

TRUSTEES OF MESA STATE COLLEGE
AGENDA
REGULAR BOARD MEETING
OCTOBER 15-16, 2003
MESA STATE COLLEGE
Campbell College Center
Grand Junction, Colorado

OCTOBER 15, 2003

8:30 a.m. – 5:00 p.m. Scheduled campus and community focus groups
Fletcher and Elam Rooms, Campbell College Center

OCTOBER 16, 2003 **Liff Auditorium, Campbell College Center**

8:30 a.m. **CALL TO ORDER**
Roll Call
Pledge of Allegiance
Approval of Sept. 23 Minutes..... **2-5**
Public Comments

8:40 a.m. **REPORTS**
Interim President..... **6-8**
Faculty Trustee..... **9**
Student Trustee **10**
Faculty Senate President
Board Chair

9:30 a.m. **MOTION TO RECESS TO EXECUTIVE SESSION**
Colorado Revised Statutes section 24-6-402(3)(b)(I) provides that governing boards of state institutions of higher education may, upon their own affirmative vote, hold executive sessions to consider the appointment or employment of a public official or employee or the dismissal, discipline, promotion, or compensation of a public official or employee. The purpose of this executive session is to discuss personnel matters.

1:00 p.m. **RECONVENE IN OPEN SESSION**

ACTION ITEM
QIS (Quality Indicator System) **11-15**

1:20 p.m. **FINANCIAL REPORTS**
FY03-04 Budget..... **16-21**
State Appropriations **22**
Board of Trustees Expenses..... **23**

1:50 p.m. **TRUSTEE POLICY MANUAL24**

2:50 p.m. **OTHER BUSINESS**

3:00 p.m. **ADJOURNMENT**

TRUSTEES OF MESA STATE COLLEGE

MINUTES OF REGULAR BOARD MEETING

Tuesday, September 23, 2003.

Liff Auditorium

Mesa State College

I. CALL TO ORDER

Chair Lena Elliott called the meeting to order at 9:33 a.m.

Board of Trustees Present

Student Trustee Garrett Branson; Trustee Lena Elliott; Trustee Tom Kaesemeyer; Trustee Steve Meyer; Trustee Charlie Monfort; Trustee Carol Nesland; Trustee Jane North; Faculty Trustee Gayla Jo Slauson

Board of Trustees Excused

Trustee Luis Colon

The President's staff attended.

II. APPROVAL OF MINUTES

It was moved and seconded to approve the minutes of the August 20, 2003 and September 10, 2003 meetings. The motion passed unanimously.

III. REPORTS

A. Board Chair: Chair Elliott reported on the Moss Performing Arts dedication, mentioning the Moss's generosity, as well as that of other community members, the beautiful building, and the incredible talent displayed by students who performed during the events.

B. Interim President: Dr. Gingerich presented personnel actions for information and called attention to the accreditation Self Study document provided for each Board member. He stated that the accreditation team would be on campus November 11-14, 2003.

President Gingerich reported on media articles related to a student newspaper headline, the annual audit, the advisory committee required by Mesa State's role as regional education provider, and the status of CHEIBA insurance premiums.

C. Faculty Trustee: Trustee Slauson shared drafts of proposed calendars, one as an overview of business and one for events. She also is working with Trustee Nesland on a plan for revision of the trustee policy manual for the October Board meeting. Following that work, the professional staff policy handbooks will be addressed.

Trustee Slauson reported on statewide issues covered at a meeting of the faculty advisory group to CCHE, including plans for increasing funding to higher education, pass rates for teacher education licensing assessment, the Academic Bill of Rights, and the window for admission standards.

- D. Student Government: Trustee Branson reported on library hours, ASG Senate activities, Club Advisory Board funding requests, Cultural Diversity Board programs, a Campus Residence Association residence hall competition planned for October, athletic games, matches and activities, the theatre program's upcoming productions, and issues covered at the September Club 20 meeting which included higher education, water, and the Tabor amendment.
- E. Faculty Senate: Senate President, Russ Walker, distributed his report and commented on four issues important to faculty: shared governance, management of growth, regional education provider role, and funding for faculty compensation, this institution, and higher education in general. On behalf of the Faculty Senate, Dr. Walker urged the Board to act aggressively and creatively to influence the CCHE, the legislature, and the governor to bring Mesa deserved funding.
- F. Unified Technical Education Campus: As a member of the Board of Cooperative Educational Services (BOCES), Trustee Hamilton reported on its September meeting and UTEC's credit hour increase. The BOCES will meet again in 30-60 days to discuss the process for increasing the size of its board as legislated.

IV. ACTION ITEMS

- A. State Colleges Unemployment Compensation Claims
It was moved and seconded that approval be given for up to 47.82% of \$60,000 liability, with the added caveat that \$28,692 be the maximum exposure and that the question of Metro's liability be asked. After discussion, the motion passed unanimously.
- B. Capital Construction Priorities FY05
It was moved and seconded that the list of priorities for capital construction be approved. After discussion, which included clarification on the Program Plan, building locations, funding, and parking, the motion passed unanimously.
- C. International Baccalaureate Program
It was moved and seconded to approve the policy generated, as required, to report to CCHE. After discussion, the motion passed unanimously.

V. ROLE & MISSION

President Gingerich presented an overview of the elements that went into establishing the current role and mission, and the factors of the regional education provider role to be considered for incorporation into the role and mission.

Discussion occurred on plans for partnering, funding and creating a committee to address the regional education provider role, as well as on options for evaluating needs and

determining next steps. Also discussed was the need for additional input, from other entities, regarding direction for the College.

VI. EXECUTIVE SESSION

At approximately 11:55 a.m., it was moved and seconded that the Board convene into Executive Session for the purpose of discussing personnel matters in accordance with 24-6-402(3)(b)(I), C.R.S. The motion passed unanimously.

RECONVENE OPEN SESSION

Chair Elliott reconvened at 1:40 p.m.

VII. PUBLIC COMMENT

Jake Zambrano, CCHE representative to the Board, was recognized and welcomed by Chair Elliott. Mr. Zambrano offered to answer questions about CCHE and expressed his pleasure at attending the Board meeting.

Mesa County Commissioner, Tilman M. Bishop, addressed the Board stating that he was both pleased and proud of the appointments made to the Board, that its members had inherited an outstanding institution, and that he looked forward to their guidance.

VIII. SERVICES CONTRACT

Chair Elliott commented that Metro State College's finance officer will visit campus and has been contracted to help with moving ahead on financial formats.

IX. FY04 BUDGET DISCUSSION & POSSIBLE ACTION

Discussion included clarification of several items in, and changes made to, financial reports, as well as information on options for salary increases. In the absence of monthly report formats and more information on what may be available for salary increases, it was agreed to defer formal adoption of the FY04 budget. The Trustees and President Gingerich acknowledged the need to address salary increases and their desire to explore all options.

Chair Elliott and President Gingerich clarified that the following would be provided at the October Board meeting: a revised FY04 budget with revisions reflected, including performing arts broken out, the change in tuition, and a list of changes in expenditures that occurred from FY03 to FY04; an assessment of what dollars may be considered in the FY04 budget for salary enhancements for faculty and professional staff; tracking of FY04 funds designated for Trustees' discretion; and the cost of doing business as an independent institution.

X. PRESIDENT'S BRIEFINGS

President Gingerich briefed the Board on salary and benefit comparisons, including peer groups and how they are established, and the search for a vice president for financial and administrative services. Discussion was held on the search process and the Board's involvement in the search and selection.

