

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM
BOARD OF GOVERNORS RETREAT AND MEETING
Colorado State University Mountain Campus
June 18-19, 2015**

CALL TO ORDER

Chair Mosher called the retreat to order on June 18, 2015, at 8:30 a.m.

ROLL

Governors present: William Mosher, Chair; Demetri “Rico” Munn, Vice Chair (6/19/15 only); Scott Johnson, Secretary; Dennis Flores; Dorothy Horrell, Mark Gustafson; Jane Robbe Rhodes; Joseph Zimlich, Paul Doherty, Faculty Representative, CSU; Michael Mincic, Faculty Representative, CSU-Pueblo; Jason Sydoriak, Student Representative, CSU; Megan Schulze, Student Representative, CSU-Global Campus; Sarah Zarr, Student Representative, CSU-Pueblo.

Administrators present: Tony Frank, Chancellor, CSU System, and President, CSU; Amy Parsons, Executive Vice Chancellor, CSU System; Lesley Di Mare, President, CSU-Pueblo; Becky Takeda-Tinker, President, CSU-Global Campus; Rick Miranda, Chief Academic Officer, CSU System, and CSU Provost and Executive Vice President; Allison Horn, Director of Internal Auditing, 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.

Campus Staff and Guests present: Jason Johnson, Deputy General Counsel, CSU; Lynn Johnson, Vice President of Operations, CSU; Rick Kreminski, Provost, CSU-Pueblo; Tom Milligan, Vice President of External Relations, CSU; William Shuster, CSU College of Business; Rob White, Education Reporter, *Coloradoan* (6/19/15 only).

Chair Mosher reported Governor Munn will be arriving later in the day and Governors Tuor and Deemer were not able to participate.

OATH OF OFFICE

Deputy General Counsel Johnson administered the oath of office for the new faculty and student representatives.

BOARD RETREAT: STRATEGIC MAPPING

Chair Mosher encouraged the Board to be creative in the strategic mapping process and then asked Mr. Shuster to begin the process.

Mr. Shuster outlined the base expectation of defining capabilities to develop a strategic map and the floor and ceiling expectations. The group was divided into four breakout groups at 8:40 a.m. to examine the top five brutal facts or external pressures beyond CSU System control. At 9:10 a.m. the group reconvened as a whole to provide feedback.

Discussion followed on innovation and progress within legacy structures; internal culture; changing demographics; competition for students, research funding and talent; the tenure track process; student health/mental health issues; and decreasing public support and funding per student, and the shift of a greater portion the financial burden to families and students. Other topics included the public perception of the decreasing value of higher education, ROI and development of skills in order to get a job; the impact of changing technology; international relations and global perspective; the K-12 system and college readiness; and increasing employer costs. A list of brutal facts was developed and reviewed by influence or control.

Mr. Shuster explained the next step in the strategic mapping was to define capabilities in terms of efficiency and effectiveness currently possessed by the three individual universities that can be integrated or leveraged to drive the CSU System forward. The breakout groups reconvened at 10:00 a.m. to discuss capabilities and the group reconvened as a whole at 10:38 a.m.

Capabilities identified in the breakout group discussions included entrepreneurial spirit; the role of Board and System leadership to provide direction, and the role of the campus leadership to work with the faculty and staff to create buy-in; partnerships between institutions; brand identity; individual value of each institution with different access; and resource integration where it makes sense. Challenges for integration include monetary barriers and creating commonality and functionality within the System while maintaining institutional identity and autonomy with a limited role of advocacy and communication from the System.

There are opportunities to create value through integration of programs and sharing best practices, and to create pathways between the institutions for undergraduate and graduate programs, online degree completion and life-long learning. There are also opportunities to leverage broad-based infrastructure investments, such as financial management and IT systems, and other resources, such as student tracking and advising programs.

Following a lunch break from 12:10 p.m. to 1:05 p.m., the Board reconvened to further define four capabilities to draw upon to create System value: 1) market-responsiveness and research driven; 2) diversified access and experience; 3) resource management integration; and 4) technology. Dr. Frank and Governor Zimlich provided an historical perspective on the overarching System strategic plan, campus strategic plans and stretch goals. The overall group was then asked to work in twos to rank the capabilities for a total score of 10. Mr. Shuster explained that the weighted priorities would be used to begin to differentiate proposals.

The breakout groups reconvened at 2:30 to discuss potential Key Performance Indicators (KPIs). The group reconvened as a whole at 3:27 and provided feedback on potential KPIs and related initiatives. Ms. Parsons was directed to work with the campus leadership to further define the KPIs and initiatives and to report to the Board at the August meeting. Mr. Shuster indicated he would summarize the work completed on the strategic mapping to assist the Board in moving forward. The retreat then adjourned for the day at 4:15 p.m.

