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## Currents (January 19, 1996)

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# CURRENTS

University of Southern Maine

Special Edition From Office of the President

January 19, 1996

Dear Colleagues:

This is the *Final Draft* of our Five-Year Work Plan. It reflects valuable comments by hundreds of faculty, staff, students, and citizens. It also responds to serious changes in our situation since the first draft was circulated on September 20, 1995. You will find it significantly different, more focused on emerging financial and political pressures. Please read it carefully and send me your comments or participate in any of the numerous discussions that will occur. Your help is essential.

Richard L. Pattenaude, President

Schedule: January 19, 1996 - Release Final Draft  
January 19 to March 22, 1996 - Discussion  
April 1, 1996 - Present Finished Document to Campus, Trustees and Community

## USM in the 21st Century Maine's Comprehensive Public University -FINAL DRAFT-

USM is entering a period of great opportunity and great danger.

The opportunity comes from the fast-growing need for educated citizens in an information-based global society. A university with a clear vision, rigorous standards, and responsive programs will prosper in this environment. It is imperative that USM continues its journey from being a good university to becoming an outstanding comprehensive public university. Complacency will guarantee that we will not achieve our aspirations nor will we be able to deliver the quality of education that the people of Maine need.

The danger comes from the quickly mounting fiscal and political pressures we face. An analysis of our current condition shows that our rising costs and stagnant enrollments are a prescription for disaster. Attachment I demonstrates that if nothing changes we will face a \$4.4 million dollar budget deficit within five years. The recent letter from the Chair of the Board of Trustees makes it clear that all campuses are expected to solve these problems internally while also undergoing greater scrutiny than ever before.

If we fail, budgets will be cut, jobs will be lost, salaries will lose ground, library collections will become outdated, our facilities will grow shoddy, and the quality of education we provide will decline markedly. This plan lays out a series of actions that will lead to success. We do not intend to fail.

For over two years we have addressed these issues gently and subtly. The time for subtlety is over. Events of the past six months, which will be discussed below, have changed the situation we face. Our careful and judicious work to date has

preserved our integrity and our capacity. But we need to be more decisive.

This document provides a five-year plan to address these challenges. It is an optimistic plan that relies more on energy, initiative and growth than on rude cutting and slashing, although cuts will occur.

### FIVE-YEAR PLAN

- I. Analyzes our current situation to illuminate areas that need quick and decisive action.
- II. Defines and describes USM as a comprehensive public university and uses this definition as a template for change.
- III. Details a five-year work plan to secure our future through a combination of enrollment increases, cost reductions, and program improvements.

### I. USM'S CURRENT SITUATION

USM does not exist in a vacuum. Our current situation is a volatile mixture of long-term trends and recent developments. In a nutshell: operating costs are rising while at the same time our enrollments have fallen and stayed down; the Board will not increase tuition faster than inflation, and the Governor is promising only minimal appropriation increases. Most recently, Board of Trustee actions in July and the recent letter from the Chair of the Board signal a change in the financial rules of the road. The Trustees have told the campuses that they are responsible for meeting all increased costs of operations, e.g., inflation, compensation, building maintenance, and so on. The Chair's letter states that approximately two

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## USM in the 21st Century

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percent of any cost increases should come from internal savings or new revenues from enrollments, what is being called the "internal investment strategy." To all this must be added the impact of a fiscally conservative, cost-conscious political environment that expects more accountability, results and direct service to economic development.

Taken together, these factors create the condition for a major budgetary imbalance. As we proceed we must be attentive to these forces while at the same time retaining the intellectual independence and objectivity that are inherent to a university.

**Enrollments and Instructional Capacity.** Prudent management of resources over the past few years has allowed us to protect our core mission. However, it is clear that we have more faculty educating fewer students in smaller classes than we did in 1990, right after the major investment in the system and before the budget cuts of the 1990s. For financial health we need to move back toward the enrollment levels of 1990. The plan in Section III identifies how that will be accomplished over a five-year period. Specifics of this situation are:

- Enrollment has declined from 10,487 students in Fall 1990, to 9,721 in Fall, 1995 (-7.3 percent).
- Student credit hours have declined from 89,872 in Fall, 1990, to 80,969 in Fall, 1995 (-9.9 percent). This is a critical figure because it reflects course enrollments. (See Table 1)

TABLE I  
STUDENT CREDIT HOURS BY SCHOOL AND  
COLLEGE  
FALL 1990 TO FALL 1995

	<u>Fall</u> <u>1990</u>	<u>Fall</u> <u>1995</u>	<u>Five Year</u> <u>Change</u>
Applied Science	3,720	3,242	-478 (-13%)
Arts & Sciences	53,849	45,912	-7,937 (-15%)
Business	9,345	6,578	-2,767 (-30%)
Extended Academic Programs (Includes off- campus programs)*	5,506	3,219	-2,287 (-42%)
Education & Human Development	7,217	7,086	- 131 (- 2%)
Law	3,883	4,193	310 (+ 8%)
Nursing	3,470	4,340	870 (+34%)
Other Academic Programs	1,836	2,651	815 (+44%)
Lewiston/Auburn	1,047	3,449	2,402 (+229%)
TOTAL USM	89,872	80,969	8,903 (-10%)

\*Off-campus centers were transferred to UMA.