XI. OTHER BUSINESS

Trustee Nesland asked that a presentation on the Mesa State Foundation audit be added to the agenda for the next meeting.

Chair Elliott updated the Board on the proposed agenda for the October regular meeting.

XII. ADJOURN

At approximately 2:39 p.m., it was moved and seconded to adjourn the meeting. The motion passed unanimously.

Interim President's Report

A CCHE meeting was held October 2 in Gunnison with the following action items being of interest to Mesa State.

- CCHE approved its FY04-05 operating budget request which will be submitted to the general assembly. Included in this request are \$29.2 million for financial aid which will offset the \$15 million reduction that occurred during the last legislative session. The additional funds requested cover the set 2.1% inflationary increase as well as an 8% increase to offset increases in resident tuition. The Commission is requesting \$27 million for enrollment funding with the majority of this initiative requested as the first phase of a three-year initiative to cover current unfunded enrollments as well as projected enrollment growth. Finally, the Commission recommends \$8.4M for performance funding with approximately \$568,904 designated for the State Colleges. The split on this will be determined by performance this year.
- A revised financial accountability policy was approved, directing the campuses to provide certain financial information routinely to the Board and to CCHE.
- The admissions policy has been revised, reducing the window through which less well-prepared students can be admitted for those institutions that are more selective, establishing a "floor" for all campuses, and reestablishing the norms for the admissions standards to reflect the changes that have occurred with both ACT and SAT scores. In addition, a required high school curriculum is being established.
- The Commission addressed the prioritization of general funded capital projects for FY04-05. Given the limited funds available, the institutions were directed to submit only those projects that addressed health and life/safety criteria. Ten projects were submitted and eight were recommended for funding with first year costs of approximately \$15M. The Commission will address cash funded projects at a future meeting.

Mesa State College is engaged in a statewide effort that uses energy performance contracting to improve state facilities. Energy performance contracting uses monies saved by investing in energy-saving strategies to reduce or to avoid energy costs, freeing these funds to pay for the improvements. This program, established by executive order, provides technical support for feasibility studies to agencies at no cost. These studies need to be completed by July 1, 2004. If this study is not completed, institutions will lose allocations for maintenance and repair. Steps are spelled out in the executive order that institutions should follow if projects are implemented.

Architect and contractor selections for the Rait and Pinyon residence hall refurbishing are being made. These projects are covered by the bond refinancing completed last year. In addition, certain campus renovation and repair projects, such as the re-roofing of 50% of College Center, are being planned. These are all part of a 5-year plan on internally funded minor maintenance projects and auxiliary projects. Finally, the College is about to begin work on developing and gaining required approvals for a Facility Master Plan.

Mesa State College is participating in Department of Personnel and Administration Division of Human Resources' personnel services pilot waiver program. Ms. Jeanne Durr, Mesa State's Director of Human Resources, has completed required training to review personnel service contracts and is the lead person on this effort.

Last spring, a program prioritization process was completed. As part of this process, several programs were identified as lower performing. This fall, a process has been initiated to determine

the viability of these programs and, if they are viable, to identify the steps needed to strengthen these programs. Reports will be submitted by mid-October. As a note, the program prioritization process was implemented to address a goal established in the Academic Master Plan. The process identified strong/growing areas where resources should be allocated as they become available.

Mesa State College is involved with Montrose and Delta High Schools in a project funded by the Foundation for Excellent Schools. This project, requiring high schools to partner with colleges, is geared to providing those students who are at risk for not continuing past high school with an awareness of opportunities and options for postsecondary education. Olathe High School will join next year. These projects are funded for three years.

Planning continues for the Higher Learning Commission's site visit scheduled for November 9-12, 2003. This visit caps the continuing accreditation process. The team will formulate recommendations which will be acted on by the Commission in the spring. As a note, members of the Board have been invited to have dinner with the visiting team Sunday evening, November 9.

Programs in teacher education are pursuing accreditation by NCATE (National Council for Accreditation of Teacher Education). Dr. Cathy Barkley, director of Mesa State's programs in teacher education, recently returned from the annual conference. The accreditation site visit is scheduled for March. Joining a team from NCATE will be a team from the State that will be making a recommendation to CCHE to continue the state authorization of programs leading to teacher licensure.

Homecoming is scheduled for the week of October 18-26. Distinguished alums will be recognized and individuals will be inducted into the Hall of Honor established by Mesa State athletics. On Saturday, October 25, there will be a parade on campus and a tailgate before the 1:00 p.m. game with Fort Hays State.

On September 24, Kerry Youngblood, Director of the School of Applied Technology and the Grand Valley BOCES, and I met in Rangely with Dr. Peter Angstadt, President of Colorado Northwestern Community College. Discussions centered on cooperative programming. On October 8, a meeting was held with Ben Alexander and other representatives of Montrose. Mr. Alexander serves as chair of the advisory board of our Montrose campus. These meetings are being held to ensure that community colleges in Mesa State's service area are true partners as we develop our role as a Regional Education Provider. Other meetings attended include a strategic planning group for School District 51 as well as a Health Care Workforce Summit to address the steps Western Colorado needs to take to ensure an educated health care workforce now and into the future.

PERSONNEL RECOMMENDATIONS & INFORMATION
October 15-16, 2003

RECOMMENDATION: It is recommended by Mesa State College that the Board of Trustees approve the following personnel matters.

Appointments

Ms. Stephanie Dominguez, Admission Counselor, \$27,000, prorated at \$20,042.10, beginning October 6, 2003. (ADMINISTRATIVE)

Ms. Kathy Hurshman, Assistant Controller, \$43,500, prorated at \$32,153.75, beginning October 6, 2003. (ADMINISTRATIVE)

INFORMATION: The following personnel items are submitted to the Board as information.

Sabbatical Leave Reports

Dr. Craig Dodson, Professor of Chemistry, completed sabbatical May 2003, finishing work on a National Science Foundation Ant/Plant Mutualism project. The resulting advantages to Mesa State include:

- 1) Grant-funded equipment enabling faster, more efficient, less expensive chemistry experiments
- 2) Enriched student research experiences – worked individually with students who participated in the research lab,
- 3) Institution name recognition on three publications and a book chapter, as well as recognition for the student who co-authored and
- 4) Submitted another grant proposal which would provide MSC with student summer research funds.

Dr. Maureen Neal, Associate Professor of English, completed sabbatical May 2003, acquiring technological and linguistic information in support of a linguistics/language laboratory. The additional delivery of a linguistics-oriented presentation and completion of a book manuscript will aid in the compilation of knowledge needed to set up a linguistics/language lab for Mesa State in the future.

Ms. Ann Sanders, Associate Professor of Dance, completed sabbatical May 2003, strengthening skills in the areas of dance history, music theatre, and new technology applications, and strengthening dance in Colorado through choreographic collaborations with the community. In addition to the benefit of professional development, the advantage to Mesa State, gained through the local and New York collaborations, includes:

- 1) Mesa State's becoming the center for audition and rehearsal for the Grand Junction Symphony semi-annual ballet production of "The Nutcracker,"
- 2) Scholarship funds and recruitment of new students, and
- 3) Identification of possible student employment contacts in New York.

Resignations

Mr. Daniel Jacobson, Assistant Controller, effective December 15, 2003.

Mr. Mark Paquette, Athletic Administrative Associate, effective September 30, 2003, to accept a position with the United States Air Force Academy.

