18 BASE	FY19 BASE	CHANGE	
Tuition Waivers/Scholarships	(1,300,000)	(1,900,000)	(600,000)	46.2%
Net Student Charges Revenue	4,986,781	4,468,080	(518,701)	-10.4%
State Appropriation *****	-	-	-	-%
Total Revenue	4,986,781	4,468,080	(518,701)	-10.4%

Expenses

Personnel	5,385,174	5,504,198	119,024	2.2%
Supplies & Services	278,890	236,290	(42,600)	-15.3%
Shared Ser				
Travel				
Membersh				
Maintenance & Alterations	7,750	3,250	(4,500)	-58.1%

The Law School annually receives a transfer from USM for \$856,808 representing their portion of State Appropriation.

65800 OTHER EXPENSES **749,973** **712,975** **\$ (36,998)**

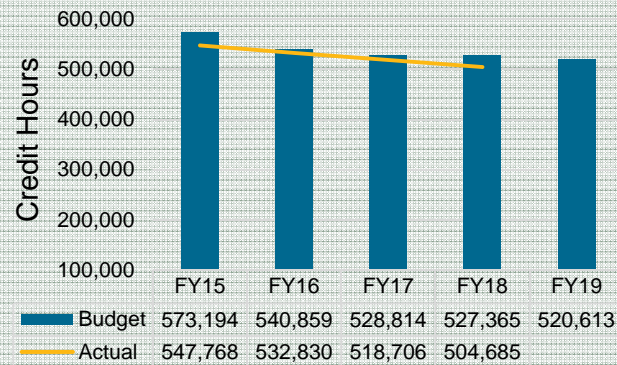
80000 APPROPRIATION TRANSFER FROM E&G **(856,808)** **(856,808)** **\$ -**

Other Expenses & Transfers **(106,835)** **(143,833)** **(36,998)** **34.6%**

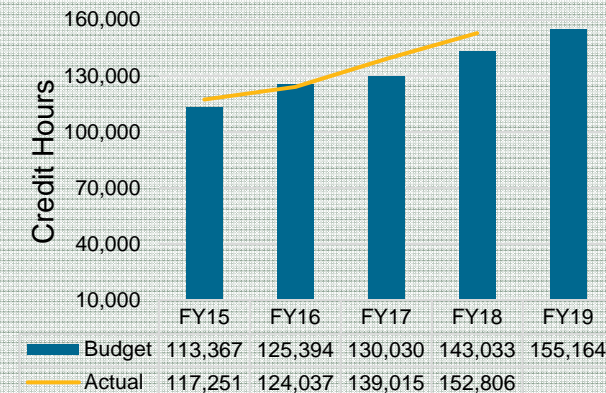
Operating Increase (Decrease)	\$ (688,119)	\$ (1,193,446)	\$ (505,327)	73.4%
Transfer from/(to) Budget Stabilization	275,320	500,000	224,680	
Net Change Subtotal	(412,799)	(693,446)	(280,647)	
Other Strategic Transfers from/(to) Reserves	275,320	693,446	418,126	
Net Change in Cash & Reserve Transfers	\$ (137,479)	\$ -	\$ 137,479	

Enrollment

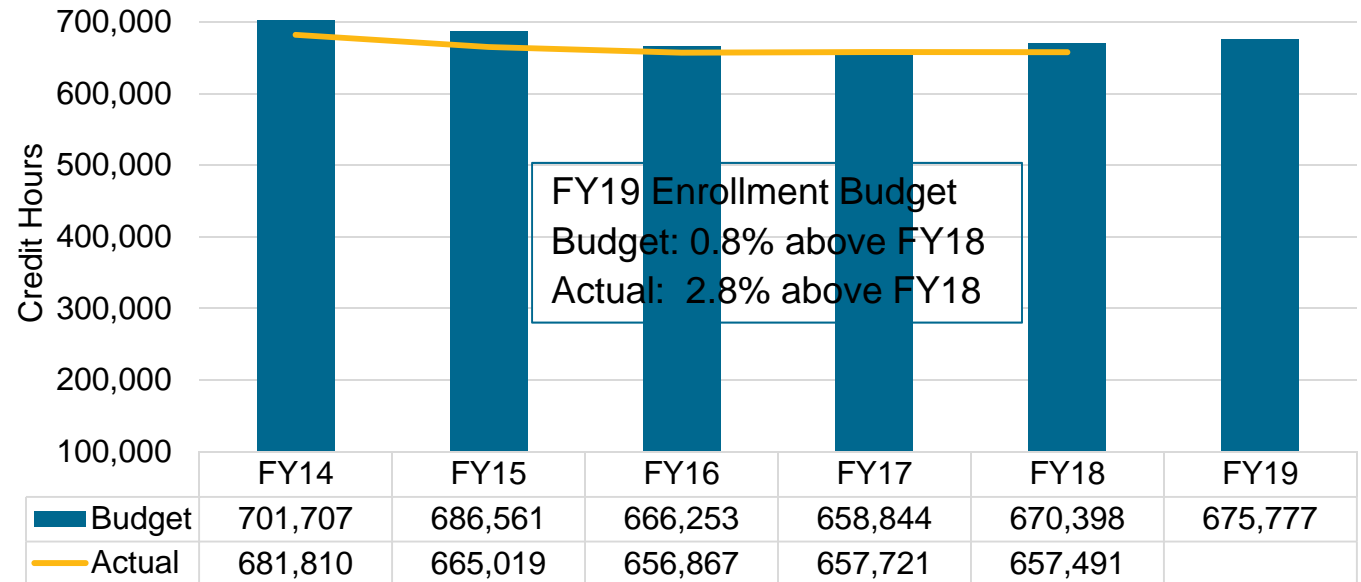
In-State



Out-of-State



UMS Total Credit Hour Enrollment



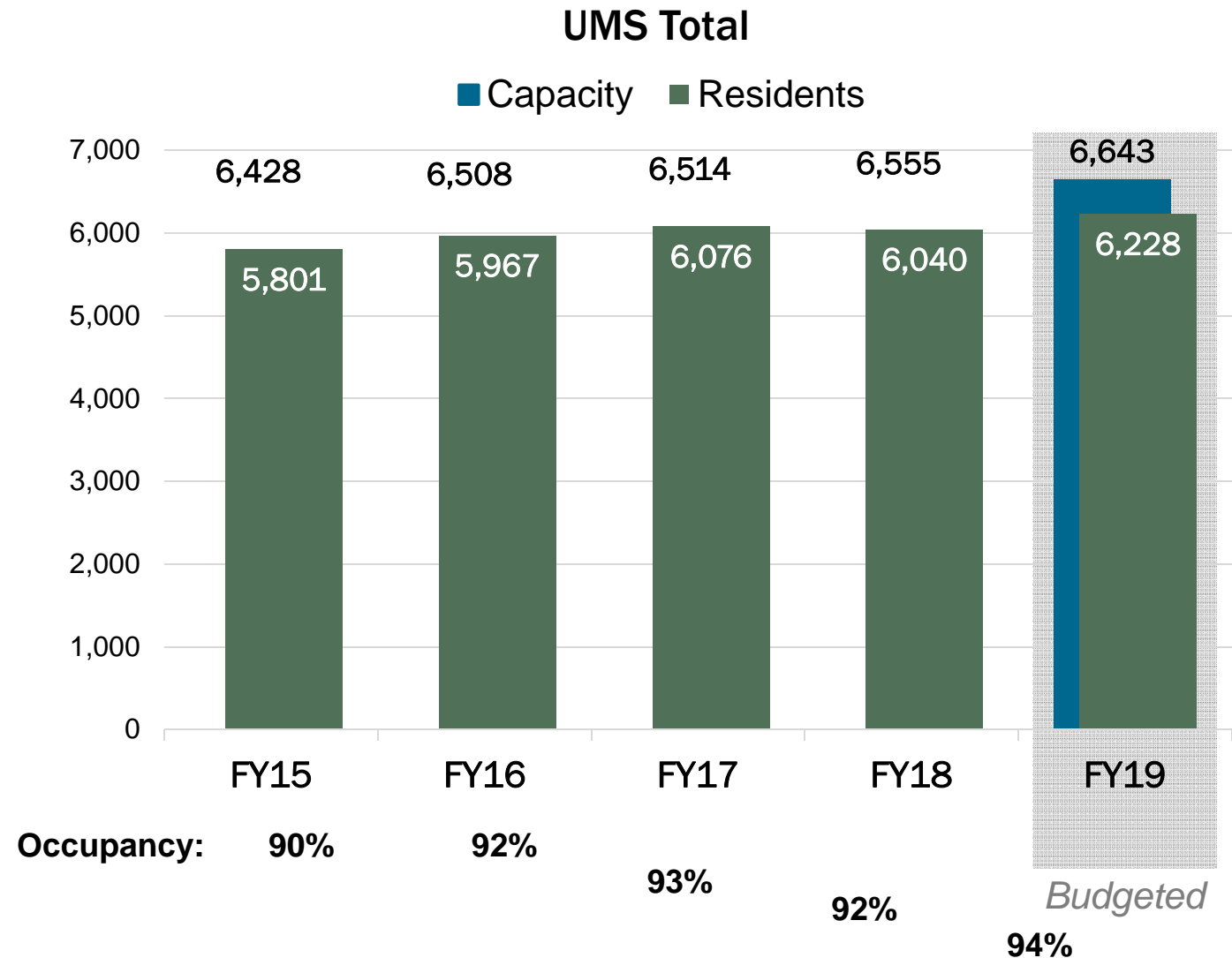
Early College (included above)	Budget	16,477	18,098
	Actual	17,585	
CBE (included above)	Budget	-	4,176
	Actual	TBD	

Major factors impacting enrollment:

- FY19 credit hours are up 2.8% over FY18 actual credit hours.
- FY19 out-of-state budgeted represent 23% of the total credit hours.

Residence Hall Occupancy

- UMS FY19 Occupancy Rate is 94% and ranges from 104% at USM to 70% at UMM.
- Residence Hall occupancy has increased slightly at 5 of the 6 campuses with residential operations.



