

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

**Tuesday, November 18, 2008
8:00 a.m. – 10:30 a.m.
Administration Building, Room 570/575
Auraria Campus**

I. CALL TO ORDER

Trustee Robinson called the Finance Committee meeting to order at approximately 8:00 a.m.

PRESENT: Trustee Ellen Robinson; Trustee Mark Martinez; Trustee Antonio Esquibel; Trustee Dawn Bookhardt - EXCUSED; Student Trustee, Jacy Pickens; President Steven Jordan; Vice President for Administration and Finance, Natalie Lutes; Internal Auditor, Steve Gonzales; Associate Vice President for Administration and Controller, George Middlemist; Budget Director, Stephanie Moran; and Vice President for Information Technology, Carl Powell.

APPROVAL OF MINUTES

A motion was made to approve the minutes from the October 10, 2008 Trustee Finance Committee meeting. The motion was seconded and approved.

II. DISCUSSION ITEMS

A. Capital Project Funding Options

Dr. Jordan and Vice President Lutes have been working with a public finance advisor, Ms. Stephanie Chichester to come up with funding options for our capital construction projects. In the preliminary models being developed the college is considering leveraging a fee or tuition increase above an inflationary increase that would support capital projects and be a mechanism for movement towards closing our funding gap relative to our peers. For FY2008-09 Metro State is funded at 48.7% of the weighted peer average, or the 24th percentile. These funding options are still in the development stage. Another meeting has been scheduled with Ms. Chichester for November 20th to discuss the college's debt capacity. Staff will have more information on the capital project funding options in the coming months.

B. FY2009 First Quarter Unaudited Financials

The FY2009 First Quarter Unaudited Financial Statements were reviewed. As expected, the areas of tuition, fees, scholarships, and allowances are up over last year at this time. This is due to increasing the tuition rates and a slight increase in our enrollment. Overall, there were not significant items of note.

C. Internal Audit Update

Internal Auditor, Steve Gonzales, gave an update on the status of his current audit projects.

D. IT Update

Dr. Carl Powell, Vice President for Information Technology gave an update on the activity that has occurred as a result of the internal audit review of IT's fiscal processes.

1. A new budget forecasting system was implemented to push accountability down to his direct reports. The system looks at what has been spent, but also has a forecasting component to show what is expected for the remainder of the fiscal year. The next step after the first year is to move to a five year plan. IT is also looking to hire a dedicated budget manager.
2. As a result of the outage that we experienced on the Banner system last March, we have spent the last six months acquiring new systems and migrating off of the old ones to newer more reliable equipment.
3. The eMERGE system is operational, but we are in the process of cleaning up and validating data.
4. Secured access restriction to the IT department has been completed.
5. As a result of the slower response time to help calls with the move to an off-site vendor, calls will be handled within the IT department during the hours of 8 a.m. to 5 p.m. Monday through Friday. A new IT walk up support area in the West Classroom was established to provide more accessible support in the heart of the campus.
6. IT worked with AHEC on a new emergency notification system that went live on October 1, 2008. The switch of vendors was made with zero interruption to our systems.
7. Program managers within the IT department have been participating in focused trainings on college processes.
8. The IT division has instituted a project priority ranking system utilizing the categories of gold and silver projects. This system enables the IT group to prioritize projects.

E. Key Measures for Evaluating Programs

The committee discussed the issue of low performing programs and the need for measures of effectiveness for these programs. It was suggested that we identify our lowest performing programs and establish as a Board the key measures for these programs. It was further suggested that the program review not be restricted to those programs that have historically been on list, but to identify the bottom performing 20 percent of all our programs and put them on a year-to-year evaluation process. It was also discussed that it is most appropriate for this process to originate in the Academic and Student Affairs subcommittee and then flow to the Finance Committee for review. Dr. Jordan will discuss this opportunity with the chair of the Academic and Student Affairs subcommittee to determine how to appropriately proceed.

F. Net Discount Tuition Rates/Financial Aid Impact

The committee discussed the impact of tuition discounting and the implication of this practice when comparing our data to our peers. Natalie notified the committee that this is not an issue with the NCHEMS peer data as it has been accounted for.

G. Separate Audit Committee

After discussing the option of forming a separate audit committee, it was decided to leave the audit review function as it currently is within the Finance Committee structure.

III. ADJOURNMENT

At approximately 10:30 a.m. a motion was made and seconded to adjourn the Finance Committee Meeting. The motion passed unanimously.