Faculty Trustee Report

Mesa State College faculty members are somewhat unusual in the amount of institutional service that they perform. The CCHE Quality Indicators have shown that MSC has unusually low administrative costs per student compared to other institutions in the State of Colorado and in the nation. The reason that we score so well is partially due to the amount of administrative support provided by faculty.

For example, within a five year period during the 90's, I individually served on over 40 faculty, administrative, and staff searches as a member of the human relations committee, going through training and then making sure that affirmative action principles were followed in these search committees, according to law and policy. I am by no means the only one who has dedicated this sort of time in addition to teaching a full load, and usually for no additional compensation.

Faculty members in my department alone have **recently** (within the past two or three years) been involved in such administrative/staff activities as organizing and coordinating graduation ceremonies, recruiting at area high schools, performing unusually demanding projects in the community, planning and coordinating meetings between CIS and CS professors from all of the state colleges, attending gubernatorial meetings on attracting and encouraging technology statewide, organizing and holding press-attended meetings to promote our new CIS major, meeting with advisory boards, updating handbooks during summer months (again for no additional compensation), providing weekend advising as part of Student Orientation Advising and Registration, working on the Academic Master Plan, working to orient new faculty, working on the North Central Accreditation, developing program prioritization policies, creating technology plans, developing databases to maintain information on alumni, filling in as interim dean, etc.

Mesa State College has a dedicated faculty and staff. This school continues to provide an excellent education to students, in part because of a tradition of service and the faculty's dedication and willingness to serve beyond typical expectations for the good of MSC.

Student Trustee Report

1. Associated Student Government (ASG)

- a. Student Government has been discussing the recent cuts to student assist and scholarships. We understand that these cuts are for budgetary purposes, but we are interested to know the reasoning behind cuts, so that we may try to prevent any in the future.
- b. ASG did not meet on October 2 so that senators could attend the David Horowitz speech. The event included an hour speech, followed by an hour of question and answer. Members of ASG met with Horowitz after the event to discuss issue a bit deeper. Reviews were mixed.
- c. October 9th Meeting

2. Homecoming

- a. Homecoming festivities will be taking place during the week of October 20th through 25th. The theme is “Mesa-Stock”, paying tribute to the 60s. Students will be attending and participating in events all week.

3. Athletics

- a. Club
- b. Varsity
 - i. Women’s Golf team placed first in the RMAC Championships. The event was held on Sept. 22nd & 23rd in Denver.

4. Miscellaneous

ACTION ITEM

REVIEW AND APPROVAL OF MESA STATE COLLEGE'S INSTITUTIONAL QUALITY INDICATORS FOR FALL 2003

Issue: Colorado is one of 40 states that has an accountability system directed at higher education institutions (the Quality Indicator System or QIS). Colorado is somewhat unique in that two of those measurements are set by the College or University Board. The institutional measurements are to be approved by the Board and submitted to CCHE by November 1, 2003.

Background: The Colorado General Assembly seeks to have each institution of higher education working toward achieving "...a high quality, efficient, and expeditious undergraduate education..."(23-13-104, CRS). The State Auditor, in a June 1996 performance audit of CCHE, recommended that the Commission should improve oversight by "...creating monitoring and assessment mechanisms so that demonstrated progress toward the achievement of statewide goals can be linked to the governing boards' future funding levels." The audit further recommended that the Commission "...in concert with the new legislative directives, should revise the current accountability program by instituting the use of performance indicators that measure the achievement of statewide goals and provide useful performance information to Colorado citizens." In 1996, the first statute regarding quality indicators/performance measures was adopted.

While CCHE analyses of quality indicators/performance measures had been conducted since 1996, ultimate adoption of a funding system using quality indicators/performance measures occurred in 1999 and was implemented as part of the FY 2000-01 budget process. Two years of performance funding followed and during the past two years, CCHE staff has worked with governing boards and institutional, faculty, and student representatives to refine and improve the performance funding system. CCHE expects that continuous improvement will occur with the ultimate goal of achieving performance levels within the upper quartile of those of appropriate comparison institutions.

To provide further information about this process, attached is a document included in the agenda for the October CCHE meeting which outlined the indicators, benchmarks, methodology for assigning points and the scoring process to be used this year. As a brief summary, the following seven quality indicators/performance measures will be used in the performance funding system for FY 2004-05:

1. Graduation rates, both from the institution of initial enrollment and within the overall Colorado system of higher education.
2. Freshmen retention and persistence.
3. Support and success of minority students as measured by graduation, retention, and persistence rates.
4. Scores/passing rates on tests and examinations.
5. Institutional support (administrative) expenditures per SFTE and as a percent of the general operating budget.
6. Undergraduate class size.
7. Faculty instructional workload.

Two additional quality indicators, identified by each institution, may be provided by each governing board for its institution(s). These indicators are not used in the performance funding system. The two indicators used by Mesa State for the last few years are shown below. The first of these reflects the College's commitment to improving service within its primary region and the second challenges the institution to continue to provide students with a range of "real world" experiences as they complete their programs of study.

It should be noted that there are no limitations as these institutional indicators are proposed. The only requirement established is that these measures should reflect something that the college values and is committed to improving on or being excellent in as the measures relate to the institution's primary role and mission.

MSC's Indicator: Progress in providing educational access to their students, relative to their particular role and mission and geographic location.

Measures:

- a. Tuition/fees below the median 02-03 tuition/fees for CO public, 4-yr institutions.
- b. Maintain or show an increase in access to courses at off-campus sites and at non-traditional times.

MSC's Indicator: Student participation in a co-curricular experience (internship, practical, field-experience, structured research project, etc.) as part of their education.

Measure: Equal or exceed the average of previous two years in percent of graduates with co-curricular experience (69%).

While the above can be continued, other suggestions include student satisfaction with the institution as a whole or with their interactions with their advisors as measured by the graduating student survey administered to all students petitioning to graduate. Benchmarks would be established as national norm in selected items with expectations that Mesa State will exceed the norm. Another option would be to use the results of the placement survey with the expectation that greater than 90% of respondents in all fields will be employed or continuing their education within six months of graduation.

Recommendation: The Board approves two institutional indicators which will be forwarded to CCHE for inclusion in this year's analysis.

QUALITY INDICATORS/PERFORMANCE MEASURES, BENCHMARKS, BASE, BONUS, AND IMPROVEMENT POINTS, AND THE SCORING PROCESS FOR THE FY 2004-05 PERFORMANCE FUNDING SYSTEM

October 2003

1. Institutional performance is measured on seven overall quality indicators/performance measures.
2. Each of the overall measures #1 - #7 has a maximum of 300 base points. Individual components comprising an overall measure have a proportion of the base points for the overall measure associated with the component.
3. Depending on the extent of the improvement in institutional performance on those overall measures or components utilized in the FY 2003-04 performance funding system, the earning of improvement points is possible. Improvement is measured utilizing the actual performance levels recorded in the FY 2003-04 quality indicator system. A maximum of thirty percent (30%) of the base points associated with the overall measure or component can be earned as improvement points. Improvement points are in addition to base points and bonus points. For each 0.1% - 0.5% range of improvement, one (1) improvement point is earned up to the maximum number of improvement points associated with the particular overall measure or component.
4. Bonus points are earned for performance exceeding the benchmark. Bonus points are in addition to base points and improvement points. The maximum number of bonus points that can be earned for any overall measure or component is thirty percent (30%) of the maximum number of base points for the overall measure or component.
5. Measure #1 incorporates six components related to four-year institutions and two components related to two-year institutions for graduation. The “graduation within the same institution rate” components for the four-year institutions each has a maximum of 70 base points, 21 bonus points, and 21 improvement points. The “graduation with the Colorado system rate” components for the four-year institutions each has a maximum of 30 base points, 9 bonus points, and 9 improvement points. For the two-year institutions, the “graduation within the same institution rate” has a maximum of 210 base points, 63 bonus points, and 63 improvement points while the “graduation within the Colorado system rate” has 90 base points, 27 bonus points, and 27 improvement points.
6. Measure #2 incorporates two components of freshmen retention and persistence. The “retention” component involves a maximum of 210 base points, 63 bonus

points, and 63 improvement points while the “persistence” component involves 90 base points, 9 bonus points, and 9 improvement points.

