

11-15-2013

## USM Multi Year Financial Analysis FY 2015 to 2019

University of Southern Maine

Follow this and additional works at: [https://digitalcommons.usm.maine.edu/direction\\_package](https://digitalcommons.usm.maine.edu/direction_package)

---

### Recommended Citation

University of Southern Maine, "USM Multi Year Financial Analysis FY 2015 to 2019" (2013). *Direction Package*. 58.

[https://digitalcommons.usm.maine.edu/direction\\_package/58](https://digitalcommons.usm.maine.edu/direction_package/58)

This Article is brought to you for free and open access by the Institutional Memory at USM Digital Commons. It has been accepted for inclusion in Direction Package by an authorized administrator of USM Digital Commons. For more information, please contact [jessica.c.hovey@maine.edu](mailto:jessica.c.hovey@maine.edu).

**USM**  
**Multi Year Financial Analysis**  
**FY 2015 to 2019**  
**November 15, 2013**



From 3/8/13 Revenue and Expense Presentation

# What About The Future?

## **Multi-Year Financial Analysis** ***FY2014 – FY2018***

*January 2013*

<http://www.maine.edu/pdf/MYFAFY14-18R.pdf>

11/19/13



UNIVERSITY OF  
SOUTHERN MAINE

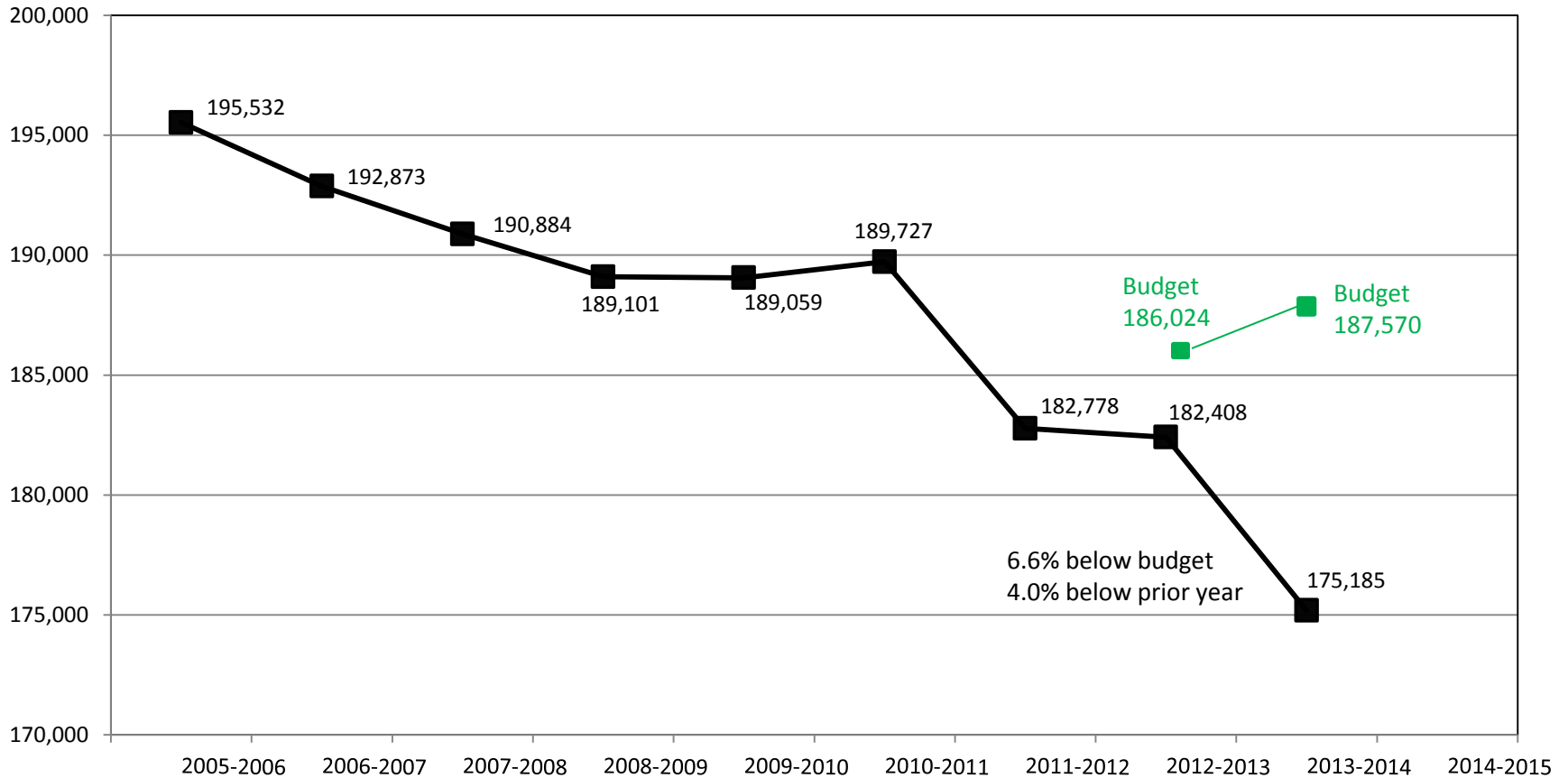
From 3/8/13 Revenue and Expense Presentation

