

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES**

**Agenda Item Summary Sheet**

**Committee:** Finance, Facilities and Technology    **Date of Meeting:** September 17, 2008

**Agenda Item:** Finance Division Update (FY2009 Finance Division Work Plan)

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Proposed  
Policy Change

☐

Approvals  
Required by  
Policy

☐

Other  
Approvals

☐

Monitoring

☒

Information

**Cite policy requirement, or explain why item is on the Board agenda:** The Finance, Facilities and Technology Policy Committee of the Board of Trustees is "charged with oversight of all systemwide fiscal, facility and technology matters. This includes biennial budget development, tuition, allocation formula, technology policy and resources and capital budget requests. [*Excerpt from Board Policy 1A.2, part 5, sub B.*]

**Scheduled Presenter(s):** Laura King, Vice Chancellor/Chief Financial Officer

**Outline of Key Points/Policy Issues:** The Finance division supports the Committee in the exercise of its responsibility and has incorporated those responsibilities into the Finance Division work plan for FY2009.

**Background Information:** The Finance division updates the work plan annually.

**BOARD OF TRUSTEES  
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

<b>INFORMATION ITEM</b>
<b>Finance Division Update</b>

The Finance, Facilities and Technology Policy Committee of the Board of Trustees is "charged with oversight of all systemwide fiscal, facility and technology matters. This includes biennial budget development, tuition, allocation formula, technology policy and resources and capital budget requests. [*Excerpt from Board Policy 1A.2, part 5, sub B.*]

The Finance division supports the Committee in the exercise of its responsibility and has incorporated those responsibilities into the Finance Division work plan for FY2009 (Attachment A). Input from the Finance, Facilities and Technology Committee members is welcome.

*Date Presented to the Board: September 17, 2008*

## FY2009 FINANCE DIVISION WORKPLAN

System wide priorities and campus services  
 Statewide financial/facilities leadership capacity building  
 System and college-university financial outlook  
 Board-chancellor management reporting framework

2008-2012 strategic goals

1. Increase access and opportunity
2. Promote and measure high quality learning programs and services
3. Provide programs and services that enhance the economic competitiveness of the state and its regions
4. Innovate to meet current and future educational needs

## AREAS OF FOCUS

### 1. Leadership/innovation

- Lead financial planning framework for FY 2010-2011 biennial budget with linkage to strategic plan. Include measurable results from the system's action plan, show accomplishments resulting from the new funding for technology and access and opportunity. Make sure appropriate results from the tuition study and the allocation framework review are brought forward for consideration.
- Advance FY2010-2011 Operating Budget through the legislative process; complete state submission; support system request book development; assist in developing legislative presentations; prepare system fiscal notes..
- Continuous improvements of the allocation framework – present recommendations for peer review process and those coming from the President's Review Committee–to the leadership council subcommittees, full council, Chancellor and Board.
- Complete Economic Model/Tuition study, move recommendations through Leadership Council review and Board adoption and incorporate changes in 2010-2011 allocation and budget planning
- Conduct a review of the financial data to assure its integrity. Focus on the chart of accounts and how institutions should be coding their data.
- Prepare a project charter and complete preliminary system design work identifying integrated registration-to-payment functionality (currently termed Registration and Financial Integration Model or RFIM). This design will facilitate easy, consistent, understandable student administrative access whether within a campus or across multiple campuses. Further, the design will integrate the necessary functionality of such larger processes as application and admission, registration, financial aid, deferred payment plans, employee waivers, third-party payments, room and board and all other aspects of students' experiences that create charges to and settlements of students' receivables balances. The business scope will broadly encompass all of the System's educational offerings to all Learner Segments, which will eliminate many campus-based inefficient work-around solutions that exist to serve non-credit based offerings and many auxiliary services.