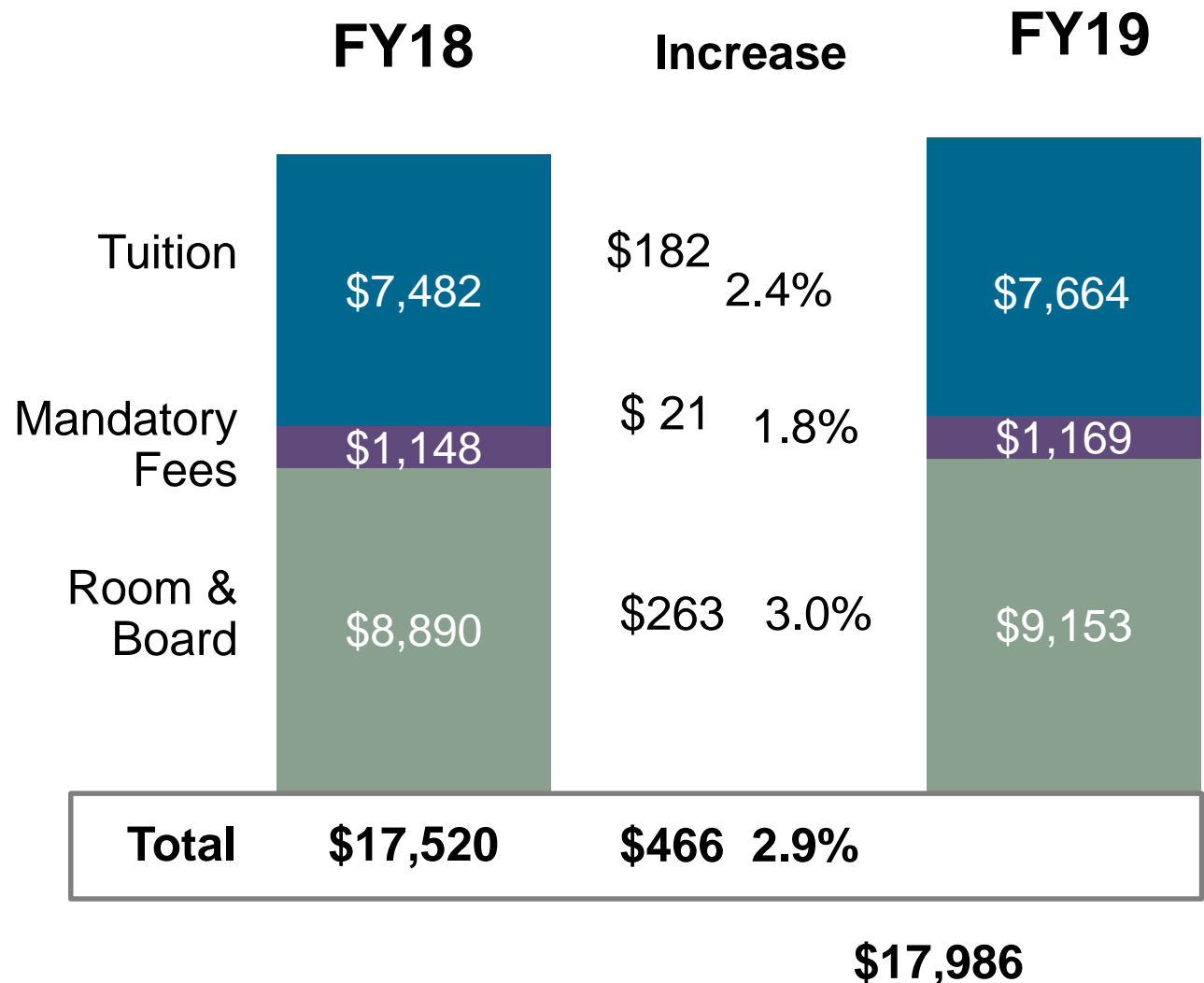
FY19 Recommended In-State Tuition Rates

- In-state, undergraduate tuition increase based on CPI (2.3%).
- Additional tuition increases at USM due to partial implementation of the new Unified Budget Pricing Structure.
- UMF increasing graduate tuition rate to equal USM.

		FY18 Rate/CH	FY19 Proposed Rate/CH	FY 19 Proposed Increases	
				\$	%
Undergraduate	UMaine	\$286	\$293	\$7	2.4%
	UMA	\$228	\$233	\$5	2.2%
	UMF	\$268	\$274	\$6	2.2%
	UMFK	\$228	\$233	\$5	2.2%
	UMM	\$228	\$233	\$5	2.2%
	UMPI	\$228	\$233	\$5	2.2%
	USM	\$262	\$271	\$9	3.4%
Graduate	UMaine	\$429	\$439	\$10	2.3%
	UMF	\$389	\$407	\$18	4.6%
	USM	\$393	\$407	\$14	3.6%
Law	Law	\$743	\$743	\$0	0%

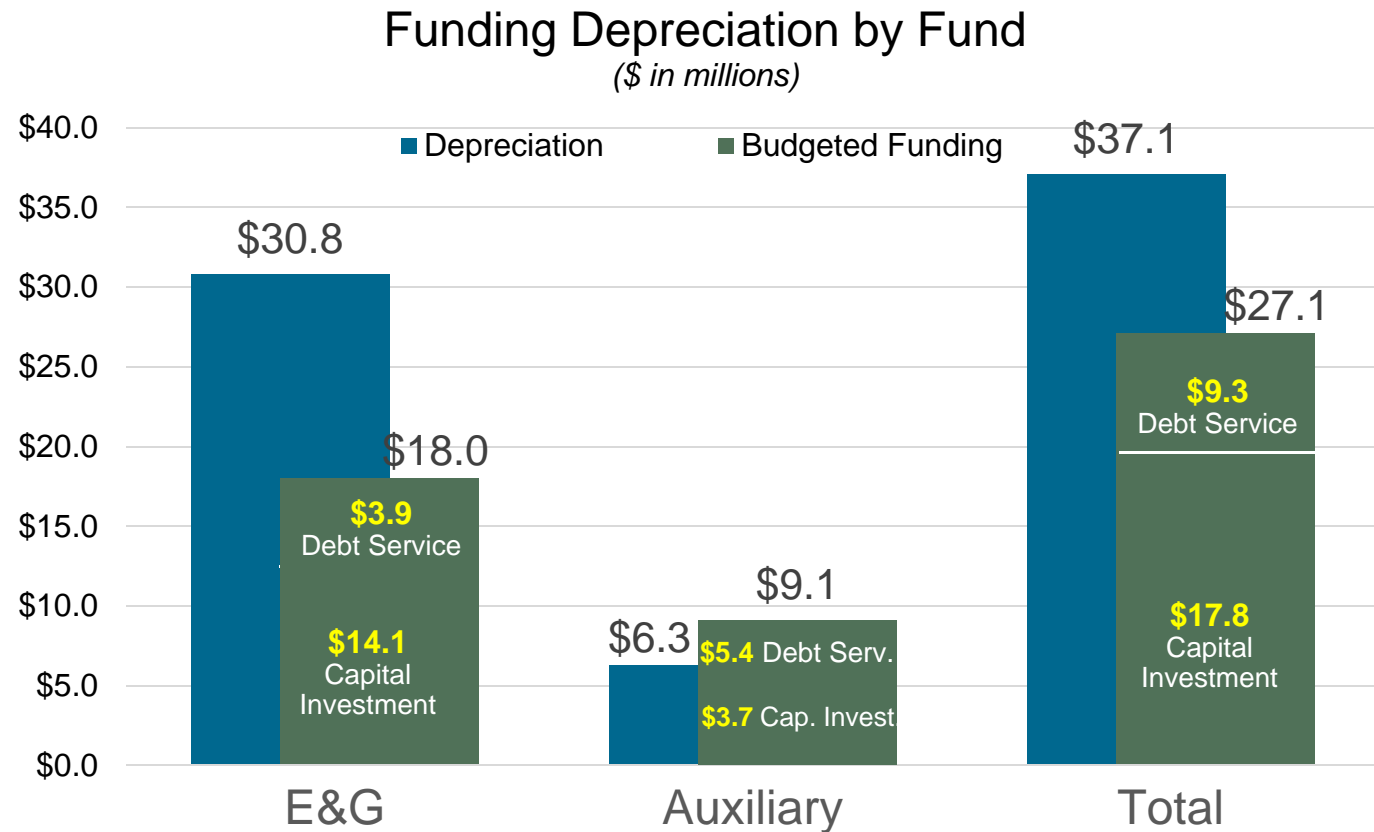
In-State Undergraduate Average Costs

- Unified Fee increasing at 5 campuses; no increase at UMFK & UMPI.
- Room rates increasing at 4 campuses; Board rate increasing at 5 campuses.
- Average annual increase is less than \$500 for in-state, undergraduate students residing on campus.



Funding Depreciation

- Depreciation expense increased by \$1.0M - from \$36.1M in FY18 to \$37.1M in FY19.
- E&G and Auxiliary budgeted capital investment = \$17.8M; an increase of \$1.7M (10%).
- Funding through Debt Service has decreased by \$1.3M; Capital Investments increased by \$1.7M over FY18
- 73% of the total depreciation expense is funded in the FY19 budget – down 1% from the FY18 budget.



Capital Investments from Operations

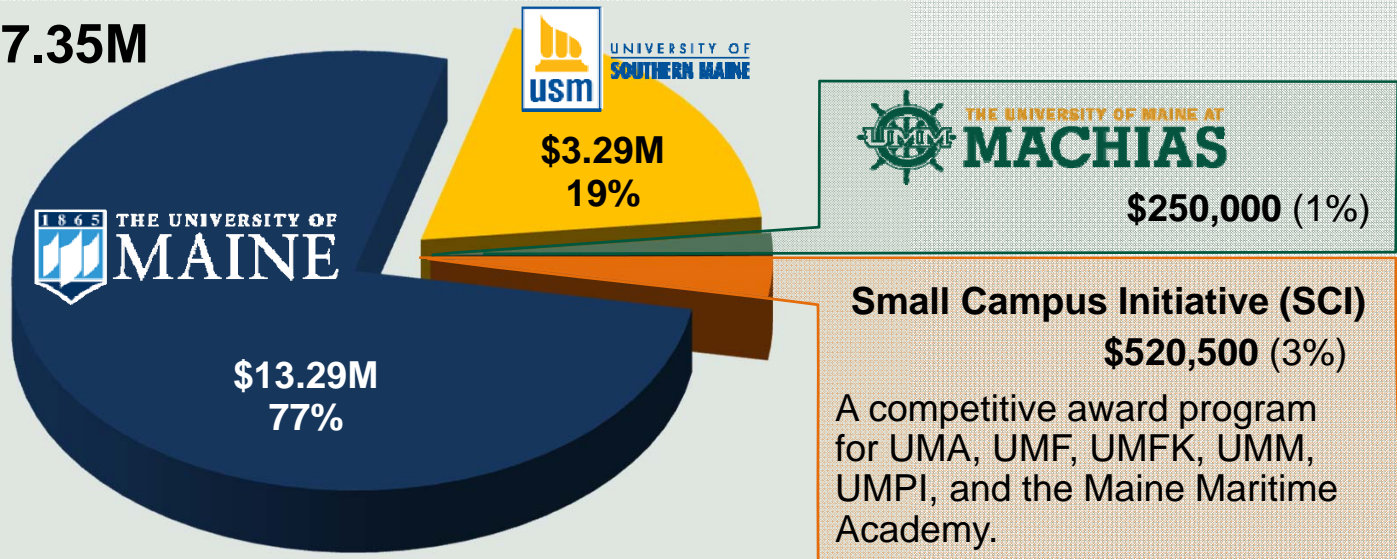
	Facilities	Equipment & Vehicles	Projects to be determined during FY19	Capital Reserve Deposit (to be utilized in FY20 or after)	Total Investment
UMAINE	\$ 2,518,489	\$ 2,076,768	\$ 2,569,554	\$ 1,368,313	\$ 8,533,124
UMA	943,640	36,679	-	-	980,319
UMF	10,000	139,700	992,529	-	1,142,229
UMFK	200,000	20,000	-	-	220,000
UMM	6,000	500	-	-	6,500
UMPI	210,176	-	-	39,824	250,000
USM	1,558,500	264,556	-	-	1,823,056
US	-	442,300	-	4,387,337	4,829,637
TOTAL	\$ 5,446,805	\$ 2,980,503	\$ 3,562,083	\$ 5,795,474	\$ 17,784,865