- While total full-time employment at USM has increased by 8.7 percent, all of the increase was from non E&G funds, such as auxiliary services and external grants and contracts. Staff supported by non E&G funds increased by 52 percent, primarily in the professional and classified areas; staff supported by E&G funds (tuition plus state appropriation) stayed constant. (See Table 2.)

TABLE 2  
FULL-TIME EMPLOYMENT 1990 to 1995

	<u>Jan. 1990</u>	<u>Fall 1995</u>	<u>%Change</u>
Administrators	63	43	-32%
Faculty	324	333	+ 3%
Professional Staff	207	290	+40%
Classified Staff	373	385	+3%
TOTAL	967	1,051	+9%
Total E&G Staff	805	805	+0%
Total non- E&G Staff	162	246	+52%

- Faculty FTE (including part-time faculty) increased from 400 in Fall 1990 to 410 in Fall 1995.
- The student-faculty ratio has declined (FTE Student/FTE Faculty) from 15.7:1 in Fall 1990 to 13.4:1 in Fall 1995 (-14.6 percent).
- The number of undergraduate course sections has declined from 1,074 in the Fall of 1990 to 1,051 in the Fall of 1995 (-2.1 percent).
- Enrollment capacity has decreased. The number of course "seats" available has gone down from 32,331 in Fall 1990 to 29,852 in Fall, 1995 (-7.7 percent).
- Section size has decreased. In Fall 1990 there were 330 sections with fewer than 20 students compared to 439 sections with fewer than 20 students in Fall 1995, excluding Extended Academic Programs (+33 percent).

**Cost Effectiveness.** The Board of Trustees has expressed its clear expectation that the campuses will provide a portion of the new resources needed to fund adequate salary increases, support programs, and maintain facilities. A recent letter to all of us from the Chair of the Board indicated a target in the range of two percent per year in campus savings for the next several years. For USM this means almost \$1.0 million per year in either increased revenues or decreased costs. These funds will be used to meet increased costs on the campus.

**Tuition Dependence.** USM is becoming progressively tuition dependent and thus more financially sensitive to enrollment changes. In 1989-90, about 35 percent of our Education and General (E & G) budget came from tuition. In 1994-95, the figure had risen to 55 percent. These numbers reflect the rapid tuition increases that were needed to offset the loss of \$4.6 million from our state appropriation between 1990 and 1993. There is broadly shared sentiment that our

students cannot handle significant tuition increases that exceed inflation.

**Competition for Students.** We face greater competition for students than at any time in the past. One statistic is particularly compelling. In 1975, 48 percent of Maine's college-bound high school graduates went out of state for their freshman year. By 1994 that figure had risen to 71 percent. USM's undergraduate and professional programs not only compete with those in the state, but also with Boston University, UNH, Boston College, Babson, Northeastern, UMass, and Lowell. We additionally see a series of institutions offering programs in our backyard. Competition will accelerate further with the reality of distance learning and interactive television.

## II. USM'S LONG-TERM MISSION

USM has for many years been evolving as a comprehensive public university but without a shared and consistent focus. In an environment marked by constrained resources and greater accountability, we will prosper only if we are sure of our purpose and direction. Our vision of a comprehensive public university provides a focus to our mission and a way to describe our responsibilities to students and to the public.

Taken together these values define a university that is of importance to modern society because it retains the strength and wisdom of experience while integrating new perspectives and actions. USM will prosper in the 21st century if it focuses its energy and talent on becoming a great comprehensive public university.

### USM - A COMPREHENSIVE PUBLIC UNIVERSITY

USM, as a comprehensive public university, fulfills many educational roles. It is a quality, affordable undergraduate university education grounded in the liberal arts. It is a valued means to an undergraduate or graduate education for adult learners. It is a source of professional upgrading for the work force of southern Maine. It is a place of scholarly achievement. It is a cultural and intellectual resource for its extended community. USM is defined by these varied roles that draw upon the transforming power of education to improve the lives of people and thus the life of the community.

## CORE VALUES of a Comprehensive Public University

### A Commitment to Learning

The comprehensive public university's first priority is learning. This can only be achieved in an environment that builds upon the scholarship of an informed faculty and a sustained intellectual vision which promotes academic excellence and student achievement. It is this sharing of knowledge to improve people's lives and the life of our community that is compelling and reflects our deep and abiding commitment to students.

