



# FY20

## Proposed Unified Operating Budget, Capital Budget & Student Charges

May 19-20, 2019



## FY20 Budget Overview

- **Budget focus on Board of Trustees priority & secondary outcomes**
- **Enrollment Increase**  
Early College budgeted credit hour increase of 12%  
Academic Partnership credit hours estimated at +6,500
- **In-state, undergraduate tuition increase at CPI at most campuses – 2.5%**
- **Utilization of reserve funds**  
UMA & UMM are using campus reserves to balance: UMF requesting Budget Stabilization; Law School utilizing USM reserves & requesting Budget Stabilization Funds.
- **Governor's proposed Biennial Budget includes a 3% increase in FY20 appropriation plus additional funds for Early College and Adult Degree Completion programs.**



## FY20 Budget Overview

	E&G	Auxiliary	Total	Campus Reserves	Budget Stabilization	Total
UMaine	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
UMM	(494,277)	-	(494,277)	494,277	-	-
UMA	(1,203,064)	(209,672)	(1,412,736)	1,412,736	-	-
UMF	(500,000)	-	(500,000)	-	500,000	-
UMFK	300,887	(300,887)	-	-	-	-
UMPI	(182,679)	228,248	45,569	-	-	45,569
USM (Excl. Law)	-	60,399	60,399	-	-	60,399
Maine Law	(925,000)	-	(925,000)	425,000	500,000	-
Governance	-	-	-	-	-	-
Univ. Svs	-	-	-	-	-	-
<b>Total</b>	<b>\$(3,004,133)</b>	<b>\$ (221,912)</b>	<b>\$(3,226,045)</b>	<b>\$ 2,332,013</b>	<b>\$ 1,000,000</b>	<b>\$ 105,968</b>



# 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 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 authorize only the transfer needed to offset a net unrestricted operating loss for each institution at the close of FY19 and FY20.

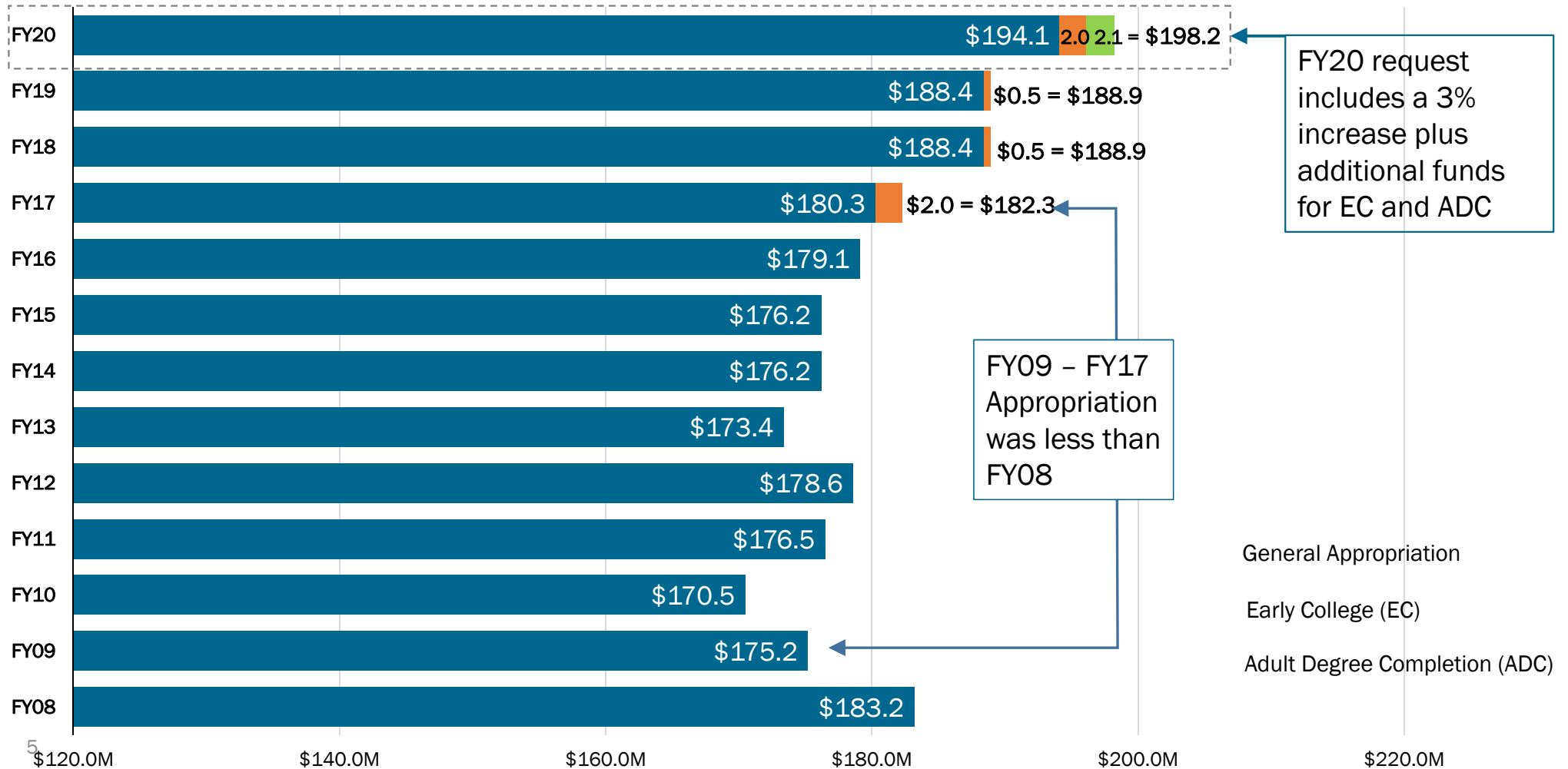
*The Law School annually receives a transfer from USM for \$856,808 representing their portion of State Appropriation.*

	Balance 7/1/18	\$ 13,177,518	
		Projected	
Utilization	FY19 (approved)	FY20*	
Law School	(500,000)	(500,000)	
UMF		(500,000)	
Investment gain/loss	TBD	-	
Subtotal	(\$ 500,000)	(\$ 1,000,000)	
	Projected Balance	\$ 11,667,518	

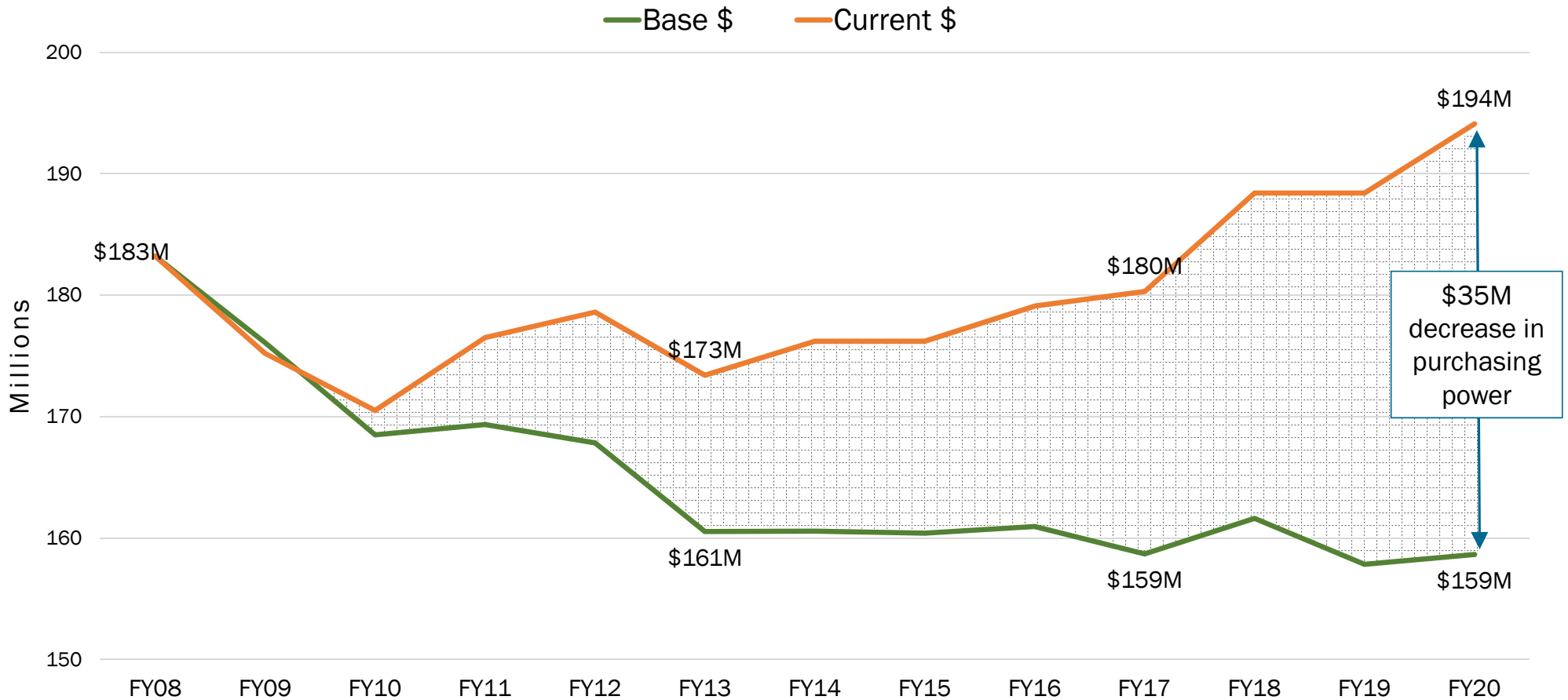
\*Requesting BOT approval



# State Appropriation (in millions)



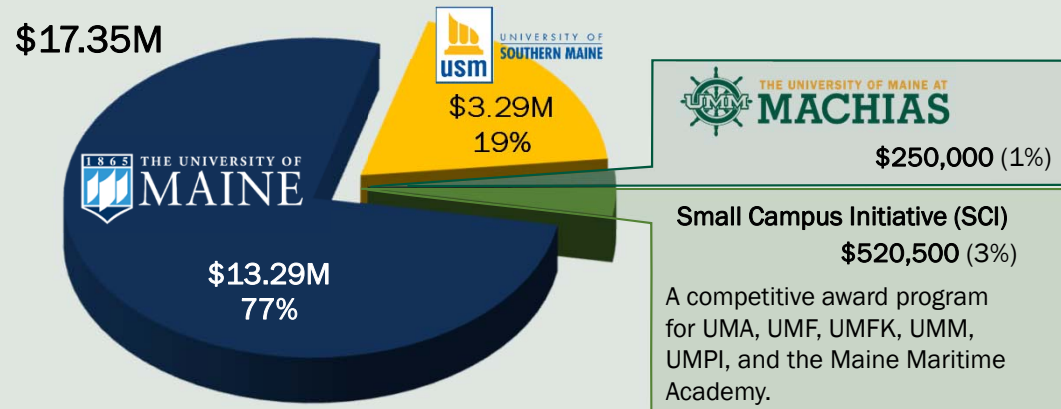
# Appropriation Decrease in Purchasing Power



