

# Finance Committee Meeting

Sep 5, 2019 8:00 AM - 10:00 AM MDT

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**METROPOLITAN STATE UNIVERSITY of DENVER**  
**BOARD OF TRUSTEES**

*Finance Committee Meeting Agenda*

Thursday, September 5, 2019  
8:00 a.m. – 10:00 a.m.

Jordan Student Success Building  
890 Auraria Pkwy., Room 400 (*University Advancement Boardroom*)

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**I. CALL TO ORDER**

8:00-8:01

**II. APPROVAL OF MINUTES**

- A. Approval of May 9, 2019 Finance Committee Meeting Minutes (*1 min.*)

**III. ACTION ITEMS**

8:01-8:31

- A. Approval of Fiscal Year 2019-20 Phase II Base Allocations – *Larry Sampler, COO/Vice President of Administration* (*15 min./15 min. Q&A*)

8:31-8:41

- B. Approval of College Level Examination Program (CLEP) Fee Change – *George Middlemist, CFO/AVP of Administration* (*5 min/5 min. Q&A*)

**IV. DISCUSSION ITEMS**

8:41-9:21

- A. Fiscal Year 2020-21 and Beyond – *Larry Sampler, COO/VP of Administration* (*30 min./10 min. Q&A*)

9:21-9:36

- B. Fiscal Year 2018-19 Unaudited Financial Statements – *Liza Larsen, Controller* (*10 min./5 min. Q&A*)

9:36-9:56

- C. Fiscal Year 2018-19 Budget to Actual Update – *George Middlemist, CFO/AVP of Administration* (*10 min./10 min. Q&A*)

**V. INFORMATION ITEMS**

- A. Administration Branch Update

No later than 10:00

**VI. ADJOURNMENT**

**Finance Committee Members**

Wendy Dominguez, Chair  
Barb Grogan  
Jim Mulligan  
Russell Noles  
Jeff Shoemaker



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## Metropolitan State University of Denver

### Budget Glossary

#### Board of Trustee Finance Committee Meeting September 05, 2019

#### Enrollment:

**Full-Time Equivalent Student (FTES):** The number of full-time equivalent students enrolled in a given year, derived by dividing full-year Credit Hour Production by 30 (the standard full-time credit load for two terms) for undergraduate courses.

**Credit Hour Production (CHP):** The total of all credit hours produced in a semester. Calculated by section (number of students enrolled multiplied by credit hours for course, and then summing the sections for total CHP for a term).

#### Operating Budget Funds:

**Educational and General Fund (E&G Fund):** The primary, unrestricted fund used by the University for its daily operations. These funds include: tuition, state support, Indirect Cost Recoveries (ICRs), program fees, application fees and other revenues such as interest income and recoveries from students.

**Business Enterprises or Auxiliary Funds:** These funds are intended to be self-sustaining. Auxiliary or Business Enterprise funds are activities that provide support in the form of goods and services for students or other departments. These operations should be self-supporting where revenue cover all operating costs.

MSU Denver's Business Enterprise or Auxiliary funds are: Graduate Programs, Accelerated Nursing, Health Center, Innovative and Lifetime Learning (I&LL), Mandatory Fees charged to students, and other business activities. The Budget Office has divided the University's Auxiliary funds into three categories:

- **Mandatory Fees** – Any mandatory institution-wide charge assessed to individual students as a condition of enrollment in the University, regardless of program.
- **Learning Centers** – Learning Centers include all on- and off-campus cash-funded instruction.
- **Business Activities** – Business Activities receive money from external sources for providing services to faculty, staff, students, and the community.

Other Higher Education institutions have parking, dining, and the bookstore in this category. Because of the Auraria Campus' special shared structure, the University does not have these specific revenue sources. Auraria Higher Education Center (AHEC) manages many of these services for the Campus.



## **Approval of Minutes**

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**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

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**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 Dominguez, 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:**

**A. 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.

##### **B. 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.

##### **C. 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 20<sup>th</sup>.

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 10<sup>th</sup>. 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 1<sup>st</sup>. 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**.



## Action Items

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**Proposed Additional E&G allocations:**

The proposed additional base allocations for phase II are:

- Continued Investment in the University's Talent Resource:
  - Base budget allocation: \$4,165,401
    - A total of \$2,349,692 for full-time faculty for a 3% across-the-board increase and maintaining the CUPA comparison minimum percentage for Faculty based on years-of-service which begins at 94%.
    - \$371,284 for affiliate faculty for a 3% across-the-board increase.
    - \$1,444,425 for Executive Leadership and Professional Staff (Administrators) for a 3% cost-of-living increase and maintaining the CUPA comparison minimum at 92% of the average.
- An increase of \$300,000 in institutional financial aid. This equates to over 3% increase in the University's total institutional aid.
- Additional \$2,000,000 to be allocated toward branch priorities.
- Additional base reserve of \$870,600 to bring the total base reserve in E&G fund to \$2,051,714.



# METROPOLITAN STATE UNIVERSITY OF DENVER


## Fiscal Year 2019-20 Proposed Budget Phase II

### Board of Trustees Finance Committee Meeting September 5, 2019

  
**METROPOLITAN  
STATE UNIVERSITY™  
OF DENVER**

Prepared by: MSU Denver Budget Office

| Phase II Budget BLUF                                    |   |                    |
|---|---|--------------------|
| Summary of Estimated Additional Revenue and Allocations |   |                    |
| At 3% enrollment decline                                |   |                    |
|   |   | \$ Amount          |
| 1   | Estimated Additional Tuition Revenue      | 4,538,219          |
| 2   | Additional State Support                  | 7,183,813          |
| 3   |   |                    |
| 4   | Less Allocations In Phase I:              |                    |
| 5   | Mandatory Costs                           | (4,037,644)        |
| 6   | Investment in student success             | (1,587,420)        |
| 7   | Remaining for Phase II                    | <b>6,096,968</b>   |
| 8   |   |                    |
| 9   | Proposal for Phase II:                    |                    |
| 10  | Reallocate Summer Revenue Sharing to Base | 1,239,033          |
| 11  | Salary Adj (3% ATB & maintain. CUPA)      | (4,165,401)        |
| 12  | Phase II- Institutional Financial Aid     | (300,000)          |
| 13  | Top priorities of each Branch             | (2,000,000)        |
| 14  | Institutional Base Reserve                | (870,600)          |
| 15  |   | <b>(6,096,968)</b> |



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OF DENVER**

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## Phase II Recommended Allocations

### Investment in University's Talent Resources:

- Total allocation of \$4,165,401 to cover:
  - 3% across-the-board increases for all faculty, professional staff, and executive leadership.
  - Maintain CUPA minimums for faculty, professional staff, and executive leadership.

### Financial Aid:

- \$300,000 for a 3% increase in institutional financial aid

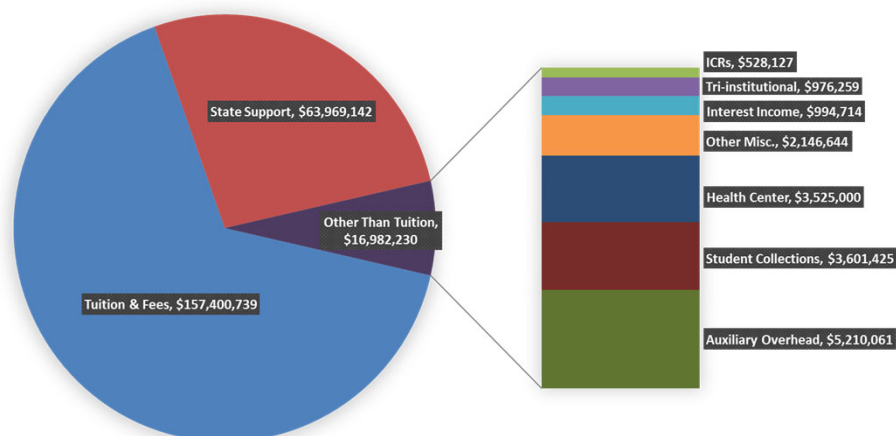
### Institutional Reserves:

- \$870,600 to bring base institutional reserves to a little over \$2 million

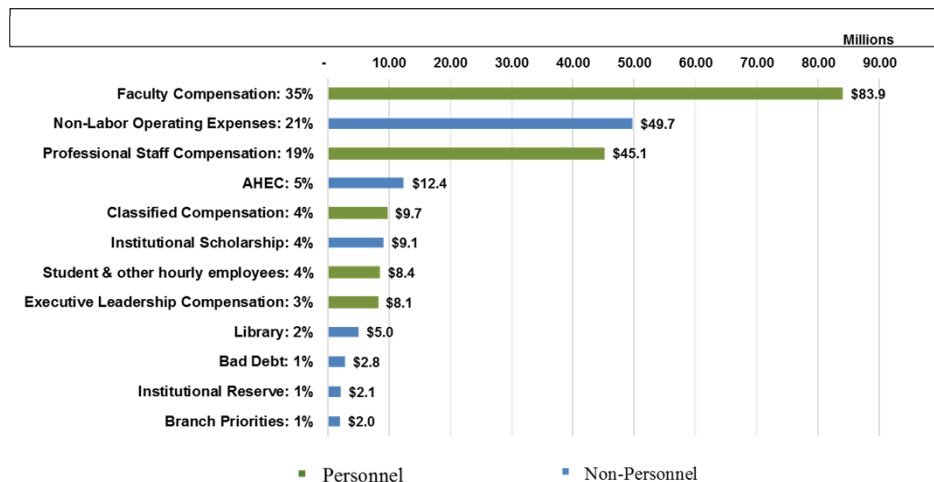
### Branch Priorities

- \$2 million allocated to fund branch priorities

## Proposed Total Operating Revenue FY2019-20: \$238,352,111



## Proposed Total Operating Allocations



## Unfunded Initiatives



Health Institute



C2 Hub



School of Hospitality, Events and Tourism



More Student Services



Deferred Maintenance

## Next Steps...

- The Budget Task Force will continue meeting in Fall and Spring semesters to look at the University's priorities and future revenue estimates.
- The Budget Office will manage the following:
  - **Budget Realignment**-Work with each Branch to identify budget reallocations aligned with University priorities.
  - **Long-Term Plan**- Coordinate the work of a long-range financial and budget plan to be aligned with the University's updated Strategic Plan.
  - **Budget Process Improvement**- Establish the best structure to provide adequate financial support across the campus not only to improve the budget and business model, but also increase transparency.