### A Commitment to Linking National Standards with Regional Responsibilities

Our teaching, scholarship, service, and administration must be done at the highest levels of quality, capable of withstanding national scrutiny. We have the challenging responsibility of building academic programs of national distinction on a regional base. Access to first-rate and affordable educational opportunities (the democratization of knowledge), provides the keys to opportunity, mobility and a future with choices and options. These opportunities must be open to the community; a university flourishes in an environment in which differences in background, points of view, and life choices are valued. Our distinctiveness comes from this clear concern for, and direct involvement in, the challenges and context of our region. We are not merely visitors in our community; we are members of our community.

### A Commitment to Linking Theory with Practice

The distance between the University and the community must be bridged in ways that add richness and depth to the learning process. Comprehensive public universities link theory and practice through a variety of means -- research, internships, clinical experiences, public service activities, cooperative education, service learning. This interaction and collaborative dialogue ensures that the university is a participant in addressing the important issues of the day, bringing the best of national practice to bear locally. Student participation in work or service experiences, linked to their undergraduate or graduate program of study, both illuminates theory and provides valuable experience which assists them in seeking employment.

### A Commitment to Responsive Services and Efficiency

Comprehensive public universities continually face expectations that exceed capacity because of the increasing importance of higher education. It is our responsibility to set priorities and expend funds in ways that advance our mission, minimize costs to taxpayers and students, generate confidence in our stewardship, and ensure that our services are responsive to the needs of our students. We welcome public scrutiny and accountability.

# USM in the 21st Century

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## III. CRAFTING MAINE'S COMPREHENSIVE PUBLIC UNIVERSITY: A WORK PLAN FOR 1996-2001

There is much to be done if we are to move ahead on our mission and simultaneously be responsive to our current financial and political situation. Both needs must be met; they are intertwined and inseparable. The following work plan details specific actions that address the complex challenges we face. These actions are organized into four priority areas:

- PRIORITY A. Support the University Mission
- PRIORITY B. Implement Performance Budgeting System for all USM Units
- PRIORITY C. Increase Enrollments and Revenues
- PRIORITY D. Pursue Cost Effectiveness and Work Simplification

These priorities and actions were chosen to have maximum impact. They will be the focus of our work over the next five years. Other goals and objectives will undoubtedly be pursued. Unexpected opportunities will appear and be responded to. But ongoing, persistent, accountable attention will be given to the efforts listed below.

### PRIORITY A: SUPPORT THE UNIVERSITY MISSION

In the face of financial pressures, we must continue our effort to become a nationally recognized comprehensive public university. This involves organizing our programs for greater synergy, and using resources for maximum benefit.

#### 1. ENHANCE THE LIBRARY COLLECTION

The library collection, whether monographs, serials, or electronic data has been hurt by the impact of inflation. Annual investments will be made to at least maintain current purchasing power.

#### 2. REORGANIZE FOR GREATER SYNERGIES AND EFFICIENCY

- College of Arts and Sciences Reorganization. It has been proposed that science departments be moved from the College of Arts and Sciences and combined with the programs from the School of Applied Sciences. This would create a new College of Humanities, Arts and Social Sciences, and a new College of Science, Engineering and Technology. The Faculty Senate is discussing this proposal; the Provost will provide additional information to assist in those deliberations.
- Reorganization of Institutional Research. It is proposed that an Office of Institutional Research and Assessment be established within the Division of Enrollment Management. It will consist of the resources and personnel of MIS, assessment from Testing and Assessment, and Student Information and Research Services (SIRS). Heading the unit will be the current Director of SIRS. Our focus on retention calls for greater analysis of our student body and the assessment of our ongoing retention efforts. The Performance Budgeting System (see Priority B) will depend on the availability of information to be effective.
- Reorganization of Technology and Information Services. It is proposed that the libraries, academic computing, media

services, and ITV be combined into a single unit reporting to an Associate Provost for Technology, Information Systems, and Libraries. This unit will be responsible, with appropriate consultation, for generating strategies to support technology applications in the learning process and faculty and staff development for the use of these technologies. As we invest in technology and create capacity for using it in support of learning, the University will emerge as a regional resource center for schools, businesses, local governments, non-profit organizations and other higher education institutions.