- FY19 budgeted transfers from E&G and Auxiliary to Capital Investments total \$17.8 million

MEIF

	UMaine	USM	UMM	SCI	Total
Biotechnology	1,208,714	250,000			1,458,714
Aquaculture & Marine	2,959,909	453,043	250,000		3,662,952
Composite Materials	1,844,246	100,000			1,944,246
Environmental	1,338,169	294,817			1,632,986
Forestry & Agriculture	1,781,062	833,700			2,614,762
Information Technology	1,856,946	672,512			2,529,458
Precision Manufacturing	1,383,284	100,000			1,483,284
Cross Sector	916,864	586,234			1,503,098
Small Campus Initiative				520,500	520,500
Total	13,289,194	3,290,306	250,000	520,500	17,350,000

\$17.35M



FY19 Budget Position Changes

	Faculty		Salaried		Hourly		Total
	Increases/ New Positions	Reductions/ Eliminations	Increases/ New Positions	Reductions/ Eliminations	Increases/ New Positions	Reductions/ Eliminations	
UMaine	5.0	-	5.0	-	4.8	-	14.8
UMA	-	-	-	-	-	-	-
UMF	1.5	(2.0)	1.0	(3.0)	1.4	(0.5)	(1.6)
UMFK	2.0	(1.0)	7.0	(1.5)	-	-	6.5
UMM	-	(1.0)	-	-	-	(0.5)	(1.5)
UMPI	-	-	-	-	-	-	-
USM	3.0	-	1.5	-	-	-	4.5
Gov.	-	-	2.5	(2.0)	-	-	0.5
Univ Svs	-	-	1.0	(2.0)	2.0	-	1.0
Total	11.5	(4.0)	18.0	(8.5)	8.2	(1.0)	24.2

FY19 Proposed Budget: E&G

	FY18 Base	FY19 Proposed	\$ Change	% Change
Revenue: Tuition & Fee Revenue	\$ 297,511,943	\$ 314,176,615	\$ 16,664,672	5.6%
Tuition Waivers/Scholarships	(76,997,718)	(84,363,644)	(7,365,926)	9.6%
State Appropriation	188,920,534	188,920,534	-	0.0%
Sales/Services/Other	39,425,367	40,582,731	1,157,364	2.9%
Total Revenue	448,860,126	459,316,236	10,456,110	2.3%
Expense: Personnel Expense	334,771,422	342,268,517	7,416,716	2.2%
Fuel & Electricity	15,361,545	15,497,893	136,348	0.9%
Supplies & Services	30,117,279	31,198,603	1,081,324	3.6%
Travel	6,006,600	6,268,354	261,754	4.4%
Memberships, Contributions & Sponsorships	1,591,501	1,572,009	(19,492)	-1.2%
Maintenance & Alterations	10,856,132	11,747,248	891,116	8.2%
Interest Expense	1,929,130	1,725,624	(203,506)	-10.5%
Depreciation	30,728,899	30,787,221	58,322	0.2%
Other Expenses & Transfers	32,380,460	32,343,671	(36,789)	-0.1%
Total Operating Expenses & Transfers	463,742,968	473,409,140	9,666,172	2.1%
Operating Increase (Decrease)	\$ (14,882,842)	\$ (14,092,905)	\$ 789,937	-5.3%
Modified Cash Flow: Add back Depreciation	30,728,899	30,787,221	58,322	0.2%
Less Capital Expenditures	(8,522,691)	(9,702,654)	(1,179,963)	13.8%
Less Capital Reserve Funding	(3,917,547)	(4,408,061)	(490,514)	12.5%
Less Debt Service Principal	<u>(5,405,171)</u>	<u>(3,925,414)</u>	<u>1,479,757</u>	-27.4%
Net Change Before Other Adj & Transfers	(1,999,352)	(1,341,813)	657,539	
Transfer from/(to) Admin Savings Rsrv	(3,301,740)	(3,301,740)	-	
Transfer from/(to) Budget Stabilization	<u>275,320</u>	<u>500,000</u>	<u>224,680</u>	
Net Change Subtotal	(5,025,772)	(4,143,553)	882,219	
Other Strategic Transfers from/(to) Reserves	5,265,875	4,082,963	(1,182,912)	
Net Change in Cash & Reserve Transfers	\$ 240,103	\$ (60,590)	\$ (300,693)	

FY19 Proposed Budget: Auxiliary

	FY18 Base	FY19 Proposed	\$ Change	% Change
Revenue: Tuition & Fee Revenue	\$ 1,240,000	\$ 1,227,714	\$ (12,286)	-1.0%
Dining & Residence Revenue	64,255,855	64,722,671	466,816	0.7%
Tuition Waivers/Scholarships	(2,130,802)	(2,252,044)	(121,242)	5.7%
Sales/Services/Other	16,678,940	17,267,807	588,867	3.5%
Total Revenue	80,043,993	80,966,148	922,155	1.2%
Expense: Personnel Expense	22,098,429	22,431,259	332,830	1.5%
Fuel & Electricity	5,997,437	5,078,537	(918,900)	-15.3%
Supplies & Services	24,820,399	24,728,302	(92,097)	-0.4%
Travel	129,418	128,380	(1,038)	-0.8%
Memberships, Contributions & Sponsorships	27,695	20,772	(6,923)	-25.0%
Maintenance & Alterations	4,200,126	3,902,565	(297,561)	-7.1%
Interest Expense	3,941,796	3,696,059	(245,737)	-6.2%
Depreciation	5,400,401	6,255,906	855,505	15.8%
Other Expenses & Transfers	9,853,651	11,954,753	2,101,102	21.3%
Total Operating Expenses & Transfers	76,469,352	78,196,533	1,727,181	2.3%
Operating Increase (Decrease)	\$ 3,574,641	\$ 2,769,615	\$ (805,026)	-22.5%
Modified Cash Flow: Add back Depreciation	5,400,401	6,255,906	855,505	15.8%
Less Capital Expenditures	(2,106,730)	(2,286,737)	(180,007)	8.5%
Less Capital Reserve Funding	(1,496,524)	(1,387,413)	109,111	-7.3%
Less Debt Service Principal	<u>(5,182,163)</u>	<u>(5,371,077)</u>	<u>(188,914)</u>	3.6%
Net Change Before Other Adj & Transfers	189,625	(19,706)	(209,331)	
Other Strategic Transfers from/(to) Reserves	45,961	86,929	40,968	
Net Change in Cash & Reserve Transfers	\$ 235,586	\$ 67,223	\$ (168,363)	

FY19 Proposed Budget: E&G and Auxiliary

	FY18 Base	FY19 Proposed	\$ Change	% Change
Revenue: Tuition & Fee Revenue	\$ 298,751,943	\$ 315,404,329	\$ 16,652,386	5.6%
Dining & Residence Revenue	64,255,855	64,722,671	466,816	0.7%
Tuition Waivers/Scholarships	(79,128,520)	(86,615,688)	(7,487,168)	9.5%
State Appropriation	188,920,534	188,920,534	-	0.0%
Sales/Services/Auxiliary	56,104,307	57,850,538	1,746,231	3.1%
Total Revenue	528,904,119	540,282,384	11,378,265	2.2%
Expense: Personnel Expense	356,869,851	364,699,776	7,829,925	2.2%
Fuel & Electricity	21,358,982	20,576,430	(782,552)	-3.7%
Supplies & Services	54,937,678	55,926,905	989,227	1.8%
Travel	6,136,018	6,396,734	260,716	4.2%
Memberships, Contributions & Sponsorships	1,619,196	1,592,781	(26,415)	-1.6%
Maintenance & Alterations	15,056,258	15,649,813	593,555	3.9%
Interest Expense	5,870,926	5,421,683	(449,243)	-7.7%
Depreciation	36,129,300	37,043,127	913,827	2.5%
Other Expenses & Transfers:	42,234,111	44,298,424	2,064,313	4.9%
Total Operating Expenses & Transfers	540,212,320	551,605,673	11,393,353	2.1%
Operating Increase (Decrease)	\$ (11,308,201)	\$ (11,323,290)	\$ (15,089)	0.1%
Modified Cash Flow: Add back Depreciation	36,129,300	37,043,127	913,827	2.5%
Less Capital Expenditures	(10,629,421)	(11,989,391)	(1,359,970)	12.8%
Less Capital Reserve Funding	(5,414,071)	(5,795,474)	(381,403)	7.0%
Less Debt Service Principal	<u>(10,587,334)</u>	<u>(9,296,491)</u>	<u>1,290,843</u>	-12.2%
Net Change Before Other Adj & Transfers	(1,809,727)	(1,361,519)	448,208	
Transfer from/(to) Admin Savings Rsrv	(3,301,740)	(3,301,740)	-	
Transfer from/(to) Budget Stabilization	<u>275,320</u>	<u>500,000</u>	<u>224,680</u>	
Net Change Subtotal	(4,836,147)	(4,163,259)	672,888	
Other Strategic Transfers from/(to) Reserves	5,311,836	4,169,892	(1,141,944)	
Net Change in Cash & Reserve Transfers	\$ 475,689	\$ 6,633	\$ (469,056)	

Quasi-Independent State Entities Budget Requirement

- Public Law 2011, Chapter 616 mandates:

- Board of Trustees approval of the annual budget for travel, meals, and entertainment costs.
- Board of Trustees approval of the annual budget for contribution expenses – defined by this Public Law as membership dues & fees, gifts, donations, and sponsorships.
- Periodic reporting of the actual travel and contribution costs by the UMS to the Board of Trustees.
- Annual reporting to the Legislature by the UMS of contributions made to persons in the preceding year that were greater than \$1,000, and the total contributed to each.

FY19 Budget

(\$000's)

Fund	Travel, Meals, Entertainment	Memberships, Gifts, Donations, & Sponsorships
E&G/Auxiliary	\$ 6,396	\$ 1,593
Restricted/Other	4,773	566
Total	\$11,169	\$ 2,159

E&G/Auxiliary are included in the proposed operating budgets. Restricted/Other includes grants & contracts, MEIF, Coop. Ext, etc. and is not included in the operating budgets.

