



FY26 Budget Overview

This presentation provides an overview of the FY26 Budget. We will explore the key factors influencing our budget decisions.

March 19,
2025

Understanding Our Financial Landscape

Underlying causes of UMF fiscal deficits

- Ratio of full-time faculty to students/part-time faculty
- Still in the early stages of building the online program
- Underutilized student housing and other campus facilities
- Increase in expenses – salaries, benefits, electricity, bad debt

Actions already taken to increase revenue and decrease expenses

- Increase graduate enrollment – up 40% over two years
- Launched adult completion online programs
- Increased transfer enrollment
- Reduced full-time faculty from 106 to 76 over three years
- Reduced campus footprint through consolidation and leasing
- Reduced academic administration (9-3 chairs)
- Reduced energy usage
- Provided students with an incentive to sign up early for on-campus housing

Actions to reduce FY 26 deficit

- Become a more interdisciplinary university to overlap academic programs to increase class size and free up faculty to teach online courses
- Launch six academic programs on the Your Pace platform
- Launch seven academic programs/concentrations online
- Launch a new master's in education
- Undertake a feasibility study for alternative uses for residence halls



Strategies to Recruit and Retain Students

NBRC Grant

- Received \$475,000 grant over 3 years
- Develop the Western Maine Outdoor Recreation Hub of Excellence
 - Supports the goals established in Maine's 10-Year Outdoor Economy Roadmap
- Increase ORBA enrollment by 229% over the project period
- Two direct hire positions at UMF:
 - Outdoor Recreation Hub Coordinator and Admissions Counselor - Recreation Focus.
- Projecting six new businesses will be created by students going through the ORBA program.
 - UMF will serve a minimum of 45 employers within the project period

Direct Admit Success

- Direct Admit accounts for approximately 12% of first-year applicants
- Partnership with Niche Direct Admit
- 18% growth from 2024, 26% growth from 2023, and 29% growth from 2022

Credit for Prior Learning

- Launched March 2024
 - Reinforces the connection between the student's real-world experiences and their degree program
- Recruitment into: Online Special Education and Elementary Education Certification

Title III Grant

- Fall 2025 is 2nd year of 5-year grant (\$2.2M total award)
- Fostering the development of basic college and valuable professional skills for students
- Increasing student confidence in their career pathway while providing support
- Other program highlights include:
 - Information Literacy:
 - Majority of students completed 1st level of micro-credential
 - New Focus on A.I. Literacy:
 - All Skills Lab sections included an A.I. Literacy module
 - Embedded Peer Mentors:
 - Embedded experienced students provide additional support and advice for new students
 - Engagement with Broader UMF Community:
 - Students are expected to attend and participate in campus events

Transfer

- 63 Articulation Agreements
- 2 counselors focused on recruitment of transfer students
 - 1 will become the new Transfer Academic Advisor
- Enrollment up 67% over AY 2024 and 137% over AY 2023



FY26 Budget: The Big Picture



<u>Educational and General (E&G)</u>		<u>Auxiliary (AUX)</u>	
Total Revenue	\$ 31,179,830	Total Revenue	\$ 7,880,756
Total Expense	<u>33,925,461</u>	Total Expense	<u>7,718,680</u>
Net Operating	(2,745,631)	Net Operating	162,076
Modified Cash Flow		Modified Cash Flow	
Add Back Depreciation	2,896,698	Add Back Depreciation	1,046,933
Less Capital & Debt Service	<u>(1,141,262)</u>	Less Capital & Debt Service	<u>(1,209,009)</u>
	1,755,436		(162,076)
FY26 Total Net	<u><u>\$ (990,195)</u></u>	FY26 Total Net	<u><u>\$ -</u></u>

