



## AGENDA ITEM SUMMARY

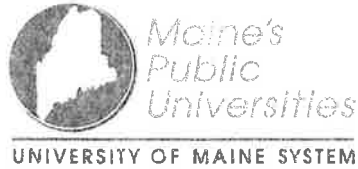
1. **NAME OF ITEM:** University of Maine System Strategic Plan
2. **INITIATED BY:** Chancellor, Joseph W. Westphal
3. **BOARD INFORMATION:** **BOARD ACTION:** XXX
4. **BACKGROUND:**

The Chancellor and Trustee Mullen, Chair of the Strategic Planning Steering Committee, will present the University of Maine System Strategic Plan. The Committee will discuss the Plan and make recommendations to the Board of Trustees.

5. **TEXT OF PROPOSED RESOLUTION:**

That the Board of Trustees approve the University of Maine System Strategic Plan.





# UNIVERSITY OF MAINE SYSTEM STRATEGIC PLAN

September 2004



"The opportunity to reassess and strengthen Maine's public higher education system is a rare and important call. This Strategic Plan is an investment in Maine's future and a commitment to the citizens of this State—a Plan that faces current challenges and offers a vision to ensure that students for generations to come will have broad access to a high-quality, affordable education."

*—Joseph W. Westphal, Chancellor*



## STRATEGIC PLAN: EXECUTIVE SUMMARY

### Introduction

In order to maintain high-quality academic programs and services, and to continue meeting the needs of Maine citizens in the future, Maine's public universities must confront the challenges of rising costs, evolving educational methodologies, and a changing economy. To ensure that the University of Maine System is prepared for these challenges, the individuals statutorily responsible for governing and managing the System—its Board of Trustees and Chancellor—developed this Strategic Plan.

Current projections identify a \$102 million financial structural gap over the next five years, excluding any increases in student tuition and State appropriation. Under the Strategic Plan, a number of strategies have been identified to close that gap while retaining and enhancing priority programs and services:

- Restructure the University System
- Institute System-wide efficiencies
- Seek restoration of de-appropriated State funding
- Advocate for increases in State appropriations
- Increase student enrollment and retention
- Increase university endowments
- Broaden the revenue base through alternative sources of funding
- Adopt reasonable and affordable increases in tuition and fees at levels necessary to augment State appropriations and to sustain academic quality

### Strategic Directions and Key Elements

*The Strategic Plan features nine strategic directions covering academic quality, administrative structure, cost-effectiveness, and entrepreneurial partnerships. Strategic directions 6, 7, 8, and 9 represent organizational strategies that will help the University System identify opportunities, organize/reorganize the delivery of services, and redistribute resources to enable the first five strategies, and ultimately allow the System, to offer the highest quality education to Maine's citizens. Those strategic directions and selected key elements include:*

#### **1. Strive for quality across the System through rigorous academic program planning, strengthened student services, and program realignment.**

- Adopt an Academic Program Planning (APP) process and tie it to the budget process
- Collaborate with the Maine Community College System (MCCS) to create a seamless transfer of most UMS-offered associate degree programs
- Increase student financial aid by at least \$11 million over current levels by FY09
- Co-locate university and community college resources in Bangor and Augusta

**2. Build and sustain a high-quality and well-supported faculty and staff System-wide.**

- Raise faculty and staff compensation levels to at least 90% of the national average by FY09
- Establish a System-wide, faculty-designed program for faculty development
- Increase the availability of teaching technology in the classroom

**3. Improve and expand the System's Distance Education infrastructure and academic programs.**

- Increase collaboration with Maine's community colleges on the operation and academic offerings of distance learning centers and sites
- Pursue new technologies to increase synchronous and asynchronous academic offerings, eventually allowing students to receive courses on their personal computers
- Increase the array of online programs

**4. Expand and enhance the System's library resources in ways that benefit the research and resource needs of both its universities and the public.**

- Develop a System-wide library consortium founded on one strong, well-funded research library at the University of Maine
- Aggressively expand the State-wide integrated digital library
- Establish a permanent base-budget investment in the digital library, increasing annual funding levels by \$1.5 million by FY09

**5. Strengthen and expand university-based research activity and capacity to enhance Maine's economy.**

- Seek additional State investment in the Maine Economic Improvement Fund (MEIF), with a goal of increasing the annual funding level by \$13 million by FY09 to a total of \$25 million.
- Increase graduate fellowships across the System
- Increase incentives for faculty research, scholarship, and creative expression

**6. Establish institutional and individual performance measures to ensure prudent stewardship and public accountability.**

- Set clear goals and objectives for financial and institutional management
- Renew capital assets to maintain and upgrade facilities
- Ensure that Academic Program Planning and facilities planning are coordinated and mutually responsive
- Establish performance-based funding

**7. Consolidate certain business and administrative functions across the System to achieve cost-savings and increased efficiencies while maintaining "front-line" customer services at the individual university level.**

- Support and enhance the centralization features and functions of Enterprise Resource Planning (ERP)
- Coordinate certain business aspects of admissions, student financial aid, bursar, and loan collections processing
- Improve coordination of human resources management

**8. Adopt changes in organizational structure that will clarify missions, improve academic and administrative responsiveness, and better serve the University System's many constituencies.**

- Facilitate a central System administration that, working with the Board of Trustees, provides System-wide planning, management, coordination, and oversight, and performs certain "back-office" administrative functions and services on behalf of all System universities
- Support a land-grant/sea-grant research university with State-wide and national responsibilities, including primary responsibility as Maine's graduate-level, research, and public service outreach institution
- Develop a comprehensive, multi-campus, urban university serving the southern and central regions of the State, offering undergraduate programs as well as a focused set of graduate, research, and outreach offerings related to the needs of those regions
- Create a consortium of three liberal arts universities, each with at least one signature academic program, offering undergraduate programs as well as a focused set of graduate offerings related to the needs of the region it serves
- Continue to support a single-campus, public liberal arts college featuring a strong set of teacher-education programs with focused research and outreach offerings related to its unique role within the University System
- Administratively connect each of the 11 academic University College Centers with one of the University System's institutions, providing Distance Education opportunities on-site and through remote-access technologies
- Support a University System Law School and incorporate its strategic plan with the University System's Strategic Plan

**9. Develop a coordinated and collaborative approach to university advancement and advocacy to improve the appeal, reputation, financial resources, identity, and constituent support for Maine's public universities.**

- Commission and coordinate market and opinion research to improve student recruitment and relationship-building
- Undertake a System-wide branding initiative that creates greater institutional identity and clarity to serve the System's needs and interests as well as the needs and interests of the individual universities
- Develop and coordinate in-State and out-of-State marketing strategies that complement the particular strategies and tactics of the individual universities

## About this Strategic Plan

The Board of Trustees and Chancellor of the University of Maine System (UMS) believe that a strong Strategic Plan—one that is both ambitious and realizable—is essential for the System at this point in time, given the current economy and the challenges facing the System, the State, and its citizens.

Since its creation in 1968, the University of Maine System has achieved impressive success in meeting the educational, cultural, social, and economic needs of Maine. It has provided high-quality learning opportunities, job-creating research and technology transfer, intellectually stimulating cultural and scholarly endeavors, and valuable outreach and public service to individuals, businesses, organizations, and policy-makers. Much of this activity has occurred despite periodic fluctuations in public funding.

Maine's future depends on a strong, high-quality, and forward-looking system of public universities. Working together, the citizen governing board, the University System's chief executive officer, and the individual university presidents must provide vision, coordination, planning, and cost-efficiencies to ensure that Maine taxpayers, tuition-payers, donors, and sponsors receive the maximum benefits from their investment of time and money.

The success and value of Maine's public universities depend on their individual and collective ability to maintain and sustain high-quality, responsiveness, and financial resourcefulness. However, in Maine and across the nation, public policies, student demands, new technologies and educational alternatives, rising costs, political pressures, and economic fluctuations are causing, if not forcing, boards of trustees, administrators, and faculty to assess whether they are adequately prepared to provide and sustain high-quality programs and services—now and in the foreseeable future.

The latest projections indicate that the University of Maine System will face a \$102 million financial structural gap by FY09, before any tuition and State appropriations increases. This presents a serious threat to the funding of higher education in Maine. Therefore, the System must act. It cannot simply continue with "business as usual" and expect to meet Maine's higher education needs.

During the public comment period after the Draft Strategic Plan was released, many voiced concerns that there should be more details in the final plan. The Strategic Plan provides details, where appropriate, in areas that allow for a fuller and more complete understanding of the vision and goals for each strategic direction, recognizing that every strategy will require input from those involved in its implementation. Realizing that many members of the community share a strong interest in participating in the development of the implementation plan (which will begin as soon as the Strategic Plan is approved), the details that accompany the implementation plan will be developed with community participation.

## **Role of the Board of Trustees**

The Board of Trustees is the legally constituted body ultimately responsible for the University of Maine System's quality and integrity. It exercised its authority by adopting a Strategic Plan that ensures the realization of institutional mission and purpose. By doing so, it took seriously the fiscal solvency of the University of Maine System. Following adoption of a Strategic Plan, the Board will fulfill its responsibilities to the State of Maine by monitoring implementation of the plan, by approving university missions, budgets, strategic plans and academic programs, and by appointing System and university executives and management group employees who are accountable for carrying out the Strategic Plan and fulfilling the missions of the System and universities.

## **University of Maine System Mission**

The purpose of the University of Maine System is to provide for an educated and diverse citizenry through high-quality teaching, research, and public service. The University of Maine System lends vision and leadership to higher education in Maine and serves as an economic engine for the State. Through the System's leadership, it advocates financial and political support for higher education and allocates resources to serve the educational needs of the State.

