

Personnel and Program Impact: UMF Budget Planning, FY 23- FY24

In assessing the viability of programs and need for right-sizing the faculty at UMF, a number of informing principles have been used:

- Relationship to Strategic Plan
- Enrollment, including rate of enrollment decline
- Gray Associates Composite Program Assessment, combining statewide market and workforce demand, enrollment, and financial contribution, developed in “Bubble” spreadsheet and Ron Hovis consultancy report (copied below)
- Program capacity to continue with reduced FTE
- Potential for program growth or shared instructional opportunities with other UMS institutions

I. Strategic Plan

The University of Maine at Farmington’s new three-year strategic plan (2021-2024), *Reimagining the University*, provides some concise guidance in prioritizing an academic vision and identity for the institution moving forward. In particular, the following statement has informed the overall evaluation of programs:

UMF will pursue the Plan’s three goals within a structural framework that better focuses and clarifies its mission. That structural framework will have three parts: an expanding School of Education, Health, and Rehabilitation, building on long-standing programs and taking an even more prominent role in matters of education with the System, the state, and nation; a reimagined college of the liberal arts, with a reconfigured approach that brings the University’s programs into the needs and demand of the world as it is today. (p. 13)

Likewise, the Strategic Plan states plainly that “UMF has also been seen as unwilling to address an untenable financial deterioration. [. . .] UMF has seen declines in enrollment without corresponding reductions in faculty size” (p. 7). Taken together, these guiding elements have led UMF to a point of reckoning: that we must identify and strengthen our core academic offerings, and move, however regrettably, toward adapting the campus structures and personnel to the radical decline in enrollment the campus has experienced over the past ten years.

II. Enrollment (see “Academic Majors – Tables Update”)

Since 2010, FTE undergraduate enrollment for degree-seeking students at UMF has plunged by 30%. In just the past three years, the decrease is 15.6%. Similarly, undergraduate headcount is down 28.2% over ten years, and 12.9% over three years. As precipitous as this drop has been, a number of programs have declined at an even steeper rate. Among them are programs that have been identified for suspension or downsizing, including:

- History: -61.2% by headcount, -63.5% by FTE
- Philosophy/Religion: -47.1% by headcount, -42.1% by FTE
- Geography and Environmental Planning: -30.3% in headcount and -28.4% FTE over past three years

In the case of Philosophy/Religion, which is being recommended for suspension, the program has dropped from 17 majors in 2010-11 to just 7 in the spring of 2022, three of whom will graduate. As of 4.21.22, no additional students have confirmed for this program for the fall of 2022. This program is supported by 2.5 FTE; the half-time faculty member has opted for the SRI.

The decline in History has been even more severe than the Academic Majors table indicates. At present, this program has only 9 students in the major—down from 26 one year ago, a 73% drop. This program is currently supported by 4 FTE, one of whom has opted for the SRI.

The three-year decline in Geography and Environmental Planning has steadied, but presently there are only 2 new matriculations into the program for fall of 2022. This program is currently supported by 3 FTE.

While enrollment in Psychology has remained consistently strong, Gray Associates data shows the program also has the highest instructional cost (per Gray, “the sum of full-time and adjunct faculty salary, benefits, and additional pay plus the sum of department costs that have all been classified as instructional cost”) of any academic program at UMF. Capacity exists to run the undergraduate program with one fewer FTE.

Over a decade ago, UMF eliminated its degree in Women’s and Gender Studies but maintained the minor. Spring 2022 enrollment in the minor stands at 4 students. UMF does not have the ability to retain a position no longer in direct support of a major.

Similarly, UMF has no World Language major. Courses in French and Spanish are taught by 3 FTE and support language requirements in World Language Education, International and Global Studies, and other program and General Education requirements. However, course enrollment across the board and particularly above the introductory level has declined to the point that UMF can no longer justify full-time faculty in this area.

III. Program Viability Assessment Using Gray Data

The following section is a report by Ron Hovis (UMS external consultant), December 2021, on the general financial situation at UMF and corresponding application of data provided by Gray Associates (attachment “UMF Bubble Charts”).

EXECUTIVE SUMMARY

Gray Associates provided a variety of measures of market demand, enrollment, and financial contribution for each of the roughly 60 UMF academic programs. Those data can be combined and ordered to reflect the composite *relative* viability of academic programs. The viability is relative because this compilation is comparing the viability of one UMF program to the other UMF programs. The attached table reflects the relative viability results for each program. In summary, there are 12 programs that seem to have strong relative viability, another 22 programs with positive to moderate viability, and 26 programs with questionable to weak viability.

The general conclusion from the data is that program viability increases as a program demonstrates more of each of the following:

- External market demand
- Financial contribution to the institution
- Enrollment
- Financial Contribution efficiency

Of great importance, relative program viability must be considered within the context of institutional viability. UMF financial viability has deteriorated dramatically over the past 6-8 years and is reasonably described as weak. As such, every program is at risk because the institution is at significantly more risk than the average institution of higher education. However, the strongest programs are likely to need to make fewer changes to continue to contribute to institutional viability. In contrast, if the institution is to survive and thrive, the programs with the lowest viability expectations must improve dramatically (increase enrollment, increase efficiency, decrease expenses, etc.) or be eliminated.

SUPPORTING INFORMATION

Gray Associates Reports for UMF

Gray Associates was engaged by UMF in 2020 and 2021 to assist with analysis of academic programs. That analysis addressed a variety of factors, including indicators of market demand for the degree program, UMF enrollment in each program, and some measures of financial

contribution. These data were provided to UMF in multiple reports, meetings, and data tools. The first tab of the attached spreadsheet provides a summary of 3 data points for each program.