FY26 Budget: E&G



		FY25 Budget	FY26 Budget	FY25 - FY26 \$	FY25 - FY26 %
Revenue	Tuition & Fees	\$ 16,313,603	\$ 17,722,502	\$ 1,408,899	9%
	Less: Waivers/Scholarships	(3,555,168)	(3,920,715)	\$ (365,547)	10%
	Appropriation	14,810,927	15,459,088	\$ 648,161	4%
	Indirect Cost Recovery	275,000	275,000	\$ -	0%
	Sales/Services/Other	1,469,054	1,643,956	\$ 174,902	12%
	Total E&G Revenue	\$ 29,313,416	\$ 31,179,830	\$ 1,866,414	6%
Expense	Personnel Expense	21,449,495	23,220,993	\$ 1,771,498	8%
	Attrition	(871,439)	(500,000)	\$ 371,439	-43%
	Total Personnel	20,578,056	22,720,993	\$ 2,142,937	10%
	Fuel/Electricity	821,295	1,018,146	\$ 196,851	24%
	Supplies/Services/Other	2,814,041	3,041,137	\$ 227,096	8%
	Shared Services	4,156,247	4,224,624	\$ 68,377	2%
	Travel	309,168	463,390	\$ 154,222	50%
	Maintenance & Alterations	46,951	45,473	\$ (1,478)	-3%
	Depreciation	2,858,326	2,896,698	\$ 38,372	1%
	Net Transfers	(168,475)	(485,000)	\$ (316,525)	188%
Total E&G Expenses	\$ 31,415,609	\$ 33,925,461	\$ 2,509,852	8%	
Modified Cash Flow	Operating Increase (Decrease)	(2,102,193)	(2,745,631)	\$ (643,438)	
	Add back Depreciation	2,858,326	2,896,698	\$ 38,372	
	Less Capital Expenditures	(354,325)	(450,791)	\$ (96,466)	
	Less Capital Reserve Funding	(75,000)	0	\$ 75,000	
	Less Debt Service Principle	(667,950)	(690,471)	\$ (22,521)	
	Transfer from Budget Stabilizat	0	0	\$ -	
	Net Change:	\$ (341,142)	\$ (990,195)	\$ (649,053)	

Revenue Assumptions:

Credit Hours: 39,554 + 2,100 EC

Includes UMF Online and CBE subscriptions

Early College: 2,100

UGRD

IS 3.3%

OOS 4%

NEBHE 175% of IS

GRAD

IS/OOS 4%

Early College \$60

Fees 3%

Scholarships 10%

Includes 3% increase in scholarships and increase in waivers

Appropriation 4%

Sales/Services/Other 12%

Includes childcare

Expense Highlights

Personnel 10%

Includes 4% salary increase and FB increase

Fuel & Electricity 24%

Increase primarily due to electricity demand charge

Travel 50%

Added post season travel for athletics

Supplies/Services/Other 8%

Includes bad debt

Net Transfers 188%

Early College and support from unrestricted funds

FY26 Budget: Auxiliary



		FY25 Budget	FY26 Budget	FY25 - FY26 \$	FY25 - FY26 %
Revenue	Dining & Residence Revenue	\$ 8,424,300	\$ 8,070,105	\$ (354,195)	-4%
	Less: Waivers/Scholarships	(474,288)	(443,524)	\$ 30,764	-6%
	Sales/Services/Other	251,000	254,175	\$ 3,175	1%
	Total AUX Revenue	\$ 8,201,012	\$ 7,880,756	\$ (320,256)	-4%
Expense	Personnel Expense	1,934,220	2,015,833	\$ 81,613	4%
	Attrition	0	(106,672)	\$ (106,672)	
	Total Personnel	1,934,220	1,909,161	\$ (25,059)	-1%
	Fuel/Electricity	592,629	642,848	\$ 50,219	8%
	Supplies/Services/Other	4,119,685	4,071,342	\$ (48,343)	-1%
	Travel	562	562	\$ -	0%
	Maintenance & Alterations	47,584	47,834	\$ 250	1%
	Depreciation	768,143	1,046,933	\$ 278,790	36%
Total AUX Expenses	\$ 7,462,823	\$ 7,718,680	\$ 255,857	3%	
Modified Cash Flow	Operating Increase (Decrease)	738,189	162,076	\$ (576,113)	
	Add back Depreciation	768,143	1,046,933	\$ 278,790	
	Less Capital Expenditures	(365,000)	(377,500)	\$ (12,500)	
	Less Capital Reserve Funding	(29,949)	(31,446)	\$ (1,497)	
	Less Debt Service Principle	(770,241)	(800,063)	\$ (29,822)	
	Net Change:	\$ 341,142	\$ -	\$ (341,142)	

