

Academic Programs and Services

Arena Two

New Challenges, New Directions

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*Submitted by the Vice Chancellor for Academic Affairs
and Chief Academic Officers*

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EXECUTIVE SUMMARY

The *New Challenges, New Directions* report urges those in the University of Maine System to see the recent financial situation as an opportunity to “craft a University System that continues to be vibrant, innovative, and relevant.” The academic program is the heart of the University of Maine System, and as the Vice Chancellor of Academic Affairs (VCAA) and Chief Academic Officers (CAOs) approached the work of fulfilling the charge presented by the report, their work was guided by the desire to find savings and revenue in a strategic, data-driven process that preserves the integrity and quality of academic programs, and best serves the citizens of Maine.

In total, the recommendations of the VCAA and CAOs will result in an estimated annual financial impact of \$8 to \$10 million in savings/revenue over the next four years. Although some scenarios presented in the report do present the potential for generating additional revenue, they have not been added to the anticipated financial impact.

- ***Recommendation 1: Undergraduate Courses With Enrollment of 12 or Fewer***
Each semester, the CAOs will analyze all course offerings to ensure savings are achieved with better curriculum management, and submit their findings and actions to the VCAA for review on an annual basis. The cost savings already found by the CAOs show the value of performing these checks on a regular basis as part of the academic scheduling process. The significant drop in the percentage of courses that ran with 12 or fewer students was a direct result of this review, and the continuation of this review will lead to ongoing savings. In addition, the VCAA and CAOs have established a target setting the percentage of courses with 12 or fewer students as 25% of the total courses offered, with a long-term goal of working towards 20% or below by 2013 with variations based on mission and program mix. The VCAA and CAOs will develop appropriate, mission-specific criteria to expand the review process to graduate offerings.

Estimated savings: \$2 million per year using FY '09 as a base. These savings would be ongoing and are expected to grow with more sophisticated approaches to course scheduling and collaboration; and as the universities move to the long-term goal of 20%.

- ***Recommendation 2: Undergraduate Programs With Five or Fewer Graduates***
Academic undergraduate degree programs will be reviewed on a regular basis. The programs found to have five or fewer graduates based on a three-year rolling average will be given three years to:
 - *Increase the number of graduates*
 - *Grow enrollment to significant levels meeting state-wide need and interest*
 - *Collaborate with other system universities as a means to increase enrollment and/or maintain enrollment with fewer resources*
 - *Justify need and/or cost to benefit ratio for:*
 - *Courses that contribute to economic development*
 - *Courses in STEM disciplines and world languages*
 - *Profitability*

The VCAA and the CAOs will annually review programs with five or fewer graduates. If an academic program under review does not increase the number of graduates or students enrolled in the program, it may require reconfiguration, collaboration, or elimination under the normal shared-governance process established at the universities. This review will provide guidance for the work of Recommendation 3, which is where most of the savings will emerge. The VCAA and CAOs plan to expand the degree review process to look at graduate offerings.

Estimated savings: accrues in Recommendation 3

- **Recommendation 3: Student-Faculty Ratio Scenarios**

The universities will adjust their student-faculty ratios by 2012 to their peers as outlined in Exhibit 1 using which approach works best at their university, with consideration given to each university's specific mission. The CAOs will submit annual reports to the VCAA on the progress toward meeting those targets.

Not all of the universities are currently below their peer averages. UMA and UMFK are above their peer average, and UMPI matches their peers. The projected savings in this recommendation are found at the remaining universities.

Estimated financial impact: \$6 to \$8 million in savings/revenue by 2012. These will be ongoing.

- **Recommendation 4: Enrollment Targets**

It is difficult to assess realistic total enrollment targets given uncertainties about the economy, growing competition from out-of-state institutions and the community colleges, demographic declines, and the zero-sum nature of much admissions competition. Despite these uncertainties, the VCAA and CAOs have examined the implications should each university succeed in returning to its peak enrollment during the past six years. The results are shown in Exhibit 2. These enrollment numbers would need to be achieved primarily through efforts to increase the:

- *number of high school students going on to college*
- *percentages of students staying in-state*
- *numbers of adult learners enrolled in UMS programs*
- *number of out-of-state-students enrolled in UMS programs*
- *retention rates at UMS campuses*

If the universities are able to return to recent institutional high points, an increase of 5.8% in student FTEs, this could lead to as much as \$9.2 million in additional revenue system-wide. These increases are not in the summary total above.

