

Trustees,

I'd like to start this morning with how I closed out the week.

I traveled to Florida to attend the Governors' Staff Advisors Retreat on Thursday and Friday, which was hosted in conjunction with the Hunt Institute. While there, I had a chance to talk with state policy leaders from around the country on educational reform initiatives. I came away from the meetings convinced we're on the right path to focus on collaboration and coordination (at UMS, catalyzed by unified accreditation) and student success and retention.

I first became involved with the Hunt Institute in my years as Governor of Connecticut. Inspired by former North Carolina Governor Jim Hunt's vision for education excellence, the Hunt Institute was first established in 2001 as a nonpartisan center for educational policy and leadership at the University of North Carolina. The Hunt Institute launched its flagship event at Chapel Hill in December 2002 -- the Governors Education Symposium (GES), a first of its kind symposium designed by governors for governors. The GES brought governors together in a private, non-partisanship setting to receive in-depth information from experts and engage in candid dialogue about the best approaches to critical challenges facing education. The Institute grew, in 2016 becoming an independent, nonprofit entity that joined forces with Duke University's Sanford School of Public Policy to pursue research, educational partnerships and events related to improving education policy. The Institute continues to work in nonpartisan ways to design strategy, shape policy, and drive educational improvements on the national and state levels, and it's an association I'm privileged to continue, made possible by my public service in Connecticut and benefitting me more still as Chancellor here.

On Tuesday, my senior team and I traveled to Machias along with UMaine President Joan Ferrini-Mundy, continuing my commitment to be present on our campuses to listen to our communities and driving home the need for more collaboration, more retention efforts, and more successful student outcomes. Being present particularly on our small campuses reminds me too why it's so important for us to have the tool of unified accreditation to share the best of our resources, practices, and programs everywhere Maine's students need them, no matter what that campus's resources have been before.

You might remember from my Week of February 3 message, sent Sunday, February 9, that I asked Vice Chancellor for Finance and Administration Ryan Low to gather information about how our expenses and employee headcounts have evolved over the last decade relative to state appropriations and total revenue, as well as student headcount too. While we have work to do yet to understand the information sufficiently to put it to productive and strategic use, the preliminary data we've analyzed so far gives us ideas where to start. The ten-year trend System-wide is informative, showing that enrollment over that time, on both a headcount and FTE basis, has declined roughly 7.5 percent, with faculty headcount and overall employee headcount declining over the same period 6 percent and 5.7 percent, respectively. On their face, these numbers together are probably the logical result -- we should expect our personnel costs to trend roughly in the same direction as our enrollments. On closer look, however, we're

seeing data that merits more analysis. While our enrollment overall is lower in Fall 2019 than it was in Fall 2009 (that's the 7.5 percent decline noted above), the low point occurred in Fall 2015, and since then enrollment is actually up slightly -- 3.4 percent by headcount, but only 1.4 percent by FTE, reflecting that today's students are taking slightly less total credit hours per student than in the earlier time period. We'll be studying more closely, however, whether our more recent budget pressures might be attributed at least in part to the fact that total System employee headcount in the same period has increased by 6.5 percent, nearly four times the rate of full-time equivalent student enrollment growth. It does not appear that we've overgrown at the administration and governance levels -- those headcounts are only up 2.1 percent. But System-wide faculty headcount is up 7.3 percent in that time, and staff and professional positions have increased 14.3 percent (though I should note that the hourly staff numbers have declined 3.3 percent). These numbers are System-wide, of course; these data points need to be analyzed for each university too, considering that our universities manage their budget development and staffing at the campus level. I'll report more as our analysis evolves and we can begin to form plans for addressing any concerning trends.

I should note here that I'll be at the State House tomorrow morning to testify to the Education and Appropriation committees on both the recent report we submitted on higher education infrastructure funding recommendations (scheduled for 9:30 a.m.), as well as the Governor's supplemental appropriation proposals for our FY21 E&G funding and a special appropriation for Maine Law (scheduled for 10:15 a.m.). Both hearings will take place in Room 228

Finally, in case you missed it, Chair Erwin submitted a thoughtful narrative to the Portland Press Herald to help put our unified accreditation initiative in state context. You can see the article, which was published online Saturday, here:

<https://www.pressherald.com/2020/02/22/umaine-system-chair-this-way-to-millinocket-creating-prosperity-in-a-changing-landscape/>

Enjoy the week ahead.

Regards,
Dan