Acknowledgments

October, 2016

The Maine Center Team is grateful to the hundreds of advisors and supporters who share our vision for the Maine Center and our confidence that the Center will play a transformative role in rebuilding the Maine economy and reforming graduate professional education in America.

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The Maine Center will be an investment and a resource for all of Maine. We have listened carefully to Mainers in each of our 16 counties and beyond, who have shared their ideas and advice about how the academy can better engage with the people whom it serves. In particular, the members of the Center’s Advisory Board—numbering more than 100—have provided candid guidance advice from their positions as managers, CEOs, partners and practitioners. Board co-chairs Ray Gauvin, Anne Lucey, Hilary Rapkin and Miles Theeman have anchored this group of some of the most committed leaders in Maine.

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Appendices
I. EXECUTIVE SUMMARY

The Case for Change

In the Maine Center for Graduate Professional Studies, the University of Maine System (UMS) will be the first in America to bring together under one roof programs in law, business and public policy. The Maine Center will have a transformative impact on graduate professional education nationally and, most importantly, on Maine’s economy—attracting young people to Maine, building a stronger workforce and spurring innovation and collaboration.

The digital revolution is so thoroughly and irreversibly transforming employment in the new economy that knowledge—graduate schools’ traditional stock in trade and justification for the price of admission—is becoming less important.

“[F]ewer workers function as low-maintenance machines – turning a wrench in a factory, for example – [while] more become thinkers and creators . . . Intangible assets, mostly derived from human capital, have rocketed from 17% of the S&P 500’s market value in 1975 to 84% in 2015 . . . Even a manufacturer like Stryker gets 70% of its value from intangibles; it makes replacement knees, hips, and other joints loaded with intellectual capital . . . For decades – since Peter Drucker coined the term in the late 1950s—the MVPs were the so-called knowledge workers. But that term is no longer an apt description of the most prized personnel . . . [K]nowledge is becoming commoditized. Information, simple or complex, is instantly available online. Knowledge skills that must be learned—corporate finance, trigonometry, electrical engineering, coding—can be learned by anyone worldwide through online courses, many of them free . . . Knowledge remains hugely important, but it’s gradually becoming less of a competitive advantage . . . More and more major employers are recognizing that they need workers who are good at team building, collaboration, innovative and analytical thinking, and cultural sensitivity.”

As technology takes over more and more of production and labor, the competencies that both students and employers expect graduates of professional schools to have acquired are the abilities to analyze, manipulate and transmit knowledge, to collaborate in teams, and to communicate across disciplines and markets.

More than most states, Maine is challenged by the new economy and is making a difficult adjustment to it. The state’s economy is shrinking relative to the rest of America, and it is beset by a demographic winter that works against growth. These changes in Maine’s economy have had a profound effect on workforce requirements, but Maine’s workforce is comparatively undereducated, limiting business development and growth. The law, business and public service graduate programs in the System have seen declining enrollments, have suffered from underinvestment and are not producing enough broadly educated professionals to drive growth in the new economy.

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1 At WEX, one of Maine’s largest public companies, intangibles and goodwill amount to 82% of the company’s total assets. See Appendix Y.

2 Geoff Colvin, How to Build the Perfect Workplace, Fortune, March 15, 2015.
**The Pathway to Change**

The traditional and still prevalent models of American graduate professional education—with siloed faculties and remotely relevant course content—don’t prepare students for the challenges of the new economy. The Maine Center will. The Maine Center Business Plan calls for five principal departures from current approaches:

1) Competitive advantage that is achieved with innovative, integrated curricula and collaborative, experiential education;
2) A new framework of incentives and rewards that drives new products for more markets;
3) A building that integrates faculties and students, breaks down walls and fosters a collaborative culture;
4) Focused branding, marketing and recruiting that leverage the Center’s competitive advantage and attract a larger number and wider range of graduate professional students from Maine and beyond; and,
5) Increased revenues that make the Center financially self-supporting.

All of the Maine Center consortium programs will innovate, with more products for more markets, especially executive education and specialized training and certificate programs. The Maine Center will achieve market distinction and competitive advantage through extensive cross-curricular course content and programs, broad experiential opportunities, a sharp focus on the development of Maine’s new economy and market-clearing unitary pricing. These elements will distinguish the Maine Center from its competitors, will better prepare graduates for Maine’s new economy and will draw students to Maine who are searching for a better kind of graduate education.

**Maine Law** will devote more attention to preparing lawyers to fill the growing needs in rural Maine, will respond to market demands with more certificate programs in areas like privacy and new master of laws (LLM) programs, and will expand its pool of prospective students. The Maine Center expects that these strategies, together with the competitive advantage of being part of the Center, will restore growth and that total enrollments will reach more than 600 by 2025.

**The MBA programs** at the University of Maine (UM) and University of Southern Maine (USM) will complete their historic merger into one Maine Center consortium MBA program in 2017 and will offer a University of Maine MBA degree. Of the three programs in the Maine Center consortium, the MBA program has the biggest untapped market potential. The design of the Maine Center rests in part on the proposition that the merged MBA program can grow significantly with a strategy that not only continues to serve the part-time marketplace, but also expands its reach to serve (1) Maine businesses through a high quality executive education program and (2) students who want a high quality, full-time MBA program in a consortium setting that provides extensive experiential opportunities and broad exposure to other disciplines. The Maine Center graduate business program will offer content in a mix of online and in-person attendance to several different markets:

- Part-time and time-shifting MBA students, the market now predominantly served at both UM and USM
- Executive education students in MBA and certificate programs
- Students in tailored training programs designed by MBA faculty in cooperation with business managers and executives
- Full-time MBA students in a cohort-based cross-curricular and experiential program
- Dual or joint degree graduate students combining the MBA degree with a degree from another Center program
- Students from all UMS campuses seeking an MBA in conjunction with undergraduate degrees in other fields
The Maine Center’s goal is to nearly double MBA enrollments by 2025 to 200 students, including at least 20 Maine and out-of-state students in a cohort-based, experiential and cross-curricular MBA program with close ties to Maine employers. Reaching this target will roughly double the rate at which UMS MBA graduates are available to employers, from 40–50 per year between the two existing programs to 80–100 per year.

The Muskie School MPH and MPPM programs and the allied Cutler Institute were incorporated into the Maine Center because an increasingly broad range of business, legal and technical skills are required to lead and manage nonprofits, educational institutions, towns and cities, and hospitals and health services. In addition to providing more graduates to fill the burgeoning employment opportunities in the public policy and public health fields, the Muskie School will play a significant role in the Maine Center’s executive education programs. For example, the Muskie School faculty, together with experts in data analytics from the Maine Center MBA program and the Cutler Institute, will help meet the surging demand for training in the analysis, display and communication of data. Similarly, Maine Law, MBA and Muskie School faculty members and outside experts can collaborate under the auspices of the Maine Center executive education program to offer a Leadership Training School—a boot camp or immersion course for new members of town select boards, new city council members and new city and town managers. The Maine Center 2025 target enrollment for the two Muskie School programs is 145 students.

Maine Center Ventures (MCV) will be a non-profit enterprise in the Maine Center that will:

- build closer ties for the Maine Center with Maine enterprises and employers and develop a wide range of new executive education programs;
- increase the focus of academic and non-academic programs on economic development opportunities of importance to Maine;
- promote new experiential education opportunities with Maine enterprises, including expanded externship and internship programs;
- undertake the capital campaign for the Maine Center and manage the funds raised for the Center; and,
- with funds raised in its capital campaign and from revenue streams from executive education and other undertakings, finance new investments that (i) rebuild capacity for growth in the Maine Center consortium academic programs, (ii) provide support functions for the consortium programs, and (iii) advance the mission of the Maine Center such as innovation within the academic programs and executive education.

A Different Model

For the Maine Center to work—that is, for it to lead the kinds of profound changes in graduate education that are intended for it and to help drive the rebirth of the Maine economy—it must live in structures, both organizational and physical, that are different from what is traditional. Dramatic changes in the consortium programs—essential to Maine’s economic rebirth—will not be achieved with a business as usual approach or in a wholly conventional academic organization. The Maine Center must look and be different.

A hybrid organizational structure is critically important for the Center’s success. In particular, the MCV CEO will need some degree of independence from the conventional university organizations to create the new framework of incentives and rewards that will bring to bear new resources to reverse the programs’ downward spiral. The program heads (deans of law and business and dean or director of Muskie) will report, as they do today, to the provosts and presidents of UM (MBA) and USM (Law and Muskie). The MCV CEO will report to a board of directors chaired by the Chancellor and to the UMS BOT. The deans/director and the CEO will sit together on a Maine Center Coordinating Committee. In areas such as marketing, external engagement and executive
education, MCV staff reporting to the CEO will work closely with counterparts in the two universities and with the Maine Center program faculties.

The Maine Center cannot fully succeed in its mission to reform graduate professional education unless it brings the consortium programs together under one roof, in a new and exciting building that by its design tears down walls and silos, fosters a collaborative culture and attracts students and faculty to the Center. The Maine Center model depends on meaningful interactions, where students and faculty constantly encounter ideas and practices from other disciplines and from members of external communities. Students will gain competencies that extend beyond their areas of professional focus when their academic practices align more closely with the complex, interrelated and increasingly collaborative experiences that they will have and services that they will be expected to provide as working professionals.

The Maine Center building will be an important tool in marketing the consortium schools. It will represent to prospective students by its very design the kind of graduate education experience that millennials want—and that employers want them to have. Students will see the building, imagine themselves in it, and say, “I want to go there.”

The Maine Center team has prepared conservative eight-year financial projections, grounded in a base year of 2017, that forecast the revenue and expense impacts of Center initiatives and operations during the FY 2018–2025 period and that account for the capital investments in and operations of (a) a new building for the Maine Center, (b) initial structural investments; and (c) the capitalization of future initiatives financed by Maine Center Ventures. The projections show the Center and its programs becoming cash-flow positive by FY 2024 with no increases in state or System support from current levels.

The Maine Center financial projections call for a total capital investment of approximately $150 million, with over $100 million raised from foundations that invest in education reform.3

By 2024, three years after the doors to the new Maine Center building open, the Maine Center degree programs alone will have grown to enroll 600 students (see Figure 24). The Center will host a score of executive education and certificate programs and will be financially self-supporting. By the middle of the following decade, the $150 million capital investment in the Center will be returning billions of dollars in direct and indirect benefits to Maine communities.

Breaking down the walls and silos in graduate programs that already are vanishing from the real world of work, the Maine Center will breed the kinds of collaborative, relationship-building, analytic and communications skills that are increasingly valued by Maine and national employers. Focusing on Maine’s strengths and promising areas of growth, the Center will promote and capitalize on Maine’s competitive advantages. Forging closer relationships with Maine’s public and private enterprises and paying closer attention to employers’ needs, the Center will help create more and better economic opportunity for Maine people and Maine communities.

This Business Plan presents the strategic plan and the investment case for the Maine Center.

Chapter II (Challenge and Change) summarizes why the circumstances in Maine’s economy and in graduate professional education make the need for the Center so urgent, analyzes the contributions that the Center can make to Maine’s economy and to graduate professional education in America, and sets out the Center’s goals and objectives and how its performance will be measured.

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3 The magnitude and feasibility of this effort will bear further discussion, both inside and outside the UMS.
Chapter III (The Maine Center) describes the Center’s academic programs and Maine Center Ventures, the Center’s nonprofit investment affiliate, how the Center will forge competitive advantage and how it will partner with Maine public and private enterprises.

Chapter IV (Marketing and Enrollment Management) explains the market data that confirms the projected success of the initiative and sets out the plan for branding and marketing the Center; growing, managing and retaining enrollment; and producing and placing more graduates.

Chapter V (Stages of Development) recaps the exciting progress already accomplished and discusses the need and design basis for an exciting new Maine Center building.

Chapter VI (Financial Projections) describes the financial plan and investment requirements for the Center.
II. CHALLENGE AND CHANGE

A. Maine’s Challenges

The Maine economy has been crippled for decades by profound and wrenching dislocation. The pace of change has been grindingly slow but viciously relentless, leaving behind communities challenged by a shrinking economy, an undereducated workforce and an aging population.

(i) A Shrinking Economy

Even after the shoe factories and textile mills left Maine in the 1960s, and after the closure of four major Air Force bases in Maine and closeby New Hampshire, good jobs remained in the pulp and paper mills and in the woods that supplied the fiber. Pulp and paper mills dotted the state map and employed about 20,000 people. Today, there are only a few mills left in operation, others remain at risk, and almost no one believes that another paper mill will ever be built in Maine.

The severity of the massive dislocation in Maine’s economy became starkly evident in 2004 when Maine’s rate of economic growth began to diverge dramatically from the pace of the rest of the United States and New England.

The belief—or at least the hope—persisted that the factories and mills would reopen and that Maine’s future economy would mirror its past. However, the old Maine economy has not returned, and in the new economy that has risen in its place, manufacturing jobs have been largely replaced by new jobs in the health care, education and professional services sectors of the economy. Healthcare, for example, is now Maine’s largest employer.
These changes in the economy have had a profound effect on workforce requirements—on the skills and qualifications that employers look for in new hires. In a series of interviews conducted for the Maine Center by Pan Atlantic Research, Maine employers corroborated findings from a recent Bloomberg.com national survey: they are looking for employees with the competencies in the upper right-hand quadrant of the chart in Figure 3.

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FIGURE 2
MAINE CHANGE IN JOBS BY INDUSTRY SECTOR, 2008-2018

source: Maine Department of Labor, Bangor Daily News, Will workforce committee’s work close Maine’s skills gap?, 2013

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FIGURE 3
PREFERRED EMPLOYEE COMPETENCIES

source: bloomberg.com

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4 Pan Atlantic Research, Strategic Qualitative Research with Major Maine Employers, July, 2016. See Chapter IV(A) for a synopsis and Appendix I for the full report.
For Maine the most important characteristic about jobs in the new economy is not so much where they are—e.g., in hospitals vs. paper mills—as what they are and the competencies that they require. Maine employers are finding it difficult to recruit the people they need to grow 21st century businesses in Maine.

Business leaders believe that the composition of Maine’s workforce is the state’s most pressing challenge, that too few students are enrolled in the relevant graduate programs, and that rebuilding and repopulating graduate professional education programs in the University of Maine System is critically important for their success. Among surveyed employers, there exists deep concern about the Maine workforce; virtually all the members of the Maine Center Advisory Board—110 leaders of Maine enterprises—agree that there are not enough Mainers with the 21st century skills required by both Maine or national employers.

- “There’s a real talent crisis in Maine.”
- “I am looking for those people with high-level thinking—high-level MBAs. Unfortunately, I am struggling to find that person, and right now we don’t get [them] out of the Maine colleges.”
- “In the next decade, we, in common with other Maine employers, will need to replace 40% of our managerial level staff, and this means a bigger demand for well-qualified MBA’s.”
- “Our consulting services division is growing fast in state and out of state. Our demand for people with an MBA qualification is going to grow rapidly.”

(ii) An Undereducated Workforce

In the old economy, a high school diploma and some skills training—either in high school vocational education programs or in a post-secondary two-year college program—equipped a graduate for a successful career. Maine’s rate of high school graduation remains among the highest in the United States, and Maine has excelled in moving thousands of high school graduates into two-year, post-secondary programs, with a considerably higher percentage of associates degree graduates than the national average, as shown in Figure 4.

However, increasing numbers of jobs in the new economy require a higher level of educational attainment, and the levels of bachelor, graduate and professional degree attainment in Maine are substantially below the national median.

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5 See Appendix G for a roster of the Center’s Advisory Board.
Education Attainment and Investment

This shortfall is a growing problem. As Figure 5 shows, today there are nearly as many Maine job postings—and many more New England jobs—that require a graduate/professional degree as there are those that require a two-year associate’s degree.

The demand for employees with advanced degrees in Maine is anticipated to grow considerably faster than the demand for employees with two-year associate’s degrees, as seen in Figure 5A.

Not only is more education required for employment, the high end of educational attainment is the engine room of growth in the 21st century economy. The development and growth of new businesses—the businesses that will employ holders of associates and bachelors degrees—increasingly depends on the collaborative skills and inventiveness of people with advanced degrees. Yet the pattern of investment in public postsecondary education in Maine during the past 15 years has not reflected the need for more years of education for more people. In
1996 the rate of growth of spending on Maine's community colleges began to diverge significantly from the rate of growth of spending on graduate education in the University of Maine System, and during the past two decades state spending on the community college system has increased at twice the pace of spending on graduate education.

![Figure 6: Comparison of Estimated UMS Graduate Education vs. MCCS General Funds Appropriation in Maine (1996-2015)](source: UMS Data Book, Maine Treasurer's Office)

One of the consequences of this disparity is how badly Maine lags behind neighboring states in advanced degree attainment. Figure 7 shows that the percentage of Mainers with professional or doctorate degrees is the lowest in the Northeast and nearly 10% lower than the U.S. average.

![Figure 7: Advanced Degree Attainment](source: statisticalatlas.com)
(iii) **An Aging Population**

Maine’s demographic trends also are working against growth and opportunity. As the population declines over much of the state, Maine has too few young people to start with, then loses many of them to schools and opportunities they find elsewhere; those who stay are often ill prepared for jobs in the new economy.

It would take decades, if then, for Maine’s native production of young people to reverse the imbalance in the state’s demographics; in the meantime, Maine could and should be trying to import young people. Yet, far fewer young people come to Maine for their postsecondary education than go to neighboring New England states.
Indeed, according to USM Vice President for Enrollment Management Nancy Griffin, only 1% of all graduate students at USM come from outside Maine.\(^6\)

Maine’s public universities must be the focal point for providing Maine’s young people with the competencies they need to excel in the new economy and for encouraging young people from neighboring states and the Northeast to migrate to Maine. As shown in Figure 10, Maine depends on high-quality public graduate and professional education more than any of its New England neighbors: a substantially greater percentage of matriculated students attend public graduate and professional schools in Maine than in the other New England states. The University of Maine System includes Maine’s only law school, only public policy/public service graduate program, and only AACSB-accredited\(^7\) MBA programs.

Further, if any institution of higher education should be expected to pursue an important public policy objective (i.e. making Maine younger and more talented), it would need to be the state’s public university system. The University of Maine System has unique responsibilities—to meet Maine’s public higher education needs, to help grow Maine’s economy and Maine’s businesses, and to serve the public good. Developing and implementing successful responses to the challenges that Maine faces is its very reason for being.

(iv) An Education Marketplace in Flux

In the commercial world, there exists a pattern of market entry and exit that stimulates and rewards innovation and efficiency; new enterprises enter in response to unfulfilled customer demands and needs, while enterprises that fail to respond collapse and exit. Only 67 of the 1955 Fortune 500 companies were still on the list in 2011.

In the academic world, however, the patterns are different; there are plenty of entrants, but not many exits. Stasis and public subsidies have kept many underperforming educational enterprises alive long after they have

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\(^6\) Personal communication, August 19, 2016.

\(^7\) The Association to Advance Collegiate Schools of Business (AACSB) is the world-wide accrediting organization for leading business schools.
failed to respond to market demands and need. Those who have studied disruption closely point to several reasons why universities have been slow to adjust:

- Innovative enterprises eschew the, “we’ve always done it that way,” approach, but the academy often hangs onto past practices in the name of tradition.
- The administrative model of most universities enshrines a cumbersome decision-making process which often is protective of past practices and not nimble and flexible in its response to the market.
- The “Ivory Tower” often attenuates the academy’s relationship with the marketplace for which it is preparing its graduates.a

The isolation from market forces that protected many university programs in previous decades has been shattered by the rise of the digital economy. For decades the pace of attrition and turnover in university faculties was sufficient to ensure relevance. The fundamental frailties of a supply-driven business model—where programs and courses mirror faculty knowledge and interests that often date from decades earlier—were masked by a correspondingly (and relatively) slow pace of change in the American economy. Thus, even though there were periods of “catching up,” the curricula and pedagogy generally were congruent with the demands of the marketplace and employers. Today, however, the shape of the economy, the demands of the marketplace and the needs of employers are changing at a pace hitherto unknown, putting immense pressure on “silied” curricula and supply-driven business models.

An increasing chorus of employers fear that we are still educating young people for the 20th century economy in 20th century ways. As the McKinsey & Company survey shown in Figure 11 illustrates, relatively few educational providers acknowledge a problem that employers and students—their customers—see with great clarity.

![FIGURE 11 - AGREEMENT THAT GRADUATES/NEW Hires ARE ADEQUATELY PREPARED](Source: McKinsey & Company, 2012)

This business plan reflects a certainty that Maine’s shrinking economy, undereducated workforce and lousy demographics make the reform of graduate professional education an urgent priority for the state.

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B. Changemaker: The Maine Center Response

The Maine Center will be a community of teachers, scholars, researchers and students committed to academic innovation and excellence and to growing partnerships with Maine enterprises and employers.

(i) The Strategy for Change

The Maine Center strategic plan has six principal elements which are discussed in detail in the succeeding chapters:

- The Center will forge marketplace distinction and competitive advantage by emphasizing innovative and integrated curricula and collaborative, experiential education with an intellectual rigor that is consistent with professional standards and top accreditations.
- The Center will maintain a close focus on the Maine economy and strong linkages with Maine’s legal, business and public service communities.
- Maine Center Ventures, a new, allied nonprofit enterprise (described in Chapter III (D)) will encourage disciplined and focused experimentation in the development of new academic offerings and help draw from faculty and students new solutions to Maine’s most difficult challenges.
- The Center’s building will integrate faculties and students, and the proximity of the programs to each other will break down walls and foster a collaborative culture.
- The Center’s branding, marketing, recruiting and admissions efforts will attract a larger number and wider range of graduate professional students.
- The Center will increase revenue by delivering value at a fair price and by offering more products in more markets, helping to make the Center financially self-supporting.