## METROPOLITAN STATE UNIVERSITY OF DENVER

Thank you.

Questions?



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**AGENDA ITEM:**            **Approval of College Level Examination Program (CLEP) Fee Change**

**RECOMMENDATION:**

The staff recommends that the Finance Committee recommend to the Board of Trustees approval to change the Fiscal Year 2019-20 CLEP Fee from \$379 to \$122.

**BACKGROUND:**

The previous fee for the Credit by Exam option was \$379. Because this is an out-of-pocket cost to students, we felt it was a barrier that kept some students from being able to take advantage of this option. These courses are in GT Pathways, and this exam functions as the state-mandated challenge exam for this course, so it should be accessible to all students. More importantly, the fee was not in line with either the cost of national exams like the CLEP or with the costs of administering and grading the exams. The current CLEP costs \$89.00 plus a seat fee at most testing centers; the seat fee at MSU Denver's Office of Testing Services is \$35.00. This means the overall cost to a student to take the CLEP is \$124.00. For Example, the English department uses the CLEP as the challenge exam option for ENG 1010. The reduction in fee to \$122.00 makes the Credit by Exam fee more in line with cost of national exams. Also, the ENG 1020/1021 Credit by Exam option is administered by the English department through a Blackboard organization and is graded by English faculty with release time to work in the First Year Writing program. This means that the majority of the time and labor connected to the administration of the exam is simply part of the normal duties of the First Year Writing Director and the faculty who are part of the First Year Writing team. The previous high fee did not come to the department as reimbursement for this labor, and is not in line with the costs of either administering or grading the exam. These factors combined made a reduction in fee good for students and achievable without harming the department's budget.

**AUTHORITY:**

Pursuant to §4.1 of the Trustees Policy Manual, the Board is required to review and approve fiscal year budgets.

**ANALYSIS:**

This change should have been brought up at the last Board meeting in May 2019, but unfortunately it was missed at that time. For FY2019, revenue from this program was about \$6K. This amount should not have an impact on the department's budget, but this change would streamline the process for all students who would like to take advantage of this program.



## Discussion Items

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## **IV.A.**

**No materials for this section.**

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**Metropolitan State University of Denver**  
**Summary of Changes in**  
**Statement of Net Position**  
**As of June 30, 2019**

The following is a brief summary of the significant changes in the Statement of Net Position. This statement compares the balances at the end of June 30, 2019 to those at the end of June 30, 2018, which allows the reader to see the changes that have occurred over a twelve-month time frame. This statement has not been audited and the amounts are therefore subject to change.

1. Cash and Cash Equivalents increased \$11.3M, which is a result of several factors. There was almost \$4.5M additional cash in the General Fund predominately from the new online program fee, an increase in state treasury interest, and remaining funds from the one time C2Hub and Cybersecurity funding from the state. There was a \$2.1M increase in the Auxiliary Funds primarily related to the Masters programs, Student Health and Campus Recreation. There was over \$1.5M in the Loan Fund because of repaid Perkins Loans that are pending return to the Federal government, and a \$2.8M increase because of a timing difference related to payroll payments.
2. Accounts Receivable – Student increased \$703K, which is consistent with the 3% increase in tuition, and changes in student fees.
3. Accounts Receivable – Other increased \$733K. This is primarily due to timing differences related to payments for grants and contracts.
4. Restricted Cash increased \$6.3M which was a result of the Series 2019 bonds issued for the PE/Events Center Locker Room Remodel.
5. Non-Current Loans Receivable decreased \$1.8M due to termination of the Perkins Loan program. Beginning fall 2017, the Perkins loan program ended and the University was no longer allowed to issue new Perkins loans, therefore this balance will continue to decline as we collect outstanding balances of previously issued loans.
6. Construction in Progress (CIP) increased \$1.5M, primarily due to work on the PE/Events Center locker room remodeling project.
7. The changes in Deferred Outflows, Deferred Inflows, Net Pension and Net OPEB Liability are all due to the requirements of GASB 68 and 75, which require the University to record its proportionate share of the unfunded pension and other post-employment benefit liabilities. The Net Pension Liability decreased \$130.9M due to the changes outlined in Senate Bill 18-200.
8. Accrued Payroll increased \$2.1M primarily due to timing differences in payments.

9. Current Bonds Payable increased \$1.2M due to the Series 19 bond issuance for the PE/Events Center locker room remodel.
10. Deposits Held in Custody for Others increased \$578K primarily due to timing differences related to payroll withholding payments.
11. Non-Current Compensated Absences increased \$784K largely due to the additional leave benefits given to Administrative employees in fiscal year 2019. While the maximum accrual of annual leave was kept at 320 hours, annual leave was increased from 160 hours per year to 192.
12. Non-Current Bonds Payable increased \$4.3M due to the new Series 2019 bond offset by the timely payments of existing bond obligations.

| <b>Statement of Net Position (Including GASB 68 and 75)</b><br><b>As of June 30, 2019</b><br><b>Unaudited</b> |                       |                       |                        |
|---|-----------------------|-----------------------|------------------------|
|   | Combined<br>FY19      | Combined<br>FY18      | Difference             |
| <b>ASSETS</b>   |                       |                       |                        |
| <b>Current Assets</b>   |                       |                       |                        |
| Cash & Cash Equivalents 1   | 74,677,547.00         | 63,334,279.56         | 11,343,267.44          |
| Accounts Receivable-Student 2   | 13,713,869.44         | 13,010,514.88         | 703,354.56             |
| Accounts Receivable-Other 3   | 2,689,274.68          | 1,955,916.69          | 733,357.99             |
| Loans Receivable  | 1,326,602.40          | 1,121,817.14          | 204,785.26             |
| Prepaid Expenses  | 1,482,433.59          | 1,871,988.28          | (389,554.69)           |
| Short Term Investments  | 36,804.89             | 43,052.81             | (6,247.92)             |
| <b>Total Current Assets</b>   | <b>93,926,532.00</b>  | <b>81,337,569.36</b>  | <b>12,588,962.64</b>   |
| <b>Non-Current Assets</b>   |                       |                       |                        |
| Restricted Cash 4   | 7,630,324.59          | 1,319,600.52          | 6,310,724.07           |
| Prepaid Expenses  | 143,248.85            | 153,709.76            | (10,460.91)            |
| Long Term Investments   | 593,652.84            | 565,056.48            | 28,596.36              |
| Loans Receivable 5  | 5,529,652.28          | 7,359,984.20          | (1,830,331.92)         |
| <b>Non-Depreciable Assets</b>   |                       |                       |                        |
| Construction in Progress 6  | 3,580,359.97          | 2,031,846.97          | 1,548,513.00           |
| Land  | 1,005,184.95          | 1,005,184.95          | -                      |
| <b>Depreciable Assets</b>   |                       |                       |                        |
| Equipment, (Net of Depreciation)  | 6,090,694.09          | 5,876,704.68          | 213,989.41             |
| Buildings, (Net of Depreciation)  | 84,679,403.83         | 88,651,607.65         | (3,972,203.82)         |
| Software (Net of Depreciation)  | 148,273.72            | 115,496.82            | 32,776.90              |
| Leasehold Improvements (Net of Depr)  | 18,207,907.13         | 17,304,857.88         | 903,049.25             |
| Infrastructure (net of depreciation)  | 1,587,145.99          | 1,629,469.88          | (42,323.89)            |
| Land Improvements (net of depreciation)   | 12,977,708.31         | 14,161,918.28         | (1,184,209.97)         |
| <b>Total Non-Current Assets</b>   | <b>142,173,556.55</b> | <b>140,175,438.07</b> | <b>1,998,118.48</b>    |
| <b>Deferred Outflows</b>  |                       |                       |                        |
| Defer Outflow-Pension Contrib after Measurement   | 4,212,256.17          | 4,201,714.84          | 10,541.33              |
| Deferred Outflow-Investment Earnings  | 8,331,562.11          | -                     | 8,331,562.11           |
| Defer Outflow-Experience Loss   | 4,716,858.16          | 4,613,633.74          | 103,224.42             |
| Defer Outflow-Change of Assumptions   | 8,685,161.22          | 51,377,997.83         | (42,692,836.61)        |
| Defer Outflow-OPEB Contrib after Measurement  | 226,369.93            | 225,803.43            | 566.50                 |
| Defer Outflow-OPEB Act vs Exp Investment  | 38,803.34             | -                     | 38,803.34              |
| Defer Outflow-OPEB Act vs Exp Experience  | 24,490.14             | 31,503.30             | (7,013.16)             |
| Defer Outflow-OPEB Change of Assumptions  | 47,333.72             | -                     | 47,333.72              |
| <b>Total Deferred Outflows 7</b>  | <b>26,282,834.79</b>  | <b>60,450,653.14</b>  | <b>(34,167,818.35)</b> |
| <b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>   | <b>262,382,923.34</b> | <b>281,963,660.57</b> | <b>(19,580,737.23)</b> |
|   |                       |                       |                        |

