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Finance minutes 09/06/2012

Finance Committee

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UMM Finance Committee Minutes

9.6.2012

Members Present: Brad Deane, Michael Korth, Dennis Stewart, Bryce Blankenfeld, Sara Haugen, Pieranna Garavaso, Mary Zosel, Timna Wyckoff, Laura Thielke, Reed Olmscheid, Lowell Rasmussen

Members Absent: Gwen Rudney

Guests: Colleen Miller, Jacquie Johnson, Amanda Krosch-Note Taker

Reviewed today's agenda and the role of the Finance Committee, considering issues to discuss this upcoming year

Michael's list of issues to consider:

1. 2013 budget completed: Where is the campus sitting now?
2. How did FY12 end? What are the balances, deficits, carry forwards?
3. There is a new merit financial aid program, which made progress in the summer and it would be beneficial to invite Bryan Herrmann to discuss its current status to follow up from last year.
4. Review the annual report on gifts and endowments from Maddy Maxeiner
5. Get an understanding of the fully allocated cost of mission activities (from Linc Kallsen-central) UM Morris had the highest cost of educating student, how did they get that number?
6. Reserve/contingency funds: the campus doesn't have a clear process on how to request to spend the money, and no current goal on what it is to spend the money.
7. Financial report on bio mass and turbines- how well is that working out? Lowell Rasmussen
8. RAR, process recommendations- Jacquie will address later in the meeting
9. Student One Stop- how is that going? Where is it in the process?
10. One time budget fixes have been used in the last several years and we need to re visit and find permanent, reoccurring fixes
11. Capital Debt, need to finance 1/3 of capital debt, look into on how UMM can do such
12. FY14 budget prep, assist and recommendations- Nov Dec time frame since Compact Meeting is in March.
13. Potential for issues to be brought from University internal audit of UMM that's done every 5-6 years.

Other issues?

1. Pieranna suggested looking into how student fees are established and whether there is consistency in fee charges.

Last year it was left open how to spend the increase in campus fee; it is intended for the support of student services. Was the increase of the campus fee for the One Stop? Not exactly, that's where it started but it was never really decided. Noted was that the UMM is obligated to submit the fees for review by the Board of Regents.

2. Brad expressed concern in how to staff college writing for all students, with the new requirement insisting that all students take the course, creating more classes sections for writing. Course is 1601, 8-10 more sections that will need to be staffed, 2 more positions. The financial issue is how will the staff be funded? People are worried on how we're going to address the issue. No new program is cost neutral. This is broadening of current writing area and there is need for additional funds. Dean Finzel might be good resource to use for these questions. There is a proposal going to curriculum

now, and hoping to be included next year. 10 years ago English had the capacity to handle this high of class sections, but now English no longer has the staff power to handle increase. When Brad started, there were 3 full time faculty on classes like this.

3. HEAPR (Higher Education Asset Preservation and Renewal) is a state allocation for all state and public institutions, to protect the investments of the public, and maintain old buildings and not have to build new. Although this is an off year, we should be ready to submit a request. Most years \$1M-1.5M is given to the University of Minnesota, Morris. UMM uses for roof, sidewalk, infrastructure, (can't be used for new space), auditorium lighting, etcetera. The request is approved centrally before submitted to State for approval. Any ideas to go on the list?

Returning members request that we go into good detail of FY12 budget and really understand the budget and bring the new members up to speed, do the budget review ASAP and get an understanding so we can go right into the FY14 prep.

Michael is to email the link to access "the digital well" for previous meeting minutes

Colleen gave a brief review on the report for the Higher Learning Commission: see attached report for detail.

*She made note that the net surplus in 2008 was \$3.7M and in the FY13 budget is \$0.4M, and when final budget is discussed, UMM is budgeted for a \$1M deficit.

*CFI= Annual number goes to HLC, combines 4 scores for a total score for UMM of 6.3 (on a scale of -10 to 10) in FY11. In 2008 Morris had gone negative and due to a restatement, the score was changed. A university wants a positive score, the closer to 10 the better. If is a negative score, it's in the HLC's target zone and will be monitored closely.

The HLC's response indicated satisfaction with our information.

Jacque wanted to point out that this report gives a great picture of the financial area and is worth a read for both old and new members.

If there are any questions on the report, bring it forth for an agenda item and we will re discuss and explain if needed. Summary- UMM is on a good, strong financial standing currently.

Jacque spoke about the RAR (Resource Allocation Review). She sent an email in regards to requesting volunteers for the two next phases, evaluation and implementation. The RAR as a whole is a complicated and lengthy review and she would like the Finance Committee to think about the right relationship between RAR groups and the committees on campus. This committee will of course look at the RAR results, but more immediately, she would like input regarding the formation of the evaluation and implementation committees. It's been thought that the evaluation will take a bigger group that splits into sub groups over a short period of time, but how should the groups be comprised? Then the evaluation committee prioritizes the programs and makes recommendations. Should there be a liaison between the Implementation committee and the finance committee? How do you want to link the two next groups: implementation and evaluation committee? On the RAR site there are explanations and an example of the rubric.

A question was asked about if the evaluation members are going to be trained or educated in how to evaluate? Yes, there will be training and practice runs performed and there will be a group to do reliability checking to double check. In the past there have been other rubrics used to determine

learning outcomes and those who used them will be good references, but the groups will be people on campus, faculty, and staff, not outside consultants. We want to have 3 areas of review, academics, admin, and student support. What mix of staff, faculty, student support staff, should be on each of the review?

Bryce asked if there had been talk of students on the teams? Yes, there is student voice in the group. What is the role of students? There has been talk of the evaluation group having students applying rubric. Continuation of some members from evaluation to implementation is felt necessary and that is being implemented. Jon Anderson has agreed to provide oversight in all stages.

A thought is that a mix is needed in each of the 3 groups, but the majority of the group be those who work with the programs on a day to day basis.

Are the members elected? Nominated? Volunteered? Jon was asked to serve, and then some volunteered, and others invited. Jacquie and Bart went to the committees for recommendation. Bart and Jacquie talked on who would chair and have representation from most/all areas. Hope is to find larger blocks of time to work on this project, ½ day better than 30 minutes. Fall break is a good time, but that might limit the student involvement.

Might want to consider the members to be nominated so all people feel they have a say, but is difficult. Planning, Finance, Consultative are the most relative committees to make sure the governance structure is involved.

Meeting adjourned.

Future meetings in the Welcome Center. Next meeting is scheduled for September 20, 2012