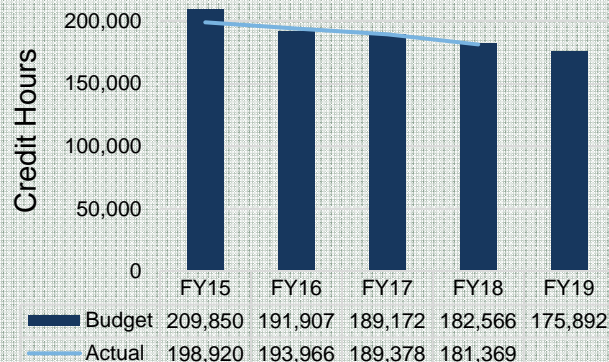
- UMS “Use of University funds” policy generally prohibits charitable contributions; Sponsorships which advance the University’s mission are allowed. UMS “Travel & Expense” policy defines what constitutes allowable travel, meals, and entertainment expenses.

Appendix

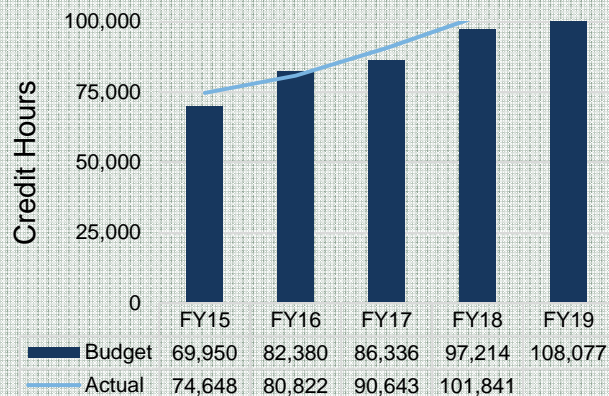
- Detailed Information by Campus for:
 - FY19 Enrollment & Residence Hall Occupancy
 - FY19 Capital Investments from Operating Budgets
 - FY19 Operating Budgets
 - FY19 Student Cost Report

Enrollment

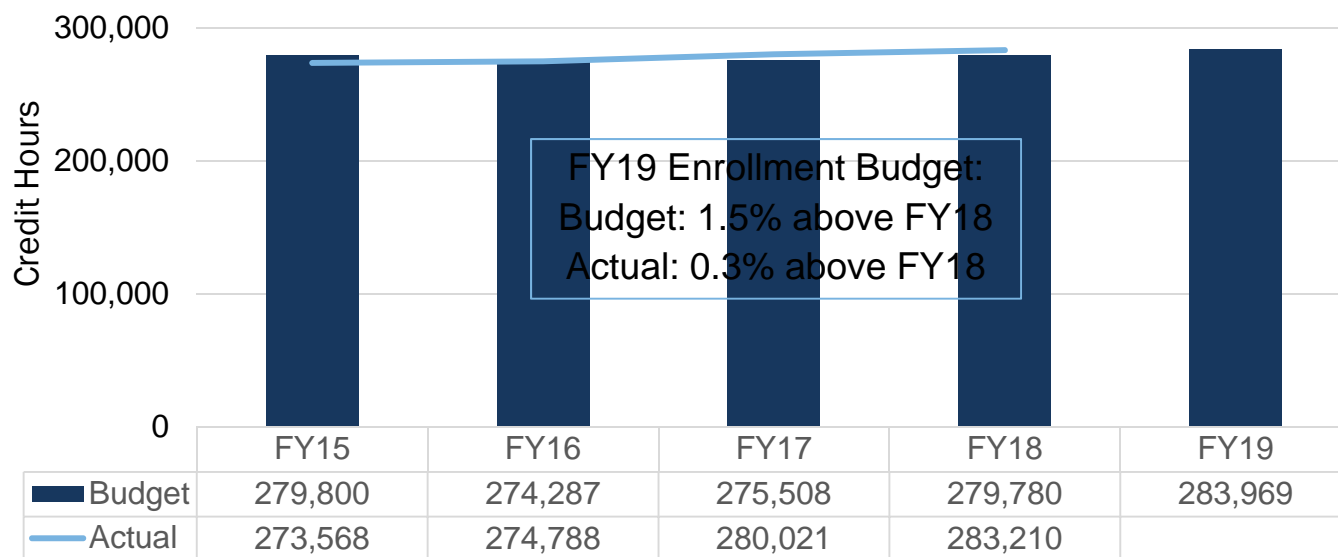
In-State



Out-of-State



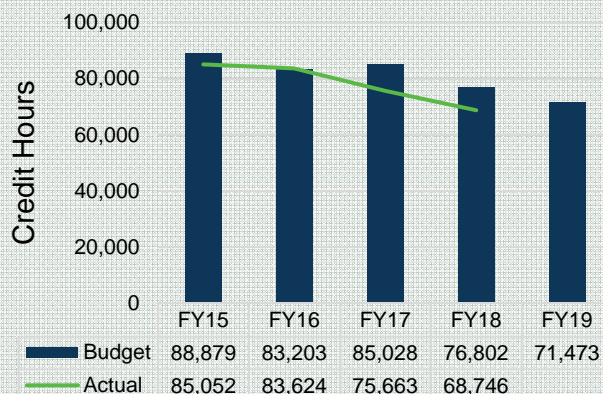
Total Credit Hour Enrollment



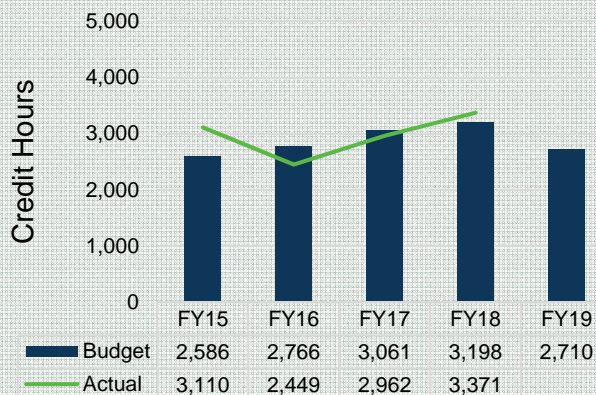
Early College (included above)	Budget	1,213	1,219
	Actual	1,045	

Enrollment

In-State

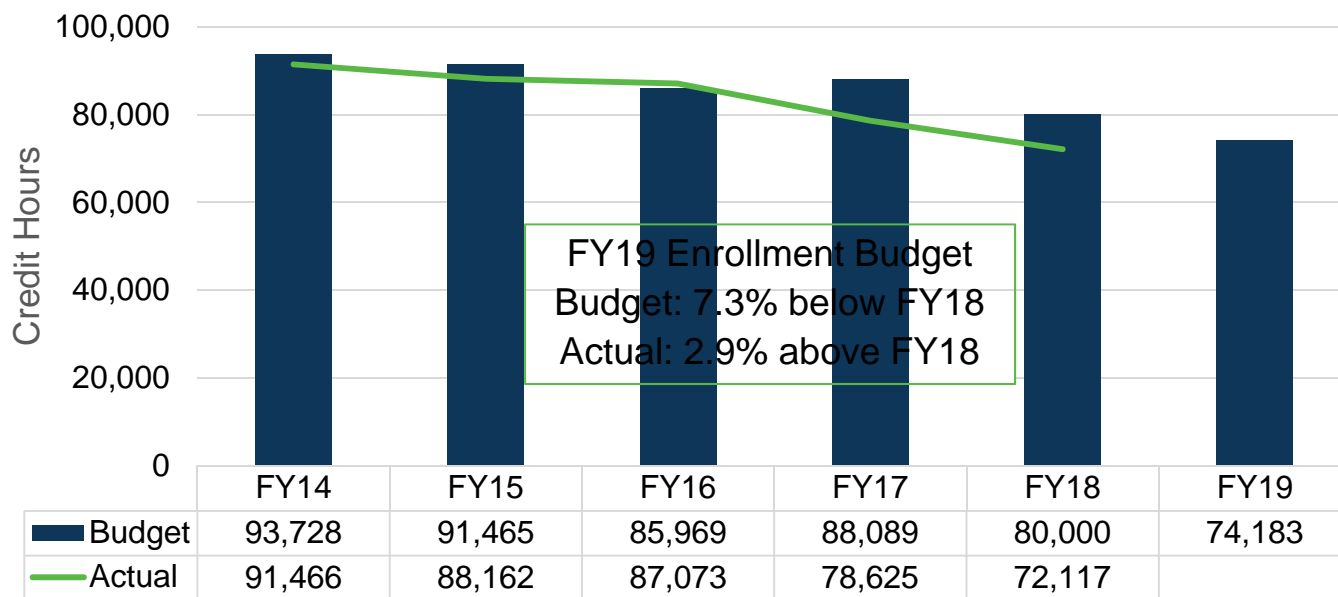


Out-of-State



UNIVERSITY of MAINE at AUGUSTA

Total Credit Hour Enrollment

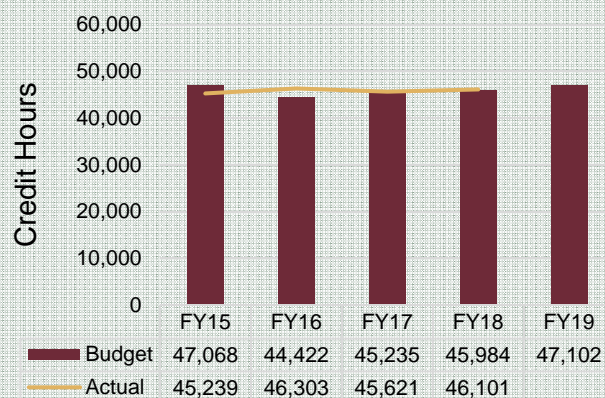


Early College
(included above)