7. Measure #3 incorporates four components for support and success of minority students. The measure includes “retention,” “persistence,” “graduation within the same institution,” and “graduation within the Colorado system” rates. There are a total of 300 base points, 90 bonus points, and 90 improvement points.
8. Measure #4A incorporates a differing number of tests or examinations taken by students depending on the four-year institution. The amount of base, bonus, and improvement points associated with each test or examination for each four-year institution depends on the number of tests or examinations comprising the overall measure and whether the test or examination was incorporated in the FY 2003-04 performance funding system. Each four-year institution will identify the tests or examinations to comprise this measure. All the tests or examinations reported by the institution in the FY 2002-03 *Performance Funding Report*, CCHE, February, 2002 and the *Quality Indicator System Report*, CCHE, December 2002, published in January 2003, will be used for each four-year institution with the exception of tests or examinations that do not have at least twenty (20) test-takers for the most recent two years.
9. Measure #4B for two-year institutions has a maximum of 300 base points, 90 bonus points, and 90 improvement points and measures the number of employed technical graduates.
10. Measure #5 evaluates institutional support and administrative expenditures and has two components, each with a maximum of 150 base points. The “expenditures per SFTE” has 45 bonus points and 45 improvement points. The “expenditures as percent of budget” has 45 bonus points. As this measure was introduced last year, improvement points of 45 points are now included.
11. Measure #6 measures undergraduate class size and incorporates two components, each with a maximum of 150 base points, 45 bonus points, and 45 improvement points.
12. Measure #7 gauges faculty instructional workloads and has a maximum of 300 base points and 90 bonus points. As this measure was introduced last year, improvement points of 90 points are now included.
13. Institutional performance on each overall measure or individual component is determined by the earning of points by the institution for performance related to the benchmark for the overall measure or component. If insufficient data exists for any overall indicator or component for any institution, that overall measure or component does not “count” in determining the grand total points earned by that institution. The grand total possible points an institution can earn is adjusted to reflect the “missing” overall measure or component. In determining this

adjustment, the institution shall neither be advantaged nor disadvantaged in terms of its relationship to institutions that do earn points for the overall indicator or component.

14. Each institution's actual performance on each overall measure or component is compared to the benchmark to determine the percent of performance achieved.
15. The percent of performance achieved is multiplied by the maximum number of base points associated with the overall measure or component to determine the base points earned for the overall measure or component.
16. Total points earned by an institution for an overall measure or component may be comprised of three parts:
 - a. base points earned,
 - b. bonus points earned, which may not exceed 30% of the maximum number of base points, and
 - c. improvement points earned, which may not exceed 30% of the maximum number of base points.
17. The institution's grand total points earned are divided by 2,100 (seven overall measures x 300 base points) to determine the percent of grand total base points earned. It is possible for an institution's total points earned to exceed 2,100 points and thus its percent of total base points earned to exceed 100%.
18. A role & mission weighting factor for each institution is calculated by dividing the institution's FY 2003-04 general fund base – with governing board/system central administration general fund costs and “charge backs” included on a total funds basis and less one-time funds – by the total of these general fund amounts for all the institutions (excluding the Colorado School of Mines, UC-Health Sciences Center, CSU Veterinary Medicine program, and CSU agencies).
19. The percent of grand total base points earned is converted to the weighted percent of grand total base points earned by multiplying the percent of grand total base points earned by the role and mission weighting factor.
20. The sum of the weighted percent of grand total base points earned by all the institutions governed by a governing board determines the governing board performance funding percent.

AGENDA ITEM: FISCAL YEAR 2003-04 BUDGET

ISSUE: The MSC Board of Trustees has authorized the President to administer the FY04 Budget based upon FY03 actuals. The President has indicated some changes are necessary and desirable to address conditions in FY04 such as increased enrollment, revenues and costs. The Board desires to adopt a revised budget to guide the institution's financial affairs for this year.

SUPPORTING MATERIALS: Attached for your review are three statements. The first compares the proposed FY04 budget to actual FY03 figures for all funds. The second and third statements detail the FY04 budget and FY03 actual figures for individual auxiliaries.

ANALYSIS: The following information describes the FY04 being proposed. For ease of reading all figures are rounded to the nearest \$10,000.

ALL FUNDS: Total FY04 revenues increase \$520,000 and expenditures increase \$2,270,000. This anomaly is the result of the Moss Performing Arts Center construction and the Library brickwork maintenance in FY03. One-time revenues associated with these projects inflated FY03 revenues without a comparable inflation of expenditures, because construction costs are capitalized in the balance sheet format. Excluding Plant funds, FY04 revenues increase \$2,730,000 and expenditures increase \$2,750,000.

Similarly, if Plant funds are excluded, the total change in fund balance before transfers is \$1,750,000 in FY03 and \$1,740,000 in FY04. These two years produce very similar total bottom line results.

LOAN FUNDS: The Loan funds for both years are virtually identical and don't warrant further analysis.

SPONSORED PROGRAMS: There is little difference in the bottom line of Sponsored Programs for the two years. However, it may be noteworthy that the financial aid expenditure increase of \$380,000 in FY04 results primarily from a \$600,000 increase in Federal financial aid and a \$290,000 decrease in State financial aid. Otherwise, changes in Sponsored Programs are minimal.

E&G and AUXILIARIES COMBINED: As would be expected, changes in the primary operating funds, *i.e.* E&G and the Auxiliaries, are the most significant. Combining these, revenues are increasing \$2,400,000 and expenditures are increasing \$2,450,000. Their combined changes to fund balance before transfers is \$1,740,000 in FY03 and \$1,690,000 in FY04. These funds produce more than 97% of the total fund balance increase in both years.

EDUCATION & GENERAL FUND: FY04 revenues are projected to increase \$1,270,000 over FY03 actual. Expenditures are proposed to increase \$1,260,000.

Revenue: The increase is primarily due to \$790,000 additional tuition, \$1,470,000 additional State appropriation and \$960,000 less from the dissolution of the Office of State Colleges.

Tuition rates were increased 5% for residents and 7% for non-residents. This accounts for almost 75% of the tuition revenue increase. Enrollment accounts for the balance. Student FTE is up about 2% this fall and projected to increase at a similar rate next semester although student FTE is typically lower in the spring.

In FY04 the State appropriation revenue increase reflects adding back the payday shift of \$1,350,000, adding the \$610,000 inherited from OSC dissolution, subtracting the July restriction of \$430,000 and the \$50,000 indirect cost recovery. (For more detail see the “State appropriation” supporting material on page 22.)