# We Will Need to Cut . . .

(in thousands)

FY 2015	\$ 3,750
FY 2016	\$ 2,200
FY 2017	\$ 748
FY 2018	\$ 893

# Total USM Fall and Spring Semester Credit Hours with 2013-2014 Estimate

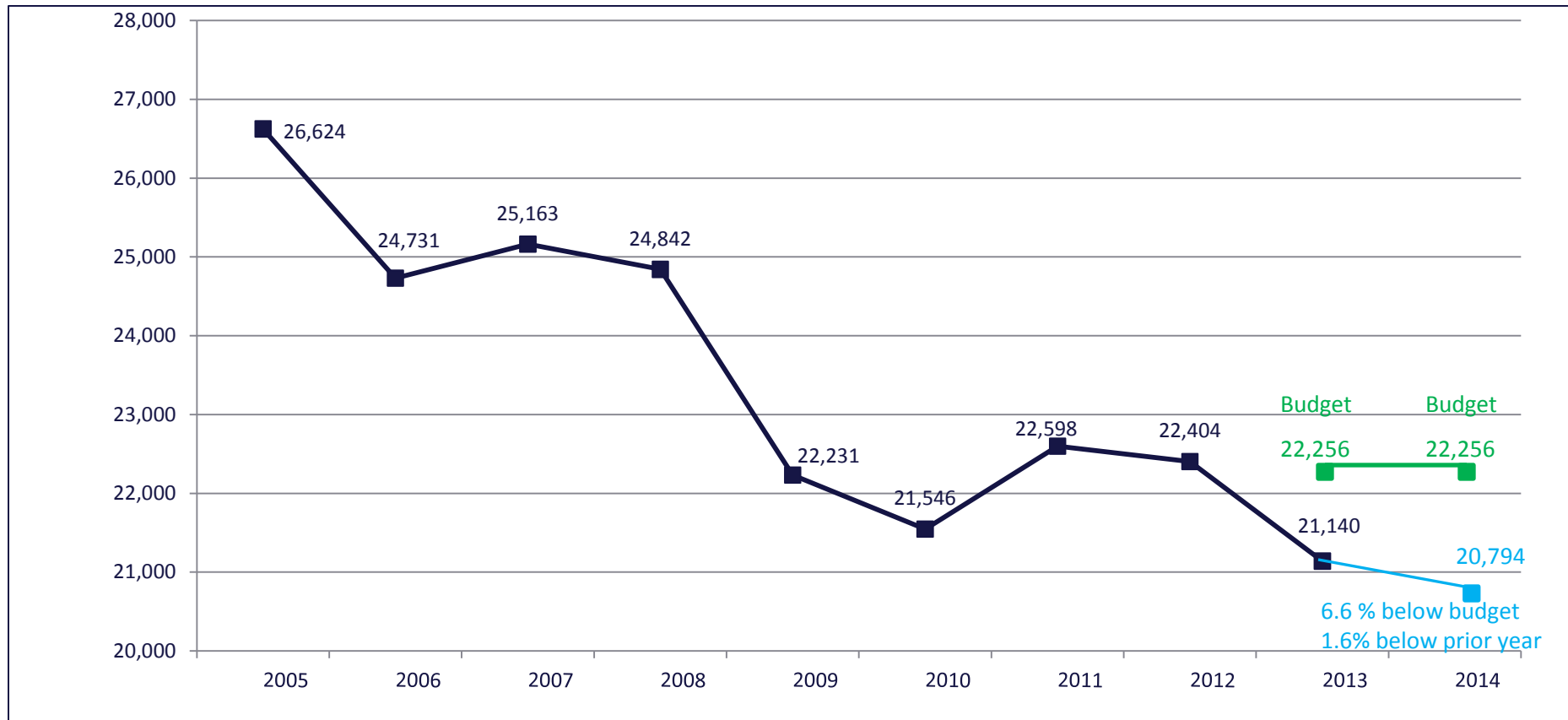


11/19/13



UNIVERSITY OF  
SOUTHERN MAINE

# Total USM Summer Semester Credit Hours with 2014 Estimate



11/19/13



UNIVERSITY OF  
SOUTHERN MAINE

# Summary of FY 2014 to FY 2015 Changes

	<b>FY14 Budget</b>	<b>FY15 Budget</b>	<b>Change</b>	<b>%</b>
<b>Total Credit Hours</b>	209,688	192,327	(17,361)	-8.3%
<b>Total Operating Revenue</b>	\$ 137,565,367	\$ 129,393,047	(8,172,320)	-5.9%
<b>Total Operating Expenditures</b>	\$ 137,552,573	\$ 141,272,789	3,720,216	2.7%
<b>Structural Gap</b>	\$ 12,794	\$ (11,879,742)		

# Operating Expenses

11/19/13



UNIVERSITY OF  
SOUTHERN MAINE



# Changes in Operating Expenses

Salaries, Wages and Fringe Benefits increase by \$2.3 million (2.3%) to \$100.2 million.

# Changes in Operating Expenses

Fuel and Electricity increase by  
\$0.1 million (1.9%) to \$3.2 million.

# Changes in Operating Expenses

Good, Services and Debt Service increase by \$0.1 million (0.2%) to \$33.8 million.

# Changes in Operating Expenses

Capital Expenditures increase by  
\$1.3 million (49.5%) to \$3.98 million.

