

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM
BOARD OF GOVERNORS MEETING
Colorado State University System Office, Denver, Colorado
December 4, 2014**

CALL TO ORDER

Chair Dorothy Horrell called the meeting to order at 8:00 a.m.

ROLL

Governors present: Dorothy Horrell, Chair; William Mosher, Vice Chair; Joseph Zimlich; Treasurer; Scott Johnson, Secretary; Dennis Flores; Mark Gustafson; Jane Robbe Rhodes; Nancy Tuor; Samantha Guinn, Student Representative, CSU; Brad Schiffelbein, Student Representative, CSU-Global Campus; Timothy Zercher, Student Representative, CSU-Pueblo; Michael Mincic, Faculty Representative, CSU-Pueblo.

Administrators present: Michael Martin, Chancellor, CSU System; Tony Frank, President, CSU; Lesley Di Mare, President, CSU-Pueblo; Becky Takeda-Tinker, President, CSU-Global Campus; Rick Miranda, Chief Academic Officer, CSU System, and Provost and Executive Vice President, CSU; Allison Horn, Director of Internal Auditing, CSU System; Michael Nosler, General Counsel, CSU System; Rich Schweigert, Chief Financial Officer, CSU System.

System Staff present: Adam Fedrid, IT Manager; Melanie Geary, Executive Assistant to the Chancellor; Allen Sneesby, IT Technician; Sharon Teufel, Executive Assistant to the Board of Governors.

Guests present: Jon Bellum, Provost, CSU-Global Campus; Susan Calhoun-Stuber, Faculty Senate Co-President, CSU-Pueblo; Derrick Dobbin, Controller, CSU-Global Campus; Johnna Doyle, Deputy General Counsel, CSU-Pueblo; Blanche Hughes, Vice President, Student Affairs, CSU; Jason Johnson, Deputy General Counsel, CSU; Lynn Johnson, CSU CFO; Rick Kreminski, Acting Director, Institutional Research and Analysis, CSU-Pueblo; Richard Levin, Baker Hostetler; Margie Massey, Faculty Senate Co-President, CSU-Pueblo; Karl Spiecker, Vice President, Finance and Administration, CSU-Pueblo; Carl Wright, Provost, CSU-Pueblo

Chair Horrell convened the meeting and reviewed the agenda. She noted that Governor Munn would not be present for the regular meetings but would be participating in the Friday afternoon session.

PUBLIC COMMENT

Chair Horrell confirmed that no one had signed in for the non-stadium public comment. She asked Governor Zimlich to convene the Audit and Finance Committee meeting.

AUDIT AND FINANCE COMMITTEE

Governor Zimlich, Committee Chair; Governor Munn, Committee Vice Chair; Rich Schweigert, Chief Financial Officer, CSU System, and Allison Horn, Director of Internal Auditing, CSU System, assigned staff

Committee Chair Zimlich convened the Audit and Finance Committee and asked Allison Horn, Director of Internal Auditing, CSU System, for her report.

Status of Current Year Audit Plan: Ms. Horn reported two reports were issued since the last meeting and the executive summaries were included in the meeting materials. Progress is being made with the regularly scheduled audits in the current year audit plan and there have been a few special projects. Useful recommendations have been made and no significant weaknesses or red flag areas have been identified.

Overdue Recommendations: Ms. Horn reviewed the recommendations that have passed the initial target dates for implementation for a variety of reasons. Since the report was issued, the recommended certification for the College of Engineering has been implemented.

Committee Chair Zimlich asked Rich Schweigert, Chief Financial Officer, CSU System, for the Finance Report.

HB 1319 Higher Education Funding Model: Mr. Schweigert reported the CFOs of the institutions and systems came to an agreement on the funding model on November 20th. The Executive Advisory Group subsequently reviewed and adopted the model that will now move forward to the JBC. Mr. Schweigert summarized the highlights that include an additional \$60 million or 10% additional funding recommended by the Governor. Chancellor Martin reported the CEOs have also conditionally endorsed the model.

When asked about differences in funding for CSU-Pueblo as part of a system compared to other regional institutions, Mr. Schweigert explained the variance in state support per resident FTE by institutions and the internal allocation model for the CSU System. The suggestion was made to develop a summary of the benefits, both financial and non-financial, that CSU-Pueblo receives as part of the System to understand the complete picture.

CSU-Global Campus Task Force: Committee Chair Zimlich recounted the purpose of establishing the ad hoc committee to structure the Board's discussion on the future of CSU-Global Campus including cash position, opportunities for expansion, and utilization of intellectual properties. The work group met in November.

President Takeda-Tinker explained the concept of NewCo as a tech transfer entity to leverage CSU-Global Campus' expertise to serve market needs. Services would be offered to other educational institutions and business sectors, and would include consulting, technology licenses, and outsource services. NewCo would benefit the CSU System and CSU-Global Campus in multiple ways in planning for future financial viability. The suggestion was made to provide examples of Colorado tech transfer entities in the business plan.

Committee Chair Zimlich asked for a motion to convene in executive session. **Motion/Action:** Governor Gustafson made the motion; Governor Robbe Rhodes seconded; and the motion carried unanimously. General Counsel Nosler read the meeting into executive session at 8:51 a.m. to receive legal advice on specific legal questions regarding NewCo, all confidential pursuant as set forth in the meeting notice. The meeting recessed for a break at 9:22 a.m. and reconvened in open public session at 9:34 a.m.

General Counsel Nosler read the matter for action to authorize the President of CSU-Global Campus in consultation with the General Counsel to create a new nonprofit corporation for the purpose of supporting the CSU System. Two authorizing statutes, CRS 23-5-121 and CRS 23-1-107.5, that authorize creation of such an entity were cited and included in the materials. **Motion/Action:** Governor Tuor made the motion to approve; Governor Flores seconded; and the motion passed unanimously. Committee Chair Zimlich reported the work group would meet again prior to the February meeting and other Board members would be invited to attend.

CSU System Financial Overview: Mr. Schweigert explained the presentation was prepared mainly with data generated by the state legislature or the executive branch to assist in understanding what is occurring at the state level and the challenges for higher education. He reviewed the total FY14-15 state budget with 14% appropriated for higher education; the history of the General Fund and the breakdown of the FY14-15 General Fund; the potential issue of Tabor refunds; a comparison of enrollment and degrees or certificates awarded by public and private institutions in Colorado; a comparison of state support per resident FTE; and total revenue for each of the CSU System campuses. With declining state funding, a larger portion of the cost of higher education has been shifted to students.

Quarterly Financial Reports: Mr. Schweigert indicated each campus CFO would provide an update.

Lynn Johnson, CSU Chief Financial Officer, explained the special items on the financial statement for 2014 included changes relative to university benefits reimbursement and transfer of some Colorado State Forest Service operations to the state. She explained depreciation expense, which is a noncash expense, will continue to increase as new facilities come online.

Derrick Dobbins, Controller, CSU-Global Campus, reported the campus has a solid operating model and continues to operate at a robust rate. With a 34% net margin last year, revenues, tuition and fees are projected to increase by 40% for FY 2015. The net margin for the first quarter was 31% with a \$4.1 million increase in the net position. CSU-Global Campus continues to work on the NewCo project and collaborative efforts with CSU-Pueblo.

Karl Spiecker, CSU-Pueblo CFO, reported the campus is on-track with the approved budget. Total fall enrollment declined slightly and there was an increase in non-resident students. The first quarter financial report was generated through the Quali system. The Quali payroll function was loaded in September. There will need to be a few internal adjustments made for the next quarterly statement.

Mr. Schweigert explained the expenditures in the CSU System financial statement are for the Board of Governors and the CSU System office. From the state's accounting perspective, there are four entities in the CSU System and the System has its own accounting to produce financials.

Review of Draft Year-End Audit Findings: Mr. Schweigert explained that independent financial audits are conducted annually for the CSU System and reviewed by the Board's Audit and Finance Committee. BKD is hired on a contractual basis to conduct an independent annual financial audit for the State Auditor's Office and the legislature to demonstrate that the state funding is utilized in a financially prudent manner. The CSU System has a good working relationship with BKD and adequate time is allowed to respond to any findings. While there are a few audit findings, no major problems are anticipated with the final audit results.