(ii) The Expected Results

By bringing Maine’s law school, MBA program and school of public service together in a true consortium under one roof, the Maine Center will break down the walls and silos in graduate programs that already are vanishing from the real world of work; will breed the collaboration and relationship-building that is increasingly valued in the economy; and will better capitalize on Maine’s competitive advantages, better create economic opportunities and better meet employers’ needs.

The Center will help Maine adapt its resources to the new economy by forging close relationships with Maine’s public and private enterprises, by designing education programs that serve Maine’s needs and by graduating more broadly educated thinkers, entrepreneurs and risk-takers—the people who sustain and grow those enterprises and create jobs.

The Center will help drive educational attainment higher, moving Maine out of the cellar in the regional economy and better equipping young people to excel in the new economy.

And the Maine Center will attract more young people to come to Maine to be educated, many of whom will stay to live, to work and to raise their families. The Center will be a place with law, business and public service programs that are so well-integrated, exciting and compelling that students will see it and say, “I want to go there!”
C. Projected Economic Impacts

Because the Maine Center is a critically necessary investment in Maine’s workforce—in Maine’s very capacity to grow—the value of the $150 million capital investment proposed in this business plan likely can be measured in the billions of dollars. Nearly $700 million in quantifiable economic benefits will accrue to the State of Maine during the Center’s first 20 years; widespread indirect benefits will magnify those impacts by a factor of two to three times. On the other hand, if this investment in capacity is not made, the downward trajectory of Maine’s output compared with the rest of the United States will become irreversible during the lifetimes of today’s schoolchildren. This analysis probably understates the difference between that vicious cycle and the virtuous cycle that the Maine Center will help create.

(i) Direct Economic Impacts

The Regional Input-Output Modeling System (RIMS II) multiplier calculation, created by the U.S. Bureau of Economic Analysis (BEA), is a widely accepted method for measuring the economic impact of a particular undertaking or enterprise. A RIMS II analysis multiplies the economic inputs of a project by regional and industry-specific multipliers to calculate the economic output in projected earnings and jobs added due to the project. In the case of the Center, a RIMS II analysis can also be undertaken on the construction of the Center building and on Center operations.

The first step is to determine the incremental additional revenue that will be generated by the Center. Although enrollment has declined over the past several years in four of the five programs that will comprise the Maine Center, this plan projects future growth, with annual revenues growing to nearly $8.5 million by 2025 and then at a 3% annual rate thereafter through 2038.

The RIMS II higher education multipliers for output, value added, earnings and other related employment opportunities yield, during the 20 year period from 2018–2038, over $160 million (in 2018 dollars), and the creation of nearly 200 new jobs in Maine.

(ii) Construction Impacts

The physical construction of the Center facility will also create economic benefits for Maine. The total cost of the development and construction of the Maine Center facility is estimated to be $93.6 million. The BEA RIMS II multipliers for construction in Maine yield an increased output of $131 million, including 798 jobs, during the period of construction.

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9 It is difficult to project over decades the entirety of economic benefit derived from a single investment in public higher education. The Maine Center team, however, is highly confident in the directional reliability of this analysis—that is, that the impacts of the Maine Center on the Maine economy will be strongly positive. Although the analysis in this section suffers from the flaws inherent in any set of economic projections that extend over more than two decades into the future, the assumptions are extremely conservative and the present values of future benefits in some cases have been doubly discounted.

10 All benefits in this analysis are stated in 2018 dollars and were calculated using a 3% discount rate.


12 See Chapter VI: Financial Projections.
(iii) Higher Growth Rates for Maine Enterprises

Large Maine companies that compete nationally and globally too frequently cannot find the talent to fuel their growth. “What I am really looking for are those people with high-level thinking, high-level MBA’s,” said David Tassoni, vice president of AthenaHealth in Belfast. “But I am struggling to find that person, and right now . . . we don’t get that out of the Maine colleges.”

It is speculative to quantify the impact of higher level leaders on AthenaHealth or any other company, but a 2011 study cosponsored by McKinsey & Company and Egon Zehnder International found a direct correlation between the percentage of managers in an organization who have excellent collaborative and relationship skills and the likelihood that the organization will grow faster than its competition.

The magnitude of the Maine Center's potential impacts on the growth of Maine enterprises could be considerable. The revenues of the ten largest companies in Maine totaled $5.378 billion in 2015. Figure 12 shows the impact, on the revenues of those ten companies alone, of higher rates of growth over an assumed normal AGR of 3% that could be attributable to a pool of better leaders and managers. Assuming that there is only a 1% increment added from 2028 to 2038, as these impacts take time to accrue, the discounted present value of those benefits in 2018 dollars would be $282 million.

Growing companies generate growth; the impact of high quality managers will be amplified throughout the Maine economy, as more employment opportunities are created for Maine’s surplus of high school and two-year college graduates.

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13 Recorded interview, 2015.
15 Portland Monthly, The Maine 100 2015, (Data provided by Hoover’s/Dun & Bradstreet) http://www.portlandmonthly.com/portmag/2015/10/the-maine-100-2015/ For perspective, the 10 largest companies summed above if one entity would only equal #473 on the Fortune 500.
(iv) Higher Incomes and Lower Costs

If Maine is to become prosperous again, the human capital required to grow businesses, to manage cities and towns, and to populate the legal infrastructure must be replenished. Attracting students to come to Maine from other states is a strategic imperative and a principal objective of the Center. The students whom the Center brings to Maine and who stay to live and work will become high earners and will create businesses that will have a direct impact on the state’s economy. Public revenues generated by those graduates will be at the top end of individual income earners.

Maine’s current low levels of educational attainment have predictable and discouraging outcomes in low rates of economic growth and low personal incomes. The projected value of lifetime earnings in Maine for a graduate with an associate degree is $666,000 compared with $1,309,000 for someone with a graduate degree.

In calculating the impacts of incremental public revenue generation, this analysis distinguishes between two categories of students: Maine residents who advance from a bachelor’s degree to a master’s or a JD degree, and out-of-state students who come to Maine to enroll in one of the Center’s programs and who stay in Maine after graduating.

The calculation of incremental public revenues for which the Center can claim responsibility requires making assumptions: (1) that 260 or more students will graduate from Center programs from year 2027 forward, (2) that 60% of out-of-state students and 90% of Maine students will stay in Maine after graduation, and (3) that the present values of the additional amounts of taxes paid net of service costs will be $50,859 for in-state and $170,825 for out-of-state students. After applying a further discount rate to take into account the assumption that significant tax payments from future graduates will not begin until they graduate, this analysis suggests that between 2018 and 2038 Maine will see incremental public revenues (net of service costs) with a 2018-dollar value of $110 million.

The lower costs of public services required by holders of advanced degrees will extend even further the impact of higher public revenues. As illustrated in Figure 13, a high-earning advanced degree graduate not only will contribute 50% more to state and local public revenues than the holder of an associate degree, but also will cost state and local governments about one-fifth as much for services.

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16 This range was determined by looking at students’ post-graduation habits after attending other public MBA programs.

17 Based upon the amounts shown in Figure 13.

18 The lower costs of public services required by holders of advanced degrees will extend even further the impact of higher tax revenues. As illustrated in Figure 13 a high earning advanced degree graduate not only will contribute 50% more to state and local tax revenues than the holder of an associate degree, but also will cost state and local governments about one-fifth as much for services.
The Intangibles

Transformational promise also lies in the least tangible and hardest to quantify categories of impacts, like the number of new businesses that will be started by Maine Center graduates; the byproducts of collaborative relationships established among future leaders and colleagues while students at the Center; and the higher levels of confidence that flow from broader and more experiential Maine Center experiences that make it more likely that Center graduates will move to Maine’s rim counties to practice law, run a business or manage a town.

The Maine Center has been designed to advance ambition and aspiration as well as competence and experience, to encourage students to dream big, to take smart risks and to help transform Maine’s economy.

D. Objectives, Benchmarks and Measures of Performance

The success of the Maine Center in meeting the goals of its strategic and business plans will be measured over time against the following measures of performance. (Where appropriate, specific and quantified objectives will be developed for these parameters during the 2016–17 academic year.)

(i) Academic Excellence

- The Center’s academic programs will maintain top accreditation by the appropriate bodies.
- Faculty and students will elevate the profile of the Center by traditional academic measures, including published research.
- The Center’s new model for graduate professional education and the Center’s academic programs will be recognized by peers, publications and public institutions.
- The number of students enrolled and the number of teaching hours engaged in experiential learning and cross-curricular courses will increase, reflecting consistently positive evaluations of those courses and the faculty members who teach them.
- The quantity and quality of candidates for faculty positions will consistently improve.
• The quality of applicant pools and matriculating students will improve, and the Center’s programs will climb in national and regional rankings.

(ii) Serve Student Needs

• The number of internships and externships in Maine Center programs and the number of them that lead to employment will increase.
• On-time graduation rates will improve.
• Bar examination pass rates will improve among Maine Law graduates.
• Employment rates and salaries for recent graduates will be measured annually to ensure that the new graduates from the Maine Center programs are meeting employer needs.

(iii) Grow Maine’s Economy

• Maine employers will report that Maine Center graduates have the competencies that help businesses grow in Maine.
• Executive education, certificate and training programs will serve more Maine enterprises and experience significant growth.
• The number of lawyers, public administrators and business managers who graduate from the Maine Center programs and who stay in Maine will increase, reducing the number of available positions requiring professional education that go unfilled in Maine each year.
• The Maine Center innovations in graduate education will attract an increased number of out-of-state students to the Center programs and will anchor more of them to Maine with offers of employment.
• Business surveys will confirm investment and growth in areas of Maine Center focus.

(iv) Financially Self-Sustaining

• The Maine Center will grow enrollments of matriculated degree-seeking students in each of the academic programs and will add new categories of customers in certificate and executive education programs.
• The dollar value of the research grants awarded to consortium members will increase.
• The Maine Center Ventures framework of rewards and incentives that will guide Center investments and tie the development of new programs to their likely marketplace success will be measured by the returns on those investments, and those returns will be publicly reported on an annual basis.
• The Center’s need for public support will be reduced by economies achieved from greater scale and increased collaboration; by new revenues from executive education, certificate programs, and other market-driven offerings; and by marshalling an endowment to bolster tuition-sourced operating funds.
• The cost of educating Center students, per student and per degree, will be measured, understood, evaluated and publicly reported on an annual basis.
III. THE MAINE CENTER

A. Growing the Academic and Research Programs

Lawyers, MBAs and public managers—like highways, bridges and ports—are a vital part of an economy’s infrastructure. For the Maine economy to grow, Maine needs more and better-educated professionals.

The Maine Center for Graduate Professional Studies in Portland will include Maine Law, which offers a juris doctor (JD) degree, a master of laws (LLM) degree and various certificates; the newly merged MBA programs from the UM School of Business and the USM College of Management and Human Service, which also offer various certificates; and the Muskie School of Public Service at USM, which offers a master’s degree in public health (MPH), a master’s degree in policy, planning and management (MPPM) and various certificates.

Reflecting the general decline in enrollment among all graduate programs in the University of Maine System, none of the Maine Center consortium programs has grown by any significant measure over the past decade, and several have seen marked shrinkage.

(i) The Maine Law Programs

In a discussion with Maine Center planners on October 16, 2015, Maine Supreme Court Chief Justice Leigh Saufley worried about the shortages of lawyers in many parts of Maine. “Maine is in a major crisis in providing good legal representation to everyone in all walks of life. Cumberland County is OK, but not everywhere else. The end result,” she said, “is a lack of trust in democracy. We lose our ability to govern well. It’s a very serious problem.”
This Plan stresses the critical need for Maine Law to prepare attorneys to practice in underserved areas of Maine. Most of Maine is rural, with a widely distributed population of only 1.3 million people. Maine already is under-lawyered in vast areas of this big state, and many more lawyers are on the verge of retirement. Six lawyers remain in private practice in all of Piscataquis County. Only 206 lawyers—half of whom are older than 60—practice in seven and one half counties19 with a population of about 300,000, equivalent to the Portland metropolitan area.

Lawyers in most of Maine—certainly those who practice in the seven counties noted above—need to be generalists with an understanding of accounting, business principles, tax law and estate planning. An attorney who can’t read financial statements, can’t evaluate business risk, or doesn’t understand markets won’t provide sound advice to entrepreneurial, business or nonprofit clients who need to make a choice between debt or equity in funding an enterprise or whether to merge their business or to acquire another.

Maine Law, the sole provider of legal education in the State of Maine, faces the same pressures that confront most JD programs outside the top 25.20 Nationally, law school applications dropped by nearly 40% after the 2008 recession and have only partially recovered, reflecting continuing constraints on corporate spending on outside legal counsel and a sharp drop in demand from law firms for newly minted lawyers. Notwithstanding waves of retirements that have led to a growing, unmet demand for legal services in half of Maine counties, Maine Law is experiencing with its peers a continuing decline in applications and matriculated students. The class of 2019 is much smaller than the average class size during the past decade. Recent analysis, however, suggests that this difficult part of the cycle has run its course and that demand for legal education will soon be on the rise again.21

The post-recession marketplace clearly signaled that there would be fewer job openings for law graduates. Nevertheless, most law schools tried to sustain the business models upon which they had been built, maintaining the size of their student bodies (and faculties) by lowering admission standards and committing more resources for financial aid.22 Under the leadership of new Dean Danielle Conway, Maine Law has turned its back on those strategies and instead is both broadening its product offerings and expanding the markets it serves, albeit with limited resources with which to navigate its transition. The School’s major limitations are an old, poorly fit building and constrained faculty resources.

The strategies for rebuilding Maine Law take into account (a) the kinds of training students who want a practice career in Maine need to have in order to succeed, and (b) the opportunities presented by the evolving characteristics of the legal education marketplace.


20 U.S. News ranked the school 111th in the nation in 2016, out of 199 law schools. The school’s internal surveys indicate that most students attend Maine Law because of location, cost and reputation, in that order. Maine Law had an admissions acceptance rate of 67% in 2015; that entering class had a median LSAT score of 151 and will be charged in-state tuition of $23,610 annually. Only 59% of Maine Law students receive scholarships, with a median award of $8,000.

21 The U.S. Bureau of Labor Statistics has changed the way it calculates job openings in the legal profession, creating a significantly more positive outlook for law students. The Bureau’s previous method had forecast an annual average of 19,560 lawyer job openings nationally. Based on real time job changes and updated assumptions, the Bureau now forecasts an average of 41,460 lawyer openings a year (BLS: Employment by Industry, occupation, and percent distribution, 2014 and projected 2024, Code 23-1011 Lawyers) Theodore Soto, a law professor at Loyola University in Los Angeles and author of the TaxProf Blog, concludes that demand for attorneys will soon outpace supply: “Based on 2012 and 2013 matriculation rates and historical drop-out rates, we should expect 40,082 ABA-accredited law school graduates in 2015 and 39,954 in 2016. If the new BLS projections are accurate, we should see demand and supply in relative equilibrium in 2015 and a significant excess of demand over supply beginning in 2016.” (www.abajournal.com/news/article/are_2016_law_grads_in_luck_new_stats_say_lawyer_jobs_will_exceed_graduates)

22 The problem with this approach, now revealed in hindsight, is that more money was invested nationally in students who may not have belonged in law school in the first place and who have failed to pass the bar exam. In early 2015, only 60 percent of the nationwide law school class of 2014 had secured full-time jobs that required them to pass the bar, according to the A.B.A.
**Locally Responsive Options**

Maine Law graduates typically practice in small firms of 2–10 attorneys or as counsel in business or government, and 82% of Maine Law graduates remain in Maine to begin their career. As the only provider of JD degrees in the state, one of Maine Law’s most important responsibilities is to prepare graduates for the practice of law in Maine.

The shortage of lawyers in vast swaths of Maine directly threatens both access to justice and economic growth. Law school graduates will be better prepared and more likely to put up a shingle in rural Maine if they have been educated in a cross-curricular, integrated program and have had experiential opportunities to work with their business school and public service peers. In the same discussion with Chief Justice Saufley, Nan Heald, Executive Director of Pine Tree Legal Services, pointed out that lawyers in rural practices also need to provide counsel for local or regional health practices and hospitals, and would benefit from exposure to the Muskie School MPH program.

**More Products for More Markets**

The more differentiated distinction Maine Law develops, both by itself and in cooperation with the other Center programs, the greater will be its competitive advantage in the marketplace, benefiting all the Maine Center programs.

In addition to creating courses that take advantage of the interdisciplinary and collaborative atmosphere in the Center, Maine Law plans to add additional LLM programs that will allow students to specialize in particular areas, qualifying the attorney for a range of positions requiring specialized skills. LLM degrees also open the Maine Law door wider to foreign law graduates who want an introduction to U.S. commercial and international law. This strategy of differentiation will be important in repositioning the law school nationally in a more complex legal environment, while taking advantage of local assets and knowledge.

In addition to new degree programs, the portfolio of law school offerings will expand to include a variety of certificate programs that can satisfy the professional requirements for continuing legal education and offer additional competencies to both practitioners and laypersons. Some certificate programs can take advantage of the law school’s clinics and experiential learning platforms, while others—such as the new Privacy Certificate—will take advantage of partnering opportunities with internationally and nationally acknowledged experts such as the International Association of Privacy Professionals (IAPP).

**Expanding the Pool of Prospective Students**

Under the leadership of Dean Conway, in 2016 Maine Law secured a $300,000 grant from the Law School Admission Council (LSAC) to support a new program to help minority and first generation students who are underrepresented in the legal profession learn about law school. The PreLaw Undergraduate Scholars (PLUS)
Program provided undergraduate students in their first two years of college with a four-week summer immersion course in which they learned about the law school admission process, the wide variety of legal career opportunities and the skills they would need to hone in order to succeed in law school. The program was a resounding success, with more applicants than the school could handle. There were 23 students enrolled, many originally from Afghanistan, Brazil, China, Kenya and the United Kingdom. Dean Conway called the program a “game changer.” The students took classes, and met with law students, practicing attorneys and leaders in the community.

Helping to create and support efforts like this will be part of the Center’s mission. This type of outreach will expose the core experiential and collaborative model of the Center to prospective students, especially those who have not been exposed to the possibilities of graduate professional education. It is the kind of marketing effort that will convert prospects into graduates and graduates into Maine residents.

Growth Target

After several years of incremental growth, Maine Law’s annual enrollments have suffered a 20% decline since 2010. The Maine Center’s goal is to arrest that trend and then steadily to grow entering first-year class sizes to a level of 70–80 students per class by academic year 2025, and to increase annual enrollment in LLM programs to 10–15 students. With appropriate investments in faculty and administrative resources, and the added leverage of the new Maine Center, these are reasonable goals and appropriate targets, especially in light of the demographic crisis facing Maine’s aging bar.

(ii) The Graduate Business Programs

In 2013 there were more than 378 job openings in Maine requiring an MBA, but in 2012 the University of Maine System’s two MBA programs each produced only 33 graduates. The total number of MBA graduates from all Maine MBA programs in 2012 numbered only 244 graduates, 134 fewer than needed to fill the jobs. Employers that cannot find the talent they need either will pick up stakes and leave Maine for states where they can find the leadership talent they need to grow, or will stay in Maine, but fail to grow.

Maine needs at least one MBA program that produces the educated entrepreneurs and “high-level thinkers” to which AthenaHealth’s Tassoni referred. “A very good example of this is right now—I need a $150,000 a year director of one of our product lines . . . I am struggling to find that person.”

The UM and USM MBA programs are the only MBA programs in the State of Maine accredited by the Association to Advance Collegiate Schools of Business (AACSB), the most highly regarded international accreditor of MBA programs, and both programs require that applicants for admission sit for the GMAT examination. The other Maine institutions that grant MBA degrees—Husson University, Thomas College, St. Joseph’s College and Southern New Hampshire University—are not accredited by the AACSB and do not require candidates for admission to sit for the GMAT or GRE exam. These are good quality and aggressively marketed programs for mid-career employees who want to improve their skills and add an additional credential to their resumes, but they...

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27 In addition to the University of Maine and the University of Southern Maine MBA programs, MBA degrees are offered by Husson University, Thomas College and St. Joseph’s College.

28 Neither the Husson University, St. Josephs College nor Thomas College MBA programs require applicants to take the Graduate Management Aptitude (GMAT) examination, and none of those programs is accredited by the AACSB. This distinction between those MBA programs and the AACSB-accredited programs at the University of Maine and the University of Southern Maine has long been touted by the UMS schools as an important distinction that reflects higher quality and greater rigor in their programs. On the other hand, the rates of growth accomplished by Husson and Thomas, both of which are accredited by the New England Association of Schools and Colleges (and Husson by the International Assembly for Collegiate Business Education) may indicate that the level of accreditation is less important for some students and for their employers than it is for deans and faculty.
are not serving Maine’s highest-level executive leadership needs in the same ways that the Maine Center MBA program can and will.