Revenue Assumptions

Residence Hall Capacity: 649

2 Residence Halls Offline

Room & Board -4%

Waivers -6%

Reduction in CA's

Expense Highlights

Personnel -1%

Includes 4% salary increase and FB increase

Fuel & Electricity 8%

Increase primarily due to electricity demand charge

Key Drivers

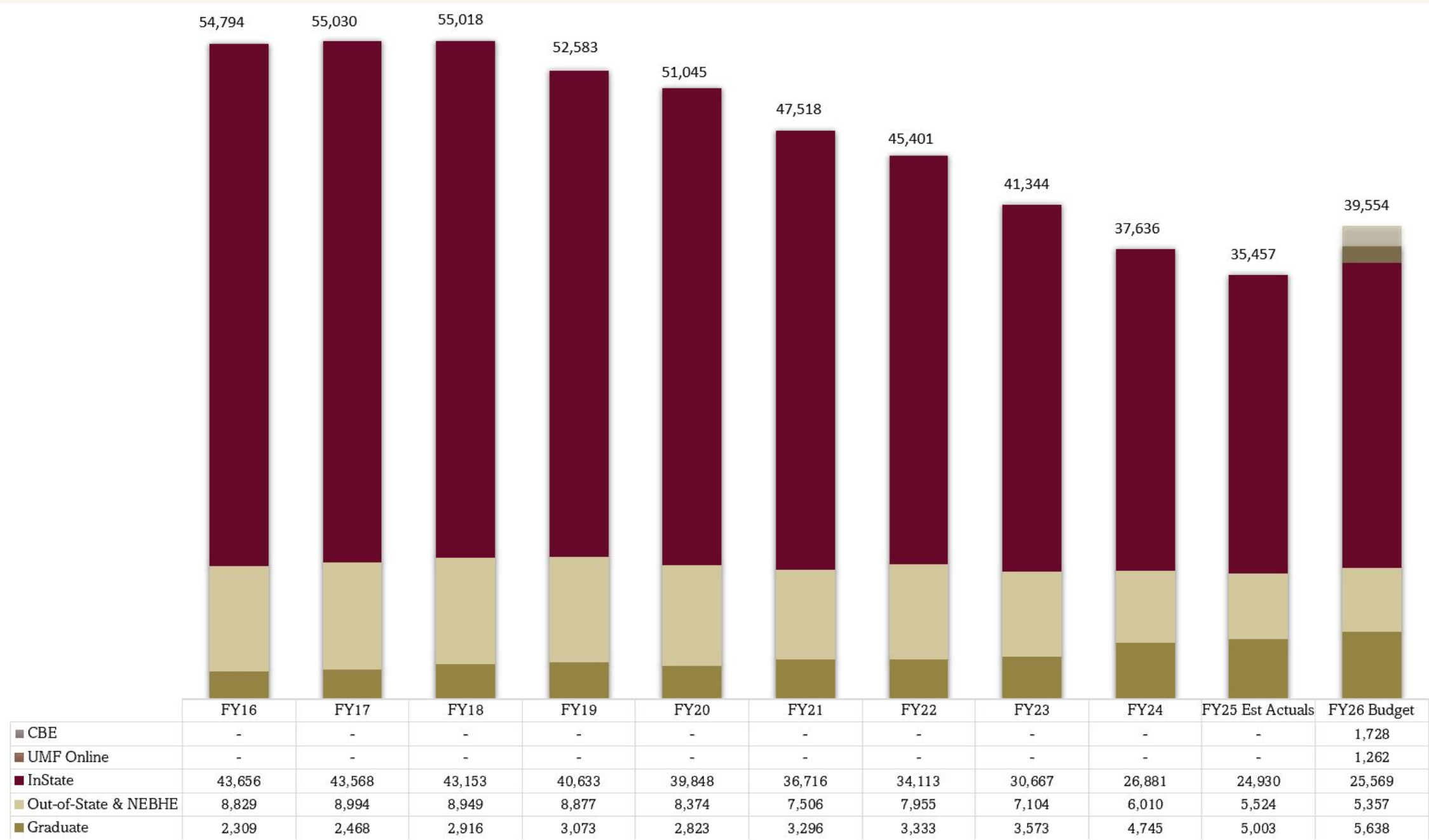
Enrollment

Projected Enrollment		Campus 2025-26 Proj.	Explanation of Changes	
Career	Tuition Residency	Summer 2025		
		IR Proj. Credit Hours		
Early College Undergraduate		142	125	revised based on conversation with UMF coordinator
Undergraduate	In-State	1,416	1,416	
	Out-of-State/International	115	115	
	Canadian	0	0	
	NEBHE	120	120	
	Online Program	0	54	NEW Online program
	MaineOnline (AP)	0	432	2 sessions of Your Pace - NEW
Subtotal		1,651	2,137	
Graduate	In-State	1,452	1,452	
	Out-of-State/International	67	67	
	Online Program	0	30	NEW Online program
	MaineOnline (AP)	0	288	2 sessions of Your Pace - NEW
	Subtotal	1,519	1,837	
Total (Including Early College)		3,312	4,099	
Total (Excluding Early College)		3,170	3,974	

		Fall 2025	Fall 2025	Explanation of Changes
Career	Tuition Residency	IR Proj. Credit Hours	Total Credit Hours	
		Early College Undergraduate		
Undergraduate	In-State	12,455	12,455	
	Out-of-State/International	518	518	
	Canadian	6	6	
	NEBHE	2,151	2,151	
	Online Program	0	610	NEW UMF Online program
	MaineOnline (AP)	0	288	2 sessions of Your Pace - NEW
Subtotal		15,130	16,028	
Graduate	In-State	2,026	2,026	
	Out-of-State/International	71	71	
	Online Program	0	85	NEW UMF Online program
	MaineOnline (AP)	0	0	
	Subtotal	2,097	2,182	
Total (Including Early College)		18,870	19,905	
Total (Excluding Early College)		17,227	18,210	