Estimated revenue: Up to \$9.2 million over four years

- **Recommendation 5: Graduation Targets**

Universities will establish degrees conferred scenarios recognizing the challenges in enrollment growth, and the difference in student bodies of residential full-time students versus part-time non-traditional students. The scenario of a five percent increase in both

categories is summarized in Exhibit 5. This recommendation reaffirms and builds upon the goals outlined in the Agenda for Action. The financial impacts of reaching those goals are included in Recommendation 4.

Estimated revenue: accrues in Recommendation 4

- ***Recommendation 6: Distance Education***

The University of Maine System will expand use of coordinated distance education programs and courses made available via technology. This will increase overall system enrollment, increase opportunities for collaboration between academic programs that result from the 12/5 analysis (review of courses with 12 or fewer enrolled students and programs with five or fewer graduates annually), and increase the number of graduates in essential disciplines such as Science, Technology, Engineering and Math and foreign languages. Increasing the number of offerings through distance education will make the increased collaboration suggested in Recommendations 2 and 3 possible.

Estimated revenue: accrues in Recommendations 2, 3, 4, 5

INTRODUCTION

Maintaining and sustaining quality academic programs and services for the benefit of students and the citizens of Maine is the core mission of the universities in the University of Maine System. Ensuring the continued success and quality of those programs while responding to the challenges raised by financial and demographic forces is the task of the Vice Chancellor and the Chief Academic Officers working on Arena Two of the *New Challenges, New Directions* initiative. The charges to the VCAA and CAOs as stated in that report are:

1. **Complete a thorough and timely review of academic programs.** The purpose of this action is to reduce duplication, eliminate under-enrolled programs and courses, and implement additional collaborative academic offerings, such as the current math partnership between USM and UMM. This builds on the current 12/5 analysis (review of courses with fewer than 12 enrolled students and programs with fewer than 5 graduates annually) called for by the Board of Trustees in their Financial Guidelines issued on October 7, 2008. Future program additions will receive greater fiscal scrutiny and will have the expectation of being created in response to demand.
2. **Establish student-faculty ratio targets for each university.** These targets will be part of a focused set of metrics to guide university and system funding decisions. Each university would have a different metric based upon the mid-point of a group of peer institutions.
3. **Establish enrollment and graduation targets for each institution.** Each institution will establish its ideal size and then build budgets accordingly. Continuous enrollment growth at every university is not a viable budgetary strategy, particularly in a state where the average high school graduating class size will decline for the next decade and where a new and rapidly growing Community College System exists.
4. **Expand use of ITV, Internet, and outreach centers.** Our nationally recognized ITV system and our 10 outreach centers have provided considerable access opportunities for our students. The role and viability of this structure, as presently configured, along with our growing use of Internet instruction, needs review given shifts in population and the impact of technology. This review will include an analysis of current fee structures.

The VCAA and CAOs were tasked with the first three goals outlined above. President Allyson Hughes Handley of the University of Maine at Augusta has convened a working group to study part four, and will submit a separate report.

This report is the result of intense work on the part of the VCAA and CAOs and shows the potential for significant cost savings at the universities. The distinctive missions of each university were taken into consideration when these policy recommendations were formulated, and should be considered as they are implemented. The report is organized into four sections, each one outlining the actions taken on each charge from the “New Challenges, New Directions” report. Supporting data are appended.

1. COMPLETE A THOROUGH AND TIMELY REVIEW OF ACADEMIC PROGRAMS

A. Undergraduate Courses With Enrollment of 12 or Fewer

As part of the Trustee's Financial Guidelines approved on October 7, 2008, each university was asked to monitor courses with 12 or fewer students. The CAOs, working with the VCAA, conducted this review of undergraduate courses in the Spring 2009 semester. This review resulted in overall system savings of close to \$1 million, with the majority of those savings coming from reductions in course overload expenditures. The full results of that review are available in Appendix A of this report.