Dissolution of the previous governing office provided one-time revenue of \$960,000 in FY03 that will not occur in FY04.

Expenditures: More than half, \$720,000, of the E&G Fund increase is in personnel costs.

Support staff wages are increasing \$120,000, because four custodial and grounds maintenance positions cut in FY03 were restored in FY04 to deal with deteriorating conditions in those areas.

Contract wages are increasing \$260,000. This includes \$150,000 in positions unoccupied because the incumbent is holding a higher interim position. Additionally \$50,000 of this increase is for a new position to assist in fulfilling our regional service mission. The balance results from faculty promotions in rank.

Benefit costs for the support and contract staff are expected to increase \$310,000. With an E& G staff payroll of roughly \$15.8 million benefits equal about 23% of pay.

Hourly staff compensation, which is work study employment for students, is increasing \$40,000. This increase is partially to offset loss of some State work study funds.

The following increases explain the \$540,000 increase in non-personnel E&G expenditures:

Other current expenditures (OCE) increase by \$170,000. This includes an increase of \$110,000 in State risk management insurance and \$30,000 in estimated board meeting and supply costs.

Professional fees are increasing \$160,000 including an estimated \$100,000 increase in legal fees, \$30,000 for lobbying and \$20,000 for retirement plan administration. These are all expenses associated with the College’s independence.

Utilities will increase \$170,000 primarily for the natural gas rate hike.

Student financial aid is increasing \$140,000 as a result of the decision to offset a commensurate loss in State financial aid in the Sponsored Programs. The loss of financial aid can negatively affect enrollment. Thus it was decided to offset the loss with institutional funds.

AUXILIARY FUNDS: Revenues are projected to increase \$1,130,000 over FY03. Expenditures are proposed to increase \$1,200,000.

Revenue: The increase is primarily due to student fees, room rental, food service, contributions, and interdepartmental.

Student fees are set by the Associated Student Government which approved an increase of approximately 9% for FY04. This will produce \$350,000 additional revenue. Student fees primarily support the student newspaper, radio station, fine arts, student government, athletics, computer labs, college center, recreation center, health and counseling services.

Housing rental rates were increased approximately 3% which is projected to produce \$150,000 additional revenue.

Food service rates were increased 4% and combined with projected increases in volume will yield \$240,000 additional revenue.

Contribution revenue for Athletics is projected to increase \$120,000.

The interdepartmental revenue increase of \$400,000 primarily results from a rate increase in the administrative service recharge.

Expenditures: Auxiliaries are generally self-supporting with the exception of Athletics and Performing Arts. Students manage the budgets of the Auxiliaries that primarily operate on their fees. The budgets of Auxiliaries that operate on student charges for service, *e.g.* Housing, Bookstore, Food Service, are managed by the institution to provide students quality facilities and services at the most reasonable prices.

Other than general increases in the employer share of benefit cost, the only personnel increases in Auxiliary funds are hourly student labor bulk of which is in the Student Activities Auxiliary. These are work study programs that are offsetting some reductions in State work study funds.

Other current expense is increasing \$330,000. Student Activities and Other Auxiliaries under student control are primarily responsible for this increase.

Rent is increasing \$90,000 primarily to replace approximately 60 parking spaces lost when the lease of a lot on 12th Street was not renewed.

The food service contract will increase \$220,000 primarily to expand volume for enrollment growth. This contract also produces the revenue increase noted above.

Travel expense is up \$50,000. The increase is entirely in Athletics.

For all Auxiliaries the administrative service recharge expense increases \$400,000. Essentially this expense offsets the interdepartmental revenue increase. These costs flow among the various auxiliaries depending upon which funds are providing services to others.

Utility costs are increasing \$50,000, again, primarily due to the natural gas rate hike.

Equipment purchases are declining \$60,000.

RECOMMENDATION: Staff recommends approval of this Revised FY2003-04 Budget for Mesa State College with any modifications deemed appropriate by the Board.

Mesa State College
 Prepared for MSC Board of Trustees
 By MSC Financial & Admin Services
FOR INTERNAL REPORTING PURPOSES ONLY