**The UM and USM MBA Programs**

The UM MBA has been a 30-credit program with no specializations and virtually no electives, in which 52 students were enrolled in the 2015–16 academic year. Most students are employed, part-time students who take at least three years to complete their degree. Among the rest the largest group comes from the 4+1 BS/MBA program offered with the School of Engineering. Total UM MBA enrollment has declined over the past ten years, and so have graduation rates: In the 2004-05 academic year, 31 students received a UM MBA, but only nine were awarded in 2014–15.

USM’s MBA has been a 36-credit program in which 71 students were enrolled in 2015–16—only half as many as were enrolled just five years ago. Specializations—achieved by taking three elective courses in one particular area—are offered in accounting, finance, sustainability and health management. Almost all of the USM students are mid-career, part-time students.  

**Competition**

During the past decade the principal markets for the UM and USM MBA programs were disrupted by MBA offerings from Husson University, Thomas College and Southern New Hampshire University. These MBA programs have grown to become quite popular among mid-career students in Maine. More accessible than UMS programs—requiring fewer prerequisites, fewer personal or school references and no GMAT or other entrance exams—they meet the objectives of students who don’t need or want the higher level University of Maine System MBA degrees.

The growth rates in MBA degrees conferred by Husson University, Thomas College and the UMS institutions over the period 2002 to 2014, shown in Figure 15, illustrate a considerable loss in market share for UM and USM.

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29 A snapshot of the occupations and places of employment of graduates from the two programs are set out in Appendix K.

30 While Husson, Thomas and SHNU are accredited institutions, their MBA programs are not accredited by the AACSB. It is important to note that while some Maine employers discount the importance of the AACSB accreditation, the Maine Center management team, UM and USM presidents and provosts, and the deans and faculty of the UM and USM business schools agree on the importance of retaining AACSB accreditation for the merged MBA program. This view is based in part on the *de facto* quality differentiation among the Maine programs that is emphasized with *de jure* accreditation, and in part on the importance of drawing strong faculty to the Maine Center. The AACSB has been mindful of the impact of smaller, regional schools on its members’ programs and the failures of business schools to be more responsive to their business communities. The organization has begun to emphasize the significance of closer business school and enterprise partnerships or collaborations. The new merged Maine Center MBA program can take advantage of the AACSB resources to assist in creating those collaborations and elevating the significance of their accreditation.
Neither of the UMS MBA programs responded effectively to the disruption of a principal market (mid-career Maine students) with offerings designed to carve out a marketplace distinction and a competitive advantage. Continuing to compete only in the very market where they were losing share in spite of being cost-competitive, the UMS MBA programs suffered steadily declining enrollment and are now unranked by U.S. News.

The Merged MBA Program in the Maine Center Consortium

In an historic development, the separate UM and USM programs will merge in 2017 into one Maine Center consortium MBA program and will offer a University of Maine MBA degree. Of the three programs in the Maine Center consortium, the MBA program has the biggest untapped market potential.

The UM MBA program will include different but aligned programs within the single degree program. The aligned programs will be delivered in Portland and Orono, online, and in combination of live and online. A Senior Associate Dean of the Maine Business School for Graduate Programs will be based in Portland.

More Products for More Markets

An enterprise adversely impacted by disruptive innovation can recover and grow by establishing a stronger competitive advantage and a new marketplace identity, by reframing its market, by changing and broadening its product mix based on customer demand, and by more precisely targeting and recruiting prospects.

The merged UMS MBA program will provide a solid grounding in essential areas while also developing concentrations and certificate programs that draw upon the strengths of both the MBA faculty and the faculties of the other consortium programs, and that will be informed by market research and ongoing dialogue with the Consortium Coordinating Committee and the Center Advisory Board.

The design of the Maine Center rests in part on the proposition that the University’s merged MBA program can grow significantly with a strategy that not only continues to serve the part-time marketplace, but also expands its reach to serve (1) Maine businesses through a high quality executive education program and (2) students who...
want a high quality, full-time MBA program in a consortium setting that provides extensive experiential opportunities and broad exposure to other disciplines.\textsuperscript{31}

In the context of discussing how to achieve competitive advantage for the Center, the Innovation Table\textsuperscript{32} discussed the importance of pairing a cohort-based, full-time MBA program with the companion programs in the Maine Center consortium. The Center team and the Innovation Table members concluded in general: (1) that the addition of a full-time, cohort-based MBA program is necessary to increase enrollment and for the Center to fulfill its core missions; and (2) that the Maine Center MBA program would be hard-pressed to compete in the exclusively online marketplace against other fully online programs.\textsuperscript{33}

The Maine Center Business Plan views online content as a tool, not a strategy. Students in both full-time, cohort-based programs and in part-time programs should have course content—and even full course modules—made available to them online, and a substantial number of online and hybrid course offerings will help to maintain and expand markets for all of the Maine Center’s programs.

The Maine Center graduate business program will offer content in a mix of online and in-person attendance to several different markets:

- Part-time and time-shifting MBA students, the market now predominantly served at both UM and USM
- Executive education students in MBA and certificate programs\textsuperscript{34}
- Students in tailored training programs that are designed by MBA faculty in cooperation with business managers and executives
- Full-time MBA students in a cohort-based program that market research suggests the Maine Center can develop through the Maine Center’s unique cross-curricular and experiential opportunities
- Dual or joint degree graduate students seeking to combine the UM MBA degree with another degree from one of the Maine Center consortium programs
- Undergraduate students seeking an MBA in conjunction with degrees in other fields, in 3+1 or 4+1 programs

\textit{Growth Target}

The Maine Center’s goal is to nearly double MBA enrollments from the markets set out above by 2025, from the current enrollment of 110 largely part-time students to 200 students, including at least 20 Maine and out-of-state students in a cohort-based, experiential and cross-curricular MBA program with close ties to Maine employers. Reaching this target will roughly double the rate at which University of Maine MBA graduates are available to employers, from 40–50 per year between the two existing UMS programs to 80–100 per year.

\textsuperscript{31} See GMAC and survey data in Chapter IV. This differentiation would most importantly be achieved in the context of a full-time, cohort-based MBA program aligned with Maine Law and Muskie School programs, but the part-time, more flexible program also should benefit from quality and credential distinctions, particularly if employers can be persuaded that the differences are important and favor the Maine Center approach. Both the full-time and part-time programs would include appropriate on-line components to provide the kind of hybrid or blended experience that students prefer. Both part-time and full-time students likely will be attracted to a program that differentiates the Maine Center MBA program from Husson, Thomas and other regional institutions.

\textsuperscript{32} See discussion of the Innovation Table in Appendix S.

\textsuperscript{33} The competitive advantage that the Maine Center can develop (i.e., an emphasis on innovative and collaborative cross-curricular and experiential learning) is not one that will be particularly effective in competition with the University of Phoenix, Southern New Hampshire University, Arizona State University or any of the other well-known and widely marketed online MBA programs. These programs are spending enormous amounts of money on world-class technology platforms and vast customer service teams, hoping to spread those costs over tens of thousands of students. The online marketplace is becoming crowded, with higher barriers to entry; some reports show student interest is flagging and enrollments plateauing.

\textsuperscript{34} See discussion of executive education programs in Chapter III (B).
(iii) Muskie School Programs and Cutler Institute

Because a broad range of business, legal and technical skills are required to lead and manage nonprofits, educational institutions, towns and cities, and hospitals and health services, the Maine Center incorporates the Muskie School of Public Service and the Cutler Institute for Health and Social Policy into its consortium. Lawyers and business executives also will benefit, as no JD or MBA education today can be considered complete without meaningful exposure to the public policy issues that will daily confront lawyers and business managers.

The increasing complexities of government can overwhelm select boards and the volunteers who staff town committees, so more towns are turning to a professional administrator. Larger cities and counties, and the State of Maine, rely on scores of professional staffers who are required to have advanced degrees in public policy or business, but many of these administrators are nearing retirement. In a survey of members of the Maine Town and City Manager’s Association, 93.8% of the respondents reported that the average age of elected and professional managers in their communities was 49 or older, and 81.3% said that their community did not have a succession plan.35 The Town of Norway is a case in point: during the next few years, the town will lose to retirement the town manager, police chief, fire chief, town clerk, finance director, recreation director and highway department foreman.36

The nonprofit sector has become a dominant sector in the Maine economy. As depicted in Figure 2 in Chapter II, most job growth in the state has been in healthcare and education, sectors where nonprofit and public organizations predominate. Today the nonprofit sector employs one in seven workers in Maine with an annual payroll of approximately $3.6 billion, according to the Maine Association of Nonprofits.37 Growing complexities also challenge managers in public education, health services and hospitals. Nonprofit organizations’ operations, finances, employment practices and exchanges with the public depend on the same sets of skills needed by the largest global companies.

The Muskie School of Public Service addresses these needs with master’s degrees in policy, planning and management (MPPM) and public health (MPH). The school also conducts nearly $20 million of research annually into state and national health and social challenges through the Cutler Institute for Health and Social Policy.

The MPH Program

The MPH is a 45-credit program focused on improving public health and health care systems that students complete in an average of three years. The program offers full-time and part-time options and serves both younger graduate students and mid-career professionals.

The core MPH curriculum is comprised of 24 credits, and there are two concentration tracks: Healthcare Management and General. The former requires an additional 20 credits, and the latter 21 (of which six credits can be taken outside of the MPH program). The health management specialization is accredited by the Commission of Accreditation in Healthcare Management Education (CAHME), and the general MPH is accredited by the Council on Education for Public Health (CEPH). The MPH program has dual-degree tracks with both the USM MBA program and the Maine Law JD program, and also offers related certificates to students in the USM MBA program. (The MPH program also offers a five-course certificate program in public health, and four-course certificate programs in health policy and management, and healthcare quality and patient safety for non-matriculated students.)

35 Survey conducted by Peter Crichton, Cumberland County commissioner.
36 Lewiston Sun, September 3, 2016.
In close collaboration with the Cutler Institute, the MPH program offers 18 students graduate assistantship opportunities, and the job placement rate for MPH graduates was 100% in both 2013 and 2014, and 80% in 2015.\(^{38}\)

**The MPPM Program**

The MPPM is a flexible 36-credit program that serves both part-time and full-time students. Part-time students typically take 3–4 years to complete the degree, while full-time students can complete the degree in 18-24 months. The program requirements include a core curriculum of 18 credits in economics, statistics, public management and leadership, public finance and budgeting, policy analysis, and sustainable development, as well as 18 credits in elective courses that can include three credits from internships.

The MPPM program offers dual degrees with Maine Law and the USM MBA program and collaborates closely with the Cutler Institute. (The program also offers a 5-course certificate in applied GIS and 4-course certificate programs in applied research and evaluation methods, sustainable development, public and non-profit management, and social policy and analysis.)\(^{39}\)

**The Cutler Institute**

One of the largest policy research institutes in New England, the Cutler Institute for Health and Social Policy manages an $18 million research portfolio funded by state and local governments and by international and local foundations. With a growing national reputation and strong relationships with the Muskie School academic programs, the Cutler Institute provides opportunities for students and faculty to participate in world-class applied research with a particular focus on children, youth, and families; disability and aging; justice policy; and population health. The Cutler Institute also provides services in research and policy analysis, training and technical assistance, and program development and implementation.

The Muskie School degree and certificate programs and the Cutler Institute research portfolio together address the needs of governments and nonprofit organizations that increasingly are required to navigate the requirements of federal mandates, state policies and complicated contracts with vendors and service providers.

**Prospects for Growth**

Holders of masters’ and other graduate degrees in public health and public policy are employed in a range of professions, with broad responsibilities that require knowledge of law, business and financial fundamentals, as well as public health and public policy. Figure 16 shows the widely varied sectors of employment occupied by graduates in public policy and public service.

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\(^{38}\) Appendix K shows a snapshot of where the students from the MPH program are employed.

\(^{39}\) Appendix K shows a snapshot of where the students from the MPPM program are employed.
The job responsibilities of MPPM and MPH graduates in Figure 17 demonstrate the value of interdisciplinary courses in law and business fundamentals, as well as between public policy and health.

The Commission on Accreditation of Healthcare Management Education (CAHME), the accreditor for the Muskie MPH program, profiles graduates of its accredited programs in its annual reports. CAHME cited a post-graduate placement rate of 93% in its 2015 AUPHA Leaders Conference, in a range of healthcare related industries,
while Figure 18 shows the distribution across employment sectors of the recent graduates of programs accredited by CAHME.

**FIGURE 18**

<table>
<thead>
<tr>
<th>Professional Placements</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
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<td>Post-graduate fellowship</td>
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<td>Hospital or Health System</td>
<td>587</td>
<td>666</td>
<td>673</td>
<td>722</td>
<td>848</td>
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<td>Physician Practice</td>
<td>73</td>
<td>109</td>
<td>101</td>
<td>135</td>
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<td>Military or Veterans Admin.</td>
<td>135</td>
<td>136</td>
<td>99</td>
<td>102</td>
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<tr>
<td>Association, Foundation, or Voluntary Agency</td>
<td>22</td>
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<tr>
<td>Long-term Care Facility/Home Health Agency</td>
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<td>Consulting</td>
<td>116</td>
<td>119</td>
<td>158</td>
<td>211</td>
<td>181</td>
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<tr>
<td>Insurance/HMO</td>
<td>66</td>
<td>70</td>
<td>60</td>
<td>61</td>
<td>58</td>
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<tr>
<td>Pharmaceutical/Biotech/Medical Devices</td>
<td>94</td>
<td>49</td>
<td>42</td>
<td>46</td>
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<tr>
<td>Pursuing another graduate degree</td>
<td>53</td>
<td>60</td>
<td>61</td>
<td>77</td>
<td>46</td>
</tr>
<tr>
<td>Employed outside of healthcare</td>
<td>32</td>
<td>13</td>
<td>34</td>
<td>34</td>
<td>36</td>
</tr>
<tr>
<td>International student (returned home without seeking employment)</td>
<td>45</td>
<td>22</td>
<td>20</td>
<td>13</td>
<td>34</td>
</tr>
<tr>
<td>Employed overseas</td>
<td>4</td>
<td>5</td>
<td>34</td>
<td>6</td>
<td>12</td>
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<tr>
<td>Medical School</td>
<td>49</td>
<td>46</td>
<td>N/A*</td>
<td>N/A*</td>
<td>N/A*</td>
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<td>123</td>
<td>118</td>
<td>97</td>
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<tr>
<td>Unknown</td>
<td>260</td>
<td>406</td>
<td>256</td>
<td>256</td>
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</tr>
<tr>
<td>Total</td>
<td>1918</td>
<td>2139</td>
<td>1990</td>
<td>2121</td>
<td>2326</td>
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*Included in “Pursuing another graduate degree”

source: Commission on Accreditation of Healthcare Management Education Resources Report

In addition to providing more graduates to fill the burgeoning employment opportunities in the public policy and public health fields, the Muskie School will play a significant role in the Maine Center’s executive education programs.

For example, the Muskie School faculty, together with experts in data analytics from the Maine Center MBA program and the Cutter Institute, will help meet the surging demand for training in the analysis, display and communication of data. Similarly, Maine Law, MBA and Muskie School faculty members and outside experts can collaborate under the auspices of the Maine Center executive education program to offer a Leadership Training School—a boot camp or immersion course for new members of town select boards, new city council members and new city and town managers.

**Growth Target**

The Muskie School MPH has steadily increased enrollment over the last decade, and the new MPPM (merging the previously separate public policy and community development master’s degree programs) has ended the previous programs’ enrollment skid (and has just accepted a PhD track cohort of 25 students into the doctoral program it hosts with the USM School of Education). Both programs are well-positioned to grow: healthcare is the largest and one of the fastest-growing industries in the new Maine economy, and managers are retiring at an accelerating pace in Maine governments, agencies and nonprofits. The Maine Center 2025 target enrollment for the two Muskie School programs is 145 students.

Cutler Institute leaders believe that the Institute’s closer association with the MBA program and Maine Law in the Maine Center will accelerate the positioning of both the school and the Institute as centers of excellence and data research, and markedly enhance the Institute’s ability to secure additional research contracts and grants in the health and social policy fields where it already has a strong national presence and reputation.40

40 These areas include environmental and natural resource policy, fragile families and youth, immigration policy, poverty, aging, rural planning and development and research methods and empirical design.
As the volume of Cutler Institute research expands, particularly in collaboration with the Maine Law and MBA faculties, more and more experiential education opportunities will be created for students in all of the Maine Center programs.

B. More Products for More Markets

The market for executive education generally is comprised of professionals who want to increase their career accomplishments within their firm, to expand their skills to be attractive to other employers or to begin a process that might lead to an advanced degree or a professional certificate. Further, many professionals in the legal, real estate, insurance and financial services industries are required to complete minimum continued education requirements on an annual basis in order to retain their qualifications to practice.41

Virtually every university conferring graduate degrees has an executive education program. Typically, these programs are organized outside of the university academic structure and tap into an enormous market for non-degree professional education. Deloitte estimated the revenues in the domestic U.S. market alone at $62 billion in 2013, with a growing global market of $135 billion.42 The Harvard Business School alone reported 9,891 participants and $143 million in revenue for its 2012 executive education program.43

There has been a de minimis response to this market opportunity from the UMS programs that will comprise the Maine Center consortium.44 That will change, as the the Maine Center consortium programs will offer a wide array of competitive education and training products to a far broader set of markets—not only to students wanting more cross-curricular and experiential education, but also to working professionals who want better executive education opportunities and to Maine companies that want high quality training and education opportunities for their employees and officers.

Figure 19 shows the current offerings from each of the consortium programs, along with additional offerings that Innovation Table faculty identified as the kinds of programs appropriately resourced programs could offer.

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41 Educational institutions from outside the state are offering programs in Maine because Maine institutions aren’t. For example, when the Hanley Center (associated with the Maine Medical Association) issued an RFP several years ago seeking a college or university partner to provide leadership training for physicians, no unit of the University of Maine System responded.


44 Brandeis University’s Heller School of Business markets executive MBA and leadership certificate programs to Maine physicians and hosts programs in Brunswick because UMS MBA programs have never competed for the business. In FY 2015, according to Acting CFO Buster Neel, USM received $499,005 in gross revenue (against $369,443 in direct costs) for ten certificate programs and 100 workshops that drew 1,200 participants. Claire Strickland, CBO for the University of Maine, reported that there are so few professional development programs offered in Orono that it is difficult to identify revenues.
The opportunities are most compelling in the business education arena, but revenue-generating opportunities also exist in law and public policy. With cross-curricular content from Maine Law, the Muskie School and the merged MBA program, the Maine Center will be increasingly competitive in executive education, specialized master’s degrees, training programs and certificate programs.

The executive education markets will provide the Maine Center with significant opportunities to create new and meaningful revenue streams; give the Maine Center faculties test beds for new cross-curricular courses and programs; expand the number of certificate programs; and increase the exposure of the Center to the region’s professional communities in law, business and public policy. Some executive education programs may mature into components of degree or certificate pathways, while sets of courses that are in high demand in those pathways could eventually develop into stand-alone certificate programs led by the faculty members who have developed the course content.

The Pan Atlantic survey, detailed in Chapter IV, and discussions with Maine Center Advisory Board members revealed a demand in Maine for executive education, training and certificate programs that is not being met. Employers will pay for employees to attend programs in order to elevate expertise within their enterprises, to retain market position, to expand into new areas or to ensure that they are meeting government mandates. A senior vice president at one large Maine enterprise said that they would send “30 to 50 employees” to a

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45 A detailed pro forma for the executive education programs is included in Chapter VI.
program in data privacy and cybersecurity, while a vice president at another company wants employee training in innovation skills to help his team create new products in health informatics.

The Maine Center will tailor training programs for particular clients, including employers that could be attracted to move operations to Maine—or to stay in Maine if already established—by the availability of customized training programs for current or prospective employees.

The Maine Center envisions three principal categories of executive education programs:

- **Open Enrollment Programs**, providing training on a range of topics, including programs that offer certifications or continuing education credits
- **Customized Training Programs** provided to public or private enterprises that contract with Maine Center Ventures to assemble the faculty who will design and provide a program that meets the organization’s needs
- **Specialized Degree Programs** that provide a degree— for example, an executive MBA, an MS or an LLM in specialized areas

The first Maine Center executive education programs will be ones which have a high likelihood of success and readily align with cross-curricular priorities. An initial focus area will be privacy. Maine Center Ventures, Maine Law and the other Maine Center consortium programs will continue to take advantage of an unusually close relationship with and proximity to the International Association of Privacy Professionals.

- Maine Law will offer the privacy certificate course that recently was formally endorsed by the Maine Law faculty;
- Maine Law will continue to offer the highly successful summer privacy institute conducted in a partnership with IAPP;
- MCV will work with the consortium programs to expand the marketability of the privacy certificate market to other professionals;
- MCV will explore with the IAPP how to tailor privacy training workshops for Maine and regional businesses; and,
- MCV will support entrepreneurial activities in privacy through the MCV incubator and accelerator programs.

A coincidence of available resources and burgeoning market demand also gives rise to a likely early focus area in the overlapping areas of business analytics, health informatics and data. Faculty in the merged MBA program intend to launch a business analytics concentration and certificate program developed at USM. In cooperation with its consortium partners at the Muskie School, the MBA faculty designed the course to be cross-listed in the

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66 Open Enrollment Programs will include standard offerings on a variety of topical and important subject matter, lasting one to five days in length. These programs will be taught at the Center by faculty and adjunct experts (including faculty from other institutions) who will be paid competitively for their services. Price points—ranging as high as $5,000 for a five-day program—will depend on the topic, the demand and the market. The success of these programs, and the creation of the brand, will depend entirely on the qualifications and teaching ability of the faculty, the ambiance and surroundings of the Center venue, the pricing and the timeliness of the topics.