## **Introduction and Scope**

In September 1984, sixteen years after the University of Maine System was created, a report was commissioned and subsequently issued to the Legislature's Joint Standing Committee on Education. It was entitled "Report of the Visiting Committee to the University of Maine (System)." This report focused on "a public review of the University of Maine System as a whole..." In particular, it urged "review of 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 campuses, and the relationship between the University and the vocational Technical Institutes and the Maine Maritime Academy."

The Visiting Committee recommendations were important to the solidification and development of the System. Now, at the beginning of a new century, it is certainly timely and appropriate that the Board of Trustees and the Chancellor review and analyze the strengths and weaknesses of the System as it is today and make strategic decisions about its future. Since the 1984-85 review and analysis of the System, strategic directions have



been set for the System, but no major overhaul of the System has taken place.  
*(See Figure I.)*

This is a pivotal time for the University of Maine System. As it strives to strengthen the quality of academic offerings and meet the evolving needs of students, the System must make critical choices to achieve its goals. This Strategic Plan delineates the System's priorities for the next several years. The Trustees are committed to the principles and strategies embodied in this plan and believe that they are essential to effect the changes needed to meet the System's long-term goals for excellence in higher education.

# Figure I Current State: Public Higher Education in Maine

## University of Maine System

- One System Office
  - Chancellor and staff
  - Central services
  - Computer services
  - Central services for centers
- One land-grant and sea-grant university (UM)
  - Hutchinson Center
- One comprehensive regional university (USM)
  - Portland Campus
  - Lewiston-Auburn Campus
  - Gorham Campus
- One liberal arts university (UMF)
- One State-wide delivery university (UMA)
  - University College of Bangor
  - Lewiston-Auburn Campus
- Three regional universities (UMFK, UMM, UMPI)
- Eleven outreach centers:
  - Houlton\*
  - Ellsworth\*
  - Calais
  - Bath-Brunswick\*
  - Thomaston
  - East Millinocket\*
  - Dover-Foxcroft\*
  - Rumford-Mexico
  - Sanford
  - Saco-Biddeford
  - Norway-South Paris\*
- 100 sites (delivery points)

\* Jointly operated by the two systems

## Maine Community College System

- One System Office
  - President and staff
  - Central services
  - Computer services
- Seven campuses
  - Northern Maine CC
  - Washington County CC
    - Branch in Eastport
  - Eastern Maine CC
  - Central Maine CC
  - Kennebec Valley CC
  - Southern Maine CC
  - York County CC
- Eight outreach centers (administered by the local CCs)
  - Caribou
  - Houlton\*
  - East Millinocket\*
  - Ellsworth\*
  - Belfast
  - Dover-Foxcroft\*
  - Norway-South Paris\*
  - Bath-Brunswick\*

## Maine Maritime Academy

- Castine Campus

The scope of the strategic planning process was inclusive, and an analysis of components of the System was conducted. The charge was to consider all levels of change, from minor to significant, with the primary goals of positioning the System to best serve the people of the State of Maine, to address the pressing financial issues facing the System, to ensure a quality higher education to all students, and to contribute to building a strong, sustainable economy.

Led by the Board of Trustees Steering Committee for Strategic Planning, a group of eight trustees plus the Chancellor, the strategic planning process involved the presidents of the seven universities as members of a System-wide Task Force for Strategic Planning. In addition, a range of Maine stakeholders were invited to provide their input to this vital process. Campus visits allowed faculty, students, administrators, staff, boards of visitors, and community members to express their views on each university, the System as a whole, and the role of public higher education in Maine. Critical aspects of the strategic planning process included: assessments of the external environment and the higher education needs of the State of Maine; analysis of the strengths, weaknesses, and resources of the System and its component universities; and building an understanding of the missions, roles, and needs of the universities. (*See Appendix II: Description of Planning Process.*)

After considerable discussion of various options, the Board of Trustees chose a planning model that would permit the following:

- It would allow the Board and the System Chancellor to use their statutory authority and responsibility to develop a proposed vision and structure for university education in Maine.
- It provided for campus input from the beginning of the process.
- It encouraged the release of a draft version of a plan and established a varied process for public feedback on the proposal.
- It provided opportunity to use the gathered feedback to revise and refine the plan in advance of full Board discussion and action, after which an implementation-planning phase will begin.

Beginning in September, 2003, the Vice Chancellor of Academic and Student Affairs began a series of facilitated conversations at each of Maine's seven public universities. Those conversations focused on participants' reflections on their institution's current mission and condition as well as its potential and needs. The results of those visits were posted on a special web site for public review and comment. (*See Appendix III: Campus Visit Summary.*)

The information gathered during the university visits was also carefully reviewed and considered—along with other information on demographics, financial projections, and institutional data—by the Steering Committee for Strategic Planning and the Strategic Planning Task Force. Two higher education consultants worked with the Task Force as it reviewed the information. A plan was drafted, which was discussed by the Task Force and released for public comment on March 26, 2004.

### **The Public Comment Period**

Between March 26 and July 2, 2004, more than 120 hours of meetings and public forums were held at Maine's seven public universities, as well as at most of the 11 University College outreach centers, to discuss the Draft Strategic Plan. In addition, hundreds of pages of comments from business and opinion leaders, as well as taxpayers, were received in print and electronic form. A lengthy categorical summary of comments, opinions, and themes was compiled and posted on the strategic planning web site. (*See Appendix VI: Summary of Public Feedback.*)

Additional feedback on the Draft Plan was gathered at a System-wide "faculty summit" held on July 29-30, 2004. The 29 attendees included faculty members holding elected leadership positions at their respective universities as well as each university's designated representative to the Board of Trustees. (*See Appendix VII: Faculty Summit Recommendations.*)

Members of the Strategic Planning Task Force and other members of the University System senior staff evaluated and discussed the feedback received through the three-month public comment period and from the faculty summit. Subsequently, the revisions of the Draft Strategic Plan were presented to the full Board of Trustees at a day-long meeting on August 23, 2004.

### **Next Steps**

This Strategic Plan contains the vision, strategies, and recommendations for academic and administrative restructuring of the University of Maine System. The full Board of Trustees will consider this Plan at its September 19-20 meeting. If the Strategic Plan is approved at that meeting, the Board will authorize the development of an implementation plan, with actual implementation not scheduled to begin until early- to mid-2005, although selected efficiencies have already been instituted and are ongoing. Prior to implementation, the System Chancellor will present the Board's Strategic Plan to the 122<sup>nd</sup> Maine Legislature.

This Strategic Plan has been developed with a solid understanding and full awareness of the challenges ahead. Fulfilling the vision represented in this Strategic Plan will require a strong commitment to change, the ability to make difficult decisions, and a long-term, collaborative approach across the System.

## Planning Principles

The Strategic Planning Task Force developed a set of guiding principles for the Strategic Plan based on the information gathered and subsequent analysis.

### **The UMS Plan must:**

- Be driven by the educational needs of the citizens of Maine;
- Be based on a clear vision for higher education in the State of Maine and the role of the System within that vision;
- Recognize the urgency of the need to create a forward-thinking Strategic Plan that addresses all aspects of higher education in Maine;
- Ensure high-quality education throughout the State of Maine;
- Be grounded in the economic realities that the System faces today and in the future;
- Provide a path to financial stability and move toward a sustainable System;
- Clearly define the UMS's role as an economic engine for Maine and for the diverse communities served by the System;
- Acknowledge the important social and cultural roles the System fills;
- Address the UMS's relationship to other educational systems in the State, including K-12 and the Community College System;
- Create an effective framework for decision-making, resource allocation, and prioritization; and
- Represent a high level of leadership in moving the State forward educationally and economically.

## Envisioning the Future

Since the middle of the nineteenth century, our public institutions of higher education have evolved into a system of universities of great value to our State and nation. These institutions have engaged in teaching, research, and public service in all areas of public need. Whether it is agriculture, medicine, education of our children, environmental protection, natural resource management, civic leadership, the arts, community service, space exploration, national defense, communication, or other areas requiring advanced knowledge, creativity, and innovation, our universities have made, and continue to make, great contributions. Yet, the public expectation and the tremendous task demanded of our institutions to serve diverse communities have grown at the same time that resources have become scarcer. This, of course, now requires a new plan of action to move the University System fully and effectively into this young century.

Protecting the contribution that the University of Maine System makes by educating students and contributing to the economic vitality of its communities must continue to be central to the System's values. Today, more than 110,000 alumni of our universities are living and working in Maine, contributing more than \$2.5 billion annually to our State economy. Those alumni with bachelor's degrees will average more than \$1 million in additional lifetime earnings than the average person with just a high school degree. The

average earnings of alumni with graduate degrees are even higher. We must make this opportunity come to reality for thousands more Mainers who want to live, study, and work in the place they call home.

The higher education system in Maine continues to contribute enormously to the economy of its communities. In fiscal year 2003 (FY03), the University of Maine System had a total economic impact on the Maine economy of approximately \$1.2 billion. The UMS outreach centers alone had a collective impact on their local communities of \$13 million. In FY03, the Maine Community College System had a total economic impact on the Maine economy of approximately \$231.3 million. The System also recognizes the importance of its role as an economic engine for the State of Maine. Increasing the number of Maine residents with baccalaureate and graduate degrees is critical to helping Maine improve its economic status and to assisting individuals to improve their earning power. Increasing research capacity and funding will not only enrich the University System and enhance faculty and student experiences, but also support the development of new businesses for Maine.

Questioning and probing the context in which the System functions in the State of Maine has been central in the development of this Strategic Plan. Can we provide better opportunities in the future for the people of Maine who wish to learn, research, train, build careers, improve their quality of life, and reach out to the world? Can we provide the necessary financial aid dollars to ensure that students of modest means can participate in higher education? Can we do a better job of helping the State cope with economic and social issues that confront our everyday lives? Can we sustain what we have managed to accomplish in almost 150 years, given the growing demands and needs of our students and the constraints of reduced State financial support for higher education?