		Spring 2025	Spring 2025	Explanation of Changes
Career	Tuition Residency	IR Proj. Credit Hours	Total Credit Hours	
		Early College Undergraduate		
Undergraduate	In-State	11,692	11,692	
	Out-of-State/International	578	578	
	Canadian	0	0	
	NEBHE	1,875	1,875	
	Online Program	0	459	NEW UMF Online program
	MaineOnline (AP)	0	432	2 sessions of Your Pace - NEW
Subtotal		14,145	15,036	
Graduate	In-State	1,955	1,955	
	Out-of-State/International	67	67	
	Online Program	0	24	NEW UMF Online program
	MaineOnline (AP)	0	288	2 sessions of Your Pace - NEW
	Subtotal	2,022	2,334	
Total (Including Early College)		16,359	17,650	
Total (Excluding Early College)		16,167	17,370	
Grand Total (Including Early College)		38,541	41,654	
Grand Total (Excluding Early College)		36,564	39,554	

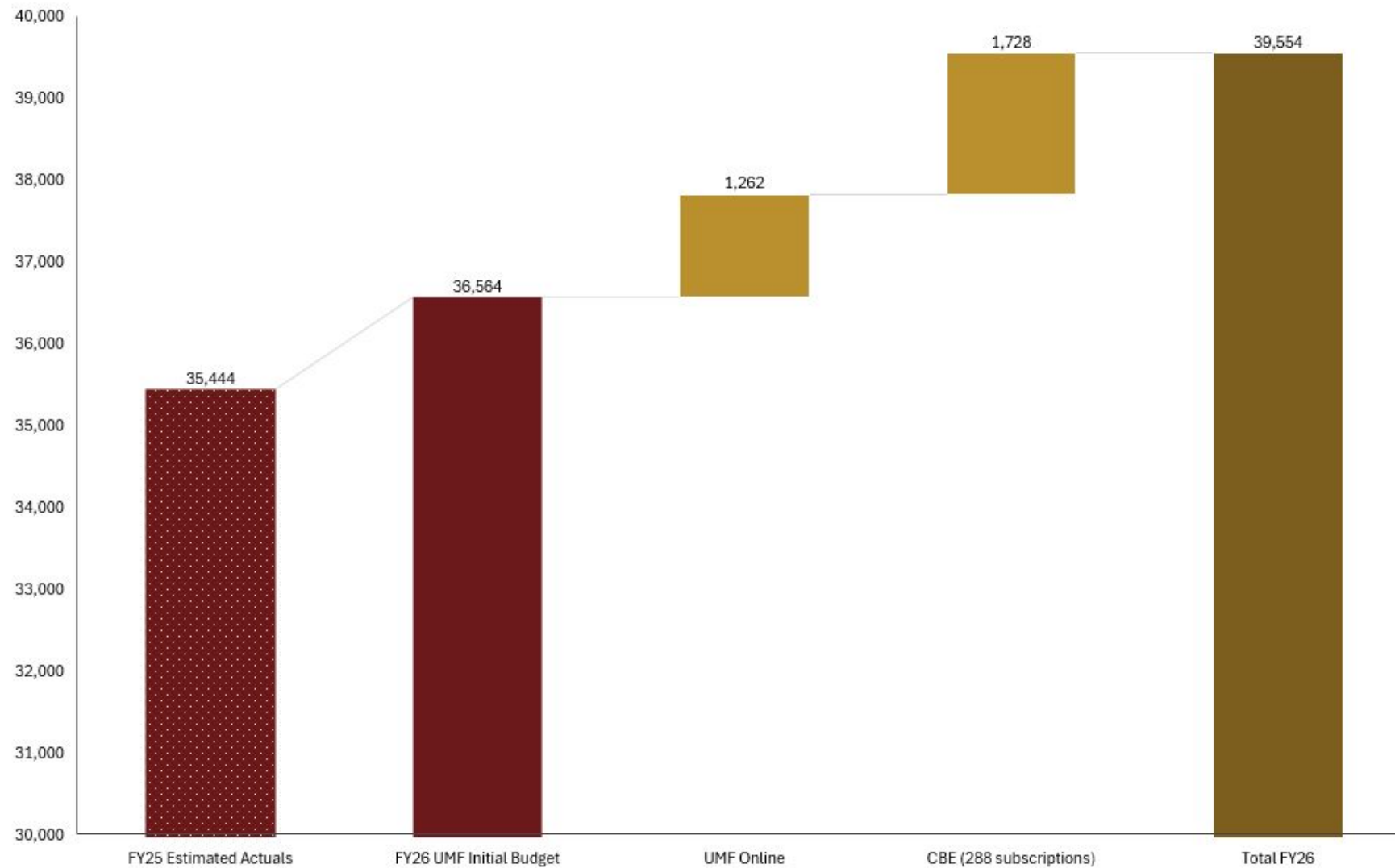
10-Year Credit Hour Enrollment



FY25 Early College: 2,217
(.)

