

University of Minnesota Morris Digital Well

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Finance Committee

Campus Governance

9-30-2021

Finance minutes 09/30/2021

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UMM FINANCE COMMITTEE MINUTES

9-30-21 (via Zoom)

Members Present: Roger Rose, Brad Deane, Bart Finzel, Bryan Herrmann, David Roberts, Mary Zosel, Jennifer Deane, Lucas Granholm, Kendra DeRosa, Matt Senger, Marie Hagen

Members absent: Shelby Maloney,

Others Present: Melissa Wrobleski,

Minutes are not ready from the last meeting; we will approve two sets of minutes at the next meeting.

Roger informed the group that there will be a Databook with two years' worth of info coming out soon. Roger asked how this information can be reviewed for this committee and what the IPED's report is. Bryan answered that the IPEDs report is how the University reports to the Federal Government. The Twin Cities provides the data to be entered on this document for each college. Bryan then went on to talk about the expense and compensation documents in the Databook also. Roger is interested in the committee reviewing this information from FY16 through FY20 and having further conversations at a later date to help understand trends on the Morris campus.

Brad then made a note that in the past the committee was told that due to changes on campus, tracking trends may be trickier than anticipated, but that the committee may be interested in starting their own trends comparisons too.

Comparison of Tuition – FY17 to FY21 document

Bryan then began the presentation of the FY21 tuition comparison to historical years. He went through the breakout of the different areas of tuition and waivers. They include Tuition, NRNR Tuition (non-resident, non-reciprocity), MSEP (Midwest Student Exchange Program), AITW Resident Waivers, AITW Reciprocity/MSEP, AITW Non-Res, NRNR Reciprocity Waiver, NRNR Waiver, Other Waivers (All Tuition, Disability, etc). An explanation of the numbers was discussed that the positive numbers are the amounts billed to students, and the negative amounts for waivers are the amount of tuition that will not be collected due to a waiver occurring. Conversations then went on to the percentages listed on the side of the FY21 tuition information. This information is to help understand what percentage of total billed tuition was from resident tuition rates, or MSEP or NRNR tuition. There is also a break down of percentage of waivers from AITW to NRNR waivers to help understand where our waivers are coming from.

Bryan continued through the document with the amounts of tuition netted in each semester. All semesters netted less in FY21 than we did in FY20, but that is also related to a reduction in headcount from FY20. Overall, UMM ended FY21 with a \$1.2M shortfall in tuition revenue than we had budgeted for FY21. Roger then asked Bryan to help explain what this number means and what UMM uses this information to help the budget.

Bryan answered by stating that UMM meets with the Budget Office a few times a year to help them understand our financial situation and have estimates of where we anticipate tuition to land each fiscal year end. Due to this, last fall we anticipated this shortfall and was able to work with the Budget Office to make a plan on how to balance with contingency and COVID funds.

A question was then asked about the yellow highlighted percentages at the bottom of each semester's net tuition amounts. Bryan answered that the percentage is how much tuition we net from total billed tuition. There are more students enrolled who are receiving waivers then there have been in prior years.

A question then came in about current year enrollment and a statement was made that we will most likely come in a little under what was budgeted for FY22.

FY21 Ending Contingency Balance document

Bryan then began reporting on the FY21 Contingency Balance document. He went through each line for FY21 that occurred in the Contingency Account. These lines included funds needed to balance the FY21 budget to make it start at the end of the year, Fund 1000 salary variance that came into the account at the end of the year, FY21 Carryforward Reductions that were transferred in, Excess Scholarship funds remaining at the end of the fiscal year due to reduced enrollment, then COVID funds received, and the shortfall in tuition and fees.

A question was asked on if the COVID funds are restricted and how we can use the funds. Bryan went on to explain that we need to hold these funds in the contingency account to make sure we have funds if necessary to help support our auxiliaries at the end of FY22 which is anticipated. Some of these funds were awarded for a loss in revenue, but we don't want to prematurely use these funds and then find we need funds in another area.

Comments were made that it is nice to see the contingency account at this level currently even though we realize that funds will be spent from this account in the current fiscal year (FY22). A question was then asked of what a good amount would be to have in this account for the University. \$4-5 million may be a reasonable number considering that in prior years UMM has needed around \$2 million to start the next year's budget with sometimes leaves the contingency very short.

FY22 Budget Planning Sources and Uses

Bryan then moved on to the last document which was the FY22 Budget Planning Sources and Uses document that went through what the Finance Department anticipated our plans for the FY22 Budget to balance and work. Sources listed on the document included carryforward capture of FY22 carryforwards, one-time salary savings, a 1.5% tuition increase, VoIP telephone transition savings, reductions in compensation. This document also included what expenses UMM planned for in FY22 budget also. These items included a 1.5% compensation increase, step and stabilities expenses, RIO one-time expenses for FY22, and then tuition shortfall coverage from FY21. Other items listed were a savings anticipated in cost pool expenses, and an increase in utilities. Bryan then went on to what UMM received from the Budget Office as assistance for our FY22 budget. These items included \$750,000 in recurring allocation, and \$4,300 for Public Safety body cameras. The amount of recurring O&M was significant considering the system didn't have many funds to disseminate out for balancing FY22. With that assistance it left UMM with a less than a \$1 million shortfall anticipated for FY22 budget. This means that UMM had to use contingency funds to start the FY22 budget this July.

Time ran out and the meeting was adjourned.

Meeting adjourned.