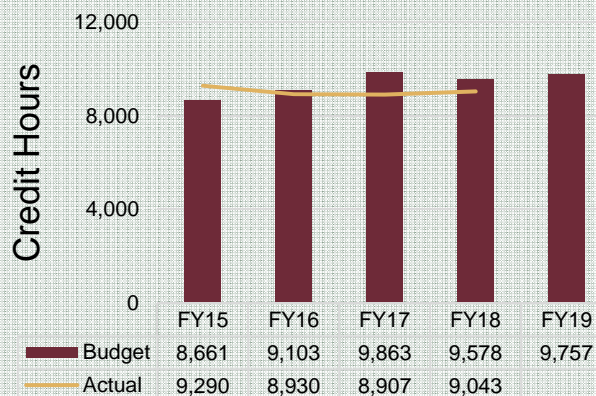
Budget	2,024	3,700
Actual	3,340	

Enrollment

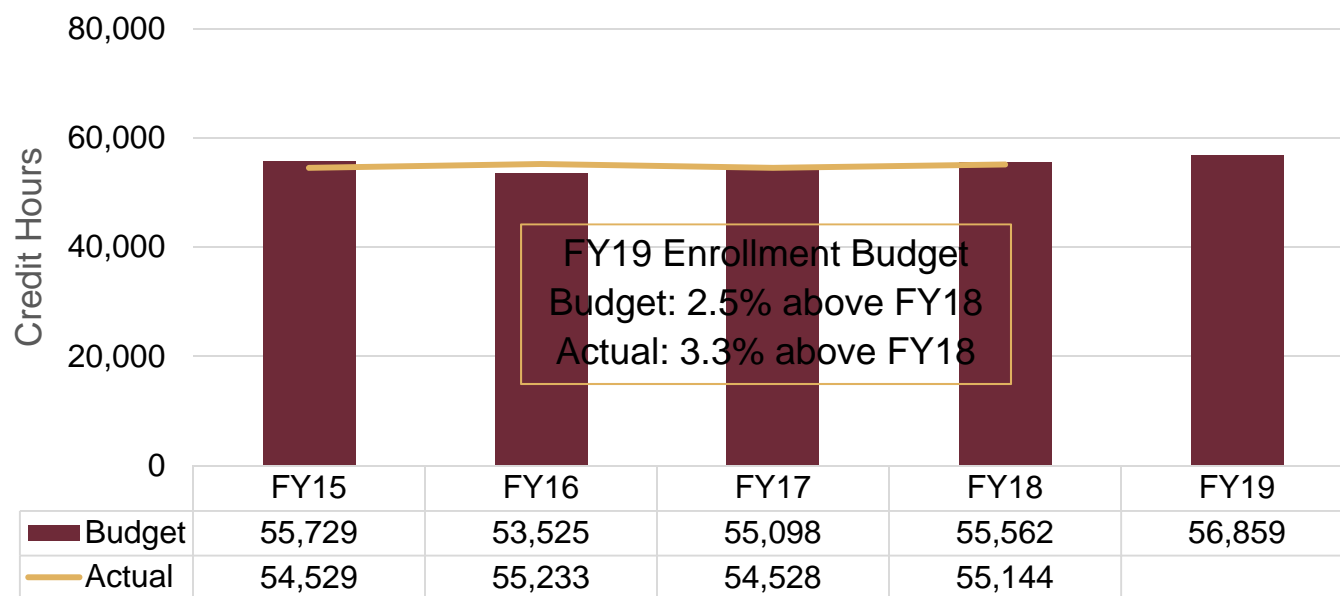
In-State



Out-of-State



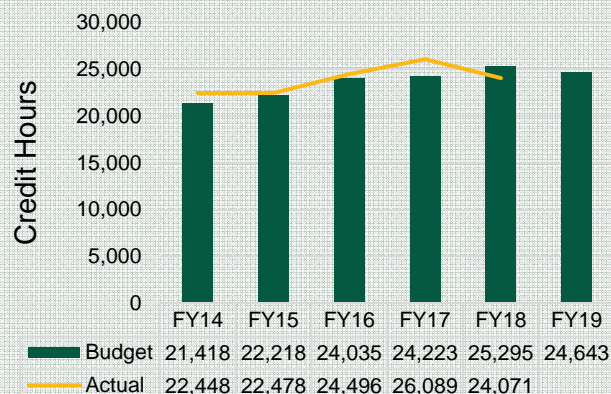
Total Credit Hour Enrollment



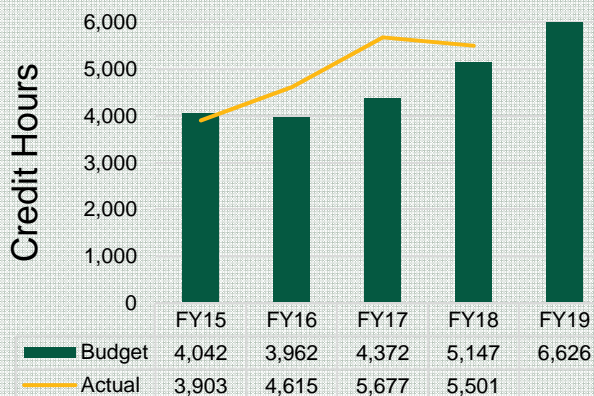
Early College (included above)	Budget	270	800
	Actual	240	

Enrollment

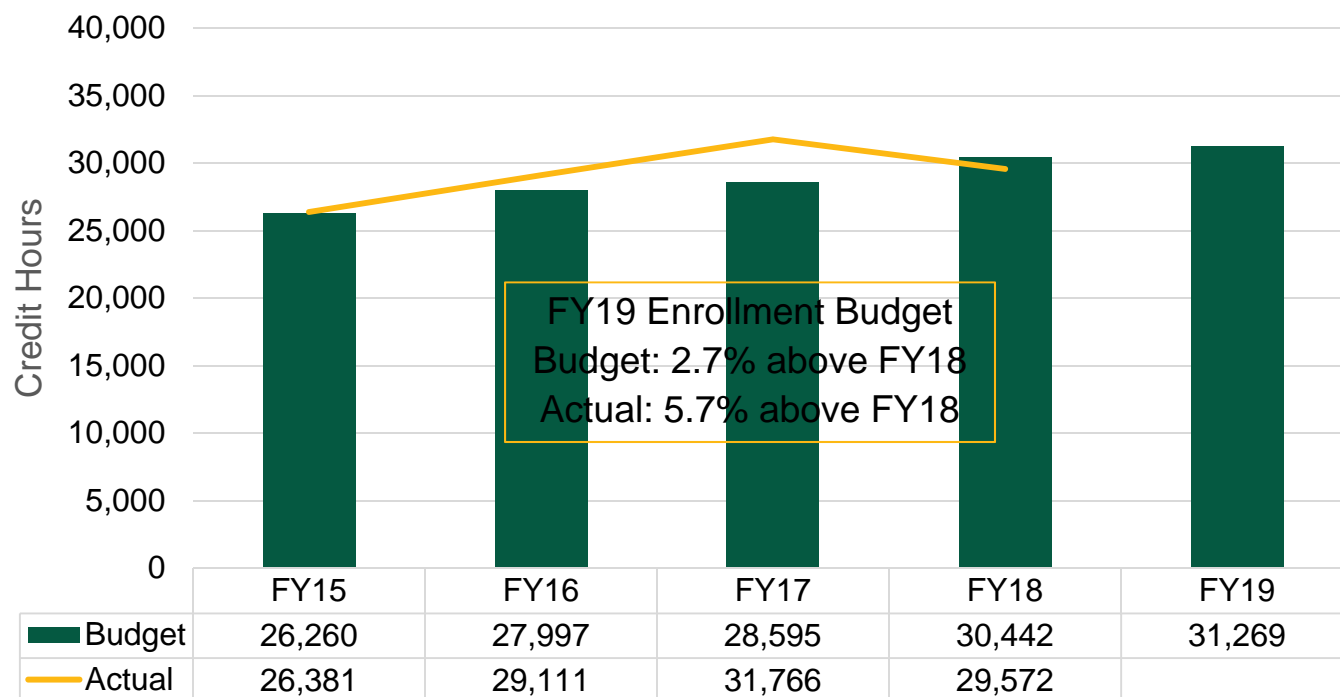
In-State



Out-of-State



Total Credit Hour Enrollment

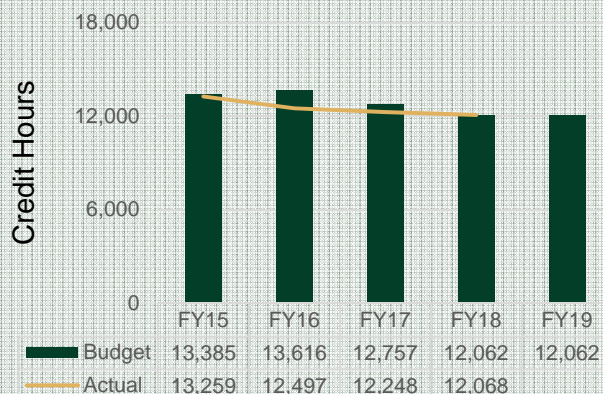


Early College
(included above)

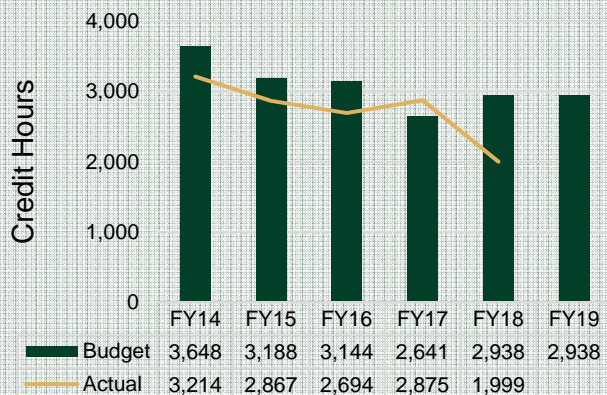
Budget	5,250	4,659
Actual	4,410	

Enrollment

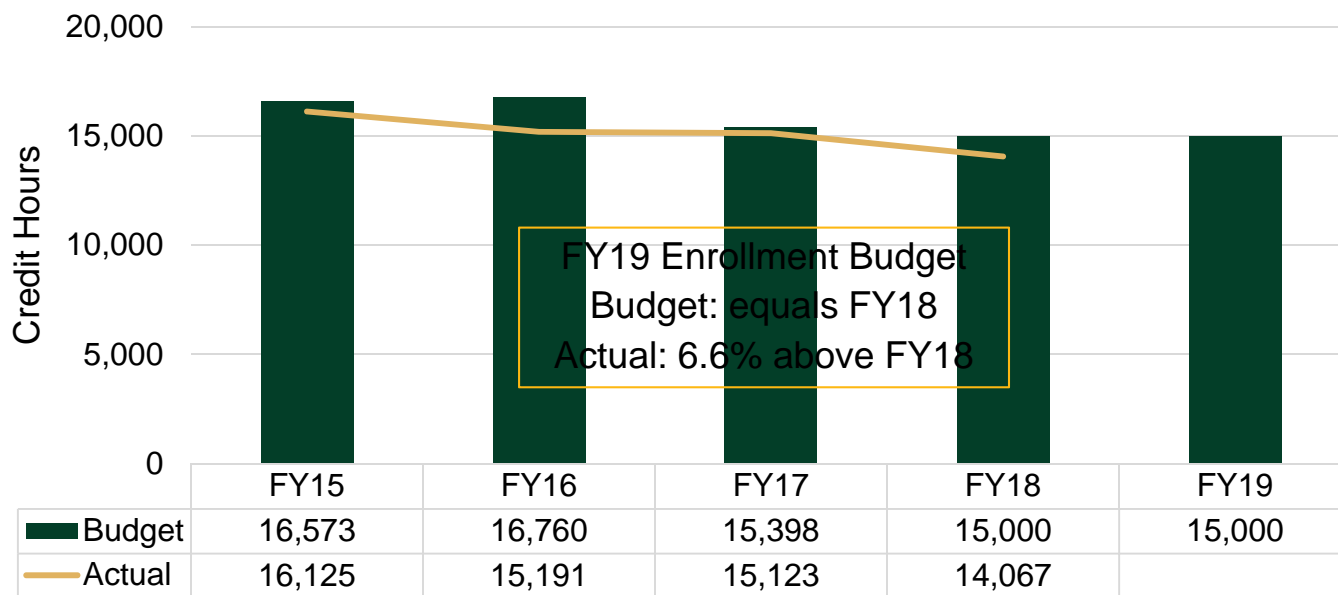
In-State



Out-of-State



Total Credit Hour Enrollment

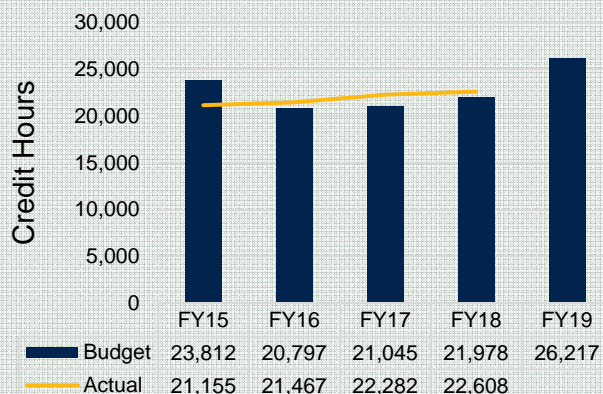


Early College
(included above)

