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September 15, 2008

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UNIVERSITY SYSTEM TRUSTEES SUBMIT TWO-YEAR BUDGET REQUEST

ORONO—The University of Maine System Board of Trustees Monday voted to approve a two-year university budget request for consideration as part of the State's FY10-11 biennial budget package.

The university's two-year budget plan is structured on a combination of continuing the System's self-imposed \$19.1 million reduction in System-wide operating costs, along with a 4.5 percent annual increase in State appropriation and a tuition increase that university officials hope to keep below six percent.

Meeting in Orono, trustees adopted the proposal after a detailed financial report from System Chancellor Richard L. Pattenaude and Chief Financial Officer Joanne L. Yestramski.

"We all recognize the importance of holding the line on tuition," Pattenaude said. "We are determined to do whatever we can to keep higher education accessible and affordable for students and their families.

"The budget request we are submitting reflects major cuts and changes in our costs of operation," Pattenaude explained. "In fact, the \$19.1 million in cost reductions for this year alone represents more than 10 percent of our current State appropriation. The budget request is necessary for us to cope with increases in energy and healthcare costs, among other challenges, and to ensure affordability.

"We understand fully that the State is facing tough budget challenges," he continued. "I believe the plan we are submitting to the Governor represents a partnership between the university system and the state to maintain academic quality and affordability."

Currently, the State's appropriation for the University System's current operation is \$186.0 million. That amount represents 36 percent of the university system's total unrestricted operation budget, which excludes grants, contracts, and other dedicated funds. In its two-year budget request, the University System seeks an \$8.5 million increase (a 4.5 percent increase) for FY10 and an additional \$8.7 million (4.5 percent increase) in FY11.

Yestramski explained that the university system's cost containment success, combined with the proposed increase in State appropriation, would enable the university system to limit the increase in student tuition and fees to the six-percent range across Maine's seven public universities for the next two academic years—a percentage increase that would be significantly below the increases adopted over the past six years.

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"Tuition increases are the revenue source of last resort," Pattenaude explained. "Historically, the Board has increased tuition only to the extent necessary to balance the budget."

Pattenaude stressed that the proposed rate of increase cannot be finalized until the Legislature approves the State's biennial budget sometime in the first half of 2009. The size of the university's final appropriation will influence the exact size and percentage of the 2009-2010 academic year tuition rates and fees.

The trustees also voted to request a two-year, \$3 million increase in the Maine Economic Improvement Fund (MEIF), a State-university partnership which provides matching funds to help leverage federal grants and contracts to support university-based research. Currently MEIF receives \$14.7 million annually from the state.

"Approval of this request will help accelerate economic opportunities through 'R&D&E'—research, development, and education," Pattenaude explained. "Over the past two fiscal years, MEIF brought in more than \$100 million in grants and contracts, mostly from the federal government. This out-of-state investment in Maine produces jobs, products, technologies, and economic growth. With more than a 5-to-1 return on investment, MEIF is one of the State's best success stories."

Related to MEIF, trustees approved the construction of a \$5 million expansion of the Advanced Engineered Wood Composites Center, located in Orono on the University of Maine campus. The entire \$5 million expansion will be fully funded by a recently approved grant from the Maine Technology Institute. The center, which opened in 1999 with the help of MEIF support and federal grants, has become an international leader in composite technologies, according to its director, Dr. Habib Dagher. The new expansion will help develop stronger and lighter components that can be commercialized for use by the energy-generation and transportation industries.

In other Board business:

- Pattenaude received trustees' approval to pursue development of two strategic initiatives to promote student success, strengthen Maine's economy, and demonstrate environmental leadership—a nursing/allied health initiative, which would increase the number of graduates in nursing and other health-related professions, especially needed in light of Maine's critical shortage of healthcare professionals; and a Maine Sustainable Energy Initiative (MSEI). MSEI would work with the Governor and with public- and private-sector partners to explore the development of Maine-centered sustainable energy alternatives, promote economic growth, and increase public service outreach. Pattenaude will be presenting regular updates on these initiatives at subsequent board meetings.
- Trustees also approved creation of a new master of fine arts degree, to be offered by UMaine. The degree program combines the academic disciplines of art, multimedia, business, and engineering to address a growing demand among entrepreneurs and businesses in Maine for graduate-level teaching, research, and development related to creative production. If approved, the new master of fine arts degree will be the only full-residency program of its type in New England.

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- Trustees approved the recommendation of two individuals for senior leadership positions at the University of Maine—Dr. Stuart L. Marrs as associate provost and dean of undergraduate education; and Eric F. Rolfson as vice president for development. Trustees also approved the appointment of Darren J. Ranco as both associate professor of anthropology and UMaine’s coordinator of Native American research.
- Trustees approved the recommendation of Scott E. Steinberg as dean of undergraduate admission and chief marketing officer for the University of Southern Maine’s division of enrollment management.
- Trustees approved a construction plan for a \$1.4 million renovation of the University of Maine at Fort Kent’s Powell Hall. Voters approved funds for the project during the 2007 higher education bond referendum. Powell Hall was constructed in 1965.

Established in 1968, the University of Maine System is the state’s largest educational enterprise. It has an annual enrollment of more than 45,000 students and serves over 500,000 individuals annually through educational and cultural offerings. The University of Maine System features seven universities – some with multiple campuses – located across the state, as well as 10 University College outreach centers, a law school, and an additional 75 interactive distance learning sites. For more information, visit www.maine.edu.