|   | Combined<br>FY19        | Combined<br>FY18        | Difference              |
|---|-------------------------|-------------------------|-------------------------|
| <b>LIABILITIES</b>                        |                         |                         |                         |
| <b>Current Liabilities</b>                |                         |                         |                         |
| Accounts Payable                          | 4,802,726.67            | 4,679,682.15            | 123,044.52              |
| Accrued Interest Payable                  | 418,588.72              | 412,458.23              | 6,130.49                |
| Accrued Payroll 8                         | 6,140,430.34            | 4,073,810.17            | 2,066,620.17            |
| Unearned Revenue                          | 8,876,294.52            | 8,415,176.39            | 461,118.13              |
| Compensated Absences-Current              | 421,304.98              | 436,437.96              | (15,132.98)             |
| Bonds Payable 9                           | 3,835,000.00            | 2,675,000.00            | 1,160,000.00            |
| Capital Leases                            | 567,277.53              | 457,022.86              | 110,254.67              |
| Due to Students                           | 58,779.78               | 55,889.95               | 2,889.83                |
| Deposits Held in Custody for Others 10    | 2,464,197.76            | 1,885,698.92            | 578,498.84              |
| Other Current Liabilities                 | -                       | 382,512.67              | (382,512.67)            |
| <b>Total Current Liabilities</b>          | <b>27,584,600.30</b>    | <b>23,473,689.30</b>    | <b>4,110,911.00</b>     |
| <b>Non-Current Liabilities</b>            |                         |                         |                         |
| Net Pension Liability 7                   | 164,944,394.69          | 295,891,214.97          | (130,946,820.28)        |
| Net OPEB Liability 7                      | 6,747,644.22            | 6,661,517.58            | 86,126.64               |
| Compensated Absences Liability 11         | 3,989,372.33            | 3,205,065.47            | 784,306.86              |
| Bonds Payable 12                          | 87,625,030.19           | 83,327,162.48           | 4,297,867.71            |
| Capital Leases                            | 4,977,515.38            | 5,199,397.39            | (221,882.01)            |
| Other Current Liabilities                 | 8,066,627.45            | 7,713,862.29            | 352,765.16              |
| <b>Total Non-Current Liabilities</b>      | <b>276,350,584.26</b>   | <b>401,998,220.18</b>   | <b>(125,647,635.92)</b> |
| <b>Deferred Inflows</b>                   |                         |                         |                         |
| Deferred Pension Inflow                   | 88,873,130.22           | 13,126,192.26           | 75,746,937.96           |
| Deferred Inflow- OPEB                     | 251,765.26              | 183,366.54              | 68,398.72               |
| <b>Total Deferred Inflows 7</b>           | <b>89,124,895.48</b>    | <b>13,309,558.80</b>    | <b>75,815,336.68</b>    |
| <b>TOTAL LIABILITIES</b>                  | <b>393,060,080.04</b>   | <b>438,781,468.28</b>   | <b>(45,721,388.24)</b>  |
| <b>Net Position</b>                       |                         |                         |                         |
| Net Investment in Capital Assets          | 41,219,856.88           | 40,025,646.67           | 1,194,210.21            |
| Restricted for Expendable Purposes        | 1,219,815.22            | 1,228,999.55            | (9,184.33)              |
| Unrestricted                              | (173,116,828.80)        | (198,072,453.93)        | 24,955,625.13           |
| <b>TOTAL NET POSITION</b>                 | <b>(130,677,156.70)</b> | <b>(156,817,807.71)</b> | <b>26,140,651.01</b>    |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b>262,382,923.34</b>   | <b>281,963,660.57</b>   | <b>(19,580,737.23)</b>  |
|   | -                       | -                       |                         |

**Metropolitan State University of Denver**  
**Summary of Changes in**  
**Statement of Revenues, Expenses & Changes in Net Position**  
**As of June 30, 2019**

The following is a brief summary of significant changes in the Statement of Revenues, Expenses and Changes in Net Position for the year ending June 30, 2019. The audit of these statements is not final and the numbers are therefore subject to change.

1. Tuition and Fees increased \$10.8M due to the 3% tuition increase, as well as the new Mental Health and Online Program fees. \$1.5M of the total \$10.8M increase is attributable to tuition in the Masters programs.
2. Bad Debt increased \$1.5M, predominately due to an unusually low bad debt in fiscal year 2018. Beginning in fiscal year 2018 the University was able to leverage the state intercept program where state tax refunds were diverted to the University. Any payment (regardless of how small) to a student's account stops it from being written off, so write offs were low in fiscal year 2018.
3. Scholarship Discounts and Allowances increased \$2.9M, primarily due to increases in the Colorado Student Grants, as well as a small increase in FSEOG. There were also increases in state and federal aid based on a student's Expected Family contribution (EFC). The increases ranged from \$125.00 to \$790.00 for the year, with more aid going to those students with lower EFCs.
4. Fee for Service increased approximately \$4.0M, due to an increase in State support in fiscal year 2019.
5. Sales and Services of Auxiliary Enterprises decreased \$674K because of one time payments in fiscal year 2018 from the Colorado Advanced Manufacturing Association (CAMA) and the discontinuation of the Study of the United States Institute (SUSI) award.
6. Federal Grants and Contracts increased \$1.6M. This was due to a \$398K increase in FSEOG grants based on enrollment and eligibility, as well as a \$351K increase in the Equity Assistance Center grant. There were also increases of approximately \$1.1M for the various Health Resources and Services Administration (HRSA) grants (Health careers, MSW and ParaPro).
7. State Grants and Contracts increased \$2.3M. This was primarily due to a \$1.9M increase in Colorado Student Grants and a \$331K increase in State Workstudy.
8. Other Operating Revenue decreased \$380K, which is primarily due to a decrease in recoveries on student's delinquent accounts. This decrease was primarily due to a timing difference in receipts from the State's Central Collection Agency because they were implementing a new system that caused delays at year end.

9. Instruction decreased \$39.3M. If you remove the effects of GASB 68 and 75 there was actually an increase of \$2.7M, which was primarily due to salaries and benefits.
10. Research shows a decrease of \$414K; however, without the GASB entries there was actually a \$544K increase. \$221K of the total increase was from salaries and benefits, and the remaining difference came primarily from material and supply purchases.
11. Academic Support shows a decrease of \$9.9M; however, without the GASB entries there was an increase of \$1.1M. Salaries and benefits increased \$414K, with other increases in memberships, services/contracted expense, and payments related to the Auraria library.
12. The \$6.7M decrease in Student Services is a \$3.6M increase when GASB entries are removed. This increase is primarily from salaries and benefits. However, there were also small increases in remodeling expenses related to renovating the Administration Building to move the Career Center from the Tivoli.
13. Institutional Support decreased \$6.5M; however, after excluding the GASB entries there was an increase of \$2.2M. There was an increase of \$914K in salaries and benefits. There was also a \$414K increase due to Ellucian support that was coded to Student Services in fiscal year 2018, and a \$250K increase in staff development (employee tuition benefits). The remaining increase is due to increases in personal services, i.e. marketing, computer support etc.
14. Scholarships and Fellowships increased \$2.9M mainly due to the \$1.9M increase in Colorado Student Grants. There was also a \$398K increase in FSEOG Grants, and \$458K from the new HRSA awards.
15. Ignoring the effects of GASB 68 and 75 Auxiliary Enterprise Expenditures increased approximately \$1.8M. \$1.1M of this increase is from salaries and benefits, and another \$521K is from increased institutional overhead charges based on increased auxiliary revenue, i.e. the mental health fee, masters tuition.
16. Depreciation increased \$1.1M primarily from increased depreciation on the AES building. The AES building was placed into service in fiscal year 2018 when it received only a half year of depreciation expense; fiscal year 2019 it generated a full year of expense.
17. Investment and Interest Income increased \$2.3M. \$1.8M of this increase came from an unrealized gain, and the remaining \$450K is from an increased cash balance from the unspent series 2019 bonds.
18. Other Non-Operating Revenues (Expenses) increased \$8.3M primarily because of the one-time Perkins re-class entry that happened in fiscal year 2018 when the Perkins loan program closed.
19. Loss on Disposal of Fixed Assets shows a decrease of \$1.2M, which is primarily the result of our capital threshold write-off that was processed in fiscal year 2018.



20. Non-Operating Gifts and Donations increased \$933K. Most of this increase is from the MSU Denver Foundation, with an increase of \$550K from operational expenditures, \$123K more in scholarship awards, and \$292K for the Aerospace building.

**Statement of Revenue, Expenses and Changes in Net Position (Including GASB 68 and 75)**  
**As of June 30, 2019**  
**Unaudited**

|   | Combined<br>FY19       | Combined<br>FY18       | Difference             |
|---|------------------------|------------------------|------------------------|
| <b>Operating Revenues</b>                   |                        |                        |                        |
| Tuition & Fees 1                            | 176,444,169.38         | 165,630,699.70         | 10,813,469.68          |
| Less: BadDebt Contra Revenue 2              | (3,077,377.87)         | (1,600,442.26)         | (1,476,935.61)         |
| Less: Scholarship Discounts & Allowances 3  | (55,776,378.04)        | (52,848,386.77)        | (2,927,991.27)         |
| <b>Net Tuition &amp; Fee Revenue</b>        | <b>117,590,413.47</b>  | <b>111,181,870.67</b>  | <b>6,408,542.80</b>    |
| Fee For Service 4                           | 23,651,660.00          | 19,659,856.00          | 3,991,804.00           |
| Sales & Services of Educational Departments | 147,868.12             | 176,340.20             | (28,472.08)            |
| Sales & Services of Auxiliary Enterprises 5 | 5,084,032.74           | 5,757,625.77           | (673,593.03)           |
| Federal Grants and Contracts 6              | 8,519,837.97           | 6,893,039.50           | 1,626,798.47           |
| State Grants and Contracts 7                | 22,358,238.15          | 20,086,213.68          | 2,272,024.47           |
| Local Grants and Contracts                  | 234,719.26             | 141,150.62             | 93,568.64              |
| Private Grants and Contracts                | 68,312.91              | 45,806.90              | 22,506.01              |
| Operating Interest Income                   | 232,916.75             | 209,638.82             | 23,277.93              |
| Other Operating Revenues 8                  | 3,913,694.34           | 4,294,140.15           | (380,445.81)           |
| <b>Total Operating Revenues</b>             | <b>181,801,693.71</b>  | <b>168,445,682.31</b>  | <b>13,356,011.40</b>   |
| <b>Operating Expenses</b>                   |                        |                        |                        |
| Instruction 9                               | 74,803,008.69          | 114,147,642.26         | (39,344,633.57)        |
| Research 10                                 | 530,710.15             | 944,817.16             | (414,107.01)           |
| Public Service                              | 2,762,580.86           | 2,476,431.92           | 286,148.94             |
| Academic Support 11                         | 23,015,661.47          | 32,919,013.10          | (9,903,351.63)         |
| Student Services 12                         | 20,587,808.13          | 27,311,974.11          | (6,724,165.98)         |
| Institutional Support 13                    | 25,632,327.38          | 32,115,078.63          | (6,482,751.25)         |
| Operation of Plant                          | 13,591,827.69          | 13,808,027.28          | (216,199.59)           |
| Scholarships and Fellowships 14             | 61,771,353.30          | 58,853,518.81          | 2,917,834.49           |
| Scholarship Discounts and Allowances        | (58,879,946.31)        | (55,852,450.62)        | (3,027,495.69)         |
| Auxiliary Enterprise Expenditures 15        | 24,804,846.60          | 26,378,689.86          | (1,573,843.26)         |
| Depreciation 16                             | 9,370,178.05           | 8,263,306.26           | 1,106,871.79           |
| Other Operating Expenses                    | 202,158.89             | 19,205.04              | 182,953.85             |
| <b>Total Operating Expenses</b>             | <b>198,192,514.90</b>  | <b>261,385,253.81</b>  | <b>(63,192,738.91)</b> |
| <b>Operating Income (Loss)</b>              | <b>(16,390,821.19)</b> | <b>(92,939,571.50)</b> | <b>76,548,750.31</b>   |