#### 3. MANAGE MORE RESPONSIBLY

- Accountability. In order to ensure the best use of resources in serving our mission and to give confidence to those inside the University and outside the University, we will undertake increased accountability including a number of specific actions. These will include:

- ensuring annual reviews of all classified, professional and administrative personnel are done on time
- enhanced supervisor training and supervisory orientation
- more attention given to post-tenure faculty reviews
- maintaining the schedule of five-year program reviews, linked to performance budgets

#### 4. REACH OUT TO THE PUBLIC

- Annual Report to Maine. Each Spring a newspaper-style report will be distributed statewide featuring the work of USM in supporting and advancing the interests of the state. It will highlight significant achievements by faculty, staff, students, and programs. This will be responsibility of the Division of University Advancement.
- Advisory Boards. Where appropriate, departments and programs will establish external advisory boards consisting of individuals who would have knowledge of or a stake in the programs or department's work. The advisory boards should include some alumni representation and must meet at least once a year. Departments must submit a brief annual report on advisory board work to the appropriate division head.
- Communication and Marketing. Talented students need not go out of state for an education, and USM can increase its enrollments if there is greater awareness of the range and quality of available programs. The Division of University Advancement will lead the effort in providing more visibility and developing a better understanding of USM by key audiences. A major element will be an external marketing/communications campaign advised by marketing consultants. The public, businesses and state government need to better understand the impact USM has on Maine's economic vitality and growth of its citizens. A marketing/communications plan will be completed in the Spring of 1996.

### PRIORITY B: IMPLEMENT PERFORMANCE BUDGETING SYSTEM FOR ALL USM UNITS

USM will be even more responsible for finding the resources required to accomplish our goals as a comprehensive public university. To do this we will need to have greater control over our resources and their use. We clearly are entering a new era of funding of public higher education in Maine as well as in the rest of the United States, one in which USM has become state assisted rather than state supported. To adjust to the new realities of higher education funding, we



# Insert I

## UNIVERSITY OF SOUTHERN MAINE PROJECTED E&G REVENUE AND EXPENDITURES 1995/96 TO 2000/01 ASSUMPTIONS A PLANNING SCENARIO

Assumptions made in projections:

- Student headcount and student credit hours will remain constant at 1995/96 levels.
- Tuition rate increases will be equal to the rate of inflation following the 1996/97 increase of 4.7% based on the final year of the tuition differential plan.
- Revenues other than tuition, i.e. fees, sales/service, indirect cost recovery, will increase at a rate one-half the rate of inflation.
- State appropriations will increase at a rate of 1% from 1997/98 through 2000/01 after an increase of 1.9% for 1996/97 based on the currently approved Legislative appropriation for 1996/97.
- The campuses will be required to fund any compensation increases or adjustments with such increases/adjustments at the rate of inflation.
- The campuses will be required to fund any increased costs of fringe benefits.
- Operating expenditure budgets will be increased at the rate of inflation.
- Rather than a Program Investment Fund reallocation process, a fund for new programs and investments equal to .5% of the prior year's E&G budget will be needed each year.
- The rate of inflation for the next five years will be comparable to those of the past four years with 3% inflation for 1995/96 to 1996/97, 3% for 1996/97 to 1997/98, and 4% for each year thereafter.
- Institutional student financial aid will increase at the rate of inflation over the period in order to compensate for tuition rate increases.

## UNIVERSITY OF SOUTHERN MAINE PROJECTED E&G REVENUE AND EXPENDITURES 1995/96 TO 2000/01 ASSUMPTIONS

<u>Fiscal</u> <u>Year</u>	<u>Projected</u> <u>Revenue</u>	<u>Projected</u> <u>Expenditures</u>	<u>Revenue/</u> <u>Expenditure</u> <u>Imbalance</u>
1995/96	\$54,940,607	\$54,940,607	\$0
1996/97	\$56,602,326	\$56,863,527	(\$261,201)
1997/98	\$57,637,938	\$58,570,806	(\$932,868)
1998/99	\$58,950,495	\$60,910,801	(\$1,960,306)
1999/00	\$60,304,732	\$63,347,218	(\$3,042,486)
2000/01	\$61,702,191	\$65,881,106	(\$4,178,915)