\$580 thousand needed to make up for budgeting  
less than 80% of E&G depreciation in FY 2014.

FY 2015 goal is 90% of E&G depreciation.

# Changes in Operating Expenses FY 2015

(in millions)

Salaries, Wages and Fringe Benefits	\$ 2.260
Fuel and Electricity	\$ .062
Good, Services and Debt Service	\$ .084
Capital Expenditures	\$ 1.320
Total	\$ 3.726

# Operating Revenue

11/19/13



UNIVERSITY OF  
SOUTHERN MAINE

# State Appropriation

\$41.5 million  
Equal to FY 2014

May change due to:

Outcomes Based Funding  
Legislative Action

# The Board of Trustees Distribution of State Appropriation by Campus

Fall 2013

As of October 15, 2013

Institution	FTE Enrollment	Total Appropriation	Appropriation per FTE
UM*	9,355.91	\$ 80,076,553	\$ 8,559
UMA	2,712.67	\$ 13,866,709	\$ 5,112
UMF	1,807.22	\$ 10,275,346	\$ 5,686
UMFK	805.40	\$ 4,281,462	\$ 5,316
UMM	542.03	\$ 4,183,377	\$ 7,718
UMPI	842.53	\$ 6,338,938	\$ 7,524
USM*	6,459.86	\$ 40,997,891	\$ 6,347
<b>TOTAL</b>	<b>22,525.62</b>	<b>\$ 160,020,276</b>	<b>\$ 7,104</b>

\* Does not include R&D debt service of \$1.9 million at UM and \$0.5 million at USM. Funding ends in FY 2015.



# Other Operating Revenue

\$12.7 million

Decrease by \$313 thousand (2.4%)

Closing Print Shop and lower sales at the Bookstore  
does not affect E & G.

