

2-21-2014

## Finance minutes 02/21/2014

Finance Committee

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# UMM Finance Committee Minutes

2.21.14

Members Present: Gwen Rudney, Michael Korth, Dennis Stewart, Sara Haugen, Pieranna Garavaso, Timna Wyckoff, Ellery Wealot, Brad Deane, Laura Thielke, Mary Zosel, Sam Fettig

Members Absent: Lowell Rasmussen, Jayne Blodgett

Guests: Jacquie Johnson, Colleen Miller, Melissa Wrobleski-Note Taker

## Agenda:

### 1. Approval of minutes:

No corrections were made to either the January 31<sup>st</sup>, 2013 or February 7<sup>th</sup>, 2014. They were both approved.

### 2. FY15 Budget Preparations:

Colleen started out the meeting by providing a handout of the Preliminary FY15 Budget Challenges showing the scenario from last week as well as two more scenarios for the committee to give feedback on. Once Colleen had gone through each of the scenarios with the committee, the floor was opened for questions.

- How are the amounts determined when it comes to the retirement savings amount? How close will they be this year?
  - The names are known currently of the \$353,000 who are retiring or being replaced and the change in salaries should amount to this. The amount will not be finalized until closer to the start of FY15. Also, if there are voluntary layoffs, this would also change the amount. Reorganizations are also happening in some areas of campus and this may also change this amount. But to reassure everyone, the reallocation of (\$514,000) is planned to be achieved without involuntary layoffs.
- How feasible is the Merit Scholarship reduction?
  - Bryan Herrmann believes he can stay within the range stated. There are never any guarantees but the plan currently seems doable.
  - It was also stated that flexibility in other areas should help to make the goal of staying at or below the amount listed for the Merit Scholarship.
  - We are currently tracking trends for our students and working with retention to understand better what kinds of students we have and what kinds of scholarships they receive. This also helps get a better estimate of what and how much is needed for scholarships.
- The tuition revenue is shown as basically not changing even though enrollment is projected to increase significantly. How can we understand that?

At this point Colleen went through a spreadsheet showing Degree Seeking Enrollment and Tuition from FY10-14 to show our average yield per student, budget, and actual each year and how we are budgeting for FY15 with this information. She also mentioned that fall enrollment is only one factor in

the budgeting process. There are other variables that go into it including the fall to spring 'melt' and the fact that not all students pay full tuition.

Other comments made:

- When it comes to Scenario B and C and the 8% and 3% reduction to SE&E on campus, it would not be "across the board." The decisions of where to cut funds around campus will be determined with assistance from the Vice Chancellors.
- Gift funds are also something to be discussed. It would be good to get more info on the different funds that are available for use by different departments. Laura also mentioned that if departments are using the funds and donors hear of how they are spending the funds, that the donors may increase donations.
- The Division of Science and Math O&M budgets are lower now than they were 15 years ago. How are departments supposed to make it when the prices of supplies/equipment and shipping (post 9/11) continue to go up and the budgets continue to go down?
  - Unfortunately hard decisions need to be made. We are lean already and we need to continue to track where we are spending to understand if reallocations need to be made or not.

At the end of the meeting the committee was asked what scenario of the three they would recommend. It seemed like the consensus was to go with the only balanced budget choice, Scenario B, although no one wanted to see the 8% SE&E cut. To choose an unbalanced budget plan is to continue to run down the contingency fund and soon there will be no contingency fund to fall back on.

Meeting adjourned.

Next meeting is Friday, February 28, 2014 in the Moccasin Flower Room at 2:10 pm.