



Report to the 126th Legislature On the University of Maine System

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CHANCELLOR

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INTRODUCTION

President Alford, Speaker Eves, honorable members of the 126th Maine Legislature; President Brennan, President Fitzsimmons; distinguished guests and friends: On behalf of the University of Maine System; that is, on behalf of the Board of Trustees, Presidents, Boards of Visitors, Faculty, Students, and Staff of your seven universities, law school, and more than 35 research, outreach, and Cooperative Extension centers and facilities throughout Maine, I extend greetings and thank you for the opportunity to address you concerning the state of public higher education in Maine.

As a Maine native who believes deeply in the role education plays in the social and economic life of our state, it is a tremendous honor to be here. As this is my first report to you, I will focus on a more personal view of my first year.

The Board of Trustees hired me to reposition the University System to meet its responsibilities in a period of unprecedented challenge and change. I found an organization ready to become a greater part of the solution to these challenges, and I am pleased to report a number of significant starts and successes as we undertake this repositioning.

CHALLENGES

The challenges facing the University of Maine System are largely those that face the state as a whole: a struggling economy and Maine's unique demographics. I could cite any number of economic facts, all of which are familiar to you. We know, for example, that median income for Maine families has dropped \$1500 from its peak 6 years ago, and that unemployment remains too high. The demographic facts are equally sobering. We have the oldest median population in the nation, and the total number of graduates from our public high schools in 2012 was fewer than 14,000 and that number is dropping. Moreover, too many of our young people are leaving the state for want of opportunity.

Higher education everywhere faces a third major challenge. We are undergoing a revolution in how education is delivered. The rise of online and distance education, for example, challenges nearly all our traditional educational assumptions. Taken with the economic and demographic challenges, Maine's Universities' basic educational and operational models are at significant risk.

Our task is not just to address these challenges in some minimally sufficient way. Our responsibility is to help Maine prosper. We must have a strong economy that will sustain businesses small and large, attract investment, and, most importantly, offer real opportunities for our citizens, especially our young people and their families. The University of Maine System must be a partner and leader in this task. In taking stock this first year, what is most clear to me is this: Maine's public universities are a critical, irreplaceable factor in Maine's success, but our universities cannot be successful unless Maine people are successful.

OUR COMMITMENT

I want to begin setting out our response to these challenges by singling out one event from this past year. As you know, credit transfer has been an issue since the System was founded over 40 years ago. My first charge from the Board was to fix it. Last May we formed a committee under the joint chairmanship of Trustee Admiral Gregory Johnson and UMFK President Wilson Hess to do just that. In October they delivered their systemwide plan which the Board approved in November with unanimous support from the university presidents. This fall we will have the administrative and technical infrastructure in place to support this program and to transfer general education credits. Soon after, we will be able to transfer within majors and we will have prior learning assessment tools and policies in place to accommodate adult and transfer students statewide. Credit Transfer remained unresolved for 43 years. We have put a plan in place in less than a year and have already moved to implementation. There are many lessons one could draw from this example, but one stands out: We are now acting as a System as it was intended to be.

Our response, then, to our challenges is a commitment: The University of Maine System will be the most responsive public university system in the country in meeting education and economic

development needs and opportunities for our students, families, businesses, and communities. To meet this commitment we are building an integrated system of public higher education to a level never before seen in Maine. What this means is what I will share with you now.

EDUCATION

I'll speak first about education. As we know, Maine's future depends on a strong economy that offers our people opportunities to work and raise their families here. If one thing is certain, these opportunities depend first and foremost on education. But education must be affordable, accessible, best quality, and relevant. Let's look at each.

Affordability

We all agree that education must be affordable. To me, that means a public university education must be affordable *to average Maine families*. Right now, our average cost of tuition and fees represents nearly 20% of Maine median household income. That's too much. 43 other states rank better when we compare their state's public university's tuition to their median household income. So here's what we're doing.

The first step is to break the back of year-over-year tuition increases. We froze tuition and mandatory fees for in-state undergraduates for the current academic year. We are ready to keep this freeze in place for the next two years, but to do that we need your help. If you hold appropriations for the University System flat for this next budget cycle, we will have three years with no tuition increases, the longest such period in over 25 years. We deeply appreciate the Governor's support in this matter and, working with you, we can send an unmistakable signal that we are united in keeping higher education affordable.

The next step is for us to become more efficient. We have begun a multi-year, top-to-bottom review of all administrative services with the twin goals of enhancing service while reducing costs. I am pleased to report that three administrative reviews are now underway, and so far with only one report delivered we have identified ongoing, structural savings of more than

\$3,200,000. In pursuing this strategy, we will reduce our administrative costs per student to a level below the average for our peer public institutions.