Ms. Johnson explained, in addition to the financial audit for CSU, an OMB Circular A-133 audit is also required to demonstrate compliance with the Federal Funding Accountability and Transparency Act (FFATA) for federal funding. Many of the research projects funded through the federal government are in collaboration with other institutions through sub-recipient contracts. There was one finding with no financial implications for not correctly capturing sub-recipient information relative to the FFATA regulations. Procedures to remedy this problem have already been implemented.

Mr. Schweigert relayed BKD's acknowledgement of the positive improvements that have been made at CSU-Pueblo under the oversight of Mr. Spiecker. Mr. Spiecker commented on the collaborative effort and assistance from CSU and the System to complete the year-end closing. There were two material audit findings for CSU-Pueblo. The first finding was relative to journal entries and account reconciliations.

Staff turnover and vacancies contributed to the problems. The Kuali implementation will provide better controls. The second finding was related to federal reporting for Pell grants and financial aid. Measures implemented to address the finding include automated reporting on a weekly basis.

When asked about the \$5 million in funds transferred from CSU-Global Campus to the System and then to CSU-Pueblo to address the financial deficit, Mr. Schweigert explained there was a \$5.5 million transfer of funds and an additional \$500,000 loan. Committee Chair Zimlich asked Mr. Schweigert to follow-up to confirm the actions taken.

Campus Reserves Reports: Mr. Schweigert explained that the reserves reports are prepared annually for the previous fiscal year. He asked Ms. Johnson for her comments on CSU's reserves.

Ms. Johnson explained the segregation of Education and General Funds from self-funded activities, and the restricted and unrestricted net assets. At year-end, each college is able to carry over 1.5% of its annual appropriated budget to the following fiscal year. There is also a request process for any additional funds remaining beyond this carry-over amount. Typically the units use the funding for faculty start-up packages. The goal is to annually grow the unrestricted E&G fund balance by 3%. Due to concrete repairs at Hughes Stadium, the growth in the fund balance was less than the 3% this past year.

Mr. Schweigert pointed out the CSU-Global Campus report was less complicated and Mr. Dobbins was available for any questions. Hearing none, he then asked Mr. Spiecker for his comments on CSU-Pueblo's reserves. Mr. Spiecker commented on the concern about the negative fund balance in the E&G account but the campus is moving in a positive direction.

Approval of Equipment Lease and Line of Credit: General Counsel Nosler explained there was a resolution for the annual renewal of the CSURF line of credit to provide equipment leasing for the CSU-System. **Motion/Action:** Governor Robbe Rhodes moved to approve; Governor Johnson seconded; and the motion was passed unanimously.

EVALUATION COMMITTEE

Governor Mosher, Committee Chair; Governor Johnson, Committee Vice Chair; General Counsel Nosler, assigned staff

Committee Chair Mosher indicated the committee would convene in executive session and asked President Frank and Chancellor Martin to remain for the first portion of the discussion. General Counsel Nosler read the meeting into executive session at 10:24 a.m. for the purpose of discussing and evaluating public officials and professional staff employees of the Board as set forth in the meeting notice. **Motion/Action:** Governor Johnson moved to convene in executive session; Governor Robbe Rhodes seconded; and the motion carried unanimously.

The meeting reconvened in open session and recessed for lunch at 11:50 a.m. Chair Horrell reconvened the meeting at 12:30 p.m. and asked Governor Gustafson to call to order the Academic and Student Affairs Committee.

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

Mark Gustafson, Committee Chair; Jane Robbe Rhodes, Vice Chair; Rick Miranda, CSU System Chief Academic Officer and CSU Executive Vice President and Provost, assigned staff

Governor Gustafson convened the committee meeting and asked Dr. Miranda for his report.

Colorado State University 2015-16 Sabbatical Requests: Dr. Miranda reminded the Board that the approval of faculty sabbaticals was delegated to the Presidents and there would not be any action taken by the Board. He reviewed the sabbatical leave approval process that begins with the Department Chair and culminates with approval by the President with recommendations from the Provost. There were 63 sabbaticals approved (report in meeting materials) which is approximately half of the number of faculty who were eligible. The purpose of the sabbatical is to refresh faculty members and their research; to impact the students with the results of the research incorporated into the curriculum; and for opportunities to work with external colleagues around the country and the world. There are two options for sabbaticals: full-year and half-year. The sabbatical process is important to recruiting both faculty and students.

Colorado State University Program Review Summary: Dr. Miranda explained the program review process that is conducted annually, with ten reviews completed this past year (summaries in meeting materials). The reviews, typically on a five or seven-year cycle, provide an opportunity to review and assess the applicability and demand for the program; the quality of the degree; the curriculum and learning outcomes; and student success, retention and graduation. The Office of Institutional Research provides the vital statistics. Program review software provided by CampusLabs enables commentary to be uploaded; to analyze learning outcomes; and to track changes. There is an internal review committee that reviews the self-study. Many degree programs are externally accredited and there is often a review by external committees.

In response to questions on the program review awards program and accreditation, Dr. Miranda explained how all programs reviewed in the past year can submit a proposal for funding to execute a project that came out of the program review. The overall HLC institutional accreditation is completed every ten years and the accreditation process does not generally analyze the program reviews for any one program, but is more focused on the effectiveness of the program review process.

Colorado State University Faculty Manual Changes: Dr. Miranda reviewed the two faculty manual changes: C.2.3.1.e that changes the names of two departments, and D.7.20 to add emeritus designation for administrative professionals. Approval of the faculty manual changes is on the consent agenda.

Colorado State University Posthumous Degree: The confidential materials were available in a separate packet and Dr. Miranda indicated an executive session could be convened if necessary to discuss the request. Committee Chair Gustafson noted approval of the posthumous degree is on the consent agenda.

CSU-Pueblo 2015-16 Sabbatical Leaves: Dr. Carl Wright, Provost, CSU-Pueblo, reported there were 20 sabbaticals for 2015-16, which is higher than the usual 9-10 per year because several were put on hold from the previous year due to budgetary concerns. He explained the approval process that begins with the Department Chairs and culminates with the President's approval.

CSU-Pueblo Program Review Summary: Dr. Wright explained that program reviews are conducted to enhance the quality of the programs, and to ensure the program is relevant and meeting industry demands. The process is conducted in accordance with the faculty handbook and includes a self-study for the department, an internal review panel and an external review by a professional in the discipline. Summaries for the seven program reviews for 2013-14 were included in the meeting materials.

Recommendations from the reviews are important with additional resources and more tenure-track faculty as two of the most cited recommendations. Dr. Miranda commented that space issues, i.e., buildings, offices, laboratories and classrooms, are also often cited. Dr. Wright added that needed repairs were also often cited for CSU-Pueblo. When asked about collaboration between CSU and CSU-Pueblo on the program reviews, Dr. Miranda responded the reviews are completed independently.

CSU-Pueblo 2015-16 Academic Calendar: Committee Chair Gustafson noted the approval of the academic calendar is on the consent agenda. President Di Mare explained the academic calendar has been under discussion for numerous years to determine if the academic calendar for CSU-Pueblo is in compliance with CCHE and HLC requirements in terms of seat time, specifically for M-W-F classes. The academic calendar presented exceeds the requirements by 140 minutes which is helpful in case of cancelled classes, i.e., power outages or snow. Governor Mincic added that the Faculty Senate analyzed the data and different options. While not everyone was pleased by the choice, the proposed academic calendar meets the requirements and is in the best interest of students. Governor Zercher added that the student government also discussed the options and voted 13-1 to support this proposal.

Professor William Brown, CSU-Pueblo, commented that the academic calendar is compatible with the community's work schedules, i.e., Pueblo schools and medical institutions. When asked if the majority of other institutions have a longer semester, President Di Mare explained that, rather than adding two weeks to the schedule, adding five minutes to M-W-F classes added a total of 200 minutes. Chair Horrell commended President Di Mare, the academic leadership team and the faculty for resolving the issue and noted this sends a strong message of a focus on students and the standards of excellence.