# Maine Economic Improvement Fund (MEIF)

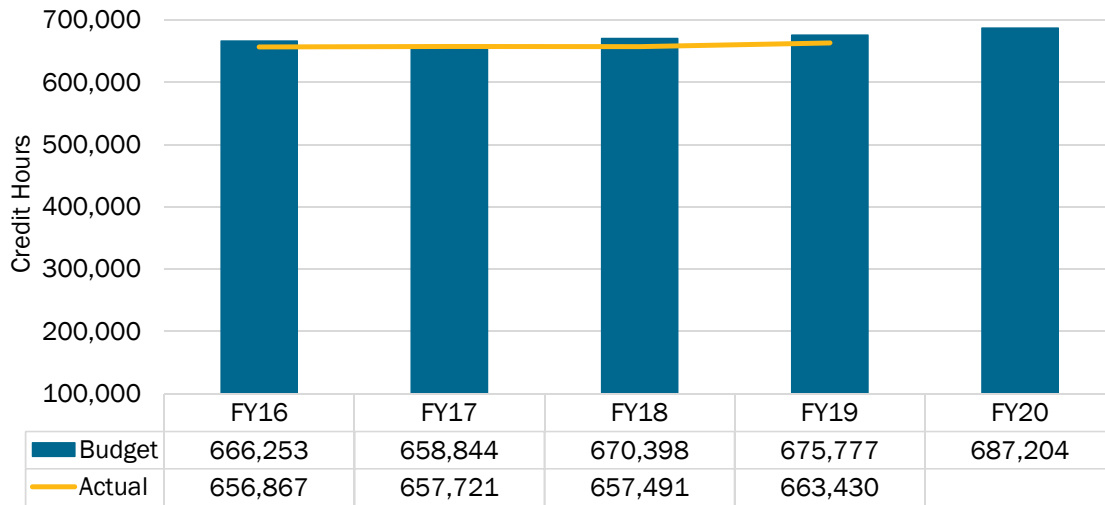
	UMaine	USM	UMM	SCI	Total
Biotechnology	1,516,412	250,000			1,458,714
Aquaculture & Marine	2,389,659	453,043	250,000		3,662,952
Composite Materials	1,673,678	100,000			1,944,246
Environmental	1,544,326	294,817			1,632,986
Forestry & Agriculture	1,617,105	833,700			2,614,762
Information Technology	1,893,809	672,512			2,529,458
Precision Manufacturing	1,475,256	100,000			1,483,284
Cross Sector	1,178,949	586,234			1,503,098
Small Campus Initiative				520,500	520,500
<b>Total</b>	<b>13,289,194</b>	<b>3,290,306</b>	<b>250,000</b>	<b>520,500</b>	<b>17,350,000</b>

- MEIF is flat funded in Governor's FY20-21 Biennial Budget.

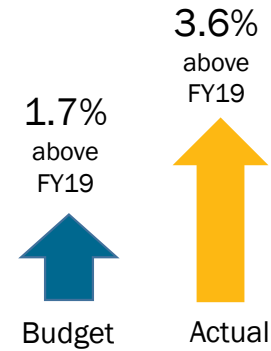


# UMS Enrollment

## UMS Total Credit Hour Enrollment (incl EC, CBE & AP)



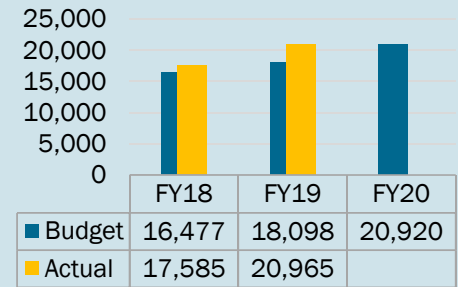
## FY20 Enrollment Budget



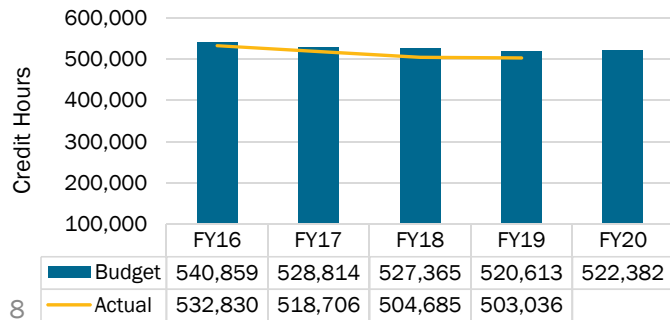
## Major factors impacting enrollment:

- FY20 credit hours are up 3.6% over FY19 actual credit hours
- FY20 out-of-state budgeted represent 24% of the total credit hours.

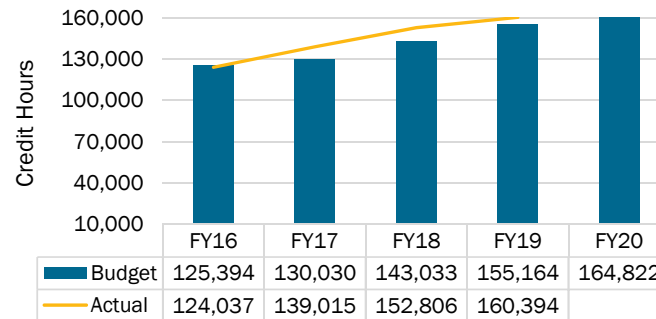
## Early College



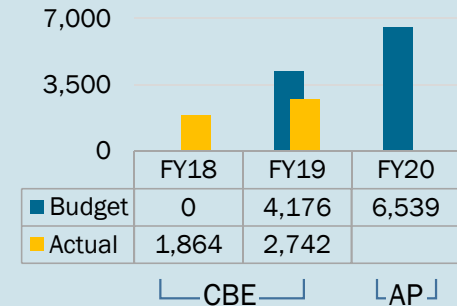
## In-State



## Out-of-State

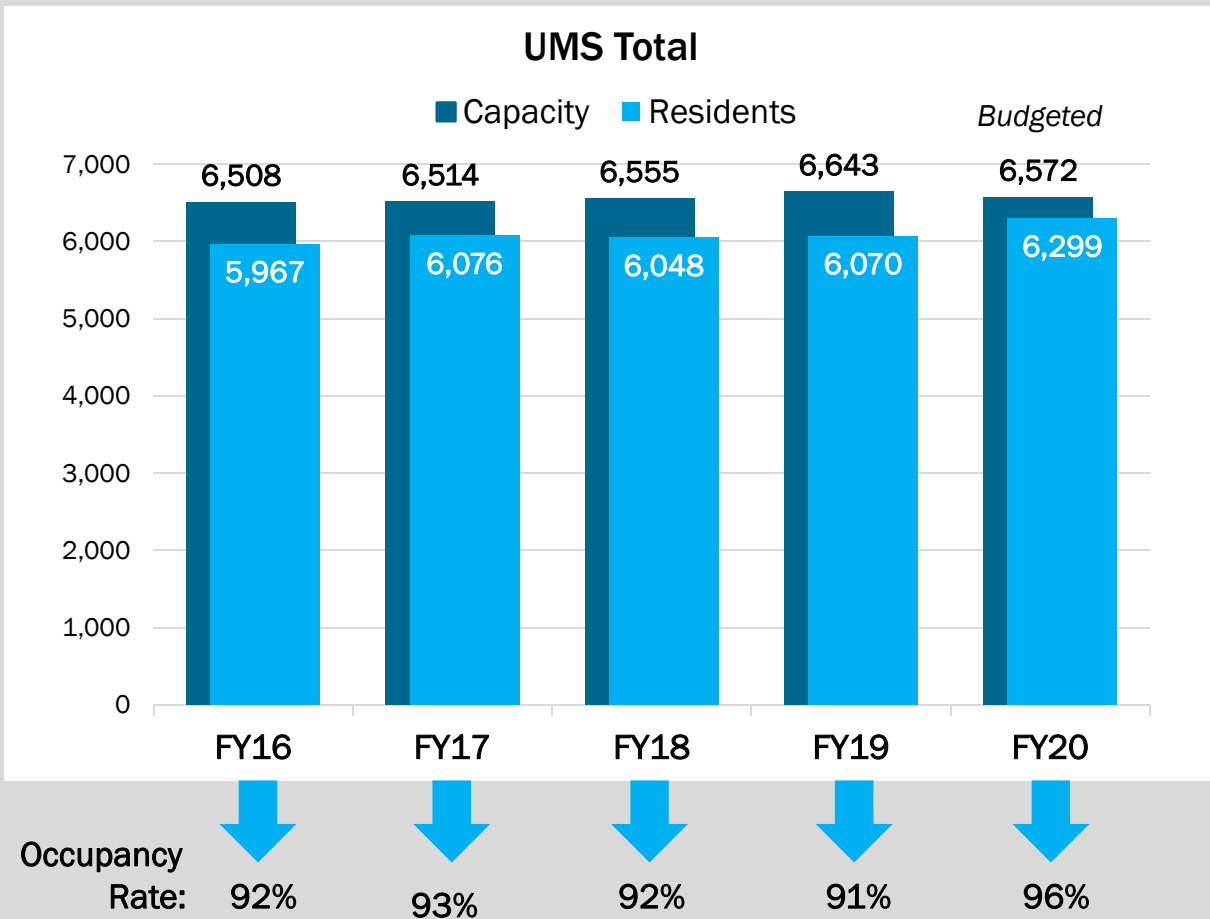


## CBE/AP





# Residence Hall Occupancy



**FY20**

- Occupancy Rate ranges from 118% at USM to 60% at UMM
- Capacity & residents information includes UMA, Stevens Commons



## FY20 Recommended In-State Tuition Rates

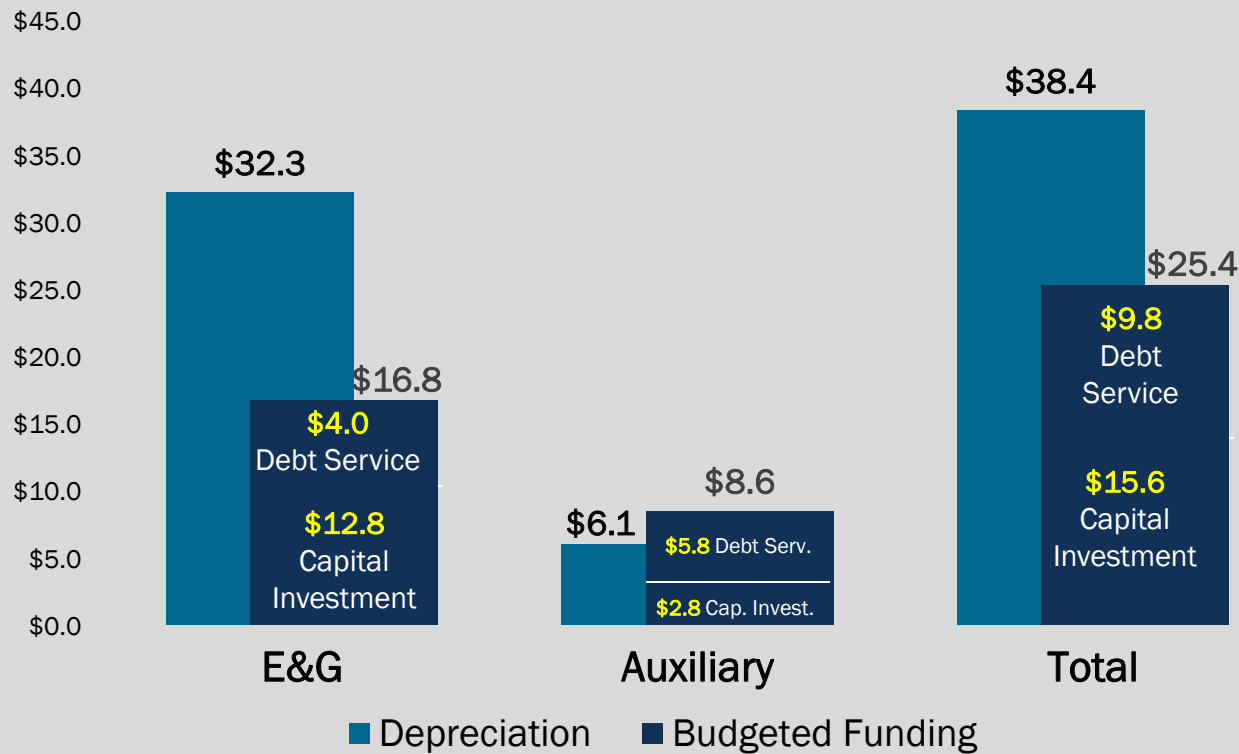
Undergraduate	FY19 Rate/CH	FY20 Proposed Rate/CH	FY20 Proposed Increases	
			\$	%
UMaine	\$293	\$300	\$7	2.4%
UMA/UMFK/UMM/UMPI	\$233	\$239	\$6	2.6%
UMF	\$274	\$281	\$7	2.6%
USM	\$271	\$281	\$10	3.7%
Graduate	FY19 Rate/CH	FY20 Proposed Rate/CH	FY20 Proposed Increases	
			\$	%
UMaine	\$439	\$450	\$11	2.5%
UMF/USM	\$407	\$421	\$14	3.4%
Law School	\$743	\$773	\$30	4.0%

- In-State, undergraduate tuition increase based on CPI (2.5%).
- Additional increases at USM to equal UMF – final implementation step of the Unified Budget pricing structure.

