

University of Minnesota Morris Digital Well

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Finance Committee

Campus Governance

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4-30-2020

### Finance minutes 04/30/2020

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#### Recommended Citation

Finance Committee, "Finance minutes 04/30/2020" (2020). *Finance Committee*. 137.  
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# UMM FINANCE COMMITTEE MINUTES

4-30-20 (By Zoom)

Members Present: Brad Deane, Roger Rose, Jon Anderson, Mary Elizabeth Bezanson, Angela Anderson, Marie Hagen, Naomi Skulan, Arne Kildegaard, Angela Hume, Bryan Herrmann

Members Absent: Michael Korth, Juan Vasquez Garcia, Maddie Happ

Others Present: Jessica Broekemeier, Melissa Wroblewski

## Agenda:

### **I. Welcome**

Brad mentioned that the minutes from the last two meetings are up on the Finance Committee Google Drive and he will send out an email reminding members review and approve. He also mentioned that he would be happy to be the Chair of the Finance Committee again but is open to any nominations if anyone else has interest in this. Members are able to send Brad an email if they are interested. Mary Elizabeth is retiring and this will open up a faculty spot on the committee. Arne is still interested in being part of the Finance Committee, but he will no longer be a Chair representative so Brad will look into this with the Membership Committee.

### **II. Budget Update**

Bryan said that the refunds to the students are happening in two phases. The first phase is for activity fees, dining plans, parking, RFC, Student Center, Health and Wellness, and housing. All of these are credited from March 23. The second phase includes campus and course fees. There won't be a lot of course fees but the Finance Department is working with faculty to determine how much was used. There is a plan to refund a portion of the campus fee, but the campus fee also goes to tech fee and campus support which is still being utilized. Brad asked if there have been any savings since the campus was shut down. Bryan said that is still being figured out. He mentioned there will be savings in a few areas, but that it is hard because most housing and dining costs are fixed costs. He added that Sodexo have proposed a streamline charge to us based on the number of people currently being served and the fixed overhead costs. Roger asked if Sodexo is still serving limited student or staff that are remaining on campus. Bryan responded that

they are and that there are about 120 students on campus. Sodexo serves the students a couple times a day and provides take home breakfast and meals for the weekend. Roger asked if the students still on campus have been informed that they won't receive a credit for housing and dining. Bryan said yes, they have been.

### **III. Review of Updated Sources and Uses Document**

Bryan reviewed the changes on the Sources and Uses document from COVID-19. There has been a tuition and salary increase freeze. He said the fringe rate increase will happen regardless, but the salary and fringe is lower. He added that this will continually change once more decisions resulting from COVID-19 are decided upon. There has not been word yet from the Budget Compact meeting that happened on February 21<sup>st</sup>, but we will likely hear back in the next few weeks. Central has asked us to put the budget together as usual, even though things will change. There is still no plan for fall yet, and the President has been clear that there will be no decision made until mid-June. Bryan said that the Finance Department has made a couple of scenarios for the budget office. The budget office has already taken the tuition freeze into consideration, but we've made plans for auxiliary, dining, housing, and parking. The scenarios include everyone being on site in the fall, being here half of the semester, or nobody being on site for the whole semester.

Mary Elizabeth asked how much Morris is short right now. Bryan said that we are going into FY21 with a deficit of about \$2.1 million. Roger added that we were going to finish the year with a certain deficit and asked if we should assume the system will eat what we are short by using reserves or going to the Legislature. Bryan said that we've proposed our shortage for FY20 already. This will also be something that is part of the decision making that we will hear from next week. He added that he is hoping we won't have to use all of our contingency fund. Housing and Dining will probably end up with deficit balances because of refunds and there isn't a lot of direction yet from the Budget Office as they are still figuring this out. Roger noted that it will be summer before we hear answers for next school year and that it would be beneficial for the Finance Committee to get an update on the resolution for the gap we are going to carry from this fiscal year and next fiscal year. He added that if the response isn't as helpful as we hope that we would need to discuss what we will do for the start of the year. Bryan said that there will be

