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Finance Committee

Campus Governance

10-29-2020

Finance minutes 10/29/2020

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UMM FINANCE COMMITTEE MINUTES

10-29-20 (via Zoom)

Members Present: Brad Deane, Roger Rose, Kara Nell, Jon Anderson, Bart Finzel, Naomi Skulan, Peh Ng, Bryan Herrmann, Shelby Maloney

Members absent: Cole Maxwell

Member Positions Unfilled: USA Position, USA Position

Others Present: Jessica Broekemeier, Melissa Wrobleski

Agenda:

I. Approval of Minutes

The minutes were approved with no opposition. Brad mentioned that Bryan has uploaded all of the related documents in the Finance Reports shared Google Drive.

II. Questions and comments

Naomi asked if we have an idea of how many people took the retirement incentive option and what positions will be filled. Bryan said that it ended on October 19 and there were 21 people who took the RIO and have varying end dates. The retirees could work until January 15, 2021. A list of the positions has been put together and Bryan has started reviewing it with the Vice Chancellors to see what positions will be filled. The entire plan will need to be reviewed at the system level for approval in rehiring any position. Peh asked how many of the 21 people were faculty. Bryan said that there was 1 faculty member who took the RIO. Peh then asked if they have to leave in January before the spring semester is over. Bryan said yes. Brad asked if the amount of people who took the RIO was expected. Bryan replied that it was about what was expected for our campus. He mentioned that system wide there were more people than expected who took the RIO. Roger asked what the opposition to allowing faculty to retire at the end of the year was. He wondered if there was an alternative package available to faculty that would've worked for retiring at the end of the academic year. Bryan said that question was asked as well since faculty positions go until the end of the year. Roger noted that he imagined this was why fewer faculty took part in the RIO. He asked if there would be a possibility to reintroduce different terms to possibly affect older faculty. Bryan said he hadn't heard any talk of this.

Brad asked how things are going this semester system wide and how we are relating with the new Vice President of Finance. Bryan said that the new Senior Vice President for Finance and Operations, Myron Frans, met with the Morris campus leadership on Tuesday. The group talked to him about budget scenarios and the Finance Department laid out what the Finance Committee has seen. There was discussion on the tuition waiver and where we are for the budget this year and where we expect to be for FY22. Bryan said that Myron agreed that there are currently a lot of unknowns and we will be able to know more in a few months with Covid and the elections. He noted that we aren't the only ones struggling with auxiliaries and that the auxiliaries in the Twin Cities have had significant revenue challenges. For FY22, the Budget Office is currently waiting on what will happen with the election outcome as the system puts together requests for the legislative system. The Budget Office is waiting for the next forecast from the state which will likely come out in early November. Bart said that the Senate Committee was told by mid-November that there would be estimates on the actual budget for FY21 and we will hopefully hear something in the first week of December.

Jon said that he has done some investigations relating to Bryan's enrollment predictions and can review some of the information at the next Finance Committee meeting. Brad said that he will make that a topic for the next meeting and asked if Jon would share his work on retention. Jon said that he can give a short overview of his retention work and get more in depth at meetings next semester.

Brad mentioned that at the last Finance Committee meeting there were questions wondering if Bryan could show the number of employees by units. Bryan said that there is an Excel spreadsheet that reviews the positions that he will put in the google drive (Finance Reports).

Full Time Equivalent at Morris 2020-2016 Excel Spreadsheet

Bryan noted that this spreadsheet sorts positions by Workforce Category. The headcount on this spreadsheet was pulled on the same date every year. He said that the Direct Instruction can vary anywhere from a music instructor to someone who teaches a full course load. The headcount is divided by the FTE of Direct Instruction and Faculty. At the bottom of the spreadsheet shows where offices/areas are included in on the spreadsheet. Clerical Support is in

Bargaining Units and spread across campus. Anyone who is in an Account Specialist role is included in Finance and Purchasing. He added that Student Instruction is the Pre -doctoral Fellow. Bryan noted that if you compare this with the data book the data will vary slightly. Morris can keep our own data but at a system level they will pull this information. Melissa said that for Faculty the reason FTE is higher is because it includes primary and secondary positions as well. Bart confirmed that if someone is doing something other than instruction that position will be counted as well. Melissa said that will go back and redo the spreadsheet to only include the primary position numbers. Brad noted that this spreadsheet seems like it will be useful as in the past there were struggles because people kept getting reclassified. He said that this looks a little more consistent for tracking purposes. Melissa added that this is a report that is based off of HR data and can be run on a system or campus level. Kara asked if there are any projections in looking at the data from this spreadsheet. Bryan said that this is one of the things that has been talked about for several years but is challenging as there are a lot of nuances in the data.