# Insert II

## UNIVERSITY OF SOUTHERN MAINE PROJECTED E&G REVENUE AND EXPENDITURES 1995/96 TO 2000/01 CLOSING THE GAP

REVENUE	1997/98		1998/99		1999/00		2000/01	
	Fiscal Year	Cumulative	Fiscal Year	Cumulative	Fiscal Year	Cumulative	Fiscal Year	Cumulative
Retention (1% per Year)	\$223,802	\$454,318	\$239,737	\$694,055	\$249,327	\$943,382	\$259,300	\$1,202,682
In-state tuition from Undergraduate new students	500 SCH @ \$111 21 FTE students \$55,500	1,820 SCH 76 FTE \$205,980	1,320 SCH @ 118 55 FTE \$155,760	3,140 SCH 131 FTE \$361,740	1,320 SCH @ \$123 55 FTE \$162,360	4,460 SCH 186 FTE \$524,100	1,320 SCH @ \$128 55 FTE \$168,960	5,780 SCH 241 FTE \$693,060
Out-of-State tuition Undergraduate new students	200 SCH @ \$314 8 FTE students \$62,800	680 SCH 28 FTE \$217,840	480 SCH @ 336 20 FTE \$161,280	1,160 SCH 48 FTE \$379,120	480 SCH @ \$349 20 FTE \$167,520	1,640 SCH 68 FTE \$546,640	480 SCH @ \$363 20 FTE \$174,240	2,120 SCH 88 FTE \$720,880
In-State tuition from new graduate students	200 SCH @ \$167 11 FTE students \$33,400	600 SCH 33 FTE \$102,200	440 SCH @ \$179 24 FTE \$78,760	1,040 SCH 57 FTE \$180,960	480 SCH @ \$186 27 FTE \$89,280	1,520 SCH 84 FTE \$270,240	480 SCH @ \$193 27 FTE \$92,640	2,000 SCH 111 FTE \$362,880
Out-of-State tuition from new grad. students	36 SCH @ \$471 2 FTE students \$16,956	72 SCH 4 FTE \$34,416	50 SCH @ \$504 3 FTE \$25,200	122 SCH 7 FTE \$59,616	50 SCH @ \$524 3 FTE \$26,200	172 SCH 10 FTE \$85,816	50 SCH @ \$545 3 FTE \$27,250	222 SCH 13 FTE \$113,066
Other Revenue/Increase	\$50,479	\$83,457	\$44,630	\$128,087	\$45,522	\$173,609	\$46,433	\$220,042
SUB-TOTAL: REVENUE	\$442,937	\$1,098,211	\$705,367	\$1,803,578	\$740,209	\$2,543,787	\$768,823	\$3,312,610
EXPENDITURE SAVINGS								
Salary Savings (10% of salary from any position that becomes open)	\$80,000	\$162,400	\$85,696	\$248,096	\$89,124	\$337,220	\$92,689	\$429,909
Productivity/Re-engineering	\$20,000	\$50,000	\$35,000	\$85,000	\$40,000	\$125,000	\$45,000	\$170,000
Revenue Stream Undedication	\$30,000	\$65,000	\$40,000	\$105,000	\$45,000	\$150,000	\$50,000	\$200,000
Program Reduction and/or Eliminations	\$0	\$50,000	\$60,000	\$110,000	\$70,000	\$180,000	\$80,000	\$260,000
SUB-TOTAL EXPENDITURES	\$130,000	\$327,400	\$220,696	\$548,096	\$244,124	\$792,220	\$267,689	\$1,059,909
TOTAL ADJUSTMENTS	\$572,937	\$1,425,611	\$926,063	\$2,351,674	\$984,333	\$3,336,007	\$1,036,512	\$4,372,519
Gap for Fiscal Year	(\$261,201)	(\$932,868)	(\$1,003,438)	(\$1,936,306)	(\$1,106,180)	(\$3,042,486)	(\$1,136,429)	(\$4,178,915)
Balance	\$311,736	\$492,743	(\$77,375)	\$415,368	(\$121,847)	\$293,521	(\$99,917)	\$193,604
Closing. 1996								

will: (1) implement a five-year financial plan with specific targets for additional student credit hours and cost savings and; (2) expect program units to take greater responsibility for devising strategies to identify and meet their performance and revenue goals.

### 1. CREATE A FIVE-YEAR FINANCIAL PLAN TO GENERATE \$4.4 MILLION IN ADDITIONAL REVENUES

Our best projection, based on plausible assumptions, is that USM's budget will increase by almost \$12 million over the next five years, from \$54.0 million to \$65.9 million. This increase will support inflation costs, compensation and fringe benefit increases, and program improvements. (See Insert I for details.)

At our present enrollment levels we project that only \$7.6 million will come from increases in tuition, state appropriation and fees. So we need to find an additional \$4.4 million ourselves from a mixture of enrollment increases and cost reductions.

Table 3 summarizes our strategy for generating the additional \$4.4 over the next five years. Three of every four dollars — \$3.3 million — will be produced through a 9.9 percent increase in student credit hours from an annual total of 176,700 to 193,300. The remaining amount — \$1.1 million — will be realized by expenditure savings that will remain on this campus to be reallocated to other budgetary purposes. By academic year 2001 USM's Fall enrollments should be approximately 10,500. Savings will be realized through salary savings in new positions, a series of productivity improvements in administrative procedures, elimination of the dedicated revenues for selected functions, and program reductions and/or eliminations. Year-to-year patterns of FTE students, credit hour, revenues and expenditure savings are in Insert II.

### 2. IMPLEMENT PERFORMANCE BUDGETING

The responsibility for achieving the enrollment and revenue goals and the cost savings targets in the five-year financial plan rests ultimately with the academic and administrative divisions and departments of the University. For example, faculty are in the best position to identify the opportunities and issues facing students and then, working with staff, designing and implementing solutions. Accountability through a performance budgeting process will result in directly connecting resources available to each department to the extent that goals are met or exceeded.

