

University of Minnesota Morris Digital Well

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Finance Committee

Campus Governance

10-28-2021

Finance minutes 10/28/2021

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UMM FINANCE COMMITTEE MINUTES

10-28-21 (via Zoom)

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

Members absent:

Others Present: Melissa Wrobleski,

Review and discussion of the meeting minutes from 10.14.21:

Roger asked if everyone could get into the Finance Committee google shared drive. No responses, so he mentioned if there are issues, please let him know. Moved back to approval of the minutes where the committee unanimously approved them. It was also noted again that the notetaker will send the approved minutes onto the UMM Digital Well (ummdigitalwell@morris.umn.edu) once the minutes are approved by the committee.

Continuation of FY23 Budget Planning:

Today Bryan Herrmann continued discussions on budget planning documents for the FY23 Budget coming soon. He started with the enrollment projection document. This is an internal document to help UMM get an idea of the retention of current cohorts and what we estimate to have for new students whether they be transfer or new high school students. Bryan mentioned that at this point these are estimates pending more discussion with Melissa Bert, VC of Enrollment Management, to go over the data presented. Once they are able to analyze this and current application trends, the numbers currently presented may change. Bryan also added the caveat that these numbers are for budget purposes only. These are not the numbers that Admissions would use for their planning purposes.

During the discussion questions were made on how our retention rates compare to other U of M Campuses. Bryan informed us that currently the Twin Cities campus retention rates are higher than UMM and also thought that Duluth was higher than Morris also. The question was also brought up if there is data on UMM students transferring to other U of M System campuses. Bryan pulled up the OIR (Office of Institutional Reporting) Website and looked at 'Official New Entering Freshman Graduation/Retention' reports to see the comparison between UMM and the other system campuses, and when reviewed for only the Morris campus, we see that students transferring to other U of M campuses averages around 5 per year. Comments that were also made that this current report doesn't show our SUFE students since they are considered transfer students to UMM and are not included in this report. It is understood that many of our SUFE students transfer to the Twin Cities and this is not represented in the OIR report.

Bryan went back to the UMM Enrollment Projection document and reviewed the categories more in-depth and stated that numbers may need to be updated especially in the area of transfer students considering that he is not confident at this time with how many SUFE (Shanghai University of Finance & Economics) students will be coming to Morris for FY23.

Questions were asked if the projected numbers are based on any programs in place currently. At the same time, comments were made asking about progress from the SEM group and if there is any update from there. Bryan didn't have any additional knowledge on this and mentioned that Melissa Bert and Admissions may be a good guest to ask this committee at a later date to receive updates.

Comments were also made on the projected enrollment numbers for future years and that they seem to be more optimistic than conservative. Concerns on why this is done. Bryan agreed, these numbers may be a little optimistic, but steps are being taken to grow the incoming class.

It was also stated that it may be helpful in the future if the budgeted amounts for prior years are added to the bottom of this document. Some members of the committee also feel that the amounts for projections are more optimistic than we should be. Members may be interested at seeing what projections and effects are with lower enrollment amounts. We need to be prepared as a campus incase our numbers continue to drop. What does this group need to discuss if this may be an option? We may want to look at, internally, making a plan with lower enrollment numbers. The demographics of new incoming high school is going to change in the coming years and persons on the committee don't see this shift represented in our current enrollment amounts.

Bryan followed up stating that he is aware of the demographic change coming, but UMM needs to do more to get our share of the market share of students available. We need to market to all those students to get the enrollment aspirations we are hoping for.

Future Tuition Projections & Funding Needs:

Bryan pulled up the tuition projections using the enrollment numbers from the prior document. This document has projections for the next fiscal years beginning with FY23. Bryan explained that the Finance Office has updated this document with tuition retention amounts based on the current semester and last academic year. Fall tuition retention is budgeted to be 72% of the total amount billed.

From there, Bryan pulled up the FY23 Budget Planning Needs document. This document shows what we currently know we will have for expenses to be covered in FY23 that we haven't budgeted for yet. These amounts include compensation, one-time funds used to balance FY22 that we need to find recurring funds to cover, and then funds to cover the shortfall we anticipate between FY22's budgeted tuition and FY23 current budgeted/estimated tuition revenue. A utilities increase is also included in this document. Again, this document just shows the new expenses we need to cover. When we get closer to the Budget/Compact meeting, the sources and uses document will include revenues to help cover the dollar amount listed on this document.

Questions were asked if we have any idea if we have additional expenses going forward related to COVID that we need to think about and make sure we realize the increase. Bryan stated that we have not calculated those numbers but we do plan on having increased permanent expenses going forward, and the Utilities amount is one of those areas.

Multi-Year Projections:

Bryan then pulled up the Multi-Year Budget Projections document. This document showed the current year budget plan and then FY23 through FY27 rough plan to see where we may be for balancing each year based on calculations listed. Some areas included on this were planned new expenses, like additional compensation and increases in utilities. There are also areas of savings listed, allocation increases projected (not actual), cost pool savings, and other one-time savings amounts that could help balance the budget. All these numbers are just plugged numbers at this time to show a scenario of what things could look like if we took certain steps. It is important for everyone to remember that this is a plan. Decisions will be made closer to March when our budget plan for FY23 is presented to the Budget Office. Roger clarified that we will meet next on 11/18/21, not the 11th. Please make sure to adjust your calendars.

Meeting adjourned.