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

Finance Committee Meeting Minutes
Thursday, September 2, 2021, 1:00 p.m. – 2:30 p.m.
Jordan Student Success Building,
890 Auraria Pkwy., Room 400 (University Advancement Boardroom)
and via Zoom

I. CALL TO ORDER:

The meeting was called to order at 1:00 p.m. by Chairman Russell Noles.

Board of Trustees Present:

Chairman Russell Noles, Trustee Albus Brooks, Trustee Mario Carrera, Trustee Trustee Kopp, Trustee Emily Renwick Garnett, Trustee Barb Grogan, Trustee Kristin Hultquist, Trustee Mike Johnston, Trustee Marissa Molina, and Alumni Representative Jim Qualteri.

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; Thad Spaulding, Interim Associate Vice President of Enrollment; Deputy General Counsel Nicholas Stancil; George Middlemist, CFO/Associate Vice President of Administration and Controller; Larry Sampler, COO/Vice President of Administration; Liza Larsen, Controller; Mary Saucedo, AVP of Enrollment Management and other various staff members.

Vice Chair Grogan welcomed Jim Qualteri, Alumni Association Representative to the Board.

II. APPROVAL OF MINUTES

A **motion** was made by Trustee Grogan to approve the June 3, 2021, Finance Committee meeting minutes, and was seconded by Carrera. The motion was **unanimously approved**.

III. DISCUSSION ITEMS

A. Enrollment Update – Mary Saucedo, AVP of Enrollment Management

The year-over-year enrollment comparison to Fall 2020:

- 10.86% down as of this past Tuesday for FTE
- Headcount 9.11% down for undergraduate students
- Graduate students are at 1,178 headcounts, a little over 7% up in enrollment
- Fall 2021 just below 15%, year-over-year comparison in enrollment, up about 4%.
- Enrollment not doing well, happening statewide. Decrease in enrollment across the board.
- Spring enrollments final counts in colleges lost 600,000 students in 2020, increasing the level of competition between institutions of higher education.
- In addition, students, particularly who are Generation Z, are starting to lose faith in higher education and starting to ask the question, "Is it worth it?"
- The media likes to talk about variants, creating a lot of concern within students and their families.
- Black enrollment, particularly male enrollment, is down 25 or 30 points nationally. How COVID has disproportionately affected people of color been really hitting the sector most profoundly.
- FAFSA numbers are down. Starker for our BIPOC students of color, low-income students aren't submitting their FAFSAs, at the rate they used to.
- Sean Petranovich created a productive retention model to do some targeted outreach to students who were found to be less likely to be retained.

- Students that the model identified had over 7,000 students targeted outreach to. Out of those 7,000 students, a response rate of 27.5% equated to 2,012 students. Out of those 2,012, 1,460 students who indicated they were planning to register for the Fall. Out of these 1400 students, 444 students registered.
- Of the students who indicated they were not coming back, the majority were either transferring to other schools, or didn't come back because of personal reasons, or they indicated they needed to work.
- The students were grouped based upon responses, the first outreach to these students were through a text campaign, with a response rate of 27.5%.
- Reasons why students needed help:
 - The top reason was because of course recommendations for Fall 2021.
 - Helping finding degree progress reports, advising, academic questions received from students that didn't quite know where to go.
 - The data was retrieved from EAB Navigate so it is interpreted by those who entered the comments into that system. Overall, students had a lot of issues with just how to enroll in classes, how to register, what classes to take, major requirements, holds, graduation requirements, and course overrides.

Within enrollment management looking at the student experience:

- Financial Aid had some structural issues in that office that have existed for many years, have come to understand them during the Fall startup. Now have committees to solve issues in that office, and recently worked with a consultant to do an override, a big review of that office and provide recommendations. From those recommendations will continue working with the consultants to strengthen financial aid structures.
- Transfer students: Have a high number of transfer students who come to this institution, MSU Denver desires to be that model transfer university for the students. There are various areas on campus that focus on transfer students, one of which is the Finish What You Started initiative that they have been working on. Will be getting funds from the state to support adult students who have some college credit but not a degree. Focusing on transfer population, adult learners, completers that need to complete their degrees, and having a focus on that. This opportunity allows the ability to provide scholarships to the students.
- Office of the Registrar has been unable to evaluate transcripts in a timely manner to get transfer students in. There is a number of projects happening in collaboration with ITS and the Registrar office that are streamlining projects and being able to cut out some of the data entry and that time that it takes to get students' transcripts evaluated.
- Working closely with Strategy, Marketing and Communication, targeting those pipelines and online learning. Working with EAB to saturate the Colorado market to ensure that sophomores, juniors, and high school students get letters and materials from us

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

The university needs to find other sources of revenue, and one of those sources is philanthropy. MSU Denver is ripe for greater investment by donors, philanthropy is not going to replace this level of decline in enrollment. Combined with investments in marketing and investments in just getting the word out about the quality of the education at the price point that you can get at MSU Denver, that can encourage greater philanthropy and investment in MSU Denver.