|   | Combined<br>FY19        | Combined<br>FY18        | Difference             |
|---|-------------------------|-------------------------|------------------------|
| <b>Non-operating Revenues (Expenses)</b>            |                         |                         |                        |
| Pell Grants   | 30,931,338.00           | 31,272,113.00           | (340,775.00)           |
| Interest Subsidy                                    | 1,348,975.20            | 1,376,853.49            | (27,878.29)            |
| Investment and Interest Income 17                   | 3,091,834.82            | 764,040.24              | 2,327,794.58           |
| Other Non Operating Rents                           | 428,731.18              | 271,759.60              | 156,971.58             |
| Other Non Operating Revenues (Expenses) 18          | 327,415.90              | (7,959,353.45)          | 8,286,769.35           |
| Ins Recoveries previous years                       | -                       | 600.00                  | (600.00)               |
| Interest Expense on Capital Asset related Debt      | (4,583,943.24)          | (4,599,796.24)          | 15,853.00              |
| Debt Issuance Costs                                 | (63,000.00)             | -                       | (63,000.00)            |
| Gain (Loss) on Disposal of Fixed Assets 19          | (7,210.48)              | (1,243,500.01)          | 1,236,289.53           |
| Non-Operating Gifts and Donations 20                | 4,476,571.82            | 3,543,020.27            | 933,551.55             |
| <b>Net Non-operating Revenue(Expenses)</b>          | <b>35,950,713.20</b>    | <b>23,425,736.90</b>    | <b>12,524,976.30</b>   |
|   |                         |                         |                        |
| <b>Income (Loss) Before Other Revenues</b>          | <b>19,559,892.01</b>    | <b>(69,513,834.60)</b>  | <b>89,073,726.61</b>   |
|   |                         |                         |                        |
| <b>Other Revenues</b>                               |                         |                         |                        |
| Capital Student Fee                                 | 9,884,313.95            | 9,631,683.18            | 252,630.77             |
| Less: BadDebt Contra Revenue                        | (199,986.68)            | (191,978.52)            | (8,008.16)             |
| Less: Scholarship Discounts & Allowances            | (3,103,568.27)          | (3,004,063.85)          | (99,504.42)            |
| <b>Net Capital Student Fee</b>                      | <b>6,580,759.00</b>     | <b>6,435,640.81</b>     | <b>145,118.19</b>      |
|   |                         |                         |                        |
| <b>Total Other Revenues</b>                         | <b>6,580,759.00</b>     | <b>6,435,640.81</b>     | <b>145,118.19</b>      |
|   |                         |                         |                        |
| <b>Net Increase (Decrease) in Net Position</b>      | <b>26,140,651.01</b>    | <b>(63,078,193.79)</b>  | <b>89,218,844.80</b>   |
|   |                         |                         |                        |
| <b>Net Position at Beginning of Year</b>            | <b>(156,817,807.71)</b> | <b>(87,233,132.19)</b>  | <b>(69,584,675.52)</b> |
| <b>Net Position at Beginning of Year adjustment</b> | <b>-</b>                | <b>(6,506,481.73)</b>   | <b>6,506,481.73</b>    |
|   |                         |                         |                        |
| <b>Net Position at End of Year Adjusted</b>         | <b>(130,677,156.70)</b> | <b>(156,817,807.71)</b> | <b>26,140,651.01</b>   |

**Statement of Cash Flows**  
**For the Month Ended June 30, 2019**  
**Unaudited**

|   | <b><u>Institution<br/>Wide FY19</u></b> | <b><u>Institution<br/>Wide FY18</u></b> | <b><u>Difference</u></b> |
|---|---|---|--------------------------|
| <b>Cash Flows from Operating Activities:</b>                                  |   |   |                          |
| <u>Cash Received:</u>   |   |   |                          |
| Tuition and Fees  | 116,111,968.02                          | 111,827,591.06                          | 4,284,376.96             |
| Fee for Service   | 23,651,660.00                           | 19,659,856.00                           | 3,991,804.00             |
| Sales of Services   | 5,266,602.51                            | 5,871,573.49                            | (604,970.98)             |
| Grants and Contracts  | 30,825,305.99                           | 27,187,869.83                           | 3,637,436.16             |
| Student Loans Collected   | 1,505,471.76                            | 1,538,875.67                            | (33,403.91)              |
| Other Operating Receipts  | 5,567,352.95                            | 5,284,475.39                            | 282,877.56               |
| <u>Cash Payments:</u>   |   |   |                          |
| Payments to or for Employees  | (141,626,030.50)                        | (145,320,941.17)                        | 3,694,910.67             |
| Payments to Suppliers   | (61,674,283.03)                         | (58,001,332.52)                         | (3,672,950.51)           |
| Scholarships Disbursed  | (2,891,406.99)                          | (3,001,068.19)                          | 109,661.20               |
| Student Loans Disbursed   | -                                       | (1,229,801.47)                          | 1,229,801.47             |
| <i>Net Cash provided (used) by operating Activities</i>                       | <u>(23,263,359.29)</u>                  | <u>(36,182,901.91)</u>                  | <u>12,919,542.62</u>     |
| <b>Cash Flows from Noncapital Financing Activities:</b>                       |   |   |                          |
| Non-Operating Gifts & Donations   | 4,336,111.74                            | 3,319,401.80                            | 1,016,709.94             |
| Pell Grants   | 30,918,750.33                           | 31,234,358.52                           | (315,608.19)             |
| Non-Operating Revenues (Expenses)   | -                                       | (549,976.33)                            | 549,976.33               |
| Agency (Direct Lending Inflows)   | 74,847,427.00                           | 71,559,094.00                           | 3,288,333.00             |
| Agency (Direct Lending Outflows)  | (74,797,434.00)                         | (71,668,252.00)                         | (3,129,182.00)           |
| Other Agency (Inflows)  | 11,755,415.46                           | 11,208,065.06                           | 547,350.40               |
| Other Agency (Outflows)   | (11,108,657.53)                         | (14,193,978.37)                         | 3,085,320.84             |
| <i>Net Cash provided (used) by Noncapital Financing Activities</i>            | <u>35,951,613.00</u>                    | <u>30,908,712.68</u>                    | <u>5,042,900.32</u>      |
| <b>Cash Flows from Capital &amp; Related Financing Activities:</b>            |   |   |                          |
| Interest Subsidy  | 1,351,402.20                            | 1,379,166.93                            | (27,764.73)              |
| Insurance Proceeds  | -                                       | 10,475.00                               | (10,475.00)              |
| Debt Issuance Cost  | (63,000.00)                             | -                                       | (63,000.00)              |
| Interest on Capital Asset Related Debt  | (4,577,812.75)                          | (4,754,009.92)                          | 176,197.17               |
| Proceeds from bond sale   | 8,250,000.00                            | -                                       | 8,250,000.00             |
| Bonds Payable   | (2,792,132.29)                          | (2,605,000.00)                          | (187,132.29)             |
| Capital Leases  | (537,811.86)                            | (434,200.56)                            | (103,611.30)             |
| Proceeds from Capital Student Fee   | 6,459,840.10                            | 6,390,440.83                            | 69,399.27                |
| Acquisition of Capital Assets   | (6,209,233.98)                          | (20,749,487.48)                         | 14,540,253.50            |
| <i>Net cash provided (used) by Capital &amp; Related Financing Activities</i> | <u>1,881,251.42</u>                     | <u>(20,762,615.20)</u>                  | <u>22,643,866.62</u>     |
| <b>Cash Flows from Investing Activities:</b>                                  |   |   |                          |
| Investment Earnings   | 3,091,834.82                            | 764,040.24                              | 2,327,794.58             |
| Collection of Loans   | 15,000.00                               | 13,750.00                               | 1,250.00                 |
| Purchase of Investments   | (22,348.44)                             | (17,422.51)                             | (4,925.93)               |
| <i>Net Cash provided (used) by Investing Activities</i>                       | <u>3,084,486.38</u>                     | <u>760,367.73</u>                       | <u>2,324,118.65</u>      |
| <b>Net Increase (Decrease) in cash</b>  | <u>17,653,991.51</u>                    | <u>(25,276,436.70)</u>                  | <u>42,930,428.21</u>     |
| Beginning Cash Balance  | 64,653,880.08                           | 89,930,316.78                           | (25,276,436.70)          |
| Ending Cash Balance   | <u>82,307,871.59</u>                    | <u>64,653,880.08</u>                    | <u>17,653,991.51</u>     |
| Ending Cash Balance per Balance Sheet   | <u>82,307,871.59</u>                    | <u>64,653,880.08</u>                    | <u>17,653,991.51</u>     |
|   | -                                       | -                                       | -                        |

