

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

Committee Meetings and Board Meeting
Student Success Building (SSB)
890 Auraria Parkway, Denver, 4th Floor

Friday, December 5, 2014

7:30 a.m. – 8:45 a.m.

Finance Committee Meeting

SSB 440A (Trustees Boardroom)

Breakfast provided at 7:15 a.m.

8:45 a.m. – 9:15 a.m.

Academic & Student Affairs Committee Meeting

SSB 440A (Trustees Boardroom)

9:30 a.m. – 1:00 p.m.

Board Meeting

SSB 400A

Lunch provided for Trustees at 12:00 p.m.

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

Business Meeting

Friday, December 5, 2014

Public Meeting: 9:30 a.m. – 1:00 p.m., SSB 400A
Student Success Building – 890 Auraria Parkway

I. CALL TO ORDER

II. CONSENT AGENDA:

- A. Approval of September 30, 2014 Special Board Meeting Minutes
- B. Office of Human Resources report of personnel actions which have occurred since the last Board Meeting on September 30, 2014

III. CHAIR'S WELCOME & REPORT:

- A. Trustee Recognition
- B. Retreat Recap

IV. ACTION ITEMS:

- A. Academic & Student Affairs Committee: *Trustee Terrance Carroll*
 - i. Approval of New Certificates and Programs (Rae Shevalier, Paul Ballard, and Cynthia Lindquist)
 - 1. Additive Manufacturing Engineering Certificate (Undergraduate)
 - 2. Advanced Composite Materials and Manufacturing Certificate (Undergraduate)
 - 3. Brewing Science Certificate (Undergraduate)
 - 4. Health Data Science Certificate (Post-baccalaureate)
 - 5. Water Studies Certificate (Undergraduate)
 - 6. Wellness Coaching Certificate (Post-baccalaureate)
 - 7. Autism and Significant Severe Needs Certificate (Graduate)
 - 8. Bachelor of Arts in Elementary Education
 - ii. Archiving of Certificates and Programs (Rae Shevalier, Paul Ballard, and Cynthia Lindquist)
 - 1. Sport Industry Operations Certificate (Undergraduate)
 - 2. Teacher Preparation Content Area Programs

V. PRESENTATIONS:

- A. HB14-1319 Update (Stephen Jordan, Steve Kreidler, Loretta Martinez and Christine Staberg)
- B. Board Oversight of Educational Quality
 - i. Financial Aid Basics (Judi Diaz Bonacquisti and Cindy Hejl)
- C. 2014 Defined Contribution Pension Plan Performance Review Report (Tim Greene)

VI. REPORTS:

- A. President's Report: *President Stephen Jordan*
- B. State Legislative Report: *Christine Staberg, Capstone Group, LLC*
- C. Federal Legislative Report: *Mike Dino, Patton Boggs*
- D. Finance Committee: *Trustee Jack Pogge*
 - i. Finance & Budget Report (Steve Kreidler)
- E. Faculty Trustee Report: *Trustee Kenn Bisio*
- F. Student Trustee Report: *Trustee Joe Boss*
- G. Alumni Report: *Alumni Representative Judy George*
- H. Faculty Senate Report: *Sheila Rucki, President*
- I. Student Government Report: *Patricia Ordaz, President*
- J. AHEC Report: *Vice Chair Dawn Bookhardt*
- K. Foundation Report: *Trustee Bill Hanzlik*
- L. Shared Governance Task Force Report: *Braelin Pantel and Winston Willis-Grady, Co-Chairs*

VII. INFORMATION ITEMS:

- A. Human Resources report of personnel actions for the Board's information which have occurred since the last meeting on September 30, 2014

VIII. PUBLIC COMMENT:

IX. ADJOURNMENT

- A personalized online dashboard to track all their federal and private student loans in one place and compare loan payment options;
- A highly interactive financial education curriculum and other educational content, including the \$ALT Blog: “Money Savvy for College and Beyond”;
- Multiple self-serve online tools and calculators to assist with budgeting;
- Advocacy and assistance with resolving complex student loan related problems; and,
- Meaningful benefits and incentives that lower overall total costs.

