

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

Finance Committee Meeting
September 21, 2023,
Jordan Student Success Building,
890 Auraria Pkwy., Room 400

Board of Trustees Present:

Chairman Mike Kopp, Trustee Albus Brooks, Trustee Emily Garnett, Trustee Kristin Hultquist, Trustee Mike Johnston, Trustee Jerry Glick, Faculty Trustee Ann Oberman

MSU Denver Personnel Present:

Janine Davidson, President; Dr. Marie Mora, Interim 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; Jim Carpenter, 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 1:00 p.m. by Chairman Noles.

II. APPROVAL OF MINUTES:

A. Approval of June 1, 2023, Finance Committee Meeting Minutes

A **motion** was made by Trustee Glick to approve the March 16, 2023, Finance Committee meeting minutes, and was seconded by Trustee Garnett. The motion was **unanimously approved**.

III. INFORMATION ITEMS

A. Moody's Credit Opinion - *Jim Carpenter, CFO*

Generally good news and some important caveats to be aware of. A1 rating and a stable outlook.

- Strengths in the ratings report:
 - Brand and strategic partnerships
 - Improvement of wealth and liquidity, improved philanthropy and the great work being done by the Foundation.
 - Steady improvement in state operating support, from a broad base and from a per-student perspective.
- Challenges:
 - The competition in the student market, reliance on tuition and fees. True for every institution in Colorado, seen as a key credit challenge.
 - Relatively highly leveraged, looking at pension obligations more towards the higher end.
 - Exposure to the volatility of the hospitality industry, exposure to a different market impacting financial health.
- Impact on future ratings
 - Positive: Increases in reserves; improved debt, continued growth in state support.
 - Negative: Inability to sustain operating margins, focused on higher education across the country because of the significant influx of federal funds post-COVID.
 - Increase in debt without increased reserves or increased cash flow, driven by pension obligations.

B. Enrollment Update - Long Huynh, Chief Enrollment Officer

The highest number of applications from new students since COVID, 17,467 total undergraduate and graduate students.

- New incoming student enrollment, received over 19,500 applications for our Fall '23 semester. 18% more compared to the same time last year. Second consecutive Fall semester with an increase in new students enrolled.
- 26% growth in Asian student population, 25% growth in African American student population, 16% growth in Latinx student population, 13% growth in White student population.
- Undergraduate students average age is 24 years old; 55% female, 45% male. 59% are first-gen students; 95.5% are in-state students; and 55.2 % are students of color, up from 53.8% last Fall.
- Retention is flat, down 1%. Fall '23, retention rate was 67.4% compared to 68.4% last year.
- Graduate students' four-year full-time equivalent students are up 0.44%. Headcount up 1.1%, total headcount 1,160 students.
- In addition to Stuff That Works, tuition lock and Roadrunner Promise, successfully launched a comprehensive and personalized communication strategy from the Admissions team. Personalized campus tours and revamped open house events with new and additional sessions for both students and parents. Admissions team continues to process all applications and high school transcripts within the same day. Transcript evaluations looking at one-week average.
- The Financial Aid Office disbursed over \$38 million for Fall '23, \$5 million more than last semester.
- The first week received 5,600 phone calls coming into the call center. Reduced the wait time significantly, improved 21 seconds for the Admissions line, 11 seconds for general lines, one minute and nine seconds for Financial Aid line.

C. Compensation Update - Jim Carpenter, Chief Financial Officer, Stacy Dvergsdal, Associate Vice President of Human Resources

- 4% increase built into compensation that went into effect on July 1, changed from October 1. The goal was to reach the additional 1% to get to the 5% increase when enrollment goals were met. Enrollment was very positive.
- 1% stipend in the budget was approved in June. Were able to move forward with the increase, a stipend, not built into base salary, one-time non-base-building stipend of \$800 flat dollar amount, provided to all employees in their October paychecks.
- FLSA and City and County of Denver minimum wage. Fair Labor Standards Act, implemented in 1938. To make sure that employees are paid to curtail excessive hours and ensure payment when working over 40 hours within a week.
- The FLSA designated to the Department of Labor, would oversee setting what the floor was and any changes that would happen to that floor. There is a proposal in its 60-day comment period proposing an increase to the FLSA annual salary minimum. From \$35,568 to an annual salary of \$55,068 and a three-year automatic adjustment provision.
- The goal from CUPA HR, looking to implement this in 2024. Mixed reviews because it is quite an increase in setting the minimum salary threshold. Will continue to watch and partner with, increasing that minimum salary.

D. Campaign & FY23 Fundraising Update - Christine Marquez-Hudson, Vice President of Advancement and Executive Director of MSU Denver Foundation

- Current fiscal year, \$2.36 million raised, total campaign numbers 43.3. In the pipeline, \$34 million and several gifts are going to close in the next two months. Donors and gifts doing well, an alumni goal of 10,000.

- Database improvements focus this year on Financial Edge, a sister technology to Razors Edge, working on optimizing over the course of the year.
- Growth in endowment getting close to 24 million and total net assets 48.7 million.
- New planned gifts, goal this year of 15.
- Active Campaign pipeline healthy amount, continue to be optimistic.
- Pillar of progress, four pillars of the campaign
 - Colorado's talent pipeline includes the Health Institute; a lot of fundraising to do in this pillar, for the Health Institute and for all the other initiatives within that pillar.
- Classroom to Career at \$2.2 million, the goal 9 million. Student Success is nearly \$17 million.

IV. ACTION ITEMS - *Christine Marquez-Hudson, Vice President of Advancement and Executive Director of MSU Denver Foundation*

A. Approval of the Naming of the Morgridge Peer Mentoring Program

The Morgridge Family Foundation made a gift of \$1.5 million to the C2Hub capital program. In recognition, requested to name something with more direct student impact, to name the peer mentoring program which is housed within the C2Hub. Serves between 600 and 1,000 students per year. Will implement signage immediately in the space in the Tivoli when the new building is constructed will put new signage up in the C2Hub. Gifts above \$1 million go to the Board of Trustees for approval, recommendation to approve the naming opportunity.

A **motion** was made by Trustee Glick to approve the naming of the **Morgridge Peer Mentoring Program** and was seconded by Trustee Noles. The motion was **unanimously approved**.

V. DISCUSSION ITEMS

A. 800 Kalamath Property - *Christine Marquez-Hudson, Vice President of Advancement and Executive Director of MSU Denver Foundation*

Under contract to purchase the 800 Kalamath building. 15% of MSU Denver's Music Department utilize the space and seven different community partners. The Music Department programs include the Mariachi Program, Jazz Program, and Music Technology. The venue is used for performances by students in those programs and community partners, helps MSU Denver with a presence in the Santa Fe Arts District. The lease would transfer directly; would not change anything. \$287,000 a year the University is paying into the lease, about 85,000 a year in operations and maintenance costs. No changes, every five years there's the opportunity to renew that lease. No change to the financial obligation of the University.

VI. ADJOURNMENT

A **motion** was made by Trustee Noles to adjourn at 2:09 p.m.