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Campus Resources and Planning Committee
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Campus Resources and Planning Committee
January 21, 2009

Members Present: Lowell Rasmussen, Ray Schultz, Sara Haugen, Bryan Herrmann,
Dave Swenson, Shannon Juhnke, Heather Peters, LeAnn Dean,
Pete Wyckoff, Zak Forde, Karen Cusey

Pete Wyckoff reported that his end of fall semester memo has been forwarded to Jacquie. He will circulate the memo more broadly. Additionally, he recently met with Jacquie to talk about what needs to be addressed this semester. Lowell is on the agenda today to discuss the budget process and budgetary problems due to the State's budget shortfall.

Lowell continued on that the Governor will dictate how much money we are going to generate and how much money we are going to lose. Health and Human Services and higher education will be targeted; K-12 will not be cut. Due to the EFS transition, we have been struggling to get our hands around what our actual budgets look like and are now getting to a point where we can generate reports. Because we started out the year with a deficit and we will tuition shortfalls along with unauthorized debt, our budget situation will be far worse than we anticipated. Our budget performance and planning process were not matched up. Central administration knows we have a problem and will work with us. We will come to an agreement on how we can better manage this process and will need to develop a plan to pay back our deficit. We also have the unfortunate problem of trying to repay our current debt while at the same time we are faced with FY10 base budget reductions. As Jacquie stated in her message to the campus, UMM's assigned un-allotment is \$311,700. Projects will need to be postponed or cancelled. Heather asked how this impacts the Gateway project. Lowell said the State views O&M and capital projects differently and the State financial folks say bonding will happen because they believe these are investments that need to be made.

Pete reminded the committee that last year Lowell presented budget information, we were aware of authorized debt and had worked out a repayment plan. Now that we have a handle on how accounting has been done, it turns out we have additional authorized debt. Lowell explained that authorized debt means central administration knows about it; unauthorized debt means they did not know. For the first time, tuition will provide most of our support as the state support becomes smaller. Heather asked how faculty grants figure in. Lowell said they are factored in as indirect costs and they do indeed help but this is not a way to manage ourselves out of our fiscal problem. Bryan added that there are different revenue streams depending on headcount. Lowell said there are other factors that hurt us as well: funding for the Native American Tuition Waiver has not kept up and the new tuition bade from 15-13. If the Governor emphasized that 25% of credits should be on-line, this is something we'll need to address. How will this fit into our curriculum and our liberal arts philosophy? Shannon wondered if students want to take online courses. Pete said he is skeptical that traditional college age students will take courses online; however, it's possible adults (beyond traditional age) may be interested. It is not clear what the legislature will do. Pete would like the committee to discuss how on-line courses could make money for us. Additionally, he would like to hear from Jacquie and see a proposal to make it easier for the committee to respond. Pete asked Lowell what he anticipates will happen in the next few months and what he would like from this committee.

Lowell reported that Linc Kallsen from the budget office in the Twin Cities is scheduled to be at UMM during the next few months to help us set up a matrix for our budget. Linc will present a budget management tool that Lowell will share with this committee. Pete said we may need to make cuts that will be rendering for this community. Lowell reported that next Wednesday, the Governor will put numbers on the table; however, we may not know until May what those cuts will be and we can't wait until then. There may be things we can do now to bring our expenses down. It is going to push us very hard to main the quality of education and reduce a significant percentage of next year's operating costs. We need to be more efficient. Pete said he is worried that we won't start talking about this until May. Lowell said the administration is thinking about it now and will seek reaction from this committee to plans they may have. The challenge is make the right decisions.

Lowell did have some good news. We are still preparing for the 2010 bonding bill that will include the library renovation and the Gateway building has been awarded with work to begin in March and a completion date in the fall of 2010.

