

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM
BOARD OF GOVERNORS MEETING
Colorado State University System, Denver, Colorado
December 10, 2015**

CALL TO ORDER

Chair Mosher called the meeting to order at 9:01 a.m.

ROLL

Governors present: William Mosher, Chair; Demetri Munn, Vice Chair; Scott Johnson, Secretary; Dennis Flores; Mark Gustafson; Jane Robbe Rhodes; Joseph Zimlich; Robert Deemer, Faculty Representative, CSU-Global Campus; Paul Doherty, Faculty Representative, CSU; Michael Mincic, Faculty Representative, CSU-Pueblo; Megan Schulze, Student Representative, CSU-Global Campus; Jason Sydoriak, Student Representative, CSU; 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; Michael Nosler, General Counsel, CSU System

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

Guests present: Brett Anderson, Vice President for University Advancement, CSU; Jon Bellum, Provost, CSU-Global Campus; Nate Bogg, Banker, Wells Fargo; Rick Callan, Sr. Real Estate Analyst, CSURF; William Clem, Student Union, CSU; Johnna Doyle, Deputy General Counsel, CSU-Pueblo; Kathleen Henry, President/CEO, CSUF; Mike Hooker, Director, Communications, CSU System; Blanche Hughes, Vice President of Student Affairs, CSU; Steve Hultin, Director, Facilities, CSU; Nancy Hurt, Managing Director, CSURF; Jason Johnson, Deputy General Counsel, CSU; Lynn Johnson, CFO, CSU; Rick Kreminski, Provost, CSU-Pueblo; Paul Orscheln, Vice President, Student Services and Enrollment, CSU-Pueblo; Ryan Pollen, Banker, Wells Fargo; Karl Spiecker, Vice President, Finance and Administration, CSU-Pueblo; Kim Tobin, Associate Vice President, Advancement, CSU; Ludwik Turzanski, Todos Santos Project; Marco Vivas, Controller, CSU-Global Campus; Jason Warr, Vice President of Operations, CSU-Global Campus; Rob White, Reporter, *Coloradoan*

PUBLIC COMMENT

Chair Mosher convened the meeting and indicated the first agenda was public comment for which two individuals signed-in to address the Board. Mr. Turzanski presented information from Mexican and American residents who live in Todos Santos and have concerns about the association with the developer. Mr. Clem commented on behalf of students who object to the 2017 tuition increase. Chair Mosher remarked that the Board is in the budget process; no tuition increases have been finalized at this time; and the Board takes the issue of tuition increases very seriously. Dr. Frank added that the campus open planning and budget hearings will provide opportunities to comment on proposed tuition increases.

AUDIT AND FINANCE COMMITTEE

Vice Chair Zimlich convened the meeting in the absence of Committee Chair Tuor.

Audit Findings: Ms. Horn reported two audit reports were issued since the last meeting. The first audit report is for the CSU Equine Reproduction Lab with one recommendation to document some of the critical processes and there were no red flag issues. Management has agreed with the recommendation and already started the documentation process. The second audit report is for the CSU Athletics Department that had two formal recommendations for policy compliance and a management letter related to best practices, not concerns of non-compliance or fiscal misstatement. The CSU-Pueblo Athletics audit report will be presented at the February meeting. Audits in progress include CSU-Pueblo Housing, the Colorado Water Institute and the CSU Data Centers. There are collectively eight overdue recommendations for the CSU Warner College of Natural Resources, the CSU Extension Field Offices and the CSU Agricultural Experiment Station.

FY17 Governor's Budget Request: Ms. Johnson provided an overview of the Governor's FY 2017 budget that includes a \$20 million cut to higher education funding of which \$4.2 million is attributable to the CSU System. The Governor is requesting that governing boards have full authority on tuition increases. There is no funding for new capital construction projects and only \$10 million would be available for controlled maintenance for all state agencies. If legislation is passed to change the hospital provider fee to an enterprise fund, the Governor has a prioritized list for the \$125 million in funding of which the fifth priority is restoration of the \$20 million cut to higher education.

Campus Budget Updates: Ms. Johnson indicated each campus would provide a report.

