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## Finance minutes 09/25/2014

Finance Committee

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# UMM Finance Committee Minutes

9.25.14

Members Present: Dennis Stewart, Michael Korth, Sara Haugen, Pieranna Garavaso, Timna Wyckoff, Ellery Wealot, Brad Deane, Mary Zosel, Lowell Rasmussen, Jong-Min Kim, Jayne Blodgett, Laura Thielke, Marco Riley

Members Absent:

Guests: Colleen Miller, Melissa Wroblecki-Note Taker

Agenda:

1. Introductions:

Due to members not present at the first meeting, we went around the room again and introduced everyone who was there at the time.

2. Approval of minutes:

There was some debate over the comment about Michael Korth providing minutes from a Senate Committee on Finance and Planning, but it was decided to leave it as is. No other issues came up and the committee approved the minutes.

3. Continue Agenda Item Discussion:

Dennis had a handout on proposed topics for the meeting dates this semester. Lowell agreed to present on October 23<sup>rd</sup>. For the November 6<sup>th</sup> meeting it was stated that members would like to know how the new merit based financial aid model is working for UMM; they would like a review of recent history; are we getting the students we are trying for; how long can we continue at the current rate; is the average ACT score of our students increasing (and other similar metrics)?

Other potential topics for the November 20<sup>th</sup> and December 11<sup>th</sup> meetings included:

- Discuss the Compact Requests for particular requests, and the Institutional Reporting position. Members expressed they would like to know how UMM fared over the past few years on our requests and what we are doing with the funds. The committee would also like to know about the nursing position/program and where that is at currently.
  - It was suggested Jacquie Johnson be invited to be part of this discussion.
- Fiscal Metrics. Dennis stated this is an important topic and should be discussed by this committee.
  - Lowell mentioned that Aaron Horn will be a guest to this campus in February to speak on this topic and wanted to give the committee a heads up.
- Expansion of MSAF. Bart shows concern about the project growth now, a committee member stated. Hilda Ladner may want to be here with Bart for that meeting due to other topics that maybe mentioned in that meeting. If she is able to be here, she could also discuss the new International Student Fee and what it is used for, and also the Great Lakes Grants.

#### 4. Review of FY2014 budget and FY2015 approved budget:

Colleen Miller came to present on this topic today, and provided three handouts. The handout discussed in today's meeting was the FY15 Budget/Compact Meeting. The handout provided information on the sources and uses of incremental O&M funding.

Colleen started out by stating that what is presented at the compact/budget meeting is not guaranteed. Many changes come between the compact meeting and when the budget actually gets entered. She also stated that if they take money away or don't authorize funds for your campus, they don't necessarily give a reason. An example of this is on line 7, (Reduction in O&M) of the handout. Lines 5 (FY14 Tuition Increase) and 6 (FY15 Tuition Decrease) also show that it is not a given that a campus gets to keep excess tuition. Further down the page she also pointed out that for some reason, they did not approve our request for the Merit or U Promise scholarship increases. A request Native American Tuition Waivers was approved. Once she was done explaining the handout she asked for questions.

Questions on the FY15 Budget/Compact Meeting handout:

- What is the \$300,852 from the Native American Tuition Waiver going to be used for?
  - It will/is being used to help increase faculty salaries. \$100,000 in salary dollars (plus fringe) will be added each year for three years, which started in FY15. The remaining \$200,000 for the year will be used to balance UMM's FY15 budget. UMM plans to increase faculty salaries by \$100,000 each year in FY15, FY16 and Fy17. Chancellor Johnson approved the first \$100,000 in faculty salaries in FY15. The second and third \$100,000 will be contingent on UMM being able to balance its budget in each of the next two years including any new reallocation targets that are established as part of the budget process.
  - Colleen also mentioned that, when questioned, President Kaler decided to grant UMM an additional \$256,000 in non-recurring funds which will not be received until the end of the fiscal year in June 2015.
- When UMM is granted all these funds each year, is the Twin Cities concerned on how the funds are spent?
  - Yes. The Budget/Compact instructions always ask how previously awarded funds have been used.
- Why do we sit through meetings to request things that are denied? Isn't the Compact about requesting new monies?
  - The Compact is new and continued money, e.g. salaries are figured through the general Budget/Compact Instructions. You also have to realize that the funds are not always recurring funds.
- Where do you see UMM ending up at the end of FY15 balance wise?
  - The budget we put in each year is a plan for the year. We have no way of knowing now where we will end at the end of the fiscal year. We planned to cut our expenses by \$514,000, but we will have to see how well we do.
- What does the \$100,000 for the Job Reclassification go to support?
  - It helps cover the salary & fringe increases in the jobs that have been re-classed as part of the study. As shown on the handout, actual-to-date costs for this study is \$46,430.

Meeting adjourned.

Next meeting is October 9th, 2014 in the Moccasin Flower room at 3:30 pm.