The review showed that although it is possible to achieve significant cost savings through course review, having courses with enrollment of 12 or fewer each semester is necessary for a number of reasons:

- Some courses serve core requirements for majors and related fields (canceling courses will delay graduations and increase chances of student attrition)
- Some courses have been specifically designed to be small and often carry fees to offset the cost to run them (e.g., music lessons)
- Upper-level seminars require close faculty attention to individual student's research and professional development
- Some professional and accrediting organizations specifically recommend or require maximum class sizes of 12 or fewer
- Some courses must be offered because they are mandated by state and/or accrediting agencies
- Laboratory enrollment is limited in some disciplines to ensure student safety and to ensure the quality of the laboratory education by giving students the opportunity to receive more individualized attention from instructors and;
- Courses funded by a grant may be required to run as a condition of the grant.

Recommendation 1

Each semester, the CAOs will analyze all course offerings to ensure savings are achieved with better curriculum management, and submit their findings and actions to the VCAA for review on an annual basis. The cost savings already found by the CAOs show the value of performing these checks on a regular basis as part of the academic scheduling process. The significant drop in the percentage of courses that ran with 12 or fewer students was a direct result of this review, and the continuation of this review will lead to ongoing savings. In addition, the VCAA and CAOs have established a target setting the percentage of courses with 12 or fewer students as 25% of the total courses offered, with a long-term goal of working towards 20% or below by 2013 with variations based on mission and program mix. The VCAA and CAOs will develop appropriate, mission-specific criteria to expand the review process to graduate offerings.

Estimated savings: \$2 million per year using FY '09 as a base. These savings would be ongoing and are expected to grow with more sophisticated approaches to course scheduling and collaboration; and as the universities move to the long-term goal of 20%.

B. Undergraduate Programs With Five or Fewer Graduates

In addition to reviewing undergraduate courses with enrollment of 12 or fewer, the universities were asked to review programs that graduated five or fewer students each year. The VCAA and CAOs have conducted this review and found that approximately 80 degree programs across the system produced five or fewer graduates, as seen in Appendix B.

Most of the programs on this list are in ‘essential disciplines’ such as science, technology engineering and mathematics (STEM). Increasing graduates in those disciplines is a goal of the *Agenda for Action*, and essential to the state’s economic future. However, STEM programs tend to be more expensive, so the solution identified to make these programs viable is through increased collaboration between institutions, as outlined below.

In response to the results of the 12/5 study, the VCAA and CAOs are exploring ways universities can increase the amount of academic program collaboration between universities, both to achieve cost savings and provide place-bound students with greater access to degree opportunities through distance learning. The VCAA and CAOs are exploring joint programs, and have already made progress toward creating collaborative relationships. They have made changes to Academic Procedure 305.6: “Brokering Academic Programs” and present a proposed BOT policy that makes it easier for universities to enter into a brokering relationship, as displayed in Appendix C.

The group is also exploring the possibility of creating a distance education collaborative modeled after UMass Online and Charter Oak State College in Connecticut, pending the outcomes and recommendations of the group led by UMA President Allyson Hughes Handley.

Recommendation 2

Academic undergraduate degree programs will be reviewed on a regular basis. The programs found to have five or fewer graduates based on a three-year rolling average will be given three years to:

- *Increase the number of graduates*
- *Grow enrollment to significant levels meeting state-wide need and interest*
- *Collaborate with other system universities as a means to increase enrollment and/or maintain enrollment with fewer resources*
- *Justify need and/or cost to benefit ratio for:*
 - *Courses that contribute to economic development*
 - *Courses in STEM disciplines and world languages*
 - *Profitability*

The VCAA and the CAOs will annually review programs with five or fewer graduates. If an academic program under review does not increase the number of graduates or students enrolled in the program, it may require reconfiguration, collaboration, or elimination under the normal shared-governance process established at the universities. This review will provide guidance for the work of Recommendation 3, which is where most of the savings will emerge. The VCAA and CAOs plan to expand the degree review process to look at graduate offerings.

Estimated savings: accrues in Recommendation 3

Better curriculum planning and scheduling will facilitate the work in reaching target student-faculty ratios at each of the universities, which will lead to potentially significant savings at the universities. This work and the estimated savings will be discussed in more detail in section two of this report.