Colorado State University: Dr. Frank explained the draft FY17 budget is only the incremental Education and General Fund (E&G) budget with the tuition broken out by categories and includes the growth in student enrollment that occurred in the current year, FY 16, and a decline in state funding. The proposed tuition increases were modeled at 5% as previously discussed. Dr. Frank reviewed the new expenses that include an additional \$5 million in financial aid, a 1.8% salary increase for faculty and administrative professionals, and deferment of the third year of planned investments in the defined contribution plan. Any increase in state classified employees' salaries would be determined by the state. Dr. Frank noted the budget has been presented to the various campus constituency groups and is embedded in the online balance budgeter.

Next steps in the budget process include the campus strategic planning discussions that will be followed by the planning and budget hearings. An updated draft budget will be brought to the Board in February; the budget will be finalized after the General Assembly approves the Long Bill; and then the budget will be submitted for Board approval at the May meeting.

CSU-Pueblo: Dr. Di Mare reminded the Board that in FY13 there were no increases in tuition and fees. Mr. Spiecker recounted that various tuition scenarios based on flat enrollment were presented at the previous meeting. The revised conservative budget reflects a 6% tuition increase and, although no enrollment decline is anticipated, a 5% enrollment decline instead of flat enrollment was factored into the budget. The elimination of tuition discounts above 12 credit hours as discussed at the October meeting and a 6% increase in financial aid were also calculated into the budget model. Other assumptions in the model include a 2% increase for salaries and benefits for faculty and administrative professionals, and a reduction in E&G support for athletics to be supplemented by an increase in athletic fees.

When asked about the firm hired to assist with recruitment, Dr. Di Mare explained Royall & Co. brought in over 12,000 applications through the marketing campaign. However, the institution was not able to

process all of the applications to create the expected yield. The services are being reevaluated to determine whether to reduce or discontinue utilizing Royall & Co. for recruitment.

Dr. Di Mare reiterated that a 5% decline in enrollment next year is not expected but was utilized in the budget calculations based on recent years. Dr. Kreminski explained the variables for the 5% calculation to create the conservative budget. Dr. Di Mare noted six new sports were introduced the previous year; CSU-Pueblo is faring better in terms of declining enrollments compared to peers; and the location and lack of social amenities on campus were two reasons cited in a recent survey for not attending the university. A consultant has been hired to evaluate the university's financial aid packaging. Potential additional revenue streams are being evaluated.

Committee Vice Chair Zimlich remarked that the Board takes seriously the issue of the impact of tuition increases for students with affordability and access core to the mission of a land grant system. However, with the current state funding environment, the Board has a responsibility to balance the budget which can only be done by cutting costs, creating new revenue streams or raising tuition with the intent to keep the tuition increase as low as possible to keep the institutions functioning.

CSU-Global Campus: Mr. Vivas reported tuition rates will remain the same at \$350 per undergraduate credit hour and \$500 per graduate credit hour. Enrollment growth is anticipated to remain strong with a target of 9,600 new students of which a larger portion will be in graduate programs for a 75:25 undergraduate/graduate ratio. Collections should remain strong with 2% factored into the budget model for bad debt. New expenses include increases in academic support and student services to improve the teaching curriculum and increase retention, and additional instruction to support the enrollment growth. The new pay model is receiving positive feedback from the instructors.

In response to questions, Dr. Takeda-Tinker reported there are currently over 15,000 students; cost of acquisition per student is projected to increase by 15% given competition for air/radio time in an election year; and this will be the fifth year with no tuition increases. Net income is projected to be \$83 million (30%) if the Colorado scholarship program continues.

Foundation Flow of Funds: Dr. Frank commented on the complexity of the relationship between the CSU Foundation (CSUF) and the CSU Advancement Office. Gifts to the university are divided into the two basic categories of expendable and endowment funds that are invested by CSUF with an average of 8% return on investments. There is a 4.5% payout on the endowment that is determined annually by the CSUF board and a 2% administrative fee that is used for various expenditures including legislative relations, the CSUF annual budget and a "quasi endowment." For endowed funds, the remaining earnings go back to the principle and are placed in the securities reserve fund. A breakout on the CSUF FY15 operating budget was provided.