Additional Analysis

Using the data provided above, some additional analyses were performed. First, the next 3 tabs in the spreadsheet focus on only one data point for each program (e.g., market demand). The results in each tab were sorted from high to low on the relevant factor. In addition, the ranked list was then divided into 5 roughly equal groups. The groups are roughly equal in size (usually 10-15 per group) due to some tied results and some clear breaks in the data. While the low point of one range may be nearly equal to the high point of the next lower range, there is a material gap between the midpoints of each range.

One additional tab was added to provide an indication of program financial efficiency. Efficiency was defined as Total Contribution divided by Enrollment.

The final tab was developed to serve as a composite index for program viability. Each previous tab focused on a single data point, such as market demand, financial contribution, enrollment, and financial contribution efficiency. Using the ranked groupings on each of the previous tabs, each program was assigned a relative rank score for each component (4 points for the highest category and 0 points for the lowest). The individual component rankings for each program were then summed to develop a composite viability score.

The final rankings indicate a relative high/low measure of program viability. While the rankings are not the final word on program viability, they do provide a quick assessment of most programs based on the major factors affecting viability.

General conclusions

There are probably no real surprises here. The following 2 statements summarize the findings:

- If there is external market demand for a program, if that demand translates into enrollment at UMF, and if the program is correspondingly efficient (within the context of UMF), the program demonstrates better viability.
- If there is little demonstrated external demand, and/or if UMF is not successful at attracting students to the program, and/or UMF does not operate the program with reasonable efficiency, the program will usually have lesser to questionable viability.

Institutional Viability

For each of the past several years, the University of Maine System and UMF have prepared a report - Core Financial Ratios and Composite Financial Index. This report contains information used by banks, bondholders, and other lenders to assess the financial strength of an institution. Therefore, institutional leadership usually pays close attention to this report. A few key findings from the FY2020 report for UMS and UMF:

- Primary Reserves have been drastically depleted in past 10 years. As of FY19, reserves are negative.
- Net Operating Revenues experienced a dramatic decline from FY11 to FY14 and remained negative since then.
- Return on Net Position was positive from FY11 to FY12, was about 0 in FY14, and has been negative every year since.
- Financial Viability Ratio exceeded the industry benchmark from FY11 through FY14. It fell precipitously in FY15 and has continued to deteriorate each year since. It is now actually a negative measure.
- Composite Financial Index - This is a combination of the preceding factors. It is compared to a Low Benchmark of 3 and a High Benchmark of 10. UMF results hovered around 3 in FY11-FY13. From FY14 onward, UMF results have been in steady decline and now hover around -0.4.

The bottom line is clear- UMF's financial status was weak and is growing weaker. For some additional perspective, the report offers suggested strategies to institutions based on overall results. Recommendations to UMF were as follows:

- When UMF was experiencing its best results in the past 10 years (FY11-13), the strategic recommendations from the tool suggested the following range of actions:
 - Focus resources to compete in a future state or
 - Direct institutional resources to allow transformation
- With the current results, the tool is now suggesting an entirely different and more dramatic set of actions are necessary:
 - Re-engineer the institution
 - Consider substantive programmatic adjustments
- Any further deterioration in financial status will result in recommendations regarding actions to survive the current year.

Therefore, even the relatively most productive program has a questionable future, because the institution has a questionable future. Programs with modest to weak contribution consume resources without enhancing the institutional financial outlook. This in turn deprives the more productive programs of resources that might help assure continued good performance or even improvements.

IV. Personnel Actions by Program Unit

(N.B: Fall 2022 enrollment numbers as of 4.22.22)

World Languages:

UMF does not have a major in World Languages. The program supports the minors in French and Spanish, the majors in World Language Education, International and Global Studies, and other program Foreign Language requirements. To meet these requirements UMF would need to be able to continue offering courses in world languages either through part-time instructors at our campus or through online access to introductory and advanced language courses at other UMS institutions.

Current FTE: 3 (2 French, 1 Spanish)

Current Majors SP22: WL N/A; WLE 9; IGS 12

Gray Associates Data composite ranking (based on total undergraduate degree programs):

- Composite: WLE 36/36; IGS 23/36

Recommended Action: Suspend World Languages program, 3 FTE retrenched/non-reappointed

Philosophy/Religion major:

This program supports the major, two minors, and the General Education curriculum.

FTE: 2.5 (1.5 Philosophy, 1 Religion)

Current Majors SP22: 7 (3 graduating, 0 fall 2022 confirmed)

Gray Associates Data composite ranking (based on total undergraduate degree programs):

- Composite: 25/36

Recommended Action: Suspend program, 2 FTE retrenched

History

This program supports the major, minor, Secondary Education-Social Studies, and General Education.

FTE: 4

Current Majors SP22: 9 (0 graduating, 4 fall 2002 confirmed)

Gray Associates Data composite ranking (based on total undergraduate degree programs):

- Composite: 20/36

Recommended Action: Retrench 1 FTE

Psychology

Supports the major, the Business Psychology major, the minor, and the MA in Counseling.

FTE: 8

Current Majors SP22: 174 (33 graduating, 30 fall 2022 confirmed)

Gray Associates Data composite ranking (based on total undergraduate degree programs):

- Composite: 2/36

Recommended Action: 1 FTE non-reappointed

Geography and Environmental Planning

Supports the major and GIS minor.

FTE: 3

Current Majors SP22: 22 (4 graduating, 2 fall 2002 confirmed)

Gray Associates Data composite ranking (based on total undergraduate degree programs):

- Composite: 31/36

Recommended Action: 1 FTE non-reappointed

Women's and Gender Studies

UMF does not have a major in WGS. The program supports the minor.

FTE: 1

Current Minors SP22: 4

Gray Associates Data: N/A

Recommended Action: Retrench 1 FTE, eliminate the minor