

12-7-2011

Finance minutes 12/07/2011

Finance Committee

Follow this and additional works at: <http://digitalcommons.morris.umn.edu/finance>

Recommended Citation

Finance Committee, "Finance minutes 12/07/2011" (2011). *Finance Committee*. 2.
<http://digitalcommons.morris.umn.edu/finance/2>

This Minutes is brought to you for free and open access by the Campus Governance at University of Minnesota Morris Digital Well. It has been accepted for inclusion in Finance Committee by an authorized administrator of University of Minnesota Morris Digital Well. For more information, please contact skulann@morris.umn.edu.

UMM Finance Committee Minutes-12/7/11

Members Present: Roland Guyotte, Sara Haugen, Laura Thielke, Timna Wyckoff, Mary Zosel, Andrew Sharpe, Pieranna Garavaso, Lowell Rasmussen, Michael Korth, Manjari Govada, Gwen Rudney

Members Absent: Reed Olmscheid

Guests: Bryan Herrmann, Colleen Miller, Sheila Windingstad, Note taker

Meeting was called to order by Committee Chair, Roland Guyotte. The next meeting will be held Wednesday, 1/18/12. We plan to meet every week after that until the end of February in preparation for UMM's March 2012 Compact Meeting. Bryan Herrmann, along with Lowell Rasmussen, will discuss scholarship programs today.

The information being provided is at a high level – “40,000 foot” - UMM funds that are used for scholarship programs. Bryan will give us a broad overview of how these programs are managed. Note: Please refer to the attached slides from Bryan for most of the information presented at the meeting. Minutes will reflect additional discussion as the presentation progressed.

Promise Scholarships (need based financial aid program) this program has evolved, and aspects of the program have been referred to by various names in the past including Promise, U Promise, Founders, Middle Income, U of MN Promise, Founders Opportunity, Founders Partnership, etc.

- Mary asked if applicants need to reapply each year. Bryan stated that they do reapply via the FAFSA (Free Application for Federal Student Aid) each year. ~~The~~ income from the first year's application becomes the basis for amount of award [during the remaining semesters they are at the U of M.](#)
- This program is funded with “Central O & M” dollars (O&M and Tuition).
- Over 1/3 of our students receive Promise scholarships.

UMM Campus Merit Scholarships

- Pieranna stated that the percentage seemed low of accepted students. Students are highly sought after by many colleges.
- Roland asked who on campus approves the choice the student makes about the ‘stipend’ for the “Morris Scholarship program”, a one-time \$2,500.00 award to be used for an educational purpose. Bryan reported that Paula O’Loughlin and the ACE office does this.
- Mary asked if ACT is high scoring, but school ranking isn’t quite high enough, if the ACT will be used. The ACT may be taken into consideration, per Bryan. They are also looking for a strong overall transcript of high school classes taken (i.e., college prep classes). Students may also be moved up by the end of their senior year in high school [if their rank in high school increases.](#)
- PSEO credits are not considered for purposes of awarding merit scholarships.
- Merit scholarships do not stack (i.e., if a student qualifies for one UMM merit scholarship, they don’t receive a second merit scholarship).
- Scholarships already awarded for fall term 2012 cannot be changed. The only change can be to increase the amount of the award.
- The market value of scholarships is depleting quickly as the cost of tuition increases.
- If you make a change to a merit program in the first year, that change takes four years to have an effect as the awards are for 4 yrs.

Donor Funded Scholarships

- Roland asked where PELL grants fall. Bryan stated that federal programs such as the PELL program are Federal money and all colleges/universities are eligible to get the same amount for students. We administer the awards, but they are pass-through money (i.e., the same amount that is awarded is reimbursed by the federal government).
- Timna asked if donor funded scholarships have budget implications. They are also “pass-through” in that the amount available limits the amount that may be awarded. The funds are managed by UMM departments. They don’t really have budget implications, as the award (expense) may not exceed the gift amount (revenue).
- Donor funded scholarships are awarded at the end of February or beginning of March.
- Mary asked if most donor funded scholarships are renewable. Per Bryan, “Yes” in most cases. There are some (Make a Difference Scholarship) that are awarded one-time only.

Manjari asked if prospective students know about the scholarships they will receive before they register. Bryan said, “Yes, in most cases.”

Goals for the future

- Continue to leverage all scholarship dollars to enroll high ability students, and to balance that with long-term sustainability of the program.
- Develop a goal for setting the proportional value of the scholarship to tuition. That is, as the cost of tuition increases, the value of the scholarship should adjust as well to retain its market value.
- Carefully watch the yield on scholarships – how many students are accepting the financial aid package that will result in a “cost” to UMM.

General Discussion/Questions

- Mary noted that many parents view the higher dollar amount of scholarships very appealing when comparing schools, even when the tuition is higher at one school over another. Bryan stated that we try to stress our lower cost of tuition for the student.
- Michael asked Bryan “Are you preparing us for future discussion?” Yes, Lowell and Bryan will need to discuss UMM’s scholarship strategy more with Finance Committee in planning for 2-3 years down the road.
- Roland asked if we are “covered” for as many scholarships as we offer. Bryan stated, “No. It’s a matter of budgeting. Our control over the Campus Merit scholarships is to help our recruiting. Financial Aid does a very good job of covering financial need.”
- Timna stated we could really use additional information about yield. She also feels that we need that information to decide where we put the funds. Bryan stated that, “Yes, [he needs to know what information we do need we will need to look at some things more in-depth.](#)”
- Pieranna said she feels it would be good for students to know that a certain percentage of their tuition will be covered rather than a flat dollar amount. Bryan said that it used to be possible, but is cost prohibitive now.
- Mary made the point that if we don’t increase scholarships, enrollment may go down. We need to consider this because if we stay stagnant or reduce scholarships, enrollment will probably go down.

Field Cod
Formatte
or gramm

- Timna asked, “What is expected of us?” Lowell said we have competing needs for our revenues. Merit scholarships are paid for with tuition dollars. If the Twin Cities changes its programs such as the current Promise program, UMM tends to be underfunded. He believes we will be underfunded if we stay status quo. We will have a conversation about this because we “should” increase our budget amount for scholarships. The VC Group will be having a meeting with Linc Kallsen (University Office of Budget and Finance) on December 19 so the VC Group will get a better idea of what plans are for FY2013. We need to know what Central is doing with the Promise program.
- Roland noted that there are 2 pools of students: need-based and merit-based.
- Keep in mind that these programs are for 4 years and any recommendation/decisions won’t take effect immediately.

Meeting Adjourned.

Next meeting is scheduled for Wednesday, 1/18/11- in Welcome Center @ 1:00 p.m.