A fund flow chart for the quasi endowment was reviewed and includes a transfer to the operating budget of the Advancement Office. Resources from the quasi endowment are critical to the success of the capital campaign. Materials on AGB best practices for relations between foundation and governing boards that are separate legal entities was provided in the meeting materials. Opportunities for interaction between the Board of Governors and the CSUF board are being explored. Ms. Henry noted the importance of the Board liaison to the CSUF board for communications.

In response to questions, Mr. Anderson reviewed the Advancement budget and explained the staff reporting structure shared with the colleges. CSU's Advancement operations are generally smaller than similar institutions, ranking 14 out of 15 compared to peer institutions. When asked about investment returns, Ms. Henry commented on how the returns have varied with the market. The CSUF board and investment committee devote significant time to asset allocation.

FY16 Quarter 1 Financial Statements: Ms. Johnson reviewed the consolidated CSU System and individual campus financial statements that were prepared according to governmental accounting standards. The CSU and CSU-Pueblo financial statements vary from the budget presentations that include only the E&G funds. Generally the CSU System is on track with the FY16 budget. The CSU-Pueblo budget was adjusted for the decrease in revenue as presented at the October meeting. When asked about institutional support, Ms. Johnson responded the line item includes non-academic areas, i.e., business and financial services, human resources, police department, institutional advancements, etc.

CSURF Capital Lease Renewal: Ms. Johnson explained the two capital lease programs that are available through partnership with the CSU Research Foundation (CSURF). The action was the annual renewal of these two capital lease programs. **Motion/Action:** Governor Robbe Rhodes moved to approve; Governor Johnson seconded; and the motion carried unanimously.

Reserves Report: Ms. Johnson explained the complexity of the three individual institutional reserve reports is directly related to the complexity of each institution.

Colorado State University: Ms. Johnson explained the adjustments in the CSU reserves report for compensated absences and PERA retirement plan liabilities that are required by GASB in the annual audit report. She reviewed the commitments associated with the E&G budget, the self-funded/auxiliary funds, carryover items and the 1.5% reallocation to the units. Ms. Johnson noted Dr. Frank has made a commitment at CSU to grow the unrestricted Board of Governor reserves annually by 3% and, at the end of FY2015, the total unrestricted reserves were \$80,131,894, with the Board reserves representing \$36.5M of this amount.

CSU-Pueblo: Ms. Johnson explained the reserves schedule was similar but less complex than the CSU report and included the same GASB adjustments. The negative \$1.2 million fund balance was a carryover from several years ago where the institution had a negative revenue impact as a result of uncollected receivables. At that point in time, CSU-Pueblo requested \$6 million in assistance of which the Board approved approximately \$5 million and the negative fund balance is the difference from the request. The CSU System is working with CSU-Pueblo to move the balance to a positive position. When asked about the student course fees and the E&G budget, Mr. Spiecker explained the complications were basically an anomaly with transitioning to the new accounting system.

CSU-Global Campus: Ms. Johnson reported the reserve schedule was less complex than for the other two campuses and included the same GASB 68 adjustments and a GASB 31 adjustment for unrealized gains in the investment portfolio managed by the state. The unrestricted net asset balance at the end of FY15 was close to \$50 million.

Treasury Update: Ms. Johnson explained the next steps include finalizing the job description for the Treasurer and completing the search process to be chaired by the Associate Provost in the College of Business. After the position is filled, the individual will draft an investment policy for Board consideration; an investment firm will be hired; the investment policy will be finalized; and the allocation strategy will be developed.

The meeting recessed for a break at 10:40 a.m. and reconvened at 10:55 a.m.

STRATEGIC MAPPING

Value Proposition and Public Dialogue: Ms. Parsons recounted that the value proposition and public dialogue on higher education was the substantive issue to be discussed at this meeting. Relevant national

and local articles were provided to the Board. Congress will potentially be evaluating reauthorization of the Higher Education Act. The \$1.2 trillion in federal student loan debt and default rates have been a frequent issue for public dialogue. Statistics indicate that 70% of students who borrow owe less than \$25,000 at graduation and 40% owe less than \$10,000.