Campus Enrollment Reports

Dr. Miranda explained the three campus enrollment reports incorporate a similar, parallel format that uses five years of enrollment data for fall enrollments.

Colorado State University Enrollment Report: Dr. Miranda reviewed the highlights that include overall the number of degrees awarded have increased; credit hours remain steady; headcount overall has increased with the current year setting a record for enrollment; resident freshmen enrollment decreased which is reflective of the 3% decrease in high school graduates in Colorado; graduate enrollment has increased; new undergraduates has decreased slightly; and the female/male enrollment is balanced. First generation enrollment decreased slightly and is mostly residents. Minority enrollment, which is self-reporting, has increased. Enrollment of international students has increased by 23% due to the INTO program and other recruitment efforts.

The Western Undergraduate Exchange (WUE) is a reciprocity agreement with western states that allows cooperation for unique programs, i.e., Equine Science. There are three student classifications: Colorado resident, WUE nonresidents, and non-WUE nonresidents, the latter of which has increased almost 10%. Criteria for accepting WUE students vary by institution.

In response to questions, Dr. Miranda explained more resources are being devoted to merit-based aid; Colorado high school graduation rates should begin to increase in four to five years, largely due to the increase in Hispanic population; there has been more effective in-state recruiting; and, while there are still college fairs, there are new social media tools to help recruiting efforts. Feedback on campus tours is generally positive. In addition to costs, fundamental metrics, such as quality educational experiences, degree programs available, career opportunities, and graduation rates, are important to students and parents.

CSU-Pueblo Enrollment Report: Dr. Wright reviewed the data for degree awards and commented on efforts to enhance the masters programs. He reviewed the changes from one year ago in enrollment; headcount; undergraduate enrollment; freshmen enrollment; new undergraduate enrollment; female/male ratio; WUE/Non-WUE/Resident; Pell/Non-Pell; first generation; minorities; and enrollment by colleges. Overall enrollment and headcount decreased 3.5% and 3.3% respectively. However, there were 124 new

students (freshmen and transfers) and international enrollment increased by 11.9%, which are positive changes attributable to the recruitment initiatives.

CSU-Global Campus Enrollment Report: Dr. Jon Bellum explained the data is for 2009-2013 which is different from the other campuses since CSU-Global Campus has monthly starts and there is one month remaining for the 2014 collection period. The institution continues to expand with an aggressive, manageable growth pattern. Headcount increased 40% last year and a similar increase is expected for 2014. Overall credit hours have increased; the number of classes students enroll in has increased which decreases in the amount of time to completion; and new undergraduate enrollment increased with a slight decrease in graduate enrollment. Gender breakdown remains stable; 53% were Colorado residents in 2013; Pell funding has increased slightly; and the number of first generation and underrepresented minorities has increased. Age has remained stable since CSU-Global Campus began with the focus on nontraditional adult learners and a major change is not anticipated with the expanded mission for first-time freshmen enrollment. In AY2013-14, there were 1,276 degrees conferred.

President Takeda-Tinker added that CSU-Global Campus is running its first cohort of scholarships with a variety of ages and backgrounds. Retention remains high as the institution expands; fall retention from 1st to 3rd term is 85%. Cost of acquisition has remained at \$1,200 per student and is projected to increase.

Academic and Student Affairs Committee Work Plan: Committee Chair Gustafson noted the update on the work plan was added to the agenda and asked Dr. Miranda for his comments.

Dr. Miranda reviewed the list and timelines for recurring faculty- and student-related reports; program-related items; and research and engagement reports. A proposed focus for the February retreat would be on tuition, affordability, financial aid and access. Dr. Miranda explained the athletic reports were a separate item from the Academic and Student Affairs Committee. President Frank added that the annual athletics reports are generally done in August. Chancellor Martin suggested additional updates on athletics can be included in the Presidents' reports. In addition to recurring items, the suggestion was made to include topics/discussions to assist the Board in being proactive and to ensure the Board is asking the right questions in order to carry out its duties as stewards. A recommendation was made that, in addition to the annual in-depth report, to have more frequent campus safety updates.

With no further discussion, Committee Chair Gustafson asked for a motion to adjourn the Academic and Student Affairs Committee: **Motion/Action:** Governor Johnson moved, Governor Flores seconded, and the motion carried.

EXECUTIVE SESSION

Following a brief break, the meeting reconvened at 2:15 p.m. for the executive session. General Counsel Nosler read the meeting into executive session for the purpose of receiving the litigation report or to receive legal advice on specific legal issues, as set forth in the meeting notice. **Motion/Action:** The motion to convene in executive session was made, seconded and carried unanimously. The Board moved out of executive session and into the open public session at 2:33 p.m.

CONSENT AGENDA

Chair Horrell reported the consent agenda include approval of the minutes from the October meetings and the November task force meeting, two faculty manual changes, and the CSU-Pueblo academic calendar. **Motion/Action:** Governor Robbe Rhodes made the motion; Governor Gustafson seconded; and the motion passed unanimously.

APPROVAL OF REVISED BOARD POLICIES

General Counsel Nosler explained the policies are periodically reviewed and modified to current practices and to ensure conformity current statutes. He reviewed the revisions for policies 105, 106, 112, 119, 120 and 123. When approved, the policies will be finalized with any additional modifications and posted on the Board's website. Chair Horrell read the matter for action to approve the amended policies.

Motion/Action: Governor Zimlich moved to approve; Governor Flores seconded; and the motion carried unanimously.

FACULTY AND STUDENT REPORTS

Governor Alexandra Bernasek, Faculty Representative, CSU, indicated her written report provided an update on activities of the Faculty Council. She explained that the students in her ECON 492 capstone class this fall were charged with creating a white paper on student debt. Governor Bernasek briefly shared information on the conclusions, major problems and solutions identified. The white paper will be shared with the Board who was invited to attend two upcoming presentations on the findings. Governor Bernasek also encouraged the Board to view the documentary *The Ivory Tower* that focuses on the future of higher education.

The meeting briefly recessed at 2:53 p.m. and reconvened at 2:58 p.m.

PRESENTATION BY DR. NORMAN AUGUSTINE

President Frank introduced Dr. Norman Augustine, retired Chairman and CEO of Lockheed Martin. Dr. Augustine shared with the Board work that is being done on the national level on the future of higher education and the challenges for public institutions, particularly in the area of research.

Chair Horrell thanked Dr. Augustine for his remarks and then outlined the evening's social events that would begin with a holiday reception followed by a dinner. The meeting was adjourned for the day at 4:35 p.m.

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COLORADO STATE UNIVERSITY SYSTEM
BOARD OF GOVERNORS MEETING
Colorado State University System Office, Denver, Colorado
December 5, 2014**

CALL TO ORDER

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ROLL

Governors present: Dorothy Horrell, Chair; William Mosher, Vice Chair; Joseph Zimlich; Treasurer; Scott Johnson, Secretary; Dennis Flores; Mark Gustafson; Jane Robbe Rhodes; Nancy Tuor; Samantha Guinn, Student Representative, CSU; Brad Schiffelbein, Student Representative, CSU-Global Campus; Timothy Zercher, Student Representative, CSU-Pueblo; Michael Mincic, Faculty Representative, CSU-Pueblo.

Administrators present: Michael Martin, Chancellor, CSU System; Tony Frank, President, CSU; Lesley Di Mare, President, CSU-Pueblo; Becky Takeda-Tinker, President, CSU-Global Campus; Rick Miranda, Chief Academic Officer, CSU System, and Provost and Executive Vice President, CSU; Allison Horn, Director of Internal Auditing, CSU System; Michael Nosler, General Counsel, CSU System; Rich Schweigert, Chief Financial Officer, CSU System.

System Staff present: Adam Fedrid, IT Manager; Melanie Geary, Executive Assistant to the Chancellor; Allen Sneesby, IT Technician; Sharon Teufel, Executive Assistant to the Board of Governors.