FY26 Early College: 2,100

FY26 Enrollment Waterfall



	FY25 projections	UMF projections to build	UMF Online (includes Adult)	UMF CBE	
AD					
OS	24,882	25,563	899		
AN	1,606	1,211	45		
IEBHE	35	6	-		
AD	3,918	4,146	180		
OS	4,865	5,433	139		
OS	138	205			
...					
grad		-	-	1,152	*
rad		-	-	576	*
Sub-total	35,444	36,564	1,262	1,728	39,554
College	2,036	2,100	-	-	
Total	37,480	38,664	1,262	1,728	41,654
		\$14,182,106	\$485,094	\$580,800	\$15,248,000

* Credit hours do not correlate to revenue as revenue is based on subscriptions

FY26 Financial Aid

Overarching financial aid strategy: elasticity in and strategic awarding of merit and need based institutional aid to maximize the impact of federal, state and donor aid

- In FY23, we overhauled our Financial Aid program. We reduced the institutional scholarship budget, started more aggressive fundraising for scholarships and emergency funds, created high value scholarships, and refined our tuition pledge program.
 - We sunset our expensive and inflexible merit program over three years (FY26 is year 2)
- In FY24, we increased institutional aid for transfer students and focused on assisting students and families through the new FAFSA form/process.
- In FY25, we assessed our overhauled program to determine areas of potential improvement, updated our student work initiative program, and improved the use of our work study dollars across campus.
- For FY26, we will increase the percentages of institutional aid awarded by need and merit level, offer increased Federal Supplemental Grant by residency level to bolster the student aid packages, and award Racino Scholarship up front to in-state students with need who excel academically.

Student financial challenges is one of the major issues impacting student retention.



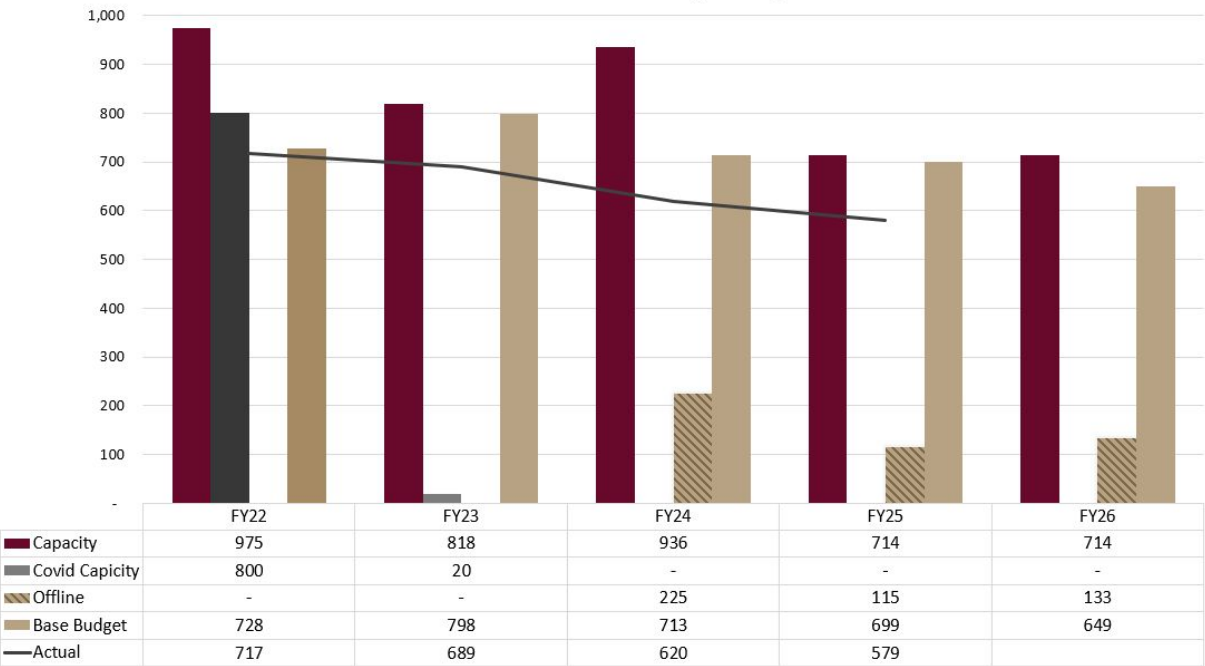
FY26 Residence Halls and Dining

Overarching goal: Meet UMF specific students' needs and interests while keeping cost increases as minimal as possible