The answers to these questions help shape a Strategic Plan that addresses the needs, priorities, wishes, and desires of our students today, and the students of tomorrow. We base this Strategic Plan on the foundations of teaching and learning, of building community and understanding globalization, and on the need for institutions of higher education to connect deeply with the environment around them. While Maine is rich with private colleges and universities, there is no other public university system in Maine—no other entity that has the expertise, personnel, infrastructure, and ability to stimulate and help grow Maine's economy the way the University of Maine System can. To do this, the System must ensure that its institutions and programs are positioned appropriately and adequately supported. It must critically assess the System's strengths and weaknesses and have the courage to make the difficult decisions that will allow the System to thrive and provide the high-quality education Maine needs. Our students must enter a higher education environment that is receptive, exciting, challenging, seamless, well-organized, and academically rigorous.

The University of Maine System has many important assets, including faculty, staff, libraries, and research laboratories that combine to provide high-quality education to meet the changing needs of its diverse student population. The ability to deliver excellent public higher education requires investing in curriculum development and program design, faculty development, research capabilities, technology, and information resources.

## **Plan Objectives**

One principle objective of the Strategic Plan is to secure future academic strength for each institution of the University of Maine System. The academic needs of all universities are pressing, such as: recruitment of well-credentialed faculty; support for faculty research and scholarship; strengthening of existing academic programs; development of new academic programs; and enhanced academic support services. By allowing each university to have a clear identity and focus, competition among the institutions will lessen, allowing each university to focus on what it can do best, thereby building quality programs in specific academic areas and niches. The Strategic Plan will allow for redeployment of resources in the form of internal reallocation, in the case of the University of Maine and the University of Southern Maine, and from areas such as centralization in the case of all universities of the System.

It is not enough to say that institutions have excellent programs and a talented and strong faculty. These claims can and should be substantiated for the taxpayers of Maine. No single institution can aspire to have quality programs and a distinguished faculty without an investment of resources. This Strategic Plan is not only about saving money. It is about building academic quality in the University of Maine System by meeting the highest standards set for each university within its Carnegie classification, and by investing in the academic infrastructure of each institution while consistently measuring its progress in attaining a higher level of excellence. (*See Appendix VIII: Carnegie Category Definitions.*)

## **Financial Concerns**

Current economic pressures, both national and State, are severely constraining resources for higher education—despite the fact that higher education can help drive economic development. The University of Maine System is faced with three major issues associated with financial management: it functions in a highly unstable fiscal environment; it faces increased demand for services and rising operational costs; and it must deal with greater exposure to risk and demands for higher levels of accountability.

This Strategic Plan puts forth an evolving strategy for positioning the System to respond to the economic and educational needs of the State of Maine, and reaffirms the System's commitment to all students today and in the future. It is a commitment to teaching, innovation, sustaining excellence and creativity, lifelong learning, and creation of new knowledge for a better quality of life for people in Maine. In all its objectives, the UMS is committed to having a diverse student body, faculty, and staff at its Universities. Knowing the dire financial needs of many students entering the University of Maine System, it becomes clear that increasing financial aid funding must be an objective of the Strategic Plan, in order to further support the System's goal of socio-economic diversity among students.

As the System has evolved, our priorities have become more confused and our mission less disciplined. We have found it necessary to respond to all needs and requirements, but we have not reconciled our responsibilities with our capacity and future capital. This Strategic Plan is about connecting our responsibilities to our ability to build, strengthen, and sustain our capacity as a first-class University System.

As previously mentioned, the University System faces a \$102 million financial structural gap by FY09, before any tuition and State appropriations increases. Since this financial structural gap must be reduced, approaches to accomplishing this have been identified:

- **restructure the System;**
- **institute System-wide efficiencies;**
- **seek restoration of State appropriations;**
- **advocate for increases in State appropriations;**
- **increase retention rates;**
- **increase endowment;**
- **seek alternative sources of funding such as grants and contracts; and**
- **implement affordable tuition and fee increases at levels necessary to augment State support and to sustain academic quality.**

The UMS Strategic Plan is, in essence, a reengineering of our human and capital resources to meet the needs of the future with constrained funding and growing demands for relevance and added value. An element of this Strategic Plan is a proposal for organizational restructuring. The Board of Trustees and the Chancellor are committed to a future in which all institutions are run both efficiently and effectively, and resources are appropriately applied to support them. The proposed reconfiguration creates institutions that will offer a breadth and depth of educationally sound academic programs, while also achieving economies of scale in operations. Each institution within the System will have a clearly defined mission and niche, and all institutions will effectively complement one another to best serve the diverse and evolving higher education needs of the State of Maine. While recognizing that organizational change is not easy, the Board of Trustees has proposed this reconfiguration as the best way to maximize resources and educational opportunity for the benefit of Maine.

### **A Realized Vision**

For planning to be successful, we must follow a vision for prudent allocation of resources through a long-term, multi-year, strategic budget process. Planning and budgeting must be designed around the levels of resources that are necessary and appropriate, rather than on what it takes to fund them. This is radical change. The System will move from incremental budgeting based on historic formulas to performance budgeting. The System will change the focus of decisions from small-unit and self-interest to the larger view of the institution, its future, and the effective deployment and optimization of its assets.

This Strategic Plan is designed to help the System build on its many strengths and be responsive to today's economic and social situation, so that it may consistently deliver the best possible education to undergraduate and graduate students throughout the State of Maine. Excellent academic programs are the top priority. A centerpiece of the plan is strong faculty development, which enables the System to attract and retain high-quality faculty. Supporting these goals are commitments to enhance the System's growing technology and research status, implement System-wide efficiencies, and ensure high standards of financial governance.



The creation of the new Maine Community College System (MCCS), although formed without a coordinated State of Maine higher education plan, provides the University System with an opportunity to reassess its programs and consider structural change. With viable alternatives for educational access and ways for students to enter college, the System can look at university programs and goals in a new context. The University of Maine System is now taking action to redefine its mission, concentrate and sustain its investment opportunities, and plan cooperatively with the MCCS to provide a more cost-effective and efficient delivery of education and services to Maine citizens. This is both an exciting and challenging goal.

Maine's future is highly dependent on the success of the two-year colleges of the MCCS. We must work to ensure that the State of Maine, the Community Colleges, and the University System collaborate to build a quality Community College System that can partner well with the University System. Along with primary and secondary education, all post-secondary education in Maine must be aligned in ways that reduce duplication, enhance cost-reduction, provide ethical and moral leadership, and execute sound governance and coordination in the delivery of high-quality academic programs. Longer-term, the Trustees have called on the System to explore the goal of creating a seamless system of higher education. In this system, the role and niche of each institution, whether a University or Community College, will be defined to serve the greater good of educating Maine citizens.

Although this plan provides a vision for higher education in Maine, it does not take into account the work that Commissioner Susan Gendron has been asked to undertake by Governor Baldacci, which is to create a K-16 vision for the State of Maine. When that work is completed, it will be integrated into the UMS Strategic Plan during the implementation process.

Our Strategic Plan is clear, focused, and dynamic. It is premised on strategic investment, emphasizing the academic core, strengthening community inside and outside the academy, and clarifying management, administration, and infrastructure. The Plan provides the blueprint for the development of a more detailed implementation plan that will spell out how the UMS will move in the directions outlined and realize its mission. It is a Strategic Plan that will evolve over time as implementation proceeds and as the environment changes. This evolution will link planning to budgets, programs, operations, facilities, and policy strategies. In these times of uncertainty and risk, strategic planning provides the required discipline and balance to move forward.

### **Implementation Planning**

The Board of Trustees will review progress made on the implementation of the University of Maine System Strategic Plan at each Board of Trustees meeting. Presidents will be expected to report to the Board on the progress of the implementation of each strategic direction as it relates to campus-based strategic plans. The implementation plan for the UMS Strategic Plan will be developed during the Fall 2004 semester and will be presented for review at the March 2005 Board of Trustees meeting.

## Overarching Goals of the Strategic Plan

The overarching goals of the UMS Strategic Plan include to:

**Greatly increase the quality of higher education in Maine** by leveraging the System's strengths and responding to the evolving needs of Maine's citizens and communities;

**Develop a System of institutions that are resource-efficient and high-performance in nature**, a System that recognizes and is highly responsive to the severe resource issues facing the State of Maine; and

**Leverage resources through strategic and targeted investment within the System**, building on opportunities and positioning the System to become a significant economic engine for Maine's economy while responding to its social needs.

## Heightened Focus on Accountability

This Strategic Plan represents a significant shift in the relationship between the University of Maine System Office and the leadership of the individual institutions. This is particularly critical concerning the issue of accountability. It is accurate to say that the System will move from an incremental budget approach to a mission-based strategy and performance-driven process that is designed to support and encourage the attainment of clear and achievable goals. Performance standards and measurable objectives based on the Strategic Plan will be clearly articulated and all institutional leaders will be evaluated according to their ability to meet those objectives.

## Implementation Planning

This Strategic Plan is designed to provide a conceptual framework for ongoing planning and decision-making. Developing this plan will require the active participation of administrative leaders, faculty, and staff across the System, to ensure that strategies are appropriate and realistic and will lead to improved quality. Measurable objectives, and specific strategies for achieving them, will be developed. The implementation plan will also present a plan for achieving significant change over time. Accountability for each component of the implementation plan will be clearly delineated and assessment models defined.

## Strategic Directions

In order to fulfill its mission and achieve its vision, the University of Maine System will focus on nine integrated strategic directions. Implemented effectively, the first five of these strategic directions will enable the System to significantly increase the level of quality of higher education and sponsored research in Maine. The last four strategic directions are organizational and structural in nature, and are designed to enable the execution of the rest of the Strategic Plan.