BOARD RETREAT CONTINUED

Chair Mosher reconvened the retreat at 8:30 a.m. on June 19, 2015, and recounted the work of the previous day. The Board recognizes the unique attributes of the three very different CSU System institutions that have their own strategic plans which reflect their individual capabilities. He reviewed the five brutal facts that were identified and the four capabilities of the collective System that can be leveraged to develop an integrated, effective and efficient System that serves all three universities. Based on those capabilities, there was an initial discussion to begin to identify the KPIs.

Ms. Parsons explained how she would work with the campus leadership and System staff to develop KPIs based upon the identified capabilities with specific initiatives to be undertaken. Dr. Frank commented on how the road map being developed is forward-thinking for the next two to three years and will move forward the role and mission in a manner that leverages the institutions. He noted, however, that next steps should include discussions for the longer term, such as ten years, to ensure the System is prepared to address bigger picture issues.

The Board was then asked to provide feedback on the process and facilitator. There was consensus that the end product which can be grown from the bottom-up will be useful in moving the System forward. Resources could be identified and redirected if necessary to move forward initiatives. While energy and time may be the biggest barrier for faculty, the implementation could begin to energize faculty and staff. Effective articulation of the compatibility with the role and mission, the mandate from the Board to move forward, and the potential for collaboration and leveraging of resources will help redefine the culture and move forward the process.

The ability to demonstrate data-driven decision-making was deemed to be positive for attracting students and all decisions in terms of service should be made with cognizance of the students. Other comments included there should be recognition of the existence of different types of systems, the need for clear articulation of goals and an understanding of the role of the CSU System. There were some issues cited with the interpretation of the feedback by the facilitator and at times challenges with understanding the directives. The brutal facts will be revised to include omissions or clarity on issues such as culture, diversity and demographic shifts, and internationalization.

Dr. Frank raised the question as to whether the Board needed to have two board retreats annually. Comments included the February meeting has been used for more in-depth educational opportunities and the June retreat for strategic planning. Suggestions were made to have updates on the strategy mapping process and educational opportunities at every meeting to engage the Board.

Dr. Frank explained the intent to highlight the key foundational elements of the budget at the August meeting. The February meeting could be used to delve further into the impact on enrollment, tuition and state funding for the budget. The campus budgeting processes will have been run at that point and there would be time for any necessary modifications before the budgets are approved in May. With no further discussion, the retreat was concluded at 9:30 a.m.

REGULAR BUSINESS MEETING

Chair Mosher called to order the business meeting and reported the oath of office was administered to the new faculty and student representatives the previous day.

EVALUATION COMMITTEE

Committee Chair Munn called the Evaluation Committee to order and indicated the meeting would convene in executive session. Deputy General Counsel read the meeting into executive session for the purpose of discussing and evaluating public officials, confidential as set forth in the meeting notice. **Motion/Action:** Governor Johnson made the motion to convene in executive session; Governor Robbe Rhodes seconded; and the motion carried unanimously.

EXECUTIVE SESSION

The Board continued in executive session to receive the litigation report and legal advice, all confidential as set forth in the meeting notice. The meeting then moved back into open session.

REAL ESTATE/FACILITIES COMMITTEE

Committee Chair Johnson called to order the Real Estate/Facilities Committee and asked Deputy General Counsel Johnson to read the meeting into executive session for the purposes of discussions relating to the purchase of property for public purpose or sale of property, confidential pursuant as set forth in the meeting notice. **Motion/Action:** The motion was made, seconded and carried unanimously to convene in executive session. The meeting recessed for a break at 10:55 a.m.

BOARD CHAIR'S AGENDA

The open meeting was reconvened at 11:07 a.m. Chair Mosher reported there were scheduling conflicts for the December and June meetings. The suggestion was made to move the June meeting to the prior week. A follow-up email will be sent to the Board on potential December dates to finalize the FY 2015-16 and FY 2016-17 meeting schedules.

PUBLIC COMMENT

Chair Mosher asked if there was any public comment, of which there was none.

REAL ESTATE/FACILITIES COMMITTEE

Committee Chair Johnson re-convened the committee meeting and asked Dr. Frank to address the program review for the academic and alumni spaces in the new stadium. Dr. Frank recounted that the Board at the May meeting authorized moving forward with discussions on adding academic space and the alumni center to the east side of the stadium facility based on favorable pricing.

