

**FINANCE COMMITTEE
TRUSTEES OF METROPOLITAN STATE COLLEGE OF DENVER**

**Wednesday, April 23, 2008
3:00 – 5:00 p.m.
Administration Building, Room 570/575
Auraria Campus**

I. CALL TO ORDER

Trustee Martinez called the Finance Committee meeting to order at approximately 3:00 p.m.

PRESENT: Trustee Mark Martinez; Trustee Antonio Esquibel; Trustee Ellen Robinson – *EXCUSED*; Trustee Robert Cohen – *EXCUSED*; Student Trustee Kevin Harris; Vice President for Administration and Finance, Natalie Lutes; Internal Auditor, Steve Gonzales; Associate Vice President for Administration and Controller, George Middlemist; Director of Accounting Services, Liza Larson; Budget Director, Stephanie Moran; Vice President for Information Technology, Carl Powell; Vice President for Student Services, Dr. Kathy MacKay; Interim Associate Vice President/Dean of Student Life, Emilia Paul; and Associate Vice President for Enrollment Services, Judi Diaz Bonacquisti.

APPROVAL OF MINUTES

A motion was made to approve the minutes from the March 18, 2008 Trustee Finance Committee meeting. The motion was seconded and approved.

II. DISCUSSION ITEMS

A. FY2008-09 Base Budget Parameters & Proposed Allocations

The base budget parameters and proposed allocations were presented to the committee for review before going to the full board May 7th. The preliminary new year budget was built using the following revenue assumptions:

- a 7.5% tuition increase along with changes for; which is an estimated increase of \$4.7 million.
- an increase in the COF stipend of \$3 a credit hour; which is an increase of \$2.5 million.
- an increase in the fee-for-service allocation of \$2.4 million.

The college is using the JBC's enrollment forecast, which ties to the Long Bill.

Around the February to March timeframe the requests are submitted to the budget office for funding needs for the coming fiscal year. These requests include mandatory costs, items that tie to the college's strategic plan, and items to support the institutional infrastructure. Items included in the mandatory cost category include classified compensation increases at an average of 8 percent, increases to AHEC and the library, and increases to rent and bad debt. Requests falling under the college's strategic plan include funding of Hispanic Serving Institution (HSI) initiatives, further support of the First Year Program and Diversity office, and support of the tri-board initiatives that resulted from the tri-board retreat. Examples of funding requests that support the institutional infrastructure include faculty and administrator compensation increases and base increases in materials,

travel and capital budgets. The finance committee supported the proposed FY2009 parameters and allocations for submission to the full board in May.

B. FY2008-09 Tuition Schedule

The college is proposing increasing tuition by 7.5% for both resident and nonresident students. This equates to a \$7.60 increase per hour for residents and a \$32.90 increase per hour for nonresidents. The Accelerated Nursing program is also increasing its rates by 7.5% from \$294 per credit hour to \$316 per credit hour. The program has not increased its tuition since 2005. The finance committee supported the proposed changes in the tuition schedule for submission to the full board in June.

C. FY2008-09 Program Fees

The academic program fee changes for FY2009 include increases in three fees. All three areas are increasing their program fee to cover additional equipment and supplies and to increase access to technology. The process for increasing program fees is for the academic departments to submit proposed increases to the Academic Affairs office; which are then shared with Student Services and the Student Fee Review Board. Students are given the opportunity to offer feedback on the proposed new fees or fee increases. The Student Fee Review Board, which is composed of five people from the Student Government Assembly (SGA), makes a recommendation to the Vice President for Student Services and the President. Overall, the students that responded were supportive of these increases and felt they were reasonable. The finance committee supported the proposed changes in program fees for submission to the full board in May.

D. FY2007-08 Third Quarter Unaudited Financial Statements

The financial statements for third quarter were presented to the committee.

E. Internal Audit Update

Internal Auditor, Steve Gonzales gave an update on the current status of his Audit Plan and reviewed the progress made on the eMERGE and SIP projects.

F. Future Agenda Items for Discussion in May

The following items will be discussed at the May Finance Committee or another future meeting: key measures for evaluating programs, net discount tuition rates/financial aid impact, peers, and the possibility of adding a separate audit committee.

G. IT Review

Vice President for Information Technology, Dr. Carl Powell provided the committee with a review of the IT department including areas of strength, weakness, opportunities, and threats.

Strengths:

1. Presidential awareness and commitment
2. Strong web identity, functionality, and services
3. IT technical expertise
4. IT willingness to help

Weaknesses:

1. IT willingness to help

2. IT accountability

Opportunities:

1. Strategic partnerships and internships
2. IT service management

Threats:

1. Growth of software costs – 15% annual maintenance, 5% annual increase
2. Unconstrained growth – email, servers, bandwidth, access
3. Insufficient disaster recovery systems
4. IT silos – people and process

Dr. Powell was asked to prioritize and assign the estimated associated costs to each of the threats so the committee can review and make plans for the best way to address these issues. It was discussed that the college may want to consider hiring a consultant to assist in evaluating the disaster recovery system and to help create a plan.

III. ADJOURNMENT

At approximately 5:00p.m. a motion was made and seconded to convene into executive session and adjourn the Finance Committee Meeting. The motion passed unanimously.