Guests present: Susan Calhoun-Stuber, Faculty Senate Co-President, CSU-Pueblo; Johnna Doyle, Deputy General Counsel, CSU-Pueblo; Rhonda Gonzales, Dean of Library Services, CSU-Pueblo; Kathleen Henry, President/CEO, CSURF; Jocelyn Hittle, CSU Director of Denver Operational Initiatives; Blanche Hughes, Vice President, Student Affairs, CSU; Jason Johnson, Deputy General Counsel, CSU; Lynn Johnson, CSU CFO; Rick Kreminski, Acting Director, Institutional Research and Analysis, CSU-Pueblo; Susan LaRue; Kelly Leid, Executive Director, North Denver Cornerstone Collaborative; Margie Massey, Faculty Senate Co-President, CSU-Pueblo; Amy Parsons, CSU Vice President of University Operations; Jeremy Podany, Director for the CSU Career Center and Ascend; Jennifer Uzen, Director of Business Development, AECOM Technology.

Chair Horrell reconvened the Board meeting and commented on the previous day's activities. She reviewed the agenda and asked Governor Deemer for his report.

FACULTY AND STUDENT REPORTS

Governor Robert Deemer, Faculty Representative, CSU-Global Campus, reviewed a flow chart for the curriculum development process. Program evaluation is completed for 30 courses every month and includes assessment on content and industry relevance in changing environments, and feedback from subject matter experts, students and faculty. All 27 program coordinators participate in the process. Courses must conform to CSU-Global Campus' learning outcomes and objectives, and be purposeful and participatory.

Governor Michael Mincic, Faculty Representative, CSU-Pueblo, noted his report reflect the minutes of the Faculty Senate meetings. Work undertaken by the Faculty Senate includes the academic calendar,

annual evaluation process, strategic planning, and faculty handbook updates. A presentation was made by Royall & Company to the Faculty Senate. Governor Mincic has been working with CSU-Global Campus to develop two online construction management programs that are projected to be operational in February 2015. Also, he is the campus representative for the Colorado Faculty Advisory Council that has been working on HB1319.

Governor Samantha Guinn, Student Representative, CSU, in addition to her written report, reported on the Traditions Week that will occur in the spring semester; the plans for a joint Advocacy Day with CU at the State Capitol in addition to an individual CSU day at the Capitol; work with housing property management companies to create tools to assist and educate students for off-campus living; and discussions held on a safety app for the CSU campus. ASCSU was approached by the Women & Gender Advocacy Center on possible jointly providing a bystander intervention and other trainings. ASCSU has been working with CSU's marketing office on an anti-stigma campaign on mental health.

President Frank commended Governor Guinn on the safety app and indicated he will be talking to the President's Commission on Women & Gender Equity to make the app available to employees. He also provided an historical context and outlined challenges in providing affordable off-campus housing for lower-income students and transportation.

Governor Brad Schiffelbein, Student Representative, CSU-Global Campus, provided an overview and shared a video on CSU-Global Campus' alternative credit programs and competency-based exams. When asked about other institutions, President Takeda-Tinker explained competency-based exams (CBE) are available for every course. While the learning shells are free, only 31% of students actually move forward and pass the tests. She commented on the Western Governors University model and models of for-profits; how federal financial aid is not currently available for CBEs; and the work done by CSU-Global Campus' Student Support Office to assist students with the alternative credit options. When asked about the maximum number of alternative credits, President Takeda-Tinker explained the HLC standard is 30 credits must be obtained through CSU-Global Campus. Students may use up to 90 transfer and alternative credits and the average is 55 credit hours.

Governor Tim Zercher, Student Representative, CSU-Pueblo, explained his report was focused on student discount program; initiatives to build better student relationships; and the Colorado Student Government Coalition that has met twice and will be meeting again in February 2015. He summarized a letter written to the Board by the student government to request assistance with funding CSU-Pueblo's information technology infrastructure. President Di Mare added that there have been issues with parents who are concerned about the instability of the Wi Fi in resident halls that could impact future enrollment and CSU-Pueblo did submit an application to the CDC that was not approved. Governor Zimlich indicated the funding should be considered in the context of the financing decisions for the overall institutional budget and strategic plan.

CSU-PUEBLO STRATEGIC PLAN

President Di Mare reported on the partnership with CSU-Global Campus to develop the online construction management and nursing programs that will be launched in the spring. CSU-Pueblo has been meeting with EVRAZ, a company which is interested in the online construction management degrees for the employees. President Di Mare also noted that CSU-Pueblo now has a virtual tour on its website which should assist with visibility and recruitment.

President Di Mare introduced Rhonda Gonzales, Dean of Library Services, CSU-Pueblo who, along with Dr. Rick Kreminski, have been the team leaders for the delivery and implementation of the strategic plan. A delivery and implementation team composed of eight members was created and has committed to

serving for the entire five years of the strategic plan to measure every month and annually to ensure the strategic objectives and performance metrics are working.

Dr. Kreminski noted the PowerPoint presentation is not the complete strategic plan. Ms. Gonzales explained the key features of the strategic plan are: 1) focused on student success with goals set on enrollment, retention and graduation; 2) mission-driven with a commitment to excellence, access and diversity, leadership with community partnerships, and tied to the CSU System mission; and 3) quantitative with measurable outcomes.

Dr. Kreminski explained the goals for the three key outcome areas are excellent academics; affordable education; transformative opportunities; and supportive student life. Each goal has defined objectives, strategies and measurable outcomes. Ms. Gonzales explained how the objectives are grouped and connected with goals tied to the key functions of the university. There are target data points within each strategy and some strategies are already underway.

Dr. Kreminski explained every unit was asked to participate and to develop relevant, appropriate measurements to support the plan. Ms. Gonzales reviewed the timeline for the development and implementation of the strategic plan. When asked about buy-in, Ms. Gonzales explained the plan was built from bottom up and the whole campus was involved in the process. Governor Mincic added that each college and department will have plans to dovetail with the overall plan. Dr. Kreminski noted that the strategic plan is a living document that will be monitored at every level.

The suggestion was made to connect the accountability to annual performance objectives for faculty to create individual accountability. President Di Mare and CSU-Pueblo were commended for creating a dynamic, living strategic plan that allows the university to stay focused on the larger targets and adapt accordingly. When asked about how the preparation for the HLC accreditation is connected with the strategic plan, Dr. Wright explained that the strategic plan is part of the HLC planning process and will be coordinated and incorporated into the data that is collected.

The meeting recessed for a brief break and reconvened at 9:45 a.m.

CHANCELLOR AND PRESIDENTS' REPORTS

Chancellor's Report: Chancellor Martin indicated his written report highlighted initiatives, successes and progress made over the past few years. He acknowledged the work of Mr. Schweigert and the System and campus staff on HB1319. Chancellor Martin reported proposals have been received on the 21st Century land-grant system initiative and he acknowledged President Takeda-Tinker's leadership in developing relationships with Native American communities in Colorado and other states. A delegation will be meeting with the USDA to discuss funding to help with development of agricultural and natural resources degrees, both at the two- and four-year level, with some of the tribes and nations.

Chancellor Martin thanked Governor Flores for his assistance with the CSU Center for Colorado Futures' (CCF) work on policy issues related to municipalities beginning with Pueblo. Phyllis Resnick, Lead Economist for the CCF, made a presentation to *The Pueblo Chieftain* editorial board and the City Council. The objective is to build relationships with the CSU-Pueblo campus utilizing community resources to help the community advance its economy. The CCF received one of the Venture Capital Fund grants to work with municipalities on statewide economic issues.

Chancellor Martin commented on the dynamics of the System office where the staff have taken on additional responsibilities as the number of staff was reduced. Additionally the System office is

relocating to a smaller space which will further shrink the budget. Chancellor Martin thanked Governor Mosher for his assistance in evaluating office space.