Ms. Parsons noted \$21,000 is the average debt for CSU students who graduate with loans and 44% of the students graduate with no debt. Dr. Di Mare reported the loan default rate at CSU-Pueblo is now below 9%; 80% of the students are Pell eligible; the average loan debt upon graduation is \$28,000 which is typical for a regional HSI; and 26% graduate with no debt. Dr. Takeda-Tinker reported CSU-Global Campus students graduating with a Bachelor's degree have an average debt of \$22,187 and 38% with no debt; the average loan at the Master's level is \$32,265 and 40% with no debt; the default rate is 4.8%; 23% are subsidized by employers; and Pell grants are now at 21-22%.

Culprits identified for the debt level include the recession, lack of savings, lack of college preparation, rising enrollment, and tuition increases. For-profit providers account for approximately 60% of federal student loan debt. Candidates for public office and various news articles have suggested a variety of cost containment strategies. Statistics were provided to demonstrate that the return on investment for a college degree remains high.

Discussion followed on the issues of individual ROI vs. ROI relative to the broader community; the economic impact for Colorado with the CU and CSU systems contributing \$10.5 billion in economic activity; the range of debt by EFC; and tracking of unemployment statistics for recent graduates. Other issues discussed included use of multiple learning platforms; faculty tenure/non-tenure costs relative to the value for students; non-academic costs; and value of degree based on institutional reputation. Issues discussed relative to research included the complex calculation of federal indirect costs to conduct research for the public good; and differential tuition and socializing research costs across institutions to lower costs for more expensive educational programs.

Ms. Parsons noted market responsiveness will be the discussion topic for the February meeting and at the May meeting the Board will examine the talent market for faculty and non-faculty employees.

Update on System Strategic Plan: Ms. Parsons reported work continues on leveraging and integrating human and infrastructure resources across the institutions. Several System-wide meetings have been hosted in Denver or are being scheduled for subject matter experts from all three institutions to share best practices and develop relationships. The CFOs met in December; a meeting for IT professionals is being rescheduled; and in early January there will be a policy alignment meeting.

Ms. Johnson commented that during the CFOs meeting there was discussion relative to the KFS financial system with a new module for travel and entertainment that could be expanded to CSU-Pueblo. The transition of the System employees to the CSU payroll has been completed and will be expanded for travel and entertainment, and the PCARD program. There was also discussion on expanding KFS to CSU-Global and the multitude of state reports or data requests to allow for better planning.

Ms. Parsons reported that, in addition to the administrative meetings, there have been several academic collaborations between CSU and CSU-Pueblo including a workshop on developing programming on offsite locations and a guest lecture from Natural Resources. Additional collaborations are being explored.

CSU-Global Campus Strategic Plan: Dr. Takeda-Tinker recounted the creation and completion of the first CSU-Global Campus strategic plan for 2010-2015 entitled "Strengthening the Foundation" that was completed in 2014. The second "Enhancing the Foundation" strategic plan for 2014-2017 with five goals

has now been completed. The new “Transformation” strategic plan for 2017-2020 will address the market challenges of nontraditional students through purposeful academic excellence marked by innovation of stakeholder engagement, heightened integration of evidence-based practices, and a commitment to knowledge-sharing for the global good.

A video on the generalities of the new strategic plan’s and the three goals was shared. Dr. Takeda-Tinker explained the decision to use three goals with four objectives and utilize 15 examples of evidence that will allow for flexibility and adaptability. Faculty and staff will annually work collaboratively to outline activities for each of the goals with defined metrics aligned with the budget process. The updated activities and metrics will then be presented to the Board. There will be ongoing monitoring to measure progress towards the goals. The Board will receive updates at each meeting.

CSU-Global Campus’ unique platform and technology allows for customized student learning environments to meet generational expectations. The enhanced data collection and more predictive analytics will allow for better individualized experiences in learning and engagement for students both within the U.S. and internationally. The experiments conducted and data collected will benefit the CSU System and higher education in general, particularly online learning. The plan will be informally launched after the HLC site visit in February and then formally launched July 1, 2016.

The meeting recessed for lunch at 12:03 p.m. and reconvened at 12:25 p.m.

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

Committee Chair Robbe Rhodes convened the meeting and asked Dr. Miranda to review the new CSU academic degree programs that would be approved on the consent agenda.

New B.S. Degree Program in Human Dimensions of Natural Resources: Dr. