

**THE UNIVERSITY OF MAINE SYSTEM BOARD OF TRUSTEES
2014 STRATEGIC OUTCOMES**

Approved 7/21/2014

INTRODUCTION

The University of Maine System (UMS) is Maine's most important public asset. It alone has the resources, expertise, scale, and – above all – the responsibility to serve all Maine citizens, businesses, and communities through its tripartite mission of education, research and economic development, and public service.

UMS is in a period demanding transformative change. The Board of Trustees and the Presidents Council strongly agree that UMS cannot meet its mission in a financially responsible and sustainable way under its current business and organizational model. The FY15-19 structural gap is sufficient evidence of that fact. This financial reality, as well as the changing nature and needs of Maine students and the forces of change affecting higher education throughout the nation, have led to a new vision for the University System – a system that, while smaller, better matches capacity to resources, strategically aligns faculty and staff to the most impactful and relevant academic and research programs, and makes use of innovation and technology to serve a broader and more diverse student base.

The Board of Trustees adopts the following Vision for the University of Maine System: The University of Maine System is an integrated system of distinct campuses, centers, and other facilities operating in concert to provide high-quality educational undergraduate and graduate opportunities that are accessible, affordable, and relevant to the needs of Maine students, businesses, and communities. It drives economic development by conducting world-class research, commercializing valuable ideas, and partnering successfully with businesses and industries throughout Maine and beyond. It is the state's most engaged and responsive institution working on behalf of all Maine citizens, communities, and institutions. It is Maine's most important public asset.

This document sets out the general criteria through which the UMS Board of Trustees directs its vision, presented here in terms of demonstrable strategic outcomes at the System level and in each of its three mission categories of (I) Education, (II) Research & Economic Development, and (III) Public Service. These outcomes have goals, or targets, which measure success for each outcome. UMS will achieve these outcomes through an intensely collaborative approach that positions our campuses, programs, and services in competitively advantageous ways. Specific initiatives for achieving these outcomes (comprehensive credit transfer reform, for example, or a unified strategy for online education) are presented separately from this document as they will evolve as circumstances demand. Finally, believing that form follows function, we will develop and implement those organizational models that best realize these outcomes.

SYSTEM STRATEGIC INTEGRATION AND FINANCIAL SUSTAINABILITY

In realizing the UMS Vision we seek integration, not homogeneity. Building on our distinctive campus identities, UMS will develop the best and most comprehensive statewide portfolio of programs and services to serve our students, businesses, and communities. Noting the Trustees' and Presidents' consensus concerning the need for a new operating model to accomplish this outcome, System strategic integration outcomes include the development of differentiating campus identities under the Board's newly adopted vision, as well as integrating financial, administrative and academic resources and services.

Strategic Integration

- **Strategic Integration Target 1:** Complete all seven campus strategic plans, as well as those from other major elements of the enterprise (e.g., Extension), ensuring that, taken as a whole, they meet the statewide mission-defined portfolio of services. All plans complete and checked against the statewide portfolio by EOY 2014.
- **Strategic Integration Target 2:** Develop and implement a comprehensive financial management structure for the entire System that enhances transparency, enables appropriate fiscal control, and advances comprehensive intra-system collaboration. New model review September 2014; implementation in FY15.
- **Strategic Integration Target 3:** Develop a comprehensive administrative plan in FY15 that reduces total administrative costs, including academic administration, per student FTE to peer system benchmarks or below by FY17.
- **Strategic Integration Target 4:** Develop a model of academic program and portfolio review and integration that leverages academic resources to enhance program quality, expand access, and meets appropriate financial benchmarks, with at least three pilot projects underway in FY15.

While the current budget crisis may catalyze a much needed debate over funding public higher education, general economic conditions limit what can be expected from state appropriations in the near future. Likewise, any increases in tuition must be limited to what Maine families can reasonably afford. Finally, Maine demography points to ongoing stable or reduced enrollment for the majority of UMS institutions. Therefore, while opportunities for revenue growth and diversification must be pursued, revenue growth projections must be conservative. Costs, meanwhile, continue to rise despite major efforts to reduce the rate of expense increases. Meeting the requirement of System financial responsibility and sustainability requires financial outcomes that eliminate the current structural gap between revenues and expenses, meet standard measures of financial soundness, and yield resources to support priority outcomes and emerging opportunities.

Close the Structural Budget Gap

- **Financial Sustainability Target 1:** Reduce the current structural gap with year-over-year gap reduction that eliminates it entirely through a combination of expense reductions and revenue growth by FY19. Four year plan due in FY15. Revised budget calendar for FY16 complete July 2014.

Implement a Sustainable Financial Model

- **Financial Sustainability Target 2:** Achieve year-over-year improvement in the System Core Financial Ratios through FY19 with a goal of consistently exceeding the low benchmark for the Composite Financial Index. Where Board sanctioned activities require compromising these financial ratios, there must be an approved investment plan with a build-back strategy.

Ensure Investment Resources

- **Financial Sustainability Target 3:** Establish and maintain a BOT-directed strategic investment pool equivalent to 5% of the annual E&G state appropriations derived exclusively from Administrative Review savings by FY17. A plan for use of available FY15 funds is ready for BOT review July 2014.

MISSION CATEGORY I: EDUCATION

The University of Maine System is an integrated system of distinct campuses, centers and other facilities operating in concert to provide high-quality educational undergraduate and graduate opportunities that are accessible, affordable, and relevant to the needs of Maine students, businesses, and communities.

Education mission outcomes are statewide access to educational opportunities, high rates of student success, and program affordability, quality, and relevance.

Ensure Student Access

- ***Education Target 1.*** Every Maine citizen with a high school diploma has access through diverse modes of delivery to an appropriate UMS degree or certificate program by FY17. Plan complete in FY15.

Increase Student Success

- ***Education Target 2.*** Each UMS institution executes retention and persistence strategies that achieves an ongoing, aggregate degree and certificate completion rate relative to market segment (each category of population served) exceeding the 3-year rolling average of peer institutions by FY19. Implementation plans are updated and reviewed annually.
- ***Education Target 3.*** Beginning in FY15, each campus will measure levels of student satisfaction through surveys such as the National Survey of Student Engagement or its VCAA approved equivalent with all outcomes reported to the BOT for review and action.

Ensure Program Affordability

- ***Education Target 4.*** Average in-state undergraduate tuition and mandatory unified fees as a percentage of 3-year rolling average of Maine median family income is in the lowest (best) quartile nationally with an initial plan for achieving that target available January 2015.

Ensure Program Quality

- ***Education Target 5.*** All program and campus accreditation requirements are met and System-reviewed; at least five UMS academic programs are rated in the top 50 of the best such programs in the country; at least two graduate programs are rated in the top-10. Benchmarks and strategies developed by the Presidents Council in FY15.
- ***Education Target 6.*** To ensure continuing innovation, the VCAA will maintain a portfolio of best pedagogic practices including the use of technology with updates and adoption metrics reported to the BOT twice annually, beginning FY15.

Ensure Program Relevance

- ***Education Target 7.*** Maine employer surveys show that UMS works actively with businesses to meet state workforce needs, and that UMS graduates are best-prepared to fill those needs at both the undergraduate and graduate level. Implementation plan by EOY 2014.
- ***Education Target 8.*** Alumni surveys show that UMS prepared them for career success as well as for civic engagement. Implementation plan by EOY 2014.

MISSION CATEGORY II – RESEARCH & ECONOMIC DEVELOPMENT

UMS research drives economic development by conducting world-class research, commercializing valuable ideas, and by partnering successfully with businesses and industries throughout Maine and beyond. Mission outcomes are research activity, developing new technologies, licensing and commercialization, and active economic development partnerships with Maine businesses.

Increase Research Activity

- **Research and Economic Development Target 1.** UMS maintains a sponsored programs grants and contracts effort growing greater than 3% annually on a 3-year rolling average from a 2013 baseline of \$91MM and NSF-defined total research expenditures of \$90MM.

Support New Technologies, Licensing, and Commercialization

- **Research and Economic Development Target 2.** Annual revenue from commercialization including IP licensing increases at least 20% annually on a 3-year rolling average from its current baseline of \$200,000.

Increase Economic Development Partnerships

- **Research and Economic Development Target 3.** A resourced multi-year research and economic development initiative tied to Maine industries is launched in FY15 with annually reviewed results. Plan ready for BOT review July 2014.
- **Research and Economic Development Target 4.** Annual revenue from activities with industrial partners increases from a FY13 baseline of \$4.2MM to \$9MM in FY17, and the number of contracts increases from a base of 407 in FY13 to 600 in FY19.

MISSION CATEGORY III - PUBLIC SERVICE

UMS is the state's most engaged and responsive institution working on behalf of all Maine's citizens, communities, and institutions. Excellence in Public Service involves the mission outcome of being widely recognized for critical community engagement with high public value.

Advance Community Engagement

- **Public Service Target 1.** Each UMS institution is formally recognized by appropriate regional or national organizations (e.g., the Carnegie Foundation for the Advancement of Teaching) for a high level of community engagement by FY19. Plan designed and implementation begins in FY15.
- **Public Service Target 2.** Regular community impact studies by each campus or major program show a continuous upward trend-line of community engagement and economic value. Plan designed and implementation begins in FY15.

Increase the Recognition of Public Value

- **Public Service Target 3.** Independent public surveys show that at least one UMS service to Maine families, businesses or communities is rated as important or essential by 80% of the state's population by FY19. Plan designed and implementation begins in FY15.