Presidents Reports: President Frank reported the City Council of Fort Collins passed a resolution that indicated the communication between the City, elected officials and the university is critically important and representatives of the City Council and City officials should formalize a communications committee with the university that include a representative from the Board. The committee would work jointly around issues such as housing, transportation, parking, law enforcement and master planning.

General Counsel Nosler read a matter for action for the Board's consideration to support CSU's engagement of the leadership of City of Fort Collins in discussion on issues that impact the city and the university with a member of the Board to act as a liaison for those discussions. **Motion:** Governor Robbe Rhodes moved to approve and Governor Flores seconded. Governor Zimlich added that this resolution memorializes what has been occurring under President Frank's leadership. **Action:** The motion was unanimously approved. The suggestion was made that a similar resolution may want to be considered for CSU-Pueblo and the City of Pueblo and President Di Mare concurred.

President Takeda-Tinker reported that Schoology launches today and CSU-Global Campus will deploy its own phone system this afternoon.

VENTURE CAPITAL FUND UPDATE

Amy Parsons, CSU Vice President for University Operations, explained that, through the Venture Capital Fund, a program was started two years ago utilizing the concept of creating a new model for ways CSU can engage with companies and organizations that would provide more than just trainings and educational offerings by bringing them the life of the university, i.e., access to the arts, athletic events, expertise from research, interns, new hires, etc. The university would gain more than just the value of the fees by creating new partnerships with possibilities for future philanthropic giving and funded research. The project was originally called the Enterprise Student Partnership program and has been renamed to Ascend. Ms. Parsons introduced Jeremy Podany, Director for the CSU Career Center and Ascend.

Mr. Podany explained that Ascend develops capable, connected and healthy organizations through a powerful affiliation to Colorado State University. Employees of healthy organizations are more engaged and bring more value to their customers by working together. The Ascend program began with extensive market research benchmarked with 50 different organizations. Based on the research, a business model of providing concierge, holistic services was developed. There are currently nine affiliate organizations where either services are already being offered or are in the assessment phase. Discussions are also being held with several more organizations. The Ascend website, Ascend.colostate.edu, has been activated and there will be a public launch in January. Ms. Parsons added there will networking events held in Denver and Fort Collins in the spring.

In response to questions, Mr. Podany explained that, while there is willingness to travel, the majority of the target organizations are on the Front Range. There is an annual membership fee of \$1,500; assessments range from \$1,500 to \$6,000; and there is a diverse range of service fees. President Frank added that the program is compatible with the university's engagement mission by allowing access to all people, including corporations, to the university's expertise which is supported through investment by taxpayers for the benefit of society.

Chair Horrell commended Mr. Podany on his dual role at the Career Center and Ascend that brings connections to employees. Phase two of the Venture Capital Fund will be addressed at the February meeting.

REAL ESTATE/FACILITIES COMMITTEE

Governor Tuor, Committee Chair; Governor Flores, Committee Vice Chair; Deputy General Counsel Johnson, assigned staff

Vice Committee Chair Flores convened the committee and adjusted the order of the agenda items.

National Western Center (NWC) Redevelopment: President Frank commented on CSU's historical agricultural connection to the NWC and, as part of CSU's engagement mission to benefit the citizens of Colorado, the appropriateness of CSU as one of the major partners in the NWC redevelopment. CSU's focus will be on veterinary and animal agriculture-related projects, and a wide range of educational opportunities.

Ms. Parsons commented on the role that universities can play in city revitalization and redevelopment. She introduced Kelly Leid, the Executive Director of the North Denver Cornerstone Collaborative (NDCC).

Mr. Leid recounted the timeline beginning in November 2012 with the announcement that the National Western Stock Show would remain in Denver and the Mayor's announcement in January 2013 of the creation of the NDCC to oversee six massive projects. An MOU was signed between the five partners; a feasibility study was completed and released in spring 2014; a roundup retreat was held to establish the vision and goals for the NWC as a 365 day/year destination; and then the work began on the master plan which will be released on December 18th.

Mr. Leid provided an overview of the locations, boundaries and plans for the NDCC six projects. He explained the site circulation and the use of baseline data to develop a parking management study for a holistic view, including proximity of other parking structures and transit stations. When the new arena opens, the coliseum site can be repurposed.

Mr. Leid explained nine phases have been identified and the critical start-up point will be when RTD begins construction in 2016 for the new transit station. A Finance and Governance Committee was created in May 2014 and will conclude its work with recommendations on funding options in early 2015. When asked about private development, Mr. Leid explained the plans are for a full build-out of the 270 acres and there will be limited opportunities for private development on either side of the complex.

Ms. Parsons described the programming, space utilization, and architectural design of the CSU building that was designed by CSU's internal architecture team. She introduced Jocelyn Hittle, CSU Director of Denver Operational Initiatives, who is working on the NWC.

When asked about CSU's costs, Ms. Parsons responded that, once the phasing plan has been completed, the campus team will start working on the business plan to make the programs financially feasible. President Frank added that the equine and sports medicine and rehabilitation facility is envisioned as a cost-neutral operation with user fees. Faculty and students are being creative in planning for the scholarship aspects of education and engagement. Mr. Leid explained one idea being considered is how to get the partners to the site early to test program ideas.

CSU Master Plan: Ms. Parsons explained the presentation will provide an overview of the master planning process and content with the intent to bring the full master plan to the Board at the February meeting. The master plan is quite comprehensive and extra time is being devoted this year since it will be presented for CCHE approval which is needed every ten years in accordance with state statute. The

university's mission and role guide the development of the campus. There is a 21-member master plan committee composed of a variety of stakeholders. Input is also sought from the campus and community with 150 campus and community master plan outreach events since January 2012. The master plan is composed of sub-area and system plans and is a living document that is flexible in order to take advantages of new opportunities and to address additional challenges.

Ms. Parsons reviewed the assumptions and key issues for the primary plans for the Main Campus, the Foothills Campus and the South Campus. All of the Master Plan information is available online on the CSU's Facilities website. Prior to the in-depth review in February, input is welcomed and a tour of the campuses can be provided for the Board members.

Executive Session: General Counsel Nosler indicated that an executive session to discuss the Denver South initiative was not needed since there were no new developments to report.

Approval of Oil and Gas Lease: Kathleen Henry, President/CEO, CSURF, explained the lease is for rights to explore minerals and to drill and produce. When asked about revenue sharing and working leases Ms. Henry responded that negotiations are occurring. President Frank added that consultants provide advice and the action item authorizes President Frank to sign the documents when necessary and appropriate. **Motion/Action:** Governor Johnson moved to approve. The motion was seconded and unanimously approved.

Chair Horrell reminded the Board that the afternoon's stadium presentation, public comment and discussion would be held in the second floor atrium at 475 17th Street. The meeting then recessed for lunch at 11:22 a.m.

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM
BOARD OF GOVERNORS MEETING (continued)
CSU Denver Center, 475 17th Street, 2nd Floor Atrium, Denver, Colorado
December 5, 2014**

CALL TO ORDER

Chair Dorothy Horrell called the meeting to order at 12:00 p.m.

ROLL

Governors present: Dorothy Horrell, Chair; William Mosher, Vice Chair; Joseph Zimlich; Treasurer; Scott Johnson, Secretary; Dennis Flores; Mark Gustafson; Demetri “Rico” Munn; Jane Robbe Rhodes; Nancy Tuor; Samantha Guinn, Student Representative, CSU; Brad Schiffelbein, Student Representative, CSU-Global Campus; Timothy Zercher, Student Representative, CSU-Pueblo; Michael Mincic, Faculty Representative, CSU-Pueblo.

Administrators present: Michael Martin, Chancellor, CSU System; Tony Frank, President, CSU; Lesley Di Mare, President, CSU-Pueblo; Becky Takeda-Tinker, President, CSU-Global Campus; Rick Miranda, Chief Academic Officer, CSU System, and Provost and Executive Vice President, CSU; Allison Horn, Director of Internal Auditing, CSU System; Michael Nosler, General Counsel, CSU System; Rich Schweigert, Chief Financial Officer, CSU System.