Departmental performance goals will be based on revenue and expenditure targets that derive from this plan, comparative benchmarks from peer institutions, and historical USM data. For those departments with performance goals such as student credit hours or non-credit fees that are directly related to revenues, a portion of revenues exceeding targets will be retained by the department. The intent is to encourage entrepreneurial efforts and reward program success. All academic and administrative departments will undergo a detailed review every five years. Major budget units will give annual presentations to the University.

Planning and Budgeting Advisory Committee (UPBAC), the President's Staff and the Vice President for Administration will be responsible for development and running of this new budgeting process.

### 3. RESTRUCTURE THE REVENUE STREAM

Currently, in a few units, tuition income is held for that unit. These agreements will be reviewed as part of performance budgeting so that the process for determining such arrangements is consistent across all units. Over the five years of this plan, \$200,000 of such arrangements will be reallocated to other priorities.

TABLE 3  
FIVE YEAR E&G REVENUE AND SAVINGS GOALS  
1996-2001

Increased Revenues	FTE Students	Student Credit Hours	Revenue
<u>Retention</u>	270	6,500	\$1,203,000
<u>New Under-graduate Students</u>			
In-State	240	5,800	\$694,000
Out-of-State	90	2,100	\$720,000
<u>New Graduate Students</u>			
In-State	110	2,000	\$363,000
Out-of-State	13	220	\$113,000
<u>Other Revenue Increase</u>			\$220,000
<b>SUB-TOTAL REVENUE</b>	<b>723</b>	<b>16,620</b>	<b>\$3,313,000</b>
<u><b>COST SAVINGS</b></u>			
<b>Salary Savings</b> (10% of salary from any open position)			\$430,000
<b>Productivity/Re-engineering</b>			\$170,000
<b>Revenue Stream Rededication</b>			\$200,000
<b>Program Reduction and/or Elimination</b>			\$260,000
<b>Sub-Total Expenditure Savings</b>			\$1,060,000
<b>TOTAL ADJUSTMENTS</b>			<b>\$4,373,000</b>

### PRIORITY C: INCREASE ENROLLMENTS AND REVENUES

We believe a major part of our projected deficit can be reduced through growth rather than a "cut and slash" strategy that would substantially weaken USM's capacity to fulfill its responsibilities as a comprehensive public university. We will take steps over the next five years designed to increase annual student credit hours by 16,600 (9 percent) and FTE enrollment by 725 (12 percent), as summarized in Table 3 and detailed in Insert II. These increases will occur with only marginal additions in overall faculty and staff resources. (If we are not successful, we will have to cut programs, faculty and staff.)

To increase enrollments we must continue to improve the design, the implementation and the overall quality of programs and services that we provide to current students. A primary focus will be on increasing retention among traditional age students who come to USM as freshmen but do not continue. Some of these individuals are testing the waters of higher education and then decide they are not yet ready. But many other able students leave USM because their programmatic interests are not fulfilled or because they are

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not able to develop the skills needed to succeed in the college environment.

We will take specific steps to increase enrollments. Revising our approach to developing core competencies, assuring strong connections between faculty and students, and the fusion of curricular and co-curricular learning embodied in the Gorham campus focus will both strengthen the quality of the collegiate experience for all undergraduates and retain an increasing proportion of those students.

We also will mount new undergraduate and graduate programs directed specifically at demonstrated areas of student interest and the needs of employers and society. And we will revitalize our residence halls to assure that they are a plus in recruiting and retaining students. Finally, we will reorganize key program areas to assure that they have the capacity to realize our programmatic and revenue goals. The new academic programs, coupled with more aggressive in-state and out-of-state recruiting, will be the key to the second growth strategy -- attracting more students to USM.

### 1. RAISE RETENTION RATES

Given USM's increasing dependence on tuition, we must make special efforts to increase our enrollment over the next five years. It is imperative that retention be a constant goal that is pervasive throughout USM. It is the responsibility of everyone in the university community, but especially those who work directly with our students, to be committed to helping them develop the skills they require to succeed in college and in life. Currently USM's retention rates are below our peers; we have considerable room to improve. I am proposing that we move from our current 42 percent retention level (based on the 1989 cohort) to a 50 percent retention level over a five-year period, a level comparable to our peer institutions. Efforts aimed at our increase in retention will be guided by the Enrollment Management Work Group. While every recommendation in the Retention Report will be addressed, the following two items bear special attention.