**This Strategic Plan will fundamentally change the relationship among UMS institutions by moving from an incremental budget decision-making process to an accountability- and performance-driven decision-making process.** The strategic directions identified below allow the UMS to reinvest in public higher education by taking a strategic approach to achieving the highest academic standards. An implementation plan will be developed that has the appropriate goals and methods for measuring and assessing these strategic directions. Because the success of the Plan's implementation will rest in large part on the input and efforts of faculty and staff, the System Office will work closely with employees in planning and carrying out implementation of each strategic direction.

### STRATEGIC DIRECTION 1

**Strive for quality across the System and support institutions in achieving their potential through enhanced, rigorous academic program planning, program realignment throughout the System, and strengthened student services and support.**

The University of Maine System is dedicated to consistent delivery of high-quality education to undergraduate and graduate students throughout the State of Maine. This includes ensuring that our universities have established individual missions and niches leading to excellence in teaching, learning, service, research, scholarship, creative expression, and overall student experience—at levels equal to, or above, those of their Carnegie category peers. It also means ensuring access to a full-range of solid baccalaureate and graduate degrees, as well as selected associate degrees. Though there is no singular rubric for measuring academic excellence, we look at several criteria for an indication of our universities' overall quality: 1) regional accreditation; 2) internal assessment from students and faculty; 3) faculty research and scholarship; and 4) educational outcomes, including retention, graduation rates, value added, and fulfillment of mission.

Achieving higher quality will require a careful assessment of resources and needs, as well as appropriate organizational and academic planning that allows each university to serve students at the highest levels of quality possible. Realigning academic programs and centralizing resources will allow the System to operate with greater synergy and improved overall quality. Recognizing the importance of having an educated citizenry, the University of Maine System will continue to develop and enhance its liberal arts offerings at all universities, valuing its place in all undergraduate curricula in the System.

A primary implementation strategy will be connecting an Academic Program Planning (APP) process to the budget process in all UMS institutions. Because APP requires systematic and detailed attention, this is not always easy to accomplish in a complex academic setting. It will require new discipline and a culture shift, since there will be, under the new structure, specific niches and clarity of mission for all institutions, limiting competition between and among the universities. Institutions will consider community and State-wide needs as they pursue the development of existing programs as well as the creation of new programs.

*Specific strategies to achieve this strategic direction include, but are not limited to:*

- Develop clear criteria for an Academic Program Planning process that is campus-based and led by the faculty, with collaboration between and among campuses as needed;
- Establish appropriate student/faculty ratios as well as faculty/staff ratios, consistent with the Carnegie classification of each university and its mission;
- Set and achieve specific enrollment targets;
- Set State-wide standards for retention rates, consistent with the Carnegie classification of each university and its mission;
- Set State-wide standards for graduation rates, consistent with the Carnegie classification of each university and its mission;
- Provide student support by requesting additional funding for financial aid;
- Develop and improve academic support services, which will enhance the ability of traditional and non-traditional students to achieve their academic potential;
- Continue to provide access to non-traditional students by developing and sustaining academically enriched “two plus two” programs, which lead students to successful completion of a baccalaureate degree by allowing them to enter higher education through an associate degree program, a community college, and/or through the lower division of a baccalaureate degree; and
- Work cooperatively with the Maine Community College System to address the need for associate degree programs (see below).

### Associate Degree Programs

In 2003, the State approved a request by the Maine Technical College System to change its name to the Maine Community College System and to proceed with its efforts to offer a wider variety of associate degree programs. Until that action, the University of Maine System had primary authority and responsibility for those degrees.

The University System believes it should increase its focus and emphasis on academic functions that, for the most part, are not provided by other public entities—specifically, baccalaureate and graduate programs. For several years, academic leaders at both the System and university levels have been working with Maine’s community colleges and other institutions to promote access and transferability into Maine’s public universities.

The University System will continue and complete its discussions with leaders of the Maine Community College System to create a broader, more formal partnership for the provision of higher education services throughout Maine. Initially, the partnership will involve expanding the number and nature of co-located academic programs and services. The partnership also will include a transition plan that will, over time, allow for the cost-

effective transfer of most, if not all, associate degree programs and related University System personnel from the University System to the Community College System—so long as quality and reasonable access to programs by place-bound students can be ensured. The Community College System will need additional funding in order to assume the responsibility of expansion of its academic programs to accommodate additional students.

Co-location of university and community college programs has been growing in Maine, as evidenced by the collaborations at sites and centers across the State. This creates new opportunities for shared resources and costs as well as greater convenience for students. Consistent with the University System’s interest in protecting reasonable student access while focusing resources on its baccalaureate, graduate-education, research, and outreach missions, this Strategic Plan calls for co-location of university and community college resources in Bangor and Augusta.

Over time, the offerings available at the University of Maine at Augusta and University College of Bangor will be modified to remain current with regional needs and the respective roles of Maine’s universities and community colleges. After reviewing academic programs, the System has determined that the Dental Hygiene (associate and baccalaureate), Veterinary Technology, and Forestry Technology programs are not offered by any other public college, and therefore will likely continue to be offered by a UMS institution. All other associate degree programs currently offered by the UMS will be reviewed and assessed by the Higher Education Joint Advisory Committee (HEJAC)\* to determine whether they should be continued. The length of time that Maine’s public universities continue to offer associate degrees will depend on the State’s ability to provide both the University System and Community College System with the resources necessary to make a gradual and productive transition. While tuition dollars will follow students enrolling at the Maine Community College System, with this arrangement, the UMS will not transfer any part of its State appropriations to the MCCS.

Once finalized, the Bangor and Augusta higher education partnerships will produce more educational, cultural, and economic options and opportunities for those regions while increasing collaboration and cost-sharing between the University and Community College systems. As intended, the partnership will lead to increased participation in “two plus two” programs and also encourage greater numbers of community college students to continue their educations at one of Maine’s public universities. In the end, the number and percentage of Maine residents attaining associate, baccalaureate, and graduate degrees will increase significantly.

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\* The Higher Education Joint Advisory Committee (HEJAC) was created by the Chancellor of the University of Maine System and the President of the Maine Community College System to assure that Maine’s public higher education systems complement and collaborate with each other in order to enhance service to Maine and to Maine’s students. HEJAC, which is composed of six presidents, three from the University of Maine System and three from the Maine Community College System, is charged with developing strategies for creating a seamless system of higher education.

## Investment Priorities for Strategic Direction 1:

### **Financial Aid: \$11 million**

Increase financial aid by FY09 to meet the current gap in need-based financial aid. In order to recruit and retain a diverse student body, investments in student financial aid are necessary. Data on retention show that such an investment will increase persistence and graduation rates.

### **Academic Program Enhancements: \$1.9 million**

Provide additional funds to address the critical shortage of appropriately credentialed classroom teachers. This funding will augment investments already made in the University System's Regional Teacher Development Centers. Additionally, given the critical nursing shortage in the State of Maine, nursing program expansion will occur, necessitating the hiring of new full-time nursing faculty to provide additional student capacity.

## STRATEGIC DIRECTION 2

**Ensure a high-quality and well-supported faculty throughout the System, with strong faculty development programs to enhance faculty's ability to contribute to the excellence of academic programs and research, while providing appropriate levels of support for staff.**

Hiring and retaining a diverse, well-qualified, credentialed faculty is a principal way of ensuring quality in higher education. To do this will require the ability to compensate faculty at competitive levels and provide other incentives to encourage their scholarly and creative development. Faculty development, including professional development, support for research, scholarship, and creative expression, and providing opportunities for faculty to interact with other colleagues across the System, are important elements in supporting an engaged faculty.

Implementation of the Strategic Plan has substantial implications for faculty and staff throughout the System. Changes such as centralization of services, reorganizations, introduction of new technology, and workforce management (including attrition-management and retirement incentives), have the potential to affect the number of faculty and staff and their distribution across the System. Planning for implementation will need to be sensitive to both short-term and long-term impacts on workloads, job responsibilities, needs for employee development and training, employee morale, recruitment, retention, and other employment-related issues.

*Specific strategies to achieve this strategic direction include, but are not limited to:*

- Set new compensation goals for faculty and staff;
- Strengthen criteria and implementation for faculty review;
- Find new ways to enable faculty interaction and exchange of ideas;
- Set targets for endowed professorships as well as targets for endowed chairs;
- Provide faculty with availability of technology in the classroom;
- Set higher standards for programs and activities for faculty and staff development and invest in those programs;
- Provide appropriate staff to support faculty to enable them to increase their productivity; and
- Develop a System-wide faculty development program, including mentoring, which is designed by the faculty with input from the System Office.

### **Investment Priorities for Strategic Direction 2:**

#### **Market-based Faculty and Staff Compensation Increases: \$10.8 million**

Faculty and staff compensation increases are necessary in order to attract and retain a qualified, competent, and creative workforce. The proposed increases total \$10.8 million by FY09, above inflationary increases. The minimum goal is to raise salaries from 85% to 90% of the national average over the next five years. Reaching a level of 90% of the national average for similar institutions will make UMS more competitive in the labor market and is an important first step in offering salaries that are adequate to attract, retain, and reward a high-quality workforce. Appropriate compensation goals will also be determined for support staff who are recruited in a local or State-wide market.

### **STRATEGIC DIRECTION 3**

**Create a comprehensive, state-of-the-art System-wide Distance Education program, leveraging current technological strengths, and further coordinating program offerings and development.**

Distance Education is of growing importance to high-quality education, and it can provide a critical competitive advantage, particularly in a rural state like Maine. The UMS must continue to provide Maine students with access to higher education by establishing a strong Distance Education program that covers a broad range of disciplines and courses. UMS faculty need appropriate support so that they can design and deliver quality courses, thus contributing to their professional development and to the expansion of educational opportunities available to Maine citizens. Capitalizing on the expertise and leadership that faculty have exemplified in developing academic programs that are offered through Distance Education, faculty must be involved in every aspect of program development and enhancement utilizing technology.