III. Discussion of working groups

Brad said that the Finance Committee could possibly break into smaller groups to discuss topics where we can try making financial suggestions. The three areas include:

- *investigate the extent to which different levels of cuts to faculty and other mission-critical staff may impede our mission*
- *consider potential campus-wide effects of appropriations cuts larger than the 3% we're anticipating*
- *survey CoPLAC and other comparable institutions for ideas about generating new revenue streams*

Brad asked if we should pick one topic and work on that or if anyone else had a different idea to discuss.

Roger said that he was intrigued by the third topic but added that in some ways we are more constrained than other institutions. He said that we aren't in a position to do what private institutions can do. He said that maybe a forth topic could be reviewing the way we integrate with the rest of the system. He added that it could help deal with the demands in cuts. He did note that this is more planning than finance but said that it has to be in the mix because we may not

have the revenue streams but we have an integration system that we could be ahead of the curve with.

Peh said that the only issue about the third topic is that before we go and survey institutions it is our duty to contact CoPLAC and get the necessary approvals. Brad said that we'd not really talk to CoPLAC schools but review their websites and materials.

Shelby also said that the third topic would be good to look into. She added that we could look inward at our own campus and our unique situation. She said she manages the budget for MCSA and currently doesn't have ways to spend their money and could be willing to put that back into the campus. One concern on this though is the possibility of not getting the money the next year if the money isn't spent.

Kara agreed that the 3rd bullet point is a good idea and that we could do an internet search and see what information we can find. She said that there will be cuts and we will have to reimagine things but could have new revenue streams with this. She added that some liberal arts schools have done a good job pulling themselves out and said Morris could re-envision ourselves and become more financially stable. She noted that we would need a summary update on the current strategic planning. Bart said that he'd like to know if there is anything with strategic planning that we may already have that we should bring resources to rather than going out and finding something else. Brad asked if he should try to get someone to a Finance Committee meeting who can give an update on Strategic Planning. Bryan added that the Chancellor would have the best grasp on all of the strategic planning pieces and that Melissa Bert would know the best about strategic enrollment. Brad said that he would try to schedule both of these presentations.

Jon said that we could not only look into CoPLAC and revenue streams but also to gain insight on organizational or shared staffing. He added that colleges are now "destroying" the divisions and separation. Bart said that we could look into how our system may be utilized or better integrated. He mentioned that the University of Maine is probably doing more of this than any other institution in the country and this could be one college to look at.

Kara said that she is curious about the projected retirements and how the programs will be affected. Peh said that the VC, Dean, and Division Chairs are talking about this and are making further plans to see what happens. Peh noted that if we can't produce the 3%, 6%, and 9% cuts that we have to also show that in the next few years these are the

changes happening to get to the cuts. Brad said that we could have a meeting with the Dean and possibly VC's to know what kind of levers they have to pull and what is available to them with course related staffing. He said if we are mostly interested in the third topic that we can work on setting up a meeting next semester. Brad said that members of the committee could look into other systems and come back to the next Finance Committee meeting with one or two things they've found interesting. Roger said that he knows we are looking primarily at CoPLAC but we also have real and aspirational peers. He said that there was a website version of that in 2014 and asked if that has been updated in the last few years, noting that there may be one or two in the peers that aren't CoPLAC but may be worth looking into. Peh said that we would talk to the Planning Committee for that. Brad said that we don't need to limit ourselves right now and could look into anything that may be related to us. Bart asked if people are still putting together a CoPLAC data set that can be shared with the committee, noting that there used to be data that compared numbers between institutions. Bryan said that there is and it is still being put together. He can check in with Kristin, in Institutional Reporting, and see what has been completed. Bryan also said that the Chancellor will host a Budget Summit that will likely be the second week in November.

The meeting was adjourned.