pressure from all units across the system. He noted that we are still learning about the 2<sup>nd</sup> half of the CARES Act on what the institution will receive. He said we may have a preliminary answer in May but that it might change in June with decisions about the fall semester. Brad asked if enrollment is being considered when working on the different scenarios. Bryan said that the planned enrollment is currently the same as originally budgeted, but that housing and dining was decreased a little. He added if students can come on campus in the fall, some students may not come back and do schooling from a distance. He said tuition can't be predicted right now as it is still too early to tell what students are deciding. Brad asked if there is concern with us being too optimistic on the enrollment predictions. Bryan said that Morris has already planned for enrollment to be down in the original budget from last fall. He added that this is an issue the system as a whole is wrestling with. In last week's Regent meeting it was discussed that the Twin Cities is behind currently and some families are trying to make decisions still on what to do. Mary Elizabeth asked what our target enrollment for next fall was, and if this prediction is being looked at possibly being 10-15% less. Bryan said that the target enrollment is 1,380, and that only housing and dining has been adjusted in regards to budgets as there is uncertainty if students will be on campus. This is modeled after the Twin Cities so the Regents can see consistent numbers. Mary Elizabeth asked if there is a possibility that there would be a decrease in tuition because people wouldn't have the experience on campus. Bryan said there are no plans to decrease tuition at this time. There has already been a tuition freeze approved by the Regents to try to make ourselves as affordable as possible.

Naomi mentioned that there was an email across the University from Brian Burnett asking for ideas for fiscal efficiency. She asked how much of these plans are going to be done on a system level vs campus level, and added that there could be things that are going to be done that wouldn't make much sense for our campus. Bryan said they are currently trying to look at a system level but expect some directive to look at things locally. Brad added that the system should be taking Morris' rural setting as it is very different from the Twin Cities setting. He said the Finance Committee can be thinking about this and what may be useful for our campus.

#### **IV. Possible ideas for various hybrid experiences at Morris**

Roger asked what percent of dorms were filled this year. Bryan said that in a typical year about 50% of students are on campus and there are about 1000 beds. Roger asked if we could accommodate one student per room on campus. Bryan said there is approximately 543 individual living spaces on campus, but there is some question on how many people use each bathroom which will also have to be factored in. Roger said that there are apartment buildings that are being built around campus which could help ensure each student could have their own room whether they are on or off campus. He noted that Morris could be in a better position to have a stronger on-campus presence than the Twin Cities if it is safe to do so. Rural areas are behind the curve for COVID-19, and it may come later but that is still unknown.

Roger said that another question is how to structure classes. Some courses may be able to be offered online. For example, Roger said that his American Government course could be moved online and that would free up a big room in a time slot. Evening classes could also be offered for a one semester work-around. Classes could also be split in half and do half of the students in class and half online and then possibly rotate. He said if we have a clear plan, it may be helpful for us if we can make any effort to differentiate us from the Twin Cities and our low capacity status may have an advantage if we play it right. Bryan agreed with all of these thoughts and that Morris is different from the other campuses. He said that Janet and her team have talked on this topic with four different scenarios. There are potential scenarios being worked on from most students are on campus, face-to-face with an on-campus option, bringing a sub set of students to campus, and fully remote. Bryan said the decision will be made by the President but there will be logistics on how of it will work. Roger asked if each discipline will review how their courses would look in each scenario and when that would be done. Bryan said that Janet is planning on doing a forum to discuss these questions (possibly next week) with mostly faculty and course instructors. Brad asked what classes (such as classes with labs) would be on campus if there was a hybrid scenario where some classes were on campus and some online. Arne said that this is being discussed, and that introductory classes may not be appropriate to have in person. He said that it would be a grand shuffle because smaller classes are scheduled in smaller spaces and would have to move to larger spaces.

Brad thought if Morris could possibly reassign faculty in a situation where there is low enrollment. He said that night classes or online courses for the community could be offered if we have extra resources in the fall and not as many students to teach. He asked if there has ever been discussion on community outreach classes in the past. Roger didn't know of any discussions such as this in the past, but thought that was a good opportunity to learn and show that Morris is trying to provide for the region at least.

Angela Hume thought that another possible approach that would be in the interest of retaining our incoming classes. She thought there could be a class on resiliency and adaptation beginning in the summer to provide incoming students a way to connect to each other online and get hooked on the Morris campus before they even arrive. The idea behind this is to create some sort of constant in their fall semester experience that would keep them connected to each other even if classes can't be offered on campus. Brad thought that this is a great idea, and said it could be as easy as telling instructors to start communicating with their students.

Brad said that he is interested in the Finance Committee continuing discussions as we learn more about the budget as it unfolds this summer and other members agreed with this. Since people were interested, Brad will communicate with Bryan on when there are updates for the Finance Committee.

The meeting was adjourned.