

University of Minnesota Morris Digital Well

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Finance Committee

Campus Governance

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12-2-2021

### Finance minutes 12/02/2021

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# UMM FINANCE COMMITTEE MINUTES

12-2-21 (via Zoom)

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

Members absent: Jennifer Deane, Marie Hagen, Kendra DeRosa

Others Present: Melissa Wroblewski, Jessica Dierks

## **Approval of minutes from 11.18.2021**

Brad noticed that the minutes don't capture some of the spirit of the discussion and include the topic but not the substance. He wondered if it was important to capture more. Bryan noted that part of the discussion we have on minutes is whether to take people verbatim or just try to capture the general idea. Melissa added that when members review the minutes they can track any changes they would like to make and suggest them when everyone reviews before approving so that the notetaker has what the group is suggesting for updates and/or corrections to the minutes. Roger thought it was fair to add in the previous discussion that David's questions inspired a spirited conversation. The corrections to the prior meeting minutes will be approved via email after the meeting.

## **Thoughts on Budget Headwinds & Finance Activities**

Roger attended the Budget Summit on November 8<sup>th</sup> and noted an overall concern that UMM leadership is optimistic in the enrollment numbers used for budgeting, but also senses there is no "plan B" thinking among administration enrollments don't improve

Some negative trends that plans need to account for. Among these include: CARES money that helped us won't be around in the coming years; COVID hurts enrollment and there is still uncertainty of what will happen with enrollment next year; inflation is at 6.2% which is the highest it's been in 31 years & campus is planning a 3% salary increase but this means that faculty and staff increases are behind. The Regents could come back and say there should be a higher increase to keep up with inflation.

He also noted that political headwinds may arrive and education may not be as supported. It is hard to predict government races but there will be stronger GOP control. Question of how UMM would respond if we have political leadership that is less generous to higher education.

Another concern UM system's potential challenge to our American Indian Tuition Waiver. With the President's new initiative, we should expect to have a reduced Native American enrollment which would also impact the budgeted enrollment amount UMM chooses to use for the next budget cycle. Others added that we should potentially plan for the possibility of enrollment decreasing. She wondered how we would be affected if there will be free community college.

Discussion of enrollment goal of 1,700. This committee could serve the role of thinking through the more negative scenarios and how we can deal with it.

Last point from Chair: we need to hear more detail on what Admissions is doing and recognized that we've had uncertainty and instability in Admissions for a while. Now that UMM is back to having focus on Admissions it would be good to hear our initiatives in pursuing higher enrollment numbers.

Enrollments: Committee members asked what the official enrollment currently is. Bryan noted enrollment is at 1,189. Discussion followed on whether that number is sustainable and on to encourage the Chancellor is to increase attention—possibly to the “crisis mentality” and whether budgets need reconfiguring to have more counselors. Committee discussed importance of enrollment numbers and past discussion of how UMM should be over 2,000. Some members consider goal of 1,700 as “fiction” and we need to get things on the ground that may require budgetary movement.

Response from leadership: enrollment discussed every single day, and not helped by struggles in Marketing and Communications in recent years. The Administration is trying to figure out how to make investments to make that happen. Further, only way we can grow as an institution is to increase our market share.

Response of Native American tuition piece: only effects 30 students at Morris. Dollar for dollar UMM financial aid packages are stronger. But confusion over waiver could cause people not to look at us. Committee wondered if UMM needs to put resources into marketing in key locations where we get Native American students and wondered how we can draw these students even though the Regents hate the idea of having out of state students’ tuition free.

Committee then discussed need to do marketing across the board for everyone. Member advocated for more student workers in those departments—as students are the best advocates and recruiters for Morris and bring new novel ideas.

### **Open Discussion of How Finance Can Advise & Actively Assist on Budgeting Matters**

Chair asked for thoughts on how the committee may better advise the Chancellor. Conversation centered on how Finance and Planning Committees used to be one and that any questions that arise quickly leaves the Finance Committee’s jurisdiction

Committee member noted that the committee spends a lot of time listening to how the budget is built and it takes all fall to do so, leaving less time to consult. Suggestion to know what deficit early on and to focus more on how to consult.

Discussion followed on moving part or most of the training during the fall online so the committee can hit the ground running by the end of September. Committee noted that we may not need all the material and could be comfortable accepting the budget “scenario” from Behmler as starting point, Once Finance Department identifies the size of the deficit, we, as a committee, can think of potential solutions.

Leadership appreciated this feedback as it is different than what the committee has asked for in the past. Committee concluded that most members would like to rethink the fall committee schedule.

Committee then discussed larger goal of having frank advice working in the same direction as the Administration with presenting opinions. Leadership noted that it’s a “delicate conversation” to balance as there are a lot of competing issues. Discussion ensued on potential problems of negative conversation & messaging.... Theme: it is important to be realistic, and we can still be optimistic about getting the message out there.

The Committee further discussed what the Administration would like the Committee to advise on that is useful, going into the second half of the year. Committee agreed that focusing on enrollment strategies and efforts, have Melissa Bert visit, and then discuss HLC, with a preliminary version of a regular HLC “process” for future years. The meeting was adjourned.