Income Statement : Consolidated
All Funds
Comparative

10/10/2003

	<u>E & G</u> <u>FY03 Actual</u>	<u>E & G</u> <u>FY04 Budget</u>	<u>Auxiliaries</u> <u>FY03 Actual</u>	<u>Auxiliaries</u> <u>FY04 Budget</u>	<u>Sponsored</u> <u>FY03 Actual</u>	<u>Sponsored</u> <u>FY04 Budget</u>	<u>Loan</u> <u>FY03 Actual</u>	<u>Loan</u> <u>FY04 Budget</u>	<u>Plant</u> <u>FY03 Actual</u>	<u>Plant</u> <u>FY04 Budget</u>	<u>Total</u> <u>FY03 Actual</u>	<u>Total</u> <u>FY04 Budget</u>
Revenues												
Tuition	\$ 10,276,504	\$ 11,059,120	\$ 102,591	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,379,095	\$ 11,179,120
Student Fees	324,516	300,010	3,053,651	3,399,949	-	-	-	-	-	-	3,378,167	3,699,959
Educational Activities - cash funded	-	-	107,503	85,000	-	-	-	-	-	-	107,503	85,000
Contributions/Gifts	-	-	304,138	419,960	-	-	-	-	348,288	-	652,426	419,960
Rental - Room	-	-	2,746,503	2,891,568	-	-	-	-	-	-	2,746,503	2,891,568
Rental - Other	-	-	197,578	231,900	-	-	-	-	-	-	197,578	231,900
Food Service	-	-	2,285,213	2,527,579	-	-	-	-	-	-	2,285,213	2,527,579
Advertising/Publications	-	-	47,443	55,601	-	-	-	-	-	-	47,443	55,601
Activity Fees	-	-	30,579	30,270	-	-	-	-	-	-	30,579	30,270
Service Fees	-	-	305,779	253,100	-	-	-	-	-	-	305,779	253,100
Event Sales	-	-	212,656	235,678	-	-	-	-	-	-	212,656	235,678
Sales Books	-	-	2,527,446	2,523,750	-	-	-	-	-	-	2,527,446	2,523,750
Sales Non-Book Items	-	-	483,311	511,050	-	-	-	-	-	-	483,311	511,050
Commissions	-	-	109,185	99,000	-	-	-	-	-	-	109,185	99,000
Interest Income	-	-	241,787	121,500	-	-	24,823	25,000	137,943	140,000	404,553	286,500
Federal Grants & Contracts	-	-	-	-	623,137	600,000	21,857	22,452	-	-	644,994	622,452
Federal Grants & Contracts - Financial aid	-	-	-	-	5,474,976	6,073,549	-	-	-	-	5,474,976	6,073,549
State Grants & Contracts	-	-	-	-	195,285	204,000	-	-	-	-	195,285	204,000
State Grants & Contracts - Financial aid	-	-	-	-	2,928,677	2,639,905	-	-	-	-	2,928,677	2,639,905
Local Grants & Contracts	-	-	-	-	-	-	-	-	-	-	-	-
Private Grants & Contracts	-	-	-	-	225,557	335,000	-	-	-	-	225,557	335,000
From Other Funds	-	-	50,014	-	67,666	-	7,286	7,484	1,461,039	1,444,409	1,586,005	1,451,893
Interdepartmental	-	-	2,914,056	3,315,221	-	-	-	-	-	-	2,914,056	3,315,221
State Appropriation	14,245,693	15,720,428	-	-	-	-	-	-	-	-	14,245,693	15,720,428
State Appropriation - Capital Construction	-	-	-	-	-	-	-	-	1,285,580	-	1,285,580	-
State Appropriation - Controlled Maintenance	-	-	-	-	-	-	-	-	643,212	149,766	643,212	149,766
From OSC	956,583	-	-	-	2,200	-	-	-	-	-	958,783	-
Misc. Other	190,656	187,246	115,612	139,470	-	-	-	-	387,944	316,068	694,212	642,784
Total Revenues	\$ 25,993,952	\$ 27,266,804	\$ 15,835,045	\$ 16,960,596	\$ 9,517,498	\$ 9,852,454	\$ 53,966	\$ 54,936	\$ 4,264,006	\$ 2,050,243	\$ 55,664,467	\$ 56,185,033
Expenditures												
Support Staff Salary and Wages	\$ 2,538,018	\$ 2,656,824	\$ 1,438,144	\$ 1,404,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,976,161	\$ 4,061,082
Support Staff Benefits	397,569	462,704	290,780	278,868	-	-	-	-	-	-	688,350	741,572
Contract Wages Full Time	9,769,313	11,842,184	1,590,982	1,570,769	79,529	80,000	-	-	-	-	11,439,825	13,492,953
Contract Wages Part Time	3,357,247	1,543,168	265,371	371,891	204,901	180,000	-	-	-	-	3,827,520	2,095,059
Contract Staff Benefits	2,938,490	3,182,180	419,208	433,647	50,048	55,000	-	-	-	-	3,407,747	3,670,827
Hourly Staff Compensation	182,750	220,506	472,981	562,372	1,150,391	1,127,046	-	-	-	-	1,806,122	1,909,924
Cost of Goods Sold - Books	-	-	1,906,687	1,911,000	-	-	-	-	-	-	1,906,687	1,911,000
Cost of Goods Sold - Non Books	-	-	213,938	206,950	-	-	-	-	-	-	213,938	206,950
Other Current Expense	1,190,385	1,356,373	1,791,731	2,114,408	265,831	225,340	-	-	3,184	-	3,251,131	3,696,121
Rent - Building	385,650	398,289	97,399	186,718	8,731	-	-	-	-	-	491,780	585,007
Professional Fees	1,035,354	1,199,324	342,455	351,495	75,000	50,000	-	-	45,677	-	1,498,487	1,600,819
Food Service	-	100	1,465,202	1,682,979	-	-	-	-	-	-	1,465,202	1,683,079
Travel	268,146	274,220	468,934	516,484	32,904	31,000	-	-	-	-	769,984	821,704
Telecommunications external	52,248	37,195	160,407	171,321	-	-	-	-	-	-	212,655	208,516
Internal Charges - Telephone calls	15,404	29,181	7,344	16,160	54	60	-	-	-	-	22,801	45,401
Internal Charges - Telephone line charges	224,994	218,071	237,921	239,754	1,368	1,500	-	-	-	-	464,283	459,325
Internal Charges - Administrative Service Recharge	-	-	1,060,907	1,456,171	-	-	-	-	-	-	1,060,907	1,456,171
Internal Charges - Maintenance Recharge	-	-	835,371	835,371	-	-	-	-	-	-	835,371	835,371
Utilities	522,249	694,422	486,279	539,123	-	-	-	-	-	-	1,008,528	1,233,545
Student Financial Aid	324,843	464,340	756,619	746,081	7,588,103	7,967,508	-	-	-	-	8,669,564	9,177,929
Library Learning Materials	370,417	380,997	-	-	-	-	-	-	-	-	370,417	380,997
Capital Expenditures	17,513	55,966	19,500	12,900	78,455	102,000	-	-	20,715	-	136,183	170,866
Debt Service	-	-	1,461,039	1,444,409	-	-	-	-	784,697	597,591	2,245,736	2,042,000
Depreciation	-	-	-	-	-	-	-	-	2,803,897	2,600,000	2,803,897	2,600,000
Equipment - Non Capital	238,496	194,502	324,645	268,085	14,079	25,000	-	-	6,540	-	583,760	487,587
Other Miscellaneous	124,307	-	18,603	7,000	8,021	8,000	5,715	6,000	6,975	-	163,621	21,000
Total Expenditures	\$ 23,953,393	\$ 25,210,546	\$ 16,132,448	\$ 17,328,214	\$ 9,557,415	\$ 9,852,454	\$ 5,715	\$ 6,000	\$ 3,671,685	\$ 3,197,591	\$ 53,320,655	\$ 55,594,805
Increase (Decrease) In Fund Balance before Transfers	\$ 2,040,559	\$ 2,056,258	\$ (297,403)	\$ (367,618)	\$ (39,917)	\$ -	\$ 48,251	\$ 48,936	\$ 592,321	\$ (1,147,348)	\$ 2,343,811	\$ 590,228
Transfer Revenue over Expenditures to Renewal & Replacement	(250,000)	-	(560,000)	(489,751)	-	-	-	-	810,000	489,751	-	-
Prior Year Adjustment	51,836	-	-	-	-	-	-	-	-	-	51,836	-
E & G Support	(1,251,488)	(1,276,264)	1,251,488	1,276,264	-	-	-	-	-	-	-	-
Net Increase (Decrease) In Fund Balance	\$ 590,907	\$ 779,994	\$ 394,085	\$ 418,895	\$ (39,917)	\$ -	\$ 48,251	\$ 48,936	\$ 1,402,321	\$ (657,597)	\$ 2,395,647	\$ 590,228

The effects of interdepartmental revenues, transfers, indirect costs, and interfund borrowings have not been eliminated as required for external reporting and will therefore not match audited financial statements.

Mesa State College
 Prepared for MSC Board of Trustees
 By MSC Financial & Admin Services
FOR INTERNAL REPORTING PURPOSES ONLY