Fifteen years ago, the University of Maine System secured a preeminent leadership place in Distance Education. Although the UMS is still a national voice in this area, other institutions have assumed its lead position. By investing in Distance Education and repositioning the UMS to implement new technologies to support teaching and learning, its preeminent position can be recaptured. A new and powerful vision for utilizing technologies will be needed to bring forth the next generation of Distance Education.

The UMS is investigating the feasibility of using the Department of Education's Distance Learning Network (ATM) in conjunction with the University System's infrastructure to expand the System's Distance Education capabilities. Additionally, the K-16 Task Force—a partnership between the UMS, the MCCS, and the Maine Department of Education—will develop strategies that support a seamless transition from high school to college. These strategies must enhance the development of Distance Learning capabilities through the use of technology-based instruction.

While requiring up-front investment, Distance Education programs should ultimately prove to be a steady source of new revenues for the System.

*Specific strategies to achieve this strategic direction include, but are not limited to:*

- Administratively connect each University College Center to a UMS university to enable greater access and responsiveness to student needs;
- Better utilize faculty expertise in developing a greater array of online programs;
- Develop a model with faculty input to expand academic offerings online, recognizing that all academic programs originate at the campus level;
- Provide quality standards and oversight to ensure that online programs contribute to the System's "quality" goals;
- Position the University College Centers as an important component of the System's Distance Education programs;
- Work with the faculty on each campus to allow acceptance of online courses offered by other institutions to fulfill program requirements;
- Continue to work with the Maine Community College System on academic offerings and administrative oversight of selected University/MCCS-run Centers, and explore developing academic programs that can be offered online;
- Work with K-12 to better leverage the Maine Department of Education's Distance Learning infrastructure and electronic classrooms located at most high schools, using new technology to provide the services to sites in other parts of Maine;
- Investigate the potential for special arrangements with carriers and other parties who provide the transport systems for present and future technologies;
- Develop a management system for the delivery of Distance Education programming that encompasses present and future technologies; and
- Investigate, develop, and implement new technologies to more broadly distribute academic offerings, both synchronously and asynchronously, eventually allowing students to receive courses on their home computers. The goal is that students can have access to academic programs at any time and place.



### Investment Priorities for Strategic Direction 3:

#### **Distance Education Investments: \$1 million**

By investing, developing, and implementing new technologies to more broadly distribute Distance Education offerings, both synchronously and asynchronously, students will be able to receive academic offerings on their own computers and other means of transmission.

### **STRATEGIC DIRECTION 4**

**Enhance the library resources available to the University of Maine System and the State of Maine by supporting a high-quality, integrated System library consortium built on the foundation of a single, well-supported doctoral/research library at the University of Maine. Continue to develop a State-wide digital library to support all citizens of Maine.**

Students and faculty of the University of Maine System require strong and easily accessible library resources. As the center for doctoral research for the State, Fogler Library of the University of Maine needs to become a broad and substantial foundation for the UMS library system. As part of strengthening the System library consortium's resources, emphasis will be placed on cooperative collection development, including high-quality research resources appropriate to the needs of each campus. Access to all such resources for System libraries will result in enhanced resources for all users across the State.

Parallel with these efforts, Maine also needs a comprehensive digital library and information literacy agenda. In response to the needs of students, faculty, and citizens of Maine, as well as to changing technology, libraries must move towards an era in which substantial amounts of primary source material are directly accessible online for the user community. These digital materials range from electronic versions of books and journals offered by traditional publishers to manuscripts, photographs, maps, sound recordings and similar materials digitized from libraries' individual special collections, to new electronic scholarly and scientific databases developed through the collaboration of researchers, computer and information scientists, and librarians.

Given the size of the State and the resources available to enhance and support a digital library, the System will continue to collaborate with the State Library on the development of a State-wide integrated digital library so that it meets the needs of the UMS and all of Maine. Each campus library will also become more effective at resource-sharing, supporting facilitated learning, improving the level of information literacy, and participating in delivery of student learning outcomes.

*Strategies for achieving this Direction include, but are not limited to:*

- Develop a clear and comprehensive vision for the future of libraries in the System and throughout the State;
- Develop an effective and collaborative UMS library system consortium founded on one strong, well-funded research library at the University of Maine;
- Continue to create a strong collaborative relationship between the UMS library consortium and the State Library, and aggressively expand the State-wide integrated digital library to meet the needs of the UMS and all of Maine; and
- Establish a permanent base-budget investment in the digital library.

#### **Investment Priorities for Strategic Direction 4:**

##### **Fogler Library and Digital Library Funding: \$1.5 million**

As the only research library for the State of Maine, consistent and substantial investments in Fogler Library are vital to the entire State. Funding is necessary to restore and increase the journal collection at Fogler Library to support its role as the sole research library for the State of Maine.

Developing and maintaining a State-wide digital library will guarantee access to all Mainers. Books, journals, and documents must be readily accessed electronically in all regions of the State, including rural regions.

#### **STRATEGIC DIRECTION 5**

**Strengthen and leverage research throughout the State to ensure greater breadth and depth of research. Develop a greater capacity to use research, scholarship, and creative expression to enhance Maine's economy.**

Generating innovative, sponsored research is a critical factor in Maine's economic development. Top quality graduate programs and research programs will attract resources and businesses to the State, helping to fuel the economy and contribute to growth. The System is committed to strengthening sponsored research throughout the System, particularly at the University of Maine and the University of Southern Maine—both as a way of enhancing the educational experience of faculty and students, and because research and development are such important contributors to economic growth. Additionally, the System will continue to support and enhance the research, scholarship, and creative expression of the faculty, since their work enhances the quality of the universities.

*Specific strategies to achieve this strategic direction include, but are not limited to:*

- Request additional Maine Economic Improvement Fund (MEIF) funding from the State to support sponsored research;
- Strengthen sponsored research and coordinate the process for requesting increased funding by forging one voice for advocacy and planning;
- Set greater incentives for faculty research, scholarship, and creative expression, including appropriately adjusting teaching loads;
- Increase graduate fellowships across the System;
- Support faculty in generating grants that will expand and support their research, scholarship, and creative expression; and
- Enhance the graduate education experience and build the System's research and scholarly capacity.

### **Investment Priorities for Strategic Direction 5:**

#### **Increase Maine Economic Improvement Fund (MEIF) by \$13 million to a total of \$25 million**

In order to support economic development in the State of Maine, research and development must be sustained and expanded. Increases in research and development with funding from the MEIF to a total of \$25 million by FY09, when leveraged against federal funding, will result in over \$100 million in federal research and development funds.

*Strategic Directions 6, 7, 8, and 9 represent organizational strategies that will help the University of Maine System identify opportunities, organize/reorganize the delivery of services, and redistribute resources to enable the first five strategies, and ultimately allow the System, to offer the highest quality education to Maine's citizens.*

### **STRATEGIC DIRECTION 6**

**Require accountability from all universities by providing appropriate goals and objectives and carefully assessing each institution's ability to meet its goals. Establish goals, objectives, and performance measures for each institution to ensure prudent stewardship and enhanced public accountability.**

All institutions should be held to a high level of accountability for contributing to the overarching goals of the University of Maine System, improving the quality of higher education, and supporting the effective implementation of the Strategic Plan over time. Each university will establish a strategic plan for doing this, including a financial plan that supports its objectives. The System-wide priorities reported in the Strategic Plan are the overarching goals of each campus-based strategic plan. Fulfillment of these goals and accomplishment of campus-based strategic planning priorities will be the basis for review

and evaluation of each President. The campus-based strategic plans will be approved by the Chancellor and Board of Trustees. The System Office will consistently set clear parameters for achievement and each institution will be assessed on its ability to meet these expectations. The goal is to ensure that the System is able to evaluate, assess, and measure its overall success in meeting the needs of Maine.

The University of Maine System must realize the critical goal of renewing its capital assets. This will be the basis for developing a capital campaign and State and University System bonding requests. Through Academic Program Planning, institutions will be able to determine the facilities requirements that are necessary for academic program enhancement and new academic program development. Other capital needs will be coordinated by the University of Maine System Office. In addition to the need to fully fund depreciation on an annual basis, capital asset improvements will require significant up-front investment, due to renovation and renewal back-log, and must be carefully evaluated relative to the System's long-term goals.

*Strategies to accomplish this strategic direction include, but are not limited to:*

- Strengthen institutional research capacity and focus on it as a System, in order to better understand the strengths and weaknesses of all universities;
- Set clear goals and objectives for financial management;
- Renew capital assets to maintain and upgrade UMS facilities so that they meet regulatory requirements and overall modernization needs and, in situations where space is unavailable or current space cannot be modified, fund new construction;
- Collect, analyze, and evaluate data such as enrollment, retention, and graduation rates, based on benchmark goals set for each institution, that are consistent with its mission and Carnegie classification;
- Develop and implement for each institution a campus-based Academic Program Planning model for program review, assessment, and development;
- Develop a facilities plan for each institution that is coordinated with and responsive to campus-based Academic Program Planning, including program review, assessment, and development;
- Evaluate each institutional leader based on the progress made in achieving the goals and priorities set for each institution in its strategic plan, which must be consistent with the University of Maine System's strategic planning priorities and must be approved by the Board of Trustees; and
- Establish performance-based funding.

In the event that State appropriations are not received at the level projected in the biennium request, all universities will be asked to adjust their budgets while adhering to the goals set by the Strategic Plan. Each institution will develop a budget reflecting appropriate adjustments while implementing and sustaining the strategic priorities of the Strategic Plan.