- First Law School tuition increase since FY13

# Funding Depreciation

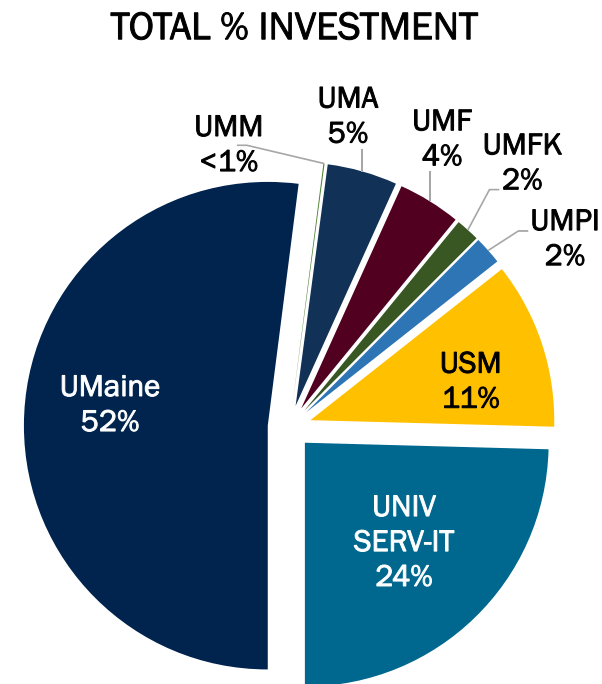
Funding Depreciation by Fund  
(\$ in millions)



- Depreciation expense increased by \$1.3M from \$37.1M in FY19 to \$38.4M in FY20.
- E&G and Auxiliary budgeted capital investment = \$15.6M; a decrease of \$2.2M.
- Funding through Debt Service has increased by \$0.5M
- 66% of the total depreciation expense is funded in the FY20 budget down 7% from the FY19 budget.
- Although not reflected in this budget, UMS will be making capital investments of \$49M with State Bond Funds.

# Capital Investments from Operations

	Facilities	Equipment & Vehicles	Projects to be determined during FY20	Capital Reserve Deposit (to be utilized in FY21 or after)	TOTAL INVESTMENT
UMAINE	\$ 2,233,389	\$ 2,122,950	\$ 2,117,554	\$ 1,637,951	\$ 8,111,844
UMM	-	-	11,408	-	11,408
UMA	675,000	36,679	12,754	-	724,433
UMF	534,266	115,000	-	-	649,266
UMFK	225,000	21,408	-	-	246,408
UMPI	267,383	-	-	25,469	292,852
USM	1,558,500	164,906	-	-	1,723,406
UNIV SERV - IT	-	3,089,800	-	741,771	3,831,571
<b>TOTAL</b>	<b>\$ 5,493,538</b>	<b>\$ 5,550,743</b>	<b>\$ 2,141,716</b>	<b>\$ 2,405,191</b>	<b>\$ 15,591,188</b>



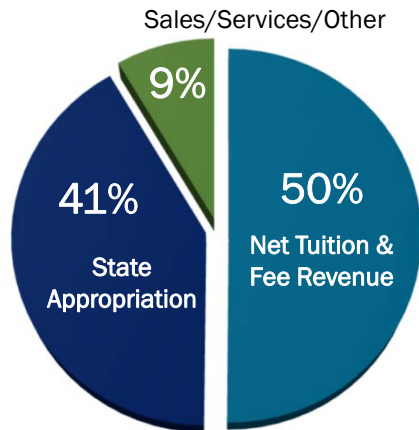
## FY20 Budget E&G/Auxiliary Position Changes

	Faculty		Salaried		Hourly		Total
	Increases/ New Positions	Reductions/ Eliminations	Increases/ New Positions	Reductions/ Eliminations	Increases/ New Positions	Reductions/ Eliminations	
UMaine	7.0	(2.3)	1.8	(2.8)	0.3	-	3.9
UMA	1.0	-	3.0	-	1.0	-	5.0
UMF	-	(2.5)	1.0	(1.5)	5.9	(6.4)	(3.5)
UMFK	2.0	-	0.5	(3.75)	-	-	(1.25)
UMM	-	(1.0)	-	(1.0)	-	-	(2.0)
UMPI	-	-	-	-	-	-	-
USM	5.5	(3.0)	5.0	(1.0)	-	-	6.5
Gov.	-	-	-	-	-	-	-
Univ Svs	-	-	2.0	(1.0)	-	-	1.0
Total	15.5	(8.8)	13.3	(11.1)	7.2	(6.4)	9.7

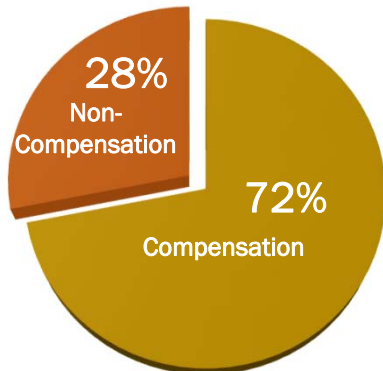


## FY20 Proposed Budget: E&G

### FY20 Revenue



### FY20 Expense

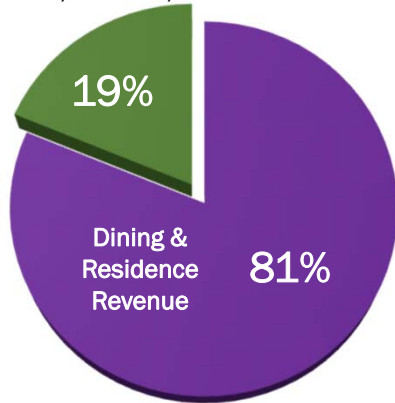


	FY19 Base	FY20 Proposed	\$ Change	% Change
<b>Revenue:</b>				
Tuition & Fee Revenue	\$ 314,176,615	\$ 331,118,927	\$ 16,942,312	5.4%
Tuition Waivers/Scholarships	(84,371,144)	(90,894,408)	(6,523,264)	7.7%
State Appropriation	188,920,534	198,159,700	9,239,166	4.9%
Sales/Services/Other	40,578,955	40,587,767	8,812	-%
<b>Total Revenue</b>	<b>459,304,960</b>	<b>478,971,986</b>	<b>19,667,026</b>	<b>4.3%</b>
<b>Expense:</b>				
Personnel Expense	342,272,043	354,232,518	11,960,475	3.5%
Fuel & Electricity	15,491,893	16,269,107	777,214	5.0%
Supplies & Services	30,974,837	32,035,919	1,061,082	3.4%
Travel	6,355,216	6,409,622	54,406	0.9%
Memberships, Contributions & Sponsorships	1,547,972	1,518,633	(29,339)	-1.9%
Maintenance & Alterations	11,669,339	12,071,251	401,912	3.4%
Interest Expense	1,712,822	1,554,864	(157,958)	-9.2%
Depreciation	30,787,221	32,347,555	1,560,334	5.1%
Other Expenses & Transfers	32,521,186	36,048,008	3,526,822	10.8%
<b>Total Operating Expenses &amp; Transfers</b>	<b>473,332,529</b>	<b>492,487,477</b>	<b>19,154,948</b>	<b>4.0%</b>
<b>Operating Increase (Decrease)</b>	<b>\$ (14,027,569)</b>	<b>\$ (13,515,491)</b>	<b>\$ 512,078</b>	<b>3.7%</b>
<b>Modified Cash Flow:</b>				
Add back Depreciation	30,787,221	32,347,555	1,560,334	5.1%
Less Capital Expenditures	(9,711,654)	(9,403,803)	307,851	-3.2%
Less Capital Reserve Funding	(4,408,061)	(3,378,140)	1,029,921	-23.4%
Less Debt Service Principal	(3,954,187)	(4,052,229)	(98,042)	2.5%
<b>Net Change Before Other Adj &amp; Transfers</b>	<b>(1,314,250)</b>	<b>1,997,892</b>	<b>3,312,142</b>	
Transfer from/(to) Admin Savings Rsrv	(3,301,740)	(5,002,025)	(1,700,285)	
Transfer from/(to) Budget Stabilization	500,000	1,000,000	500,000	
<b>Net Change Subtotal</b>	<b>(4,115,990)</b>	<b>(2,004,133)</b>	<b>2,111,857</b>	
Other Strategic Transfers from/(to) Reserves	4,082,963	2,122,341	(1,960,622)	
<b>Net Change in Cash &amp; Reserve Transfers</b>	<b>\$ (33,027)</b>	<b>\$ 118,208</b>	<b>\$ 151,235</b>	