Currently MSU Denver has 3,683 \$ALT members and has successfully resolved 1,371 delinquent borrowers’ accounts with the assistance of ASA.

Loan Defaults:

3-Year Cohort Default Rate:

A cohort default rate is the percentage of an institution's borrowers who enter repayment on certain loans during a federal fiscal year (October 1 to September 30) and default prior to the end of the next three fiscal years.

MSU Denver Default Rates, FYs 2009-2011

FY 2009 – 15.5%

FY 2010 – 14.7%

FY 2011 – 13.6%

Institutional default rates are of critical importance. If an institution’s default rate is equal to or greater than 30% for the three most recent years or equal to or greater than 40% for the current year, an institution will lose Title IV (Financial Aid) program eligibility.

AGENDA ITEM: 2014 Defined Contribution Pension Plan Performance Review Report

BACKGROUND:

The Board of Trustees has the authority to create a Defined Contribution Pension Plan (DCPP), often referred to as an Optional Retirement Plan (ORP), for Metropolitan State University of Denver's faculty and administrative staff. *Colorado Revised Statutes* (§ 24-54.5-103) grants this authority to the Board, and the former State College Board of Trustees established an ORP for the state colleges (now universities) in 1994.

This agenda item outlines the requirements of legislation passed in 2004 that clarified and strengthened governing board responsibilities for management of the ORP and presents the independent ORP Report prepared by Innovest Portfolio Solutions, LLC.

In 2002, the State Auditor's office conducted a review of the Colorado higher education governing boards' approved ORPs. The main finding was a lack of clear fiduciary responsibilities for governing boards to follow within the original 1992 legislation. In 2003, governing board representatives and college and university plan administrators worked with the CCHE and the Legislative Audit Committee to review fiduciary oversight material and propose language to help clarify management and fiduciary oversight responsibilities for the higher education governing boards. This led to the passage of House Bill 04-1007.

House Bill 04-1007 details four requirements to assure governing board fiduciary oversight which includes: (1) participants in the plan shall have access to investment alternatives having a range of risk, benefits, and cost; (2) the governing body shall have the ability to monitor the fund sponsor's performance, including but not limited to, the returns earned on each investment alternative or pool and the total fees and expenses charged; (3) the governing board shall periodically review each fund sponsor and compare the sponsor's performance to other sponsors of ORPs available to public employees in the state; and (4) the governing board shall conduct a periodic review of the financial viability and attractiveness of combining any ORP established by the governing board with the plans established by other governing boards. Provided that if the governing board complies with these four requirements, the governing board, its members, agents, employees, and plan administrators shall have no liability to participants in the plan.

A state-wide Ad-Hoc Colorado Higher Educational ORP Performance Review Committee, consisting of representatives from each public college or university that maintained an ORP, was established to address these requirements. Early in 2014, the Committee contracted with Innovest Portfolio Solutions, LLC, an independent retirement benefits consulting firm, to address the first three requirements. The Ad-Hoc committee discussed the fourth requirement and concurred that each of the higher education ORPs differed in enough ways that each plan should continue as a separate IRS-approved governmental ORP.

The attached report was completed in April 2014. Following is a summary of the observations (also found on pages 5 and 6 of the report) and the actions that will or have been taken to address these issues.

- **VALIC indicated that plans are in place to move the State University Plans to the mutual fund platform on January 1, 2014:**

The conversion to VALIC's mutual fund platform was completed by all four universities that participate in this ORP and went live on January 15, 2014.

As it was noted in the earlier ORP Reports, VALIC was collecting more administrative fees than most of the other vendors. That trend is also noted in the 2014 report for those institutional plans still on the standard governmental platform.