## Summary of Critical Investment Priorities (annualized requirements by FY09)\* :

- Increase Financial Aid: \$11 million
- Enhance Academic Programs: \$ 1.9 million
- Faculty and Staff Compensation: \$10.8 million
- Distance Education Investments: \$1 million
- Fogler Library and Digital Library Funding: \$1.5 million
- Increased Economic Improvement Fund (MEIF): \$13 million
- Renew Capital Assets (fully funded depreciation): \$10.4 million

*\*These are primarily annual operating expenses. A comprehensive capital plan that supports the Strategic Plan will be developed over the next year, in conjunction with strategic direction 9.*

## STRATEGIC DIRECTION 7

**Centralize the System's business/administrative functions, where appropriate, in order to leverage resources and increase effectiveness of service throughout the System.**

Resource constraints and the need for efficiency require that the System do whatever it can to eliminate duplication of effort and ensure that services are provided in the most economical and effective way possible.

Over time, the University of Maine System has built an infrastructure that supports the seven universities of the System. System-wide Services (SWS) refers to the central leadership and administrative support that provides top-level management, coordination, and oversight to ensure high-quality, cost-effective, productive, and accountable programs and services consistent with the UMS's statutory authority and mission. Led by the System Chancellor, SWS performs planning, policy, and certain "back-office" administrative functions and services in keeping with the direction and governance of the Board of Trustees and on behalf of all System universities.

SWS includes academic and policy coordination; financial management; human resources management and services; legal services; institutional research and analysis; legislative affairs; information technology; facilities management and capital planning; the System's academic, research, network, and information technologies; and System-level communications and advocacy.

The degree of involvement in these areas is dictated by 1) their value to the System's planning, policy-making, management, and oversight responsibilities, and 2) the economies of scale and efficiencies that can be realized by centralizing certain functions and activities. If System-wide Services were not available to the universities, the UMS budget would sustain an increase totaling between \$5-7 million in annual operating expenses to cover the costs of providing these services at each institution.

One area identified as needing strengthening in efficient and effective central resources was technology. Enterprise Resource Planning (ERP) was implemented as a way to address this weakness. ERP is providing the software infrastructure in areas such as student support services, human resources, and business operations. The University of Maine System has invested \$13 million in developing an integrated technology system that will allow all institutions and the System Office to collect and share information that will build efficiency and communication capacity into their information systems. Appropriate and necessary centralization of services will now be possible as more and more of the ERP implementation is completed by FY09. This new system, when fully implemented, will offer the benefits of an integrated, web-based system which will ultimately enable Maine's public universities to provide 24/7 access for students and university community, provide better information, and modernize and update all of the administrative systems. Within the System, many opportunities exist for consolidating back-office functions, including but not limited to, business services, human resources, and financial aid and purchasing. However, "front-line" customer service must remain campus-based and the service should respond to the needs of students, employees, and other constituents.

System-wide Services will increase the quality and utilization of technologies for both academic and administrative purposes. Success will be measured by how well technologies can improve the quality, accessibility, and delivery of programs and services to students and employees, member institutions, and other System constituencies.

*Strategies to accomplish this Strategic Direction include, but are not limited to:*

- Support and enhance ERP infrastructures that will allow for greater centralization;
- Coordinate information technology operations where appropriate;
- Consolidate the systems for shared services (i.e., business services);
- Create a more coordinated approach to human resources; and
- Directly coordinate some of the admissions and financial aid, bursar, and loan collections processing systems.

## STRATEGIC DIRECTION 8

**Evolve the System organization and structure, clearly defining the missions, niches, and interrelationships of institutions to ensure that the System serves the higher education needs of the State of Maine while moving toward a financially sustainable future.**

The resource challenges facing the University of Maine System are substantial and require a significant response. In order to best meet the higher education needs of the State of Maine in today's resource environment, it is insufficient simply to adjust relationships or look for simple ways to be more efficient. Rather, all UMS institutions in the proposed model will operate collaboratively through shared resources and increased faculty interaction. This collaboration will create a vibrant, economically sustainable, multi-university system that capitalizes on the strengths and resources of exceptional research, liberal arts, and regional institutions and centers. With this collaboration, the UMS will be able to meet the needs of the State with greater financial efficiency and breadth of educational offerings while further developing research capabilities and academic niches of each university. The overarching objectives of the Strategic Plan—improved academic quality, efficiency, cost-savings, and sustainability—will be met through a carefully crafted collaborative effort.

By bringing together the resources of the entire System, this collaboration will eliminate duplication of services while raising levels of academic quality and overall student experience. New incentives for System-wide faculty development and collaboration will lead to a more dynamic intellectual environment and foster greater research, scholarship, and creative expression. Aligning the universities in a collaborative arrangement will improve academic quality, cost-efficiencies, Distance Education capabilities, and the campuses' ability to serve their regions as cultural and intellectual centers, economic drivers, and leaders in applied research. At the same time, these campuses can continue to market the unique strengths and characteristics that allow them to attract and retain students and faculty who seek and thrive in such a setting. This collaborative approach can achieve the goals established in the Strategic Plan of serving the State-wide educational needs of Maine's citizens without sacrificing the individual identities of the campuses, which allow them to attract and retain the support of local citizens and legislators, students and parents, and alumni and donors. Collaborative efforts will reduce competition among UMS institutions and facilitate new alliances and strategies for achieving each university's individual mission, while enriching the System as a whole.

Genuine, sustained collaboration among distinctive institutions is the optimum, most realistic, efficient, and cost-effective way to meet the educational needs of citizens in Maine, and to meet the goals of the UMS Strategic Plan: to guarantee academic program quality and avoid duplication; to maintain and improve student services; to ensure a high-quality and well-supported faculty; and to increase the number of Maine people who successfully pursue and attain a postsecondary degree.

*Some important goals embedded in the organizational recommendations include:*

- **Simplify and rationalize the System and free up resources.** Institutions should have a clear mandate and mission, to ensure that each can thrive and succeed. A clearer mission and in some cases a defined academic emphasis or niche for each institution will free up resources and position each for success in meeting Maine’s educational needs. Without redeployment of resources and additional resources to accomplish the Strategic Plan, the System will not move toward the preferred future state.
- **Build on strengths.** This Strategic Plan is designed to leverage the strengths of the System, building on the reputation and presence of the University of Maine, the breadth of its academic and outreach programs, and its strengths in research; enhancing the potential of the University of Southern Maine, positioned with strong creative programs and research relevant to the growing southern Maine region; and capitalizing on the University of Maine at Farmington’s reputation as a successful public liberal arts college. In the case of the smaller institutions, the Strategic Plan addresses the best ways to leverage their strengths in rural studies, North American French studies, Downeast Coastal studies, Adventure-based education, and jazz and contemporary music, while at the same time addressing how their functions may be carried out more effectively and efficiently.
- **Utilize resources most effectively and efficiently.** Each institution’s mission should be pursued in a way that ensures the best use of resources, both internally and throughout the System. This will allow the System as a whole to run more effectively and efficiently. All institutions, but particularly the University of Maine and the University of Southern Maine, will work closely with the UMS office to make resource decisions more strategic and focused, to identify opportunities for eliminating unnecessary duplication, and to creatively transform their institutions over the next several years.
- **Enhance students’ educational experience.** At the heart of this strategic direction is a commitment to expand and improve educational opportunities for students. By restructuring the System and better defining each institution’s mission and niche, it will be easier for students to make choices about the type of institution that will best meet their needs. Furthermore, with enhanced collaboration between and among institutions, students will have access to greater academic offerings, including expanded graduate programs and expanded options for Distance Education.
- **Create a sustainable financial paradigm.** The basic financial paradigm should be mission-driven. Each institution should have a clearly defined mission and its success and resource allocation should be evaluated relative to its ability to fulfill its mission. A mission-driven paradigm is in contrast to one in which resources are allocated based on size or growth. This Strategic Plan encourages institutions to focus on mission and sustainability rather than growth.



- **Enhance revenue generation.** Although much of the emphasis is on achieving efficiencies, there are also opportunities for enhancing revenues through such approaches as strengthened private fundraising, national fundraising in key areas of research or unique programs, selective tuition adjustments, more aggressive recruiting, and improved retention as the new organization is better able to meet student needs. The UMS will continue to seek increased appropriations from the State to ensure the fulfillment of the mission of each of its universities.
- **Clarify decision-making parameters.** Closely related to accountability, the Chancellor and Board of Trustees must clarify and inform the System's stakeholders about the decision-making paradigm that ensures appropriate levels of autonomy and centralization.
- **Link planning and budgeting.** The System Office and each individual institution must be tied to the Strategic Plan. Each institution will write a campus-based strategic plan that must include the strategic directions outlined in the UMS Strategic Plan, and its priorities must be those of the University of Maine System.

## Proposed Organizational Model

*This is a State-wide model that creates a set of institutions, each of which has an identified role or niche and the capacity to fulfill a defined set of educational needs, either State-wide or regionally. Most importantly, when looked at as a System, the institutions complement one another and build a greater capacity to meet higher education needs and contribute to economic development throughout Maine.*

*Several types of institutions are proposed to meet these needs, and each component of the model is described broadly below:*

### The University of Maine

Strengthening the University of Maine and positioning it for significant enhancement is a major goal of this Plan. As Maine's land- and sea-grant university, UMaine's mission is unique. With a 137-year record of State-wide outreach and a service presence and infrastructure in all 16 counties, the University's outlook is both national and international in scope. Its leadership within the UMS in natural resources and engineering, State-wide service and outreach, graduate education, continuing education, and research that supports both basic discovery and economic development, is significant.

UMaine is a nationally recognized research university enjoying prominence in areas including marine sciences, biological sciences, humanities, and K-12 preparation. It is Maine's only Carnegie Doctoral Research Extensive institution; 92 % of all federal research dollars coming to academic institutions in the State are awarded to UMaine. A goal of this Strategic Plan is to enhance the University of Maine's areas of national prominence and build new strengths that will best serve its students and the State.