67 Customized programs offer participating faculty a unique window to peer inside an enterprise, and offer the client organization a way to develop workforce skills that are important for the success of the enterprise while building teamwork and collaboration at the same time. These programs will depend upon a needs assessment and program definition developed by the enterprise in conjunction with the Center staff and a faculty member.

68 It is unlikely that new Specialized Degree Programs will be offered before the third year of the Center’s full operation, primarily because of the need to recruit and develop faculty and to develop and test program content.

69 See Appendix A for more on the privacy certificate and the IAPP.

50 See Appendix B for more on the new Business Analytics Certificate.
MPH program. Simultaneously, the Cutler Institute has created its Data Innovation Project to provide consulting services and workshop training to local businesses and non-profits.\textsuperscript{31}

Other potential executive education programs for which there would appear to be ready markets in Maine, Northern New England and the Maritimes include those listed in Figure 20.

<table>
<thead>
<tr>
<th>Title/Area</th>
<th>Length (Days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catalyzing Innovation</td>
<td>2</td>
</tr>
<tr>
<td>Venture Launch</td>
<td>5</td>
</tr>
<tr>
<td>Communications That Influence</td>
<td>2</td>
</tr>
<tr>
<td>Effective Leadership for CEOs</td>
<td>5</td>
</tr>
<tr>
<td>Senior Executive Retreat</td>
<td>5</td>
</tr>
<tr>
<td>Finding Talent</td>
<td>1</td>
</tr>
<tr>
<td>Can I Patent That?</td>
<td>2</td>
</tr>
<tr>
<td>Intergenerational Management</td>
<td>2</td>
</tr>
<tr>
<td>Leading Strategic Change</td>
<td>2</td>
</tr>
<tr>
<td>Succession Planning</td>
<td>2</td>
</tr>
<tr>
<td>Finance for Non-Financial Managers</td>
<td>2</td>
</tr>
<tr>
<td>Finance for Nonprofits</td>
<td>2</td>
</tr>
<tr>
<td>New Supervisor Leadership</td>
<td>5</td>
</tr>
<tr>
<td>New Manager Leadership</td>
<td>5</td>
</tr>
<tr>
<td>Legal Practice Leadership</td>
<td>5</td>
</tr>
<tr>
<td>Leading Nonprofits</td>
<td>5</td>
</tr>
<tr>
<td>Leading Healthcare Enterprises</td>
<td>5</td>
</tr>
<tr>
<td>Town Selectmen Workshop</td>
<td>2</td>
</tr>
<tr>
<td>Town Manager Workshop</td>
<td>5</td>
</tr>
<tr>
<td>Social Media Marketing</td>
<td>2</td>
</tr>
<tr>
<td>Data Visualization</td>
<td>2</td>
</tr>
<tr>
<td>Data Security</td>
<td>2</td>
</tr>
<tr>
<td>Cyber Security Workshop</td>
<td>5</td>
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</tbody>
</table>

These executive education programs increase the Maine Center and UMS ‘alumni’ base, develop and strengthen a stakeholder network that will broaden and deepen connections among faculty, students and Maine employers, and move the Maine Center along its path to becoming a nimble, financially successful and demand-driven enterprise serving Maine. The single most significant contributor to a financially stable and self-supporting Maine Center over time will be growing revenues from executive education and training programs, new revenue from markets which the University of Maine System programs barely have tapped.

**C. Competitive Advantage**

Today’s professionals face challenges that don’t respect yesterday’s boundaries. For example:

- *How will potential changes in tax laws and regulations affect the value of a family business and whether its owners should sell it or convey it to their children?*
- *How can we use more and more available data to reduce healthcare costs, while reconciling demands for better visualization and analysis with the protection of patient privacy?*
- *How will we resolve the economic opportunity of year-round Arctic shipping lanes with the geopolitical and environmental risks of doing so?*

\textsuperscript{31} See Appendix L for more on the Data Innovation Project.
Business leaders, managers and entrepreneurs in the 21st century need to understand laws and policies that both create and circumscribe opportunity; policy makers and public administrators need to be familiar with markets and management; and lawyers need to be as conversant with balance sheets and health care regulations as they are with torts and contracts.

The traditional and still prevalent models of American graduate professional education—with siloed faculties and remotely relevant course content—don’t prepare students for these challenges. The Maine Center will.

With some exceptions, the current programs standing alone and outside the Center consortium are plain vanilla: to most prospective students each looks a lot like its competitors—similar courses and requirements taught by faculty with similar credentials. The Maine Center will forge a disruptive competitive advantage and a compelling value proposition: it will be the first set of graduate professional programs in America to bring under one roof programs in law, business and public policy, offering competitively priced pathways to individual and joint professional degrees that feature highly integrated cross-curricular and experiential educational opportunities. The Maine Center’s value proposition is one that none of the consortium schools could offer on its own, but it is one that they can achieve collaboratively in the Center consortium.

The Maine Center will achieve market distinction for itself as a branded whole and for each of the consortium programs, with elements that are responsive to the prescriptions for reform echoing in the professional literature, to the findings from surveys of students and employers and to the needs of Maine employers: extensive cross-curricular course content and programs, broad experiential opportunities, a sharp focus on the development of Maine’s new economy, and fair and competitive pricing.

These elements together will distinguish the Maine Center from its competitors, will better prepare graduates for Maine’s new economy and will draw students to Maine who are searching for a better kind of graduate education.

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52 It is an increasingly common view among those who study graduate professional education – law, business and public policy/public service – that old models are failing and that important reforms need to be made. (See the AACSB’s Vision for the Future report (http://www.aacsb.edu/vision), or the ABA’s Commission on the Future of Legal Services report (http://abafuturesreport.com/#1). Much of the criticism levied against the old models finds that they are supply-driven, have failed to keep up with the pace of change in the economy, and continue to teach knowledge in academic silos when employers want employee to have acquired a broader base in collaborative experience and more competency in “soft” and analytic skills. Some graduate schools have responded by increasing the number of dual and joint degree tracks – often requiring more time, more money and more debt – while others have tried to do more. Wake Forest University, for example, brought the law school and the business school together in the same building, but the effort failed because faculties were not required to collaborate across disciplines; no interdisciplinary or cross-curricular courses were offered; and the university did not manage the benefits of the combination. (Robert Martin, Memorandum of personal conversation with Dean Charles Iacovou, Wake Forest University School of Business, June, 2016.)

53 One of the central challenges in program design for the Center is how to maintain the quality and rigor of accredited programs in business, law and public policy while at the same time (a) expanding the schools’ competitive advantages and reaching broader markets, and (b) doing a better job of meeting Maine’s needs for an analytic, innovative and collaborative workforce. The Innovation Table was created to serve as a principal means of engaging the deans and faculty representatives of the consortium programs in the Maine Center planning process, and the initiatives described in this discussion of competitive advantage reflect the work of the IT and two subcommittees that reviewed curricular needs and goals and the process for developing cross-curricular and co-curricular courses. The Innovation Table was comprised of the deans of the four schools brought together to create the Maine Center, faculty representatives from each school, and the members of the Maine Center team. The Innovation Table convened its first meeting on September 28, 2015 and held 13 meetings over the course of seven months. The meetings were facilitated by Richard Barnes, former dean of the USM School of Education and retired USM faculty member. See Appendix S for a fuller discussion of the Innovation Table, its participants and its role in the Maine Center planning process.


(i) Cross-Curricular Courses

The Maine Center’s proposition is direct: a graduate education that introduces students to related disciplines and to the future colleagues with whom they will be expected to collaborate will give those students a richer graduate education and a more valuable set of competencies.\(^{56}\) The Center consortium schools are offering a growing array of collaborative, cross-curricular courses; the investment program developed for Maine Center Ventures will lead to the creation of many more.

The integrated, cross-curricular courses in the Maine Center’s programs are designed to broaden students’ familiarity with important topics, expose them to varied perspectives and give them communications and analytic tools that they might not encounter in their own disciplines. In many cases these courses are and will be taught together by members of different faculties. Figure 21 below shows the courses that were already offered in academic year 2015-16 and those that will be offered in the 2016-17 fall semester.\(^{57}\)

--- FIGURE 21 ---

<table>
<thead>
<tr>
<th>COURSE #</th>
<th>NAME</th>
<th>LAW</th>
<th>MBA</th>
<th>MUSKIE</th>
<th>TOTAL</th>
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<td>LAW 637</td>
<td>Environmental Law and Policy</td>
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<td>LAW 649</td>
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<td>LAW 655</td>
<td>Insurance Law</td>
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<td>LAW 661</td>
<td>Intellectual Property</td>
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<td>LAW 683</td>
<td>Negotiation</td>
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<tr>
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<td>Accounting Concepts</td>
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<td>MBA 504</td>
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<td>MBA 615</td>
<td>Ethical and Legal Issues in Business</td>
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<td>MBA 660</td>
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<tr>
<td>SPRING 2016</td>
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<tr>
<td>LAW 618</td>
<td>Health Law and Ethics</td>
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<td>7</td>
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<td>LAW 713</td>
<td>Renewable Energy Law</td>
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<td>LAW 601</td>
<td>Business Associations</td>
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<tr>
<td>MBA 642</td>
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<td>MBA 615</td>
<td>Ethical and Legal Issues in Business</td>
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<tr>
<td>FALL 2016</td>
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<tr>
<td>MPH 676/MBA 676</td>
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<td>16</td>
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<td>LAW 637/MBA 659/PPM 683</td>
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<td>LAW 711/MBA 501</td>
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<td>LAW 601/MBA 650</td>
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<tr>
<td>LAW 683/MBA 683</td>
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<tr>
<td>LAW 738/MBA 654</td>
<td>Food/Drug Law and Policy</td>
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<td>LAW 779/MBA 652</td>
<td>Employment Law</td>
<td>22</td>
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<td>22</td>
<td></td>
</tr>
</tbody>
</table>

--- FIGURE 21 ---

\(^{56}\) If Ann Marie Slaughter, the former Dean of Princeton’s Woodrow Wilson School of Policy and International Affairs, were starting a public policy school today, she says that it would offer only joint degrees, so that students could develop expertise in the various arenas they might encounter in the years ahead. “Public policy isn’t shaped solely by government staffers, but by various sectors and players as well, and it makes sense that graduates’ ambitions would reflect that.” James Pierson and Naomi Schaefer Riley, The problem with public policy schools, The Washington Post, December 6, 2013. (https://www.washingtonpost.com/opinions/the-problem-with-public-policy-schools/2013/12/06/40d13c10-57ba-11e3-835de-e7173847c7cc_story.html?utm_term=.bc351035bded)

\(^{57}\) See Appendix N for a description of cross-curricular course learning objectives.
Associate Dean Jenny Wriggins of Maine Law taught the spring 2016 cross-curricular course Health Law and Ethics, which enrolled six Maine Law students, seven MBA students and two Muskie School students. After collaborating with Muskie MPH faculty to plan the course, she adapted the MPH syllabus format for it. The course featured guest speakers from businesses and other organizations, and students attended a meeting on accountable care organizations sponsored by the health law section of the Bar Association.

Students’ comments about the 2015-16 offerings validate the Maine Center approach and suggest that the competitive advantage that the Center seeks indeed is one which it can obtain. A law student who took Associate Dean Wriggins’ course thought that the presence of MPH students added value to the experience, noting: ‘I liked experiencing a class that included public health students, because it helped to give me a context and understanding of a complex topic that I knew little about. I found that their knowledge was very technical and complemented and facilitated my learning of the various legal regimes present in this area.”

In a similar vein, an MPPM student who took the fall 2015 cross-curricular course Environmental Law and Policy found that it was “one of the finest and most intellectually stimulating courses that I’ve taken,” while a law student thought that the course was a great start to a more interdisciplinary approach to legal (and policy) education: “I thoroughly enjoyed being able to learn the fundamentals of environmental law while also thinking through the real world application of it [and] . . . how, specifically, the law can be a tool to bring about incredibly positive change.”

(ii) Experiential Learning

Experiential learning is more and more prized by both students and those who will employ them because knowledge has become increasingly commoditized, available to anyone at any time at low or no cost, and employers are putting more stock in “soft” skills and broad competencies. The Maine Center will build a much broader program of experiential learning among its consortium of schools than exists today.

The current programs that are even described as “experiential” in the course catalogues remain limited. Although Maine Law has one of the oldest and most established clinical programs in the nation, none of Maine Law’s experiential courses is a required course. There are only three “experiential” courses in each MBA program, and these are internships and practicums, which are self-directed connections with local firms. None of the “experiential” courses in the two MBA programs is required. MPPM students are eligible for internships, and MPPM and MPH students are employed in assistantships and in research and related positions at the Cutler Institute.

All the existing experiential courses are self-contained within the single curriculum in which each is offered; none is cross-curricular in the sense of requiring or inviting the participation of students from another school.

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58 Recognizing that students from other degree programs might harbor misgivings about taking a law school course for credit, Maine Law and Muskie faculty members developed and taught an orientation course for those students, which now can be offered annually. It bears noting that Dean Danielle Conway and the Maine Law faculty have made a major commitment to the Maine Center program and have exercised important leadership in the development of cross-curricular and experiential opportunities. See Appendix M for a memorandum from Associate Dean Wriggins that summarizes their efforts to date.

59 The Cumberland Legal Aid Clinic was established in 1970, houses four distinct clinical courses, and is a defining program at Maine Law. Students in the Maine Law Externship Program handle advocacy, policy, regulator enforcement and transactional legal matters, and may have the opportunity to practice as a student attorney during their third year of law school.

60 Programs were included if the word “experiential” was in the course description or if it was clear that the learning was designed to be outside of the classroom, e.g., in “internships.”
The Maine Center’s goal is not simply to make existing experiential programs more robust—more law students in clinics, more MBAs doing consulting work, more MPH students doing research—but also to make the experiential program architecture more similar to the cross-curricular course experience.

The Maine Center will make available to students experiential opportunities that reflect the kinds of real-world situations graduates will confront in their careers; that emphasize collaboration across disciplines; that are relevant to the needs of Maine and the region; that teach team building, innovation, communication and cultural sensitivity; and that help differentiate the Maine Center programs among other graduate schools. For example, in the incubator/accelerator, law students will be able to obtain hands-on experience providing assistance to their MBA student colleagues with intellectual property development, including patent and trademark development and research, while the Center can also help incubate start-up law practices focused on providing representation in Maine’s rural areas. The Center will provide networks for advice and support, research capability and access to experts, and Maine Center Ventures will help provide access to early funding with its own small amounts of equity capital and through venture capital affiliates.

(iii) Strategic Focus Areas

With a strategic, coordinated and disciplined focus across all of the consortium programs, the Maine Center can add to its competitive advantage and attract investors, faculty and students by being among the best places in America to study in certain selected areas.

Those areas in which the Maine Center programs aspire to be among the best should reflect two criteria: areas in which the Maine Center and its consortium schools already have a competitive advantage that can be increased (e.g., privacy) and/or those that have a special importance to the rebirth and development of the Maine economy (e.g., food and fiber, life sciences, and North Atlantic and Arctic trade). A disciplined—though not exclusive—focus on such areas will help elevate the academic quality of the programs and spark the development of both cross-curricular and experiential learning opportunities, including opportunities with other Maine institutions such as the Gulf of Maine Research Institute, the UM Advanced Structures and Composites Center, the UM Food and Aging programs, Cooperative Extension, Focus Maine and the research institutions of the Maine Life Sciences Group. Focus areas will provide particular targets for Maine Center branding, marketing and recruiting efforts; attract out-of-state students who want to pursue their interest in these particular areas; and increase investment and revenues in and from activity in those areas of focus that also become areas of excellence.

Because Maine Law’s close relationship with the International Association of Privacy Professionals presents an immediate opportunity, one of the first areas of strategic focus for the Maine Center should be privacy. Deans, faculty and Center team members identified privacy as a ready platform for cooperation across the consortium programs, for international recognition and marketing, and for substantial growth at the Maine Center. Further, the University of Maine System already has in place a cybersecurity program that is the first multi-campus program in the country to be designated as a center of excellence by the National Security Agency.

The market for privacy expertise is expanding rapidly as efforts to combat cyberattacks and terrorism, for example, encounter heightened sensitivity surrounding surveillance and access to data. Privacy issues are increasingly occupying the attention of lawyers, business managers, public officials and healthcare workers.

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61 See Appendix F for a description of how one possible cross-curricular experiential program could be structured.
(iv) Delivering Value at a Fair Price

There are two closely related parts to the Maine Center value proposition. One is the Center’s competitive advantage: the innovative programs offered at the Center won’t be found in other graduate professional schools. The other is that the programs will be offered at a fair price to a broad range of markets. The pricing of Maine Center degree programs should be a strategic determination that takes into account marketing, recruiting and financial considerations.62

Detailed pricing for the Maine Center degree programs, including a direct and straightforward schedule of rates and charges, will be developed during academic year 2016–17 in collaboration with the heads of the consortium programs, the UM and USM enrollment management officers, the UMS Vice Chancellor for Finance and Administration and the UMS Chief Financial Officer. The pricing will be based on two important strategic considerations:

- Center programs need to be reasonably priced and accessible to Maine customers—undergraduates enrolled in the public university system, recent college graduates and working professionals. The Center will provide, in their own backyard at a competitive price, something that Maine students can’t find anywhere else in Maine or beyond.
- Subject to UMS Board of Trustees’ approval, the Center programs will charge the same tuition to out-of-state students and to Maine students.

Bringing students to Maine from out of state is a strategic imperative for both the Center and the State of Maine, but charging a higher price to out-of-state students makes it more difficult to do so. There is no cost-based or current revenues-based reason to treat out-of-state residents any differently from a pricing perspective than the way Maine residents are treated.63

With unitary pricing, the competitive universe for the Maine Center programs’ current offerings would look like Figure 22 below.64

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62 See Chapter III (C) for a discussion of pricing in the context of managing and growing enrollment in the Maine Center programs.

63 The cost and high occupancy rates in the Portland rental housing market will be part of a prospective student’s all-in pricing considerations when comparing graduate programs. Rents have increased in some neighborhoods by 40% in two years, and occupancy rates regularly exceed 95% in the metro area. Together with construction of a new academic building, the Maine Center will co-sponsor with USM and/or with a private sector or not-for-profit developer a facility for both parking and housing that will serve the needs of both graduate students and executive education program attendees at affordable prices.

64 The current non-resident population of the Maine Center consortium programs is so small that the change in total revenues could be offset by a small increase in the unitary tuition charge. Finally, a unitary tuition rate at least should mitigate, though not eliminate, the current hyper intense and expensive auction for law school candidates. Further, the current framework of tuition charges, credit hour charges, distance education fees and other fees is confusing and likely off-putting to prospective students; complicates cross-institution comparisons, where supplemental or hidden charges are not always described in the same way; and shouldn’t be necessary.

64 The Maine Center charges in this chart are current 2016-17 in-state charges for tuition and related fees. The tuition revenues in the financial projections set out in Chapter VI are based on (a) a calculation of current tuition revenues in each of the Maine Center consortium programs for FY 16, which are carried forward unchanged through FY 17 and FY 18, and (b) annual increases of 3% in tuition revenues for FY 19, FY 20 and FY 21 and annual 6% increases during the next four years, through FY 25.
To whatever extent the Maine Center MBA program competes with in-state competitors like Husson and Thomas, it should do so on the basis of the competitive advantages and value proposition discussed in this chapter and elsewhere in this plan. The fact that the quality of the experiential and cross-curricular education offered in the Maine Center degree programs will be highly valuable and available only in the Maine Center must be the Center programs’ competitive argument in every market—full-time and part-time—in which it competes.
(v) Aspirational Goals

The members of the Innovation Table discussed three aspirational goals that would take the Maine Center further down the collaborative, cross-curricular path and would become important elements of competitive advantage:

- Admitting some Maine Center students to one or more of the consortium programs in a manner that would give those students the opportunity to choose their degree pathway(s) after they have had a chance to explore the curricula and try courses in several of the disciplines from a particular cross-curricular menu—knowing that each of the courses that they “sampled” would count for credit toward whichever degree or degrees they decided to pursue.
- Developing a new degree program that itself would be cross-curricular—what one member of the Muskie School faculty called a “blendo” degree. Though a graduate with a “blendo” advanced degree might not be qualified to sit for a bar or CPA exam, he or she might be more valuable to an employer—and more employable.
- A third (and probably the most practical in the near term) would be the development of course “modules” that can be useful to students who have neither the time nor the need to take full courses in areas outside their degree path and that also can be taught in executive education and training courses, certificate programs and institutes.