Ms. Parsons reported the Facilities department and the campus architect then moved quickly to develop seven different programming options which were discussed with representatives from various campus constituency groups including the Faculty Council, ASCSU, Administrative Professional Council, Classified Personnel Council, administration, and several colleges and academic departments. There was general consensus in all groups that the space should be designed to meet the highest campus needs and be utilized to draw in numerous individuals from diverse populations.

The collective recommendation was to include the alumni center that will pay for the space out of existing operational revenue; eight flipped classrooms with a range of 28 to 120 seats; and the Center for Advising and Student Achievement (CASA) that is currently housed in two buildings. The relocation of CASA will assist with the process to vacate Aylesworth and provide additional space in the Institute for Teaching and Learning (TILT) building for the Resources for Disabled Students program. The additional space will allow for LEED certification for the stadium project and will be within the 15% enhancement allowed by statute with no additional state approval necessary.

Dr. Miranda, Governor Doherty and Governor Sydorik commented on the process that reflected shared governance in the decision-making process and expressed positive support for the final decision. In response to questions, Dr. Frank confirmed the alumni center would occupy approximately one-third of the space and it was made explicit in the discussions with the constituent groups that E&G funds under the debt service line of expenses would be committed for the academic portion of the project.

Deputy General Counsel Johnson read the matter for action to approve the program review for the alumni and academic space in the multipurpose stadium for \$18,500,000. **Motion/Action:** Governor Horrell moved to approve; Governor Flores seconded; and the motion carried unanimously.

AUDIT AND FINANCE COMMITTEE

Vice Committee Chair Zimlich called the committee meeting to order and asked Mr. Schweigert to present the first agenda item.

Approval of the FY 2016-17 State Funded Priority List, CSU and CSU-Pueblo 5-year Capital Construction Prioritization Lists, and the National Western 5-year List: Mr. Schweigert explained the Board is required to annually approve the combined capital priority list that was developed in conjunction with both physical campuses for submission to the CCHE. The two highest priority projects are the final phase of the CSU chemistry building and phase II of the IT upgrades at CSU-Pueblo. With the state facing a TABOR-limited refund, there may not be funding available for capital projects.

A five-year capital construction budget request summary for CSU that includes the National Western Center (NWC) projects was provided. \$50 million of the \$250 million for the NWC authorized for state COP funding through HB 15-1344 would be split between three projects on the CSU campus. The first two projects – the Institute for Biological and Translational Therapies and the new equine veterinary teaching hospital – will largely be supported through private philanthropy.

When asked about the exclusion of the CSU-Pueblo student housing, the response was that the housing is through auxiliary funding and options to address the financial challenges will be presented at the August meeting.

Deputy General Counsel Johnson read the matter for action to approve the FY16-17 combined campus state priority list, the 5-year capital construction plan and the 5-year NW construction plan. **Motion/Action:** Governor Flores moves to approve; Governor Robbe Rhodes seconded; and the motion carried unanimously.

CSU System Foundation Update: Deputy General Counsel Johnson reported the foundation has been incorporated with approval of articles of incorporation, bylaws, officers and directors, and has received the employer identification number. Work continues on the operating agreement between the foundation and the CSU System. Next action items include filing the tax exempt application for the foundation, and finalizing and executing the IP transfer agreements from the System to the foundation to On-Campus Innovations. General Counsel Nosler will provide an update at the August meeting.

CSU Treasury: Deputy General Counsel Johnson reported the next step will be to formally charge an investment committee whose membership requires the Board Treasurer, one additional voluntary Board member, and three members from the community with financial experience. General Nosler will provide an update at the August meeting.

Approval of Certain Tuition/Course Fee Charges: Mr. Schweigert explained that, by CCHE policy, the Board is required to approve all fees. At the May meeting, the Board approved three new graduate program charges. Subsequently the determination was made that these charges should be tuition differentials, not program charges, so the fee schedule has been updated. A complete schedule of the fees was provided in the meeting materials. When asked for clarification on the difference between a charge and differential tuition, Dr. Miranda explained that program charges are an assessment for a student in a

program for a semester or academic year and differential tuition is tuition based on credit hour whether or not a student was in a specific degree program.

Deputy General Counsel Johnson read the matter for action to approve the CSU graduate program differential tuition and special course and program fees. **Motion/Action:** Governor Horrell moved to approve; Governor Johnson seconded; and the motion carried unanimously.

CONSENT AGENDA

Chair Mosher asked for a motion to approve the consent agenda. **Motion/Action:** Governor Gustafson made the motion; Governor Munn seconded; and the motion carried unanimously.

With no further business to come before the Board, the meeting was adjourned at 11:45 a.m.