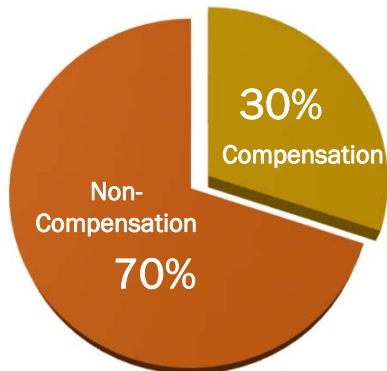
## FY20 Proposed Budget: Auxiliary

### FY20 Revenue

Sales/Services/Other



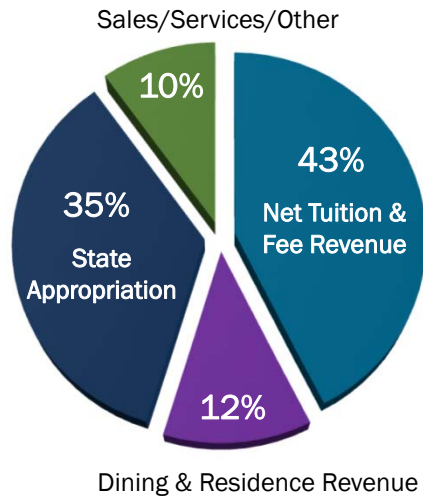
### FY20 Expense



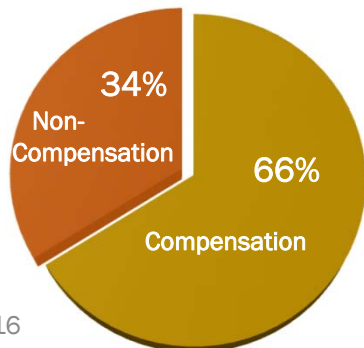
	FY19 Base	FY20 Proposed	\$ Change	% Change
<b>Revenue:</b> Tuition & Fee Revenue	\$ 1,227,714	\$ 1,227,714	\$ -	0.0%
Dining & Residence Revenue	65,474,989	68,153,741	2,678,752	4.1%
Tuition Waivers/Scholarships	(2,252,044)	(2,326,379)	(74,335)	3.3%
Sales/Services/Other	17,197,920	15,483,729	(1,714,191)	-10.0%
<b>Total Revenue</b>	<b>81,648,579</b>	<b>82,538,805</b>	<b>890,226</b>	<b>1.1%</b>
<b>Expense:</b> Personnel Expense	22,643,349	24,128,435	1,485,086	6.6%
Fuel & Electricity	6,042,885	6,097,572	54,687	0.9%
Supplies & Services	24,880,439	23,320,178	(1,560,261)	-6.3%
Travel	128,380	124,720	(3,660)	-2.9%
Memberships, Contributions & Sponsorships	20,772	22,597	1,825	8.8%
Maintenance & Alterations	4,417,770	5,034,695	616,925	14.0%
Interest Expense	3,697,167	3,453,982	(243,185)	-6.6%
Depreciation	6,255,906	6,096,604	(159,302)	-2.5%
Other Expenses & Transfers	10,653,524	11,973,865	1,320,341	12.4%
<b>Total Operating Expenses &amp; Transfers</b>	<b>78,740,192</b>	<b>80,252,648</b>	<b>1,512,456</b>	<b>1.9%</b>
<b>Operating Increase (Decrease)</b>	<b>\$ 2,908,387</b>	<b>\$ 2,286,157</b>	<b>\$ (622,230)</b>	<b>21.4%</b>
<b>Modified Cash Flow:</b> Add back Depreciation	6,255,906	6,096,604	(159,302)	-2.5%
Less Capital Expenditures	(2,284,887)	(1,652,194)	632,693	-27.7%
Less Capital Reserve Funding	(1,387,413)	(1,157,051)	230,362	-16.6%
Less Debt Service Principal	(5,429,046)	(5,795,428)	(366,382)	6.7%
<b>Net Change Before Other Adj &amp; Transfers</b>	<b>62,947</b>	<b>(221,912)</b>	<b>(284,859)</b>	
Other Strategic Transfers from/(to) Reserves	86,929	209,672	122,743	
<b>Net Change in Cash &amp; Reserve Transfers</b>	<b>\$ 149,876</b>	<b>\$ (12,240)</b>	<b>\$ (162,116)</b>	

## FY20 Proposed Budget: E&G and Auxiliary

### FY20 Revenue



### FY20 Expense



	FY19 Base	FY20 Proposed	\$ Change	% Change
<b>Revenue:</b>				
Tuition & Fee Revenue	\$ 315,404,329	\$ 332,346,641	\$ 16,942,312	5.4%
Dining & Residence Revenue	65,474,989	68,153,741	2,678,752	4.1%
Tuition Waivers/Scholarships	(86,623,188)	(93,220,787)	(6,597,599)	7.6%
State Appropriation	188,920,534	198,159,700	9,239,166	4.9%
Sales/Services/Auxiliary	57,776,875	56,071,496	(1,705,379)	-3.0%
<b>Total Revenue</b>	<b>540,953,539</b>	<b>561,510,791</b>	<b>20,557,252</b>	<b>3.8%</b>
<b>Expense:</b>				
Personnel Expense	364,915,392	378,360,953	13,445,561	3.7%
Fuel & Electricity	21,534,778	22,366,679	831,901	3.9%
Supplies & Services	55,855,276	55,356,097	(499,179)	-0.9%
Travel	6,483,596	6,534,342	50,746	0.8%
Memberships, Contributions & Sponsorships	1,568,744	1,541,230	(27,514)	-1.8%
Maintenance & Alterations	16,087,109	17,105,946	1,018,837	6.3%
Interest Expense	5,409,989	5,008,846	(401,143)	-7.4%
Depreciation	37,043,127	38,444,159	1,401,032	3.8%
Other Expenses & Transfers:	43,174,710	48,021,873	4,847,163	11.2%
<b>Total Operating Expenses &amp; Transfers</b>	<b>552,071,721</b>	<b>572,740,125</b>	<b>20,667,404</b>	<b>3.7%</b>
<b>Operating Increase (Decrease)</b>	<b>\$ (11,119,182)</b>	<b>\$ (11,229,334)</b>	<b>\$ (110,152)</b>	<b>1.0%</b>
<b>Modified Cash Flow:</b>				
Add back Depreciation	37,043,127	38,444,159	1,401,032	3.8%
Less Capital Expenditures	(11,996,541)	(11,055,997)	940,544	-7.8%
Less Capital Reserve Funding	(5,795,474)	(4,535,191)	1,260,283	-21.7%
Less Debt Service Principal	(9,383,233)	(9,847,657)	(464,424)	4.9%
<b>Net Change Before Other Adj &amp; Transfers</b>	<b>(1,251,303)</b>	<b>1,775,980</b>	<b>3,027,283</b>	
Transfer from/(to) Admin Savings Rsrv	(3,301,740)	(5,002,025)	(1,700,285)	
Transfer from/(to) Budget Stabilization	500,000	1,000,000	500,000	
<b>Net Change Subtotal</b>	<b>(4,053,043)</b>	<b>(2,226,045)</b>	<b>1,826,998</b>	
Other Strategic Transfers from/(to) Reserves	4,169,892	2,332,013	(1,837,879)	
<b>Net Change in Cash &amp; Reserve Transfers</b>	<b>\$ 116,849</b>	<b>\$ 105,968</b>	<b>\$ (10,881)</b>	

## 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.

### FY20 Budget

(\$000's)

Fund	Travel, Meals, Entertainment	Memberships, Gifts, Donations, & Sponsorships
E&G/Auxiliary	\$ 6,534	\$ 1,541
Restricted/Other	5,067	611
<b>Total</b>	<b>\$11,601</b>	<b>\$ 2,152</b>

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

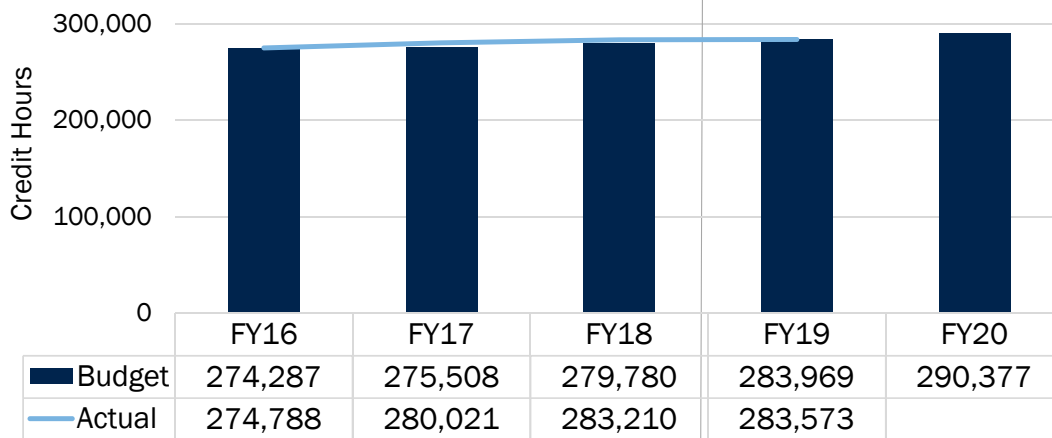
- Detailed Information by Campus for:
  - FY20 Enrollment & Residence Hall Occupancy
  - FY20 E&G and Auxiliary Capital Investments from Operations
  - FY20 Operating Budgets
  - FY20 Student Cost Report



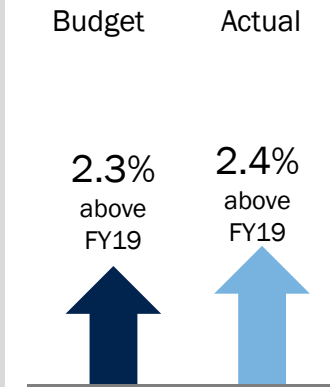


# UMaine Enrollment

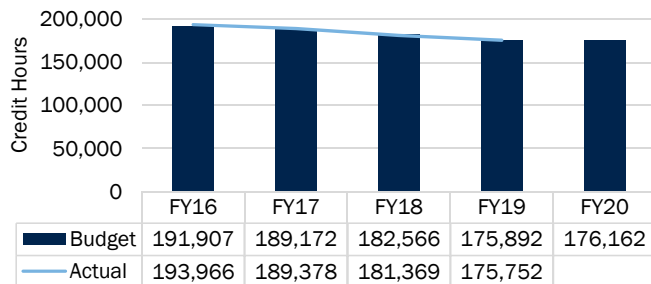
## Total Credit Hour Enrollment (incl. EC)



