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)*

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Pool</td>
<td>9,276,648</td>
<td>41%</td>
</tr>
<tr>
<td>Academic Departments</td>
<td>8,886,824</td>
<td>39%</td>
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<tr>
<td>Administration</td>
<td>4,109,388</td>
<td>18%</td>
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<tr>
<td>Research &amp; Outreach</td>
<td>468,874</td>
<td>2%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>22,741,734</strong></td>
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FY09 O&M Budget
(State Appropriation and Tuition)

- Cost Pool 41%
- Academic Departments 39%
- Administration 18%
- Research & Outreach 2%
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%

-1,283,980

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
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
Questions? Discussion.