| Statement of Net Position (Excluding GASB 68 and 75)<br>As of June 30, 2019<br>Unaudited |                       |                       |                      |
|--|-----------------------|-----------------------|----------------------|
|  | Combined<br>FY19      | Combined<br>FY18      | Difference           |
| <b>ASSETS</b>  |                       |                       |                      |
| <b>Current Assets</b>  |                       |                       |                      |
| Cash & Cash Equivalents  | 74,677,547.00         | 63,334,279.56         | 11,343,267.44        |
| Accounts Receivable-Student  | 13,713,869.44         | 13,010,514.88         | 703,354.56           |
| Accounts Receivable-Other  | 2,689,274.68          | 1,955,916.69          | 733,357.99           |
| Loans Receivable   | 1,326,602.40          | 1,121,817.14          | 204,785.26           |
| Prepaid Expenses   | 1,482,433.59          | 1,871,988.28          | (389,554.69)         |
| Short Term Investments   | 36,804.89             | 43,052.81             | (6,247.92)           |
| <b>Total Current Assets</b>  | <b>93,926,532.00</b>  | <b>81,337,569.36</b>  | <b>12,588,962.64</b> |
| <b>Non-Current Assets</b>  |                       |                       |                      |
| Restricted Cash  | 7,630,324.59          | 1,319,600.52          | 6,310,724.07         |
| Prepaid Expenses   | 143,248.85            | 153,709.76            | (10,460.91)          |
| Long Term Investments  | 593,652.84            | 565,056.48            | 28,596.36            |
| Loans Receivable   | 5,529,652.28          | 7,359,984.20          | (1,830,331.92)       |
| <b>Non-Depreciable Assets</b>  |                       |                       |                      |
| Construction in Progress   | 3,580,359.97          | 2,031,846.97          | 1,548,513.00         |
| Land   | 1,005,184.95          | 1,005,184.95          | -                    |
| <b>Depreciable Assets</b>  |                       |                       |                      |
| Equipment, (Net of Depreciation)   | 6,090,694.09          | 5,876,704.68          | 213,989.41           |
| Buildings, (Net of Depreciation)   | 84,679,403.83         | 88,651,607.65         | (3,972,203.82)       |
| Software (Net of Depreciation)   | 148,273.72            | 115,496.82            | 32,776.90            |
| Leasehold Improvements (Net of Depr)   | 18,207,907.13         | 17,304,857.88         | 903,049.25           |
| Infrastructure (net of depreciation)   | 1,587,145.99          | 1,629,469.88          | (42,323.89)          |
| Land Improvements (net of depreciation)  | 12,977,708.31         | 14,161,918.28         | (1,184,209.97)       |
| <b>Total Non-Current Assets</b>  | <b>142,173,556.55</b> | <b>140,175,438.07</b> | <b>1,998,118.48</b>  |
| <b>Deferred Outflows</b>   |                       |                       |                      |
| Defer Outflow-Pension Contrib after Measurement  |                       |                       | -                    |
| Deferred Outflow-Investment Earnings   |                       |                       | -                    |
| Defer Outflow-Experience Loss  |                       |                       | -                    |
| Defer Outflow-Change of Assumptions  |                       |                       | -                    |
| Defer Outflow-OPEB Contrib after Measurement   |                       |                       | -                    |
| Defer Outflow-OPEB Act vs Exp Investment   |                       |                       | -                    |
| Defer Outflow-OPEB Act vs Exp Experience   |                       |                       | -                    |
| Defer Outflow-OPEB Change of Assumptions   |                       |                       | -                    |
| <b>Total Deferred Outflows</b>   | <b>-</b>              | <b>-</b>              | <b>-</b>             |
| <b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>  | <b>236,100,088.55</b> | <b>221,513,007.43</b> | <b>14,587,081.12</b> |

|   | Combined<br>FY19      | Combined<br>FY18      | Difference           |
|---|-----------------------|-----------------------|----------------------|
| <b>LIABILITIES</b>                        |                       |                       |                      |
| <b>Current Liabilities</b>                |                       |                       |                      |
| Accounts Payable                          | 4,802,726.67          | 4,679,682.15          | 123,044.52           |
| Accrued Interest Payable                  | 418,588.72            | 412,458.23            | 6,130.49             |
| Accrued Payroll                           | 6,140,430.34          | 4,073,810.17          | 2,066,620.17         |
| Unearned Revenue                          | 8,876,294.52          | 8,415,176.39          | 461,118.13           |
| Compensated Absences-Current              | 421,304.98            | 436,437.96            | (15,132.98)          |
| Bonds Payable                             | 3,835,000.00          | 2,675,000.00          | 1,160,000.00         |
| Capital Leases                            | 567,277.53            | 457,022.86            | 110,254.67           |
| Due to Students                           | 58,779.78             | 55,889.95             | 2,889.83             |
| Deposits Held in Custody for Others       | 2,464,197.76          | 1,885,698.92          | 578,498.84           |
| Other Current Liabilities                 | -                     | 382,512.67            | (382,512.67)         |
| <b>Total Current Liabilities</b>          | <b>27,584,600.30</b>  | <b>23,473,689.30</b>  | <b>4,110,911.00</b>  |
| <b>Non-Current Liabilities</b>            |                       |                       |                      |
| Net Pension Liability                     |                       |                       | -                    |
| Net OPEB Liability                        |                       |                       | -                    |
| Compensated Absences Liability            | 3,989,372.33          | 3,205,065.47          | 784,306.86           |
| Bonds Payable                             | 87,625,030.19         | 83,327,162.48         | 4,297,867.71         |
| Capital Leases                            | 4,977,515.38          | 5,199,397.39          | (221,882.01)         |
| Other Current Liabilities                 | 8,066,627.45          | 7,713,862.29          | 352,765.16           |
| <b>Total Non-Current Liabilities</b>      | <b>104,658,545.35</b> | <b>99,445,487.63</b>  | <b>5,213,057.72</b>  |
| <b>Deferred Inflows</b>                   |                       |                       |                      |
| Deferred Pension Inflow                   |                       |                       | -                    |
| Deferred Inflow- OPEB                     |                       |                       | -                    |
| <b>Total Deferred Inflows</b>             | <b>-</b>              | <b>-</b>              | <b>-</b>             |
| <b>TOTAL LIABILITIES</b>                  | <b>132,243,145.65</b> | <b>122,919,176.93</b> | <b>9,323,968.72</b>  |
| <b>Net Position</b>                       |                       |                       |                      |
| Net Investment in Capital Assets          | 41,219,856.88         | 40,025,646.67         | 1,194,210.21         |
| Restricted for Expendable Purposes        | 1,219,815.22          | 1,228,999.55          | (9,184.33)           |
| Unrestricted                              | 61,417,270.68         | 57,339,184.87         | 4,078,085.81         |
| <b>TOTAL NET POSITION</b>                 | <b>103,856,942.78</b> | <b>98,593,831.09</b>  | <b>5,263,111.69</b>  |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b>236,100,088.43</b> | <b>221,513,008.02</b> | <b>14,587,080.41</b> |

**Statement of Revenue, Expenses and Changes in Net Position (Excluding GASB 68 and 75)**  
**As of June 30, 2019**  
**Unaudited**

|   | Combined<br>FY19       | Combined<br>FY18       | Difference           |
|---|------------------------|------------------------|----------------------|
| <b>Operating Revenues</b>                   |                        |                        |                      |
| Tuition & Fees                              | 176,444,169.38         | 165,630,699.70         | 10,813,469.68        |
| Less: BadDebt Contra Revenue                | (3,077,377.87)         | (1,600,442.26)         | (1,476,935.61)       |
| Less: Scholarship Discounts & Allowances    | (55,776,378.04)        | (52,848,386.77)        | (2,927,991.27)       |
| <b>Net Tuition &amp; Fee Revenue</b>        | <b>117,590,413.47</b>  | <b>111,181,870.67</b>  | <b>6,408,542.80</b>  |
| Fee For Service                             | 23,651,660.00          | 19,659,856.00          | 3,991,804.00         |
| Sales & Services of Educational Departments | 147,868.12             | 176,340.20             | (28,472.08)          |
| Sales & Services of Auxiliary Enterprises   | 5,084,032.74           | 5,757,625.77           | (673,593.03)         |
| Federal Grants and Contracts                | 8,519,837.97           | 6,893,039.50           | 1,626,798.47         |
| State Grants and Contracts                  | 22,358,238.15          | 20,086,213.68          | 2,272,024.47         |
| Local Grants and Contracts                  | 234,719.26             | 141,150.62             | 93,568.64            |
| Private Grants and Contracts                | 68,312.91              | 45,806.90              | 22,506.01            |
| Operating Interest Income                   | 232,916.75             | 209,638.82             | 23,277.93            |
| Other Operating Revenues                    | 3,913,694.34           | 4,294,140.15           | (380,445.81)         |
| <b>Total Operating Revenues</b>             | <b>181,801,693.71</b>  | <b>168,445,682.31</b>  | <b>13,356,011.40</b> |
| <b>Operating Expenses</b>                   |                        |                        |                      |
| Instruction                                 | 85,401,604.90          | 81,946,054.32          | 3,455,550.58         |
| Research                                    | 566,533.65             | 943,307.08             | (376,773.43)         |
| Public Service                              | 2,963,966.21           | 2,128,954.42           | 835,011.79           |
| Academic Support                            | 25,627,125.57          | 24,537,450.12          | 1,089,675.45         |
| Student Services                            | 22,544,706.49          | 18,916,020.92          | 3,628,685.57         |
| Institutional Support                       | 27,724,841.37          | 25,530,000.78          | 2,194,840.59         |
| Operation of Plant                          | 13,635,157.07          | 13,524,600.56          | 110,556.51           |
| Scholarships and Fellowships                | 61,771,353.30          | 58,853,518.81          | 2,917,834.49         |
| Scholarship Discounts and Allowances        | (58,879,946.31)        | (55,852,450.62)        | (3,027,495.69)       |
| <b>Auxiliary Enterprise Expenditures</b>    | <b>28,142,374.32</b>   | <b>26,378,689.86</b>   | <b>1,763,684.46</b>  |
| Depreciation                                | 9,370,178.05           | 8,263,306.26           | 1,106,871.79         |
| Other Operating Expenses                    | 202,158.89             | 19,205.04              | 182,953.85           |
| <b>Total Operating Expenses</b>             | <b>219,070,053.51</b>  | <b>205,188,657.55</b>  | <b>13,881,395.96</b> |
| <b>Operating Income (Loss)</b>              | <b>(37,268,359.80)</b> | <b>(36,742,975.24)</b> | <b>(525,384.56)</b>  |

