

Dear Senator Daughtry and Representative Brennan and the other distinguished members of the Educational and Cultural Affairs Committee.

Faculty on the BoT of the UMSystem is essential to secure the future of the high quality, accessible, transformative public higher education in Maine.

Why? Because the BoT, without Faculty representation has, for almost 20 years, short changed the core academic mission of the UMS.

My first document is from the AAUP (American Association of University Professors) report from 2014 prepared in response to the traumatic budget and faculty cuts at USM in 2014-2015.

In 2014, the share of the UMS budget devoted to actual teaching had fallen from the 2002 high of 27.2% to the 2014 level of 26.8%.

What did the AAUP have to say about this? See Document 1. Attached.

Carrying our analysis forward we see (In document Epsilon002) that the share of revenue devoted to instruction declined even further, to 25%. Again, we faculty urge you to read what the AAUP had to say about the very low share of expenses devoted to the core academic mission: " These data show that the share devoted to instruction, (26.8% in 2014, falling to 25% today) is very low for public universities." Why is the BoT pursuing a budgetary course that actually SHRINKS SPENDING ON THE CORE ACADEMIC MISSION?

The next document I'll share is also from the UMSystem audited financial statement. See Epsilon003.

Look down to the bottom of the table, to the line "Unrestricted Net Assets." (highlighted in blue).

Net unrestricted are funds on hand that have not been contractually tied to a particular project or vendor. Basically this is the "profit" or "retained earnings" of the System.

Notice how in 2017 (after a GASB rule change which led to restating Unrestricted Net Assets) the monies retained by UMS, in excess of the costs of running the place, rose from \$81M (2017) to \$103M (2020), an increase of \$22M.

Where did that \$22M come from? Those monies are drained out current revenues. State appropriation + tuition and fees + auxiliary + other income = total revenue.
Total Revenue less Retained Earnings (unrestricted net assets) = Monies left to support the mission of the system.

If the BoT actually supported the core educational mission they would not be building up cash/near cash holdings while shrinking the faculty.

Last point: the UMSystem has moved the audit function away from Maine CPA firms and given the business to a firm in MA. Why? Shouldn't state entities support firms in Maine?

Thank you very much for your time and attention in this matter. I hope you will support LD 1391. Supporting LD1391 is a very concrete step to making the UMSystem infinitely more responsive to the actually existing higher educational needs of the people of Maine.

Sincerely, Susan F. Feiner