- Advising/Mentoring. Students should see their experience at USM as one in which strong and consistent connections with faculty significantly enrich their lives. But too often our students and our graduates report of their disappointment in the inconsistency and often inadequacy of such ties with faculty. The University Retention Committee concluded that student-faculty connections, including the formal process of advising, were the number one variable in increasing retention, particularly the freshman-to-sophomore transition. In order for students to fully benefit from the rich and varied curriculum provided by USM, they must be guided by faculty who are fully committed to their roles as mentors and advisors. While there are numerous examples of outstanding mentoring and advising at the University, in too many programs this is not the case. The deans will raise expectations for faculty advising that extends beyond a faculty member's discipline. Faculty will receive increased training and support for enhanced advising efforts. Promotion and tenure files will include additional information on advising.
- Revised Course Schedule: Courses must be offered where and when students need them. We need to spread classes throughout the week, provide a better distribution of classes throughout each day (morning through evening), and increase the number of introductory core classes available on the Gorham campus. Approximately 87 percent of the seats available in the core curriculum

currently are filled: this presents numerous scheduling problems. Size in some sections will be increased and some sections added, along with other refinements to the Core such that by Fall, 1998, core occupancy will be at 80 percent. Work has already begun at the College of Arts and Sciences on this important initiative. Also, students need the predictability that comes from multi-year, fall/spring/summer session schedule planning to be assured that they can plan for the courses they need to graduate. We will assess the value of demand scheduling, laying out a bare-bones schedule and then fleshing it out based upon student demand.

- Internships/Cooperative Education. USM needs to continue adding departmentally-based and faculty-defined internships and cooperative learning opportunities to those that already exist. We will continue to support cooperative education, enabling departments to utilize it as an administrative vehicle, and also build more service-learning opportunities. Linking theory to practice is an essential aspect of a comprehensive public university.

### 2. ADD NEW PROGRAMS TO ATTRACT AND RETAIN STUDENTS

A public comprehensive university must have a first-rate undergraduate curriculum, selective advanced study opportunities, and a full range of public service offerings. Developing additional undergraduate and graduate programs during a period of financial restraint is difficult but necessary if we are to respond to student demands, anticipate community needs, and mature as a first-rate institution. As the primary source of baccalaureate and graduate education in southern Maine, it is our responsibility to continually revise and extend our program offerings. If we do not ensure the currency of our programs, students will meet their learning needs elsewhere.

The following programs are considered candidates for adding to USM's portfolio over the next three to five years. In each case there has to be a viable level of demand, the clarification of a clear linkage to mission, and the ability to offer the programs at a high level of quality. These programs will be funded by student enrollments and, if needed, internal reallocations.

- Undergraduate:
  - BA-Media Studies
  - Education (Math and Science to begin Fall, '96)
  - BA - Sports Medicine
  - BS - Health Sciences
  - 3-2 programs linking bachelor's and master's degrees
  - Three year bachelor's degree options via intensive individual scheduling
- Graduate:
  - MA-Health Policy and Management
  - MA-Community Planning & Development
  - Master's in Fine Arts
  - Master's in Social Work
  - Executive MBA
  - MS- Biotechnology (based on our current master's in Applied Immunology)
  - MS-EE (by extending UMaine-Orono's program to this region)

### 3. FOCUS ON CORE COMPETENCIES IN THE CURRICULUM

Both the research literature and the employers of USM graduates emphasize the need for Core competencies in order for students to have successful lives and careers. Students come to USM with varying levels of preparation. We have the responsibility to help them obtain the capacity for effective learning and functioning at the college level. This is not remediation; it is an emphasis on advanced learning tools.

- Writing Initiative. We will speed up our current work designing and implementing a program to provide each student with fundamental competency in writing. This must be linked to effective reading, critical thinking, and other aspects of liberal education. USM will be known as a university that cares about writing.

- Restructure the Core Requirements. Areas C, D, and E, the "Basic Competency" requirements of English Composition, Quantitative Decision Making, and Skills of Analysis/Philosophy need serious reconsideration so that we can be confident students are learning the appropriate skills and obtaining the necessary tools to succeed in college and in their lives. Working with the Core Council, the Provost will lead an intense effort to bring about these changes, including the imposition of a 60-credit limit by which time all students must complete these foundation core requirements before moving on to more advanced work at the University. As part of the restructuring of the academic core there will be courses or activities added to ensure that all students graduating from USM have obtained fundamental computer competency. It should no longer be possible to graduate students without those skills.

### 4. CONTINUE GORHAM CAMPUS FOCUS

Of our three campuses, Gorham has the least clear identity. Lewiston-Auburn and Portland have distinct roles -- LAC serving the primarily adult population of its communities, Portland as a place for commuting adult students. A unique personality for the Gorham Campus, one that represents a fusion of curricular and co-curricular programming for both resident and commuter traditional age students, is an important strategy to increase enrollments. Increasing enrollment of full-time traditional age students, both in-state and out-of-state, is critical to the success of our financial plan. The Gorham focus integrates many initiatives in this plan that are directed at undergraduates such as advising/mentoring, revisions in course schedules, new programs, reorganization of the College of Arts and Sciences and the School of Applied Science, revisions in the Core Curriculum, and strengthening of residence hall programs. It is important that residential students in Gorham be able to take most of their classes in Gorham. Work will begin in earnest over the next few months as the Gorham Task Force coordinates its planning with other USM programs and offices.