- Increase the number of single rooms again, as we did in FY25.
- Continue to ensure flexibility and capacity for medical singles. The demand for medical singles continues to increase.
- Re-open the second of our two oldest, and very popular, residence halls, which now includes single user bathrooms, laundry on the first floor, and accessible entries.
- Continue our new in FY25 pet friendly residence hall and our sports-interest/outdoor enthusiasts living community.
- Added cameras in residence hall kitchens and laundry rooms. These were requested by students and paid for by the student residence hall association.
- Take two halls offline in FY26 as the halls that do not have single user bathrooms.
- Continuing working with Sodexo to create excitement in the dining hall and exceed student expectations



Residence Hall Capacity



FY26 In-State Cost of Attendance

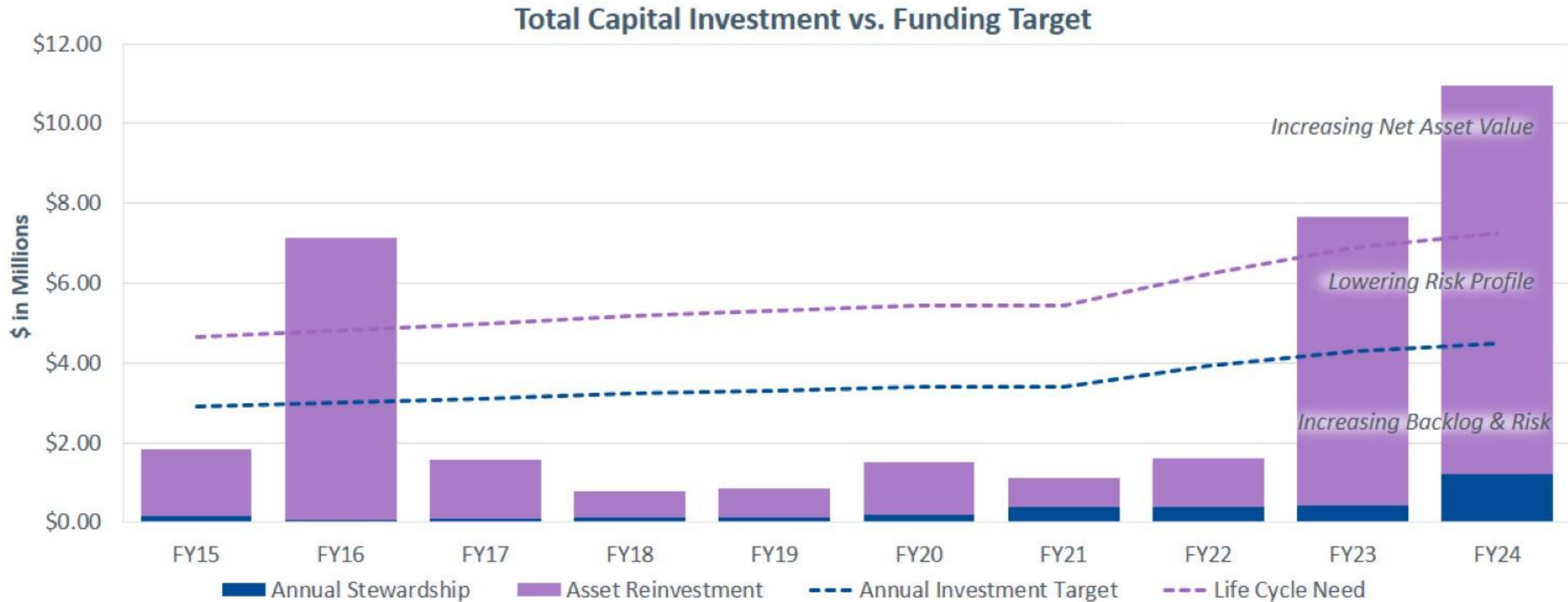
		NEW			
		In-State Student			
30 credits	FY25	30 credits	FY26	\$	%
	\$9,180 Tuition		\$9,480 Tuition	\$300	or 3.3%
	\$160 Student Activity Fee*		\$160 Student Activity Fee*	\$0	or 0.0%
	\$300 Technology Fee		\$300 Technology Fee	\$0	or 0.0%
	\$906 Student Support Fee		\$933 Student Support Fee	\$27	or 3.0%
	\$762 Academic Support Fee		\$785 Academic Support Fee	\$23	or 3.0%
	<u>\$11,308</u>		<u>\$11,658</u>	\$350	or 3.1%
				\$175/semester	
	\$5,722 Room		\$6,008 Room	\$286	or 5.0%
	\$5,588 Board		\$5,867 Board	\$279	or 5.0%
	<u>\$11,310</u>		<u>\$11,875</u>	\$565	or 5.0%
				\$282.50/semester	
	<u>\$22,618</u> Cost of attendance		<u>\$23,533</u> Cost of attendance	\$915	or 4.0%