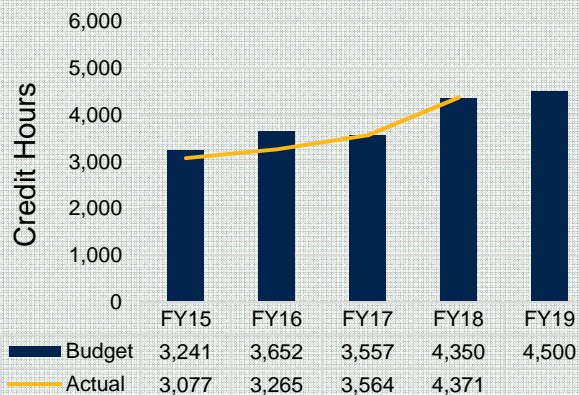
Budget	0	0
Actual	509	

Enrollment

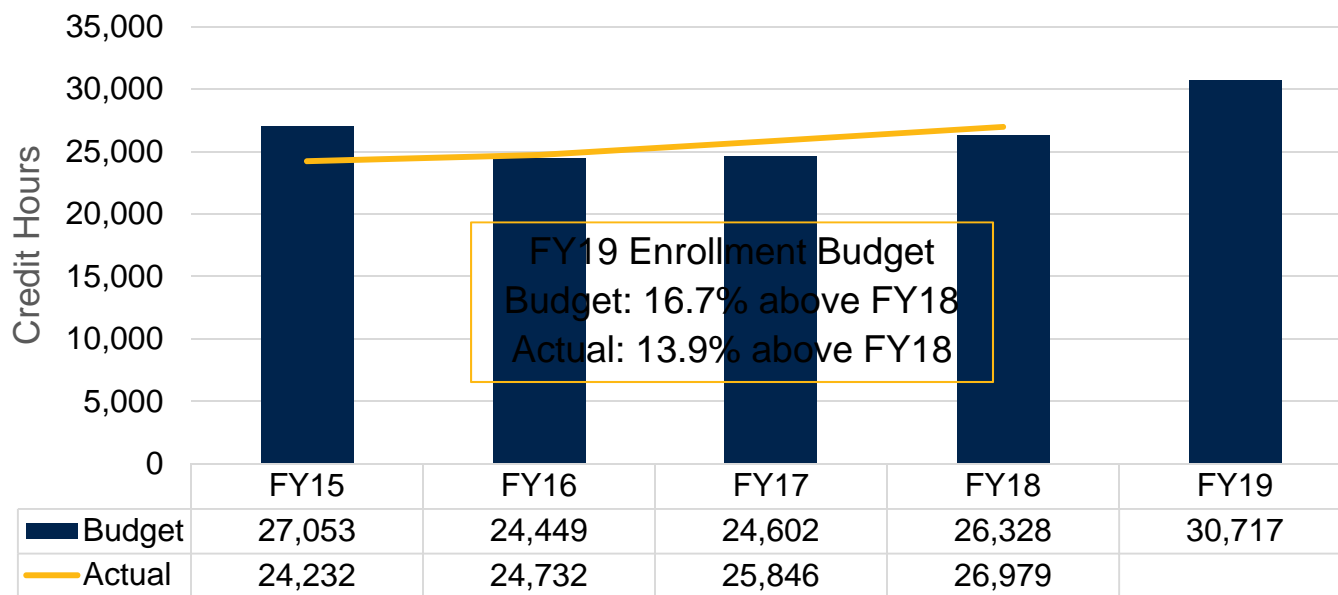
In-State



Out-of-State



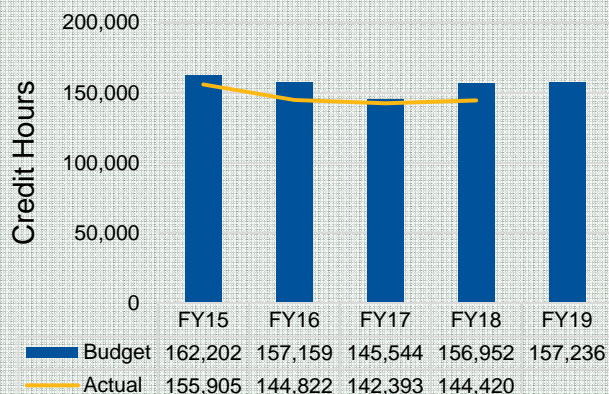
Total Credit Hour Enrollment



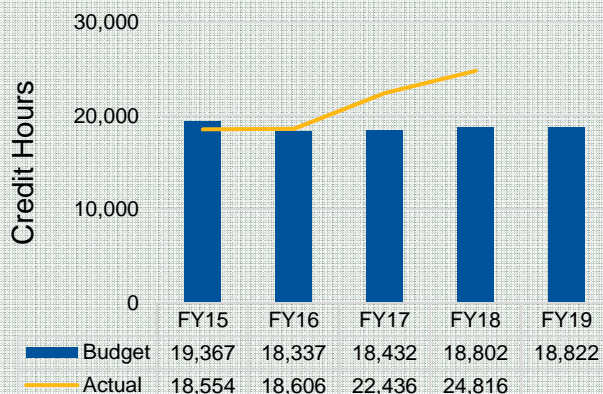
Early College (included above)	Budget	3,100	3,100
	Actual	4,851	
CBE (included above)	Budget	-	4,176
	Actual	TBD	25

Enrollment

In-State

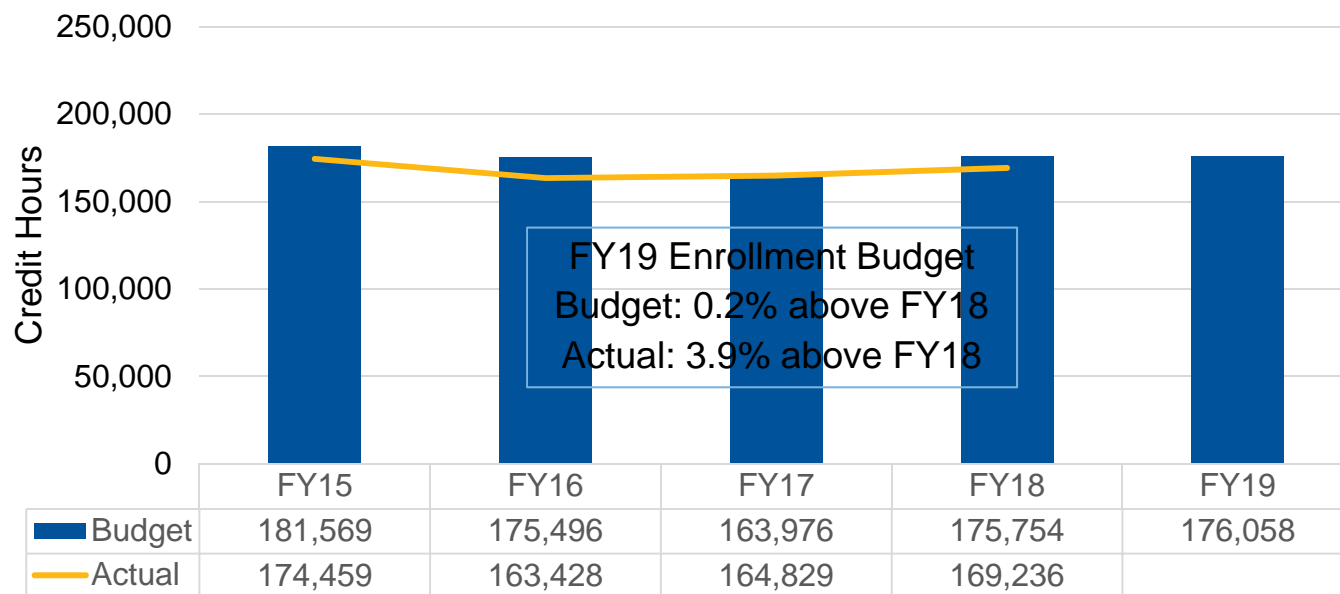


Out-of-State



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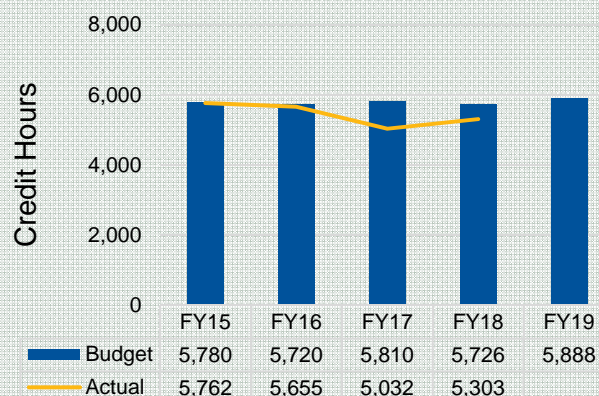
Total Credit Hour Enrollment



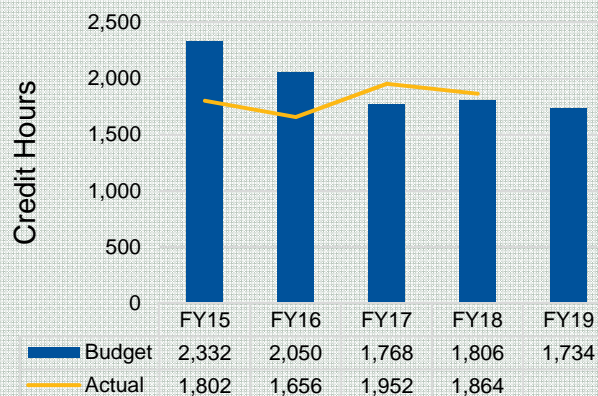
Early College (included above)	Budget	4,620	4,620
	Actual	3,190	