This work is not meant to discourage the creation of new academic programs at the universities in response to the educational and economic development needs of the state or a region of the state. The ability of universities to adapt and respond to those needs must be maintained if the universities are going to increase their roles as major drivers of economic success in Maine. Future program additions will, however, receive greater fiscal scrutiny and will have the expectation of being created in response to demand.

2. ESTABLISH TARGET STUDENT-FACULTY RATIOS FOR EACH UNIVERSITY

In the *New Challenges, New Directions* report, each of the universities was asked to establish student-faculty ratio targets. These will be part of a focused set of metrics to guide university and System funding decisions.

Each university was given the flexibility to choose its own set of peer groups based upon university-specific criteria. A full list of peer groups for each university can be found in Appendix D.

Student credit hour activity per faculty FTE (Full-Time Equivalent) for UMS institutions and their peers was one of many student faculty-ratios tested; after discussion and analysis, it was felt that this ratio best reflects the teaching efforts by universities. The universities ratios were compared to the peer group average (the sum of the groups' credit hours divided by the sum of the faculty FTEs) for the academic year 2007.

All data used in Exhibit 1 are from NCES-IPEDS peer analysis system. The student data in the analysis includes both undergraduate and graduate student credit hours. The faculty data include the annual instruction/research and public service full-time equivalent faculty counts.

Scenarios

The universities have three possible ways, as outlined in the tables, in which to bring the institution to the peer average:

- Alter student credit hours while keeping the faculty count constant
- Alter faculty count while keeping the credit hours constant
- Use a mix of credit hour and faculty count changes
 - For this scenario, desired student credit hours for each university were assumed to be the targeted number in Part 3 of this report
 - The listed faculty FTE count change represents the remaining change necessary for the university to arrive at the peer average

Findings

Overall savings for the System in aggregate is displayed in Exhibit 1, with university-specific data available in Appendix E. Not all of the universities are currently below their peer averages. UMA and UMFK are above their peer average, and UMPI’s ratio matches that of its peers. The projected savings in this recommendation are found at the remaining universities.

Exhibit 1 – UMS Savings from Student-Faculty Ratio Scenarios

Notes: Only universities having a positive financial contribution to savings or revenue were included in the system summary. Derived credit hours and faculty counts are the derived counts for universities that have positive financial impacts and the actual enrollments of universities that do not require change to match peer credit hour/faculty FTE ratios

A. Enrollment Change Scenario

	Annual Student Credit Hours	722,991
	Total Faculty FTE	1,690
A. Enrollment Change Scenario	Derived Credit Hours	769,421
	Student Credit Hour Change	46,439
	% Change to Meet Peer Average	6%
	Revenue from Change in Credit Hours	\$10,996,768

For universities whose annual student credit hours to FTE faculty ratio are below their peer average, a derived student credit hour number is used to raise the ratio to its peers while keeping the FTE faculty count constant. The difference in the derived credit hour number, greater than the actual credit hour enrollment, is multiplied by the weighted per credit hour tuition rate, which results in the estimated revenue. The weighted per credit hour tuition rate is weighted by each institutions portion of Fall 2008 in-state and out-of-state undergraduate and graduate enrollment.

B. Faculty Change Scenario

B. Faculty Change Scenario	Derived Faculty FTE Count	1,588
	Faculty FTE Change	-102
	% Change to Meet Peer Average	-6%
	Savings from Change in Faculty FTE Count	\$6,003,098

The faculty change scenario uses a derived faculty count, for those institutions that fall below the average, to raise the universities averages to their peers. This derived faculty count is less than the actual faculty FTE. The difference between the two is multiplied by the weighted faculty salary and benefits to estimate savings from reductions in faculty count. The weighted faculty salary and benefits are full-time salary and benefits outlays and estimated part-time faculty salary outlays by total faculty headcount for their respective institutions. Part-time faculty salary is equal to 12 credit hours taught at \$1,029 per hour (Lecturer II rate).