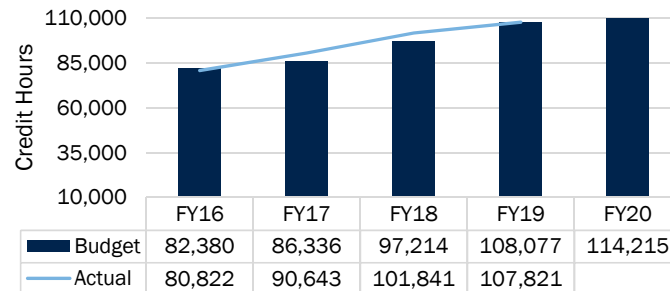
## FY20 Enrollment Budget



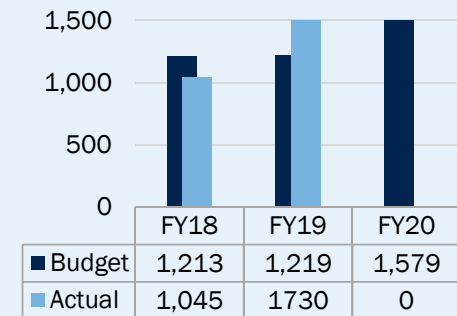
## In-State



## Out-of-State

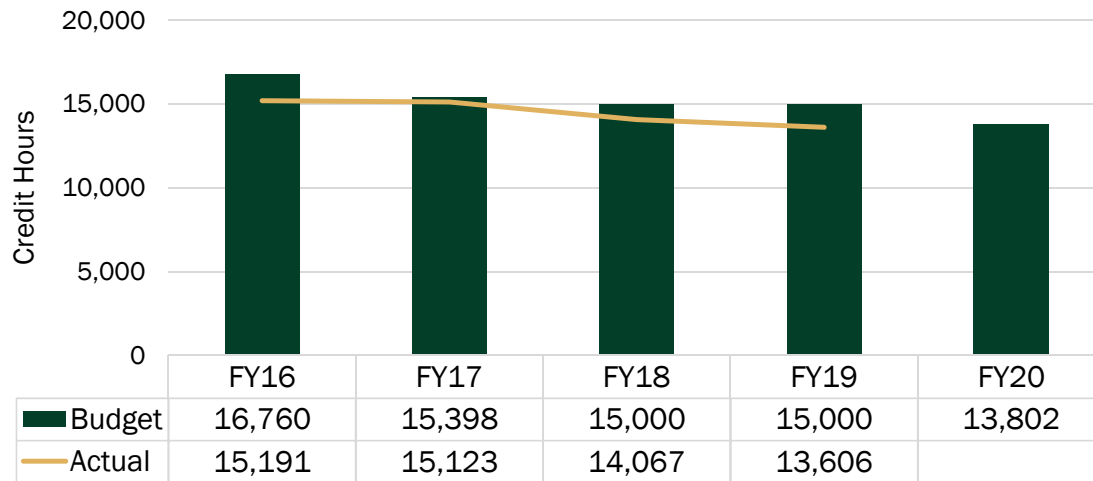


## Early College

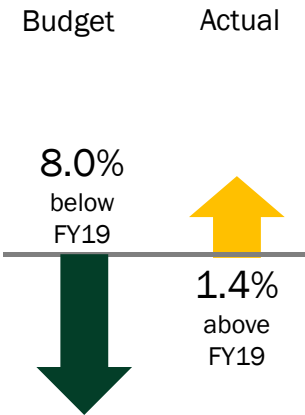


## UMM Enrollment

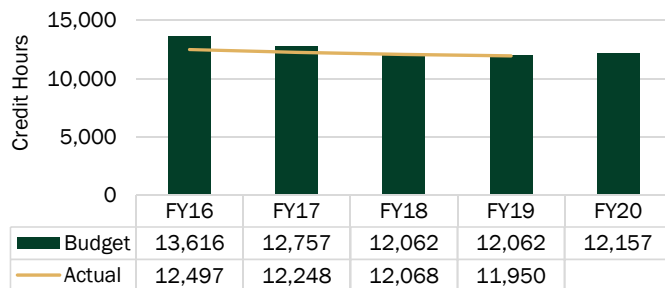
### Total Credit Hour Enrollment (incl. EC)



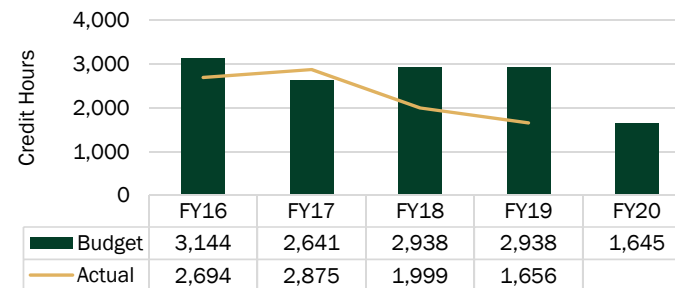
### FY20 Enrollment Budget



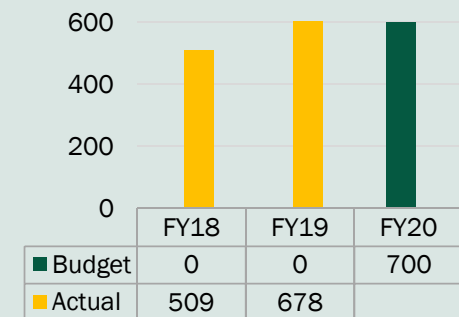
### In-State



### Out-of-State

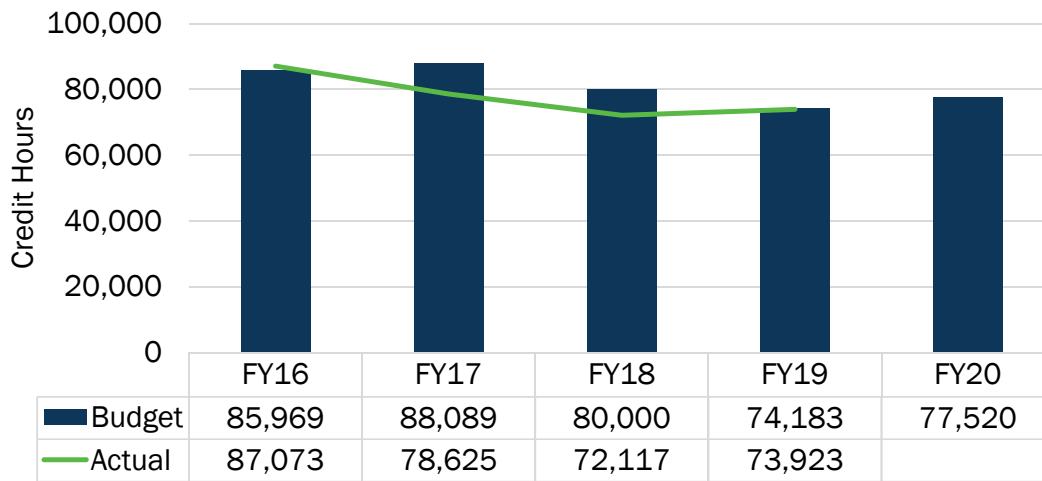


### Early College

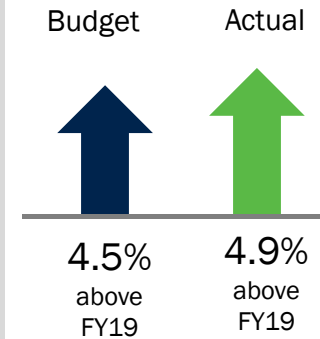




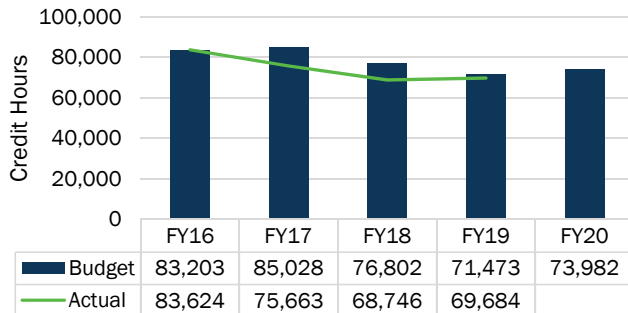
## Total Credit Hour Enrollment \* (incl. EC)



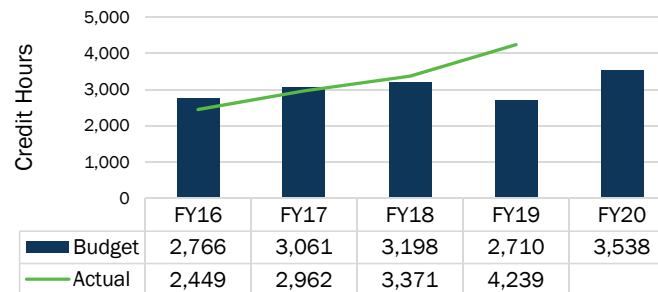
## FY20 Enrollment Budget



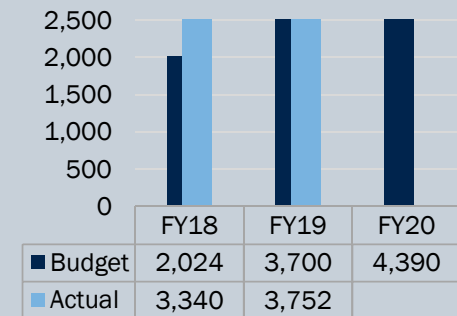
## In-State



## Out-of-State

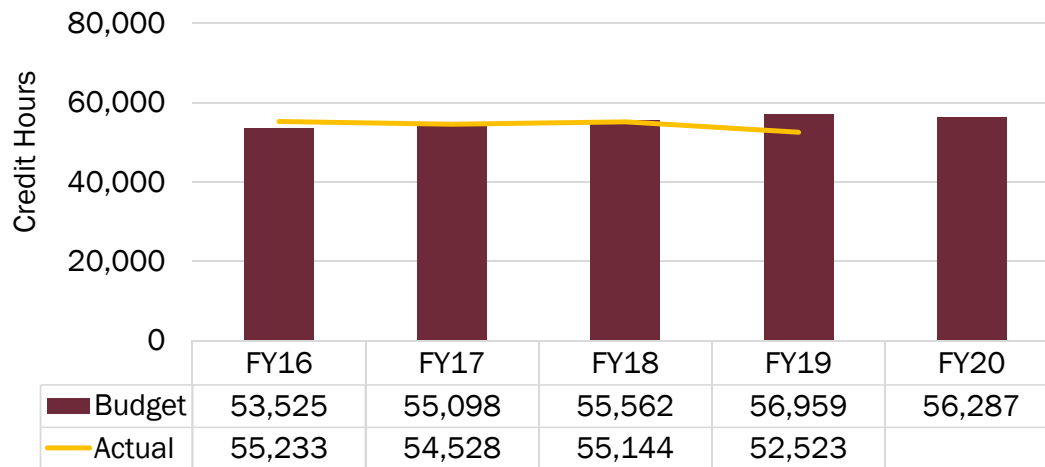


## Early College

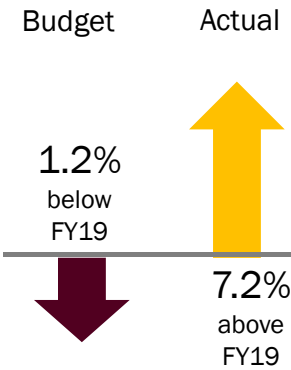


# UMF Enrollment

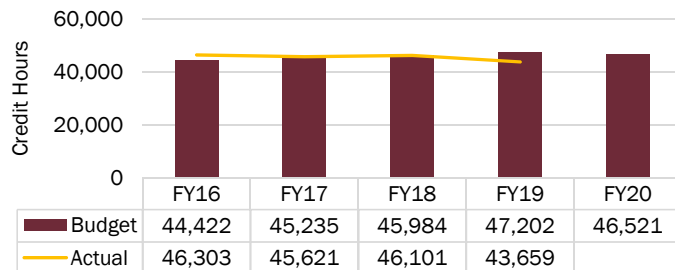
## Total Credit Hour Enrollment (incl. EC)