UMaine's charge is to sharpen its focus and achieve excellence in all aspects of its mission. It will prepare its students for today's knowledge-based, entrepreneurial, global economy through outstanding programs in the liberal arts, sciences, engineering, business, public service, and education. It will work actively with the regional universities and Community College System to develop a strong transfer system, enabling students to progress to UMaine for upper-division and post-baccalaureate work. It will also employ the best Distance Education technologies to make UMaine's upper-level and graduate courses available nationwide, with special emphasis on accessibility within Maine.

The University of Maine will have administrative and academic responsibility for baccalaureate programs offered in Bangor at the Higher Education Park located at what is known as University College of Bangor. It is anticipated that UMaine will assign administrative responsibility for those programs to its Division of Lifelong Learning, which currently offers credit-bearing and non-credit courses at UMaine, its Hutchinson Center in Belfast, and at other remote locations.

Administrative support will be provided centrally at the university and System levels, with "front-line" services for students and other constituencies provided locally. Through a priority-setting process, UMaine will pursue new revenue streams through increased student enrollment, partnerships, grants, contracts, and private giving, as well as reallocate existing resources to support its expanding role.

Cooperative Extension will continue to serve as an entity of UMaine that serves as the System's primary, but not exclusive, public service outreach entity. Other institutions within the University System will provide outreach and public service in ways that are consistent with their respective missions and which complement, not duplicate, other System-related programs and services.

While the University of Maine enjoys national name recognition, confusion has arisen over the use of its name at multiple universities and the System Office, impacting its institutional ranking. This Strategic Plan seeks to strengthen the University of Maine's identity by allowing it to solely use its name.

### **The University of Southern Maine**

The University of Southern Maine will continue as a comprehensive, regional, urban university serving a diverse population in Maine's most populous region through a variety of academic offerings, including baccalaureate, master's, professional, and selected doctoral programs, as well as applied research and public service. The University of Southern Maine has developed an impressive State-wide reputation in academic programs which are creative, rigorous, and important to the State of Maine. Its niche as a comprehensive urban university has become a centerpiece for serving the range of needs of the citizens of Maine. USM will expand and develop new academic program offerings in relation to regional needs.

Research, scholarship, and creative activity are a significant part of USM's mission, reaching across its disciplines and reflecting the needs of the region. As a result,

applications of USM's focused research, scholarship, and creative activity have a significant impact on the State's economy and culture.

The University of Maine at Augusta will become an administrative unit of the University of Southern Maine to meet the educational, economic, and cultural needs of southern and central Maine. The single, multi-campus institution known as the University of Southern Maine will operate with campuses in Portland, Gorham, Lewiston, and Augusta. Undergraduate and graduate programs will be available at each campus. The Lewiston-Auburn campus will continue to be enhanced, recognizing the importance it plays in the region. Its academic program offerings will be reviewed in the context of Academic Program Planning (APP) to ensure that the needs of the community are met.

USM will manage the Augusta campus administratively, providing it with a clear mission and focus, and the opportunity to build a significant presence in the Capital region. As the System phases out associate degree programs, the Augusta campus of USM will be repositioned with a special emphasis on continuing its important mission of providing education to adult, non-traditional, and place-bound learners. The Muskie School of Public Service, with more than 100 research staff members already located at the Institute for Public Sector Innovation in Augusta, will extend and develop public policy and administration degree programs in Augusta, particularly at the graduate level.

The Augusta campus's relationship to the University of Southern Maine will be built on the model of the Lewiston-Auburn Campus of USM. The administrative and academic units of the Augusta campus will function as a unit of USM. It will:

- have a campus administrative leader;
- offer baccalaureate and graduate programs;
- support the expansion of the Muskie School; and
- house Kennebec Valley Community College (KVCC), so that two-year programs will continue to be offered.

The reconfigured University of Southern Maine will have a single faculty, institutional budget, and facilities master plan covering its entire operation. Administrative support will be provided centrally at the University and System levels, with "front-line" services for students and other constituencies provided at the campus level. USM will retain responsibility for any baccalaureate and graduate programs that will be taught at the Augusta campus. Eventually, most, if not all, associate degree programs currently offered in Augusta by UMA will be selected by the Higher Education Joint Advisory Committee (HEJAC) to be offered by KVCC administratively. The two systems will negotiate opportunities to allow for affected faculty and staff to make the transition into the Community College System.

### **Higher Education Park**

The University of Maine System will, in partnership with the Maine Community College System, convert the University College of Bangor (UCB) into a Higher Education Park. Eastern Maine Community College (EMCC) will expand its operation to the UCB campus, where it will offer certain associate degrees and courses recommended by the Higher Education Joint Advisory Committee (HEJAC). The University of Maine will

retain responsibility for any baccalaureate programs that will be taught at the Bangor campus. It is envisioned that the Higher Education Park will have an enhanced technology capability to allow for maximum opportunities in Distance Learning. Working collaboratively, the university and community college systems will determine which specific programs each will offer, basing those decisions on the needs of the community and the mission and capabilities of each. Eventually, most, if not all, associate degree programs offered by UCB will be transferred to EMCC, with selected opportunities for affected faculty and staff to make the transition.

### **Outreach Centers (formerly University College Outreach Centers)**

Extending this collaborative effort throughout the State, UMS institutions will have administrative responsibility for operating Outreach Centers. Through the development of an implementation plan, decisions will be made about the allocation of centers to universities. Better synchronization of academic program offerings will be accomplished as centers and universities collaborate to reduce duplication and enhance program development.

### **University of Maine School of Law**

Currently, the University of Maine Law School is in the process of completing a strategic plan to enhance its services to the people of Maine. In its plan, the Law School seeks to develop and strengthen itself as an entrepreneurial, multi-disciplinary unit that integrates teaching, research, and service. It will develop new programs that will improve the administration of justice, Maine's public and private economy, and the well-being of Maine's citizens. The goals set by the Law School in its strategic plan will be integrated into the University of Maine System Strategic Plan, and emphasize retaining a strong, well-credentialed faculty and enhancing its potential for revenue generation.

### **The Maine State Consortium**

The Universities of Maine at Fort Kent, Presque Isle, and Machias will not be merged, as was proposed in the Draft Strategic Plan. Rather, they will operate collaboratively through a multi-campus consortium. The Maine State Consortium (MSC) is a key element of the Strategic Plan and creates a vibrant, multi-disciplinary entity with high-quality educational programs and the opportunity to become a significant economic engine and cultural focus for the State. This consortium will be able to meet the needs of its regions with greater breadth and depth of educational offerings, while further developing the niches of three distinct institutions.

Continuing to operate as three universities and bringing together the resources of the present universities at Presque Isle, Fort Kent, and Machias, the Maine State Consortium will be of significant size and stature, and able to offer strengthened baccalaureate and professional programs, as well as selected graduate programs in relevant high-need areas, such as teacher education. As a Consortium, there will be rich opportunities to further develop and expand Distance Education courses and programs, allowing students at any of the three institutions to have access to a wide variety of majors.

For the near future, the Maine State Consortium will also offer selected associate degree programs based on regional demand and the availability of accessible options in the region. The universities that make up the Consortium will have presidents who report to the Chancellor, and who will also report to the Vice Chancellor for Academic and Student Affairs for all matters related to the Consortium.

The Maine State Consortium will offer one general education program and will engage in joint Academic Program Planning (APP). However, each campus will feature specific signature programs to capitalize on its distinctive natural or cultural resources, strengths, and opportunities. Athletic and extracurricular activities will be campus-based, not centralized, but will be coordinated with each other to create reasonable opportunities for participation, while minimizing operating costs. Administrative support will be provided centrally at the campus and System levels, with “front-line” services for students, employees, and other constituencies provided at the campus level.

This new entity will have a single advisory council made up of representatives from each university’s Board of Visitors, one budget, and one facilities master plan. As a consortium, it will have greater capacity to attract talented faculty, students, and programs. With a focus in rural and regional programs, it could potentially attract State and national support, both public and private. Students will not have to travel to the University of Maine or the University of Southern Maine for comprehensive baccalaureate programs and will not be limited by fewer offerings as they sometimes are today with smaller institutions. As the Maine State Consortium develops and programs become more focused, there will be opportunities for efficiencies in staffing and support programs.

The implementation plan for the Maine State Consortium will be developed by a representative group. Each of the institutions will have:

- a President;
- a Board of Visitors;
- its location in its name;
- a clearly defined niche/specialized program area;
- athletic teams at each campus;
- its identity recognized and acknowledged by the Board of Trustees; and
- foundational liberal arts courses.

In order to better clarify the identity of each campus, and to distinguish it from the University of Maine, each institution will select a new name through a process that will include the community, and in consultation with the University System. These names are subject to approval by the Board of Trustees.

### **The University of Maine at Farmington**

The University of Maine at Farmington will continue as a small public liberal arts college with selected pre-professional programs in teacher education and related fields. It will maintain its enrollment cap, allowing it to attract students from Maine and out-of-State who are seeking a high-quality residential undergraduate education, which is distinct from the experience provided by a large university. Its focused mission means that it will not expand its pre-professional programs. Promotional efforts will build on its strong brand to

strengthen its reputation as a high-quality public liberal arts college, of particular value to talented students who otherwise might not be able to pursue a private liberal arts education. While realizing that the enrollment cap is an important and necessary goal, it is essential that UMF remain prepared for the financial challenges which may occur as expenses increase and enrollments remain level. Additionally, administrative support will be provided centrally, with “front-line” services for students and other constituencies provided at the campus level.

Consistent with efforts to establish clear identities among UMS institutions and to distinguish them from the University of Maine, UMF will change its name through a process that will include the community, and in consultation with the University System. The new name is subject to approval by the Board of Trustees.