D. Partnerships to Grow Maine’s Economy

There are four essential elements of this Business Plan that together can transform the current Maine Center consortium programs and change the course of graduate professional education. The University of Maine System should proceed with the Maine Center Business Plan only if it is confident that all four can be achieved:

1. Substantial outside investment, motivated by belief in the transformative promise of the Maine Center and by confidence in the power of new organizational arrangements to help change behavior;
2. Innovative, integrated and highly experiential curricula;
3. A new building that is designed to foster collaborative, integrated and experientially focused professional graduate education; and,
4. A nimble, entrepreneurial and reasonably autonomous partner—Maine Center Ventures—that will establish a framework of collaboration, incentives and rewards designed to achieve the Center’s goals and objectives.65

This section of the Business Plan describes Maine Center Ventures and its investment process.66

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65 It is worth considering here the sound advice of a former USM provost and dean and now member of the Muskie School faculty. “The new graduate center should not only teach entrepreneurial leadership but should be entrepreneurial. It should be nimble in its ability to respond quickly to need without the barriers that inhibit such responsiveness today. . . If we want to create an entrepreneurial program with a “can-do” culture, we must structure the center with the right incentives to achieve those objectives and cannot overlay the graduate center with a top-down bureaucracy that burdens the academic programs . . . [W]e should create programs with the flexibility to respond to the various interests of students, business and other professions. By developing programs in partnership with the business and professional community, we will more likely achieve that objective.” (Joseph McDonnell, Memorandum, 2015)

66 The staffing associated with considering and making these investments is accounted for in the financial model set out in Chapter VI.
Maine Center Ventures’ functions and responsibilities will include the following:

- Build closer ties for the Maine Center with Maine enterprises and employers through close coordination with an expanded Maine Center Advisory Board; increased focus of academic and non-academic programs on economic development opportunities of importance to Maine; new experiential education opportunities with Maine enterprises, including expanded externship and internship programs; and a wide range of new executive education programs; and development of incubator and accelerator programs.
- Undertake the capital campaign for the Maine Center and manage the funds raised for the Center.
- Fund support functions provided for the consortium programs.
- Fund new investments according to a framework of incentives that reflect the System’s goals for the Center, including:
  - initial structural investments that meet immediate needs to restore or build capacity for growth in the Maine Center consortium academic programs;
  - new initiatives that advance the mission of the Maine Center and innovation within the academic programs, assuring that the Center remains relevant and competitive in a dynamic market and responsive to the economic development needs of the State of Maine; and,
  - executive education and training programs, institutes, and conferences that will benefit the academic programs of the Maine Center schools.

**Initial Structural Investments**

In order for the Maine Center to succeed, a first order of business must be to rebuild the capacities of the degree programs that have eroded over the last decade. The overall investment thesis for MCV’s Initial Structural Investments is that new, capable and strategically selected faculty resources will materially improve opportunities and increase enrollment in the Center’s degree programs.

Important academic support infrastructure is the foundation upon which to make other initial investments. MCV will invest in the academic support and related services that currently are in place at Maine Law and expand them to serve all of the Center consortium programs in close cooperation with both the faculties of the consortium programs and with relevant offices in UM and USM. With investments from MCV, the existing resources will be augmented to meet the needs of Maine Law, the Muskie School graduate programs and the merged MBA program.

In addition to rebuilding academic support services, the graduate degree programs have identified additional needs specific to each. The Center financial model sets out an explicit budget for investments to address these needs.

**Future Initiatives**

One of the important objectives of MCV investments in Future Initiatives will be to encourage disciplined and focused experimentation in the development of new academic offerings that will serve the Maine Center’s purposes.

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67 These services include marketing, admissions, career guidance and advising, and external engagement.

68 The putative level of these initial investments is based upon an informal spring 2016 survey of the leaders of the academic programs and is subject to further discussion and refinement. These investments would begin in Base Year FY ’18 and continue through Year One FY ’19. See Appendix H for the enhancements that preliminarily were identified by the academic programs.

69 $2,250,000 over five years beginning in FY’18
MCV will manage a three-step decision-making process for funding Future Initiatives. First, the MCV leadership will consider whether the initiative is consistent with the overall Center strategy and goals. Second, if an affirmative initial determination is made on strategic direction, MCV will fund a feasibility study to investigate the proposed approach to meeting the identified program objectives, to define the parameters of success, and to gauge the prospects for achieving success. Third, those projects which have been determined to be feasible will compete for funding to support implementation.

(ii) Building Bridges

One of MCV’s most important responsibilities will be helping to build bridges between the Center’s academic programs and the legal, business and public service communities in Maine.

Experiential Education

The mechanisms through which MCV will do this include an expanded experiential focus for all the academic programs, executive education and related programs, and the Maine Center Incubator/Accelerator. The expanded experiential components of the consortium academic programs will help build stronger bridges between the Center and Maine’s legal, business and public service communities. For example, in full-year externships, a supervisor at a place of employment would work with a faculty member to plan a “workplace curriculum.” The student would be mentored and supervised by the faculty member and the employer working as a team. The employer would pay a stipend to the student and a portion of the student’s tuition. Several employers already have expressed serious interest in the plan.

Executive Education and Related Programs

The Maine Center executive education programs will be closely coordinated with the academic faculties and the public and private enterprises in Maine that will participate in and benefit from them.

Consortium faculty members will be encouraged to participate by the stipends paid for teaching, the possibility of sharing in the revenue streams created by the development of new products and new markets and by the opportunity afforded to create new for-credit courses and to test them in the marketplace. Staffing of the executive education offerings will occur on a variable basis where MCV will underwrite faculty and other resources required for the programs. This will allow experiments to test demand, offerings and ideas—as well as allow the programs to be more responsive in adapting offerings to clients’ needs.

MCV will begin developing and marketing executive education programs in the 2016–17 academic year in order to test the markets and to promote the Center.

Incubator/Accelerator

The surge in entrepreneurial activities has given rise to incubators70 and accelerators71 to support the creation of sustainable ventures.72

70 An incubator is an organization designed to help accelerate the growth and success of entrepreneurial ventures with a portfolio of supporting resources and services, which can include physical space, intellectual resources, coaching, shared services, and networking connections – virtual and real. Sometimes the incubator can provide capital in the form of grants or loans. The ventures in incubators tend to be in their early-stage of development, and an incubator typically does not invest in the ventures it supports.

71 An accelerator is a similar organization in design and function, but has the financial capacity to invest in its ventures to gain a share of ownership in exchange for the services it provides. Because of the potential for an equity investment, the selection of ventures to join an accelerator is highly-competitive, much more so than for an incubator, and requires ventures to be ready for equity stage investment. The accelerator can help university related ventures gain a more solid footing in the marketplace and boost the reputation of the university itself.

72 Susan G. Cohen, Yael V. Hochberg, Accelerating Startups: The Seed Accelerator Phenomenon. (seedrankings.com/pdf/seed-accelerator-phenomenon.pdf) By 2014, according to Susan Cohen and Yael Hochberg, founders of the Seed Accelerators Ranking Project (www.seedrankings.com), the number of accelerators ranged from “300+ to over 2000, spanning six continents.”
The Maine Center Incubator/Accelerator will expand the experiential learning platform for matriculating students and provide an important connection to the rest of the University of Maine System’s entrepreneurial community, including the University of Maine Technology Commercialization Office, Maine Center for Entrepreneurial Development and other emerging incubators that have not yet established a footprint.

These Maine Center resources also will provide a testing ground for faculty ventures using MEIF funding, as well as workspace for various Cutler Institute research efforts.

**Incubator: The Maine CoLaboratory**

The Maine CoLaboratory will be available to matriculating Center students, who may form teams that include other university students, intent on creating new ventures in any sector. The CoLaboratory will provide space that students who demonstrate serious purpose may “rent” after gaining approval from the CoLaboratory Board of Advisors. The CoLaboratory will provide mentors, access to faculty advice and counsel, a regular program of entrepreneurial topics offered in conjunction with the Maine Center for Entrepreneurial Development, and assistance in applying for grants to further support their efforts. One standing incubator program will be a Rural Legal Services Incubator designed to assist recent Maine Law graduates who have passed the bar in their efforts to begin practice in the underserved rural areas of Maine.

**Accelerator: Velocity207**

The accelerator will be a fixed-term program with participants selected in cohorts following a competitive application process. Accelerator members will participate in a variety of programs designed to emphasize basic marketing, financial and organizational skills. Participation in the accelerator will be open, but graduates of the Center's programs will have priority. A second priority will be extended to teams that have been formed to explore university intellectual property with intentions to commercialize it. Qualified investors, equity firms, venture capitalists and angel investors will be invited to create a pool of venture capital that can be used to purchase the accelerator’s shares in participating ventures.

**“Reverse Pitch” Programs**

In addition to providing resources to formed ventures that meet the investment criteria, the accelerator will host two kinds of “reverse pitch” programs.

In a program designed to accelerate the pace of intellectual property commercialization in Maine, researchers from Maine universities, colleges and research institutions will be invited to pitch their in-progress research to an invited audience of qualified investors, CEOs, serial entrepreneurs, and appropriate industry experts.

Another facet of Maine’s demographic challenge is the impending retirement of thousands of lawyers and small-business owners. The Maine Center accelerator also will provide a reverse pitch program to assist business owners with succession planning where no successor owner for their business has been identified. Here, a business owner will present his or her business to an audience of MBA graduates and others who want to own and run their own business in Maine. This process can match sellers with buyers, the accelerator acting as matchmaker while also providing access to investment capital required by the buyer.

**E. Organization and Governance**

The Maine Center and its affiliate Maine Center Ventures will be organized as shown in Figure 23. The Chief Executive Officer of MCV will report to an MCV Board of Directors and through that board to the UMS Board of Trustees. The membership of the Board of Directors will be constituted as follows:
The UMS Chancellor, serving as MCV Board Chair
The UMS BOT Chair or his/her designee (who must also be a UMS BOT member)
The UM President or the UM Chief Academic Officer as delegate
The USM President or the USM Chief Academic Officer as delegate
Five external members from the Maine business, legal, and public policy/public governance communities, appointed by the UMS BOT Chair

The MCV Board will adhere to bylaws developed for its governance and approved by the UMS BOT that provide, among other matters, recognition that the MCV Board as a Board can advise but has no direct authority over academic resources or those matters involving university degree programs, program accreditation, or labor relations.

Each of the academic programs in the Maine Center consortium will continue to be responsible to the provosts and presidents of the institution that grants its degrees. Thus, the dean of the Maine Center MBA program will report to the provost and president of the University of Maine; the dean of the Muskie School will report to the provost and president of the University of Southern Maine; and Maine Law will report to the president of the University of Southern Maine.

(i) The Consortium Coordinating Committee

The Consortium Coordinating Committee (shown in blue in Figure 23) will include the three deans, the director of the Cutler Institute and the MCV CEO. This Committee will be the forum where ideas for new cross-curricular cooperation and innovative programs are discussed and referred to the faculties for consideration.
The Consortium Coordinating Committee will be a coordinating group in both high-level academic terms and prosaic housekeeping terms. In order to provide meaningful cross-curricular opportunities for the students in each program, the programs need to be on the same page in the most literal sense.\footnote{The growth to date in cross-curricular enrollment is arguably remarkable, since the constituent degree programs still operate on different calendars and class schedules. Thus, it is imperative that the programs in short order share common calendars and class schedules that optimize cross-curricular opportunities.}

The Coordinating Committee could broaden its membership to include faculty representatives or establish a separate cross-curricular council. Through the work at the Innovation Table, deans and faculty representatives have made an impressive beginning in the creation of cross-curricular course and certificate programs. The cooperation among those deans and faculty members will become regularized by virtue of (a) living under the same roof, (b) increasing demand from students and other customers for cross-curricular and integrated courses and non-degree programs, and (c) the excitement and confidence engendered by growing marketplace penetration and success.

(ii) \textbf{The Maine Center Ventures CEO}

The CEO of Maine Center Ventures will provide, in the most direct way, critical coordination between the academic programs and the MCV support functions and external engagement. The CEO will work closely with both the MCV Board of Directors and an expanded Maine Center Advisory Board.

Among the important responsibilities of the CEO will be:

- Working closely with Maine employers and with members of the Maine Center Advisory Board to develop extensive experiential learning opportunities for Maine Center students, particularly opportunities that (a) combine mentoring from an employer with academic supervision from a faculty member, and (b) provide a pathway to post-graduation employment;
- Insuring close ties with all of the UMS campuses through the most effective use of the advanced communications infrastructure that will be developed as a part of the Center;
- Developing additional support services to the academic programs on the foundation of Maine Law assets and with MCV funding;
- Translating the framework of incentives and rewards administered by MCV into opportunities for the faculty and programs of the consortium schools to develop new academic and executive education undertakings; and,
- Developing, with deans and faculty representatives, performance measures and related data that will enable the deans and faculty to better assess their contributions to helping the Maine Center reach its goals.

(iii) \textbf{Support Functions}

The innovative pedagogy of the Maine Center will be supported by an equally collaborative administrative organization that is equipped to brand and market the Center’s competitive advantages, that is responsive to the Maine Center student body and their career goals, and that takes advantage of the Center’s scale to provide services in the most cost-effective ways. All of the Center support services will be closely coordinated with both the faculties of the academic programs and the key administrative offices of UM and USM.

Maine Law has developed stand-alone offices for several support services, and MCV will help expand those capabilities to serve the entire population of the Maine Center. For example, among the Maine Center consortium programs today, only Maine Law has a staff function dedicated to branding and marketing, and that function is under-resourced even if dedicated only to the JD program. Not surprisingly, every consortium
program head identified branding and marketing resources as a high priority for Initial Structural Investments. Some of the generalized services where the System gains from economies of scale will be provided by USM.

MCV staff will work with Maine’s business, legal and public service communities, with faculty members and with UM and USM officers and staff (i) to develop and promote the Center’s unique cross-curricular and experiential opportunities, including expanded internship and externships, (ii) to supplement Maine Center program career and placement advisors with outside mentors and with members of the Maine Center Advisory Board, and (iii) to maximize financial assistance for Maine Center students, particularly those who pursue joint or dual degrees and are registered in more than one academic program. This approach will achieve effectiveness and economies of scale that none of the programs can achieve alone, while at the same time ensuring that the market distinction that the Maine Center integrated and experiential approach adds to the merits of each of the programs is branded and brought front and center in the marketing effort.
IV. MARKETING AND ENROLLMENT MANAGEMENT

The competencies that both students and employers expect graduates of professional schools to have acquired include the abilities to analyze, manipulate and transmit knowledge, to collaborate in teams, and to communicate effectively across disciplines and markets. These expectations pose huge challenges for schools that remain tied to traditional models. In an increasingly competitive environment, the Maine Center professional graduate schools will migrate quickly from a supply-driven model to one more responsive to the needs and demands of students and those who employ them.

The 2025 growth targets for the four Maine Center degree programs formulated in consultation with deans and faculty from the consortium programs represent a 35% cumulative increase in total degree program enrollment from current levels and form part of the foundation for the financial model set out in Chapter VI. Meeting these targets would substantially mitigate talent shortages faced by Maine employers and help put the Maine economy in a position to grow.

The Maine Center marketing and enrollment management strategies are based on advice from the Innovation Table and program officers and faculty; the Center Advisory Board and enrollment management officers at UM and USM; an extensive review of the marketplace; surveys of both prospective MBA students and Maine employers; and an analysis of the addressable MBA markets. The strategy is designed to reinforce the principal objectives discussed in Chapter III: (1) more products in more markets; (2) competitive advantage, including value delivered at a fair price; and (3) partnerships to grow Maine’s economy.

The Maine Center team believes that its 2025 enrollment projections and its financial plan are conservative and achievable. This confidence is based in part on the appeal of the Center’s value proposition revealed in the MBA survey findings and the detailed analysis of the MBA markets that is summarized here.
The Maine Center will recruit students and customers in several large markets:

- Juris Doctorate (JD) and Master of Laws (LLM)
- Master’s in Business Administration (MBA)
- Master’s in Public Health (MPH)
- Master’s in Public Policy, Public Service, Administration and Community Planning (MPPM)
- Certificate programs in the policy, law and business disciplines
- Non-degree and non-certificate executive education programs

The UMS graduate professional programs in law, business and public policy have suffered declining enrollments and losses in market share. To varying degrees, all the Center consortium programs suffer from a lack of competitive advantage in both the regional and Maine marketplaces; too few qualified students are even applying for admission. The Maine Center will mount active branding, marketing and recruiting programs in each of those markets, stressing the high quality of the UMS programs and the unique opportunity for integrated and experiential education offered by the Center. Master’s degree markets are growing faster than any other market in higher education,\(^\text{74}\) previous chapters described opportunities for product and market expansion in the areas of law and public policy.

The MBA marketplace presents the biggest challenge for the Maine Center, as the UMS graduate business programs have suffered the steepest declines in enrollment—during a period when MBA programs nationally were the fastest growing of all master’s degree programs. Moreover, many Maine employers have lost confidence in the UMS MBA programs and have given up on forging meaningful relationships with them. A more compelling, competitive and productive MBA program will be one of the Center’s most important outcomes. The first section of this chapter describes what the Maine Center team has learned from and about prospective MBA students, their employers and the marketplace, and how those findings inform the Center’s strategy. The second and third sections of this chapter describe in general terms the strategies that the Maine Center will pursue to recruit, retain and place students in all the markets it serves.

A. The MBA Marketplace

The Maine Center graduate business program will offer content in a mix of online and in-person attendance to several different markets:

- Part-time and time-shifting MBA students, the market now predominantly served at both UM and USM
- Executive education students in MBA and certificate programs
- Students in tailored training programs that are designed by MBA faculty in cooperation with business managers and executives
- Full-time MBA students in a cohort-based program that market research suggests the Maine Center can develop through its unique cross-curricular and experiential opportunities
- Dual or joint degree graduate students seeking to combine the UM MBA degree with another degree from one of the Maine Center consortium programs
- Undergraduate students seeking an MBA in conjunction with degrees in other fields, in 3+1 or in 4+1 programs

The Maine Center’s market strategies will be developed in line with the recruiting and retention efforts

\(^{74}\) Education Advisory Board (EAB), Research and Insights: Understanding the Changing Market for Professional Master’s Programs, 2015. EAB projects that master’s degrees soon will account for nearly one-third of all degrees that are awarded.
discussed in Section B of this chapter, with specific application to each of the above markets. With respect to part-time and time-shifting MBA and certificate students and students in executive education and tailored training programs, three important elements of the strategy will be price, convenience and the Center’s relationships with employers.

The Maine Center will be price-competitive, particularly with a unitary pricing policy. Convenience appears to revolve largely around admission requirements, class scheduling and the availability of online courses. The Center will ask the MBA faculty to examine the possibility that admission requirements could be amended to drop the requirement that applicants for some non-full-time MBA programs sit for the GMAT examination. If accreditation requirements permit this flexibility, there may be a strong case for differentiated admissions requirements and differentiated degrees among the MBA programs.

The most important change from current practice will be a broadly enhanced and aggressive program of outreach to Maine businesses in which the Center will seek to establish three sets of cooperative relationships to:

- formulate and manage internship and externship programs that (1) provide excellent experiential education, (2) help reduce the effective cost of pursuing a degree for students through both stipends and tuition relief, and (3) increase successful placement in post-graduation employment;
- assist current employees in boosting their own competencies and advancing their career prospects by encouraging and supporting them in their pursuit of certificates or degrees and their participation in other conferences and executive education programs, while simultaneously increasing the capacity of the enterprise and its ability to grow; and,
- to fashion specially tailored programs for employers who need groups of their employees educated and trained in particular skills or competencies.

As noted earlier in this Plan, the design of the Maine Center rests in part on the proposition that the University System’s merged MBA program can grow significantly with a strategy that not only continues to serve the part-time marketplace and expand its reach to serve Maine businesses and their employees through a high-quality executive education program, but also attracts and serves students who want a high-quality, full-time MBA program in a consortium setting that provides extensive experiential opportunities and broad exposure to other disciplines.75 The planning for the Maine Center included considerable market research to explore and substantiate the viability of a full-time, cohort-based MBA program.

(i) What Students Want in MBA Programs – Pan Atlantic Research Survey

Most students in the current MBA programs at UM and USM are part-time, mid-career students, but the full-time MBA has been the fastest-growing graduate degree in America over the past two decades.76 Thus, a central issue for the Maine Center has been whether to create a full-time, cohort-based MBA program in addition to both maintaining the current part-time offering and also vigorously pursuing the executive education market through both open programs and employer-based offerings.77 The members of the Innovation Table and the

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75 See GMAC and survey data below. This differentiation would most importantly be achieved in the context of a full-time, cohort-based MBA program aligned with Maine Law and Muskie School programs, but the part-time, more flexible program also should benefit from quality and credential distinctions, particularly if employers can be persuaded that the differences are important and favor the Maine Center approach. Both the full-time and part-time programs would include appropriate online components to provide the kind of hybrid or blended experience that students prefer. Both part-time and full-time students likely will be attracted to a program that differentiates the Maine Center MBA program from Husson, Thomas and other regional institutions.

76 Recent data from the AACSB—largely confirmed by a recent article in University Business—supports a focus on a cohort-based, full-time program as one of the Center’s MBA offerings. The MBA is the most sought-after master’s degree in the United States, and nearly 60% of those students who visited the GMAC website between late 2013 and late 2014 want a full-time, one or two-year program, while only 6% are interested in a fully online program. Sherrie Negrea, New business of b-schools, University Business Magazine, February, 2016; Graduate Management Admission Council 2015 Prospective Students Survey Report.

77 Every major university MBA program in the country maintains a full-time, cohort-based MBA model, in addition to other offerings.
Maine Center team agreed that meeting the interdisciplinary, collaborative and experiential objectives for the Maine Center—the very qualities which are pedagogically important and give it a competitive marketplace advantage—will require a full-time, cohort-based MBA program that complements the full-time programs in the other consortium schools.