VALIC charges an administrative fee for its standard product offering. TIAA-CREF and Fidelity do not charge this type of fee. In addition, all three fund sponsors have varying fees assessed for each of the 109 fund alternatives that an employee may select. Prior to the conversion to the new platform, VALIC's administrative fee is categorized as a percentage basis of the participants account balance per year. (For additional information on fees assessed see pages 12-20 of the ORP Report.) It should be noted that our ORP fees are comparable, and often less than those charged to the Colorado Peer Group.

The Associate VP for Retirement Plan Administration continues to work with representatives from all three fund sponsors to determine if the administrative fees and individual fund fees can be lowered. Effective January 1, 2006, VALIC agreed to lower their administrative fees by 20 basis points and the individual fund investment fees were lowered anywhere from 5 to 50 basis points. Effective January 1, 2010, Fidelity agreed to eliminate their administrative fees. In addition, the Associate VP and Human Resource staff members at each of the four universities worked with VALIC officials to deliver the new mutual fund platform to each school on January 15, 2014. This new mutual fund platform will have fewer fund choices (26), but still maintain diverse alternatives, and will eliminate their administrative fees. VALIC's total expenses will then be very close to those charged by TIAA-CREF and Fidelity.

AGENDA ITEM: Finance and Budget Update

BACKGROUND:

One-time Funds Available

In total, the University had \$10,232,304 fund balance in FY2014-15 from the following sources:

- Educational and General Fund (E&G): The FY14 Fund Balance as of July 1st, 2014 was \$9,263,051. Of this amount, after returning \$1,096,072 for the F&A Rate funds and Program Fees, \$8,166,979 was available for distribution.
- Metro Bond Fee: The amount available from the 10% FF&E set-aside for FY15 was \$969,253.

The following table summarizes the E&G fund balance distribution:

1	Fund Balance Available for Distribution	8,166,979.00
2	Designation/Uses	
3	June 2014 Approved Onetime Allocations	(1,564,528.00)
4	Summer Revenue Sharing	(2,750,000.00)
5	Available Fund Balance	3,852,451.00
6	Identified On-going and Other Commitments	
7	Academic & Student Affairs (Professional Development, SAI, OCE)	(1,249,255.00)
8	President's Office (Diversity, Marketing & Communications, Athletics)	(838,000.00)
9	University Advancement (AES initiative, Grant Writer)	(110,000.00)
10	On-going and Other Commitments	(2,197,255.00)
11		
12	Remaining for non-base reserve	1,655,196.00

The Budget Task Force determined that, at this time of declining enrollment, it was essential to be fiscally prudent. Therefore, they worked with the branches to identify and approve critical needs which they defined as any mandatory or on-going requests.

Bond Fee (FF&E portion)

The available fund balance of \$969K in the Metro Bond Fee was distributed in collaboration with Academic & Student Affairs, Student's representatives, and Facilities Management. Of this amount, \$384K has been designated for the English and Math SAI initiative, \$453K for ITS, classrooms, lab upgrades and academic infrastructure. A \$121K of this balance remains for contingency or future needs.

Summer Revenue Sharing

The Summer 2014 semester generated \$9.2 million in tuition revenue, which is an increase of over 13% from Summer 2013 with the enrollment increase of 8.55% in state funded courses. Of that, about \$2.75 million will be distributed to the Colleges and School. The Colleges and School have been encouraged to use these funds toward replacing equipment, repair, maintenance, and other large one-time budget needs. They will be allowed to retain any fund balance at the end of the year. The chart below shows how the funds were distributed based on Credit Hour production minus direct expenses and a 32% overhead:

	College of Business	College of Letters Arts and Sciences	College of Professional Studies	School of Education	Total
Tuition Revenue By CHP	\$ 1,506,030	\$ 5,418,677	\$ 2,093,415	\$ 195,103	\$ 9,213,225
Direct Expenses & Overhead	\$ (1,177,648)	\$ (3,692,790)	\$ (1,438,623)	\$ (155,380)	\$ (6,464,441)
Distributed to Colleges & School	\$ 328,382	\$ 1,725,887	\$ 654,792	\$ 39,723	\$ 2,748,784