# Dining and Residence Hall Revenue

\$11.7 million

Increase by \$116 thousand (1%)

Will be needed to cover higher expenses

Does not affect E & G

# Tuition Waivers and Scholarships

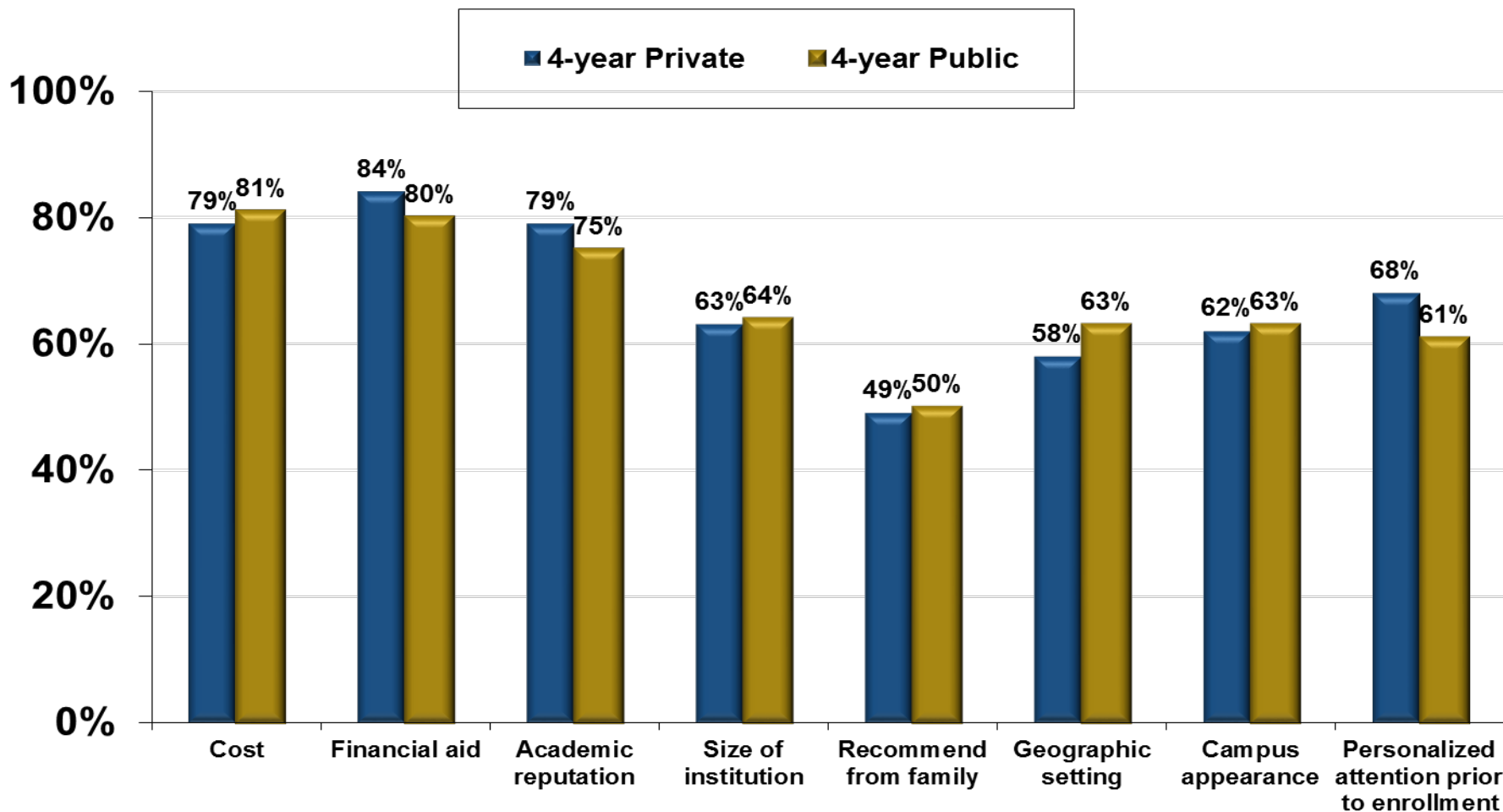
\$11.1 million

Increase by \$1.1 million (11.4%)