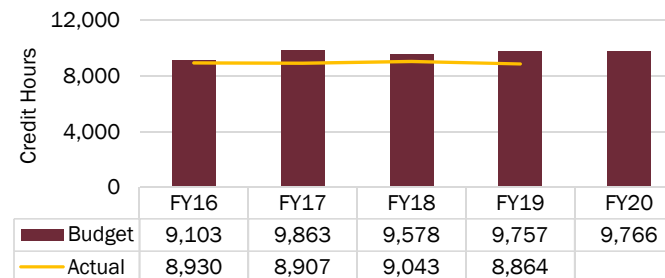
## FY20 Enrollment Budget



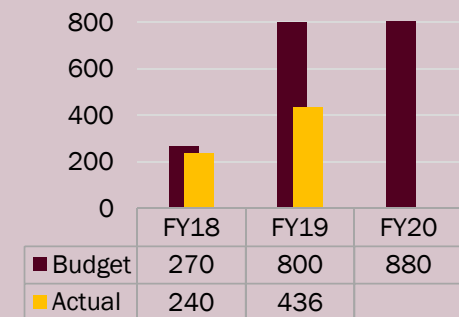
## In-State



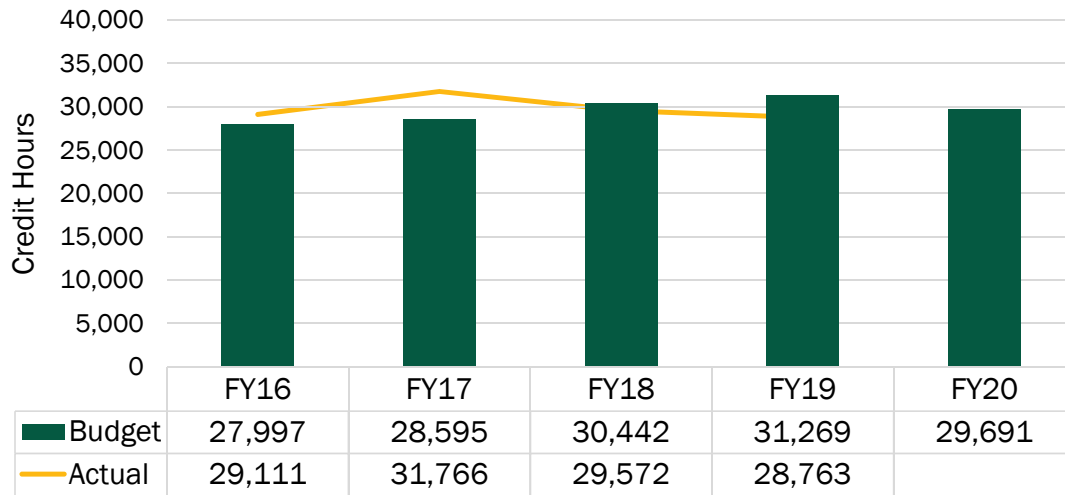
## Out-of-State



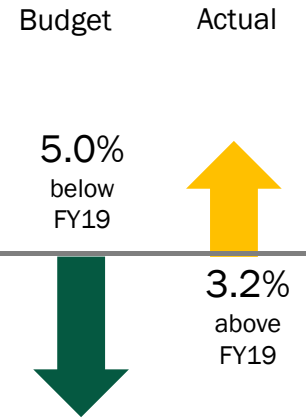
## Early College



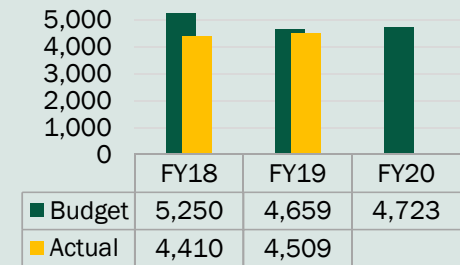
## Total Credit Hour Enrollment (incl. EC & AP)



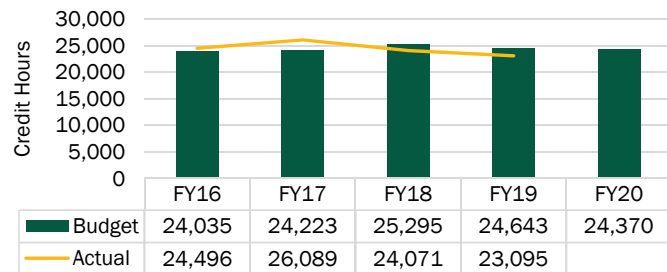
## FY20 Enrollment Budget



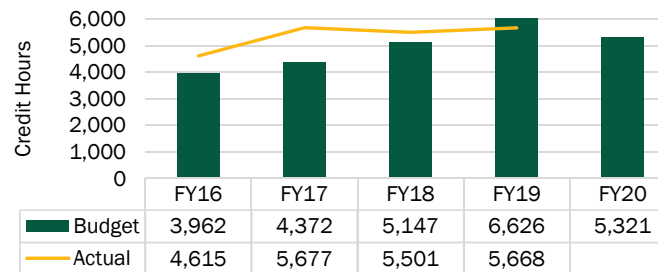
## Early College



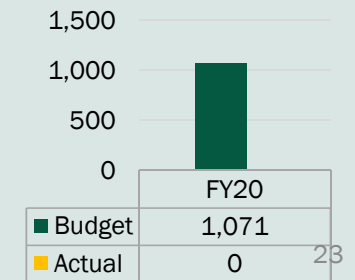
## In-State



## Out-of-State



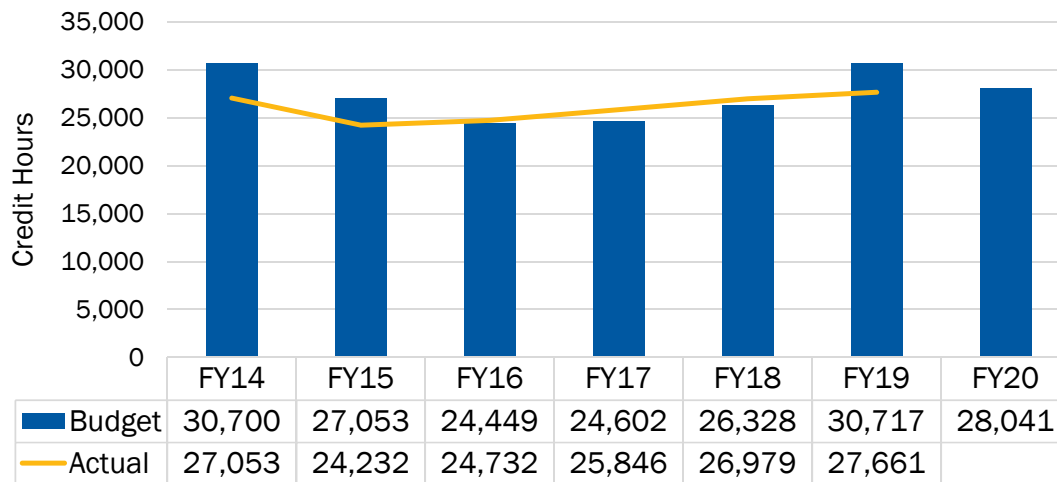
## AP





# UMPI Enrollment

## Total Credit Hour Enrollment (incl. EC, CBE, AP)



\*Note: FY19 credit hours do not include CBE Spring 2<sup>nd</sup> session

## FY20 Enrollment Budget

Budget      Actual

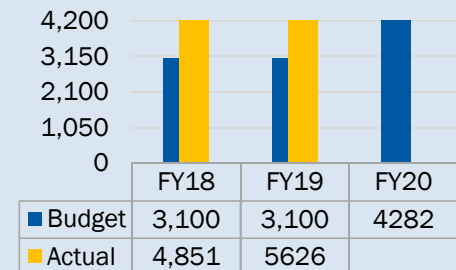
8.7%  
below  
FY19



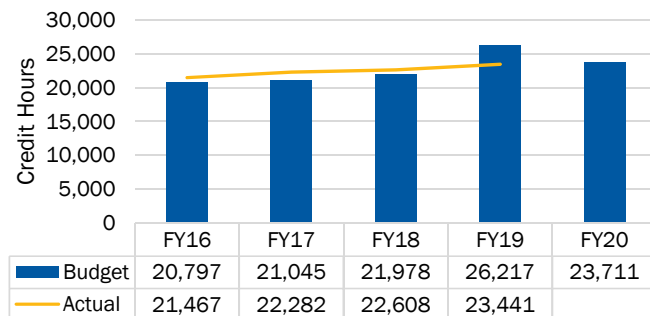
1.4%  
above  
FY19



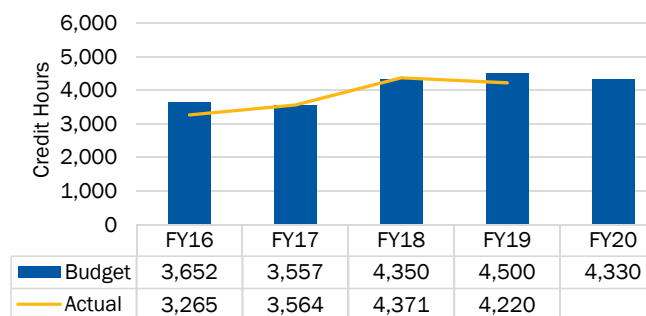
## Early College



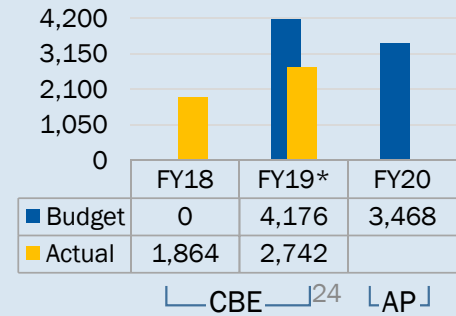
## In-State



## Out-of-State

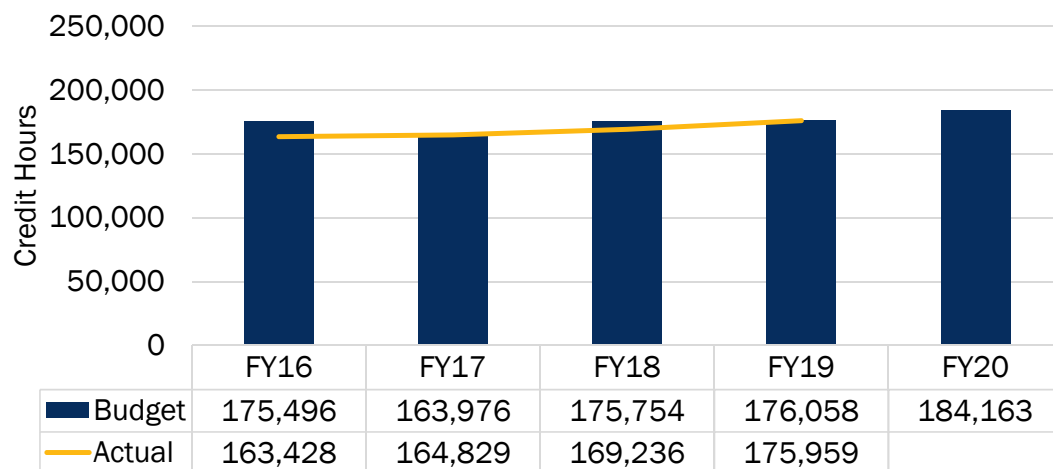


## CBE/AP

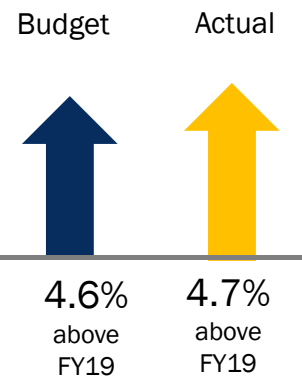


# USM Enrollment

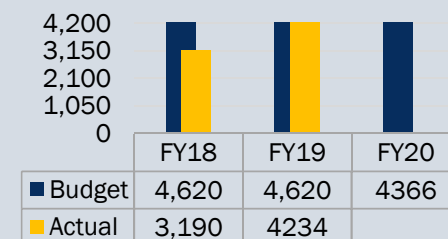
## Total Credit Hour Enrollment (incl. EC)



