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Campus Resources and Planning Committee
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Campus Resources and Planning Committee

November 23, 2009

Present: Naomi Wente, Sydney Sweep, LeAnn Dean, Sara Haugen, Carol Marxen,
Jacquie Johnson, Pete Wyckoff, Brook Miller, Sarah Mattson,
Bart Finzel, Lowell Rasmussen, Bryan Herrmann

Guests: Gwen Rudney, Janet Ericksen, Cheryl Contant

Minutes from 11/2/09 and 11/9/09 were approved as presented.

Pete said he received a copy of the spreadsheet presented by Linc Kallsen. As Jacquie expressed, she would like to avoid widespread distribution of the spreadsheet. Pete ran several scenarios to illustrate some of the sensitivities in the model; for example, how much do changes in the initial values for the various budget lines impact the predicted bottom line through the next five years. He added that Linc's model contains no complex mechanistic detail. If we are to use it for budget planning purposes, we must pay careful attention to the starting values and assumed growth rates associated with each parameter.

For those interested wanting more time to work with the spreadsheet, a work session has been scheduled on Tuesday, November 24 from 1:00-2:30 p.m. in Sci 2150.

Pete also mentioned that Jacquie would like us to have a discussion about core values or things we should hold sacred regarding allocation of UMM resources. This is a much broader conversation than this committee but CRPC has a part to play in some of those campus conversations.

Pete distributed a handout with several budget simulation scenarios. He also pointed out some of the factors that have put us where we are today: an enrollment decline from peak in the early 1990's; a substantial rise in employee numbers during that same period; and health care inflation. In addition, we recently began paying back a \$4M+ unauthorized debt at \$700K per year (interest free debt that will be paid off just outside our 2015 planning window). The state allocation was reduced by \$700K in 2009 (not including a mid-year \$300K unallocation) and we can expect an additional \$400K reduction in 2010.

Recent important fiscal steps include: increase in enrollment in Fall 2009 and painful cuts in staffing that brought our budget back in balance.

Last week Linc introduced us to the FY10 budget as loaded. Pete used that as a starting place to run several different scenarios. He modified the starting point from the 1510 students in the loaded FY10 budget to 1590. Dave asked if the 1590 number was too optimistic. Jacquie said one of the things we need to ask ourselves is what is a reasonable base from which to start.

Pete noted that there might be savings available if we used a base for projected repair and maintenance costs that factored in FY2008 and FY2009 actuals (avg: \$650,000) as well as the \$2 million budgeted for FY2010. Lowell added that we need to breakout what is HEAPR and Repair/Maintenance. We also need to determine if the FY08-10 numbers are the right numbers and whether we can live within those amounts. We also need to deal with reserve issues. Bart asked of there are percentage guidelines for campus reserves. Pete said Linc's response was about 15%.

Lowell would also like this committee to think about how we structure our tuition and how that relates to the Twin Cities. Pete noted that our scholarships are based on merit and not socioeconomic need, and that such an emphasis represented a conscious choice at UMM. Jacquie said there are all kinds of questions that come from playing with the numbers. Yes, we could make it tougher to receive scholarships but if we do, then we need to have a discussion on the impact that will have.

Pete asked committee members for their initial thoughts about core values and what things might be off limits. Jacquie said she started thinking along those lines with Pete's comments from the previous meeting regarding productivity. She is not suggesting that the issue of faculty load is untouchable. There are important questions and discussions for us to have.

Sydney thinks it is important that we still give out merit scholarships.

Cheryl thinks the 20 credit hour workload that we ask of faculty is untouchable in the context of a system that bases promotion, tenure and salary increases on things beyond just teaching.

Bart thinks the liberal arts could be defined and we should hold that sacrosanct.

Brook added he would be loath to make major changes that do not keep with our branding and that we needed to keep an eye on our aspirational goals. If our potential message is that we want to be smaller and more competitive in the market, then we need to find our distinctive niche.