System Staff present: Adam Fedrid, IT Manager; Melanie Geary, Executive Assistant to the Chancellor; Allen Sneesby, IT Technician; Sharon Teufel, Executive Assistant to the Board of Governors.

Guests present: Darren Atteberry, City Manager, City of Fort Collins; Martin Carcasson, Director, Center for Public Deliberation; Susan LaRue, Professor, Environmental & Radiological Health Sciences, CSU; Katharine Leigh, Professor, Design & Merchandising, CSU; Bob McCluskey; Tom Milligan, CSU Vice President for External Affairs; Amy Parsons, CSU Vice President of University Operations; Tim Romani, CEO, ICON; Kevin Unger, President and CEO of Poudre Valley Hospital and Medical Center of the Rockies.

STADIUM PRESENTATION

Chair Horrell reconvened the meeting; recounted the work undertaken by the Board during the past two days; and reviewed the afternoon’s agenda. The meeting was being livestreamed on the CSU website and the City of Fort Collins television station. President Frank was asked for his report.

Background and Process: President Frank remarked on the significant amount of time devoted to the stadium topic and that, regardless of any outcome, the university will continue its land-grant mission as established 144 years ago to discover knowledge and teach for the benefit of society. He recounted progress that has been made with student success, research, philanthropy, physical infrastructure, and the financial foundation with every component of the financial index strengthened. The stadium deliberations began in early 2012 with the establishment of the Stadium Advisory Committee (SAC). Amy Parsons, CSU Vice President of University Operations and co-chair of SAC, was asked to recap the committee’s work.

Ms. Parsons explained the committee composition, the charge to evaluate the feasibility of building an on-campus stadium, and the assessment process through four subcommittees. The SAC determined

construction of an on-campus, multi-use, year-round facility was feasible. The recommended site offers adequate space; relatively low impact for the university; an improved southern gateway to the campus; and further integration of the core of the campus around the student centers. The impact to PERC has been explored and a collaborative vision has been reached on how to address that impact in a positive manner. The feasibility report was presented to President Frank in August 2012.

President Frank commented that equally critical to location and other issues was the financing. From the beginning, the intent has been to not use tuition, fees or state support with no impact to the general fund. A study was commissioned from CSL and later reviewed by Entertainment and Culture Advisors (ECA). The project manager, ICON Venue Group, was critical to evaluating the study. President Frank asked Tim Romani, CEO, ICON, for his comments.

Mr. Romani commented on the expertise of ICON that has overseen 30 stadium and arena projects around the world including the Broncos stadium. After submitting a proposal, ICON was selected to evaluate the feasibility analysis utilizing a range of experts. The analysis included market analysis and revenue projections; traffic and parking; construction costs modeling; and development of a budget and schedule.

The market analysis and revenue forecasting evaluated all stadium naming and sponsorship elements, premium seating, ticket sales and concessions, and put the data into quantification models benchmarked against peer programs in the Mountain West and nationally. Historical sales were analyzed and comprehensive market studies were conducted. ICON was instructed to be conservative. Three operating models – a base model, conservative (low) and optimistic (high) – were developed. The data was then analyzed by CSU and the CSU System to calculate a financing range.

Project Development Plans (PDPs) were generated through more than 2,000 pages of analysis and an optimal site was identified. During the schematic design and design development, different options were explored for scaling the project for flexibility with all the core elements. There are differences in the current environment from when the study was done in 2012, both in terms of cost and the success of the football team. Mr. Romani concluded that with all the studies, multiple program designs and conservative revenue projections, the \$220 million project with 36,000 seats is well conceived and ready to be executed.

President Frank commented on how the issue from the beginning engendered strong emotions and rapidly became polarized. The CSU Center for Public Deliberation (CPD) was engaged to assist in the process. President Frank asked Dr. Martin Carcasson, Director for the CSU Center for Public Deliberation, to provide an overview of the CPD's involvement.

Dr. Carcasson explained the CPD is an impartial resource that assists community organizations in dealing with difficult issues. The CPD's involvement began in January 2012 and concluded with a final report in August 2012. The CPD's role was to engage stakeholders and to summarize the views. Numerous opportunities were provided for comment, both online and face-to-face. Surveys were distributed and provided online with 2,000 responses. Public talk about the stadium from multiple additional sources was also analyzed. Dr. Carcasson observed that while successful in mapping the issue, the CPD was unsuccessful in moving the debate from a polarized debate to more robust deliberations.

President Frank reported that, after review of all data, the recommendation was made to the Board in October 2012 to proceed during the next two years to secure financing for a new on-campus, multi-use stadium facility with 50% of funds raised philanthropically and the remaining 50% through revenue bonds. In October 2013, the Board authorized entering into the design development phase with active engagement of the community. A Community Design Development Advisory Committee (CDDAC) was created and chaired by former Fort Collins City Councilman and state representative Bob McCluskey.

Mr. McCluskey explained the charge to the CDDAC was to provide an opportunity for the community to learn about the preliminary design development and provide feedback to encourage a high quality project; to identify potential concerns including parking, traffic, noise and other impacts; to find workable solutions to address the needs of the community at-large; and to foster transparency and communication between the university, the city and the surrounding neighborhoods. The committee was composed of 17 members from various stakeholder groups and met seven times during the process. All meetings were open to the public and the city televised most of the committee meetings.

The CDDAC also hosted a public listening session and developed a list of comments and recommendations. Mr. McCluskey highlighted recommendations for design elements; parking and traffic; noise; lighting; pedestrian and bicycle traffic; event data management; and community relations. When asked about follow-up on the recommendations, President Frank explained the CDDAC completed their work concurrently with the design development work. The recommendations will be revisited if the decision is made to move forward with construction documents.

President Frank reported the results of the two-year fundraising period failed to reach the 50% mark and, at the October 2014 meeting, the Board approved the recommendation to allow President Frank to evaluate four primary options. To assist with the evaluation, two committees were created. The Community Leadership Committee was composed of community representatives and chaired by Kevin Unger. The Campus Leadership Committee was composed of faculty and student representatives and chaired by Drs. Katharine Leigh and Susan LaRue.

Mr. Unger explained the Community Leadership Committee analyzed the pros and cons of each of the four options, and also considered recommendations and concerns presented by other groups such as SOS Hughes. The committee toured Hughes stadium to evaluate the infrastructure and evaluated the options from a growth and development perspective to increase enrollment and expand the academic mission. Based on the numerous infrastructure challenges, the committee did not recommend options 1 and 2 for the renovation of Hughes Stadium.

The committee debated the two on-campus options and recommended moving forward with an on-campus facility that would provide marketing opportunities as well as reconnecting alumni with the campus. The committee did not feel it had the knowledge or expertise to make a recommendation on the financing which should be determined by the Board. The committee had concerns on the scaled-back version and recommended the project be focused on the future with the full project completed if undertaken. The committee also had many of the same concerns on neighborhood impacts and recommended diligence in addressing those impacts.

Dr. LaRue explained the process utilized by the Campus Leadership Committee included reviewing several data sets with access to key personnel to assist with the knowledge collection phase. The committee then met in private in order to allow for candid and sometimes heated discussions. A strategy to evaluate each of the four options was developed and a document was created to report the findings. Each committee member contributed to the discussion and the writing of the document with the committee unanimous in the conclusions.

Dr. Leigh explained her role in synthesizing the comments from each committee member. The committee spent a lot of time on options 1 and 2, given the emotion associated with Hughes Stadium, and concluded neither of these two options was viable given the potential negative impact on the general fund. The committee then evaluated options 3 and 4. The committee supported option 3 and had concerns on control with option 4. The committee extensively discussed traffic planning and concluded the on-campus stadium would provide opportunities to bring alumni and visitors to the main campus.

Dr. Leigh noted the improvements, both scholastically and socially, that have occurred with changes that have been made to the physical campus. Gender equity is important and the new facility should be referred to as an athletic, not football, stadium with women's sports as important as men's sports. She further noted that the new stadium reflects the entrepreneurial spirit of the future of the campus. The most important consideration is the structure should be responsive to the needs of the students. Dr. Leigh expressed the committee's support for President Frank's ideas and vision.