Enrollment

In-State

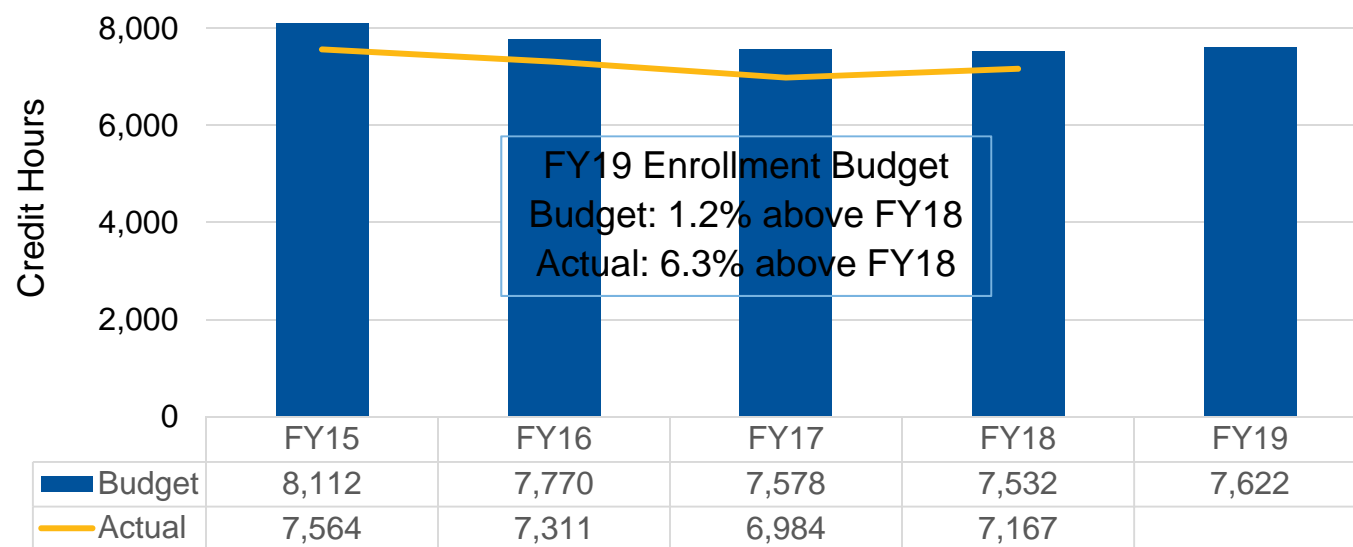


Out-of-State

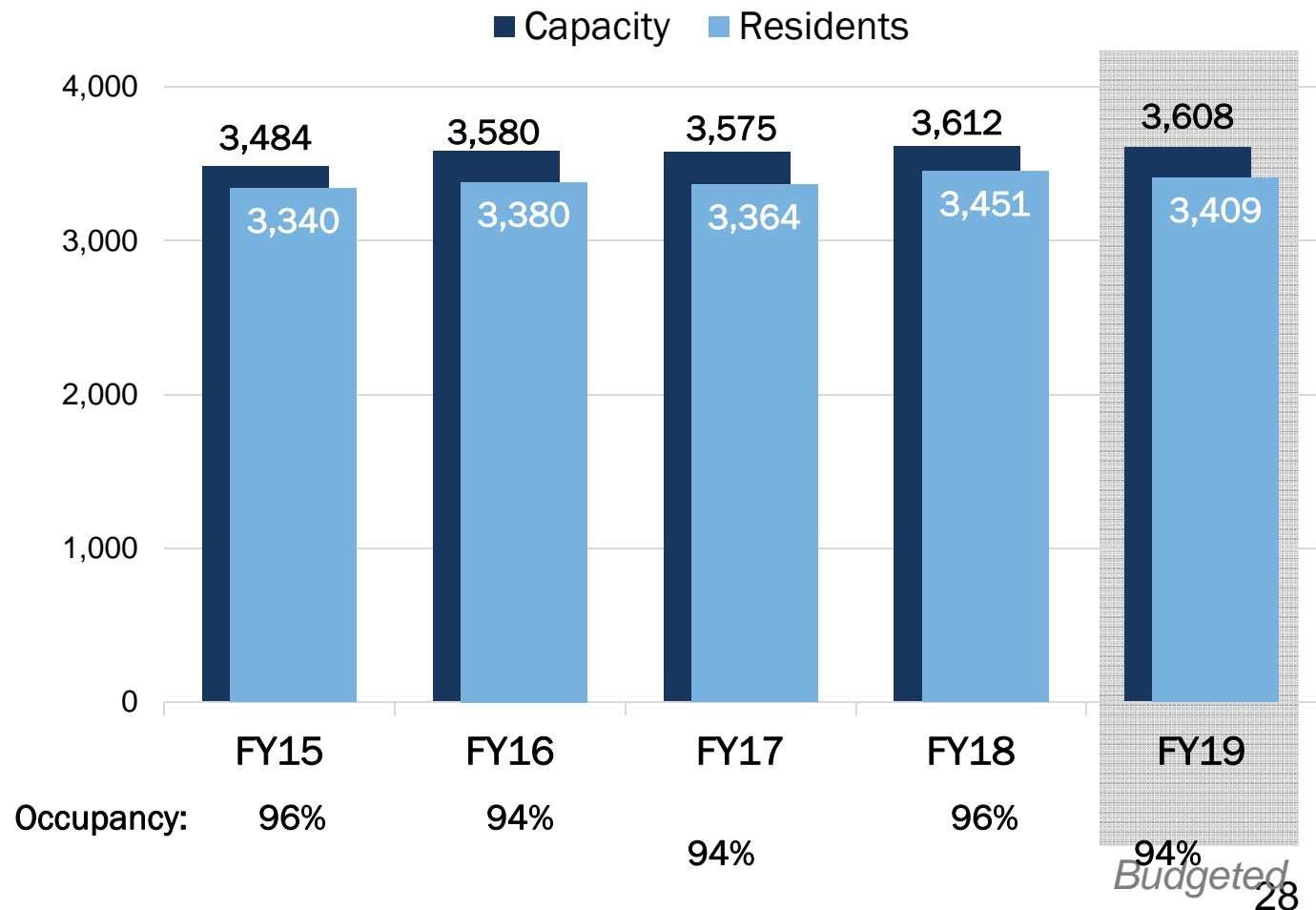


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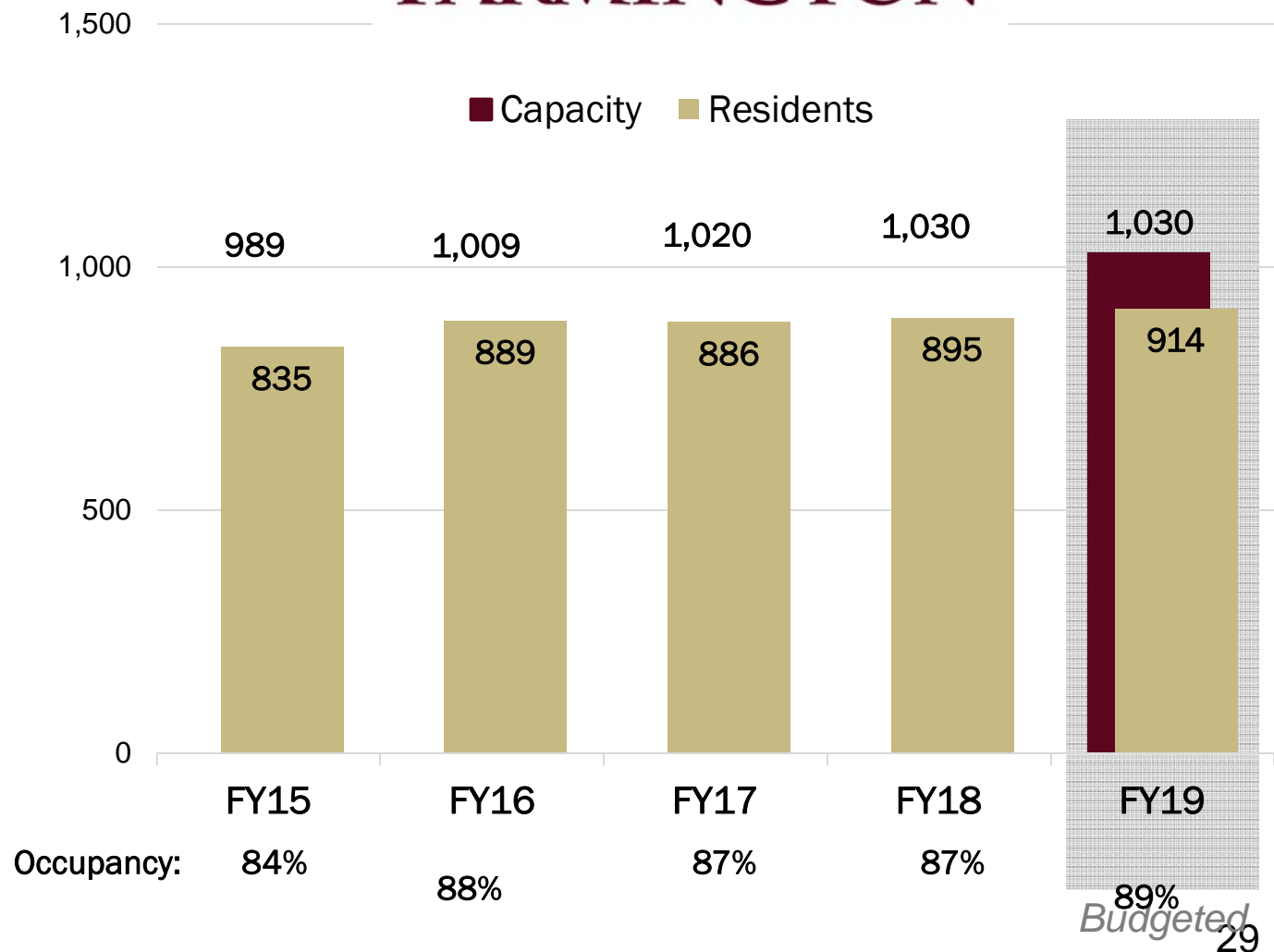
Total Credit Hour Enrollment