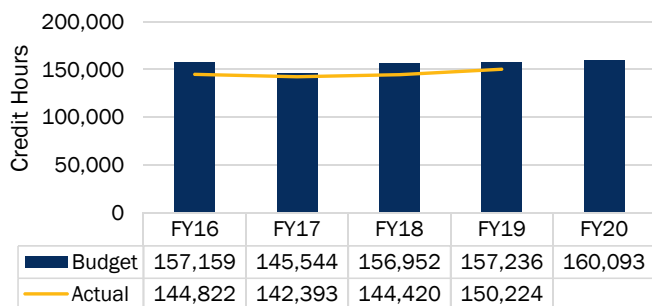
## FY20 Enrollment Budget



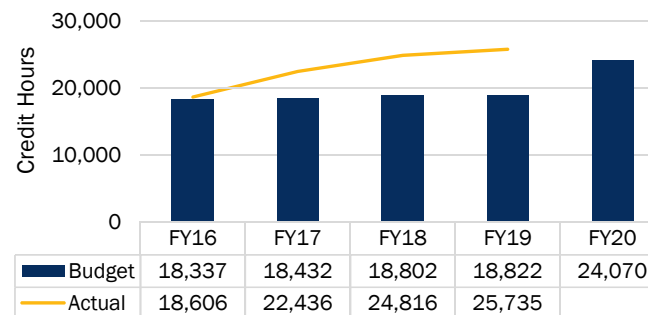
## Early College



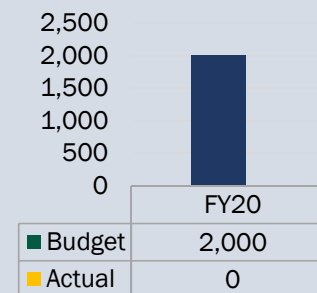
## In-State



## Out-of-State

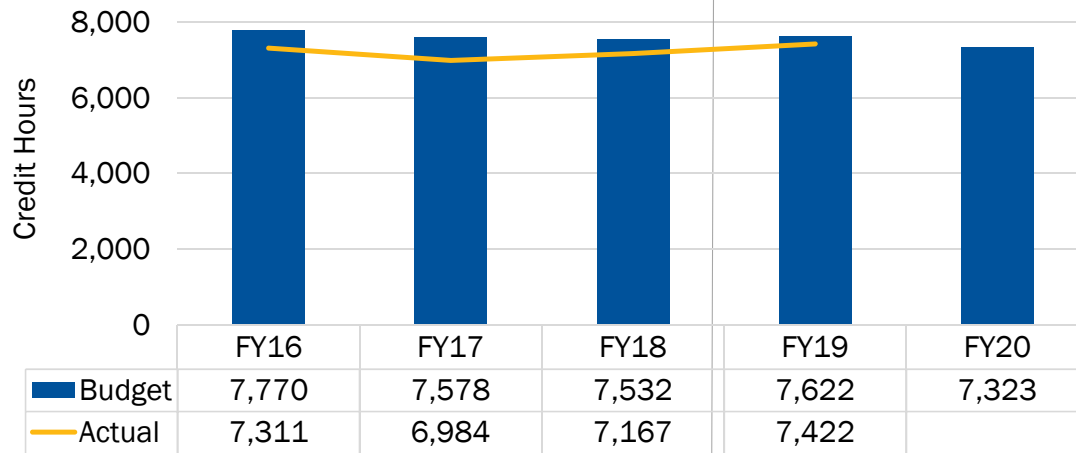


## AP

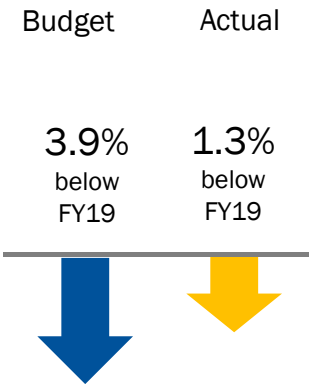


# UM Law Enrollment

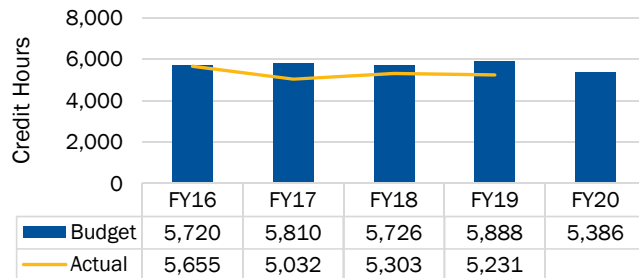
## Total Credit Hour Enrollment



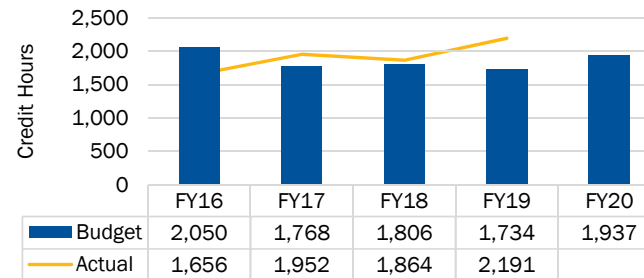
## FY20 Enrollment Budget



## In-State



## Out-of-State

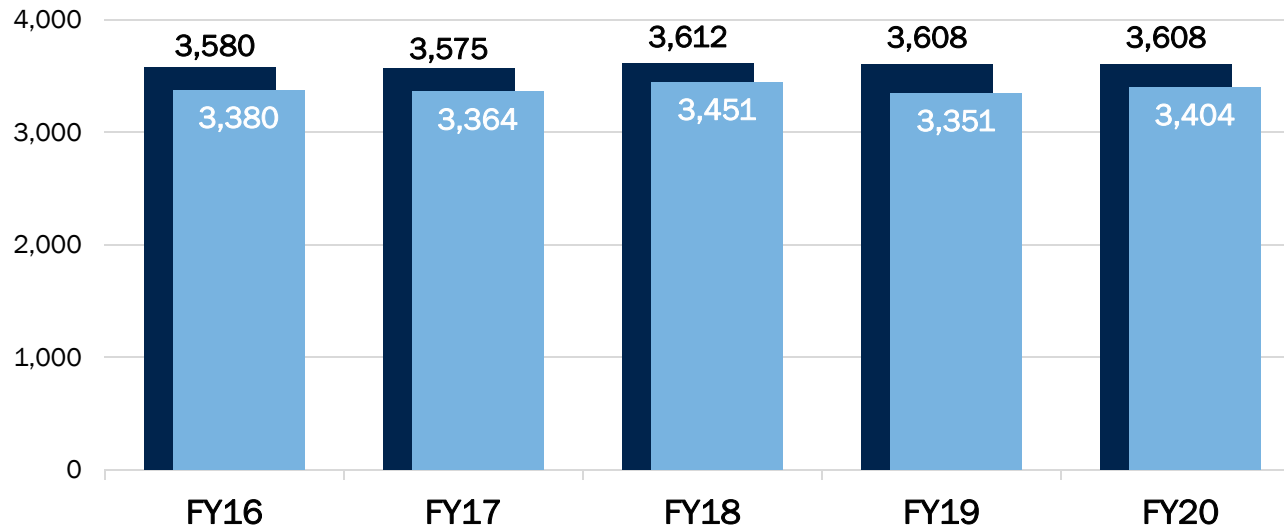


## Residence Hall Occupancy



■ Capacity ■ Residents

*Budgeted*



Occupancy  
Rate:

94%

94%

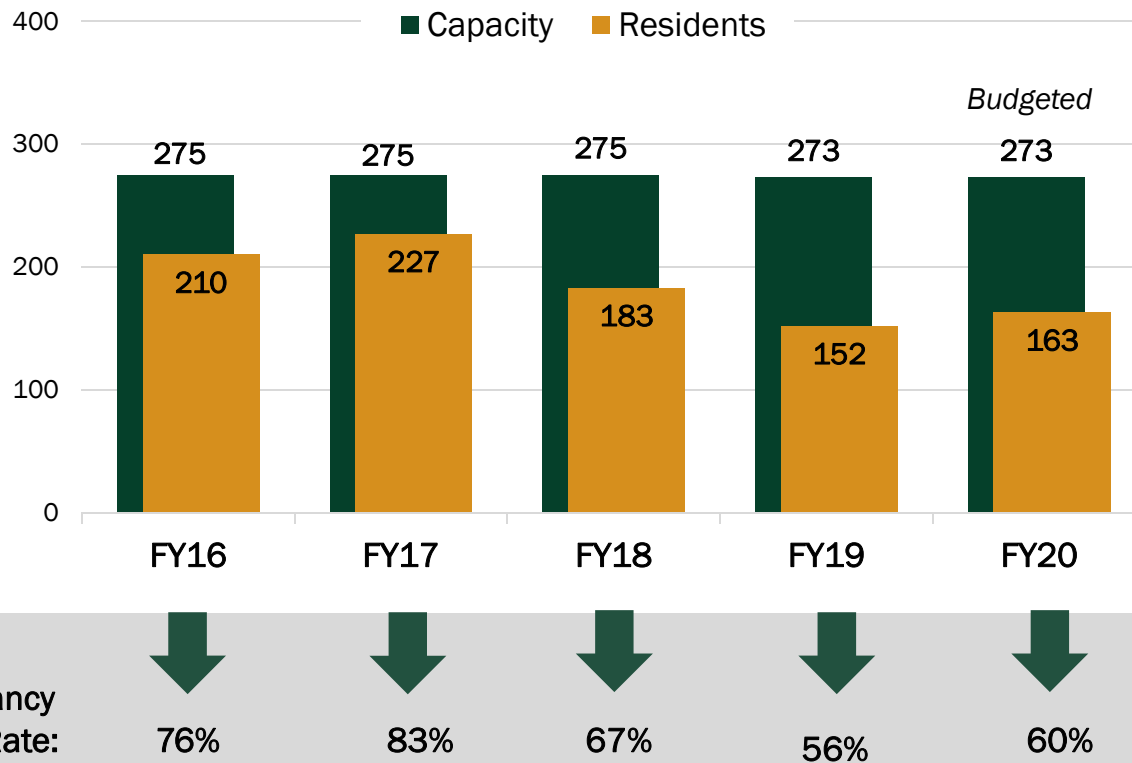
96%

93%

94%



## Residence Hall Occupancy

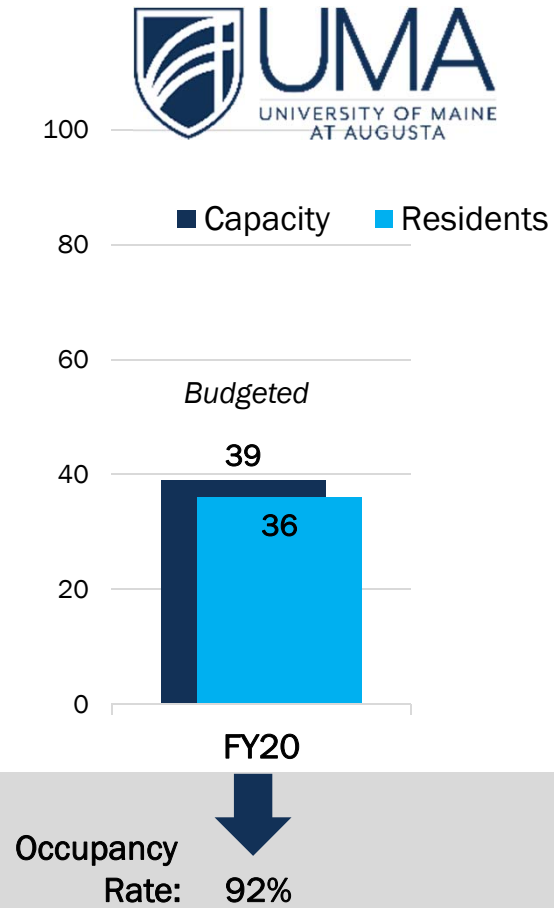


Occupancy  
Rate:





