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Finance minutes 10/23/2014

Finance Committee

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UMM Finance Committee Minutes

10.23.14

Members Present: Dennis Stewart, Michael Korth, Sara Haugen, Pieranna Garavaso, Timna Wyckoff, Ellery Wealot, Brad Deane, Lowell Rasmussen, Jong-Min Kim, Jayne Blodgett, Laura Thielke, Marco Riley

Members Absent: Mary Zosel,

Guests: Jacquie Johnson, Colleen Miller, Melissa Wroblewski-Note Taker

Agenda:

1. Approval of Oct. 9th, 2014 minutes:

No corrections were made, the committee approved the minutes.

Dennis also mentioned that Colleen provided a list of consulting costs from FY14 like the committee had requested. It showed that Admissions had the bulk of consulting expenses in FY14. It was decided that when Bryan Herrmann comes to talk with the committee they will ask about this.

2. Discussion of the Morris Campus Contingency Reserve Guidelines:

Chancellor Jacquie Johnson was invited to the meeting to share her views and options on the guidelines written by this committee. Jacquie stated that the proposal was a good idea and like best the comment on how the initiatives will benefit the campus broadly. Some suggestions she mentioned were:

- Having a deadline for proposals to use the contingency funds instead of it being rolling all year.
- The review committee may want to ask for specific things in the proposal:
 - When the monies need to be spent by.
 - Who has the budget authority?
 - Accountability to the campus for the spending.
 - Gains or outcomes; who will benefit.
 - Expect that results will be reported back to the CFO, and ultimately, the campus.
- Is the committee looking to fund multiple proposals or fund just one proposal at a time?
- Why didn't the committee choose a deadline?
 - It was mentioned that ideas for proposals may occur at various times through the year and the committee didn't want to leave anyone out that might have a good idea for the use of the funds simply because they came up with it after a deadline had passed.
- Can we look at splitting the monies and having two separate deadlines per year?
 - This was not able to be decided upon.
 - Maybe an initial deadline should be set. Proposals could be reviewed until all the funds are exhausted.
 - It was said that this may be the way to start, then after people start applying, the procedures can be re-evaluated.

- Lowell does worry about when the funds will be spent also.
 - It would be preferred if the funds could be spent within a fiscal year, but within two fiscal years should be max in Lowell's opinion.
 - Committee members commented on the subject stating that there may be instances where it may take longer to use the funds due to unforeseen reasons.
- "New non-recurring initiatives" are requested in the proposal. What is the committee going to do when proposals come in that are similar to other initiatives?
 - The committee will decide along the way.
- Who is going to create the proposal document?
 - Lowell and Dennis agreed to work together to draft the proposal document then bring it to the committee for review. From there it will be distributed to the campus.
 - Sara Haugen mentioned that in the document maybe the comment about "if" funds are available they will be distributed for initiatives.

3. Fiscal Metrics:

VC Lowell Rasmussen came to present to the committee on fiscal metrics and how this campus needs to work on this. He provided a handout titled 'Strategic Plan and Fiscal Interdependence.' Lowell stated that there are many external pressures that we do not have control over. UMM needs to decide what metrics we should be looking at to help in this area. Morris is currently receiving more O&M funds on a per student basis than the other campuses, which was brought up by the 8th District. UMM needs to make sure that we have data to back up our side of the story.

Lowell then began going through the handout. He stated that UMM needs to have metrics to help tell Our Story of how effectively we spend our funds. We have a lot of gaps in reporting currently and we need credible data to back up how UMM differs from the other University of Minnesota colleges and campuses.

In the handout were 'Stress Assumptions.' There were four of them mentioned:

1. A one-time drop in projected freshman enrollment, and how that affects Tuition through the following 4 years.
2. Increase student aid to maintain yield. What it would look like if UMM increased tuition discounts by 2% per year, increased financial aid for students.
3. Retention. What would happen if retention rates at UMM dropped 5% lower in each cohort than the average for one year. The revenue loss because of this.
4. Capital investments, the "no bond debt" approach.

It was said that President Kaler requested additional programmatic funds from the State of Minnesota for FY16 to help the outstate campuses. This would be a great help, especially to UMM. Lowell proposes bundling the three types of funds that would be available: HEAPR, Programmatic (Repair & Replacement) and Campus Funds. By doing this, the campus should be better able to update some of the buildings, rooms, furnishings, and equipment around campus.

UMM needs to have a plan for what capital/maintenance expenditures are needed on this campus, so that if asked, we can back up our request for funds

UMM has invited Aaron Horn in February to speak to us on metrics. Retention and graduation rates should also be part of a performance metrics evaluation. At this point a Finance Committee member suggested that there are three things what may help with the retention of international students and the retention rate of this campus.

1. Recruit more international students
2. Have tutors available (more)
3. Have more culturally diverse places for students to go in the town of Morris.

Time ran out and the meeting was adjourned. Bryan Herrmann will be invited to the next meeting.

Next meeting is November 6th, 2014 in the Moccasin Flower Room at 3:30 pm.