C. Weighted Change in Enrollment and Faculty FTE Numbers

C. Weighted University Change in Student Credit Hour & Faculty FTE	Faculty FTE Change	-97
	% Change	-6%
	Derived Faculty FTE Count	1,593
	Student Credit Hour Change	2,565
	%Change	0.4%
	Derived Credit Hours	546,683
	Savings from Change in Faculty FTE Count	\$5,743,745
	Revenue from Change in Student Credit Hours	\$544,653
	Total Financial Impact	\$6,288,397

This scenario assumes that institutions can arrive at the peer average by changing both faculty and enrollment counts. While there are a myriad of possibilities for this analysis, the credit hour change is assumed to be the percentage change each university needed from Fall 2008 student FTE counts to meet the goal FTE count from Part 3 of this report. The remainder of the changes would be arrived at by reducing the faculty count so that the university ratio is equal to the peers. All changes in revenues or savings use the weighted credit hour rate and weighted salary and benefits rate mentioned above.

Recommendation 3

The universities will adjust their student-faculty ratios by 2012 to their peers as outlined in Exhibit 1 using which approach works best at their university, with consideration given to each university's specific mission. The CAOs will submit annual reports to the VCAA on the progress toward meeting those targets.

Not all of the universities are currently below their peer averages. UMA and UMFK are above their peer average, and UMPI matches their peers. The projected savings in this recommendation are found at the remaining universities.

Estimated financial impact: \$6 to \$8 million in savings/revenue by 2012. These will be ongoing.

Given the uncertainties about the economy, growing competition from the community colleges, declining high school populations, and a growing unmet financial aid need of students, the 6% enrollment growth indicated in Scenario A may be unobtainable. Consequently, Scenario A's \$11 million financial contribution is not used as the upper-end for the financial range. An upper-end of \$8 million is used based on more reserved scenarios around enrollment growth; in-state, out-of-state, undergraduate and graduate student mix; and future modest tuition and fee increases over the next four years.

3. ESTABLISH ENROLLMENT AND GRADUATION TARGETS FOR EACH UNIVERSITY

The *New Challenges, New Directions* document points out the need for better enrollment management at each of the universities, particularly in a state where the average high school graduating class size will decline for the next decade and where a new and rapidly growing Community College System exists. The overall financial climate, the difficulty many students have in getting financial aid, and the competition with out-of-state universities also contribute to the declining enrollment.

The work of the Arena Three Task Force is ongoing, and their recommendations on university missions may have an impact on enrollment and graduation targets for each university. The following data are presented to guide future actions in this area. More detailed information on high school and college demographics may be found in Appendix F.

The following scenarios are based on peak enrollment numbers that each of the universities has achieved during the past six years, and the assumption that each university has the capacity to educate that number of students. The universities are working to increase collaboration, expand articulation agreements with community colleges, reconfigure academic programs, increase retention rates and offer more distance education opportunities, especially targeted at place-bound and adult learners. Each of these steps will assist the universities in increasing enrollments. However, the VCAA and CAOs do not have the expertise or the resources to do an in-depth analysis of how realistic it would be for all seven to reach these goals simultaneously. For instance, there can be a zero-sum aspect to admissions – i.e., growing enrollment in some institutions may contribute to shrinking enrollments in others. Additional work is needed to determine which system-level policy changes would contribute to right-sizing the universities relative to their individual missions and their peer groups. Equal ambiguity exists in graduation targets.

A. Enrollment Targets.

Exhibit 2 below shows potential targeted student enrollments based on peak enrollments, and shows that if universities were able to increase to peak levels, it could generate significant revenue system-wide.

