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Finance Committee

Campus Governance

12-6-2019

Finance minutes 12/06/2019

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UMM FINANCE COMMITTEE MINUTES

12-06-19

Members Present: Brad Deane, Mary Elizabeth Bezanson, Michael Korth, Angela Anderson, Marie Hagen, Naomi Skulan, Arne Kildegaard, Angela Hume (via conference call), Bryan Herrmann

Others Present: Jessica Broekemeier

Members Absent: Roger Rose, Jon Anderson, David Ayers-Moran, Maddie Happ

Agenda:

I. Approval of Minutes

The minutes from the 11/7/19 and 11/21/19 were approved.

II. Review of Documents

Bryan reviewed the following documents:

Document 1: Cost Benchmarks for Personnel Only – All Funds

Bryan noted that this document includes all funds. Residential Life and Dining would be included in the Mission Support & Facility column. The Mission column includes faculty, research, outreach, and P&A salaries. He added that positions could move within Mission and Mission Support, and gave the example of a coach who also teaches may only end up in the mission support column. Brad asked where FY18 and FY19 are. Bryan responded that it hasn't been received from central yet. Naomi asked if central decides where each position is categorized. Bryan said they do, and they complete a salary report document as well. Michael asked if salaries are split up by job classification. Bryan said yes, but it is not purely labor represented and P&A.

Document 2: Fund 1000 Compensation Comparison

Bryan said that since this is for Fund 1000, there are no Residential Life or Dining salaries on here. He also noted it may be a challenge looking at P&A as faculty who are not on a tenure or tenure-track appointment will be included in P&A. Mary Elizabeth asked if we have more short-term faculty and if we've traded the number of tenure or tenure-track appointments for shorter contracts.

III. Discussion

Mary Elizabeth said she wanted to see if there's a shift in our faculty throughout the years. Bryan said that the faculty numbers have grown. Brad added that Mary Elizabeth would want to know the number of people and not just dollars. Michael mentioned that this can be viewed in the UMM databook. Mary Elizabeth said this information is not yet current but an updated version should be coming out soon. Michael said he wasn't sure if you can search to see what faculty is long-term and what faculty is on shorter contract terms. Brad asked Arne if this conversation about the changes has come up in meetings. Arne replied that it doesn't come up as a conversation in itself, but proposals are viewed and discussion about hiring a tenure-track or not is had. He added that in less strained circumstances, the Dean and Chancellor are more likely to approve 2 & 3 year contracts instead of hiring more 1 year contracts. Mary Elizabeth thought this matters to see people's commitments to the University and would like to see the number of faculty who are currently on 1 year contracts. Arne added that 1 year contracts occur frequently. Brad mentioned that when he started, many faculty were on 3 and 5 year contracts. Since then, shorter term contracts are coming in and there are tenure-track appointments that haven't been replaced. Bryan said that a lot of 1 year contracts are sabbatical replacements. Mary Elizabeth added that most faculty who are on sabbatical aren't being replaced. Brad also said that this is going down as there is a new policy where people can take 1 semester full pay.

Brad asked where we can reduce salaries unless we can turn around enrollment. Bryan said in the past year custodial appointments have been reduced by 2.25 FTE but that most were in Residential Life so it doesn't include fund 1000. He said there has also been changes in Student Affairs with positions opening up. Mary Elizabeth asked what is included in Student Affairs. Bryan said that everyone that reports to the Vice Chancellor for Student Affairs is included in Student Affairs. Bryan also said another challenge with reducing salary is that Facilities Management has taken significant cuts but the size of the campus hasn't shrunk. Arne mentioned that we have roughly 1300 students and 120 faculty which is an unsustainable ratio. Faculty has to shrink to fit the students which is hard because curriculums won't be able to be staffed. He mentioned that there are colleges out there that do that, but it is hard to see how our campus will get there.

Michael wondered where that student/faculty ratio came from and if there was research to this.

Mary Elizabeth asked if it is reasonable to expect enrollment to increase when there is a decrease in the number of students in upcoming high school classes. Michael responded that it is more about our recruiting efforts. Brad added that in about 5 years there will be another big hit from the Great Recession. Mary Elizabeth asked if we currently lose more transfer students than gaining transferring in students. Bryan replied yes. Michael mentioned we don't know if our students just leave or are actually transferring out to a different college. Marie replied that if students complete a form when they leave we may see the reason behind leaving the University is because they are transferring to a new school. She added that a lot of students that leave transfer to another campus in the University of Minnesota system. Bryan noted that only a small percentage of students transfer within the University of Minnesota system and that it isn't as big of an issue when compared to students going to other schools.

