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

Finance Committee Meeting
Friday, December 9, 2022, 9:00 a.m. – 12:00 p.m.
Jordan Student Success Building,
890 Auraria Pkwy., Room 400

Board of Trustees Present:

Chairman Russell Noles, Trustee Barb Grogan, Trustee Albus Brooks, Trustee Mario Carrera, Trustee Emily Garnett, Trustee Kristin Hultquist, Trustee Mike Johnston, Trustee Mike Kopp

MSU Denver Personnel Present:

Janine Davidson, President; Dr. Alfred Tatum, Provost and Vice President for Academic and Student Affairs; Will Simpkins, Vice President for Student Affairs; Christine Márquez-Hudson, VP University Advancement & MSU Denver Foundation; Edward Brown, Chief of Staff; George Middlemist, CFO/Associate Vice President of Administration; Larry Sampler, COO/Vice President of Administration; and other various staff members.

I. CALL TO ORDER:

The meeting was called to order at 2:57 p.m. by Chairman Mike Kopp.

II. APPROVAL OF MINUTES:

A **motion** was made by Trustee Noles to approve the January 27, 2022, Finance Committee meeting minutes and was seconded by Trustee Carrera. The motion was **unanimously approved**.

III. DISCUSSION ITEMS

A. Enrollment Update – Will Simpkins, VP for Student Affairs

- Resources in place to stabilize systems and create sound opportunities for students and have opportunities to grow.
- Undergraduate full-year FTE down 6.24%. Seen significant movement in the last couple of days. Headcount, as of the 22nd, Tuesday, was 4.1%.
- Graduate level, FTEs are down 1.5%, headcount down at 2.6%. Seeing a trend nationally with master's programs enrollment. A study from Gallup and Illumina Foundation on why students are leaving higher education, enrolled students, and those stopped out and considering coming back are most frequently citing stress as the reason that they may drop out or that they may not return to higher education. Thinking about student wellness, driving their decisions coming into higher education creating an opportunity to make sound decisions, and feel good about time management in joining higher education.
- Observing movement in how students are registering for classes. Online classes are extremely popular.
- Enrollment beginning to recover, stabilize and potentially launch.
- New student enrollment funnel is up 2.22% in applications, a small percentage of a very large number; get about 60,000 applications a year. 2% is notable. 2.62% up in acceptances, and 5.22% up in registration of new students.
- Retention rates: almost back to the retention rate of pre-COVID, about half a percentage point off. Steady increases in retention over the last two years. Based on Sean Petranovich's work with predictive analytics, seeing the impact of strategies that the University has invested in growing retention rates.

- Undergraduate retention rate is 68.2 for the University. Closed the Latinx retention gap at the University. Latinx students are retaining on par with the University average, positioned to be the most consequential HSI in the region.
- Used HEERF dollars for impact grants, for eligible students and emergency fund grants that students had to apply for and helped retain students last year due to uncertain financial times. Increased outreach methods for new students, admitted students, and prospective students.
- Continuing to drive affordability messaging and continuing to invest in ensuring that MSU Denver remains affordable, automating whatever systems that can be. Big win this year has been the transfer system. This time last year, transcript evaluations for new transfer students were taking four to six weeks. Last week, received 600 transcripts out of a total of 3,000 and just got over one-week wait, maintained a one-week turnaround all summer through investing in automation.
- Looking at advising reform this year.

B. Foundation Update – *Christine Márquez-Hudson, VP University Advancement & MSU Denver Foundation*

- Goal this year was \$7 million; raised \$10.6 million. Thanks to all the deans, the partnership, other VPs, and their teams for the effort. Goal by the end of this campaign is to be raising 15 to 20 million per year. Exceeded all other goals: retained donors 108, engaged alumni 104%.
- Not happy with the performance of endowment. Raised over \$7 million in planned gift commitments. Starting to develop planned giving program.
- Back in COVID, created the Dreamer emergency fund. Since its inception, 153 students have been assisted by the Dreamer emergency fund. Helps undocumented DACA and TPS students who are not eligible for federal financial aid, were disproportionately affected by COVID. This fund continues forward because students continue to need help with legal fees, for tuition, emergency rent, utility payments, medical emergencies, etc.
- The campaign goal was to raise \$75 million, raised over \$26 million at 35%. Have 36.5 million that is active in the campaign pipeline.
- Recent gifts: Rob and Molly Cohen made a very generous gift as it relates to the Cohen Pacesetter Program. Foundation Board Ron Tilton and his wife Susan made a very significant donation. Mariner Kemper and his wife Megan made a significant donation through UMC Base supporting the C2Hub.
- Upcoming Events: The Welcome Back breakfast on September 13. The Free Expression panel with Attorney General Weiser on September 15, Homecoming, and the volleyball game on November 11.

C. Hotel/Hospitality Learning Center (HLC) Update – *Larry Sampler, VP of Administration/COO and George Middlemist, AVP of Administration/CFO*

The Hotel is doing great, at 80% occupancy in the month of June, on average with the concept. On average with competitors, average daily rate is still in excess. \$200 a room, an average rate. Continues to perform strong.