Fall 2014 Enrollment Status:

As of Fall 2014 census, total undergraduate FTE decreased by 3.39% when compared to Fall 2013 census. Total resident FTE decreased by 4.02% or 610.07 FTES. Non-residents FTES increased by 14.49% or 78.00 FTES. Resident total includes ASSET students of 326 in headcount that generated 3,512 Credit Hour Production (CHP), the CHP was 262 higher for Fall 2014 compared to Fall 2013. We have 7 Colorado High School/GED Non-Resident students for Fall 2014 that generated 64 CHP, compared to 20 students that generated 96 CHP for Fall 2013.

Budget Update:

Operating – General Fund Fall 2014

The initial FY2014-15 budget took into account a potential 2% enrollment decrease. As of the Fall semester, the total tuition revenue estimate has been revised to consider the additional 1.4% decrease in enrollment. Every 1% drop in enrollment represents about a \$1 million loss in revenue, resulting in an estimated \$1.4 million shortfall for FY2014-15.

The University currently has a healthy cash position which should be maintained. Whereas the enrollment shortfall could be covered on a one-time basis from the fund balance, this would not only be a short-term solution but would reduce our cash position and damage our financial strength. Therefore, the Budget Task Force has created the Blue Ribbon Panel to help identify permanent base budget cuts for FY2014-15. In addition to the \$1.4 million for decreased enrollment, another \$162,000 in base needs was identified in order to address the faculty inversion issue. In total, the Blue Ribbon Panel will work with the branches to find around \$1.6 million in strategic base reductions.

Operating – Business Enterprise (Auxiliary) Funds

Business Enterprise revenue is projected to have a total decrease of \$1,509,161 from the initial budget estimate. This is the net result of the following:

- **Tuition & Fees:** A 2% enrollment decrease was built into the Tuition and Fee initial revenue estimates for the Business Enterprise programs. As of fall, the estimate has been reduced by an additional \$950,000 due, in part, to undergraduate enrollment decreasing more than the estimated 2%. In addition, the masters programs have also seen a decrease of around \$420,000 from the initial estimate. This is a result of a decrease in the Masters of Arts in Teaching enrollment of about 7 FTEs from the previous fall, as well as slower-than-anticipated growth in the Masters of Social Work program. Finally, Extended Campus initially estimated between a 15% and 25% enrollment decrease. However, they have experienced a bigger than expected decline in the Summer semester which may be related to the increase in on-campus summer enrollment.
- **Sales & Service of Auxiliary:** There is an estimated decrease of around \$350,000 in sales and services of auxiliary revenue. This is mainly due to decreased participation in the insurance plan for the Health Center related to both lower enrollment and enrollees switching to Medicaid since the Affordable Care Act policy change. However, they have seen a few enrollees switch back to the Health Center plan as the limitation of Medicaid become apparent.
- **Other Revenue:** The decrease in Business Enterprise revenue has resulted in around a reduction of about \$330,000 in the Administrative Recharge fund.

AGENDA ITEM: **Office of Human Resources report of personnel actions for the Board's information, which have occurred since the last Board Meeting on September 29, 2014.**

BACKGROUND: Report includes retirements, resignations, promotions, reassignments, reclassifications and salary adjustments, which are delegated to the President and do not require approval by the Board of Trustees.

INFORMATION: The following personnel items are presented to the Board of Trustees as information.

RESIGNATIONS

Ms. Tara Areola, Equity Assistance Specialist, Effective October 15, 2014.
(Personal Reasons)

Ms. Jentry Phelan, Classification & Compensation Specialist, Effective November 19, 2014.
(Accepted position outside of the University)

Dr. Jackie Gurley, Assistant Professor of SEECRET, Effective November 11, 2014.
(Personal Reasons)

Ms. Sheila Vidal, Executive Assistant to the Vice President of Administration, Finance and Facilities, Effective November 12, 2014.
(Personal Reasons)

Dr. Catherine Gaither, Chair and Associate Professor of Sociology and Anthropology, Effective December 31, 2014.
(Personal Reasons)

Mr. Corwin Doug Hurst, Professional in Residence- Accounting, Effective May 31, 2015.
(Personal Reasons)

Ms. Yuko Yagisawa, Associate Professor of Art, Effective May 31, 2015.
(Personal Reasons)

RETIREMENTS

Dr. Joseph Sandoval, Professor of Criminal Justice and Criminology, Effective May 31, 2015.