President Frank explained formal opinions were also solicited from CSU Facilities and the CSU Athletic Department and those recommendations are posted on the stadium website with the other reports.

President Frank commented on how throughout the process one of the most consistent concerns voiced by the opposition was he and CSU in general were not listening to their input. He remarked on the difference between not hearing as opposed to listening but not arriving at the same conclusions. President Frank reiterated his commitment to open and transparent processes and asked Tom Milligan, CSU Vice President for External Affairs, to comment from the overall approach as a public institution.

Mr. Milligan commented on how the process was not a communications or marketing campaign to reach a desired outcome. The university was committed to being open and transparent to obtain the necessary information to make an informed recommendation and to assist the Board with its decision. From the beginning, multiple media channels were utilized to collect and share information with ample opportunities to share insights or opinions. Livestreaming was used from the beginning with the first SAC meeting and continued in multiple sites. More than 80 documents, including summaries and PowerPoint presentations, and links to SOS Hughes and Be Bold have been posted to the stadium website that has received over 86,000 page views.

Assumptions: President Frank summarized the assumptions in his November 29, 2014, report to the Board. An appropriately sized, multi-use stadium facility remains a good investment for the future of CSU. CSU is committed to working with the City of Fort Collins and the surrounding neighborhoods to mitigate impacts and to be responsible for its fair share of infrastructure improvements. No matter the issue, i.e., parking, transportation, housing, law enforcement, long-term planning, etc., the collaboration and relationship with the City of Fort Collins is critical. On December 2, 2014, the Fort Collins City Council passed a resolution and Darren Atteberry, City Manager for Fort Collins, was asked for his remarks.

Mr. Atteberry remarked on the positive, long history of the town-gown relationship between CSU and Fort Collins; the identity of Fort Collins as a university town; his respect for President Frank as a collaborator; and the role and decision-making authority of CSU. The stadium issue has been divisive with opponents pressuring the City Council to take a position of opposition which the City declined to do. The resolution passed by City Council recognized the need to develop an intergovernmental agreement with CSU to address issues to protect the community character of the surrounding neighborhoods.

On behalf of the Mayor, City Council and Fort Collins community, Mr. Atteberry asked that there be a genuine civic engagement process and full mitigation of the stadium impacts on the community. When asked about mitigation costs in the financial projections, President Frank explained how the costs were factored in and joint working teams of university and city staff will be established.

Risk Analysis: President Frank remarked his greatest responsibilities are to ensure the long-term future of the university and to protect the general fund for academic purposes. The most important question on whether to move forward with the project is the financial risks. The standard set for the stadium project is that it would have no impact on the general fund. Options 1 and 2 are not viable against that standard.

There are no existing examples of a traditional P3 partnership for a university stadium and no existing proposals for the CSU project; therefore, the recommendation is not to move forward with option 4. With option 3, the original target for 50% philanthropy was not met. The CSL study was re-analyzed with various scenarios, from the low to high base and a hybrid in between, with attendance a key aspect with a 27,000 low base and a mix of seating options. Since 1994, during winning seasons the average attendance has been 29,900. The CSL study was reviewed by ECA for a methodology review and concluded that the CSL report was an appropriately-based study.

President Frank reviewed the impact of a single bond issuance of \$195 million to \$220 million in the context of the overall university budget of \$952 million and current total annual debt service payments. He then reviewed a comparative financing illustration for the base, hybrid and low revenue scenarios in terms of a smaller scaled-back stadium and the larger project. With the non-general fund sources available as buffers, even in the worst case scenario, there should be no risks to the general fund. The university just came through a period of significant losses in annual state funding and in spite of that, increased every significant outcome parameter of the institution. President Frank noted that the idea that this project puts at risk the fiscal health of the university or at risk for shutting down programs or slowing growth of programs is inaccurate.

Conclusion: President Frank opined that a CSU-owned and operated facility can be obtained with minimal changes to the full scope \$220 million project that meets the fiscal standard that was established. The risks are more than adequately buffered by non-general fund resources and such a facility is in the best long-term interest of the university.

Recommendations: President Frank recommended approval of the construction of a new multi-use stadium located on Colorado State University's main campus; that President Frank be authorized to return to the Board with both the final program plan and a plan of finance in accordance with both state and Board policies; and President Frank be authorized to select a scope of plan and financing option that meet the standard of minimizing any negative impact to the general fund.

PUBLIC COMMENT

Chair Horrell reiterated that two hours were allocated for public comment. There were two sign-up sheets – one for proponents and one for opposition – and there was an even number of people signed up for both sides of the issue. She recounted how the Board had 100+ pages of correspondence in the December meeting materials on the issue. The process has been very robust and open, and the Board was appreciative of the input to assist with its consideration of the matter. The public comment process would be to alternate between the two lists, beginning with the proponents, with each person allotted three minutes for comment.

The following individuals addressed the Board: Dick Robinson, Louis Scharf, Larry Kendall, Jean Yule, Pat Brady, Chris Marshall, Patrick O'Keefe, Mike Pruznick, Linda Cates, Tom Linnell, Joel Dreessen, Dick Livingston, Kim Hughes, Mel Hilgenberg, Joe Bohling, John Yule, Kittie Hook, Bob Vangermeersch, Al Hornung, David May, Frank Johnson, Ben Morgan, Sally Lee, Dennis Brust, Jay Clark, Linda Vrooman, Stan Hornung, Emma Vakili, Tyler Shannon, Bob Vrooman, Corey Helm, Liz Pruessner, Rick Miller.

Following public comment and a five-minute recess, Chair Horrell reconvened the meeting and asked Governor Mincic, Faculty Representative, CSU-Pueblo, for his comments. Governor Mincic apologized for the necessity to leave and commented on how CSU is a Colorado and national treasure. He expressed

appreciation for the information that has been made available and commended the Board for being caring and conscientious in every decision made.

Chair Horrell then asked President Frank for any additional remarks based on the comments received. President Frank clarified that the statement made during public comment that the high and low base cases were relabeled was inaccurate. The base case has remained the same and the hybrid case is new and is an average. On the PERC greenhouses, the faculty submitted a letter suggesting the greenhouses be torn down and that new greenhouses be constructed in the proposed new location even if the decision is made to not move forward with the stadium.

Chair Horrell then asked for any additional questions or comments from the Board. In response to questions, President Frank explained the absolute worst case scenario would not present risks to the general fund based on the non-general fund buffers available and commented on the potential for philanthropic giving during the next 20 years. When asked about Hughes Stadium, President Frank commented that the Master Plan does not project a use for the 160 acres; the site is a long-term asset; and the Board will need to have careful discussions in the context of real estate policies. Any potential proceeds are factored in as a buffer and could potentially be applied to the cost of the new stadium.

BOARD DISCUSSION AND ACTION

Chair Horrell asked Governor Guinn, President of the Associated Students of CSU, for her comments. Governor Guinn commented that the university has outstanding leaders that are focused on the best, long-term interest of the institution. Following a brief delay due to the temporary loss of the livestreaming, Governor Guinn expressed appreciation for the opportunity to be part of the stadium discussion and noted she has diligently researched the issue.

Governor Guinn reported there was a recent student voice survey on the stadium issue, written to be unbiased, that was distributed to 2,500 undergraduate and 500 graduate students. Of the 862 respondents, 25.64% supported option 1; 44.78%, option 2; 13.46%, option 3 (phased); and 13.57%, option 4. There were 473 comments that included concerns on parking and traffic; that they do not attend the games at Hughes and would not attend games at an on-campus stadium; students liked the history of Hughes; and tuition should not be increased and tuition should not be used for athletics. Positive comments for an on-campus stadium were there would be more fans at the games; easier access; increased school spirit and visibility; and an opportunity to grow the student body. Governor Guinn reflected that, personally, she is a loyal Rams fan and could see the benefits of the new stadium.