|   | Combined<br>FY19      | Combined<br>FY18       | Difference            |
|---|-----------------------|------------------------|-----------------------|
| <b>Non-operating Revenues (Expenses)</b>            |                       |                        |                       |
| Pell Grants   | 30,931,338.00         | 31,272,113.00          | (340,775.00)          |
| Interest Subsidy                                    | 1,348,975.20          | 1,376,853.49           | (27,878.29)           |
| Investment and Interest Income                      | 3,091,834.82          | 764,040.24             | 2,327,794.58          |
| Other Non Operating Rents                           | 428,731.18            | 271,759.60             | 156,971.58            |
| Other Non Operating Revenues (Expenses)             | 327,415.90            | (7,959,353.45)         | 8,286,769.35          |
| Ins Recoveries previous years                       | -                     | 600.00                 | (600.00)              |
| Interest Expense on Capital Asset related Debt      | (4,583,943.24)        | (4,599,796.24)         | 15,853.00             |
| Debt Issuance Costs                                 | (63,000.00)           | -                      | (63,000.00)           |
| Gain (Loss) on Disposal of Fixed Assets             | (7,210.48)            | (1,243,500.01)         | 1,236,289.53          |
| Non-Operating Gifts and Donations                   | 4,476,571.82          | 3,543,020.27           | 933,551.55            |
| <b>Net Non-operating Revenue(Expenses)</b>          | <b>35,950,713.20</b>  | <b>23,425,736.90</b>   | <b>12,524,976.30</b>  |
|   |                       |                        |                       |
| <b>Income (Loss) Before Other Revenues</b>          | <b>(1,317,646.60)</b> | <b>(13,317,238.34)</b> | <b>11,999,591.74</b>  |
|   |                       |                        |                       |
| <b>Other Revenues</b>                               |                       |                        |                       |
| Capital Student Fee                                 | 9,884,313.95          | 9,631,683.18           | 252,630.77            |
| Less: BadDebt Contra Revenue                        | (199,986.68)          | (191,978.52)           | (8,008.16)            |
| Less: Scholarship Discounts & Allowances            | (3,103,568.27)        | (3,004,063.85)         | (99,504.42)           |
| <b>Net Capital Student Fee</b>                      | <b>6,580,759.00</b>   | <b>6,435,640.81</b>    | <b>145,118.19</b>     |
|   |                       |                        |                       |
| <b>Total Other Revenues</b>                         | <b>6,580,759.00</b>   | <b>6,435,640.81</b>    | <b>145,118.19</b>     |
|   |                       |                        |                       |
| <b>Net Increase (Decrease) in Net Position</b>      | <b>5,263,112.40</b>   | <b>(6,881,597.53)</b>  | <b>12,144,709.93</b>  |
|   |                       |                        |                       |
| <b>Net Position at Beginning of Year</b>            | <b>98,593,829.00</b>  | <b>105,475,427.00</b>  | <b>(6,881,598.00)</b> |
| <b>Net Position at Beginning of Year adjustment</b> | <b>-</b>              | <b>-</b>               | <b>-</b>              |
|   |                       |                        |                       |
| <b>Net Position at End of Year Adjusted</b>         | <b>103,856,941.40</b> | <b>98,593,829.47</b>   | <b>5,263,111.93</b>   |



**AGENDA ITEM:**      **Fiscal Year 2018-19 Budget to Actual**

**BACKGROUND:**

In September 2018, the Board of Trustees (BOT) approved the initial FY2018-19 budget based on an estimated 1.7% (FTES) decrease in enrollment. The next several paragraphs provide the final update on the General Fund as well as the Business Enterprises for FY2018-19.

**Full-year state funded enrollment status:**

**FTES:**

Enrollment continues to drop for the institution. For FY2018-19, Credit Hour Production (CHP) decreased by 0.94% or 143.96 FTES. This marks the 8<sup>th</sup> straight year that enrollment declined. CHP has dropped by over 15% since FY 2010-11. This means that from a high of 17,789 FTES and 29,852 headcount, the University has lost 2,681 FTES and 5,586 headcounts.

**Budget update:**

**Educational and General (E&G) Revenue**

The E&G funds ended in a positive position for FY2018-19. The information in the table below shows a summarized picture of the total E&G revenue for the FY2018-19:

| FY2018-19 E&G Revenue |  |                    |                    |                |
|-----------------------|--|--------------------|--------------------|----------------|
|                       |  | Final Budget       | Actual             | Difference     |
| 1                     | Tuition Revenue:                       |                    |                    |                |
| 2                     | Tuition-Undergraduate                  | 113,370,982        | 114,245,671        | 874,689        |
| 3                     | Less:                                  |                    |                    |                |
| 4                     | Bad Debt                               | (2,086,445)        | (3,004,718)        | (918,273)      |
| 5                     | Tuition Remedial Reimbursement         | (706,330)          | (289,904)          | 416,426        |
| 6                     |  |                    |                    |                |
| 7                     | Net Tuition Revenue                    | 110,578,207        | 110,951,049        | 372,842        |
| 8                     | State Support:                         |                    |                    |                |
| 9                     | College Opportunity Fund (COF Stipend) | 34,961,871         | 34,692,323         | (269,548)      |
| 10                    | Fee For Service (FFS)                  | 23,382,112         | 23,651,660         | 269,548        |
| 11                    | State Support (Base & NonBase)         | 58,343,983         | 58,343,983         | -              |
| 12                    | Other Than Tuition Revenue (OTT):      |                    |                    |                |
| 13                    | Indirect Cost Recoveries               | 528,127            | 591,132            | 63,005         |
| 14                    | Program Fees                           | 3,663,740          | 3,788,273          | 124,533        |
| 15                    | Other E&G Revenue                      | 4,789,000          | 5,147,356          | 358,356        |
| 16                    | Other Than Tuition Revenue (OTT)       | 8,980,867          | 9,526,761          | 545,894        |
| 17                    |  |                    |                    |                |
| 18                    | <b>Total E&amp;G Revenue</b>           | <b>177,903,057</b> | <b>178,821,792</b> | <b>918,735</b> |

In summary, while we experienced higher tuition revenue than budgeted, we also had higher bad debt (line 4). The higher bad debt in FY2018-19 was expected, because beginning with fiscal year 2018, the University was able to apply the state tax refund directly to the owed amounts. Therefore, any payment on the student accounts, despite their low amount, prevented us from writing off those accounts in FY18 and therefore led to higher bad debt for FY2018-19. Additionally, the reimbursement to CCD for remedial courses was lower than expected (line 5) due to the success of the Supplemental Academic Instruction (SAI) program.

Other E&G Revenue, shown on line 15 above, comes from sources such as application fees, tuition forfeiture fee, recoveries from students, service charges for late payments, and interest income. The main reason for the increase in this line is higher than expected interest income from the State Treasury.

#### **Business Enterprise Revenue (Auxiliary Revenue)**

The total FY18-19 Business Enterprise revenues were almost \$45 million, net of bad debt. This is approximately \$1.9 million higher than the fall estimate. The following table provides the budget to actual revenue summary for Business Enterprises:

| <b>FY2018-19 Business Enterprise Revenue</b> |   |                       |                 |                   |
|--|---|-----------------------|-----------------|-------------------|
|  |   | <b>Estimate as of</b> | <b>Year-end</b> |                   |
|  |   | <b>Feb. BoT</b>       | <b>Actuals</b>  | <b>Difference</b> |
| 1  | Tuition & Fees                            | 33,465,184            | 33,560,246      | 95,062            |
| 2  | Sales and Services of Educational         | 127,630               | 147,868         | 20,238            |
| 3  | Sales & Services of Auxiliary Enterprises | 3,544,962             | 5,117,613       | 1,572,651         |
| 4  | Federal Grants and Contracts              | 120,000               | 113,761         | (6,239)           |
| 5  | Other Revenue                             | 6,088,762             | 6,320,704       | 231,942           |
| 6  | Subtotal Fiscal Year Revenue              | 43,346,538            | 45,260,192      | 1,913,654         |
| 7  |   |                       |                 |                   |
| 8  | Bad Debt                                  | (653,347)             | (655,814)       | (2,467)           |
| 9  | Total Base Revenue                        | 42,693,191            | 44,604,378      | 1,911,186         |

The most significant adjustments were to Tuition and Fees (line 1), Sales & Service of Auxiliary Enterprises (line 3), and Other Revenue (line 5). These adjustments are from the following:

- Although Tuition and Fees were higher than expected due to better than anticipated revenue from both Innovative and Lifelong Learning and the Masters programs, this was offset by lower tuition revenue in the DIME program.
- Sales and services of auxiliary revenue was higher than anticipated for the Health Center. The fall estimate was based on about 3,000 students participating in the health insurance plan. Changes to the Affordable Care Act encouraged more participation in the student plan because it has better coverage at a better cost, resulting in about 4,000 participants.
- The increase in Other Revenue is mainly a result of higher than estimated interest revenue.

