

# WELCOME

All-College Meeting • April 17, 2009

# A Lot of Good News

- Solar decathlon proceeding well
- Successful accreditation visit
- Programs in high demand
- Research funding growing
- Faculty winning awards and recognition
- Students active and engaged
- Staff running a smoothly operating ship

# High Season for Events

- Upcoming lectures
- Final studio reviews
- College advisory board meeting
- Graduating Student Exhibition
- Commencement
- Goldstein Garden Party
- Retirement parties

# Challenges and Opportunities

- Impact of being a new college
- Impact of decentralized budget model
- Impact of Enterprise Financial System
- Impact of changes in SPA
- Impact of economic downturn on foundation funds and University

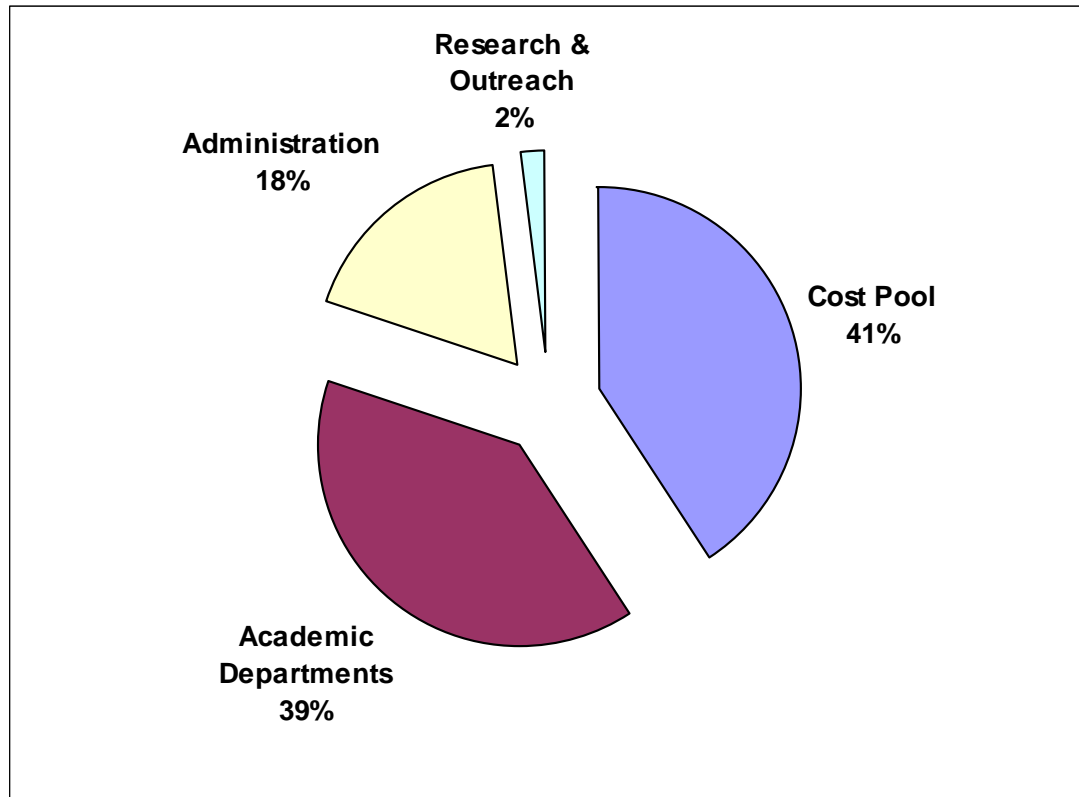
# Our Current Situation

- We don't generate enough revenue to support a college our size
- Result: a \$1.2 M structural deficit
- We submitted a plan to address it in FY 2010
- University also wants colleges to model 5-8% cuts in O&M (\$1.1 M - \$1.8 M)

# FY09 O&M Budget (State Appropriation and Tuition)

Cost Pool	9,276,648	41%
Academic Departments	8,886,824	39%
Administration	4,109,388	18%
Research & Outreach	<u>468,874</u>	2%
	22,741,734	

# FY09 O&M Budget (State Appropriation and Tuition)



# Limitations & Uncertainties

- We are limited in what we can cut
  - Cannot cut cost pool (41% of budget)
  - Cannot cut faculty compensation (37%)
- May not know until end of May what our FY10 allocation is
- Decisions by Governor and at legislature affect decisions in Morrill Hall

# Planning Process

- Scenarios in February 11 presentation
  - Across the board reductions
  - Differential reductions
  - IMG model
  - 50/50 split: admin and departments
- Discussed at February 13 meetings
- Collected feedback from across college
- Held budget & planning meetings with all units, who modeled 10% cuts

# Factors Considered

- Balance impact to students and faculty
- Keep services at highest possible level
- Past reductions and unallotment
- Current and pending vacancies
- Move departments toward IMG model
- Move R&O units off of O&M
- Minimize lay-offs
- Tried to be as fair as possible

# Deficit Reduction Plan

- Temporary % reductions of deans' salaries and some admin staff salaries
- University freeze all non bargaining unit salaries (pending contract negotiations)
- Targeted reductions in admin and departments
- Put faculty searches on hold
- Generate new revenue

# FY10 O&M Structural Deficit Plan

Academic Departments	-740,000	58%
Administration	-359,280	28%
Research & Outreach	-184,700	14%
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	<b>-1,283,980</b>	

Cuts to Admin in FY08 and FY09 total \$850,000 (+ \$359,290) = \$1,209,290

# Revenue Context and Criteria

- We are in control of our own fate and we keep most of our new revenue
- We need to look for both short- and long-term solutions
- We should focus on “low-hanging fruit” and most promising ideas
- We should look for structural ways to make ourselves more efficient

# Revenue Opportunities

- Research: Increase proposals for external funding
- Outreach: Think creatively about our connections with communities
- Tuition and fees: Benchmark against other colleges
- Facilities: Lighting, exhaust systems, solar panels, etc.
- Summer: Workshops, programs, camps

# Curriculum Adjustments

- Open unfilled courses to community
- Analyze student credit hour generation
- Market to non-traditional and non-design students
- On-line/weekend/evening courses
- Certificate programs

# Example

- 21% of all SCH generated in the College of Design comes from non-CDes students
- University average is 29%
- If CDes were at 29%, the additional revenue would be \$398,000
- Other examples

# Moving Forward

- Communication plan in the works
- Goal is to replace current cuts and temper future cuts with additional revenue
- Need to establish baseline of what we're doing now
- Need to establish tuition attribution formulas for new revenue

**COLLEGE OF DESIGN**

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UNIVERSITY OF MINNESOTA

**2009 Honors and Awards Presentations**

May 8, 2009 - 8:30am-9:30am

Mississippi Room, Coffman Union

Breakfast Buffet Available at 8:00am

RSVP to Laura Walton by May 1st

612-626-6385 or [lwalton@umn.edu](mailto:lwalton@umn.edu)

# Questions? Discussion.