**METROPOLITAN STATE UNIVERSITY of DENVER**

**BOARD OF TRUSTEES**

Finance Committee Meeting Minutes

Thursday, May 9, 2019, 8:00 a.m. – 10:15 a.m.

Jordan Student Success Building

890 Auraria Pkwy., Room 400

**I. CALL TO ORDER:**

The meeting was called to order at 8:01 a.m. by Finance Committee Chair, Wendy Dominguez.

**Board of Trustees Present:**

Chair Wendy Dominquez, Trustee Barb Grogan, Trustee Marissa Molina, Trustee Jim Mulligan, Trustee Russell Noles, Trustee Jack Pogge, Trustee Jeff Shoemaker

**MSU Denver Personnel Present:**

Janine Davidson, President; Vicki Golich, Provost and Vice President for Academic and Student Affairs; Cathy Lucas, Vice President for Strategy and Chief of Staff; Deputy General Counsel Nicholas Stancil; Jinous Lari, Director of Budgets; George Middlemist, Associate Vice President of Administration and Controller, Interim Vice President Administration; Ann Murphy, Dean, College of Business; Cipriana Patterson, Deputy Budget Director; Liza Larsen, Director of Accounting Services; Elizabeth Hinde, Dean, School of Education; Arlene Sgoutas, Dean, College of Letters, Arts and Sciences; Jennifer Capps, Dean, College of Professional Studies, and other various staff members.

**II. APPROVAL OF MINUTES:**

A **motion** was made by Trustee Pogge to approve the February 7, 2019, Finance Committee minutes, and was seconded by Trustee Mulligan. The motion was **unanimously approved**.

**III. DISCUSSION ITEMS:**

1. **Internal Audit**

Timesheet/Payroll Audit – spring 2019

Recommendations:

* Modify individual access permissions for web time super users
	+ HR – access to only personal information
	+ Payroll – access to only edit hours worked
* Eliminate web time approval permissions for all super users
* Develop and implement written procedures and training program for the management of student employee timesheets

Overall, the current process needs to become more efficient and the internal controls over time reporting need to be strengthened. The University’s professional staff will be working to improve the segregation of duties with some of the HR and Payroll functions, and will be working to improve the processes for entering and approving time. George Middlemist will update the Finance Committee at the September meeting regarding the progress that has been made to address the auditor’s recommendations.

Student Holds Audit - Pre-registration, Financial and Advising

Recommendations:

* Study the nature of the holds, verify if relationships are causal or correlative
* Increase awareness of Financial Aid
* Study effects of having the amounts for balance due holds and collections holds be the same amount
* Study options for lifting the balance due hold threshold

The audit identified many barriers to student registration, including pre-registration, financial, and advising holds. Many of the holds are to try to manage student behavior rather than positively incentivize student behavior. The auditors have recommended that the University take a deeper look at how our holds are used. University staff will be looking at potential changes to the “balance due” and “collections” holds to make them more aligned with the University’s financial capabilities, as well as the advising and pre-registration holds to make them a more positive experience.

**IV. ACTION ITEMS**

 **A. FY2019-20 Tuition and Fee Rates**

Staff are recommending that the University increase tuition three percent on both resident and non-resident tuition rates. They are also recommending closing the tuition window by 50 percent. Additionally, the state has provided the University an additional $7 million in funding. Staff is recommending increasing mandatory fees by 5 percent and approving the proposed information technology fee approved by a student referendum.

By increasing tuition and fees, closing the window, and the additional state funding, the University will be able to meet the mandatory cost increases, invest in existing faculty and staff, and invest in some high impact practices to improve student retention and graduation.

A **motion** was made by Trustee Dominguez to approve the FY2019-20 Tuition and Fee Rates. Moved by Trustee Grogan, seconded by Trustee Mulligan and unanimously approved.

1. **FY 2019-20 Initial Base Budget**

The University is proposing to use the additional revenues to meet the mandatory cost increases of over $4 million, and deferring making compensation decisions until the September Board meeting. Staff is also recommending investing $1.6 million from the revenues generated by closing the tuition window in some high impact practices around student retention and graduation. The remaining $2.6 million estimated to be generated from closing the tuition window will be researched this summer and the University will make additional recommendations to the Board in September on how to allocate those funds.

The staff will be analyzing the impact that these investments have had on student outcomes over the next two years to be able to determine if this is the best use of these funds, or if some adjustments should be made.

A **motion** was made by Trustee Dominguez to approve the FY2019-20 Initial Base Budget. Moved by Trustee Mulligan, seconded by Trustee Shoemaker and unanimously approved.

1. **FY 2019-20 Student Affairs Fee Allocation**

The final action item was the approval of the Student Affairs Fee Allocation for Fiscal Year 2019-20. Braeden Weart, Vice President of the Student Government Assembly, presented the students’ recommendation for the student affairs fee. The fee is a mandatory fee that supports programs and activities that support our students. The Student Affairs Board oversees the allocations, and evaluates and monitors the success of the programs.

A **motion** was made by Trustee Dominguez to approve the FY2019-20 Student Affairs Fee Allocation. Moved by Trustee Mulligan, seconded by Trustee Shoemaker and unanimously approved.

Other updates were given on a couple of issues at the state level. The Governor has asked that the University, as well as all state agencies, analyze a potential 5 percent cut in state funding. For MSU Denver, this would be a $3 million decrease in funding. The analysis is due on May 20th.

Another update was given on the capital submission process for potential capital projects. The state has accelerated the timeline for submission by 2 months, and all submissions are due by June 10th. The University is preparing the capital list and will email the Board this data for our information in late May.

Staff will also be providing the Health Institute program plan to trustees by June 1st. The hope is to begin the process of requesting state support on the Health Institute this coming legislative session. While we do not anticipate receiving funding, it is important to begin the process to increase the odds of funding in the next year or two. We are allowed to change the plans, if we identify other priorities or changes to the existing list.

**V. INFORMATION ITEMS**

 **A. Fiscal Year 18-19 Third Quarter Financial Statements**

 **B. Administration Branch Update**

**VI. ADJOURNMENT:**

A **motion** was made at approximately 10:10 a.m. by Trustee Grogan, seconded by Trustee Shoemaker, to adjourn. The motion was **unanimously approved**.