Marie said that part of the reason why we are struggling with enrollment numbers could be because we aren't admitting students that can afford us and currently have a lot of students who can't afford us. She also said that a lot of students that meet SAP (satisfactory academic progress) then go into warning status because they are struggling. Bryan added that he didn't believe this is a problem for us alone, but for colleges everywhere. He said a decision to accept a student is made because the University believes that student could be successful here. Mary Elizabeth mentioned that she had a student that received the tuition waiver but wasn't able to stay here because they couldn't pay the fees. She said that even with the tuition waiver our college could still be out of reach to serve these students, and that our commitment to these students needs to be a priority. She said we have to figure out how to survive with our diverse student body. Angela Hume believed that in order to support diverse students we should advocate diversity for faculty, staff, and administration.

Brad noted that at Campus Assembly, Chancellor Behr said we can't cut our way out of this. He agreed with this and was glad she had mentioned it, but didn't hear much substance to what we will do instead. He believed we need

bigger plans to change, and wondered if there were plans in the work. Mary Elizabeth pointed out that Duluth says they will be more strategic with the student body and open up the enrollment to more diverse students. She noted that it seems like Duluth will go to central for more funding. Brad asked Bryan if we should invite the Chancellor to a future meeting to discuss what the University can do. Bryan replied yes. Mary Elizabeth asked who Bryan will meet with on December 17 to discuss the budget. Bryan said he and the Chancellor will be meeting with Julie Tonneson and Brian Burnett. Mary Elizabeth also asked if any campus is making money for the University of Minnesota. Bryan said the only campus that is making money is the Twin Cities campus.

Marie asked Bryan if the graduation rate would go up if we made it mandatory even for people with multiple majors. Bryan said he wasn't sure about the actual numbers. Brad asked if Bryan has a sense on how our graduation and retention rates are relative to other schools with the same student body. Bryan said there was an analysis done roughly 7 years ago factoring numerous pieces and that for an institution our size and with our ACT rate we should be doing much better. He noted we need to work on recruitment and retention. Mary Elizabeth added that this is so hard to work on because there are so many little reasons to why our rates are the way they are rather than one big reason. She asked what else we can do to keep students or ways we can make new revenue. Bryan said we generate revenue by teaching classes and no other revenue outlets will come close to generating as much revenue. Arne added that he wasn't sure any other colleges is doing better than us when looking at our demographics. He said we may need to embrace the uncertainty and support this population while still accepting the uncertainty of retention. Brad said we can't go to central saying we are doing well because they will just look at our numbers. Mary Elizabeth noted that Duluth may try to go after our student demographic population and didn't think that would increase the graduation rate. Brad added that we need to make sure we are doubling down on our population because Duluth could take students away from us.

IV. Discussion of Letter from The Commission on Women and Gender Equity

Angela Hume mentioned that if the Finance Committee agrees with this letter, the committee could pass these concerns onto the Chancellor. Brad

said the committee can review this letter and decide later to support it or not. Mary Elizabeth said that she personally doesn't support this letter currently because she would like the point to be clearer. Angela Hume said the letter is speaking to two different issues. The first is the equity and diversity issues around recruitment, and that The Commission on Women and Gender Equity is worried about possible recruitment biased. The second is the need to prioritize keeping diverse faculty and staff employed. Arne added that he's never been aware of any indication to not recruit a certain student. He said that issue could be plausible if enrollment was higher but right now that concern is irrelevant. Bryan added that it's always been a goal to recruit students from all backgrounds. He mentioned that last year we had the most diverse class ever. Angela Hume said this letter was by no means accusatory, but just the Commission of Women and Gender Equity focusing on missional work. She added that this letter was just initial labor done by the Commission of Women and Gender Equity and that the Finance Committee could draw from this letter. Brad said he'd like this letter to be incorporated into future meetings.

V. Final Discussion

Angela Anderson asked Bryan if he will share the documents that we've received throughout this semester at his meeting with Brian Burnett and Julie Tonneson on December 17. Bryan said that he will share some of the documents that include enrollment projection and the budget to lay out predictions. He said they won't want specifics, but rather where we will make budget cuts from and what our revenue resources are. Mary Elizabeth added that she would like to know this information as well. Marie asked that if our campus would still be short if we were to receive all of our tuition waiver funds. Bryan responded that we would be, but not as short. Naomi asked when cuts need to be known by. Bryan said by the middle of February for the Budget Compact meeting.

The meeting was adjourned.