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Finance minutes 04/26/2016

Finance Committee

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UMM Finance Committee Minutes

4.26.16

Members Present: Dennis Stewart, Michael Korth, Pieranna Garavaso, LeAnn Dean, Laura Thielke, Bryan Herrmann, Jong-Min Kim, Kyle Hakala

Members Absent: Jess Larson, Mark Logan, Kerri Barnstuble, Mary Zosel,

Guests: Melissa Bert, Chancellor Jacquie Johnson, Melissa Wrobleski -Note Taker

Agenda:

1. Approval of April 11th, 2016 minutes:

Corrections were made to the minutes, then approved by the committee.

2. RAR Discussion(Resource Allocation Review): Presented by: Chancellor Jacquie Johnson

Chancellor Johnson came to the meeting today to talk about RAR: where we came from, where we've been, and what lessons we've learned.

The RAR came out of a Blue Ribbon task force that was created by Chancellor Johnson and requested by then University of Minnesota President, Robert Bruininks. The group was to make recommendations about finances, diversifying financial resources, growth of tuition and revenue, and more. The Blue Ribbon Task Force named as its highest priority developing a process to review the allocation of resources for all programs and units.

A group with broad-based constituency was formed and charged with the task of developing such a process. The creation of this group created considerable anxiety around campus. The process developed became known by the acronym RAR and the group constructing it worked in a highly consultative manner. One principle adopted by the group was that all non-academic programs should be evaluated, and evaluated in the same way. The group debated and then identified a list of "programs", which included administrative offices like those of the division chairs, the dean, and the chancellor. A set of evaluative criteria were named, and rubrics were created and applied by a team of evaluators to every program, with three possible outcomes intended: to determine (1) whether a program was receiving inadequate resources; (2) to determine whether the resources were "just right"; (3) to determine whether the program was receiving too much in the way of financial resources.

There were a few departments that came back with a review stating they needed additional resources, and some that came back with evaluations stating they needed further information since the rubric did not apply well in certain areas. Chancellor Johnson added that trying to do this in an inclusive and collaborative manor was cumbersome and may not have been the best way to do a review like this—it's difficult for peers to recommend reduction of resources for peers.

Even though the RAR process was not successful in and of itself, there were some important unintended consequences. For example, units became more aware of and familiar with their budgets—how their money was being spent, and how that aligned (or didn't) with unit or program objectives. In addition, it became apparent that a single set of criteria did not work well for units/programs that were very different.

At the conclusion of the process, the finance committee recommended that some form of non-academic program review be implemented. Chancellor Johnson noted that there are many units and programs on campus that are, in fact, gathering data and using it, along with the Vice Chancellor's group, to make data-informed decisions about the allocation of resources. She brought several examples with her: The OneStop has started to collect data about student interactions per day along with other service data they perform daily. These data are helpful in evaluating what the office does and what resources it has available to perform those activities. In today's world, we cannot just ask for additional resources: we have to have data to back up and help justify why additional resources are needed.

Student Affairs presents another good example of an area whose programs gather and use data to improve their work—from the counseling center to student health to residence life to food services. And the library, working with the Dean's office and the academic services committee, prepared an extensive report this spring that became the basis of a request for resources made at the annual compact meeting. Nevertheless, even with these examples of good practice, we have not implemented a standard process or timeline for such review.

Chancellor Johnson also added that if we are collecting the data anyway, it should be public and available. She also noted that a single template for all departments to follow is probably not going to work.

Questions/Comments:

- Annual reviews do not seem to be the way to do this. Every 3-5 years for all departments to be reviewed would be good. This way there is time to change and see the change in the review.
- The Databook, is this book currently capturing the information adequately? This may be something to look at also.
- Annual reviews from the past were not always useful and some departments did not get valid feedback from upper management. Departments need feedback to understand what is expected, and there should be a timeline on when feedback should be received back.
- Academic Departments currently seem to follow a review cycle, but non-academic units do not seem to have any review cycle.
 - o Certain support units are able to provide good data on on-goings in the office. Other units don't have the same data (student interactions) to count.
- With fewer resources constantly each year, it is more and more important to review all departments on a regular basis and allocate/reallocate funds appropriately around campus.
 - o Due to this, when deciding on how to do another review similar to the RAR, it is important to decide who will be the ones making the hard decisions on reduction and reallocation.

3. End of Year Summary:

Items Discussed Through the Year (per agendas):

8.31.15

- Timeline of activities
- Topics to consider

9.14.15

- Budget 101
Budget calendars, Fiscal year

- Review of FY16 Budget
- 9.28.15
 - FY15 Actual/FY16 Budget Review
- 10.26.15
 - Update on WELL (pilot program) and funding possibilities
- 11.9.15
 - Update on Budget Instructions
- 11.23.15
 - Merit Financial Aid discussion by Ben Iverson and Bryan Herrmann
- 12.7.15
 - Report on gifts and endowments
 - Year end balances and Fund 1000 allocations
- 1.19.16
 - FY17 Budget
- 1.26.16
 - FY17 Budget
- 2.1.16
 - Academic Year 16/17 Enrollment Projections
- 2.9.16
 - FY17 Budget Challenges (vote on options to follow to cover budget challenges)
- 2.15.16
 - Budget Challenges Continued
 - HEAPR and Bonding Request
- 2.22.16
 - Investments
 - FY17 Budget – Budget/Compact Requests
- 3.8.16
 - Benchmarking
- 4.11.16
 - Using Carry Forward funds for FY17 Budget
 - Departmental Budgeting
- 4.26.16
 - RAR Discussion

Meeting adjourned.

Next meeting will be in Fall 2016.