* Student government fee

Tuition Discount Rate = 27% or \$(3,147.66)

Capital Investment

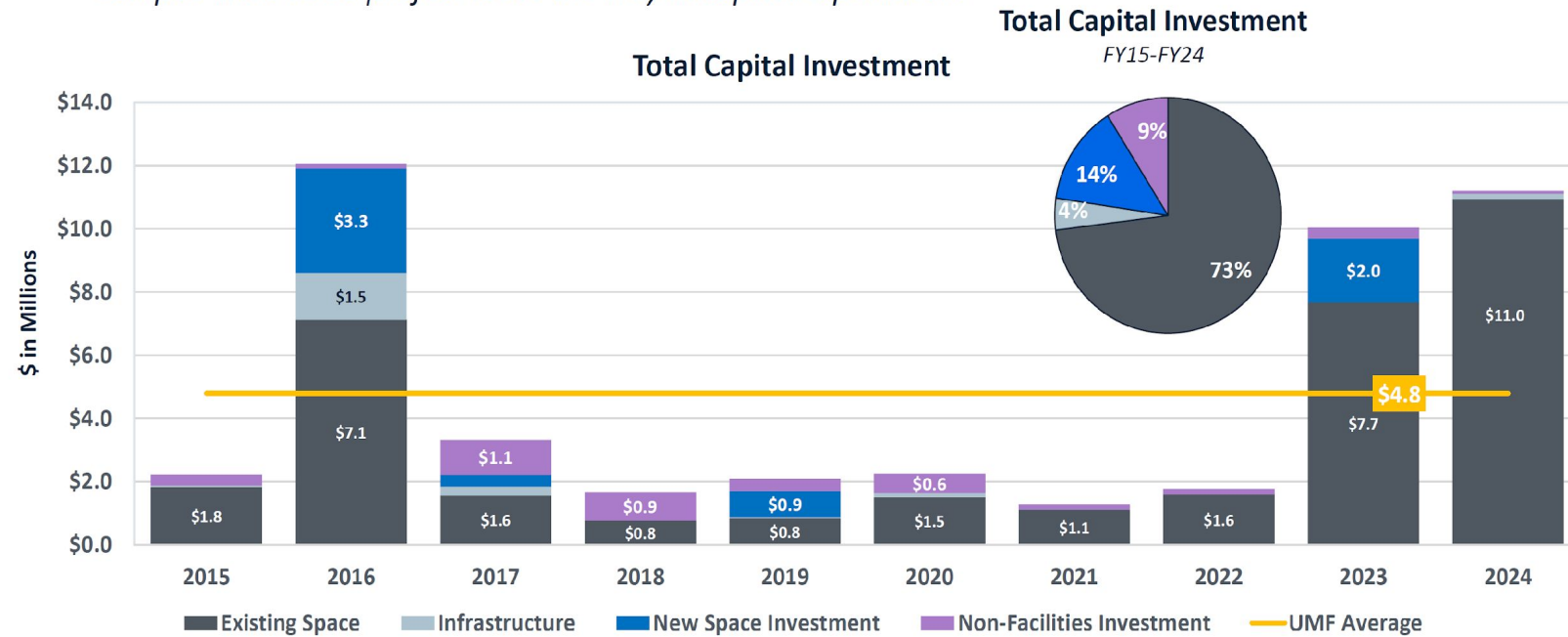
UMF Performance Against Target



**Gordian is using a 16.2% inflation rate across its database for FY22 from the RSMeans CCI catalog; 8.1% for FY23
 ***The FY24 inflation target is reduced by 2%, informed by the RSMeans cost database analysis, indicating a market stabilization from the volatility seen in FY22 and FY23.