## FY2009 FINANCE DIVISION WORKPLAN

- Identify high level “end-state” future financial information systems’ needs including integration with other administrative systems. The initial step will be migrating the Accounting Module to the web (J2EE) and may incorporate small upgrades if possible. Among the modules to be considered are procurement and accounts payable, fixed assets/equipment, accrual accounting and reporting, SCUPPS module and the interface with the state’s SEMA4 system, etc. Part of this will be evaluating community sourced software modules such as those that will be offered through the Kualī Foundation.
- Develop FY2010 – 2015 Capital Budget for Board approval and forwarding to the Dept of Finance, Governor and Legislature
- Advance capital planning with colleges and universities for reinvestment in, or new construction of Revenue Fund facilities. Develop project scope, cost estimates and financing strategy for possible 2009 – 2010 bond sale.
- Assist cabinet in coordinated, regional and system planning
- Conduct a Security Audit of selected colleges and universities
- Develop an RFP template for 2-year college dining services
- Develop a “team” approach to campus safety using the resources of the Fire Center, Risk Management, Worker’s Comp program and Human Resources

### **2. Monitoring/self assessment and accountability**

- Develop new principles and standards for program tuition, on-line differentials and use of market rates; seek board review in fall 2008
- Undertake economic and financial analysis of policies and practices regarding non resident student enrollment including cost benefit analysis, examination of tuition policy, role of state funding policy and measurement of the state’s economic impact.
- Examine need for and development of MnSCU-unique facilities design and construction form contracts.

### **3. Operations**

- Implement system wide consolidated purchasing initiative and develop an enhanced targeted vendor strategy. Provide department training and leadership on procurement.
- Develop the financial framework within which the collective bargaining process for the three faculty units and the administrative plan will proceed for the next biennium
- Develop strategy to promote sustainability and energy conservation on campuses
- Complete development of a real property leasing and other agreement inventory and report

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- Support ASA in formulation of metro area educational services strategic plan where facilities impacts.
- Revise Design and Construction Standards to incorporate principles of sustainability and B3 Guidelines for major renovations. Recommend policy on LEED design
- Publish System Procedures addressing leasing-in and leasing-out
- Assess business use of and acceptance of payment cards and other electronic payments such as e-checks. Identify purchasing card plan replacement as necessary; this may or may not involve a new RFP. Coordinate efforts to increase credit card security, including canceling unnecessary merchant agreements and moving related processing volume to the DOF contract with US Bank, with Internal Audit, ITS and campuses.
- Develop FY 2010 operating budget plan for Board review and approval
- Publish a coordinated “All Hazards” planning program to encompass Emergency Preparedness, Continuity of Operations and Crisis Intervention
- Execute a Construction Manager (at risk) form construction contract
- Develop several alternative construction project delivery packages (e.g. design/build; CM).
- Complete development; document; and roll out Fleet and driving policies and procedures
- Develop campus real estate maps

### **4. Financial reporting**

- Collaborate with ASA in the development and implementation the preliminary phase of an Integrated Planning process for use by all colleges and universities.
  - On the Finance side, this will include the design and implementation of meaningful performance measures using a financial planning and measurement approach combining longer-term financial planning (drafting a prototype Finance Master Plan as a model for all C/Us), annual reporting (yearend and interim) including defined performance measures and narratives, and annual updates (using annual addendums) to the Finance Master Plan.
  - The development or refinement of institutional level financial performance indicators for the system will in large part be dependent on individual institution integrated planning and will need to measure performance against institutional goals and missions. Each individual college and university will also need to identify peer institutions and assess comparability of performance measure data for such institutions.
  - One key objective of this effort is a set of financial performance measures that is understandable and will support campus evaluations by the Chancellor, the Chancellor’s Cabinet and ultimately the Board of Trustees.
- Continue work on the long term strategy for financial management including recommendations regarding external audits approved January 2005 by the Board of Trustees. In addition to the

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performance measures and auxiliary reporting work, this will include continued annual training and audit planning (internal, OLA and private firms).

- Develop on-line payroll training for campus personnel (Campus Assistance).

### . **Systems/information**

- Configure “Unifier” project management system on selected projects; load all FY2008 design projects and selected construction projects into system.
- Implement phase II of the WEB/ISRS budget module, develop business case to move forward with additional phases of the module.
- Pilot test campus room scheduling software project to determine its applicability to improved space utilization monitoring and reporting