Dr. Milton Wieder, Professor of Chemistry, Effective May 31, 2015.

Dr. Barbara Uliss, Professor of Accounting, Effective August 31, 2015.

Dr. Louis Talman, Professor of Mathematics, Effective May 31, 2015.

PROMOTIONS

Ms. Michaela Clemens, Human Subjects Protection Program Manager, Annual Salary: \$65,805.00 – Effective September 1, 2014. (FROM Human Subject Protection Program Coordinator (\$57,222.00) TO Human Subjects Protection Program Manager (\$65,805.00))

Ms. Tina Moses, Director, Student Persistence, Annual Salary: \$75,000.00 – Effective September 1, 2014. (FROM Coordinator of Assessment and Special Testing (\$71,400.00) TO Director, Student Persistence (\$75,000.00))

Ms. Carrie Warren, Paralegal/Assistant Secretary to the Board of Trustees, Annual Salary: \$80,100.00 – Effective October 1, 2014. (FROM Interim Paralegal (\$72,828.00) TO Paralegal/Assistant Secretary to the Board of Trustees (\$80,100.00))

REASSIGNMENTS

Ms. Yue (Kelly) Huang, Program Manager and Events Coordinator, Annual Salary: \$52,000.00 – Effective September 1, 2014. (FROM Administrative Assistant III (\$42,314.00) TO Program Manager and Events Coordinator (\$52,000.00)) (FROM CLASSIFIED TO ADMINISTRATIVE)

Ms. Linda Sivertson, Equity Assistant Specialist, Annual Salary: \$50,000.00 – Effective November 1, 2014. (FROM Administrative Assistant III (\$42,334.00) TO Equity Assistant Specialist (\$50,000.00)) (FROM CLASSIFIED TO ADMINISTRATIVE)

Ms. Braelin Pantel, Associate Vice President for Student Engagement & Wellness/Dean of Students, Annual Salary: \$100,675.00 – Effective September 1, 2014. (FROM Acting Associate Vice President for Student Engagement & Wellness/Dean of Students TO Associate Vice President for Student Engagement & Wellness/Dean of Students) (NO SALARY CHANGE)

Ms. Laura Strohminger Roth, Associate Dean for Student Engagement & Wellness, Annual Salary: \$71,612.00 – Effective November 1, 2014. (FROM Acting Associate Dean for Student Engagement & Wellness TO Associate Dean for Student Engagement & Wellness) (NO SALARY CHANGE)

RECLASSIFICATIONS

Mr. Yared Belete, Senior Associate Director of Admissions, Annual Salary: \$70,000.00 – Effective October 1, 2014. (FROM Associate Director of Admissions- Internal Operations (\$61,699.00) TO Senior Associate Director of Admissions (\$70,000.00))

SALARY ADJUSTMENTS

Mr. Michael Nguyen, Financial Aid Systems Project Manager, Annual Salary: \$75,000.00 – Effective November 1, 2014.
(Salary increase due to counter offer)

Mr. Shifeng (Steven) Long, Senior Project Manager, Annual Salary: \$68,000.00 – Effective October 1, 2014.
(Salary increase due to grant funding)

Ms. Carrie Ngai, Program Associate, Annual Salary: \$45,000.00 – Effective October 1, 2014.
(Salary increase due to grant funding)

Ms. Sharon Simpson, Project Navigator, Annual Salary: \$32,558.00 – Effective October 1, 2014.
(Salary increase due to grant funding)