- Phase 3 now a quiet phase, getting us through the end of 2021.
- Have hired campaign counsel this fall. In the process of developing the campaign plan. Working to revise our case for supports, planning and preparing for the Joint Board Retreat in October, and starting to solicit gifts. At the retreat going to dig into this with an understanding of the contours of this plan, how much to raise, roles in it, and some training from CCS Council on how to go about doing it and who will be involved.
- Hired CCS Fundraising, one of the best in the country. It's about creating that funding infrastructure for MSU Denver. These are some of the best consultants in the country and the

CCS structure is they are going to embed a consultant on our team and they will be working 40 hours a week to help even add capacity to this team to execute this effectively. Kim Costello will be starting in mid-September, with access to the analytics group and all of their higher ed practice groups from across the country.

- Are building infrastructure that can sustain the fundraising for the University beyond the campaign.
- Also working to engage former trustees, predecessors. Will be engaging many of the trustees in helping connect with former trustees along the way.

IV. ACTION ITEMS

A. Fiscal Year 2021-2022 Phase II Budget - *George Middlemist, AVP of Administration/CFO*

This was an exciting year in terms of state funding, more successful than in the past. It has been a challenging year in terms of enrollment declines and some of the mandatory costs that we had to account for in the budget process. Had \$4.4 million leftover after paid for things after the enrollment declines.

- Will end up for the year 10% down. Currently at 10.86%. Couple of Phase II mandatory allocations where saved money in terms of fringe benefits, a little bit more costs in terms of sick leave for hourly employees. In summary, looking at increasing the overall compensation pool by 3%, increasing faculty compensation, professional staff and executive compensation, affiliate faculty, and allocating some funds to our VP's. Have some one-time stipends recommending be allocated and given to faculty and professional staff this year.
- Phase I mandatory allocations: recommending reducing fringe rates. Charge a percentage of salaries to come up with fringe, budget for fringe. At the end of every year make sure that what was spent is close to what was budgeted or have allocated in that fringe rate. In the last few years we have overcharged, charged more than what was spent. Recommending reducing the fringe rate about a percent and a half to free up \$1.1 million. To allocate 1% fringe rate charged to hourly employees, student employees, because they now have the ability to earn sick leave at a pro rate basis based on how much time they work. Not a lot of money, something needed to do for the departments.
- The overall base recommendation, recommending an increase to the compensation pool of 3%. \$2.8 million of the base budget will be allocated for faculty compensation. Recommending for all the employee groups a 1.75 across-the-board increase to deal with cost-of-living increases.
- Recommending for faculty to reinstate and maintain the CUPA averages. To make sure that they're not paid less than a certain percent of their average, their peer averages in salaries. A faculty member that's been employed from zero to three years will ensure that they're paid not less than 94% of the average of their peers, a significant investment. Spread that out as faculty members have been here longer, more than 20 years at 100% of peer averages to deal with equity and with competitiveness in terms of other universities.
- Recommending taking 1% of the faculty pool and allocating to the provost's office, the deans and chairs to continue to address the compression issues that they have with some of the faculty.
- Recommending increasing the affiliate faculty compensation by 1.75%, about \$2.8 million. Have less than \$1 million that recommending be allocated for professional staff and executive staff at 1.75% across-the-board increase.
- Recommending allocating a little less than \$600,000 to the vice-presidential areas of the branches which have requested "undesignated" money. Undesignated money is money that doesn't got a designated purpose and historically gets used to deal with compensation issues with the professional staff who work for them. They work with the AVPs, if they're recruiting a position. Oftentimes to recruit at a salary higher than the person who left it was making, they take the undesignated budget and designate it to keep that person. They can also use it to keep people, to retain people, someone who has been performing at a high level who's no longer learning the job but is doing the job or excelling at the job. It allows them to work with HR to identify how they can keep people that are really important to the institution.

- Many conversations and recommendations of the BRC and with Dr. Davidson. Have staff and faculty that are overworked. By allocating this mainly to compensation, it's not helping to reduce that workload, best way to balance everything.
- Recommending a one-time stipend, to recognize the hard work, dedication, the service to students of all faculty and professional staff that are here this year. Recommending a one-time stipend to employees who were hired prior to January 1, 2021 of \$1500. For those employees hired between January 1st and April 15th a stipend of \$700. \$500 retention stipend for all the employees who are still here in April of this coming year.

The Finance Committee is recommending to the board to approve the Fiscal Year 2021-2022 Phase II Budget recommendations.

A **motion** was made by Trustee Noles to approve the actions recommended by the Finance Committee, moved by Trustee Johnston, and was seconded by Trustee Kopp. The motion was **unanimously approved**.

V. INFORMATION ITEMS

A. Fiscal Year 2020-21 Unaudited Financial Statements

Written documents in the packages, talks about the format of the University in terms of financial statements that we haven't audited, these financial statements, yet, so those are unaudited and high-level conversations about where we sit.

B. Fiscal Year 2020-21 Budget to Actual

We have the last year's budget-to-actual report. Better in terms of revenues, expenses, and in a strong position in terms of one-time funds. Factor in the HEERF moneys as well.

C. Hotel Operations Update

The Hotel is bouncing back very quickly. The All-Star weekend helped a lot.

V. ADJOURNMENT