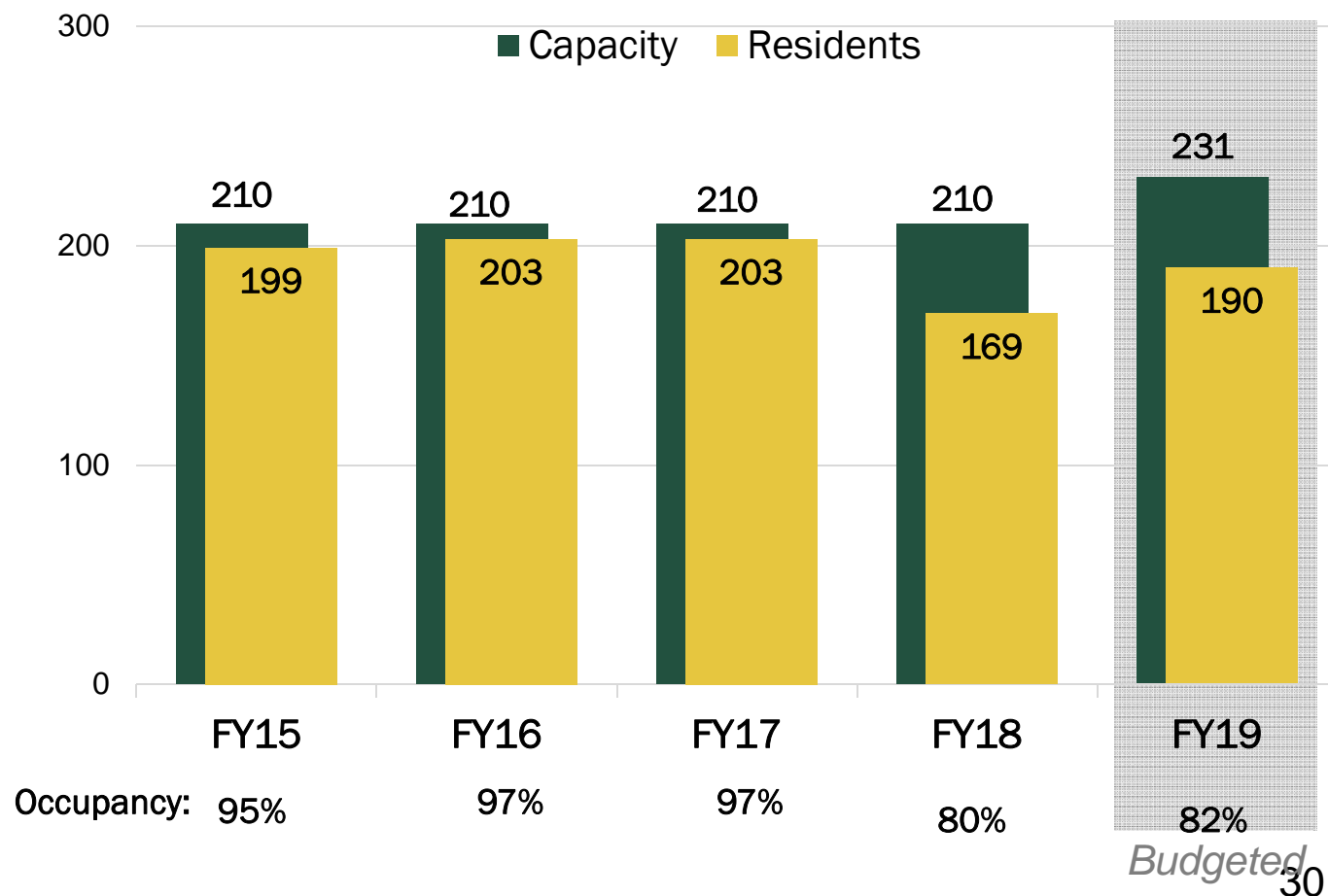
Residence Hall Occupancy



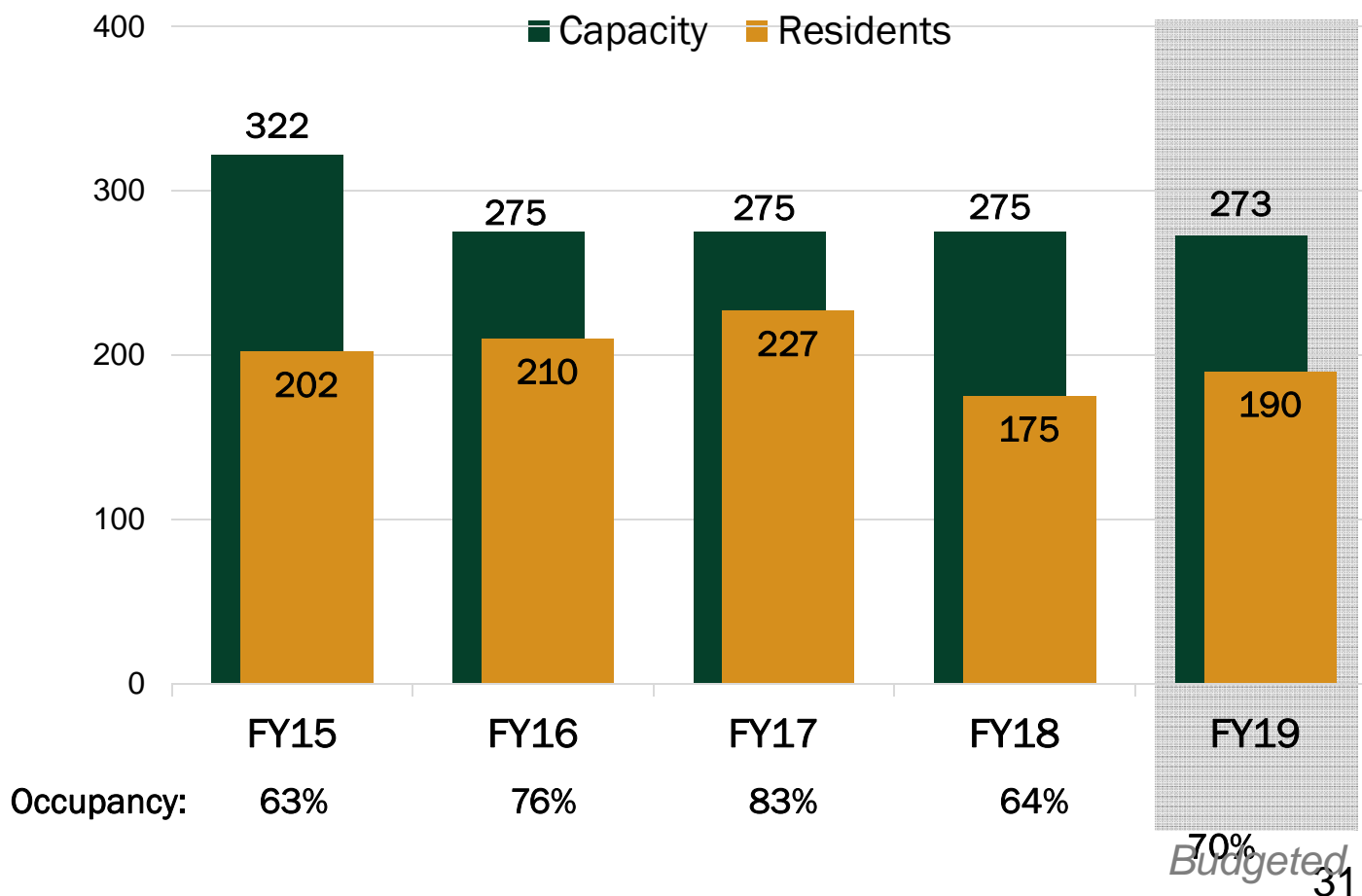
Residence Hall Occupancy



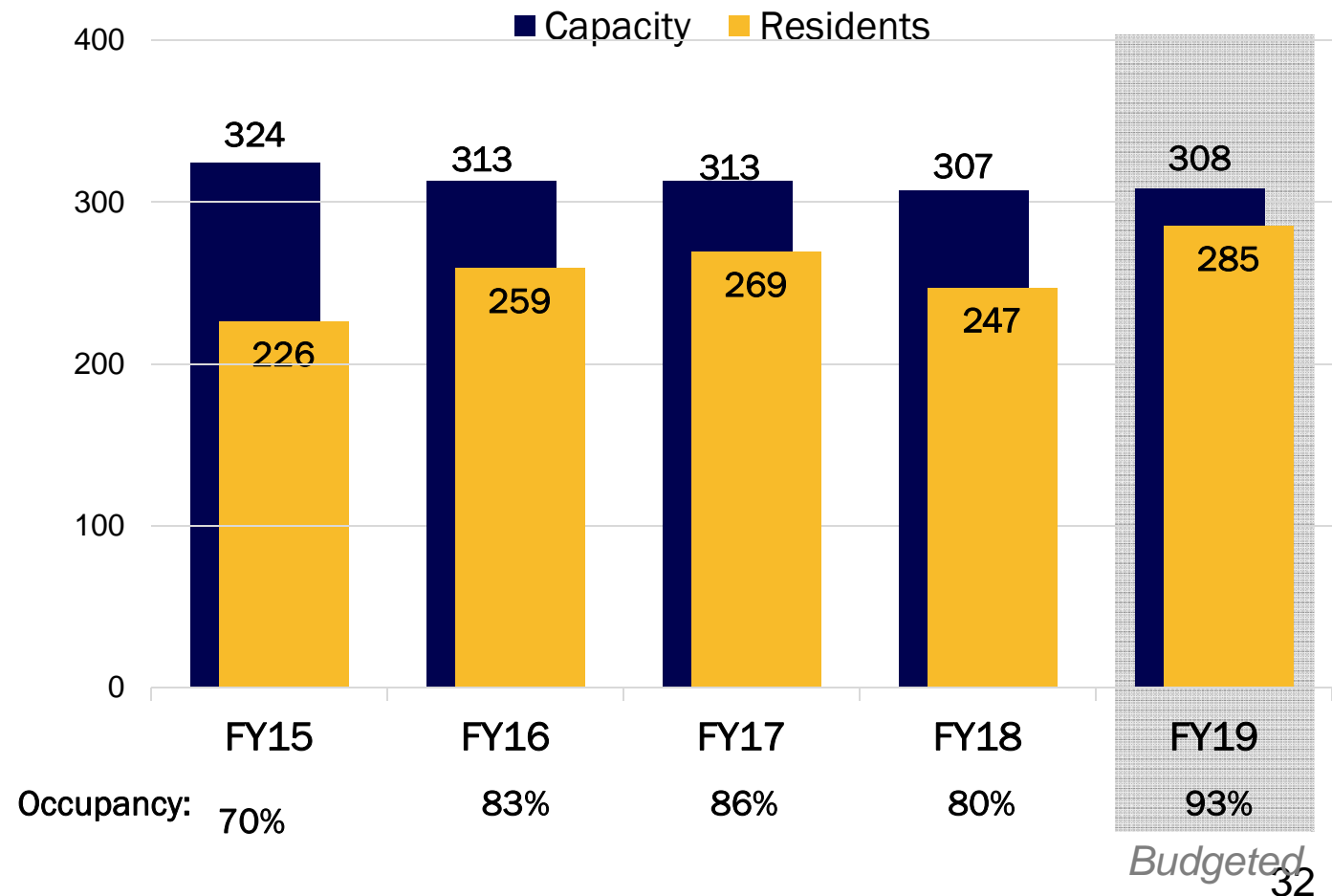
Residence Hall Occupancy



Residence Hall Occupancy



Residence Hall Occupancy



Residence Hall Occupancy



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