## **STRATEGIC DIRECTION 9**

**Develop a coordinated, collaborative approach to university advancement and advocacy in ways that increase public understanding of the mission, value, and benefits of Maine’s public universities; and enhance the universities’ individual and collective appeal, reputation, financial resources, and public support.**

Maine’s public universities cannot adequately fulfill their responsibilities and their potential without broad-based financial investment and political support from their many diverse constituencies. More than ever, those universities must be proactive in serving the needs of Maine and its people.

*To support those efforts, the universities and the System’s central operation must work aggressively and collaboratively to:*

- raise public awareness of, and participation in, the educational opportunities available through Maine’s public universities;
- demonstrate the tremendous value-added educational, economic, and social benefits that Maine’s public universities provide throughout the State;
- connect the universities’ respective and collective research and outreach expertise to Maine’s individual, organizational, economic, social, cultural, and public-policy needs and interests; and
- pursue greater public- and private-sector investment in those universities to support their teaching, research, and outreach missions.

Advancement and advocacy efforts are most effective when they are based at the university level. An institution’s key constituencies respond best when a request for help or buy-in is extended by those with whom they have the most intimate relationship. As with other elements of this Strategic Plan, maintaining strong “front-line” responsibility at the university level is essential to this strategic direction. For the most part, the role of the System Office in advancement and advocacy is to serve in a coordinating role.

Advancement and advocacy efforts include several overlapping areas of university activity:

- fund-raising
- State and federal legislative relations
- community, alumni, foundation, and public relations
- employee and student relations
- student recruitment
- communications (internal and external)
- media relations
- marketing

*The University System can play a substantial role in supporting the universities' advancement and advocacy initiatives. Strategies for achieving this direction include, but are not limited to:*

- Commission and coordinate market and opinion research to improve the efficiency and effectiveness of the universities' student recruitment and relationship-building activities;
- Undertake a System-wide branding initiative that creates greater institutional identity and clarity in ways that will mitigate the impact on student recruitment efforts and community identity;
- Collaborate with each university to identify ways and resources to strengthen their fund-raising ability, planning, and levels of success;
- Negotiate group purchases, contracts, productions, and services that could reduce each university's cost of time, labor, and materials used in a broad array of advancement and advocacy activities;
- Develop and coordinate, at the System-wide Services (SWS) level, in-State and out-of-State marketing strategies that promote enrollment and support for Maine's public universities and which complement the marketing strategies of the individual universities; and
- Develop print, electronic, and digital resources and software tools for universities to customize for their purposes to communicate with their key constituencies and audiences.

The University System, through System-wide Services (SWS), can provide each university with certain types of central support and coordination to augment and enhance advancement and advocacy efforts. In addition to the administrative planning and coordination currently underway as part of the University System's Enterprise Resource Planning (ERP), SWS is better positioned than ever to assist university-based advancement and advocacy in programmatically sound, cost-effective ways. The offices of Treasurer, External Affairs, and Planning & Policy Analysis have expertise and resources that can enhance each university's fund-raising, student recruitment, communications, public relations, and marketing initiatives—in most instances, providing “back-office” support to the universities' planning and “front-line” operation. Specific ways of doing so should be developed through a consultative, collaborative process involving the universities and the appropriate SWS personnel.

Market research has shown that public confusion continues to exist about the differences and relationships of Maine's public universities, and the administration and organization that governs them. The confusion is largely the result of 36 years of using the land-grant and sea-grant campus' name, *The University of Maine*, in the names of this System and its other universities. Prospective students, policy makers, and the public frequently have difficulty differentiating one from another.

To address this confusion, the University System will undertake a research-based branding initiative to help identify alternatives to the use of the phrase *The University of Maine at . . .* in the names of the four universities, other than UMaine, that are using it. The branding initiative will also identify a more appropriate name for the University System itself. The desired outcome will be greater institutional identity and clarity in ways that will mitigate the impact on student recruitment efforts and community identity.



## Five-Year Financial Projections and Investments

Five-Year Financial Projections reflect the estimated structural annual funding gaps resulting from both current operations and the implementation of priority investments identified in the Strategic Plan for a total gap of \$102 million by FY09. Proposed funding sources to close the gap include internal (reasonable tuition increases, reallocations from cost savings, fund raising) and increased State appropriations.

### *Assumptions Incorporated into the Financial Projections:*

1. **FY05 Budget** – Budget approved by the Board of Trustees in May 2004. \$10.4 million gap after appropriation represents the under-funding of depreciation, resulting in a growing gap between actual and required capital asset replacement and renewal spending.
  - **Renew capital assets** – These projections assume that over the next five years, annual investments in capital assets will increase by \$10.4 million resulting in fully funding depreciation on an on-going basis.
2. **Total Current Operations Gap** – Operating revenues and expenses are increased by a 1% growth in enrollment as well as inflationary increases in compensation, benefits, other goods and services and auxiliary revenue programs. State appropriation and tuition rate increases are not calculated in the current operations gap.
3. **Additional Strategic Plan Investment Priorities**
  - **Financial Aid** – Increase by an additional \$11 million by FY09 to meet current gap in need-based aid.
  - **Priority Program Investments** – \$1.9 million additional investment to fund programs to address the critical shortage of credentialed classroom teachers and new full-time nursing faculty for expanded enrollment.
  - **Faculty and Staff Compensation** – Recent studies show that at most UMS institutions, faculty salaries are equal to or less than 85% of the national benchmark and that professional salaries are also well below the national average. In addition to inflationary increases, a priority investment is to increase salaries by \$10.8 million by FY09, resulting in UMS faculty and professional salaries at 90% of the national average. Appropriate compensation goals will also be determined for support staff who are recruited in a local or State-wide market.
  - **Distance Education** – \$1 million additional investment to develop and implement new technologies for Distance Education.
  - **Libraries** – \$1.5 million additional investment to more fully support the research needs of Maine's science and business communities, as well as sustaining the current State-wide integrated digital library.
  - **Research and Development (Maine Economic Improvement Funds)** – Increase State appropriation by an additional \$13 million by FY09, resulting in a total of \$25 million that, when leveraged against federal funding, will result in more than \$100 million in federal research and development funds.

#### 4. Proposed Funding Sources

- **Internal Funding Sources** – By FY09, inflationary tuition increases, reallocations from cost savings and fund raising will total approximately \$42 million annually, of which the Strategic Plan is estimated to achieve \$12 million (net of associate degree phase-out).
- **State Appropriations** – By FY09, State appropriations will fund the remainder of the gap, totaling \$60 million, to be provided through an increase in both general and specific State appropriation funds. The total State appropriation increases from the current level of \$180 million (41% of total unrestricted operating expenses) to \$240 million (44% of total unrestricted operating expenses plus investment priorities) in FY09.

**UNIVERSITY OF MAINE SYSTEM  
FINANCIAL PROJECTIONS AND INVESTMENTS  
UNRESTRICTED OPERATIONS (\$ in Millions)**

Projection

	FY05		FY06		FY07		FY08		FY09	
	Budget	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change
<b>Annual FTE Enrollment</b>	25,412	1.0%	25,666	1.0%	25,923	1.0%	26,183	1.0%	26,445	1.0%
<b>Current Operations</b>										
Operating Revenues	\$244.5	2.2%	\$249.9	2.2%	\$254.9	2.0%	\$262.9	3.1%	\$268.2	2.0%
Operating Expenses	435.0	4.2%	453.2	4.2%	470.3	3.8%	491.7	4.6%	510.9	3.9%
(Including unfunded depreciation)										
Net Before State Appropriation	(\$190.5)		(\$203.3)		(\$215.4)		(\$228.8)		(\$242.7)	
State Appropriation	180.1		180.1		180.1		180.1		180.1	
<b>Total Current Operations Gap</b>	<b>(\$10.4)</b>		<b>(\$23.2)</b>		<b>(\$35.3)</b>		<b>(\$48.7)</b>		<b>(\$62.6)</b>	
<b>Investment Priorities</b>										
Financial Aid			\$2.8		\$5.5		\$8.3		\$11.0	
Academic Program Investments			1.2		1.4		1.6		1.9	
Faculty and Staff Compensation			2.7		5.4		8.1		10.8	
Distance Education and Libraries			2.5		2.5		2.5		2.5	
Research & Development (MEIF funds)			2.5		5.0		9.0		13.0	
Total Investment Priorities			\$11.7		\$19.8		\$29.5		\$39.2	
<b>Gap After Investment Priorities</b>			<b>(\$34.9)</b>		<b>(\$55.1)</b>		<b>(\$78.2)</b>		<b>(\$101.8)</b>	
<b>Proposed Funding Sources</b>										
Internal Funding Sources			\$9.8		\$20.0		\$30.7		\$41.9	
(Tuition, reallocations, fund raising)										
Incremental State Appropriation			15.0		29.0		44.0		59.9	
Total Funding Sources			\$24.8		\$49.0		\$74.7		\$101.8	
<b>Total Gap After Funding Sources (Depreciation fully funded by FY09)</b>			<b>(\$10.1)</b>		<b>(\$6.1)</b>		<b>(\$3.5)</b>		<b>\$0.0</b>	
<b>Total State Appropriation</b>	<b>\$180.1</b>		<b>\$195.1</b>		<b>\$209.1</b>		<b>\$224.1</b>		<b>\$240.0</b>	
<b>Total Annual Increase</b>		<b>8.3%</b>	<b>\$15.0</b>		<b>\$14.0</b>	<b>7.2%</b>	<b>\$15.0</b>	<b>7.2%</b>	<b>\$15.9</b>	<b>7.1%</b>

## **APPENDICES**

- I. Summary of Strategic Plan-Related Cost-Saving Initiatives**
- II. Description of Planning Process**
- III. Campus Visit Summary**
- IV. Scan of the External Environment:  
What Maine Needs From Its Higher Education**
- V. Financial Overlay**
- VI. Summary of Public Feedback**
- VII. Faculty Summit Recommendations**
- VIII. Carnegie Category Definitions**
- IX. Current Organizational Model**