## Information Items

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**ADMINISTRATION BRANCH UPDATE**  
**Board of Trustees Meeting**  
**September 5, 2019**

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**Bursar**

- In 2018 we rolled out the tax offset program. It has been highly successful. For the Calendar year of 2018 we collected \$571,492.63 in tax intercepts. We continue to collect more through the tax season in 2019.
- The Office of the Bursar continues work on its long term goal to reconcile and recall student accounts that have been inactive in CCS. The project has recently resumed as the Central Collections implemented their new system called "Simplicity". Accounts that have not been collected on for over a year will be pulled from CCS and sent to a private collections firm. We have recalled all accounts with account balances consisting only of application fees. So far we have completed several categories, including Forwarded Status (FWD), Written Off Status (WRO), Small Balance Status (ASB), and accounts in Bankruptcy Status (BAN).
- Office of the Bursar added a new collection agency "Windham Professionals" and successfully placed secondary accounts with them.
- Among the two existing partnerships with Williams & Fudge Inc. and National Credit Management collection agencies, the Office of the Bursar is working to set up a third collections agency, called Windham Professionals.
- The Office of the Bursar rolled out the new 2018 1098-T after switching reporting methods to maintain compliance with the new tax laws.
- The Office of Cashiering has completed upgrading credit card readers to EMV, the global standard for credit cards that uses computer chips to authenticate (and secure) chip-card transactions. Our old readers are for magnetic-stripe use only and use an outdated technology which is easy to counterfeit. Chip cards, on the other hand, are much more secure. We will be working with ITS staff and other departments with cashiering systems to begin installing the new readers on their systems this fall.
- New law passed – Public Law 115-407, section 103 mandates educational institutions will not impose any penalty, including the assessment of late fees, the denial of access to classes, libraries, or other institutional facilities, or the requirement that a covered individual borrow additional funds, because of the individual's inability to meet his or her financial obligations to the institution due to the delayed disbursement of funding from the VA under Ch. 31 or 33. We are working with ITS systems team and Veteran & Military Services staff to streamline Post 911/GI Bill processes and ensure we are complying with the new law in the most efficient way possible. Currently, working to include eligibility information in Banner. This will lead to more effective reports for other aspects of the GI Bill process, such as lifting holds and releasing financial aid refund advances, allow for better efficiency within the Office of Cashiering.

**Perkins Loan**

- **Current Status:**  
The Perkins Loan Program expired at the close of the 2017-18 financial aid year. While no new Perkins Loans are being issued, institutions are still required to either service the outstanding loans or liquidate them. Continuing to service outstanding loans allows schools to recoup their Institutional Capital Contribution (ICC) as these loans are repaid.

The absence of this federal campus-based loan program has left a gap in critical funding resources available to institutions and is negatively impacting access, retention, and completion of students with the most financial need.

COHEAO's Proposal: The Perkins Access, Retention, and Completion (ARC) Loan would assist in filling this funding gap and provide critical resources at the institutional level. The ARC Loan, like Perkins Loans, would feature a revolving fund that is replenished by student repayment, in turn reducing the funding burden on the Federal government while still allowing institutions to meet the financial needs of students. The revolving fund directs loan repayments from student borrowers back into the loan fund and disbursed as new loans to current students. This feature is unique to the Perkins Program as other federal student loan programs require new budget allocations for funding each year.

This proposal updates and renews the low-cost Perkins Loan program while maintaining the focus on local control, risk-sharing, and helping students with the most financial need.

### **Facilities**

- Since Tina Wells', director of the department of facilities resignation in March, much assessment has been done on the operations of the department of facilities. A restructure plan was approved this summer, which included the following organizational changes: The splitting of director duties to create a director of planning, design and construction as well as a director of operations and maintenance; the creation of a space planner; and an administrative support position. These positions are in varying states of being funded, advertised and filled.
- The emergency manager position has been filled by Mark Wilson, MPA, as of June 17<sup>th</sup>. Mark comes to the University with a wealth of experience and knowledge in emergency management. His previous positions include emergency manager with the University of Denver and emergency manager with Dartmouth College. The position at MSU Denver will oversee emergency preparedness planning, training and exercising for the University.
- The following taskforces are being assessed by Larry Sampler regarding their governance structure and desired outcomes: There are several taskforces and council that are being led by the Facilities office. The Affordable Housing Taskforce, the Urban Master Plan Taskforce and the Built Environment Council. As of right now, these taskforces are considered to be on hold.
- A facilities deep dive meeting was held on July 10<sup>th</sup> with Dr. Davidson's senior leadership team. The desired outcome of the meeting was to ground the team in understanding how we are taking care of our facilities now and our plan for the future. This assessment, completed by a consultant, noted, among other things, MSU Denver is not strategically setting aside monies to address MSU Denver owned buildings life cycle costs such as the replacement of generators, air handlers, carpet, building envelope systems, etc. With that, Dr. Davidson has asked for several price point and risk assessment options on how to set aside monies in the future.
- Program plans have been launched for some of the capital initiatives listed in the 5-year plan submitted to the Colorado Department of Higher Education. The program plan process will verify the space needs for classroom, lab, office, conference room and other space types for each initiative. Through the programming process a conceptual design for the building is established as well as initial cost estimates. The schedule for each of these program plans is as follows:
  - Health Institute: Final report issued in June 2019
  - Classroom to Career Hub: Starting May 2019
- The week of April 22<sup>nd</sup> the University began remodeling the locker rooms and bleachers in the PE/Event Center to address health, safety and inclusivity issues. This project will benefit Campus Recreation users, our Athletics Department and the Department of Human Performance and Sport and will be completed by November 1, 2019.

- The week of August 5, 2019, construction began for The Health Center at Auraria's space expansion project. Once the project is complete, the newly acquired space will integrate seamlessly with the existing Health Center space, providing students, faculty and staff with improved access and a modernized clinical environment. This expansion will address a continual growth in demand for services while better positioning The Health Center at Auraria to meet the needs of Auraria's diverse population of students, faculty and staff in the years ahead.

#### **Accounting Services**

- Accounting Services is continuing to close out the fiscal year, as well as creating year- end financial statements, footnotes, and other disclosures and financial exhibits. The auditors will be on site the last week of August and into mid-September.
- We are reviewing the implementation of the new travel and expense module to ensure we have appropriate reporting tools, and that the system is operating as intended. We will continue to work with the vendor (Chrome River) to tailor the system to the University's changing needs.
- The Cost of Education committee is beginning to work on a communication plan with the campus to ensure they understand the Cost of Education report and can begin to use it as a planning tool. In the next few months we will begin to add revenues to the report to provide the full picture of a course's profitability.
- Accounting Services is beginning to work with the Foundation to identify some revenue streams that need to be shifted to the University. For example, the Foundation has historically taken in funds related to the University's athletic sports camps, and in so doing is accepting risk that is outside of their mission. (i.e. if a participant gets injured). A review of their deposits is underway and modifications are likely to be made in fiscal year 2020.

#### **Office of University Effectiveness**

We inform, empower and support increasingly effective decisions and continuous improvements made across the university. Here are recent contributions to stabilizing the university's data and reporting practices, with individual programs reporting further below:

- Co-presented a deep dive in May highlighting challenges and opportunities in working with higher ed metrics; introduced the concept of data governance as a means to provide discipline that can help the university tell more powerful stories with key metrics. Began cataloging the university's distributed network of data workers and reporting tools – this will inform a roadmap toward improved conditions and coordination for data management and information production.
- Re-positioned and expanded participation in Data Definitions Committee to increase awareness of and accountability to consistent use of key terms fundamental to university reporting and metrics. Convened a cross-functional discussion about improving coherence and reliability in data management and data use.
- Introduced a prototype process, called *StatVault*, to improve efficiency and accountability in the managing and tracking data of referenced in university publications year over year.
- Coordinated university responses and recommendations to inform annual goal-setting conversation with Colorado Department of Higher Education.
- Chairing the metrics subcommittee in service to the Strategic Planning Committee.
- **Enterprise Data Warehouse and Reporting Team** increases accessibility and efficiency of use for the university's core operational and transactional data by the development of templated reports and dashboards that overlay Banner. We are implementing metrics to track process improvement and time-savings gained through use of the data warehouse; and stabilizing the development team while increasing functional integration within the broader data reporting environment.

- **Business Intelligence** provides custom research and analyses to inform critical university processes and decisions. Recent operational analyses include: predictive retention model for high-impact practices, retention analysis by major, patterns in undecided majors, DIME retention report, pattern analysis of major changes, post-baccalaureate tracking of student continuation to graduate studies. As standardized and recurring reporting is increasingly served by the data warehouse, the BI team will continue to push forward with new analysis capabilities.
- **Institutional Research** is the authorized source of federal and state compliance data reporting. The planning for our long-serving Director's anticipated retirement in 2021 has needed to be reconfigured when we recently lost our anticipated successor to another university role; we have re-initiated cross-training while planning for a future search. Some compliance reporting highlights since the last board update include:
  - National Council State Authorization Reciprocity Agreements necessary for compliance in offering online courses or programs to out-of-state students.
  - Colorado Opportunity Fund 2018-19 Reconciliation for funds that help make tuition more affordable to our students. Accounting Services verifies to ensure all COF funds are reported correctly, and these figures inform JBC discussions.
  - Participation in Colorado Department of Education's Data Advisory group provided feedback and critique to the state's new Return on Investment Report. Input and comments are expected to be reflected in improvements with next year's report.
- **Center for Advanced Visualization and Experiential Analysis** has focused on staff, external clients and facility repairs while student-use has been lower through the summer semester. In conjunction with Strategic Enrollment Management, we're supporting a monthly a data series highlighting research into enrollment and retention trends and prediction. The Center replaced aging overhead projectors—reducing operating noise that had become increasingly problematic for people with hearing challenges while improving projection quality. Recent events include MSU Journalism & Technical Communication Student Showcase, York Space Systems, Sixth Avenue Elementary, Snooze AM Eatery, National Association of Student Personnel Administrators, Colorado Association of Latino/a Administration and Superintendents, and Vicente Fox with President Davidson.
- **Process Transformation** facilitates and coaching cross-functional teams to make MSU Denver's operational processes more efficient and effective. Growing from a consultant/service model to a train-the-trainer model, in June the program graduated 18 staff members from the first *Process Improvement Operation Excellence (OpEx) Training*: increasing technical skills while instilling a culture of continuous improvement across campus. This summer Process Improvement was featured at the Professional Development Conference and on a MetMedia podcast. The program has now received a base operating budget which will better support year-over-year planned growth and fund an on-going student coordinator position.

