
The University Senate

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UNIVERSITY OF MINNESOTA

Senate Committee on Finance and Planning (SCFP)

January 23, 2024

Minutes of the Meeting

These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions or actions reported in these minutes reflect the views of, nor are they binding on, the senate, the administration, or the Board of Regents.

[**In these minutes:** PEAK Implementation Update; FY 2025 Budget Variables and Levers; Committee Discussion]

PRESENT: Elizabeth Davis (chair), Bart Finzel, Tony Fussy, Cade Geldreich, Frank Gigler, Muneeb Hafeez, Caroline Hilke, Michael Iselin, Lincoln Kallsen, Jill Merriam, Ellen Messer-Davidow, Gary Nelson, Amy O'Connor, Alice Roberts-Davis, Carl Rosen, James Pankow, Jeffrey Todd, Julie Tonneson, Bhaskar Upadhyay, Michael Volna

REGRETS: Mark Miazga

ABSENT: Ardeshir Ebtehaj, Myron Frans, Laura Kalambokidis

GUESTS: Ken Horstman, vice president, Office of Human Resources; Emily O'Neill, program director, PEAK Initiative

OTHERS: Janelle Broesch, assistant vice president and assistant chief operating officer, Office of the Senior Vice President for Finance and Operations; Amber Bathke, senate associate, University Senate Office; Gary Engstrand, representative, University of Minnesota Retirees Association (UMRA); Jessica LeBlanc, assistant to the senior vice president, Office of the Senior Vice President for Finance and Operations

1. PEAK Implementation Update

Professor Liz Davis, chair, started the meeting by welcoming Ken Horstman, vice president for human resources. Horstman introduced Emily O'Neill, PEAK program director, and shared his [slide deck](#), which was presented to the Board of Regents at their December 2023 meeting. Horstman and Interim Vice President and Interim Chief Financial Officer Mike Volna co-presented and responded to questions addressed by committee members covering the following topics:

- Expansion of skills for staff who transitioned to a centralized position in the operations center;
- Clarification of PEAK's purpose which includes the reassignment of work and not a plan to downsize staff;

- Deficit of approximately 200 staff positions on the Duluth campus as a result of staff accepting a Retirement Incentive Opportunity (RIO);
- Change to federal law that allows I-9 forms to be processed virtually; I-9 processing may be added to PEAK at a later date;
- Satisfaction surveys included with finance activities to collect real-time feedback;
- Some members shared concerns with the cost of the PEAK program.

2. FY 2025 Budget Variables and Levers Presentation

Interim Senior Vice President for Finance and Operations Julie Tonneson, shared her [slide deck](#), which was presented to the Board of Regents at their December 2023 meeting. Tonneson responded to questions addressed by committee members covering the following topics:

- Phrases such as “traditional merit pool” or “general merit pool” used in the presentation to the Board and how it differs from a cost of living increase;
- Support for students with financial need through two new programs such as American Indian Scholars Program and the NorthStar Promise Program;
- PEAK’s purpose to increase service, consistency, and efficiency while decreasing risk;
- Three types of savings as a result of PEAK: 1) actual budget savings potential, 2) productivity gain through work reassignments, and 3) cost avoidance;
- Addition to the support service unit cost-pools; non-recurring funds used to pay academic units to cover the increase during the transition;
- Top four institutions in the Big 10 for resident undergraduate tuition excluding Northwestern: 1) Penn State, 2) Illinois, 3) Rutgers, and 4) Michigan;
- Keywords to use or topics to avoid when presenting to the state legislature; avoid a sense of entitlement and find different ways to justify the request.

3. Committee Discussion

Davis opened the floor to the committee for comments, PEAK discussion debrief, or future discussion topics.

Davis reported that she had received negative feedback on parts of PEAK that are not working from some colleagues on the Morris campus and at the Humphrey School who are part of phase 1. She encouraged PEAK administrators to get input from the “boots on the ground” and to monitor staff departures and turnover. On a positive note, there are some staff who might have left the University but instead moved to a central position and discovered a clear career path. Some staff in PEAK phases 2, 3, and 4 have expressed concerns on the lack of communication around the process.

Frank Gigler asked if there is a possibility that the central positions will be filled by phase 3 or 4 leaving fewer options for unit-level staff in these phases. Davis will follow up with VP Horstman.

Tony Fussy emphasized the importance of getting feedback not just from deans, Resource Responsibility Center managers, and cluster directors. He questioned the accuracy of the survey results when less than 200 surveys have been collected on more than 5,000 transactions. He expressed concerns about how PEAK will handle the tens of thousands of documents that are generated daily and concerns around the number of people retiring from the University recently.

Amy O'Connor commented on being surprised by how many people think University employees have pensions like K-12 educators. Anecdotally she has spoken with people who are making preemptive moves rather than waiting for PEAK.

Ellen Messer-Davidow commented on how the information about PEAK focuses on the structure and process. She expressed concern with the people who are being impacted by PEAK including staff who are moving from units to a central position, staff who stay in their units, staff who leave the University, and the people using the services. She is also concerned with the amount of money being paid to Huron for the first three contracts for PEAK. She noted that some of the Regents questioned the cost of the contracts and stated that Huron isn't the only cost associated with PEAK. She stated that the SCFP should expect more information about the impacts to staff and the costs associated with the program.

Mike Iselin noted that committee members are information consumers and not producers of suggestions or advice. He asked if there is a responsibility among members to disseminate the information to others. Davis stated that she has been working with University Senate Office staff to involve the committee in the budget process earlier on to provide input and suggestions before decisions are being made. There are some items that need to be presented to the Board as information before it can come to the committee. There will be an opportunity at the February SCFP meeting for members to provide input to Julie Tonneson on the budget model process. Davis acknowledged that an important role of committee members is to disseminate information to colleagues. As chair, she is responsible for bringing information to the Faculty Consultative Committee and Senate Consultative Committee on the work of the committee or issues that are found.

Carl Rosen stated that he provides some information to his unit's faculty meetings around compensation or the University's budget. He expressed concerns with the direction the University is going and asked if having an interim president has an impact on the budget. Julie Tonneson stated there has not been a change to the way the University views the budget during the interim presidency. She noted that the university's presidents, including the interim, are unique and acknowledged that some of the decisions brought forward to the Board under Interim President Ettinger may be different from Presidents Kaler or Gabel.

Rosen asked if it would be appropriate for the president to attend a future SCFP meeting one time, perhaps at the beginning of the year. Davis agreed that the new president, once named, could attend a meeting to share their priorities with the committee. Gigler stated the University president attends regular meetings with the Senate Consultative Committee. He added that when he was a committee chair, he would bring relevant topics addressed by the president back to his committee for their information.

Iselin asked if there is any private information being shared with the committee that should not be disseminated to units. Davis clarified that the SCFP meetings are public and the information within them is public. She encourages members to use their discretion with regards to the viewpoints shared by individual members.

Jaclyn Adair
University Senate Office