

University of Minnesota Morris Digital Well

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Finance Committee

Campus Governance

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3-3-2022

### Finance minutes 03/03/2022

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# UMM Finance Committee

March 3, 2022 (virtual)

## Meeting Minutes

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

Absent: Jennifer Deane, Shelby Maloney

Guests: Melissa Wroblewski, Jessica Dierks

Approval of Minutes: The minutes from 12/3/2021 and 1/20/22 were approved after a note that grammatical errors would be fixed. The minutes from 2/17/22 were approved.

### **1) Updates from Leadership (Bryan Herrmann/Melissa Wroblewski)**

The budget compact booklet was turned in last Friday. This included 3.85% salary increase projections and a 1.75% tuition increase proposal. Fee increases are also submitted that came through the ARFC and all other fees requested from the campus and departments. The overall request for the budget compact meeting was to help fund the shortfall projected to occur in FY23. There is a planned shortfall for both ORL and Dining next year as reserves were used up during the pandemic. There will be food increases due to inflation which will bring increases to the meal plans for FY23 and UMM is also requesting an increase in housing rates because of increased costs. At the Budget Compact meeting the Chancellor will present pieces of the strategic plan as requested in the compact instructions along with the funding request, and then all financial budgeting documents will be reviewed. Once the Chancellor is done presenting, they (the 'Budget 5') will ask questions on what was presented and that's the end.

Question: Are we planning to be short after this year or after next year?

Leadership: The budget compact booklet projects a shortage in FY23.

Question: Is Residential Life part of the shortfall?

Leadership: No, auxiliaries are not included in the overall campus shortfall.

Discussion: Can leadership explain dining more on where UMM stops and Sodexo begins.

Leadership: The contract is structured where we buy a certain number of meals from Sodexo. The last two years the contract was adjusted due to the pandemic. Everybody but the managers are university staff. We pay Sodexo, then Sodexo pays us back for employees. They charge us a certain rate to be open. If enrollment is high, we both see profit. During the last 2 years we redid the contract where it is Sodexo's cost plus a small fee for managing. All the retail locations and catering help reduce any shortfalls. In 2020-2021 there wasn't much catering. It is unsure how Sodexo will contract with us for the coming year. A shortfall in dining is seen systemwide.

Question: Sodexo won't know what it will cost for food. Do they have flexibility in the contract to change fees?

Leadership: Sodexo uses Consumer Price Index (CPI) as the food cost indicator. They are trying to figure out what that means and what they can get from suppliers as to how that will effect

contract and meal plan pricing. The Teamsters contract hasn't been signed yet either so labor is also unknown. Leadership is trying to figure out what the increases for housing and dining will be but don't want to price ourselves out of the market.

Question: Students are proposed to have a 1.75% tuition increase, a \$29 proposed student services fee increase, as well as increases in ORL and dining?

Leadership: Yes. We are trying to figure out and compare rates against other system campuses to see where we fall within the system cost wise. Crookston and Morris have Sodexo, the Twin Cities has a new vendor, Chartwells, and Duluth is self-operational. There aren't any proposed rates yet because there are still moving pieces.

Question: Are the cuts for next fiscal year in the budget identified yet?

Leadership: After reviewing position budgeting, vacancies, retirements, and savings with replacements the lines where the savings is anticipated is noted and identified internally. Remember the dollar amount listed for reduction includes fringe and isn't just salary dollars. The savings has been worked through with Division Chairs and/or effected departments. Some are just salary savings with retirements and filled positions.

## **2) MPACT 25 – Consideration of Metrics (Document shared via zoom)**

The system campuses weren't required to have this information included in their materials last year. This year the system campuses were told to use figures tied to MPACT 25 as well as use our own measures that highlight strategic vision. This is the first version, and UMM may add or consider other things to be added or deleted from the metrics. The accountability report and strategic wide position tracking document are included to see enrollment numbers, retention, and graduation rates. We've also changed the metric a little on scholarships and listed the number of scholarships we received from the campaign rather than percentage numbers.

Question: Do we have a current enrollment number for spring 2022?

Leadership: The official headcount for this spring is 1,140 with 1,085 degree-seeking students.

Discussion: Calendar flexibility was discussed by the Planning Committee to increase 3-year graduation rate for students who enter with 30+ credits. Why is 32% important to us and why do we have a desire to increase that number? Is the system asking to see the number or is it a goal? Professors have seen that students who have extra credits may want to stick around another semester. Leadership indicated it is the systems goal to increase 3-year graduation plans for students who enter with 60+ credits. This may include transfer students or new high school students. We want to include this to show that we have the pathways to allow students to graduate sooner.

Question: When you project student enrollment are you using this number as part of the calculation? How does a big chunk of people graduating in the middle of the academic year affect the number?

Leadership: The numbers we use already include the current rate of students graduating in the middle of the academic year. We have not adjusted future year's enrollment for an increase in the number of students graduating earlier. We need to see more data to adjust the trend line.

Some other MPact25 metrics include prioritizing research opportunities for students, achieving the Carnegie designation (Morris did in 2015), increase the number of multidisciplinary courses, carbon neutrality, and recruiting diverse students, faculty, and staff. Job satisfaction numbers

are included as well. Morris has a higher number than the Twin Cities. Other “trickier” MPACT25 goals included strengthening collaborations with tribal nations. Morris already meets with the AIAC so we talked about work Morris has already done. Student debt is under the systems goal of \$25,000 already. The Twin Cities also has a goal to increase partnerships. Morris has had discussions that it is better to have strong partnerships and not necessarily more partnerships.

Question: For fiscal stewardship, where can the Finance Committee have a role?

Leadership: A master physical plan is supposed to be on a consistent cycle. This includes where to build buildings, pathways and corridors for campus, what spaces need to remain green, etc. The pandemic postponed our next master physical plan. Since the last master plan there have been major updates with technology, including fiber network that have been done.

Question: Where can the Finance Committee contribute to this master plan?

Leadership: Last time, campus resource and planning was the committee that led the charge. The committee can focus on other metrics of MPact 25 as well as any additions related to our strategic plan. The Finance Committee can watch fiscal stewardship and student debt. The master plan is a combination of planning and finance.

At the March 31 or April 14 meeting there will be some formal HLC discussion.

The meeting was adjourned.