\$1.0 million from E & G

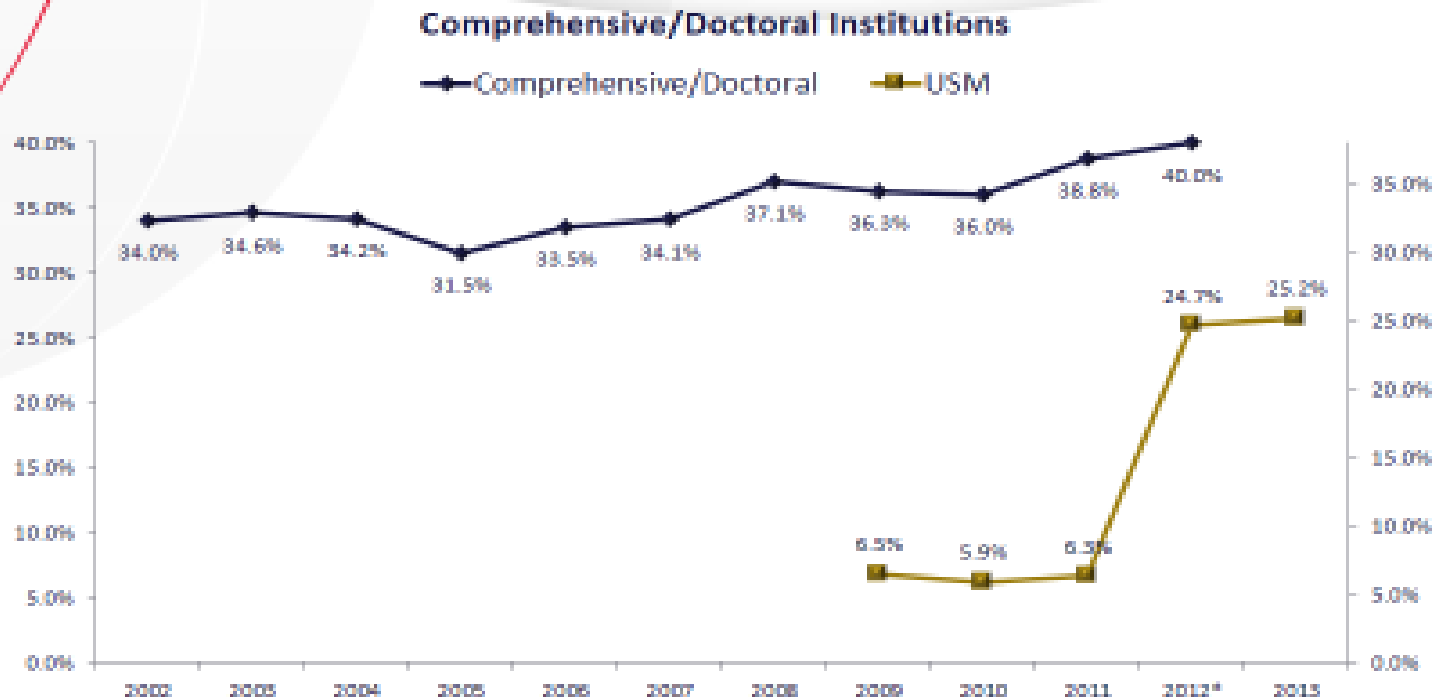
\$130 thousand from Residence Life

# Factors to Enroll: First-Year Students



Noel-Levitz (2012). Why Did They Enroll? The Factors Influencing College Choice. Coralville, Iowa: Author. Retrieved from [www.noellevitz.com/Factors2012](http://www.noellevitz.com/Factors2012)

# Average tuition discounting rates for first-time, full-time freshmen at institutions that participated in the NACUBO Tuition Discounting Survey 2002 to 2012\*



\*Preliminary estimate

© 2012. NACUBO 2011 Tuition Discounting Study Report.

Reprinted with permission. This material may not be posted, published, or distributed without permission from NACUBO.

11/19/13



UNIVERSITY OF  
SOUTHERN MAINE

# ***FY 12 and FY 14 Scholarships and Waivers Comparison***

	FY 2012		FY 2014		2-Year \$ Increase in Millions	2-year increase as a %
	In Millions	Discount Rate*	In Millions	Discount Rate*		
<b>USM</b>	\$ 7.427	7.9%	\$ 9.923	10.7%	\$ 2.496	33.6%
<b>UM</b>	\$ 30.962	20.3%	\$ 34.662	21.7%	\$ 3.700	12.0%
<b>All Other UMS Campuses</b>	\$ 8.951	11.9%	\$ 9.485	11.8%	\$ .534	6.0%

\*Discount rate (waivers and scholarships divided by tuition, fees, room and board)

From UMS Operating Budgets Presented to the University of Maine System Board of Trustees in May, 2012 and May, 2013.