### **Human Resources**

- Human Resources welcomed our new AVP of HR, Stacy Dvergsdal, to the Roadrunner family in August. Stacy comes to MSU Denver from Denver Public Schools with a strong background in employee engagement and culture. This position has been vacant since June 2018. Since her arrival on campus, Stacy has been meeting with various groups and amazing colleagues across MSU to help define HR priorities to ensure people feel valued.
- Human Resources has been busy welcoming new faculty to MSU. During the month of August, HR staff onboarded 55 new full-time faculty and 102 part time faculty.
- Student employment continues to grow at MSU Denver. The university employed close to 700 students in early 2010 and now is close to 1400 students. Many departments rely on student



employees for projects, managing the front office, or completing important tasks in the office. The value of student employment has evolved at the university to include providing students with important transferable skills to begin their careers. The Human Resources department is excited about welcoming 300 new Roadrunners to Student Employment in the month of August. The contributions students make in our departments is invaluable.

- Human Resources has been working with the compensation firm, Innovative TR Solutions, on an organizational structure to address pay issues across the university. This project began approximately a year ago with a survey to employees developed by IMA to determine the value of total reward offerings at MSU Denver. The project has been progressing nicely. Innovative TR Solutions has been meeting with the HR team to review positions across campus and develop a compensation structure that will sustain MSU Denver into the future. More information will be communicated over the coming months to supervisors and employees.
- We have partnered with Innovest Portfolio Solutions, LLC to come in and conduct a fiduciary review on behalf of the State Universities' Optional Retirement Plan, which includes the following universities, Metropolitan State University of Denver, Adams State University, and Western Colorado University. On Monday, August 26, 2019, the plan administrators for each of the universities, along with others, met with Innovest Portfolio Solutions, LLC to review the work covered in phases 1 & 2 of our 4 phase review. Prior to moving forward with phases 3 and 4 of the project, we will be partnering with Innovest Portfolio Solutions, LLC to conduct an employee survey on each of the campuses, to gain a better understanding of our employees perspectives of our retirement plan. This survey will provide us with valuable data to be able to identify best next steps and gain insight to assist us in formulating a plan as we work through phases 3 and 4 of the project. More information to come.
- Learning & Development has completed 3 Beta sessions for Crucial Conversations training, training 55 faculty/staff/students. This is in response to a need for effective communication training based on the University culture survey results. Our goal is to equip employees with the skills needed to engage in respectful dialogue during all conversations and especially crucial conversations when we tend to revert to unhealthy communication strategies. Data shows organizations that implement and practice Crucial Conversations principles have increased employee engagement and decreased elevated conflicts. We intentionally cultivated a variety of participants from all employee groups: faculty, staff and students. We have applied changes based on feedback from the beta sessions and have scheduled the next training for October 2019.
- Cause for celebration! The Tuition Benefit has completed one full year, here are some stats:
  - 1160 credits were taken through this benefit between Fall 2018, Spring 2019, and Summer 2019
  - 44.5% of those were employees
  - 32% of those were dependents
  - 23.5% of those were spouses
  - Total cost to the university (only due to possibly displacing students not using the tuition benefit) is \$0-\$15,000
  - We are measuring the effects of this benefit on our employees' feelings about the university through an impact survey. Some sample responses include:
    - Both of my sons now attend MSU Denver. This has had a terrific, positive impact on all of our lives. I cannot over-state the importance of this benefit. Not only is it good for families taking advantage of the benefit, it is good for the university. When professors are willing to send their own children to the university that proves they believe in the quality of education and the quality of the institution. When other students hear that professors' children are attending they feel better about themselves and the institution. Creating the benefit, was long overdue, and I believe it is paying immediate dividends and will

continue to do so. I have heard that hiring committees are now using this benefit as a selling point in recruiting talented faculty. Thank you, Matt Makley

- It is with immense gratitude that I thank the MSU Denver Tuition Benefit Staff for making a dream a reality. Having served as a faculty member @ MSU Denver since 1985, I was able to apply for the benefit easily, and the staff made the whole process a snap. My daughter graduated and due to the timing of the enactment of this valuable program, her degree in Recreation Therapy helped her land a full-time staff position at Blue Moon Counseling, which serves dozens at-risk youth ages 6-14, each facing immensely difficult challenges in their lives. It's a celebration that a program such as this has such an immediate impact on Colorado kids in need - and it will keep giving back to the community as a result. Of course, without the extra burden of paying over a year of tuition, my daughter was able to stay on track and have the schooling necessary to land the position - a gift for which we as a family will always be thankful for. I am honored to have had the opportunity to pass on this gift, thanks to the actions of the MSU Denver Tuition Benefit Staff and all the people over the years who worked to enact this important resource for faculty, staff and their dependents. Alex Komodore Professor of Music Guitar Coordinator Since 1985
- For the first five years I worked at my current job we had two partnerships with primarily Spanish speaking populations, but no one on staff who spoke Spanish. I tried working on learning it on my own, but wasn't making a lot of progress. Since starting the coursework for the certificate in Spanish translation last fall I've been able to become a direct contact with our partners both in Denver and in Guatemala. Eric Banner
- This has been incredible. I have worked at MSU Denver for 22 years, and this is the first real benefit that makes me feel appreciated. Both of my kids used it in the fall and my son used it spring and summer. I'm hoping to take a class in the Spring 2020. Thanks for finally getting this to happen. Jane Chapman Vigil

### **Budget**

- Currently, the Budget Office is busy with the [HLC@Metro, Inc.](#) (SpringHill Suites) financial audit.
- We are planning for the fall budget review meetings with each area during the months of October and November of this year.
- Continue working on the seven-year refresh of the hotel's 'soft goods' (beds, carpet, wallpaper, furniture, fixtures, and some equipment). The budget for the refresh is set at \$3.19 million, which equates to approximately \$20,000/room and is commensurate with market standards. The administration of HLC@Metro, Inc. has long anticipated this refresh and has set aside a portion of gross revenue annually to support this project.
- Continue monitoring DIME partnership financials.
- Continue working on cost/benefit analysis and financial pro-formas for new initiatives, such as the Health Institute and School of Hospitality, Events and Tourism. We have asked Clifton Larsen Allen (CLA) to help us with these analyses. This will provide us an opportunity to explore other perspectives pertinent to these type of pro-formas.
- For the coming year the Budget Office will be focusing on the following initiatives:
  - Budget Process Improvement - We are studying the best structure to provide adequate financial support across the campus not only to improve the budget and business model, but also increase transparency.
  - Multi-Year Budget Plan - This will help the University to allocate its resources more strategically.

- Budget Realignment - This initiative will help us to review current allocation of the resources and the opportunity to reallocate funding to the University's priorities.
- Capital Project Process Improvement – As part of the longer term planning, the Budget Office is working with Facilities and Accounting Services to establish a better process for our capital needs.

### **Information Technology Services**

- Following a successful student vote in April and approval from the Board of Trustees in early May, the Student Technology Fee has been formally instituted. This fee provides a sustainable funding model that supports student-facing technology solutions across campus. In addition to funding major systems such as Blackboard Learn, ITS plans to use these funds to update classroom technology in 40 to 50 rooms this academic year and expand wireless access coverage in those spaces. We also upgraded 282 student lab computers between July 1 and the beginning of the Fall semester, with additional replacements planned for later in the year. Additionally, a total of 27 classrooms were updated using Bond Fee monies in the prior fiscal year, and 9 rooms – planned as part of that effort - are currently in progress. ITS looks forward to bringing all classroom technology onto a predictable refresh schedule, offering a reliable, consistent and enhanced learning environment for students and faculty campus-wide.
- In cooperation with the Admissions Office, ITS implemented Phase 2 of the Slate Integration project on schedule. With these enhancements in place, the Admissions Office is equipped to launch an updated auto-admissions process, decreasing the time between an incoming student's application and the admissions decision.
- Multi-Factor Authentication (MFA) is being rolled out to all individuals with MSU Denver accounts. As part of our Microsoft Office 365 licensing, the feature costs very little to implement. Two hundred individuals are already using the solution, with the remainder of campus scheduled to have access by the end of the calendar year. As it is estimated that 99% or more of phishing attempts are thwarted by MFA, implementation of this technology will provide an added layer of digital protection for the MSU Denver community.
- The ITS Infrastructure team is in the process of migrating more than 150 servers from legacy hardware to recently purchased enterprise computing and storage infrastructure. This will eliminate dozens of physical servers, resulting in significant cost savings for the University.
- A new CyberSecurity Awareness training course has been selected and assigned to all staff and faculty through the EverFi online education platform. Similar to other required training courses, all staff and faculty are required to complete the program by October 1, 2019.
- ITS completed all requested work for the annual state financial audit, providing over 100 requested documents and completing 15 separate in-person interviews between June and August. We look forward to working with the new auditing team over the next several years and hope that the hard work required this year will pay dividends going forward.
- ITS is in the final stage of selecting a consulting partner to perform a comprehensive review of MSU Denver's Ellucian Banner ERP/SIS environment to ensure that the organization is effectively utilizing the platform. This project will engage numerous stakeholder groups to explore the solution's support of critical business processes throughout the University.

# Meeting Adjourned

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