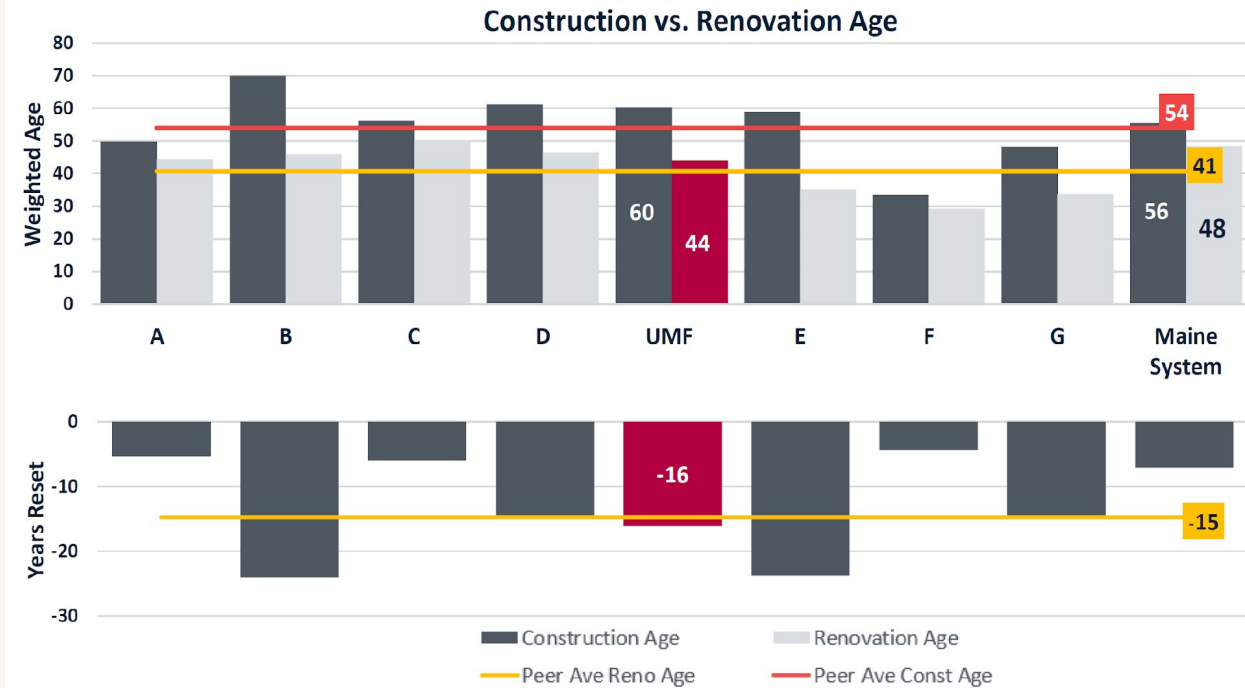
UMF Records Highest Expenditure into Existing space in FY24

Campus-wide ESCO project leads the way in capital expenditure



Major Projects are Decreasing UMF's Renovation Age

From FY23-FY24, UMF reduced its renovation age by 16 years, thanks to ESCO investment and other renovations



Gordian Definition of a Major Renovation

Building improvements are classified as a "renovation" when:

- At least 50% of the building's replacement value was invested
- MEP systems and interiors/exterior are improved
- The building functions as a "new" building

FY26 Depreciation and Reserve Balances

E&G and AUX Funded Depreciation

	FY25	FY26	% Change
E&G Depreciation Expense	\$ 2,858,326	\$ 2,896,698	1.3%
AUX Depreciation Expense	768,143	1,046,933	36.3%
Total	\$ 3,626,469	\$ 3,943,631	8.7%
Budgeted funds for Capital Expenditures	709,274	828,291	16.8%
Debt Service Principal	1,438,191	1,490,534	3.64%
Funded E&G and AUX Depreciation	\$ 2,147,465	\$ 2,318,825	7.98%
Funded E&G and AUX Depreciation %	59.22%	58.80%	-0.7%

Reserve Balance as of 2/13/2025

E&G	\$ (9,507,888)
E&G Capital	\$ 357,654
GASB 75	\$ (2,409,695)
Auxiliary	\$ (1,121,299)
Auxiliary Capital	\$ 110,808



FY26 Capital Expenditures

FY26 E&G Projects: \$450,791

Preble/Ricker new fume hoods and ventilation	\$288,000	
Mantor Library 1st floor restroom renovation	69,823	
Central Heat Plant bilder chamber rebuild	92,968	\$450,791

FY26 AUX Projects: \$377,500

Black Hall roof repair	\$120,000	
Dakin Hall roof repair	100,000	
Parking lot paving	157,500	\$377,500

ESCO Project (99% complete)

- Investments have addressed historic backlog growth
- Mechanical and HVAC upgrades in over 30 buildings
- 2nd biomass boiler is generating TREC revenue

Investments

- 2nd biomass boiler has created savings throughout the year by heating the campus domestic hot water load with chips rather than with oil and propane
- The \$7.5M bond allowed the campus to complete deferred maintenance projects that were not completed through the ESCO project with focus on energy savings and student life on campus

NAV

- FY24 NAV is 60% (3.5% over FY23)

Campus Footprint

- UMF is currently leasing 2 buildings on campus (3,200 sqft to mental health organizations to help the greater Farmington community obtain access to services).
- Town of Farmington is being granted right of first refusal for the sale of the Facilities Management building
- Currently in discussions with RSU9 to create housing opportunities for International Students visiting for their exchange program.



Key Takeaways and Next Steps



- Culture change to achieve financial sustainability.
- Full utilization of faculty to achieve an average of 240 credit hours per semester.
- Moving towards a more interdisciplinary university to address small siloed academic programs.
- Diversifying mode of delivery beyond the traditional face-to-face classroom:
 - Online
 - YourPace
- Reducing campus footprint.