11/19/13



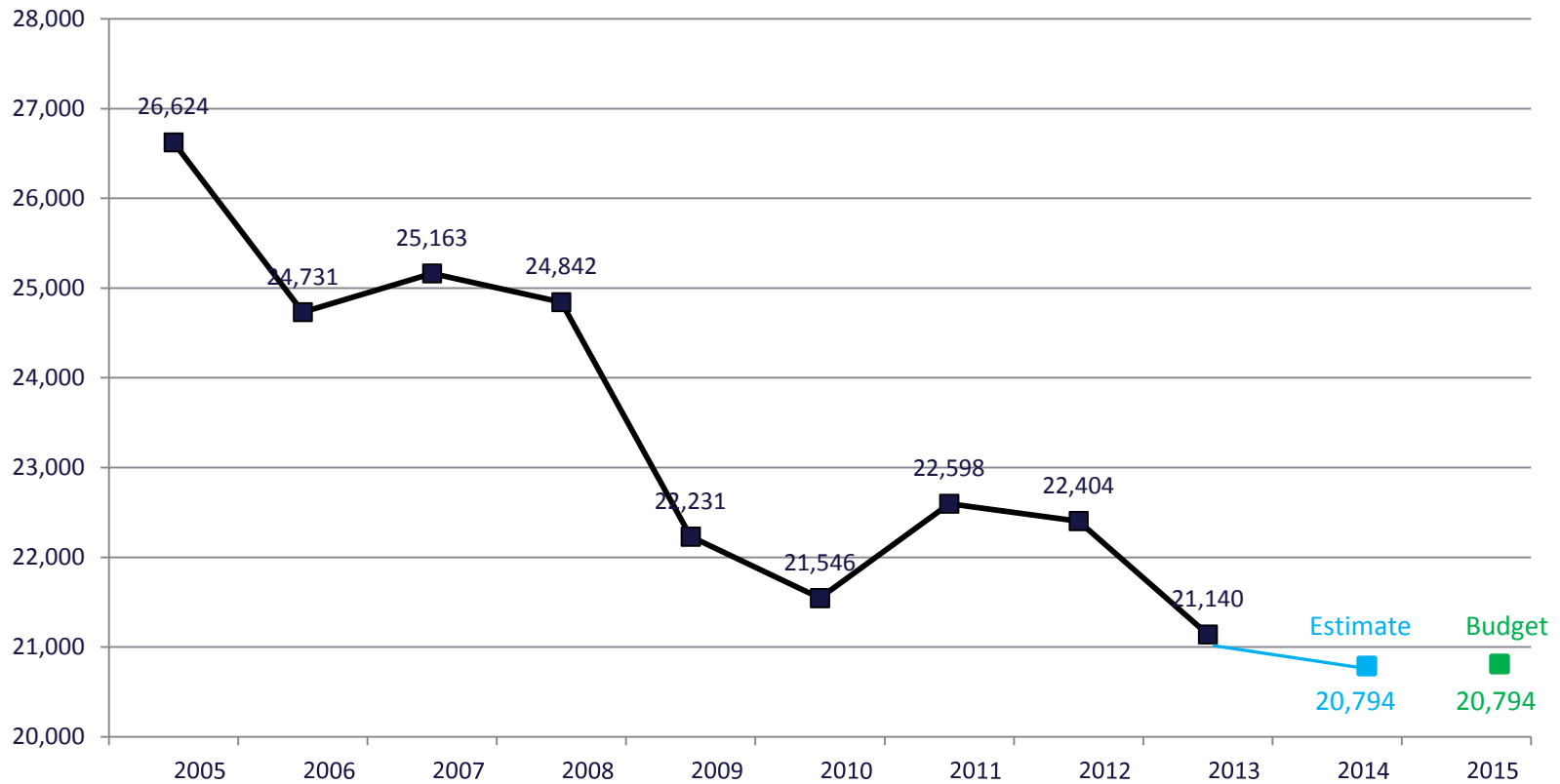
UNIVERSITY OF  
SOUTHERN MAINE

# Revenue from Student Tuition and Fees

\$63.6 million

Decrease by \$6.8 million (8.4%)