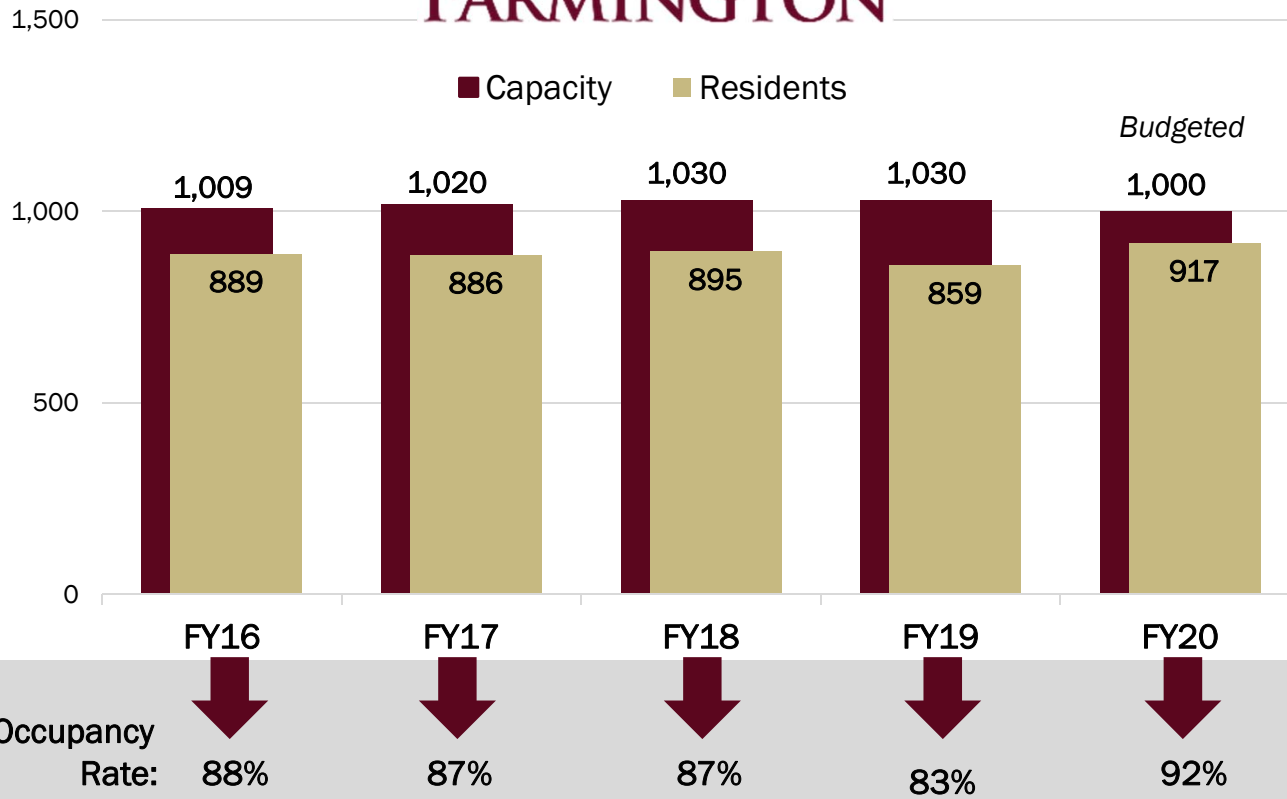
## Residence Hall Occupancy



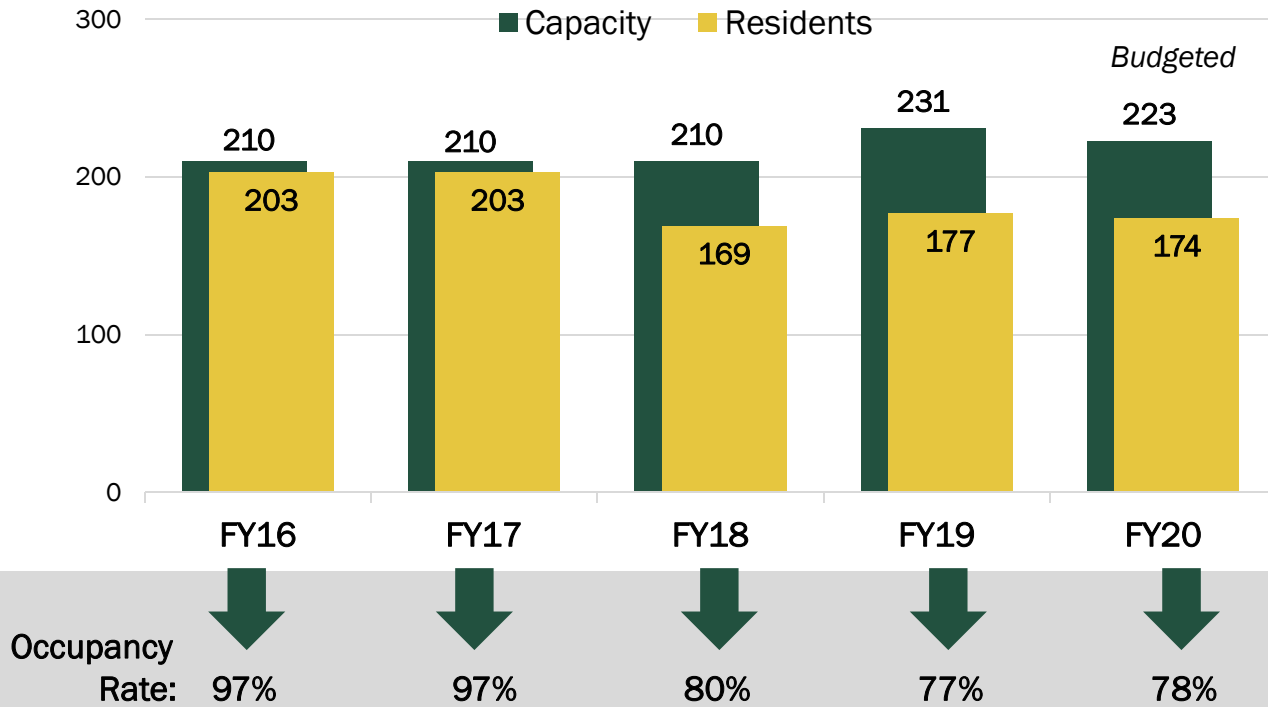
## Residence Hall Occupancy



■ Capacity    ■ Residents



## Residence Hall Occupancy

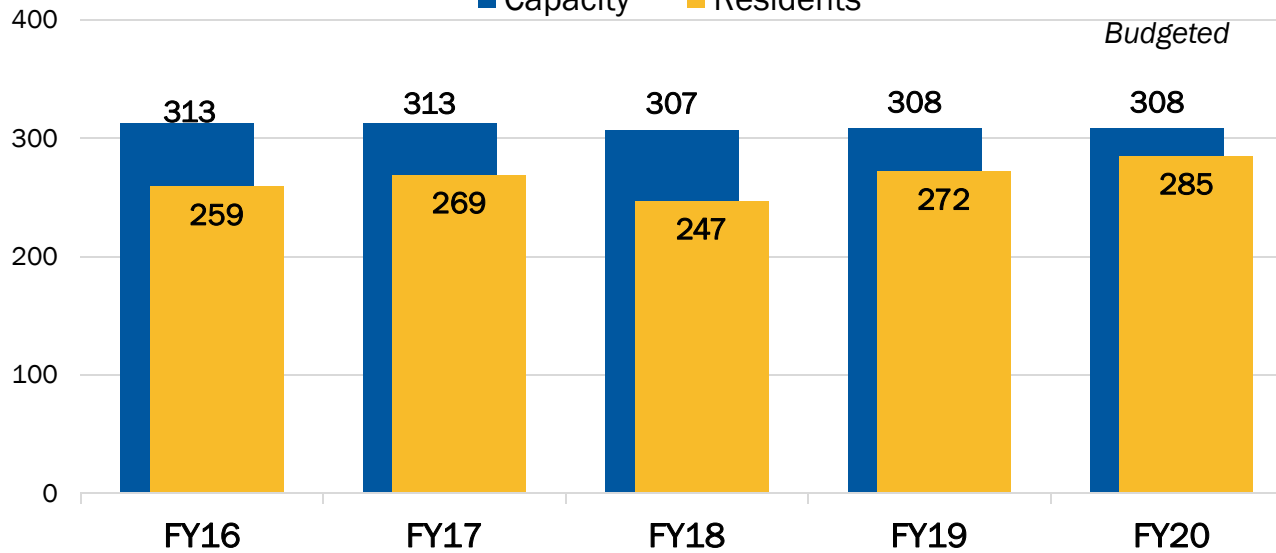




## Residence Hall Occupancy



■ Capacity ■ Residents



Occupancy  
Rate:

83%

86%

80%

88%

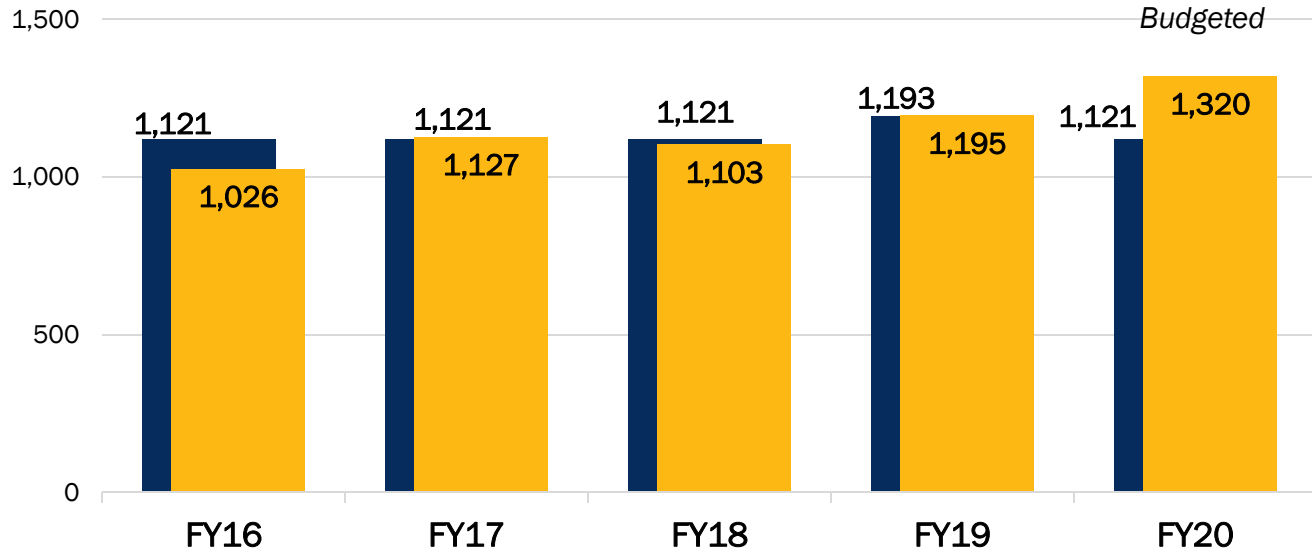
93%



## Residence Hall Occupancy



■ Capacity    ■ Residents



*Budgeted*

Occupancy  
Rate:

92%

101%

98%

106%

118%

