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Finance minutes 01/16/2015

Finance Committee

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UMM Finance Committee Minutes

1.16.15

Members Present: Dennis Stewart, Michael Korth, Sara Haugen, Pieranna Garavaso, Timna Wyckoff, Laura Thielke, Brad Deane, Mary Zosel, Marco Riley

Members Absent: Jayne Blodgett, Ellery Wealot, Jong-Min Kim, Lowell Rasmussen

Guests: Colleen Miller (presenter), Jacquie Johnson, Bryan Herrmann, Melissa Wroblecki-Note Taker

Agenda:

1. Approval of Dec. 11th, 2014 minutes:

No corrections were made and the minutes were approved.

2. FY16 Budget:

Colleen started out the meeting with a packet of handouts. We started with the first page which was a layout of the topics to be discussed in this committee in the following weeks about the FY16 budget. Colleen also mentioned that UMM has not received the FY16 budget instructions yet, but she has reviewed the Support Units budget instructions to get a preview of Academic instructions. Hopefully the instructions will be received soon. FY16 budget materials for UMM are due on the February 26th. The Compact meeting will be March 5th for UMM this year.

Colleen had the committee look at the second page of the handout, 'FY16 Budget Planning.' Colleen went through and explained the range for each of the rows and what needs to be included in the planning process. The end of the handout projects an anticipated shortfall range of (\$726,348) to (\$1,181,348) to balance the FY16 budget. Michael Korth then pointed out that the anticipated reallocation was not added back in anywhere for the campus to use. He thought the .9% reduction would come back to us in the projection as a positive further down the page. Colleen said she will get back to Michael and the rest of the committee to confirm, but first we need to show where we can reduce our budget by the reallocation amount. Colleen also mentioned that it is never a for sure thing if the campuses get the reallocation money back to use. It depends on the total budget need and how much funds comes to us as O&M.

We moved on to the third hand out titled 'Budgeting for Tuition – points for consideration.' This handout explains the risks of budgeting too high or too low. There is a fine balance to setting a realistic goal for tuition and there are many variables that go into that calculation including: retention, canceling, waivers, PSEO, etc.

It was also stated that waivers as a percent of tuition has increased over the year and jumped up slightly from Fall '13 to Fall '14. On a per student basis, the average tuition yield per student has dropped from last year to this year. Bryan Herrmann added that the number of students taking less than 6 credits has increased, the number of students taking 6-12 credits has increased, and the amount of students taking 13+ credits has decreased. Bryan also stated that the zero tuition student population has also increased by 14 students since 2012. All of these changes are having an impact on our tuition each year.

From here the 13 credit band was brought up. Why is it 13 and who set this? It was agreed that the Twin Cities thought all campuses should have the same band and someone stated that 12 credits is the limit for Federal Financial Aid. Morris used to have a tuition band of 15 credits before the change. Members of the committee asked why Morris doesn't have more students taking the 13 or more credits. Ideas were discussed that there may be more students who bring in more credits with them when they come, and don't need to take more than 12 credits per semester to graduate in 4 years.

With all the variables for tuition, it is becoming more and more difficult to project the budget number each year.

Meeting for January 23rd was cancelled.

Meeting adjourned.

Next meeting is January 30th, 2015 in the Moccasin Flower Room at 8 am.