Exhibit 2: UMS Targeted Student Enrollments Based on Peak Enrollments

		Fall 2003	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	"Target" Enrollment	"Targeted" Growth	Estimated Net Revenue*
UM	Headcount	11,222	11,358	11,435	11,797	11,912	11,818	11,912	94	n/a
	FTE	8,923	9,054	9,204	9,401	9,548	9,620	9,620	0	\$0
UMA	Headcount	5,943	5,538	5,494	5,257	5,101	4,974	5,943	969	n/a
	FTE	2,936	2,806	2,759	2,689	2,637	2,639	2,936	297	\$1,595,747
UMF	Headcount	2,420	2,349	2,452	2,424	2,265	2,227	2,452	225	n/a
	FTE	2,116	2,087	2,149	2,126	2,002	1,964	2,149	185	\$1,379,120
UMFK	Headcount	924	1,076	1,193	1,339	1,269	1,102	1,339	237	n/a
	FTE	779	907	919	954	910	753	954	201	\$1,341,479
UMM	Headcount	1,313	1,191	1,149	1,259	1,093	1,023	1,313	290	n/a
	FTE	754	666	626	617	581	575	754	179	\$1,153,207
UMPI	Headcount	1,546	1,652	1,548	1,655	1,533	1,455	1,655	200	n/a
	FTE	1,207	1,293	1,242	1,260	1,221	1,103	1,293	190	\$1,298,787
USM	Headcount	11,007	11,089	10,974	10,478	10,453	10,009	11,089	1,080	n/a
	FTE	7,223	7,305	7,348	7,180	7,157	7,035	7,348	313	\$2,431,939
UMS	Headcount	34,375	34,253	34,245	34,209	33,626	32,608	35,703	4,148	n/a
	FTE	23,938	24,118	24,247	24,227	24,056	23,687	25,054	1,367	\$9,200,279

*Assumptions:

Note: UMS target enrollment is the peak headcount and FTE count for each institution within the last six years.

-Estimated net revenue is weighted by each universities portion of in-state and out-of-state undergraduate and graduate student population. All tuition revenue is discounted by 20% to account for institutional aid.

Recommendation 4

It is difficult to assess realistic total enrollment targets given uncertainties about the economy, growing competition from out-of-state institutions and the community colleges, demographic declines, and the zero-sum nature of much admissions competition. Despite these uncertainties, the VCAA and CAOs have examined the implications should each university succeed in returning to its peak enrollment during the past six years. The results are shown in Exhibit 2. These enrollment numbers would need to be achieved primarily through efforts to increase the:

- *number of high school students going on to college*
- *percentages of students staying in-state*
- *numbers of adult learners enrolled in UMS programs*
- *number of out-of-state-students enrolled in UMS programs*
- *retention rates at UMS campuses*

If the universities are able to return to recent institutional high points, an increase of 5.8% in student FTEs, this could lead to as much as \$9.2 million in additional revenue system-wide. These increases are not in the summary total above.

Estimated revenue: Up to \$9.2 million over four years

B. Graduation Targets

Given the uncertainty of enrollment, equal uncertainty exists in graduation targets. Below are various scenarios that look at graduation rates and number of graduates. Exhibit 3 shows that most of the universities are at or above their peer averages. Those below their averages will work to increase the number of completers.

Exhibit 3: Graduation Rates by University Compared to Peer Average

	Institute Initial Cohort	Completers within 150% of time	Institution Completion Rate	Peer Average	% Change to Meet Peer Average	Increase in Number of Completers
UM	1,651	978	59.2%	53.7%		
UMA	309	62	20.1%	18.3%		
UMF	453	262	57.8%	58.5%	0.7%	3
UMFK	130	60	46.2%	29.3%		
UMM	132	44	33.3%	37.4%	4.1%	5
UMPI	227	96	42.3%	39.2%		
USM	895	306	34.2%	47.5%	13.3%	119

Assumptions:

- Peer groups identified by universities
- AY '08 graduation rate data provided by NCES-IPEDS

The numbers in Exhibit 4 present the goal for cohort class. One scenario is for each university to get back to peak levels plus five percent through better advising, revitalization of academic programs, and better course sequencing.

Exhibit 4: Graduation Rates by University, Plus Five Percent

	AY04	AY05	AY06	AY07	AY08	Peak Graduation Rate	5% Increase from Peak
UM	56.1%	52.7%	58.7%	59.0%	59.2%	59.2%	64.2%
UMA	24.7%	20.2%	4.1%	25.2%	20.1%	25.2%	30.2%
UMF	57.6%	66.4%	61.1%	61.6%	57.8%	66.4%	71.4%
UMFK	44.1%	44.0%	31.7%	44.4%	46.2%	46.2%	51.2%
UMM	39.9%	38.0%	31.5%	49.7%	33.3%	49.7%	54.7%
UMPI	30.8%	45.8%	35.8%	35.6%	42.3%	45.8%	50.8%
USM	29.4%	34.0%	31.3%	33.8%	34.2%	34.2%	39.2%
UMS	44.6%	45.8%	45.0%	48.1%	47.6%	48.1%	54.9%

Data: NCES-IPEDS

Note: UMS target rate is the peak graduation rate for each institution within the last five years plus 5%.

