

University of Minnesota Morris Digital Well

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Finance Committee

Campus Governance

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10-14-2021

### Finance minutes 10/14/2021

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# UMM FINANCE COMMITTEE MINUTES

10-14-21 (via Zoom)

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

Members absent: Jennifer Deane, Kendra DeRosa,

Others Present: Melissa Wrobleski,

Minutes to meetings from 9/16 and 9/30 were approved by the committee members in attendance. It was stated that Melissa Wrobleski will send the approved minutes to Naomi Skulan at the Library to be uploaded into the UMM Digital Well. Going forward, the notetaker will send approved minutes to the UMM Library for uploading.

A note was made that the minutes for this committee seem to be within the perimeter of UMM expectations. It was also stated that if calendars show a meeting for October 21, that was an error and there is no meeting next week.

## Review of UMM FY21 All Fund Expenditures – Pie Chart

Bryan started the meeting showing a pie chart of UMM's expenses in all funds for FY21. The chart showed that compensation and student aid make up over three-quarter of the expenditures on this campus. This chart also showed that FY21 expenses compared to FY20 expenses were less which we credit a lot of the reduction to changes due to COVID, a reduction in students, and a reduction in staffing.

There were several questions on the savings listed in the salary line from FY20 to FY21. Is the reduction sustainable and are departments feeling stretched? With the current environment the reduction in staffing is always being reviewed as to what UMM can handle and what is needed for the campus. This will be an ongoing conversation through the next months and years.

## UMM FY21 Fund 1000 Expenditures – Pie Chart

Bryan then moved on to the fund 1000 pie chart for FY21 expenses at UMM. This document showed that compensation and student aid make up around four-fifths of our expenses. This is even more of a percentage than when we look at all funds on our campus. A question was asked about where the student salaries paid by SE&E in departments is tracked in this document. Those expenses would be reported based on the expense code used for those salaries and should be in the student aid section.

## UMM FY21 All Fund Revenues – Pie Chart

Revenues show that a majority of UMM's revenues come from State O&M. As of FY21, almost half of UMM's revenues are from O&M allocations. Tuition makes up about 22% of our revenues and then grants, contracts, fees, etc. make up the remaining amount of UMM revenue.

## UMM FY21 Fund 1000 Revenues – Pie Chart

In this chart the percentage of O&M monies make up almost 70% of our revenues. Tuition is about 30% of this amount and then there is less than 1% from other areas. Comments were made that UMM has a much high of O&M allocation. It is important to keep an eye on this as move forward each fiscal year.

## Comparison of Tuition from FY20 to FY22

Bryan was able to present tuition numbers as of 9.30.21 which are always moving with students filing tuition waivers, cancellation, and appeals. As of 9.30.21 enrollment was at 1,185. Bryan then went on to explain the different tuition rates we receive revenues from, waivers we have on our campus, and that combining both, UMM this fall is currently collecting about 71.4% of total tuition billed to our students.

Bryan then moved on to the projections for spring and those projections follow the same percentage of retention as we saw in FY20. This may be a little lower than we will see as actuals, but for budget purposes we are being more conservative. Summer projections are at roughly the same as we saw in FY20 so overall, compared to the budget, we are anticipating a shortfall in tuition less than we saw in FY20, at this time. Enrollment reduction from Fall 20 to Fall '21 is about a 4.5% loss in students. It was hoped that UMM would see more stability in FY21.

## FY22 Sources & Uses

This document is to show the comparison from what UMM requested for funding in FY22 and what we planned our increased expenses to be in compared to the actual funding received from the System Budget Office for revenues and directions on where those revenues should be used against expenses. Bryan led the committee through what UMM brought to the Office of Budget & Finance back in March 2021 requesting funds for our FY22 budget. He then went through that we were awarded from the Budget compact meetings and what UMM may still need to finish out the fiscal year.

It was also mentioned that our auxiliaries are still planned to have deficits this fiscal year that COVID funds received in FY21 will need to be used to balance those departments at the end of FY22. There are also a couple ISO (Internal Sales Offices) on the UMM campus that due to the change in habits because of COVID, are struggling financially and because they are typically a self-supporting unit, they may need backfill this year to help them out.

Comments were also made that our Office of Residential Life and Sodexo have depleted any reserves they had prior to the start of COVID.

## FYE22 Projected Contingency Reserve

This document is to project what the UMM Finance Office currently anticipates our Contingency account balances to look like at the end of FY22 as of June 30, 2022. Some anticipated used for these funds will be used to help auxiliaries, cover remaining RIO (Retirement Incentive Option) expenses, and anticipated tuition shortfall. We need to be cautious about how we plan to spend the remaining balance projected at the end of this fiscal year, but hopefully we will receive additional system support so that we may maintain as large of a balance in this account as we can come June 30<sup>th</sup>.

Comments were made that retention number at many colleges have been rough, and studies show that there may be certain areas of enrollment that have even lower retention rates. It was asked of the committee to think about how UMM will be affected over the next year and what we need to keep in mind when planning for the next fiscal/academic year.

Meeting adjourned.