IV. ACTION ITEMS

A. Approval of Fiscal Year 2022-23 Phase II Budget – *George Middlemist, AVP of Administration/CFO*

- Built the budget based on a 6.7% decline in enrollment, a little optimistic. Phase II, ongoing one-time needs of \$6.2 million. E&G, the money that didn't spend during the year that rolled forward in the education and general fund about \$16.4 million. Recovered revenues from all HEERF funds, have used to recover lost revenues, used some for the Deans' Grant and other things. Have \$6.4 million and not recommending using. Have the ASR, Administrative Service Charge Fund, tax to all the ancillary units. A fund balance to use for emergencies; \$13.2 million.

- Two recommendations: the investment in one-time allocations and the investment in stabilizing, launching the institution. Funding the ongoing needs: background checks needed to run when hiring new employees. Paid for out of one-time ongoing allocations. Advertising historically paid for out of ongoing one-time funds. Work with the departments to figure out those ongoing things. Comfortable moving these forward so branches can continue to do their day-to-day operations.
- Stabilizing and launching enrollment through extension of internships and experiential learning programs. A program that shows strong retention rates.
- Watching the commitment to public service opportunities, ties to the expansion of internship and experiential learning programs, getting those students paid internships that they wouldn't have received to work for a government agency or other not-for-profit, engaging them in serving the public. A really great opportunity for the students.
- Investing in people: recommending \$4.2 million to invest in increasing salaries for faculty and staff at the University. For faculty and staff, recommending increasing the compensation pool 3%. Normally do a 3% across-the-board increase for all salaries, staff that are at the lower end of the salary range who struggle to keep up with inflation, are getting less and less dollar amounts than some of our faculty and staff that are higher on the pay range. Recommending doing a flat increase to all faculty and staff of \$2,100, meaning that someone who has an income of \$50,000 is seeing a 4.2% increase in their salary, able to manage some of the impacts that inflation is having on them. Additionally means that someone with a higher salary, at \$100,000 a year, is only seeing a 2.1%. Significant for the people at the lower end of the pay scale, a consequence for the people at the higher end of the pay scale. Made recommendations based on what is the best interest of the organization; in this case, that raises all salaries at the same amount.
- Recommending that CUPA be maintained. Promised that CUPA to faculty be maintained. Will pay no less than a certain percent based on the tenure or the status of the faculty, affiliate, associate, or full professor, the amount of time they've been here. If the faculty member's been here for one to three years, will pay no less than 94% of the average of their CUPA peers. Have a set of peers that we look at based on the discipline and based on the rank and won't pay less than that amount. Allows to stay competitive and to deal with compression because every three-year increment, we increase that percentage 1%. Anybody working longer than 19 years gets 100% of their CUPA averages. For affiliate faculty, recommending a 3% increase to their salaries.
- Recommending a one-time investment to stabilize advising at \$400,000. In terms of students that were able to advise last Fall, had an 81% retention rate for students coming into the Spring semester, a significant impact. Retention rate overall for the University, a modest investment to potentially have significant return on investment.
- Expansion of the Pathways to Possible. Currently funding that program through the year with some of the money set aside for them last year but ran out of that. Don't have the ability to grow that program this year. Recommending allocating \$1.1 million over the next couple of years to be able to stabilize and grow this program. Estimate that if invest in this program going forward, have a 20% ROI, an average 20% ROI over the course of five years. Retaining, potentially getting new students, potentially recruiting students.
- To expand the program that we have partnered with Senator Hart, to continue to launch this program. Estimating about \$500,000 investment in terms of people, but in earning opportunities for students. Anticipate this number will shrink over time as we're able to do philanthropy and fundraising around public service. Not a huge investment, and important part of our mission.
- Recommending a \$1.1 million investment over the next 18 months to Cybertopia programs. A program that creates a virtual reality experience and offers certificate programs for students in cybersecurity. The initial investment is about \$3,000, for the software. To grow with advertising, with marketing, with staff to support it, a total investment of \$1.1 million.
- Have no extra money remaining for university priorities if were down 6.7%. There's not a lot of base budget left. Recommending that \$16.4 million that we had in roll-forward funds to invest in people and in these programs.

MOTION:

A **motion** was made by Chair Kopp to approve the FY 2021-2022 Phase II budget as presented and was seconded by Trustee Grogan. The motion was **unanimously approved**.

A. **Approval of New HLC Board Member** – *George Middlemist, AVP of Administration/CFO*

One of the responsibilities of this Board is to approve the appointment of Board members to the HLC. Charlie Kercheval who's currently the president of Alpine Bank, been with 1stBank for 25 years and sits on the Foundation board, strong financial background, a great replacement. Charlie is excited and has served on a lot of boards and he's served on DPS Foundation. His son is a student, Road Runner.

MOTION:

A motion was made by Chair Kopp to approve the appointment of Charlie Kercheval to the HLC Board. Trustee Grogan moved for approval and was seconded by Trustee Hultquist. The motion was **unanimously approved**.

V. ADJOURNMENT

A motion was made by Chair Kopp to adjourn at 4:30 p.m.