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Finance minutes 10/04/2011

Finance Committee

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UMM Finance Committee Minutes-10/4/11

Members Present: Roland Guyotte, Sara Haugen, Laura Thielke, Michael Korth, Pieranna Garavaso, Manjari Govada, Reed Olmscheid, Lowell Rasmussen, Mary Zosel

Members Absent: Gwen Rudney, Timna Wyckoff, Andrew Sharpe, Janet Ericksen

Guests: Colleen Miller, Sheila Windingstad, Note taker

Meeting was called to order by Committee Chair, Roland Guyotte. Roland explained that under the new constitution, approved December, 2009, the CRPC Committee was divided to form the Finance and Planning Committees. Introductions were made around the table.

- 1) Meeting Schedule Issues:
 - a) Timna Wyckoff cannot meet any Tuesday and Gwen Rudney cannot meet some Tuesdays. Wednesdays another member cannot meet. If a better time comes about, please let Roland know. Otherwise, we will rotate between Tuesdays and Wednesdays at 1:00 p.m. He hopes to have a schedule out for the semester soon. Presently the meetings are scheduled for the Welcome Center Conference Room.
- 2) Roland handed out the UMM Constitution, Section 5. Finance Committee and asked that everyone review and comment. Comments as follow:
 - a) Roland's take is that our responsibility is to review and make recommendations as people come to us as a committee.
- 3) Roland asked for items to be part of future meetings-
 - a) Lowell Rasmussen-Capital budget has very close due date. Bond debt is part of capital planning. Need to address the capital planning soon, take the lead from the Planning Committee. Due date is 10/17/11 for 6 yr planning. Will need to be the agenda for next week.
 - b) Mary wants to know if Lowell has information we can review prior to next week's meeting in preparation. Lowell will send that out (Budget instructions from Central Administration (2014-2016) and current info from planning committee on Thurs.)
 - c) We have previous capital plans to look at and Planning Committee is working on what to address and prioritize, then we need to decide how to manage the debt.
 - d) Roland suggested we could meet twice next week, if necessary. We will wait to see what the Planning Committee gets on their discussion list.
 - e) Pieranna asked if faculty resizing will come our way? She would like to invite the Academic Dean to discuss this with us.
 - f) Budget process-COMPACT meeting 1st week in March. We will need to have our operating budget complete prior to that. It will be brought to us in February so this will be one of the first things we get after break in Jan.
 - g) Lowell suggested inviting Bryan Hermann in to assist with planning student numbers.
 - h) Lowell-scholarship programs are not necessarily solvent & Central Admin may change ground rules. We need to agree how we will manage scholarships as a campus. We make 4-year commitments so this should be factored in.
 - i) Mike Korth-how did last fiscal year end? According to the budget plan, how did we end up prior to doing this years' plan.
 - j) External auditor's report will not be available until the end of October so we won't have firm numbers until then per Colleen. We should review within a couple of weeks on a Wed after we come back from Fall break.

- k) Linc Kallsen's 5-year budgeting model is what we'll be looking at. Trend of last 3-4 yrs actual and then projecting 5 yrs. forward.
- l) John Anderson will be the first person to speak with us (today) about 'Resource Allocation Review'.

Action: Lowell will get Capital Budgeting Instructions for FY12-FY17 out.

Action: Roland will try to attend Planning Committee meeting.

- 4) Jon Anderson-Resource Allocation Review Criteria (per Chancellor):
 - a) Look at all programs on our campus
 - i) Academic
 - ii) Student service
 - iii) Other programs (Administrative, etc.)
 - b) Idea from Twin Cities administrators/Regents & Blue Ribbon Committees
 - c) 3 working groups
 - i) Barbara Burke-Academic
 - ii) Hilda Ladner-Student Service
 - iii) Peh Ng-Other-Administrative
 - d) Rapidly evolving, still changing, but getting close. Each group's understanding of what the criteria mean is still changing.
 - e) 10 criteria list is quite stable.
 - f) As soon as Jon gets a final "go", he will make it public on Google for everyone's review. He hopes that he can address any questions we might have as of today.
 - g) Timeline: identify criteria, reveal true nature of criteria, implement criteria and indicators & get a crude system by 2/1/12. Jon isn't convinced that is possible. It is more difficult than first thought. Some of the groups are blazing forward and others aren't moving nearly as quickly. His last conversation with Chancellor Johnson was that they would like it to move forward, but if it takes longer than 2/1, they should just keep steadily moving. Attempting to do this will be very revealing about what data items we don't have, what we should have, etc.
 - h) Go to Google webpage select 'Sites'-Select 'Browse Sites Within morris.umn.edu'/Administration /Resource Allocation Review
 - i) Colleen's question was will they bring criteria to the appropriate campus personnel/groups to get the information needed? Jon-they are still working on process and procedure.
 - j) Pieranna-by programs do you mean disciplines/divisions, etc? What is a program? Jon-It is any activity or collection of activities that consumes resources (i.e. bike borrowing is a program). There are usually many programs within a division/office/discipline...
 - k) Colleen-allocation/reallocation of resources? Looking at self-supporting resources (auxiliaries i.e. housing, etc.)? We receive O&M money from State and allocate dollars to programs. This hasn't been looked at in quite a while. Auxiliaries don't get a piece of the O&M so it would be good to look at those that get the O&M before those that don't (auxiliaries).
 - l) Lowell-are you using current numbers for students? Jon-They aren't at the stage where they are using current or otherwise. They realize there will be aging issues with the criteria.
 - m) Roland-part of the criteria is not that they're part of the U of MN? Jon-this is addressed in other criteria.
 - n) Sara-What is the role of Resource Allocation Review groups-to identify programs and gather data or make recommendations? Jon-Collect data and make recommendations (the groups feel they should be able to after putting in all the work and research).

- o) Michael-is there a plan for systematically making the criteria somewhat uniform amongst the subgroups? There appears to be a lot of unevenness amongst the groups at this point. Yes, Jon hopes to have more consistency amongst them. Are the groups reading each other's plans? Each group has seen their own and will review each other's.
 - p) Mary-how is this fitting in with the budgeting? Is this committee making recommendations to whom? Jon says this will be a guidance tool to whoever makes those decisions now. The question remains, will it be a useful tool to assist those decision makers. Will probably take 2-3 year iterations to make big money decisions from. It will probably never be at a level of sophistication this year to be of a lot of use this year's (fy13), but it could be useful. It's worth seeing whether it is helpful or not.
 - q) Inventory list of what exists is a good thing in itself.
- 5) Mary questions confidentiality of Finance committee meetings. Roland stated that we're reviewing processes not results. Keep working budget models to yourself. It's privileged data.

Meeting Adjourned until next Wednesday, 10/12/11-discuss the Capital Budget in Welcome Center @ 1:00 p.m.