UMS target graduation rate is the estimated completers based on each institution targeted rate.

However, approximately half of the UMS student body is made up of non-traditional and distance education students who do not fit into the cohort model, with significant campus variation. A possible scenario is for universities to improve the graduation rate of this student body through better outreach, advising, revitalization of academic programs and better course sequencing. The net result could be a five percent increase in both traditional and non-traditional students as summarized in Exhibit 5.

Exhibit 5: Targeted Undergraduate Degrees Conferred (by Academic Year)

	AY04	AY05	AY06	AY07	AY08	Peak Bachelor Degree Completions	5% Increase from Peak Completion	Increase in Bachelor Degree Completers from Current Year
UM	1,426	1,519	1,531	1,593	1,622	1,622	1,703	81
UMA	203	222	246	337	289	337	354	65
UMF	362	377	395	469	445	469	492	47
UMFK	187	252	228	256	246	256	269	23
UMM	88	94	117	72	77	117	123	46
UMPI	233	297	326	285	285	326	342	57
USM	972	1,000	1,180	1,181	1,208	1,208	1,268	60
UMS	3,471	3,761	4,023	4,193	4,172	4,335	4,552	380

This represents modest growth over peak degrees conferred, and may be achieved as the universities work to improve retention rates through reconfiguration of academic programs, better advising, and increased collaboration. However, they depend on the universities achieving enrollment targets indicated in Exhibit 2.

The Chancellor's *Agenda for Action* stated the goals of the University of Maine System. As the system looks toward restructuring university missions and setting graduation and enrollment targets, the VCAA and CAOs reaffirm the goals of that document. The System should continue working to increase the quality of its academic learning environment, its programs, and the overall student experience. This will ensure students gain the most from their work, graduate in increasing numbers, and should increase the number of baccalaureate-degree graduates in the state.

Any restructuring of the system should ensure the continuation of its mission to enhance the vitality of the Maine economy. Actions to reach that goal should include increasing the number of graduates in essential disciplines; including:

- Doctorates and Masters in the State's seven strategic research areas
- Baccalaureates in science, technology, engineering, and math (STEM)
- Baccalaureates in nursing and health-related professions
- Teacher certification (particularly math, sciences, foreign languages, and special education)

The enrollment and graduation targets should reflect not only the missions of the universities in the System, but ensure that the universities continue to make Maine a better place to live and work, and strengthen the Maine economy through research and outreach. The overarching goal of the universities is to use education, research, and outreach to improve the lives of all Maine citizens.

Recommendation 5

Universities will establish degrees conferred scenarios recognizing the challenges in enrollment growth, and the difference in student bodies of residential full-time students versus part-time non-traditional students. The scenario of a five percent increase in both categories is summarized in Exhibit 5. This recommendation reaffirms and builds upon the goals outlined in the Agenda for Action. The financial impacts of reaching those goals are included in Recommendation 4.

Estimated revenue: accrues in Recommendation 4

4. DISTANCE EDUCATION

University of Maine at Augusta President Allyson Hughes Handley has convened a working group to study this area of inquiry, and that group will submit a separate report. The VCAA and CAOs will continue to seek opportunities for greater collaboration between the universities to enrich the distance education offerings recommended by that group.

Recommendation 6

The University of Maine System will expand use of coordinated distance education programs and courses made available via technology. This will increase overall system enrollment, increase opportunities for collaboration between academic programs that result from the 12/5 analysis (review of courses with 12 or fewer enrolled students and programs with five or fewer graduates annually), and increase the number of graduates in essential disciplines such as Science, Technology, Engineering and Math and foreign languages. Increasing the number of offerings through distance education will make the increased collaboration suggested in Recommendations 2 and 3 possible.

Estimated revenue: accrues in Recommendations 2, 3, 4, 5