As we bring costs under control, we must ensure they stay under control. We are therefore developing a policy that would link future tuition increases to the increase in our median household income. The strategy here is straightforward: we adjust our costs to what Maine families can afford, and we link our success to our families' success.

Accessibility

Education must be affordable and it must be accessible. I will share with you the most shocking number I have seen since becoming Chancellor. According to the Maine Development Foundation, 230,000 of our fellow Maine citizens 18 years and older began but did not complete post-secondary studies. They may have taken one course, they may be one course shy of a degree, but they did not complete what they set out to do. The financial cost of this stranded investment is in the hundreds of millions of dollars. The cost in human capital - of stranded goals and dreams - is immeasurably greater. But this number also represents a tremendous opportunity if we enable as many of these people as we can to complete their studies. The economic benefits of doing so would be enormous; the social benefits incalculable.

There is another reason to engage this group. To remain economically competitive, Washington has set a national target of 60% of our adult population having post-secondary credentials by 2025. As I have noted, last year our high schools graduated only 14,000 students. If every one of the students now in our K12 pipeline earned a post-secondary degree, we would still fall far short of the target. We must engage and support our adult and non-traditional populations if we are to be economically competitive.

To complicate matters, most of these people are place-committed – they have jobs, families, and other ties to where they live. Moving to one of our traditional campuses is often not an option. But we have tools in our toolbox. We will use distance and online education to deliver programs

that serve these peoples' needs and schedules and we will offer enhanced advising services to assist them achieve success.

We also have our University College Outreach Centers. Last April, I visited the URock Outreach Center in Rockland. I met Deb Meehan, the Director, who introduced me to students of all ages who use her space to study, take courses onsite, online, and live via interactive technologies. They receive advising and financial aid assistance as well as academic tutoring, and they work together to create a local learning community that was exciting to encounter. Critically, these Centers serve students who for a number of reasons would not otherwise be at university. When I asked how many of her 600 students would be on a campus if URock didn't exist, Deb told me "not 10%". I left URock convinced I had seen a major piece of the solution to this educational puzzle.

The Trustees have charged me with developing a statewide strategy to ensure our universities are prepared to meet the needs of adult and non-traditional populations. We have an initiative underway – the Adult Baccalaureate Completion Distance Education Project – to design and implement a statewide strategy that uses all our resources and technologies to increase non-traditional student success. I'll keep you informed, but one conclusion is already clear. The coming years will see an evolution and expansion in our student profiles. It will, of course, continue to involve the campus experience. But it will also involve a lifelong engagement with *all* Maine's citizens for whom education is a critical path forward.

Quality

Higher education must be affordable, accessible, and it must be top-quality. Our faculty work with great skill and devotion to provide our students with the best possible education. And we should all be very proud of our students' achievements.

Representing our students, I'd like to introduce a UMaine doctoral student in Food & Nutrition Sciences who grew up in New Gloucester and chose UMaine for her graduate work in part because of how its research connects directly to Maine's economy. She worked with companies

such as Seal Cove Farm of Lamoine to develop the world's first Omega-3 fortified goat cheese, a project funded in part by the Maine Technology Institute. She is now working with the Aquaculture Research Institute to improve shellfish processing techniques. She is also a graduate student representative to the Board of Trustees. Please join me in recognizing an outstanding Maine scientist, innovator and leader, Brianna Hughes.

With all our faculty and students' achievements, we must also recognize that the decline in financial resources these past years has strained program quality. We cannot simply cut, we must also leverage our academic strengths and we must invest in our academic programs.

This year we will work with faculty to investigate using distance education technologies to leverage our academic resources across our institutions. Using today's technologies, there is no reason why the work of our top faculty should not be available to every student anywhere in the state.

We will also identify and invest in a limited number of signature programs that leverage strengths from across our campuses, elevate our national academic profile, and tie to real economic opportunities for Maine people and businesses. Here's a "what-if" example. The Gulf of Maine is one of the world's top-10 fisheries; it is a national asset requiring the very best marine science and management we can provide. If the state would work with us to create a signature focus here, we would attract more students, grants and contracts, advance sound management for the good of the resource and for key Maine industries, and attract new investment opportunities for the benefit of all. A rising tide lifts all boats.

Relevance

Public higher education must be affordable, accessible, top-quality, and it must be relevant. A relevant education prepares people to be engaged citizens as well as productive employees. Each one of us, as professionals and as citizens, needs to be able to communicate clearly, think critically, and be able to function and contribute in an increasingly complex, globalized world. Yet these are the very traits most desired by employers. In a recent comprehensive study of

Maine businesses, for example, the #1 most sought after trait for new employees is the ability to communicate clearly.

