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Finance minutes 12/13/2018

Finance Committee

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UMM FINANCE COMMITTEE MINUTES

12-13-2018

Members Present: Roger Rose, Jon Anderson, Michael Korth, Angela Anderson, Ramsay Bohm, Naomi Skulan, Justin Terhaar, Kerri Barnstable, Bryan Herrmann

Others Present: Melissa Wrobleski, Jessica Broekemeier

Members Absent: Isaac Hunt, Arne Kildegaard

Agenda:

i. Review, Changes & Approval of 11/28/2018 Minutes

The minutes of the meeting from 11/28/2018 were sent to the committee prior to the meeting and were approved with the following corrections. On line 2 in section 2 on page 1, the word department should be replaced with Division. Also on page 1 in section 2, the wording “the reductions in salaries” on lines 14-15 should be replaced with “salary differentials”. On page 3 line 4-5, replace “Roger stated that we are not moving forward” with “Roger agreed that we are not moving forward in terms of connecting financial dimensions or strategic planning to division work”. In the first sentence on page 4, add that the motion was approved. Also in that paragraph on page 4, add “So that criteria such as” instead of “for example”.

ii. Update on process in Academic Affairs for reducing salary/fringe expenditures for FY20

Janet Schrunk Ericksen replied via email that Division Chairs have gone over the FY19 Position Budgeting Document for their area, and provided input on positions they knew of that would be changing by FY20. Some of the comments made from division chairs on possible areas of salary savings included the following: salary savings from sabbaticals and replacements, and known retirements or persons leaving the University. Janet also stated that she would be willing to attend the Finance Committee if warranted. Michael noted, at this time, that it may be useful to have information from all areas of the campus, and not just information from Academic Affairs. Roger asked Bryan where the campus will be in terms of the position budget document by the end of January. Bryan replied that there will be progress but doesn't expect it to be complete by then.

Arne Kildegaard, Division Chair of Social Science mentioned in his division meeting, that two-thirds of the decisions have been made. The last third of the compensation cuts will be harder decisions. Ramsay assumed that the first two-thirds cuts may have a minor impact on people here, but that there could be more of an impact long term for the offices around campus.

iii. Report back on Discussion with Planning Committee

Roger mentioned that some members of the Finance Committee had attended the Planning Committee on December 11, 2018 to share the desire to have a more engaged process of advising and consulting when it comes to the budget. It was indicated that the Finance Committee has information on campus finances, but does not have the opportunity to advise on these finances. The finance committee would like to know how they can help advise on an annual basis.

It was decided by the two committees to meet as a joint group early next semester (Spring 2019). There may be a different time scheduled for these possible meetings to talk about how the two committees can do strategic work, and when and/or if each committee can expect to be involved. Ramsay noted that the Finance and Planning Committees were originally together, and that even though they are separated now it makes sense to meet together occasionally. Ramsay mentioned it would be a good idea to read each other's committee minutes also, until more information is received by the Chancellor/Vice Chancellors to make the meetings more efficient.

iv. Discussion of agenda for next semester

Roger asked if the committee could hear what other areas of campus are planning in terms of cuts by the next meeting. Bryan said that the cuts are still being decided and would not be known fully by the next meeting. Keri noted that other areas of campus (such as Student Affairs) may not be affected as much as Academic Affairs due to positions not being covered by O&M. Bryan said that doesn't mean there won't be cuts in those areas though, either. Roger stated this will be re-visited at the January 31, 2019 Finance Committee meeting if there is more information. Ramsay commented it would be valuable to know the process of how decisions are made and not just knowing the decisions only.

Roger moved on and asked if there are any other committees, offices or people to hear from at the next semester meetings. It was mentioned getting updates from the Admissions and Development Offices, like last year. A comment was made that February/March is when we get more of a sense where things are landing for the next budget cycle. Because of this timeframe, Roger said we can wait a little later in the semester to meet with these other offices. Discussion of the budget process continued and Keri noted that it may be useful to have people from the Finance Committee go to other committee meetings to receive input on budget decision. The finance committee wondered if each committee on campus was to have representation on the vision and planning committee. Jon had mentioned that he received an email to be a part of the vision and planning committee, but that it didn't appear that he was selected because he is part of the Finance Committee.

Michael then asked when the motion devoting future meeting time to establish planning policies for financial decisions would be discussed. Roger said that could be discussed at the first meeting back in the spring. Ramsay recommended it to be an agenda item.

v. Other items

a. Finance Updates

Bryan stated that the Budget Compact Meeting is set for Friday, March 15. All documents are due to the Office of Budget and Finance in the Twin Cities, one week prior to the meeting date. UMM's documentation will need to be sent by Thursday, March 7th. The biggest request will be to help the campus balance our budget and there most likely won't be a call for other things. Instructions will come out mid-January. Support instructions are out now and the budgets are currently in limbo as these instructions may change. There is hope to receive more funding from the state but this will not be known until the May/June legislative session.

Jon asked if the budget instructions are posted when they come out and if the Finance Committee is notified once they do. Bryan said they are posted on the [Office of Budget & Finance's website](#), and that he receives a notification and can pass the information to the Finance Committee. This

basically tells the campus what needs to be included in the documents sent before the Budget/Compact meeting, and any assumptions to use when forecasting as requested in the budget instructions.

b. Start of year Finance Committee meeting topics

Ramsay suggested that going forward, it would be helpful if information on the overview of budget and financials at the University, could be sent out for new members to absorb separately from a scheduled meeting. This way the committee could devote meeting time to react to financial information better. Roger agreed that in doing so, the committee would then be able to react and think about budgets that are set early and could have more of an advisory role on campus finances. Bryan noted that the first meetings are to get everyone up to speed, and that the information needs to have a discussion around it for people to understand. Jon agreed that it takes time to understand the financial information, and that more prep earlier is better. Bryan said it can't be done much earlier because the data aren't available much before the start of September. Jon said the committee could learn about the processes involved in budgeting, and not the numbers, to get more of an education on budgeting works at UMM. Ramsay agreed that specifics aren't necessary.

c. New Majors/Minors

Jon asked where new program ideas come from, and where these ideas should go. He wondered if it was the Curriculum Committee, and if they act on these ideas or just spend time going over the process. Michael replied that these ideas must come from somewhere, whether it be from other schools or individuals who have interest in a program. Ramsay asked where to start the process with these ideas. Keri mentioned that the ideas come from advocates who put together a proposal to bring to Curriculum. Roger noted that it didn't seem like there was a formal process with generating these ideas. Ramsay said there could be a new major/minor that current faculty that could teach, but if there was a whole new major needing different faculty, how would one go about that. He asked if the Finance Committee should have a say, and do an assessment on those ideas.

d. MN State Profile -Knocking at the College Door PDF (emailed prior to meeting)

This PDF showed overall high school graduate trends and projections (from both public and private schools). It also showed academic preparation and achievement and funding per pupil. Bryan noted that the Presidential Candidate coming to system campuses is a significant shift with involving campuses. He noted that 30% of Minnesota students leave the state, and that there is only a 2,000 increase of students in all of Minnesota. Michael asked why Morris isn't affected if there is a 2,000 student increase. Bryan added that the retention rate is critical and it is 6% less than 4 years ago. Michael noted that the retention rate continuously fluctuates, and wondered what to do to change this number. Keri added that there is currently a list of students not registered for the spring semester, and that staff are personally calling these students to try and help them over any hurdles holding them up from registering.

The meeting was adjourned due to end of time.