Income Statement : Consolidated
Auxiliary Detail
FY04 Budget

	Educational Programs	Student Activities	Performing Arts	Athletics	Housing	Bookstore	Foodservice	Other	Total Auxiliaries
Revenues									
Tuition	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
Student Fees	-	2,643,542	136,616	619,791	-	-	-	-	3,399,949
Educational Activities - cash funded	85,000	-	-	-	-	-	-	-	85,000
Contributions/Gifts	-	19,100	3,500	397,360	-	-	-	-	419,960
Rental - Room	-	-	-	-	2,891,568	-	-	-	2,891,568
Rental - Other	-	111,900	-	-	120,000	-	-	-	231,900
Food Service	-	-	-	-	-	-	2,327,579	200,000	2,527,579
Advertising/Publications	-	52,101	3,500	-	-	-	-	-	55,601
Activity Fees	-	5,700	-	-	24,570	-	-	-	30,270
Service Fees	-	39,100	-	-	-	-	-	214,000	253,100
Event Sales	-	(3,100)	108,728	58,800	-	-	-	71,250	235,678
Sales Books	-	-	-	-	-	2,523,750	-	-	2,523,750
Sales Non-Book Items	-	51,750	-	-	-	299,300	-	160,000	511,050
Commissions	-	57,000	-	-	-	9,000	28,000	5,000	99,000
Interest Income	-	40,500	-	-	-	-	-	81,000	121,500
Federal Grants & Contracts	-	-	-	-	-	-	-	-	-
Federal Grants & Contracts - Financial aid	-	-	-	-	-	-	-	-	-
State Grants & Contracts	-	-	-	-	-	-	-	-	-
State Grants & Contracts - Financial aid	-	-	-	-	-	-	-	-	-
Local Grants & Contracts	-	-	-	-	-	-	-	-	-
Private Grants & Contracts	-	-	-	-	-	-	-	-	-
From Other Funds	-	-	-	-	-	-	-	-	-
Interdepartmental	-	481,680	-	-	35,000	20,000	-	2,778,541	3,315,221
State Appropriation	-	-	-	-	-	-	-	-	-
State Appropriation - Capital Construction	-	-	-	-	-	-	-	-	-
State Appropriation - Controlled Maintenance	-	-	-	-	-	-	-	-	-
From OSC	-	-	-	-	-	-	-	-	-
Misc. Other	20,000	23,320	4,150	-	15,000	-	-	77,000	139,470
Total Revenues	\$ 225,000	\$ 3,522,593	\$ 256,494	\$ 1,075,951	\$ 3,086,138	\$ 2,852,050	\$ 2,355,579	\$ 3,586,791	\$ 16,960,596
Expenditures									
Support Staff Salary and Wages	\$ -	\$ 80,673	\$ -	\$ 104,749	\$ 63,735	\$ 94,356	\$ -	\$ 1,060,745	\$ 1,404,258
Support Staff Benefits	-	15,713	-	15,035	14,701	16,141	-	217,278	278,868
Contract Wages Full Time	-	195,472	142,152	419,353	130,896	47,827	-	635,069	1,570,769
Contract Wages Part Time	90,000	88,418	14,025	176,153	-	-	-	3,295	371,891
Contract Staff Benefits	24,000	59,533	13,671	133,159	33,436	11,832	-	158,016	433,647
Hourly Staff Compensation	-	321,640	28,300	35,228	104,771	12,079	-	60,354	562,372
Cost of Goods Sold - Books	-	-	-	-	-	1,911,000	-	-	1,911,000
Cost of Goods Sold - Non Books	-	1,950	-	-	-	205,000	-	-	206,950
Other Current Expense	36,000	659,375	99,802	285,395	290,716	88,120	20,300	634,700	2,114,408
Rent - Building	-	15,418	-	26,500	-	41,800	58,000	45,000	186,718
Professional Fees	-	258,881	10,629	52,735	2,200	3,900	-	23,150	351,495
Food Service	-	-	-	1,850	-	-	1,525,000	156,129	1,682,979
Travel	60,000	38,432	20,960	383,182	8,000	1,000	1,200	3,710	516,484
Telecommunications external	-	69,521	-	3,800	-	-	-	98,000	171,321
Internal Charges - Telephone calls	-	2,755	110	11,270	1,000	200	-	825	16,160
Internal Charges - Telephone line charges	-	27,079	3,205	10,866	181,513	3,900	2,280	10,911	239,754
Internal Charges - Administrative Service Recharge	8,000	136,563	15,688	64,556	401,199	367,517	306,225	156,423	1,456,171
Internal Charges - Maintenance Recharge	-	299,473	-	-	438,520	14,068	83,310	-	835,371
Utilities	-	213,800	-	-	229,613	4,810	90,900	-	539,123
Student Financial Aid	-	3,750	900	509,931	231,500	-	-	-	746,081
Library Learning Materials	-	7,650	-	-	-	-	-	-	-
Capital Expenditures	-	-	250	-	-	-	-	5,000	12,900
Debt Service	-	669,842	-	-	671,351	-	-	103,216	1,444,409
Depreciation	-	-	-	-	-	-	-	-	-
Equipment - Non Capital	-	131,764	18,250	13,001	71,600	3,500	15,000	14,970	268,085
Other Miscellaneous	7,000	-	-	-	-	-	-	-	7,000
Total Expenditures	\$ 225,000	\$ 3,297,702	\$ 367,942	\$ 2,246,763	\$ 2,874,751	\$ 2,827,050	\$ 2,102,215	\$ 3,386,791	\$ 17,328,214
Increase (Decrease) In Fund Balance before Transfers	\$ -	\$ 224,891	\$ (111,448)	\$ (1,170,812)	\$ 211,387	\$ 25,000	\$ 253,364	\$ 200,000	\$ (367,618)
Transfer Revenue over Expenditures to Renewal & Replacement E & G Support	-	-	-	-	(211,387)	(25,000)	(253,364)	-	(489,751)
			105,452	1,170,812					1,276,264
Net Increase (Decrease) In Fund Balance	\$ -	\$ 224,891	\$ (5,996)	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 418,895

The effects of interdepartmental revenues, transfers, indirect costs, and interfund borrowings have not been eliminated as required for external reporting and will therefore not match audited financial statements.

Mesa State College
 Prepared for MSC Board of Trustees
 By MSC Financial & Admin Services
FOR INTERNAL REPORTING PURPOSES ONLY