We must also emphasize programs that meet Maine workforce needs and opportunities. Here are two initiatives that address this goal. This January, the Board of Trustees approved Maine's first Outcome Based Funding model. Starting next academic year, a percentage of State Appropriations will be allocated to the campuses based on their students' success in completing their degrees, with a premium on STEM, Nursing and Allied Health, and other statewide and regional workforce-determined needs. In this way we build a better system of accountability between Maine workforce needs and our educational strategies.

A second example is Project Login, a partnership involving the University of Maine System and some of our most forward-looking employers, including: WEX, UNUM, IDEXX, Bangor Savings Bank, TD Bank, Maine Health, Eastern Maine Healthcare Systems, and others. Recognizing that Maine is experiencing a major workforce shortage in critical technical fields, the leadership of these companies, guided especially by Mike Dubyak, Chairman and CEO of WEX, has developed a comprehensive, homegrown solution. Working with five of our System universities, Project Login will engage, educate, and employ hundreds of new, Maine-grown computer scientists, computer engineers, and information technology specialists, offering clear professional pathways for Maine students to pursue their professions with world-class companies right here in Maine. An especially noteworthy part of this engagement is the private sector's commitment to support experiential learning by providing paid internships for every one of these students making satisfactory progress in our programs.

RESEARCH & ECONOMIC DEVELOPMENT

To be responsive to Maine needs also means we must be the statewide leader in research and economic development. Who else has the expertise, geographic reach and, above all, the singular mission of supporting our industries and businesses? Our long history of partnerships speaks to this engagement. Our Cooperative Extension Service, for example, partners with more than 3000 Maine businesses every year.

The University of Maine System advances research and economic development on three fronts: the development of new knowledge and technologies with an emphasis on those that are of direct value to Maine industries; the development of public/private partnerships to advance business opportunities; and, as I have already discussed, through workforce development.

With your help, including critical support from MEIF, UMaine's research enterprise has grown to an average of \$100,000,000 in annual research-related expenditures, with strengths in areas important to Maine but which also position us to be more competitive nationally and internationally. In perhaps the best-known current example, the Advanced Structures and Composite Center under the visionary leadership of Dr. Habib Dagher is becoming a global leader in the use of composites in energy production while providing paid educational opportunities to over 100 students this year and more than 1200 students since the Center opened.

To ensure more effective partnerships with Maine businesses, the University of Maine's newly formed Office of Innovation and Economic Development under the direction of Jake Ward contracts with over 200 businesses annually to support economic growth. I'll mention just three examples.

Waterville's Cerealus, a sustainable technology leader founded in 2004, is partnering with the UMaine Process Development Center to create and develop bio-based technologies for the food and paper industries. This partnership includes basic research, but extends to joint patents and commercialization strategies as well. The latest of these products, Cerecarb™, has already demonstrated product improvements in commercial trials in Maine paper mills who may use this and related Cerealus products to gain a global advantage in the paper manufacturing market.

Working with the Federal Government, Verso's Manager of New Technology, Sean Ireland (a Brewer native), has brought millions of dollars to UMaine to develop the first nanocellulose pilot plant. Nanocellulose is wood fiber 1/10,000 the diameter of a human hair and is thought to be one of the new miracle materials that can increase strength and decrease the costs/weight of

everything from paper and packaging to advanced composites for automotive and aerospace use. Verso mills in Maine are leading the industry in the adaptation of nanocellulose technology, and UMaine leads in manufacturing nanocellulose to support industrial applications in an economically viable way.

Another composite-based technology derived from UMaine research is a ballistic protective system that is being commercialized by Monmouth's Tex Tech Industries. Tex Tech has been in business in Maine since 1904 and employs 225 in the globally competitive textile industry. The UMaine / Tex Tech ballistic protective systems are now in trial use by the US military, and the first significant international commercial order is currently underway.

These examples, and I could cite many more, speak to the partnerships that are moving Maine forward.

CONCLUSION

To conclude, I repeat our commitment: The University of Maine System will be the most responsive public university system in the country in meeting statewide educational and economic development needs and opportunities. To meet this commitment we are building an integrated system to a level never before seen in Maine. Our success is to be measured by the success of Maine people. It's that simple. Thank you.



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Established in 1968, the University of Maine System is the state's largest educational enterprise. It has an annual enrollment of more than 40,000 students and serves over 500,000 individuals annually through educational and cultural offerings. Two-thirds of its alumni—approximately 120,000 people—live in Maine. The University of Maine System features seven universities—some with multiple campuses—located across the state, as well as eight University College outreach centers, a law school, and an additional 31 course sites. For more information, visit www.maine.edu.

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