# Total USM Summer Semester Credit Hours with FY 2015 Budget



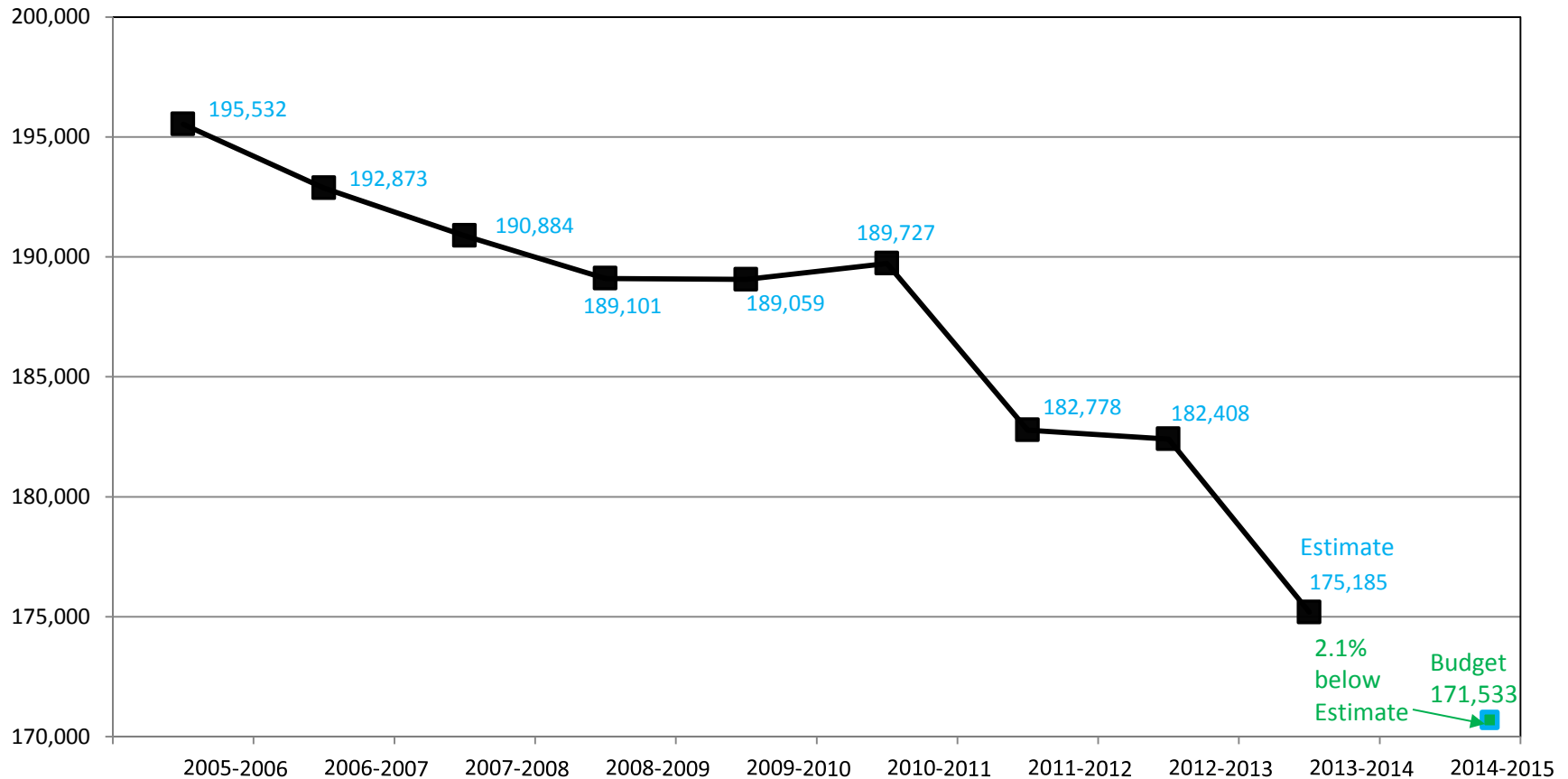
11/19/13



UNIVERSITY OF  
SOUTHERN MAINE



# Total USM Fall and Spring Semester Credit Hours with FY 2015 Budget



11/19/13



UNIVERSITY OF  
SOUTHERN MAINE

# Summary of Revenue Changes

(in millions)

Tuition Revenue	\$ (5.968)
Fee Revenue	\$ (0.876)
Dining & Residence Revenue	\$ 0.116
Tuition Waivers/Scholarships	\$ (1.129)
State Appropriation	\$ 0.000
Other Revenues (interest, ICR, etc.)	\$ (0.315)
Sub Total Operating Revenue	\$ (8.172)

# FY 2016 to 2019 Assumptions

- Salaries, wages, fringe benefits and capital expenditures will increase by percentages established by the UMS.
- FY 2016 – FY 2019 enrollments, revenues and other expenses must be redefined by the directional package.
- The decrease between the amount of FY 2015 and FY 2016 – FY 2019 state appropriation is due making the final payment on an R&D bond in FY 2015. Debt service is reduced by the same amount.