In order to assess the potential market for a full-time MBA program, the Center commissioned Pan Atlantic Research (PAR) to conduct a detailed online survey of 5,923 New Englanders who had registered for the GMAT exam during the past 18 months. The pool of candidates included prospective full-time and part-time students and students interested in on-campus, distance learning and online program components. The survey was designed to test candidate preferences for degree programs, perceptions about the UMS schools, and key elements of the Center’s program design.²⁸

Among the survey respondents, 76.4% were considering a full-time, two-year MBA program, including 71% of respondents in Maine, New Hampshire and Vermont. Only 14% of all respondents were considering an online program, though that percentage rose to 29% for respondents in Maine, New Hampshire and Vermont.²⁹

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**FIGURE 25**

<table>
<thead>
<tr>
<th>TYPE OF MBA PROGRAM CONSIDERED</th>
<th>% OF RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FULL-TIME MBA (2 or more years)</td>
<td>76.4%</td>
</tr>
<tr>
<td>PART-TIME MBA</td>
<td>34.4%</td>
</tr>
<tr>
<td>FULL-TIME MBA (less than 2 years)</td>
<td>30.9%</td>
</tr>
<tr>
<td>FLEXIBLE MBA</td>
<td>16.8%</td>
</tr>
<tr>
<td>JOINT DEGREE PROGRAM INCLUDING MBA</td>
<td>15.9%</td>
</tr>
<tr>
<td>ONLINE/DISTANCE-LEARNING MBA</td>
<td>14.0%</td>
</tr>
<tr>
<td>EXECUTIVE MBA</td>
<td>9.9%</td>
</tr>
<tr>
<td>OTHER</td>
<td>1.0%</td>
</tr>
<tr>
<td>UNSURE</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

Source: Pan Atlantic Research, July 2016

 Asked for their overall perceptions of the quality of the UMS MBA programs and the reasons why they did not consider applying to them, the GMAT takers’ responses were discouraging, as seen in Figure 26.

### Figure 26

<table>
<thead>
<tr>
<th>MBA PROGRAM</th>
<th>POOR QUALITY</th>
<th>AVERAGE</th>
<th>HIGH QUALITY</th>
<th>UNSURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>UM</td>
<td>24.1%</td>
<td>35.6%</td>
<td>11.1%</td>
<td>29.2%</td>
</tr>
<tr>
<td>USM</td>
<td>40.0%</td>
<td>19.4%</td>
<td>04.4%</td>
<td>36.2%</td>
</tr>
<tr>
<td>UMass</td>
<td>16.2%</td>
<td>40.0%</td>
<td>36.8%</td>
<td>07.0%</td>
</tr>
<tr>
<td>Thomas College</td>
<td>27.0%</td>
<td>09.2%</td>
<td>03.2%</td>
<td>60.6%</td>
</tr>
<tr>
<td>Husson University</td>
<td>28.6%</td>
<td>08.3%</td>
<td>02.2%</td>
<td>61.0%</td>
</tr>
<tr>
<td>St. Joseph’s</td>
<td>26.7%</td>
<td>15.9%</td>
<td>07.0%</td>
<td>50.5%</td>
</tr>
</tbody>
</table>

²⁸ See Appendix U for the survey questionnaire and Appendix J for tables and the PAR analysis.

²⁹ Pan Atlantic Research, Strategic Quantitative Research with GMAT Candidates for the Maine Center, July, 2016.
Thus, the PAR survey showed that an overwhelming majority of GMAT takers—the exam required for admission to the UM and USM programs—want a full-time MBA program and that they are not interested in part-time, unranked MBA programs with reputation or prestige issues. Only 18.5% would be discouraged from applying because of the distance to Portland, and the Maine location was a negative for an extremely small minority of the respondents.

Might a full-time MBA program with the Maine Center competitive advantages respond to student demand and attract the previously reluctant students from outside the state to come to Maine? The survey tested the program design elements of the Maine Center MBA.

The prospect of a high degree of collaboration and student interaction with key employers and businesses drew 71.7% more interest overall, while the prospect of experiential learning opportunities drew 74.9% more interest. Programs that would offer a premium on strategic thinking and planning for 21st century businesses rated 73% more interest overall, and the prospect of program specializations drew increased interest as well, particularly specializations in entrepreneurial development; data visualization and management, privacy, and health care issues; and the opportunity to create one’s own specialization.

Finally, the concept of a program for those who were unsure at the beginning of their studies about which degree to pursue garnered 25.1% more interest, considerably more than anticipated.80

To be clear, the plans for the Maine Center turned the heads of GMAT takers who had otherwise been uninterested in the UM and USM MBA programs. Just the idea of the Center as described in the survey created interest among students who previously were uninterested in the UMS programs.

(ii) What Students Want in MBA Programs – EAB and GMAC Findings

Findings from the Education Advisory Board (EAB) and the Graduate Management Admission Council (GMAC), the owners of the GMAT, corroborate the Pan Atlantic Research survey conclusions.

Recent research published by the EAB is entirely consistent with the PAR findings about student preferences and marketplace trends:

“Unlike traditional professional programs, which depend on brand recognition and rankings to attract students, niche programs attract students by being highly customized to their specific industry and role. For this reason, a much larger range of institutions can compete effectively for these enrollments . . .

80 Pan Atlantic Research, Strategic Quantitative Research with GMAT Candidates for the Maine Center, July, 2016 This finding—that there would be value in offering students the chance to explore alternative degree pathways before making a commitment to one or the other—was noteworthy, as there had been Innovation Table conversation about how the Center could interest students who had not yet made up their mind about which profession to pursue. Also see discussion of “aspirational” goals in Chapter III (C).
[These] new niche offerings . . . are targeted not to large, well established professions (such as lawyers and teachers) but to new and rapidly changing industries and roles, such as cybersecurity, data analytics, and health informatics.\(^81\)

### FIGURE 27

<table>
<thead>
<tr>
<th>Core Professional Programs</th>
<th>Niche Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Larger Enrollment</td>
<td>• Smaller enrollment</td>
</tr>
<tr>
<td>• Slower Growth</td>
<td>• Faster Growth</td>
</tr>
<tr>
<td>• Targeted to large, well established professions (lawyers, teachers)</td>
<td>• Targeted to new industries, new and rapidly changing roles (e.g., cybersecurity engineer)</td>
</tr>
<tr>
<td>• Less focus on specialized skills</td>
<td>• More focus on specialized skills</td>
</tr>
<tr>
<td>Marketing focused on institutional brand and reputation.</td>
<td>Attract students with programs highly customized to their industry and role.</td>
</tr>
</tbody>
</table>

GMAC conducts an array of research into the needs, demands and preferences of potential MBA students, and GMAC data reveals significant insights. For example, as shown in Figure 28 a substantial majority – 62 percent – of those who sit for the GMAT exam are seeking a full-time program, validating the PAR survey findings.\(^82\)

### FIGURE 28 – MBA PROGRAM INTEREST

- 34% FULL-TIME, TWO-YEAR
- 28% FULL-TIME, ONE-YEAR
- 16% PART-TIME
- 7% FLEX-TIME
- 5% ONLINE
- 6% EMBA
- 3% JOINT MBA

*source: Graduate Management Admission Council 2015 Prospective Students Survey Report*

Additional GMAC findings described national and global trends in MBA programs and identified the categories of MBA candidates targeted by other institutions for specific MBA programs.\(^83\)

- Although the dramatic rates of increases in MBA enrollments over the past two decades appear to be leveling off, more than half (57%) of full-time two-year MBA programs reported increased application volume overall in 2015, and 60% reported that more applications were received in 2015 than in 2005.
- Among full-time, two-year MBA programs in the U.S., 59% reported year-over-year increases in applications in 2015, up from 48% in 2014.

\(^81\) EAB Research Academic Affairs Forum Expert Insight, May, 2015.

\(^82\) Graduate Management Admission Council 2015 Prospective Students Survey Report.

\(^83\) These data were gathered from 641 graduate business programs located at 306 universities worldwide, with responses from 426 MBA programs, 196 specialized business master’s (non-MBA) programs, 18 doctoral programs, and one joint-degree programs, including 43 U.S. states and 35 countries. Although 92 percent of MBA programs, and 88 percent of specialized business master’s programs undertake special recruitment outreach to targeted population segments, there has been no targeted in-state or out-of-state MBA student recruitment using GMAC data at either UM or USM.
• Globally, full-time, one-year MBA programs witnessed a turnaround in 2015, with 51% of programs reporting increased application volume compared to 2014, when 60% of these programs reported decreased volume from 2013. 53% reported receiving more applications in 2015 than in 2005.

Further confirming the PAR survey findings, the GMAC report revealed that online MBA programs are not viewed by students as a viable alternative to classroom programs.

As shown in Figure 29, candidate participation in online programs has grown modestly, but the percentage of candidates who see it as an alternative to a traditional MBA program, or even as a way to prepare for one, is trending down. According to GMAC, “the key takeaway is that while MOOCs are slowly becoming more popular among business school candidates, MOOCs are not seen as a substitute for a master’s degree in business in large numbers.” Thus, the fear that online learning would disrupt the MBA industry appears to be unfounded, or at least premature.

(iii) What Employers Want from MBA Programs and Graduates

Maine employers—public and private enterprises—are important customers for the Maine Center consortium schools and their graduates. The Maine Center commissioned PAR to conduct a telephone survey with the chief executive officer or significant hiring manager of some of Maine’s leading employers.

PAR concluded that “[t]he University of Maine System schools have low brand equity and image ratings” among Maine employers, and reactions among the interviewed Maine employers to the proposed Center and the key features of the MBA program were highly positive:

- “The proposed program promises to be innovative and helpful in overcoming challenges in executive level staffing.”
- “The interdisciplinary nature of the program is very attractive, especially the business and law components.”

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Graduate Management Admission Council 2016 Prospective Students Survey Report. MOOC is an acronym for Massive Open Online Course.
• “The experiential learning program will offer employers the opportunity to observe top-class potential employees and leaders to meet the growing talent shortage and succession problems facing Maine businesses.”

Having been assured of their anonymity, the employers’ comments were candid and direct:

• “Any effort to take a fresh look at improving the two current MBA programs is refreshing. The state is heading for a talent crisis. We need a top-class MBA program in the state.”
• “I applaud the effort. It’s time to combine the existing programs and make them much more robust and in line with today’s business needs.”
• “We are a very large health care organization with thousands of employees. We are very supportive of the concept overall. However, we would want to see a very practical focus in the program.”
• “It’s an excellent idea, but I’m interested to see if it has a real world focus.”
• “This will bring bright young people to the area, and that’s critical for our economy and its growth.”
• “The biggest factor is the interdisciplinary focus. For me, having all three entities in the same place working together on an innovative MBA program is big.”
• “I love the idea. Anything that gets people out of their silos is great. It needs to be the combination of great academic training plus real world experience.”
• “A really strong MBA program can be a significant economic engine for Maine.”

(iv) Addressable Markets and Demand

Among all master’s programs, the MBA is the most popular graduate degree, though its growth rate has leveled off after a spectacular rise. The JD marketplace is in flux, with a pronounced decline in the years following 2008, but retirements of practicing lawyers in the baby boom generation suggest that a recovery may be in the offing. The MPH and MPPM markets continue to grow as the population ages, public manager retirements increase, the demand for healthcare rises and pressure rises everywhere in the public sector to manage costs, innovate and gain efficiencies.

For the purposes of estimating market sizes, the Maine Center team examined the demand for current major degree offerings, using an analytical framework often used by businesses to help focus market strategies. This framework distinguishes the market by size and the ability of the enterprise to engage it:

• The Total Available Market (the TAM or National Market) is the total demand in the United States.
• The Serviceable Available Market (the SAM or Regional Market) is the portion of the TAM to be targeted and addressed in the short term.
• The Serviceable Obtainable Market (the SOM or the Targeted Capture) is the portion most likely to be captured. In this analysis, the Targeted Capture corresponds to the anticipated enrollment (600) of matriculated students in the Center’s four primary degree programs in 2025.

The National Market (TAM)

The market for MBA degrees is the largest by far of those that are addressed by the Maine Center programs. Marina Murray of the Graduate Management Admission Council calculated that 21% of all 4,605 degree-granting institutions in the U.S., and nearly half of those that offer any master’s degree, offer an MBA degree.

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85 United States Department of Education figures found in, Libby Nelson, *Master's degrees are as common now as bachelor's degrees were in the '60s*, Vox, February 7, 2015. (http://www.vox.com/2014/5/20/5734816/masters-degrees-are-as-common-now-as-bachelors-degrees-were-in-the-60s).

86 In addition to these degree markets, the Maine Center expects that a robust executive education program—including certificate programs, institutes, conferences and eventually an Executive MBA degree—will constitute a significant revenue stream for the Center. Further, the Center will encourage the consortium schools to explore newly developing markets with variations on these degrees, such as one-year graduate degrees in specialized areas of business, law and public policy where an unmet need can be served.
These 4,605 institutions enrolled more than 250,000 students in MBA programs in 2008. At the average tuition price for New England AACSB-accredited schools of $36,071, the annual tuition revenue generated nationally by a class of 100,000 is $3.61 billion.

The JD degree, currently the largest population of students in Maine Center programs, is the second largest national market. In 2014, 37,937 students matriculated in the 1L class of 2017 at a weighted average annual cost of $37,512, which translates to a market size of $1.42 billion for a single class of law students in the United States.

The MPPM market is more varied and diffuse, and less researched, than the MBA and JD markets. For this analysis, the National Market was defined to include all master’s degrees awarded in public policy, public administration and public management, which totaled 16,412 in 2014. Tuition ranges from approximately $15,000 to $33,000 in the majority of those programs, and this analysis assumes an average annual tuition of $20,000, which generates a TAM of $328 million. The MPH market is better defined: 10,153 students were awarded degrees in 2014, yielding a TAM of $203 million at an average tuition of $20,000.

**The Regional (New England) Market (SAM)**

The SAM in this analysis is the one-year demand in the New England region.

Demand in the New England states for a full-time MBA was limited for this analysis to students who are implicitly interested in a higher-level MBA program—that is, one at a school that is accredited by the Association to Advance Collegiate Schools of Business (AACSB) and that uses the GMAT in its admissions criteria. In 2015, 3,469 people registered for the GMAT in New England, resulting in a demand of $125.1 million based on the average tuition of $36,071.

The New England market for a JD program was $127 million in 2014, the product of the 2,818 total first-year law students in the 14 New England law schools, multiplied by the $45,152 weighted average tuition for the region.

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88 Tuition costs alone were used to calculate Demand Revenue in order to normalize the number. Books, fees, living expenses were not included.

89 The equation used to determine any market demand is $Q = n \times q \times p$, where $n$= the number of buyers in the market; $q$=the quantity purchased by an average buyer; and $p$ = the price of an average unit.

90 This analysis is based on in-state tuition costs only.

91 Many potential JD students take that LSAT entrance exam but don’t go to law school, or drop out before receiving a degree. 105,000 sat for the LSAT in 2014, representing a potential market of $3.7 billion, less than half of the TAM incorporated in this analysis.


93 Of the 34 AACSB-accredited institutions in the six New England states, 29 offer the MBA. This analytic constraint limits the MBA SAM in this analysis to one that is comprised of students who today are largely (a) from outside the State of Maine, (b) reflect the sample in this Plan’s MBA Demand analysis, and (c) are unlikely to enroll in the other MBA programs in Maine at Thomas College, Husson University and St. Joseph’s College, none of which is accredited by the AACSB nor requires GMAT scores from applicants. The University of Maine and the University of Southern Maine currently require GMAT scores from applicants for both full-time and part-time programs. Thus, while the demand shown here is strong, the combined TAM and SAM for both part-time and full-time programs would be considerably larger, especially if the Maine Center consortium MBA program decides to waive the GMAT requirement for part-time programs. There are no readily available reference points for quantifying demand for part-time students in New England, but there are hundreds of part-time students who did not take the GMAT and who are enrolled in MBA programs at Husson, Thomas, St. Josephs and Southern New Hampshire University.

94 Only 115 individuals from Maine registered in 2015, representing a market size of $4,148,191.

95 American Bar Association. This analysis uses in-state tuition rates where there is a differential. According to the Law School Admission Council, only 208 people took the LSAT in Maine in 2014.
Regional market levels for the MPPM and MPH programs are harder to estimate. This analysis begins with the assumption that the relationship of the regional to the national market for these programs is similar to the relationship in the JD market, which is 10%. To remain conservative, the percentage for the MPPH and MPPM programs was cut in half to 5%, yielding New England regional markets for the MMP and MPH programs (based upon the average tuition pricing used for the national market) of $16.4 million and $10.1 million respectively.

Projected Maine Center Market Share

The enrollment projections for the Maine Center in 2025 that are set out in this chapter and used as the basis for the financial models in Chapter VI represent a bottoms-up calculation by the Maine Center team of realistic, conservative targets in consultation with the program deans. In total, enrollments grow from 436 to 600 students, an average annual rate of growth of 5.5%.

Figure 30 below displays the national and regional (New England) markets expressed in projected 2025 revenues for each of the current Maine Center programs and the percentage of the 2025 New England market that the Maine Center expects to capture. For example, the Maine Center projections anticipate that the merged MBA program can enroll by 2025 roughly 20 students a year in a full-time cohort MBA program—merely one-half of 1 percent of the total New England demand for two-year, full-time MBA programs.

The percentages of the SAM that these targets represent should convey a high degree of confidence that the strategic directions, competitive advantages and value proposition set out in this business plan can attract enough students from Maine and New England to make the Maine Center financially successful and an important proposition for both the University of Maine System and the State of Maine.

B. Recruitment, Retention and Placement

Enrollment managers associated with the Maine Center will be responsible for recruiting top students from Maine and elsewhere, advising them how best to match their individual talents with a course of study, helping them make the most of cross-curricular and experiential opportunities and ensuring that they find fulfilling and gainful employment upon graduation. The academic innovations described in this plan will produce Center graduates who will be positioned to enter or reenter the workforce with significant competitive advantages.

It will be the job of everyone in the Maine Center—faculty, students, staff and alumni—to recruit and retain students, so everyone will need to understand the value proposition—the sales pitch—to make the recruiting effort successful.

Figure 31 outlines a closely coordinated and shepherded process for Maine Center recruitment that will move students in each consortium program from an expression of interest—either the Center’s in them or theirs in the Center—through application, admission, and enrollment through to graduation. During the academic year 2016–

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96 The projected revenues in Figure 30 incorporate one-half of the projected 2025 revenues in the financial plan from the MBA, MPH and MPPM programs and one-third of the projected JD program revenues.
The top line arrows capture the progression from expressions of interest in a certificate, degree or executive education program to completion or graduation. Under each category is arranged a series of events that contribute to the sales and recruitment effort. Each of them represents an opportunity for contact with the student that can help achieve a completed program.

**Target Candidates**

The Center will target potential candidates from colleges and universities in the region, participants in Center programs, private and public enterprises and businesses, and referrals from alumni. This targeting activity is designed to generate inquiries, stimulate campus visits and provide information to the candidate about certificate, degree or executive education programs and their value.

**GMAT, GRE or LSAT**

Candidates who sit for these exams signal that they are serious about pursuing a graduate degree, even if they have not yet determined a school or program of choice. Each of the testing services provides contact information for exam registrants who “opt-in” for contact. Moreover, the actual scores earned in the exams are available for schools to use in proactive approaches to interest from the highest scorers.

This target audience deserves close attention because those in it have at least taken an initial step toward pursuing a degree at a competitive institution (i.e., one that requires an entrance exam, unlike Husson University or Thomas College). Messaging to this audience will be critical: the value of the Maine Center’s collaborative, interdisciplinary and experiential approach will be emphasized, along with the Center’s Portland location. In addition to direct messaging from the Center, targeted invitations to the campus and to events will be made by current students, alumni and faculty.
Candidate Seeks Information

When a potential candidate has reached out for information, the Center’s response will be immediate—within hours—and will include the information requested and an invitation to visit. The response will be followed-up within a few days. The follow-up should try to determine the candidate’s time frame: are they early in their thinking stage, or fresh from their GMAT or LSAT? That information will determine the next stage of contact, whether it is additional targeting (Column 1 above) or an application.

Application/Acceptance

Once an application is received, the Maine Center candidate will be invited to campus to meet with admissions personnel and to tour. Candidates will also be invited to participate in summer events. Ideally, by the time a candidate has submitted an application, they will be known to the program, and if qualified, encouraged to apply. (This stage also offers an opportunity to determine which candidates may best be served by waiving certain criteria in order to gain their admittance. Candidates with significant work experience, but low exam scores may benefit from an advanced degree, and the program may benefit from their participation.)

Candidates who are accepted to a Maine Center program will receive a full welcome as encouragement to enroll, including calls from faculty and offers of partnerships with outside mentors (e.g., law firm partners, business executives and town managers). The mentor relationship should begin at acceptance and help to close the sale.

Enrollment Deposit

Accepted candidates who have made an enrollment deposit will receive a mentor follow-up intended to get the candidate on campus and involved with some activity, shifting them from being a “candidate” to becoming a matriculating student. Mailings will include a welcome packet and some branded item, and weekly emails will help bring the incoming student into the community. As the student moves closer to beginning classes, a “boot camp” orientation will introduce the new student to the Maine Center cross-curricular environment and may include formal courses designed to provide students with basic grounding in the disciplines outside his or her degree pathway.