Governor Schiffenbein, Student Representative, CSU-Global Campus, commented on how students may negatively view the construction process and have concerns about subsidizing the stadium with tuition. He supported the multi-use concept that includes other athletics, such as women's lacrosse, and encouraged referencing the facility on an equal, non-gender basis. Because the new stadium can positively impact the future of academics as well as athletics, Governor Schiffelbein supported the project. He remarked that, based on his experience on the Board, President Frank and the Board will act in the best interest of CSU and the CSU System.

Governor Bernasek, Faculty Representative, CSU, commented on the lack of support for the proposal among the faculty that may have resulted from some disjuncture where the question shifted from "can we do this" to "should we do this." She remarked on the legitimate differences in opinion; frustration by the faculty on the engagement process; salary challenges and diminishing numbers of tenure-track faculty; competition for funding; the need to balance academics and athletics; and concerns on deteriorating buildings on campus. She concluded noting that generally the faculty is supportive of President Frank and the positive achievements made under his leadership.

Governor Deemer, Faculty Representative, CSU-Global Campus, commented on the necessity to have the right program managers to keep the project in line with requirements and project scope. He expressed confidence that, with President Frank, there is strong leadership. The process has been well-structured and well-planned with factual information, open communication and transparency. While recognizing and respecting the concerns of the opposition, he expressed support for the on-campus stadium. Governor Deemer reflected on the richness and intellectual greatness of the campus environment and the enthusiasm that can be generated through tailgating and attendance at a football game.

Chancellor Martin recounted that, from his 40+ years of experience serving at five major land-grant universities, there is no conflict between great athletics and great academics; donors support athletics and academics equally; relationships developed with athletics can result in greater support for academics; and game day is special. Based on his observations, an on-campus stadium can benefit both academics and athletics; increase donor base and the number of students; connect alumni; and create a very special atmosphere. Chancellor Martin commented on his long association with President Frank who is a stellar university leader and who has approached this process from the perspective of what is in the best interest of CSU. The project can have a significant, positive impact and, should the Board decide to move forward with the project, Chancellor Martin will assist President Frank and his leadership team to be successful.

Governor Johnson thanked the opposition for their attendance, noting their presence provided an important balance to the process, and then stated his strong support for the on-campus stadium. He commented on the thoroughness and transparency of the process, and on his respect for President Frank and the management team. The benefits of the new stadium outweigh the costs and will provide greater student awareness; increased financial support; and a more positive campus atmosphere.

Governor Tuor remarked she was pleased that the larger audience had an opportunity to hear the thoughtful comments from the student and faculty representatives. As a new member, she was skeptical at first of the project, but has been impressed with the quality of the conversation and information presented. The assumptions for the project are very conservative and renovation of Hughes is not a reasonable option. While there are risks and the economic impact is unknown, a new on-campus stadium is the right action for the future of the campus. Community engagement, effective communication and mitigation are crucial and the Board will fulfill that responsibility.

Governor Flores commented on the extensive and deliberative process during the past 2.5+ years and his confidence in the financial analysis and President Frank. He indicated he supports the new stadium that will engage students differently; help recruitment; and be a marketing tool for the CSU brand.

Governor Robbe Rhodes expressed appreciation for the conservative approach. The new stadium would increase philanthropic efforts and provide other opportunities to bring people to the campus. As a CSU alum, a parent of a current CSU student, and the owner of a tailgating business, she was excited about the community benefits. Governor Robbe Rhodes indicated her support for the new stadium.

Governor Zimlich remarked on his respect for President Frank's leadership and judgment, and that President Frank presented a compelling vision for the tremendous impacts of the new on-campus. After thoroughly analyzing the information, he has concerns about the risk that students may bear the ultimate burden of the level of debt for the stadium at a time when students have been paying more with higher tuition and fees. As a result of these concerns, he would not be voting in support of the recommendation.

Governor Gustafson thanked the opposition for keeping the Board on task. He reflected on how seriously the Board analyzed the information and recognized the importance of the decision. Important issues are: what is the best for the long-term growth of the university; how is the risk to students reduced; and how is

the general fund protected. Based on his analysis, he concurred that a new stadium needed to be built and should be built on-campus.

Governor Munn added his appreciation for all those involved. He has read the extensive amount of information provided and there have been numerous opportunities for commentary, including an extensive session at the recent October meeting. While there are risks in projecting for the future, Governor Munn discounted the assumption that the monetary impact was not measured accurately since there were studies completed by experts with different scenarios which the Board has thoroughly reviewed. There has been commentary that the people of Fort Collins are not supportive of the stadium and the Board has factored in those concerns. However, CSU is a state institution and, as such, the decision should be based in the context of what is best for the citizens of Colorado.

Governor Munn rejected the argument that big time college sports have little or no place in an academic institution, particularly a land-grant institution. Historically, the academy has been about the pursuit of excellence in humanity which includes physical excellence and, for persons of color, this is often an opportunity to make a strong connection to the academy. Based upon the Morrill Act, land-grant institutions are about the transition from the theoretical side to the practical side of the academy. Athletics provide an opportunity to enhance the academic side. Governor Munn indicated he would support building an on-campus stadium.

Vice Chair Mosher commented on the long history of CSU and remarked that the question for him is not if it could be done, but whether it should be done. As stewards of the university, the Board spends time on the issues of excellence in academics; student success; affordability of education; financial sustainability; and transformation and change. With stadiums all over the world, Vice Chair Mosher commented on the importance of gathering places to the sense of community. The new stadium would be a gathering place to share community, competition and excellence in human accomplishment in the physical realm of athletics. While he has never played football, athletics provided him the opportunity to receive a college education and provided experiences through which he gained self-esteem, camaraderie and friendships.

On funding competition for academics vs. athletics, while respectful of the position of the CSU faculty, Vice Chair remarked on how the stadium would generate revenue. If the stadium were not built, there would not be funding from this endeavor that could be shifted to faculty salaries or for academic buildings. He noted that financial sustainability is important. However, there is no way the Board or the CSU leadership can totally eliminate financial risks on such a project and there would be greater risks by investing in Hughes Stadium. The analysis has been professional and the scenarios in the low and hybrid cases are very conservative. With competition for students and educational resources, marketing is a key factor. A new on-campus stadium will provide opportunities for alumni to reconnect to academic programs and for increased financial support. The timing to build a new facility is good with interest rates at a historically low rate.

Vice Chair Mosher supported the new stadium and pledged to ensure the stadium was well designed with fair mitigation, community outreach, and a focus on the consumer and student experience in a quality facility that is financially feasible. He expressed his support of President Frank, the CSU management team; and the consulting firm.

Chair Horrell expressed her appreciation for the diligence of the Board in its stewardship and commended President Frank and his leadership team for a thoughtful, inclusive process. As a three-time CSU alum and with 30 years of working in academia, her approach to the decision is from a values base. CSU is committed to the important value of quality, accessible education. The expertise of the other Board members and President Frank has been valuable in understanding the stadium issue. The Board is not just financial stewards, but also the stewards of the mission of CSU as a land-grant institution. The land-grant

mission is anchored in research, teaching and learning, and in service, and athletics is part of the total academic experience.

While not all risks can be eliminated, she concluded that the risk of not moving forward is greater than the risks of moving forward with the stadium. If approved, the next steps will be for President Frank to return with a plan of finance and a scope of the project. Mitigation of impacts to the extent possible and reconnecting with the community will be part of the process.

Chair Horrell read the matter for action to approve President Frank's recommendation to move forward with the planning, development, financing and construction of an on-campus, multi-use stadium facility at Colorado State University as set forth in President Frank's report and memorandum dated November 29, 2014. Further the Board authorizes President Frank to take all actions necessary to accomplish this project with periodic progress reports to be provided to the Board and he would return to the Board with a finance plan and scope of project. Hearing no further discussion, Chair Horrell called the question.

Motion/Action: Governor Johnson moved to approve, Governor Munn seconded, and the motion carried with eight in favor, no opposed, and one abstention. A written resolution was duly signed by the Secretary of the Board.

Chair Horrell reminded the Board that the next meeting would be in February at CSU-Global Campus. With no further business to come before the Board, the meeting was adjourned at 4:30 p.m.