**USM 2015 - 2019 Multi Year Financial Analysis**  
**Unrestricted Operations (E&G, Designated, Auxiliary)**

	Budget FY14	FY15	%	FY16	%	FY17	%	FY18	%	FY19	%
<b>Total Credit Hours</b>	209,688	192,327	-8.3%	192,327	0.0%	192,327	0.0%	192,327	0.0%	192,327	0.0%
<b>Operating Revenue</b>											
Tuition Revenue	\$69,537,070	\$63,568,609	-8.6%	\$63,568,609	0.0%	\$63,568,609	0.0%	\$63,568,609	0.0%	\$63,568,609	0.0%
Fee Revenue	\$11,849,227	\$10,973,416	-7.4%	\$10,958,814	-0.1%	\$10,944,358	-0.1%	\$10,930,046	-0.1%	\$10,915,877	-0.1%
Dining & Residence Revenue	\$11,619,455	\$11,735,650	1.0%	\$11,853,007	1.0%	\$11,853,007	0.0%	\$11,853,007	0.0%	\$11,853,007	0.0%
Tuition Waivers/Scholarships	(\$9,923,200)	(\$11,052,390)	11.4%	(\$12,201,734)	10.4%	(\$12,201,734)	0.0%	(\$12,201,734)	0.0%	(\$12,201,734)	0.0%
Net Student Charges Revenue	\$83,082,552	\$75,225,285	-9.5%	\$74,178,696	-1.4%	\$74,164,240	0.0%	\$74,149,928	0.0%	\$74,135,759	0.0%
State Appropriation	\$41,476,891	\$41,476,891	0.0%	\$40,997,891	-1.2%	\$40,997,891	0.0%	\$40,997,891	0.0%	\$40,997,891	0.0%
Other Revenues (interest, ICR, etc.)	\$13,005,924	\$12,690,871	-2.4%	\$12,690,871	0.0%	\$12,690,871	0.0%	\$12,690,871	0.0%	\$12,690,871	0.0%
<b>Total Operating Revenue</b>	<u>\$137,565,367</u>	<u>\$129,393,047</u>	-5.9%	<u>\$127,867,458</u>	-1.2%	<u>\$127,853,002</u>	0.0%	<u>\$127,838,690</u>	0.0%	<u>\$127,824,521</u>	0.0%
<b>Operating Expenditures</b>											
Salaries, Wages, & Benefits	\$97,966,547	\$100,224,448	2.3%	\$103,106,555	2.9%	\$106,188,325	3.0%	\$109,409,227	3.0%	\$112,788,956	3.1%
Fuel & Electricity	\$3,255,421	\$3,317,060	1.9%	\$3,317,060	0.0%	\$3,317,060	0.0%	\$3,317,060	0.0%	\$3,317,060	0.0%
Goods & Services (incl. debt service)	\$33,671,289	\$33,755,426	0.2%	\$33,759,405	0.0%	\$33,659,348	-0.3%	\$33,884,360	0.7%	\$34,112,094	0.7%
Capital Expenditures	<u>\$2,659,316</u>	<u>\$3,975,855</u>	49.5%	<u>\$5,011,643</u>	26.1%	<u>\$5,599,205</u>	11.7%	<u>\$5,891,695</u>	5.2%	<u>\$6,206,292</u>	5.3%
<b>Total Operating Expenditures</b>	<u>\$137,552,573</u>	<u>\$141,272,789</u>	2.7%	<u>\$145,194,663</u>	2.8%	<u>\$148,763,938</u>	2.5%	<u>\$152,502,342</u>	2.5%	<u>\$156,424,402</u>	2.6%
<b>Structural Gap</b>	<u>\$12,794</u>	<u>(\$11,879,742)</u>		<u>(\$17,327,205)</u>		<u>(\$20,910,936)</u>		<u>(\$24,663,652)</u>		<u>(\$28,599,881)</u>	
<b>Incremental Change</b>		(\$11,892,536)		(\$5,447,463)		(\$3,583,731)		(\$3,752,716)		(\$3,936,229)	

# For Later Discussion

USM departments moving to the UMS budget

Information Technology

Procurement