Matriculate

The Maine Center’s goal will be to move the student through the degree-earning process as quickly as possible with extensive engagement with staff, faculty, mentors and prospective employers. Students will have both faculty advisors and outside industry or professional mentors. The Maine Center’s advising office will be staffed by professionals familiar with both the Center’s programs and with the competencies important to employers, and who will be closely connected with the Maine Center Advisory Board. The staff will emphasize students developing specific goals, early, and will then work with them to plan a course of study that meets them.

In addition to academic and experiential activities, the Center will make extensive efforts to expose students to the Maine legal, business and civic communities, and to provide the bridge between pursuit of the degree and a career. The targeting of a specific employer or position early in the educational cycle will enable a student to enroll in courses, engage with faculty, and choose intern and externships with maximum benefit.

Graduate

As students move to degree completion, they will be recruited to join the mentor network. Career advice and job placement assistance will continue after graduation, helping to build value for future Maine Center students. There will be a continuing effort to engage alumni in Maine Center executive education and certificate programs: graduates will be actively solicited with alumni discounts, and qualified alumni will be invited to teach in executive education offerings.
C. Financial Assistance

A program for financial assistance for Maine Center students will be developed during the 2016–17 academic year in conjunction with the detailed pricing strategy and taking into account the following considerations:

- Graduate students have fewer financial aid options available to them than do undergraduates. Most aid to graduate students comes in the form of federal Stafford loans, followed by direct scholarship support, assistantships, private loans, employer funding and the federally subsidized Work/Study program. The Stafford loans are capped at $20,500 per year with repayment deferred until degree completion.97
- Among the consortium programs only Maine Law has access to a meaningful pool of funds which it has raised to support Maine Center program students. In addition to the funds managed by Maine Law for the benefit of law students, an initial Maine Center pool of endowed scholarship support funds will be raised as part of the capital campaign for the construction of the Center. The total amount of scholarship awards made available will be determined each year by the Maine Center CEO in consultation with faculties and UM and USM enrollment management offices.
- The Maine Center will leverage several non-loan, non-scholarship methods of providing financial aid, especially within the framework of a vastly expanded program of experiential learning developed in concert with Maine employers.
- Assistantships are administered by degree programs and usually take the form of tuition waivers or stipends, or a mix of both. Research and teaching assistantships in particular provide opportunities for experiential learning both within and outside of the academy.
- The Cutler Institute currently provides more than 20 grant-funded research opportunities every year to MPH and MPPM students. Those grant-funded opportunities should increase as the Cutler Institute markets itself as benefitting from its close association in the Maine Center with MBA and JD programs.
- Federal Work/Study funds are awarded to the institution according to a formula and rate established by Congress, and are capped at $3,500 per year of which the institution is required to pay a share, typically about 25%.98
- Employer-funded tuition is provided by many employers in the form of stipends for employees who are pursuing graduate study, most often for students pursuing an MBA. Moreover, many employers will pay the full cost for their employees to attend and/or be certified in executive education and training courses.
- Externship programs are a form of cooperative education where a student is placed with an employer for a full semester or year, either full or part-time, under the joint supervision of a manager/mentor and a professor. These will provide opportunities for students to be paid a salary or stipend while learning experientially and for the employer to make a payment to the Maine Center against the student’s tuition.
- Tuition funding assistance is available to veterans of the armed forces and other students who have provided or commit to provide particular public services in certain areas.

97 The current fixed interest rate is 5.84%, and there is a total lifetime per-student cap of $138,500 for all federal student loans including undergraduate loans.

98 The structure of the Center’s academic portfolio and administrative organization creates a unique complexity for the financial aid award process. A student may not receive federal aid for simultaneous study in two institutions, without the institutions taking certain measures to accommodate them. For example, in the absence of such measures, a student who has matriculated into the J.D. program at Maine Law, for example, would not be able to apply federal dollars to coursework in the Maine Center MBA program at the same time, because the federal dollars may only flow to a single registrar’s office at a time. This issue has not been a problem for students in dual degree programs with Maine Law and other USM programs because they are all serviced by the USM registrar and financial aid offices. The Center should be able to overcome this issue by working with USM and UM’s registrar and financial aid officers to establish a federally recognized consortium like the Greater Portland Alliance of Colleges and Universities.
V. STAGES OF DEVELOPMENT

A. Program Moving into Place

Though it is essential for the success of the Center, a new building won't create the cross-curricular and experiential substance of the new courses; won't merge the existing MBA programs into one with new vitality; won't develop executive education and training programs that help Maine businesses grow; and won't fashion an incubator/accelerator where budding professionals and entrepreneurs can collaborate with each other on new Maine enterprises.

Prior to the completion of the Maine Center building (currently projected for September, 2021), all that—and more—must happen. The programmatic foundation of the Center will be built before the first cement is poured.

Considerable progress has been made in two years, and strong footings for the Maine Center program and building are in place:

- The Innovation Table—comprised of the deans of the Maine Center consortium programs, faculty representatives from each school and the Maine Center team—held 13 three-hour meetings over the course of seven months in 2015-16. Its subcommittees reviewed curricular goals and the process for developing cross-curricular courses.
- In January, 2016 the UMS Board of Trustees endorsed the proposal that the Maine Center be broadened to include the Muskie School MPPM and MPH programs and the Cutler Institute.
- In May, 2016 the presidents and provosts of University of Maine and the University of Southern Maine and the deans and faculties of the two universities' business schools agreed to merge the UM and the USM MBA programs into one Maine Center MBA program that will grant a University of Maine degree.
- Faculties are working together across boundaries to develop more integration and flexibility; 17 cross-curricular courses are being offered in the Maine Law, MBA and Muskie School catalogues for the 2016 fall semester, a 55% increase over the number offered in the fall semester just a year earlier.
- The first elements of a robust executive education and training program are under development. The first courses or institutes will be offered in 2017, and preliminary discussions are underway with Maine employers for the development of training programs tailored for their employees.

B. Statewide Support

In 2015 the Maine Center team reached out to the business, legal and public service communities in the state—the Center’s important constituencies—and asked for advice and help. The response was overwhelming, as more than 90% of those who were asked to join the Maine Center Advisory Board agreed to do so. The Board numbers 109 members who represent many of the largest enterprises in the state, including those shown in Figure 32.

99 See Appendix G for a full roster of the Maine Center Advisory Board members.
C. The Maine Center Building

For the Maine Center to work—that is, for it to lead the kinds of profound changes in graduate education that are intended for it and to help drive the rebirth of the Maine economy—it must live in structures, both organizational and physical, that are different from what is traditional.

The Maine Center cannot succeed in its mission to reform graduate professional education unless it brings the consortium law, business and public policy programs together under one roof, in a new and exciting building that by its design and function tears down walls and silos and attracts students and faculty to the Center.

The right kind of building is so important to the Maine Center mission that the Center team believes that it would be futile to try to achieve most of the Maine Center’s objectives without it.

(i) What Difference Can a Building Make?

The Maine Center model depends on meaningful interactions, where students and faculty constantly encounter ideas and practices from other disciplines and from members of external communities. Students will gain competencies that extend beyond their areas of professional focus when their academic experience aligns more closely with the complex, interrelated and increasingly collaborative services that they will be expected to provide as working professionals. A new kind of building can engender and support this interaction.

The idea that a building makes things happen—or not—is well established. Steve Jobs knew that and was a “fanatical believer in the power of space to enhance the work of groups.”

Walter Isaacson’s recent biography of Jobs records that when he had the Pixar building arranged around a central atrium, so that Pixar’s diverse staff of artists, writers and computer scientists would run into each other more often, he soon realized it alone wouldn’t be sufficient.

“[H]e needed to force people to go there. He began with the mailboxes, which he shifted to the lobby. Then he moved the meeting rooms to the center of the building, followed by the cafeteria, the coffee bar, the

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100 Jonah Lehrer, Groupthink, The New Yorker, January 30, 2012
Jobs probably was familiar with the history of Building 20 at the Massachusetts Institute of Technology. During World War II, Building 20 had housed MIT’s “Rad Lab,” where radar was invented. After the War, MIT lodged stuff in Building 20 that didn’t have another home.

By the 1950’s, Building 20 was home to the Laboratory for Nuclear Science, the Linguistics Department and the machine shop. There was a particle accelerator, the R.O.T.C., a piano repair facility and a cell-culture lab. Building 20 became a strange, chaotic domain, full of groups who had been thrown together by chance and who knew little about one another’s work. And yet, by the time it was finally demolished, in 1998, Building 20 had become a legend of innovation, widely regarded as one of the most creative spaces in the world. In the postwar decades, scientists working there pioneered a stunning list of breakthroughs, from advances in high-speed photography to the development of the physics behind microwaves. Building 20 served as an incubator for the Bose Corporation. It gave rise to the first video game and to Chomskyan linguistics. Noam Chomsky’s work drew from disparate fields—biology, psychology, and computer science. At the time, the fields seemed to have nothing in common—except the hallways of Building 20.102

Colleagues at the Harvard Medical School found that proximity is significant to innovation, so much so that “even working in the same building on an academic medical campus makes a difference for scientific breakthroughs.” Knowledge spillovers are “highly localized” and quickly dissipate after about one-quarter of a mile.103 The faculty offices in the new Maine Center building will be intermingled, because homogenous corridors perpetuate the very silos that need to be left behind.104

(ii) Design with Purpose

The Maine Center contracted with Harriman Associates and Goody Clancy to undertake a needs study and formulate a space program for the Maine Center building. Their July 2016 report and recommendations, which form the basis for the cost estimates included in the financial projections, are reproduced in full in Appendix W. The Overview is reproduced here.

OVERVIEW

The attached tabular space program describes the types and sizes of spaces that will make up the proposed Maine Center for Graduate Professional Studies. It includes space for anticipated enrollment growth for the Maine Law School (> 255 students), a merged MBA program (> 200 students), the graduate programs from the Muskie School of Public Service (> 145 students), and incremental growth in the Cutler Institute.

This space program for the Maine Center includes space for new initiatives, for student services, for student organizations, and for increased collaboration within the Center and with the community beyond the University. It anticipates that the schools will maintain their academic identities, but will mutually benefit from being a “consortium under one roof”.

101 Id.
102 Id.
104 The Maine Center team discovered a pair of professors interested in the same subject matter, one teaching in the USM MBA program and one in Maine Law, who had each taught for a decade less than 100 yards from each other, but who had never met.
The tabular program is wholly quantitative—that is, it is a series of numbers describing needs. It was developed, however, from a synthesis of the goals described by leaders of each of the entities included in the Center, and the program reflects strategic thinking about the Center’s connections with the University of Maine System and the State’s economy.

The benefits of integration—interaction across disciplines, potential for further co-curricular programming, strengthened community, and broadened connection to the wider community—will be a distinguishing characteristic of the Center, one that will increase visibility regionally and nationally and that will increase the competitive position of each consortium school.

Locating the three consortium schools and the Cutler Institute under one roof in an exciting building provides four essential benefits:

- **Collaboration and community will develop organically from the building design.** It will invite, make possible and encourage interaction across disciplines, whether through cross-curricular classes and shared experiential learning, or through spontaneous meetings and conversation in the shared public spaces of the building. These interactions will closely mimic the kinds of experiences that students will have as employees and leaders and will better prepare them for their careers.
- **The building will better engage the Maine Center schools with the world beyond the academy.** Increased dialogue and interaction with business and professional leaders in Maine will provide students with valuable opportunities for experiential learning and accelerate their development of the competencies that employers most want.
- **Students will see the building, imagine themselves in it, and say, “I want to go there.”** The Maine Center building will be an important tool in marketing the consortium schools. It will represent to prospective students by its very design the kind of graduate education experience that millennials want—and that employers want them to have.
- **The building will increase efficiency and lower operating costs,** since co-location will allow higher utilization of instructional, meeting, and support spaces.

The most important characteristic of this new kind of building is that it will be a place for *intended* interaction. It will be a rich, three-dimensional interior landscape that concentrates the engaging activity of the building around a central “heart.” It will be a welcoming, day-lit, central space, where you arrive to see everything that is important about the enterprise and, through the course of your day, see everyone who is part of it. It is a place to see and be seen—a critical first step to meaningful interaction.

This space will encourage interaction with generous open stairs that lead one through the building, offering constant opportunities to stop and converse with peers. It will include small meeting spaces around it, so that those casual conversations can become more structured collaborations. It will be generous in scale, so that it supports larger, programmed events where professionals from across Maine gather to talk and learn from each other. It will be transparent, with glass between spaces, to connect people—seeing interaction begets interaction. It will make the vitality of activities within the building—teaching, research, active collaboration—visible and invite participation.

Another important characteristic will be the quality of the learning spaces. Graduate professional education prepares students to solve complex problems by leveraging information from many sources—by involving people with a range of expertise. Experiential learning classrooms that replicate this process will be essential to the Center’s success. They should be flexible spaces where students can work in small groups to solve specific problems, then convene to discuss them with the whole class. They will require technology to share each group’s work within the classroom and to bring insights from off-site practitioners, or instructors from other UMS campuses, into the classroom. Because they will be such an integral part of students’ experience in the Maine Center, they will be designed as capable, comfortable, flexible, day-lit spaces, whose physical character will encourage intensive, supportive interaction among students and faculty.

The current learning spaces occupied by the Maine Center programs are inadequate even for traditional education, much less for what is demanded of new modes. To meet the Maine Center’s collaborative and experiential learning goals, new kinds of spaces will be required. Figure 33 shows a photograph of a traditional
classroom at Maine Law on the left, while on the right are examples of Active Learning Classroom (ALC) spaces that are more conducive to teamwork, group work, and experiential learning.105

Studies have found that an ALC improves the classroom experience for both the instructor and the student. Students reported in one report that ALCs created an environment that scored 2 points higher on a 1-5 scale on the ability to interact with instructors, exchange and accept different viewpoints and the ability to integrate different concepts.106 Another study found that “holding all factors excepting the learning spaces constant, students taking the course in a technologically enhanced environment conducive to active learning techniques outperformed their peers who were taking the same course in a more traditional classroom setting.”107

Like the Northern Kentucky University College of Informatics pictured in Figure 34, the Maine Center building will communicate the Maine Center vision in a potent way and attract students and faculty to come to Maine for an exciting graduate education experience. Even in a world saturated with information, buildings can do this.

105 Cotner, S; Loper, J; Walker, J.D.; Brooks, D. Christopher, “It’s Not You, It’s the Room”—Are the High-Tech, Active Learning Classrooms Worth It?, Journal of College Science Teaching. “Using ACT scores as predictive, we found that students in the active learning classroom outperformed expectations, whereas those in the traditional classroom did not.”


In 2011 the College of Informatics opened Griffin Hall, shown above, with reconfigurable, decentered, clustered, mobile friendly spaces and write-on walls, and with flex spaces for interaction with the community. The College has seen a 71% growth in degrees awarded in the five years since Griffin Hall was opened.\(^\text{108}\)

\(^{108}\) Northern Kentucky University College of Informatics website. (https://informatics.nku.edu/).
VI. FINANCIAL PROJECTIONS

The Maine Center for Graduate Professional Studies will be a consortium of the University of Maine System professional graduate programs in law, business and public service. Maine Center Ventures will assume the management and financial responsibilities for certain functions and activities which are currently provided by the University of Maine and the University of Southern Maine, including:

- Certain support functions related to the Maine Center consortium programs, such as marketing and external engagement
- Research, educational and related services provided by the Cutler Institute for Health and Social Policy
- Initial Structural Investments to rebuild capacity in the Maine Center consortium degree programs (See Chapter III (D))
- Future Initiatives in (a) executive education, certification and training programs, conferences and institutes; and (b) other new initiatives that will advance the mission and goals of the Center, such as an incubator/accelerator (See Chapter III (D))
- The development and operation of a Maine Center building (See Chapter V (C))

Grounded in a base year of 2017, these financial projections:

- forecast the revenue and expense impacts of Center initiatives and operations over the period through FY 2025, including tuition revenues that accrue to the consortium programs; and,
- account for the capital investments in and operations of (a) the Initial Structural Investments; (b) Future Initiatives; and (c) a new building for the Maine Center.

A. Base Year FY 2017 Revenues and Expenses

The chief financial officers of the University System, the University of Maine and the University of Southern Maine provided to the Maine Center team the baseline statement of FY 2017 revenues and expenses for the units that will comprise the Center shown in Figure 35.

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109 The Cutler Institute also provides grant management services to other USM research programs; this service will continue to be provided on a break-even basis and is not included in these financial projections.
### FIGURE 35
FY 2017 BUDGET FOR PROGRAMS INCLUDED IN THE MAINE CENTER

<table>
<thead>
<tr>
<th></th>
<th>LAW</th>
<th>BUSINESS</th>
<th>MUSKIE SCHOOL</th>
<th>Other</th>
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<tr>
<td></td>
<td>USM</td>
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<td>MPPM</td>
<td>MPH</td>
<td>Cutler</td>
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<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition &amp; Fees</td>
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<td>$665,972</td>
<td>$371,931</td>
<td>$368,202</td>
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<td>Research</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>System/State Support</td>
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<td>$47,316</td>
<td>$0</td>
<td>$0</td>
<td>$196,362</td>
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<td>Total Estimated Revenue</td>
<td>$7,529,971</td>
<td>$713,288</td>
<td>$371,931</td>
<td>$368,202</td>
<td>$541,529</td>
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<tr>
<td><strong>EXPENSE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Education</td>
<td>$4,866,766</td>
<td>$507,074</td>
<td>$235,191</td>
<td>$295,363</td>
<td>$439,774</td>
</tr>
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<td>Student Support Services</td>
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<td>$87,333</td>
<td>$4,288</td>
<td>$8,475</td>
<td>$11,500</td>
</tr>
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<td>Research</td>
<td></td>
<td></td>
<td></td>
<td>$1,452,835</td>
<td></td>
</tr>
<tr>
<td>Overhead Charges</td>
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<td>$118,881</td>
<td>$47,896</td>
<td>$60,768</td>
<td>$90,255</td>
</tr>
<tr>
<td>Total Estimated Expenses</td>
<td>$9,035,965</td>
<td>$713,288</td>
<td>$287,375</td>
<td>$364,606</td>
<td>$541,529</td>
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<td><strong>NET</strong></td>
<td>$1,505,994</td>
<td>$0</td>
<td>$84,556</td>
<td>$3,596</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Notes to Figure 35 (Base Year FY 2017 Revenues and Expenses):**

- Cutler Institute revenues are largely project grants that are passed through on a dollar-for-dollar basis, except for administrative costs and overhead that are retained to support the Institute. It is these latter administrative and overhead costs that are reported above. In order to avoid unreasonably inflating the total base year budget for the Center programs, the base year budget includes only Cutler Institute revenue that pays for administrative expenses and overhead.
- Direct education includes faculty compensation, benefits and other expenses that are directly related to the education mission of the consortium programs. These expenses include the library and legal aid clinic at Maine Law.
- Student support services embrace all other services beyond those directly related to instruction. These include career planning and counseling, admissions and the like. Today these services are provided by Maine Law for its students and by UM and USM for the students in the MBA, MPH and MPPM programs; USM also provides some services for Maine Law students. The Center will provide these services to all students in the Center consortium programs by (a) expanding and augmenting the services capacity inherited from Maine Law and (b) purchasing some services from USM.
- Overhead charges are general university services provided to the academic units and are calculated by the chief financial officers to be 20% of direct education and student support service expenses. An additional $1.5 million is included in expenses under other, but not explicitly allocated to the academic or research units; it was represented by the chief financial officers that this amount largely reflects total occupancy costs associated with the academic units.

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110 Approximately $18 million in FY 2017.

111 Total Cutler Institute revenues and expenses (including passed-through research grants and expenses) are included in the Year Zero FY 2018 Center budget in order to provide a basis for projecting, and later assessing, the impact of more research revenues and better margins as a consequence of the creation of the Maine Center and the inclusion in it of the Cutler Institute.

112 USM CFO Buster Neel provided a list of “Sample Overhead Costs” which is included as Appendix X.
B. FY 2017-2025 Projected Revenues and Expenses

The Maine Center has constructed a pro forma statement of operating and investment revenues and expenses for a seven-year (FY 2019–2025) period, shown at Figure 36. This statement includes the transition of the academic programs to the Maine Center and spending on Initial Structural Investments and Future Initiatives.

With the exceptions of (1) the first expenditure of $450,000 from working capital for the first set of capacity-rebuilding Initial Structural Investments, (2) pass-through project revenue in the Cutler Institute (see below), and (3) projected deficits at Maine Law School, the financial projections for FY 2018 (Year Zero) are unchanged from FY 2017. The first year of consolidated Maine Center operations is projected to be FY 2019 (Year One).

Capital investments in the new Maine Center building are addressed separately in the table of sources and uses of capital funds, Figure 41.

