**METROPOLITAN STATE UNIVERSITY of DENVER**

**BOARD OF TRUSTEES**

Finance Committee Meeting

Thursday, February 6, 2020

Jordan Student Success Building

890 Auraria Pkwy., Room 400

**I. CALL TO ORDER:**

The meeting was called to order at 8:28 a.m.by Chairman Russell Noles.

**Board of Trustees Present:**

Chairman Russell Noles, Trustee Albus Brooks, Trustee Mario Carrera, Trustee Barb Grogan, Trustee Kristin Hulquist, Trustee Mike Johnston, and Trustee Marissa Molina.

**MSU Denver Personnel Present:**

#### Janine Davidson, President; Vicki Golich, Provost and Vice President for Academic and Student Affairs; Will Simpkins, Vice President for Student Affairs; Thad Spaulding, Interim Associate Vice President of Enrollment; Cathy Lucas, Vice President for Strategy and Chief of Staff; Deputy General Counsel Nicholas Stancil; George Middlemist, CFO/Associate Vice President for Administration and Controller; Larry Sampler, COO/Vice President for Administration; Ann Murphy, Dean, College of Business; Cipriana Patterson, Deputy Budget Director; Liza Larsen, Controller; Stacy Dvergsdal, Associate Vice President, Human Resources; 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 Hulquist to approve the December 5, 2019, Finance Committee meeting minutes, and was seconded by Trustee Carrera. The motion was **unanimously approved**.

**III. DISCUSSION ITEMS:**

 **A. FY2020-2021 State Budget Update - Larry Sampler**

There are three guiding documents that govern how we spend money and what we do at the University:

* Colorado Rises, also known as the Master Plan – Has four major tenets.
* Colorado Talent Pipeline
* Roadmap to Affordable Higher Education – This was generated by Governor Polis. It’s the first original work from his administration with respect to providing guidance to higher education.

here are two different groups who think they can tell us how to spend our money. One is the CDHE, that the Governor’s interpretation of how he wants to see higher education funded in the State of Colorado, the other more important is the Joint Budget Committee who allocates the resources. What’s happened this year that’s is the Department of Higher Education was tasked by Governor Polis with coming up with a new formula of how you allocate money across higher education.

This year the state has proposed a 2.5ncrease across the board for higher education. It is expected to get at least 2-1/2% from the state across the board and tuition to be capped at 3% for each university. The bottom line is that for this year we need $9.7 million above what we have to meet current obligations and mandatory costs.

The Presidents and CFOs at the institutions are working to increase the base funding to higher education, and to develop a funding model that more appropriately distributes the limited funding.

 **B. Enrollment Update – Will Simpkins**

Last year we recruited 5,545 new students. This year, tracking for Fall 2020, applications are down 10.4%, acceptances are up, and that’s compared to the same point last year. Two things are going on: applications are down because the country is about to experience a dramatic decline in the number of high school graduates and increased competition for Colorado residents.

The vast majority of MSU Denver students are transfer students, either from a community college or from another four-year institution, or they’re bringing credits they earned ten years ago at a for-profit university. Re-enrolled students are students who stopped out at some point in the past from MSU Denver and are coming back, and that’s 12% of our students for Fall 2019.

There are two situations where students intentionally leave us:

* They graduate - Graduation rates have been steadily increasing over the last ten years. For first-year students who leave us and don’t return for the second Fall, one-quarter of those first-year students transferred out to another institution. So that means only 75% of those students stopped out altogether.
* Second is the economy. As Denver and the state’s unemployment rate continues to fall, we continue to see declines. Some students also have family obligations and need to take a semester off because they’re caring for a child or a parent.

Our students experience significant challenges outside of the college experience.

**C. FY2019-2020 State Budget Update – George Middlemist**

Enrollment is down about 3.3% compared to this time last year, and anticipated the budget being down about 3%.

Anticipated earning about $240,000 in tuition revenues. Typical auxiliaries; don’t have what normal campuses have. Overall, the original budget estimates are holding, with some small positive changes in the Education and General Fund as well as our Business Enterprises Fund.

**IV. INFORMATIONAL ITEMS:**

 **A. FY2019-20 Second Quarter Financial Statements**

**V. ADJOURNMENT:**

A **motion** was made at approximately 10:06 a.m. by Trustee Grogan, seconded by Trustee Carrera, to adjourn. The motion was **unanimously approved**.