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UNIVERSITY SYSTEM ANNOUNCES ADDITIONAL SPENDING CONTROLS

BANGOR—University of Maine System Chancellor Richard L. Pattenauade announced today he is instituting a series of spending control measures to reduce operating costs at the University System's centralized operations center, effective immediately.

Pattenauade also instructed the presidents of Maine's seven public universities to implement similar cost controls at their respective institutions.

Pattenauade said the actions are necessary in light of three primary factors:

- a slight decline in student enrollment
- the spillover effect of the global financial crisis and its effect on State revenues and the FY10 and FY11 State budgets; and
- the negative impact of the financial crisis on the market value of UMS operating fund investments and uncertainty about any income they might generate.

The cost-control measures come a few months after the University System's Board of Trustees approved Pattenauade's plan to adopt \$19.1 million in spending reductions for the current budget year and subsequent years.

"That plan, implemented during a period of increasing operating expenses and low revenue growth, was designed to protect academic quality, access, and affordability—and to minimize the size of student tuition increases," Pattenauade said Monday. "However, the latest assessment of economic conditions indicates that even more must be done to adequately address those objectives and balance our FY09 budget."

The spending control measures being implemented include restrictions on filling vacancies and replacing departing employees; deferring discretionary salary increases for employees; and minimizing travel, printing, mailing, employee overtime, and purchases. Pattenauade also instructed that temperatures within the System's centralized services operation in Bangor be regulated to 68 degrees during the heating season and 75 degrees during the cooling season. He also said that additional spending reduction steps may be announced as a result of a more detailed review to be completed during the next few weeks.

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.