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### FIGURE 36

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>FY 17</th>
<th>FY 18</th>
<th>FY 19</th>
<th>FY 20</th>
<th>FY 21</th>
<th>FY 22</th>
<th>FY 23</th>
<th>FY 24</th>
<th>FY 25</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tuition &amp; Fees</strong></td>
<td>7,436,392</td>
<td>7,436,392</td>
<td>7,659,484</td>
<td>7,899,268</td>
<td>8,125,946</td>
<td>8,613,503</td>
<td>9,130,313</td>
<td>9,678,132</td>
<td>10,258,820</td>
<td>61,355,467</td>
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<td><strong>Research</strong></td>
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<td>19,743,402</td>
<td>19,940,836</td>
<td>20,140,244</td>
<td>20,341,647</td>
<td>20,951,896</td>
<td>21,580,453</td>
<td>22,227,867</td>
<td>22,894,703</td>
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<td>System/State Support</td>
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<td>2,086,529</td>
<td>2,086,529</td>
<td>2,086,529</td>
<td>2,086,529</td>
<td>2,086,529</td>
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<td>2,086,529</td>
<td>2,086,529</td>
<td>14,619,703</td>
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<td>Net Income/Expense Ed &amp; Training Income from Endowment @ 4%</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>321,970</td>
<td>321,970</td>
<td>321,970</td>
<td>321,970</td>
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<tr>
<td><strong>Total</strong></td>
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<td>6,269,323</td>
<td>6,376,394</td>
<td>6,820,711</td>
<td>7,224,413</td>
<td>7,716,042</td>
<td>8,242,963</td>
<td>8,767,000</td>
<td>9,284,212</td>
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**EXPENSES**

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<tr>
<th></th>
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<th>FY 18</th>
<th>FY 19</th>
<th>FY 20</th>
<th>FY 21</th>
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<th>FY 23</th>
<th>FY 24</th>
<th>FY 25</th>
<th>TOTAL</th>
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<tr>
<td>Direct Education</td>
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<td>6,344,169</td>
<td>6,407,610</td>
<td>6,471,687</td>
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<td>Student Support</td>
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<td>958,204</td>
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<td>9,840,527</td>
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<td>1,020,996</td>
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<td>966,094</td>
<td>966,094</td>
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<td>0</td>
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<td>1,000,000</td>
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<td>1,000,000</td>
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<td>1,000,000</td>
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<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>3,000,000</td>
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**NET**

<table>
<thead>
<tr>
<th>FY 17</th>
<th>FY 18</th>
<th>FY 19</th>
<th>FY 20</th>
<th>FY 21</th>
<th>FY 22</th>
<th>FY 23</th>
<th>FY 24</th>
<th>FY 25</th>
<th>TOTAL</th>
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<td>(2,917,842)</td>
<td>(4,814,406)</td>
<td>(0)</td>
<td>(0)</td>
<td>(0)</td>
<td>(0)</td>
<td>(0)</td>
<td>(0)</td>
<td>(201,380)</td>
<td>(1,070,057)</td>
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</table>

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### Revenue Assumptions

- Total increase Y1 to Y3 at 3% / yr. Increase Y4 to Y7 at 6% / yr.
- Research revenue increase Y1 to Y3 at 1% / yr. Increase Y4 to Y7 at 3% / yr.
- Executive education AGR Y1 to Y3 is 10% / yr. AGR Y3 to Y7 is 15% / yr.

### Expense Assumptions

- Student support services expense increase Y1 to Y3 at 7.5% / yr. Increase Y4 to Y7 at 2.5% / yr.
- Research expense increase Y1 to Y3 at 75% / yr; Y4 to Y7 at 15% / yr.

### (i) Revenues

- Tuition and fees revenues are projected to increase by 3% annually in FY 2019–2021 and by 6% annually during the remaining four years of this projection. Over the course of seven years, total tuition and fees are projected to increase 38%. These projected increases reflect increases in

---

**Footnotes**

- Initial Structural Investments are included in FY 2018 in order to begin rebuilding the academic programs and to begin a robust marketing and enrollment management effort.
enrollment and/or tuition charges attributable to the program enhancements and investments made in the Center. There are no explicitly disaggregated assumptions for increases in enrollment or unit prices or for other factors, including by headcount or full-time-equivalent breakdown by cohort. As noted elsewhere in this document, enrollment over this same time period is projected to increase by more than 35%. Thus, these revenue projections are conservative and provide substantial latitude for specific operational, pricing and recruitment determinations that will be developed and implemented over the projection period.¹¹⁴

- Research projections for the Cutler Institute anticipate passed-through project income plus income that offsets administrative expenses and overhead. Total revenues are projected to increase at 1% annually for the first three years and 3% annually for the remaining four years. This projection assumes the successful development of Center initiatives that, in addition to attracting degree students, will provide fertile grounds for the Cutler Institute to expand the market for its national research portfolio.

- System/state support is not projected to increase during the term of this forecast.

- The Center will develop an executive education and training program. Revenue, expense and income associated with this initiative is described in the following summary and in Figure 37; net Income is reported above in the consolidated statement. Gross revenues for the first three years are set out below. After year three, revenues are projected to increase 15% per year. Reimbursable expenses are projected to remain constant at 50% of gross revenues. (See Appendix T for a more detailed executive education pro forma.)

---FIGURE 37---
EXECUTIVE EDUCATION

<table>
<thead>
<tr>
<th></th>
<th>YEAR ONE</th>
<th>YEAR TWO</th>
<th>YEAR THREE</th>
<th>YEAR FOUR</th>
<th>YEAR FIVE</th>
<th>YEAR SIX</th>
<th>YEAR SEVEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenues</td>
<td>423,539</td>
<td>465,893</td>
<td>559,665</td>
<td>643,615</td>
<td>740,157</td>
<td>851,181</td>
<td>978,858</td>
</tr>
<tr>
<td>Reimbursable Expenses</td>
<td>211,770</td>
<td>232,947</td>
<td>279,833</td>
<td>321,807</td>
<td>370,078</td>
<td>425,590</td>
<td>489,429</td>
</tr>
<tr>
<td>Net</td>
<td>211,770</td>
<td>232,947</td>
<td>279,833</td>
<td>321,807</td>
<td>370,078</td>
<td>425,590</td>
<td>489,429</td>
</tr>
</tbody>
</table>

Over a period of three years and by FY 2021, an endowment of $45,000,000 is planned to be in place as a consequence of a successful capital campaign. The annual yield on the endowment corpus is conservatively projected to be 4% of the previous year’s corpus. This will total $1,800,000 per year by FY 2022.

---FIGURE 38---
FUTURE INITIATIVES

<table>
<thead>
<tr>
<th></th>
<th>YEAR ONE</th>
<th>YEAR TWO</th>
<th>YEAR THREE</th>
<th>YEAR FOUR</th>
<th>YEAR FIVE</th>
<th>YEAR SIX</th>
<th>YEAR SEVEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feasibility</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Investments</td>
<td>200,000</td>
<td>400,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Return</td>
<td>5,000</td>
<td>45,000</td>
<td>170,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Maine Center Ventures will support a formal investment program to fund Future Initiatives. This pro forma in Figure 38 anticipates that beginning in FY 2020 four feasibility studies will be competitively funded annually (at $25,000 per study), that two of these will be deemed feasible and that a $200,000 investment will follow ($100,000 per year) for each approved project. The first year return on these investments is estimated to be 2.5%. In subsequent years, returns are estimated to be on the order of 10%. The return on these investments begin modestly in FY 2023 at $5,000.

Working capital revenues from a successful capital campaign will fund investments described below as well as any operating deficits incurred prior to breakeven.

¹¹⁴ A sensitivity analysis has been developed and is included as Appendix Z.
(ii) Expenses

- Direct education expenses are projected to increase at an annual rate of 1.0% over the course of the seven-year period, 2.0% less than revenue growth in the first three years and 5.0% less for the remaining four years. This assumption captures the cumulative impact of both compensation and benefit increases (which may be greater than 1%) and the economies of scale and efficiencies that the Center expects to achieve.

- Consistent with the strategic plan for the phased development of the Center and the commitment to expand and enhance student support services, expenses for these services are forecast to increase at an annual rate of 7.5% for the first three years and 2.5% annually for the balance of this forecast period.

- Research expenses are projected to increase at rates 0.25% less than revenues in the first three years and 1.5% less in years four through seven, reflecting expected increases in efficiency, effectiveness and higher margin research projects at the Cutler Institute.

As a result of the Center assuming responsibility for many of the services now provided by the universities, particularly by USM, and as a consequence of the anticipated FY 2021 occupancy of its own building, university overhead charges are projected to decrease significantly in FY 2019 and FY 2021. In FY 2019, this expense is reduced by 21%, reflecting the increased commitments of the Center to the expenses shown in Figure 39.

--- FIGURE 39 ---

| Student Support Services | $208,110 |
| 50% Nonacademic Services | $498,047 |
| Initial Structural Invest | $450,000 |
| **Total**                | **$1,156,157** |
| % of Overhead            | 21.0% |

Nonacademic services include the administrative operations of the Center and MCV, including the base salaries and benefits for non-faculty professional staff who will develop and manage the various activities and investments of the Center. Some of these services currently exist at Maine Law and will be transferred to the Center; the Center will augment these services and expand their scope to cover the other academic programs through Initial Structural Investments. The baseline personnel costs are shown in Figure 40; the added costs of any additional positions that will be funded through Initial Structural Investments are not included in Figure 40.

The plan and these projections assume that compensation arrangements for non-faculty professional staff will include a performance-driven bonus plan. Additional bonus-related compensation is not explicitly included in these financial projections, as bonuses will depend on performance and revenues exceeding these projections.

--- FIGURE 40 ---

<table>
<thead>
<tr>
<th>NONACADEMIC SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>YEAR ONE</strong></td>
</tr>
<tr>
<td>Executive Director</td>
</tr>
<tr>
<td>Administrative Assistant</td>
</tr>
<tr>
<td>Incubator Director</td>
</tr>
<tr>
<td>Career Director</td>
</tr>
<tr>
<td>Marketing Director</td>
</tr>
<tr>
<td>Support Staff</td>
</tr>
<tr>
<td>Benefits @ 50%</td>
</tr>
<tr>
<td>Misc. @ 25%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
</tr>
<tr>
<td>Inflation 2.5%</td>
</tr>
</tbody>
</table>

71
To enable renewed growth, the Center will make significant Initial Structural Investments to rebuild the capacity of the academic programs and related educational services. The academic programs have identified what their leaders believe is necessary to rebuild and to develop new capacity. These resource requests are summarized in Appendix H. Initial Structural Investments begin in FY 2018, a year before the formal launch of the Center. The total commitment of $2,250,000 over five years will be committed at a rate of $450,000 per year. The Center has made no determinations or assumptions as to which specific requests will be supported. In addition to the Initial Structural Investments, additional resources will be directed to Future Initiatives beginning in FY 2021.

Occupancy costs for the new Maine Center building begin in FY 2021. An annual operating cost of $10 per square foot is projected for a 180,000 square foot facility. An inflation increase of 1.5% is added in FY 2022 and thereafter.

C. Sources and Uses of Capital

This business plan projects that capital requirements for the Maine Center will total $151 million, of which $138,600,000 is associated with the construction of a dedicated facility and the funding of endowment. Figure 41 summarizes the proposed uses of the proceeds of the Maine Center capital campaign.

--- FIGURE 41 --- SOURCES AND USES OF CAPITAL CAMPAIGN FUNDS

<table>
<thead>
<tr>
<th></th>
<th>FY 17 Budget</th>
<th>FY 18 (YEAR 0)</th>
<th>FY 19 (YEAR 1)</th>
<th>FY 20 (YEAR 2)</th>
<th>FY 21 (YEAR 3)</th>
<th>FY 22 (YEAR 4)</th>
<th>FY 23 (YEAR 5)</th>
<th>FY 24 (YEAR 6)</th>
<th>FY 25 (YEAR 7)</th>
<th>TOTAL (YEARS 1-7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPITAL CAMPAIGN FUNDS</td>
<td>7,650,000</td>
<td>26,440,656</td>
<td>25,358,973</td>
<td>89,656,192</td>
<td>1,393,637</td>
<td>496,903</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>150,996,360</td>
</tr>
<tr>
<td>WORKING CAPITAL FOR INITIAL &amp; FUTURE INVESTMENTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>7,200,000</td>
<td>7,200,000</td>
<td>7,200,000</td>
<td>72,000,000</td>
<td>450,000</td>
<td>450,000</td>
<td>450,000</td>
<td>450,000</td>
<td>450,000</td>
<td>93,600,000</td>
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<tr>
<td>Endowment</td>
<td>15,000,000</td>
<td>15,000,000</td>
<td>15,000,000</td>
<td>5,000,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>45,000,000</td>
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<tr>
<td>Initial Structural Investments</td>
<td>450,000</td>
<td>450,000</td>
<td>450,000</td>
<td>450,000</td>
<td>450,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,250,000</td>
<td></td>
</tr>
<tr>
<td>Future Initiatives</td>
<td>0</td>
<td>0</td>
<td>100,000</td>
<td>300,000</td>
<td>500,000</td>
<td>600,000</td>
<td>600,000</td>
<td>600,000</td>
<td>2,100,000</td>
<td></td>
</tr>
<tr>
<td>Working Capital</td>
<td>0</td>
<td>3,790,656</td>
<td>2,708,973</td>
<td>2,106,192</td>
<td>643,637</td>
<td>(3,097)</td>
<td>(600,000)</td>
<td>(600,000)</td>
<td>8,046,360</td>
<td></td>
</tr>
<tr>
<td>Capital Funded by Campaign</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NET</td>
<td>7,650,000</td>
<td>26,440,656</td>
<td>25,358,973</td>
<td>89,656,192</td>
<td>1,393,637</td>
<td>496,903</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>150,996,360</td>
</tr>
</tbody>
</table>

Notes to Figure 41 (Sources and Uses of Capital):

- Through FY 2021, resources from the capital campaign will provide working capital needed to fund Initial Structural Investments, Future Initiatives and operating deficits.
- In FY 2022 and thereafter, the capital needs for Initial Structural Investments and Future Initiatives are partially offset by operational surpluses.
- While there will continue to be net capital requirements through FY 2023, operating income will be sufficient beginning in FY 2024 to support all operations and investments and yield an operating surplus.

D. The Maine Center Capital Campaign

With a target of $151 million, the capital campaign for the Maine Center for Graduate Professional Studies will be one of the largest fundraising efforts ever conducted for a Maine endeavor. The proceeds of the campaign will be used to build the new facility where the consortium programs will be brought together under one roof; provide for scholarships and create new faculty positions; develop new cross-curricular and experiential learning programs; and make investments in new academic and non-academic programs and projects through Maine Center Ventures. These investments will be staged as the capital campaign proceeds, with priority accorded to
the development of new revenue streams from executive education programs, Initial Structural Investments, and the construction of a Maine Center building.

The campaign will begin in January, 2017 with the assembly of a team to design, develop and execute it, and will last three years, with a target of at least 80% completion by December, 2019.

The case that the Maine Center will make to Maine foundations, businesses and individual donors will be built around the necessary, central role that the Maine Center will play in reshaping and rebuilding the Maine economy.

At the same time, the Maine Center will seek major assistance and gifts from national foundations that invest in education reform efforts; viz., the Maine Center will be the first consortium of graduate education in the U.S. where schools of law, business and public policy will be brought together under one roof and where students will benefit from a broad emphasis on cross-curricular and experiential learning. It is fair to assume that 80–90% of the moneys raised for the Maine Center will be provided by foundations, and that 60–70% of the funds provided by foundations will be provided by national foundations.

(i) The Dimensions of the Challenge

Donors appropriately have increased their insistence on seeing real evidence of a social return on their investments. The Maine Center will demonstrate that contributions to its capital campaign will be investments that will leverage the talents of students and faculty and the advantage of place to generate social value, educational value, and a direct impact on economic development.

The Philanthropy Outlook 2016 and 2017, prepared by the Lilly Family School of Philanthropy at Indiana University, projects that charitable giving in the U.S. is expected to grow 4.1% in 2016 and 4.3% in 2017, exceeding the five-year, ten-year and 25-year annualized average rates of growth in total giving. Contributions to education, which historically represent about one-sixth of total donations in the U.S., is forecasted to increase by 6.3% in 2016 and 6.1% in 2017. The National Center for Charitable Statistics reported that charitable contributions by individuals, foundations, bequests and corporations reached $358.38 billion in 2014, an increase of 7.1% from 2013 estimates. Religious organizations received the largest share—32 percent—and educational institutions received the second largest percentage—15%.115

Maine’s small population and low incomes mean that charitable giving in Maine is limited and that contributions generally come, in one campaign after another, from a small pool of the same donors. Maine ranks on the bottom for average charitable contributions by individuals per tax return, according to the Internal Revenue Service. For 2013, the average adjusted gross income per tax return in the state was $51,425 (42nd) and the average reported amount of charitable contributions was $684 (50th).116

Maine-based foundations reported $2.9 billion in assets in 2014, according to the Maine Philanthropy Center Giving in Maine 2016 report,117 distributed among 341 foundations registered in Maine. These organizations gave $145 million in grants throughout the world in 2014, while the 25 most active foundations in Maine gave $93 million in Maine.


While the overall Maine numbers are small compared with other states, there is a developed culture of philanthropy in Maine that increasingly targets education. Education funding totaled 37% of the contributions of the top Maine foundations in 2014, where nationally education funding represented 22% of total U.S. foundation giving. According to the Maine Philanthropy Center, the proportion of giving to education has increased the most since 2006.

### Figure 42
**TOP 25 FOUNDATIONS, BY TOTAL GIVING IN MAINE (IN MILLIONS)**

<table>
<thead>
<tr>
<th>Foundation Name</th>
<th>Total Giving in Maine (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HAROLD ALFOND FOUNDATION</td>
<td>$30.18MM</td>
</tr>
<tr>
<td>MAINE COMMUNITY FOUNDATION</td>
<td>$26.59MM</td>
</tr>
<tr>
<td>ELMINA B. SEWALL FOUNDATION</td>
<td>$7.54MM</td>
</tr>
<tr>
<td>JOHN T. GORMAN FOUNDATION</td>
<td>$6.51MM</td>
</tr>
<tr>
<td>LIBRA FOUNDATION</td>
<td>$3.99MM</td>
</tr>
<tr>
<td>STEPHEN AND TABATHA KING FOUNDATION</td>
<td>$2.87MM</td>
</tr>
<tr>
<td>MAINE HEALTH ACCESS FOUNDATION</td>
<td>$2.74MM</td>
</tr>
<tr>
<td>DAVIS FAMILY FOUNDATION</td>
<td>$2.26MM</td>
</tr>
<tr>
<td>SAM L. COHEN FOUNDATION</td>
<td>$1.78MM</td>
</tr>
<tr>
<td>BETTERMENT FUND</td>
<td>$1.62MM</td>
</tr>
<tr>
<td>QUIMBY FAMILY FOUNDATION</td>
<td>$1.78MM</td>
</tr>
<tr>
<td>MAINE JUSTICE FOUNDATION</td>
<td>$1.37MM</td>
</tr>
<tr>
<td>MELMAC EDUCATION FOUNDATION</td>
<td>$1.32MM</td>
</tr>
<tr>
<td>THE IBERDROA USA FOUNDATION</td>
<td>$1.25MM</td>
</tr>
<tr>
<td>HANNAFORD CHARITABLE FOUNDATION</td>
<td>$0.85MM</td>
</tr>
<tr>
<td>MORTON-KELLY CHARITABLE TRUST</td>
<td>$0.74MM</td>
</tr>
<tr>
<td>EMMANUEL &amp; PAULINE A. LERNER FOUNDATION</td>
<td>$0.72MM</td>
</tr>
<tr>
<td>SADIE AND HARRY DAVIS FOUNDATION</td>
<td>$0.71MM</td>
</tr>
<tr>
<td>BANGOR SAVINGS BANK FOUNDATION</td>
<td>$0.66MM</td>
</tr>
<tr>
<td>FRANCIS T. AND LOUIS T. NICHOLS FOUNDATION</td>
<td>$0.62MM</td>
</tr>
<tr>
<td>DAVIS EDUCATIONAL FOUNDATION</td>
<td>$0.49MM</td>
</tr>
<tr>
<td>WILLIAM AND JOAN ALFOND FOUNDATION</td>
<td>$0.42MM</td>
</tr>
<tr>
<td>HORIZON FOUNDATION, INC.</td>
<td>$0.40MM</td>
</tr>
<tr>
<td>DAVIS CONSERVATION FOUNDATION</td>
<td>$0.38MM</td>
</tr>
<tr>
<td>TD CHARITABLE FOUNDATION</td>
<td>$0.33MM</td>
</tr>
</tbody>
</table>

Source: Maine Philanthropy Center

### Figure 43
**PROPORTION OF GIVING GOING TO DIFFERENT FOCUS AREAS, MAINE VS. NATIONAL IN 2014**

- Arts & Humanities: Maine 5%, National 10%
- Environment: Maine 7%, National 7%
- Public Benefit: Maine 12%, National 12%
- Health Care: Maine 22%, National 22%
- Human Services: Maine 16%, National 22%
- Education: Maine 37%, National 22%

Source: Maine Philanthropy Center
The Center’s competitive advantages in crowded and competitive state and national fundraising arenas are two: first, few institutions can make as strong a case that contributions to it will help drive the redevelopment of Maine’s economy, and few institutions will have as dramatic, direction-changing impact on graduate professional education.

E. Center Advancement Operations

The Center will create an advancement office with several officers who can individually focus on separate units, but combine to manage the overall fundraising strategy of the Center. They will be employees of MCV and will work in close collaboration with deans and faculty of the consortium programs so that they can be highly knowledgeable about academic programs, students, alumni and external communities. Contributions to the Maine Center capital campaign will be managed by an external fund manager together with net revenues generated by MCV’s executive education and other activities.