

University of Minnesota Morris Digital Well

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Finance Committee

Campus Governance

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11-10-2022

### Finance minutes 11/10/2022

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# UMM Finance Committee

November 10, 2022

## Meeting Minutes

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

Absent: Bart Finzel

Guests: Melissa Wroblewski, Jessica Dierks

### 1) Approval of Minutes

There was a motion to approve the minutes from October 13, 2022. The motion was seconded and approved unanimously.

### 2) Finance Leadership Presentation: FY24

#### Document 1 – Enrollment Predictions

This document shows past enrollment information and predicts future enrollment. It is broken down by cohort for continuing students to show the retention each year. This document only includes degree seeking students. Post-secondary and non-degree seeking students are not included.

Question: Where are the students that just do a few classes with us?

Answer: They are not in this document since they aren't degree seeking.

Discussion: Frustrations were expressed about how enrollment numbers continue to decline. Even though we are somewhat out of the Covid pandemic, enrollment numbers declining is still very much pandemic induced from lower retention. The chart shows the retention rate from last year is lower than other years. The fall 2021 class was lower than others which is proof that the experience for students on campus during Covid hasn't been as good as pre-pandemic experiences.

This document will be reevaluated as we learn more. It currently predicts Fall 2024 through the Fall 2027. Enrollment numbers are shown to slowly increase. There is hope that some SUFE students will come back which would increase enrollment. There are a lot of things that need to happen to get more students but this budget is built on slow growth.

Question: If Morris hit these goal numbers would the extreme pressure be reduced?

Answer: Yes, these numbers are shared with the Budget Office and any growth would be well received.

Discussion: For retention, we should be doing a lot more to connect students to professional career opportunities. This is something that the Finance Committee could think about. One piece of retention that we had years ago was a fully staffed Career Office. Now it is on the shoulders of one person and it has to make a difference in the students we are retaining as we need to convince students that this degree is worth the investment and time.

Question: What percentage of loss is due to retention vs admissions loss?

Answer: The Finance Office doesn't have this calculated. This would be difficult to determine.

Question: This would seem to be important to figure out where to put effort. It would be good to know whether the bigger problem is recruiting students or retaining them.

Answer: The problem is both recruiting students and retaining them. We had years where we had many freshman students and didn't retain them so that is challenging.

Discussion: Members were not sure how far the Finance Committee can go to try and help deal with retention because of the fundamental questions of how able we are to retain students. There has been a deterioration in campus community life and the energy is very low. These are fundamentals Morris would have to overcome which are beyond the purview of the Finance Committee for retention. It would be difficult for us to comment as we don't have a way of bolstering students to keep them in terms of career preparation and community life. Retention must be looked at more holistically and that is beyond our committee.

Question: The chart projects that Morris will return to higher retention rates rather than returning to past admissions rates. For Admissions, is a component of the problem the general environment and the pool of high school students? Does our Admissions Office not have enough resources?

Answer: Part of the reason is projecting lower numbers is the landscape will be challenging for new students in 5 years.. Morris is focused on trying to get international students back as that was 30-40 students a year.

Question: When we look at new freshman classes coming in during fall 2021 and fall 2022, do we see more students coming in and participating in activities such as music or athletics? Since high school students during the pandemic were cheated of theatre, athletics, and other performance programs do we see more students coming in and participating?

Answer: This year was a bigger number for athletics. The football team had the biggest recruiting class that they have had in many years. Music has been less but choirs and bands not being able to play for a year may have impacted on some of the trajectory of that.

Discussion: While there is a lot of student interest in the performing arts, there has been an uphill battle of getting students in the door. Currently there are coaches that recruit for athletics but we could also focus on getting students to come to Morris for performing arts. If

we were able to get these students they'd likely want to stay. Performing Arts faculty have proposed representing Morris at art schools but never heard anything of it. There have been efforts made from doing things on Morris' social media accounts. It is planned to do a performing arts theatre dance on Admissions Day this spring so we can see what comes of that.

Question: Does Morris keep more in-state students compared to out-of-state students?

Answer: That information isn't on the materials we looked at but is looked at by Enrollment Management.

#### Document 2: Comparison of Tuition FY24 to FY28

This document takes enrollment numbers and projects what the campus will receive in tuition as well as what waivers will come. The document has modeled that tuition will grow as we project a higher student enrollment.

Question: Is this document in current dollars?

Answer: Yes, there are no tuition increases shown in this document although there will likely be increases in tuition rates.

#### Document 3: FY24 budget planning projections

This document shows projected expenses only for FY24 budget planning and what we need in one time money to solve our carryforward imbalance from FY23 budgeting. This also shows tuition variance expected between FY23's budget plan and FY24's budget plan for tuition. The compensation increases are very preliminary but salary increases are currently shown.

Question: What is the nature of one time reductions to be made permanent?

Answer: This is an amount that the Finance Department hasn't found recurring dollars to solve the imbalance yet. The campus will need to continue to find ways to make recurring dollars cuts to help cover this amount.

#### Document 4: Multi-Year Projection FY23 – FY28

This document is used to help see what the budget would look like if we 'pulled different levers' to help make everything balance. It uses the same tuition and enrollment projections as well as showing one-time reductions to be made permanent. The Finance Department will make a strong case to the Budget Office that it is challenging to have a significant salary increase and get a smaller allocation increase. This document shows modest growth, salary increases, some reduction in salary and fringe, and shows that in a few years, if we followed this option listed on the document, UMM would not have a shortfall.

Question: Our allocation increase that we ask for, will we get that amount every year?

Answer: We likely won't get what we ask for but any increase in allocation is compounding and is new recurring dollars.

Question: What is the calendar year used by the system for inflation?

Answer: The system typically uses an academic year for inflation but also has other numbers they pull in with different ways to calculate inflation.

Discussion: If we look at the current year inflation, it throws everything off. Even a 4% increase in salary is almost a cut in salary when compared to inflation. Likewise, a tuition increase at 1.5% is almost like a savings when compared to inflation. It may be helpful to know what the system uses for a timeframe of inflation when the committee discusses what a reasonable salary increase is. Inflation will likely go down this year and could look more like a 5-6 percent rate in June rather than if using a yearly calendar which is looking at 8-9 percent.

Question: How does the tuition waiver factor into this? Is central administration covering a certain percentage?

Answer: The percentage has been calculated and Morris would bear about \$1.7 million of that.

Question: Is there any movement on that ground? Our budget would shift dramatically if the system or state would take over the tuition waiver cost.

Answer: The Finance Department along with the VC group continues to make this argument. The state allocated Morris \$500,000 directly for the waiver back several years ago that we continue to receive. There is money that central has given UMM to use for the tuition waiver but it is tricky since it isn't specified what the allocation was to go towards. The University is still trying to work at the federal level to receive funding also. Chancellors have tried to argue our case and may receive support someday.

The meeting was adjourned at 12:41pm.