Income Statement : Consolidated
Auxiliary Detail
FY03 Actual - UNAUDITED

	Educational Programs	Student Activities	Performing Arts	Athletics	Housing	Bookstore	Foodservice	Other	Total Auxiliaries
Revenues									
Tuition	\$ 102,591	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,591
Student Fees	-	2,355,491	130,784	555,676	-	-	-	11,700	3,053,651
Educational Activities - cash funded	87,535	-	-	-	-	-	-	19,968	107,503
Contributions/Gifts	-	13,337	9,364	281,437	-	-	-	-	304,138
Rental - Room	-	2,489	-	-	2,741,722	-	-	2,292	2,746,503
Rental - Other	1,975	54,369	-	-	118,495	-	-	22,740	197,578
Food Service	-	(16,070)	-	-	-	-	2,056,186	245,096	2,285,213
Advertising/Publications	-	43,611	3,832	-	-	-	-	-	47,443
Activity Fees	-	5,559	-	-	25,020	-	-	-	30,579
Service Fees	-	41,000	-	-	-	-	-	264,779	305,779
Event Sales	-	1,025	74,412	66,430	-	-	-	70,789	212,656
Sales Books	-	-	-	-	-	2,527,446	-	-	2,527,446
Sales Non-Book Items	-	49,180	-	-	-	284,725	-	149,406	483,311
Commissions	188	49,367	-	-	-	12,838	46,792	-	109,185
Interest Income	-	46,876	-	-	25,110	9,418	-	160,383	241,787
Federal Grants & Contracts	-	-	-	-	-	-	-	-	-
Federal Grants & Contracts - Financial aid	-	-	-	-	-	-	-	-	-
State Grants & Contracts	-	-	-	-	-	-	-	-	-
State Grants & Contracts - Financial aid	-	-	-	-	-	-	-	-	-
Local Grants & Contracts	-	-	-	-	-	-	-	-	-
Private Grants & Contracts	-	-	-	-	-	-	-	-	-
From Other Funds	-	46,014	4,000	-	-	-	-	-	50,014
Interdepartmental	-	457,476	155	-	5,779	20,717	-	2,429,929	2,914,056
State Appropriation	-	-	-	-	-	-	-	-	-
State Appropriation - Capital Construction	-	-	-	-	-	-	-	-	-
State Appropriation - Controlled Maintenance	-	-	-	-	-	-	-	-	-
From OSC	-	-	-	-	-	-	-	-	-
Misc. Other	16,161	22,337	1,613	-	20,439	-	-	55,062	115,612
Total Revenues	\$ 208,450	\$ 3,172,061	\$ 224,160	\$ 903,543	\$ 2,936,565	\$ 2,855,144	\$ 2,102,978	\$ 3,432,144	\$ 15,835,045
Expenditures									
Support Staff Salary and Wages	\$ 6,167	\$ 81,608	\$ -	\$ 104,748	\$ 60,874	\$ 93,585	\$ -	\$ 1,091,162	\$ 1,438,144
Support Staff Benefits	972	14,585	-	14,541	9,118	12,457	-	239,107	290,780
Contract Wages Full Time	16,777	250,417	137,460	449,566	130,896	47,769	-	558,097	1,590,982
Contract Wages Part Time	60,963	32,312	14,999	147,167	-	-	-	9,930	265,371
Contract Staff Benefits	22,808	66,603	16,045	130,559	29,696	12,551	-	140,946	419,208
Hourly Staff Compensation	9	248,356	12,524	26,839	96,553	16,210	-	72,490	472,981
Cost of Goods Sold - Books	-	-	-	-	-	1,906,687	-	-	1,906,687
Cost of Goods Sold - Non Books	-	1,464	-	-	-	212,474	-	-	213,938
Other Current Expense	12,054	491,930	76,496	285,508	304,426	83,911	62,914	474,492	1,791,731
Rent - Building	2,098	3,648	-	83	200	38,000	52,500	870	97,399
Professional Fees	6,979	246,979	15,037	36,858	16,668	5,189	3,586	11,159	342,455
Food Service	-	-	-	-	-	-	1,228,802	236,400	1,465,202
Travel	56,837	47,911	19,257	326,911	10,761	2,218	-	5,039.00	468,934
Telecommunications external	-	65,243	-	10,266	1,953	493	-	82,452	160,407
Internal Charges - Telephone calls	47	840	46	5,241	533	138	-	498	7,344
Internal Charges - Telephone line charges	950	28,586	2,204	10,564	179,163	4,104	2,280	10,070	237,921
Internal Charges - Administrative Service Recharge	14,796	89,245	10,376	36,328	321,285	318,864	254,953	15,060	1,060,907
Internal Charges - Maintenance Recharge	-	299,473	-	-	438,520	14,068	83,310	-	835,371
Utilities	-	189,707	-	-	194,445	5,313	93,018	3,796	486,279
Student Financial Aid	-	3,716	4,380	456,936	291,587	-	-	-	756,619
Library Learning Materials	-	-	-	-	-	-	-	-	-
Capital Expenditures	-	-	19,500	-	-	-	-	-	19,500
Debt Service	-	686,470	-	-	671,353	-	-	103,216	1,461,039
Depreciation	-	-	-	-	-	-	-	-	-
Equipment - Non Capital	695	207,222	5,521	10,475	50,722	4,487	6,006	39,517	324,645
Other Miscellaneous	6,053	-	-	208	1,500	-	-	10,842	18,603
Total Expenditures	\$ 208,205	\$ 3,056,317	\$ 333,844	\$ 2,052,799	\$ 2,810,253	\$ 2,778,518	\$ 1,787,369	\$ 3,105,143	\$ 16,132,448
Increase (Decrease) In Fund Balance before Transfers	\$ 245	\$ 115,744	\$ (109,685)	\$(1,149,255)	\$ 126,312	\$ 76,626	\$ 315,609	\$ 327,002	\$ (297,403)
Transfer Revenue over Expenditures to Renewal & Replacement	-	-	-	-	(100,000)	(50,000)	(250,000)	(160,000)	(560,000)
Prior Year Adjustment	-	-	-	-	-	-	-	-	-
E & G Support	-	-	102,233	1,149,255	-	-	-	-	1,251,488
Net Increase (Decrease) In Fund Balance	\$ 245	\$ 115,744	\$ (7,452)	\$ -	\$ 26,312	\$ 26,626	\$ 65,609	\$ 167,002	\$ 394,085

The effects of interdepartmental revenues, transfers, indirect costs, and interfund borrowings have not been eliminated as required for external reporting and will therefore not match audited financial statements.

AGENDA ITEM: FY04 BUDGET FOR STATE APPROPRIATIONS

ISSUE: Questions have arisen about the monies inherited from the Office of State Colleges and a clarification of Mesa State's FY04 State appropriation has been requested. This item is informational only.

BACKGROUND: With the dissolution of the College's former governing board monies appropriated to that body were divided among the involved colleges, Mesa State, Western State and Adams State. This division involved a number of pieces including the system office's base appropriation and its ending fund balance.

ANALYSIS: The information below shows how our current FY04 appropriation was calculated and what Mesa State will have available in FY04.

FY03 State appropriation in long bill	\$16,290,301
Less: November 2002 rescission	(174,422)
Less: March 2003 rescission	(515,230)
Less: June payroll shift (did not reduce base)	<u>(1,354,956)</u>
FY03 net State appropriation received	\$14,245,693
Add payroll shift	1,354,956
New appropriation base, year end FY03	\$15,600,649
Add: Base inherited from OSC dissolution	608,343
FY04 appropriation in long bill	\$16,208,992
Less: July 1 st restriction	(433,827)
Net FY04 appropriation	\$15,775,165
Less: CCHE indirect cost assessment	<u>(54,737)</u>
FY04 net State appropriation expected	\$15,720,428

This last amount is what we expect in FY04 although CCHE has recommended we keep about 4% unallocated until it is clear that another rescission will not be required this fiscal year.

Comparing FY03 received and FY04 expected suggests MSC has \$1.5 million more available in FY04. However, almost \$1.4 million of that covers the pay day shift; after the CCHE assessment for indirect costs, the College nets only \$119,779 additional FY04 revenue from State general appropriations.

In addition to the annual appropriation base, which was inherited from OSC dissolution, the College inherited \$772,374 in fund balance. That amount is part of the FY03 actual Education & General Fund bottom line.

AGENDA ITEM: FYO4 BUDGET FOR BOARD OF TRUSTEE EXPENSES

ISSUE: Questions have risen about the budget for Board expenses. This item is informational only.

BACKGROUND: Trustees raised concerns about related material submitted and approved by the previous governing board. That list of expenditures, although titled “Board related expenditures,” was actually a list of expenses associated with the independence of Mesa State College. A budget for specific expenses related to the Board is needed.

ANALYSIS: The proposed FY04 Budget, submitted for the Board’s consideration at its October 16th meeting, addresses the concerns above. The Budget excludes items either deemed unnecessary this year or already provided elsewhere in the Budget. These include an internal auditor, a board liaison position, an assistant to the board liaison, an assistant vice president of finance, and a higher education analyst to be cost-shared by all Colorado public higher education institutions.

The Budget assigns some of the expense items to more appropriate cost centers. Such items include general institution legal fees, the CCHE indirect cost payment, bond counsel, senior administrative staff travel and retirement plan administration.

Finally, the Budget establishes a new cost center, Governing Board, to account for expenses actually related to the Board. The total in this cost center is \$65,000 as detailed below.

Governing Board Cost Center

Board meetings	\$ 25,000
Supplies	5,000
Travel	20,000
Professional fees	15,000

Total	\$ 65,000

These figures, of course, are very rough since there has been little experience on which to base estimates.

TRUSTEE POLICY MANUAL

Trustees Nesland and Slauson have prepared a draft Policy Manual for your consideration. They will provide an overview and any comments/suggestions they may have received by the Board meeting. Please be prepared with suggestions for further revisions.

A copy of the draft Manual has been mailed to each of the Trustees so it is not being reproduced as part of this agenda item.