

University of Minnesota Morris Digital Well

University of Minnesota Morris Digital Well

Finance Committee

Campus Governance

2-17-2022

Finance minutes 02/17/2022

Finance Committee

Follow this and additional works at: <https://digitalcommons.morris.umn.edu/finance>

UMM Finance Committee

February 17, 2022 (virtual)

Meeting Minutes

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

Absent: (Shelby Maloney away from UMM, in Washington DC)

Guests: Janet Schrunk Ericksen, Melissa Wroblewski, Jessica Dierks, Melissa Bert, Cal Mergendahl, Dylan Young

Approval of Minutes: Committee decided minutes are to be less extensive. Roger will send edited minutes from the last two meetings for the committee to review before approving.

1) Plan for Finance Meeting to Consider Assessment

- a. The Finance Committee can review the program assessment report and see the highlights on the programs need. This would be revisited yearly and the committee could give their cross-divisional viewpoint. Rebecca Dean would provide the reports. Plan to have the first discussion at the March 3 meeting.
- b. How many programs will we work with?
 - i. The programs will now be on a 5-year cycle starting last year. The committee can review the needs from that information or look at older cycles.

2) Items Related to FY 23 Budget (Questions answered by Bryan Herrmann, Melissa Bert, and Janet Schrunk Ericksen)

- a. **The Budget Instructions say to plan for a 3.85% salary increase. Discuss the possibility of requesting a lower percentage.**
 - i. What are the Implications of a 3.85% salary increase?

Over \$1 million in just the salary and fringe increase. Last year some fiscal units didn't do the 1.5% increase and Morris could request a lower increase. Labor represented salary and fringe will stay the same and that is decided during negotiations.
 - ii. Inflation compared to the salary increase

Core inflation (excluding food and energy) is at 5.4%. Inflation including food and energy is around 7-7.5%. With a 3.85% salary increase it was noted that the increase is still less than inflation. In prior years UMM has also not been able to keep up with inflation. Compensation increases look great for faculty and staff but it is a shortfall when compared to inflation while tuition increase looks bad for students when really there is a tuition "cut" for students in terms of inflation.
 - iii. Potential Furlough structured salary cut

Rather than accepting a lower salary increase, people may be more inclined to support a furlough structure in FY23. The base salary would still go up while accepting something lower and salary will be restored in the future. This would

count as a one-time reduction and not recurring. If the ask was to permanently decrease base pay there is concern what that would do to potential hiring in the future.

iv. Would taking a lower salary increase protect positions?

The majority of salary is in tenure lines and significant staff cuts have already been made. This would reduce the budget shortfall.

v. Campus Community

If furlough would be proposed it would be important to get feedback from faculty and staff. It could build morale and a sense of shared commitment or have the opposite effect with people who are already struggling, especially if other campuses get the full salary raise.

b. The Budget Instructions say to plan for a 1.75% tuition increase. Discuss the possibility of requesting a higher percentage.

i. For balancing the budget what does a higher tuition increase look like?

For every percent increase in tuition is about \$100,000.

ii. When does the request need to be made?

The materials are due February 25. The committee discussed how there is not enough time to have campus discussions and we can't move forward with decisions that may blindside people. The points the Finance Committee makes are still helpful to hear.

iii. Why ask for a higher tuition increase now?

Due to an imbalanced budget for next fiscal year a higher tuition increase will help balance the budget more. The discussion at the system level is that the Twin Cities will likely have a higher tuition increase than us.

iv. Students opposed to the tuition increase

Given the current struggles with the pandemic and rising inflation students are opposed to a higher tuition increase. The cost of living for students has significantly increased and those effects haven't been adjusted the same way in student worker salaries.

v. Offsetting the 1.75% increase for our students

If students want to work we can help them by providing/creating on campus jobs. Morris raised the minimum wage last summer. The challenges with student jobs are that most campus jobs are during the day while students are in class. Students then go off campus to look for jobs but don't want to work at some places who treat employees unfairly. The work study system is also confusing.

vi. Tuition increase decision

Morris doesn't decide the tuition increase and only makes requests to the Board of Regents. The Board of Regents decide the tuition increase. There has been push from the Board to differentiate tuition at different levels between campuses.

c. New requirement in the budget compact is to provide metrics on the MPACT 25 goals and our strategic plan goals.

i. Due to time this wasn't discussed and will be discussed at the next meeting as this will set the tone for future years.

The meeting was adjourned.