### 5. INCREASE OCCUPANCY AND STRENGTHEN RESIDENCE HALL PROGRAMS

- Residence Life. A recent study of USM's Residence Life program has provided guidance and recommendation regarding the redesign and reconfiguration of our facilities, program and staffing. This area, of critical importance to the fiscal and community health of USM, must assume greater importance. A detailed plan of action

is forthcoming by February 1, 1996.

- Portland Hall. Vigorous efforts will be undertaken to either outsource Portland Hall to private management or expand its alternative uses through renting to other colleges and universities, elder hostel, and similar groups.

### 6. REORGANIZE KEY PROGRAM AREAS

- Graduate Reorganization. The Office of Sponsored Programs, the Office of Graduate Studies, and resources supporting graduate students will be combined into a single Office of Graduate Studies and Research. This will bring greater efficiency to these operations and focus our resources more carefully. As Insert I indicates, increased graduate enrollments in existing and new graduate programs must be obtained.

- Extended Academic Programs/Public Service. The Division of Public Service will be combined with the Office of Extended Academic Programs to form a new division. This division will be contained within Enrollment Management. This reorganization combines our extended credit and non-credit activities in order to better use flexible and creative program and service delivery to our many populations. Clearly tied to the academic mission of USM and serving the diverse needs of our different populations, this new division will be expected to work collaboratively with the academic units in the development of certificate programs and degree programs offered on the weekend.

### 7. RAISE EXTERNAL FUNDS

There is no doubt that the campus will need to become increasingly aggressive in fund raising. We are currently participating in a feasibility and planning study, testing our ability to raise \$8 - \$10 million over the next four-five years. These funds would provide much needed support for our libraries, science and technology labs and equipment, student scholarships, athletic facilities and other programs. This fund-raising effort will also allow USM to complete some unfinished facilities projects as well as enhance and upgrade academic support systems.

### PRIORITY D: PURSUE COST EFFECTIVENESS AND WORK SIMPLIFICATION

The use of resources needs careful attention and review. We must rethink all that we do in order to respond to the rate of change we will encounter.

### 1. INCREASE FACULTY/STUDENT RATIO TO PRIOR LEVELS

Over the past five years our faculty/student ratio has fallen from 15.7 to 1 to 13.4 to 1, measured in FTE. Over the next five years we will need to move to a 15.5 to 1 level, which would be slightly below the mid-point for institutions similar to USM and below our own previous levels. This can only be done by increasing our enrollments or decreasing faculty FTE. It is a mistake to focus slavishly on a single measure such as student-faculty ratio. However, we should not trivialize the importance of this measure. At the end of the day, faculty contributions of teaching, scholarship, and service advance the purposes of the university, and build our reputation. This must be recognized as we proceed. The Provost will establish targets for each school. These will be reviewed annually as part of the performance budgeting

## USM in the 21st Century

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process.

### 2. DELETE AND DOWNSIZE PROGRAMS

The programs noted below are the first to be eliminated or reduced in scope. They are either not adequately linked to our mission, lack sufficient demand to be viable, or cannot be offered at an acceptable level of quality. Over the next few years other programs will be eliminated or downsized by attrition as a result of the budgeting process. The goals in our Financial Plan (Insert II) call for these continuing efforts.

- **Master's of Science in Statistics.** This program will be phased out by Fall 1997, no new admissions accepted effective immediately. The past 18 months of effort have not produced the improvements needed to support this program.
- **Wolfe Neck Farm Operation (not including the Stone House).** This program will be phased out by Fall, 1997. The operation of an organic farm cannot be justified in these times of focus on mission and of concern for use of state funds. The Farm will be turned back to the American Farmland Trust in accordance with the original agreement in order to work out a more effective administrative structure.

### 3. REDUCE RED TAPE

The President will form a permanent task force consisting of faculty, students and staff to identify processes, activities, reports, and other work that is unduly complex, repetitive, or not responsive to student needs. The Task Force will report its findings twice a year to the President's Staff and will recommend priorities and proposed resolutions. In its work the Task Force will draw upon the individuals involved in those processes or activities under analysis. Our work has grown unnecessarily complex over the past decade and it's time to take a fresh look, including the structure and number of committees. The Red Tape Task Force will play an important role in reducing costs and increasing responsiveness of service.

### 4. LIMIT REPLACING POSITIONS

For the next five years all vacant positions that are renewed will be funded at a maximum of 90 percent of the salary last paid. The ongoing review of all positions prior to authorization will continue. Under only the most compelling circumstance will academic positions be approved above the Assistant Professor level for undergraduate programs.

### CONCLUSION

USM is of great importance to the future of Maine. Working together, we face the challenge of making difficult choices to sustain and renew the University as a center of knowledge and learning in the 21st Century.



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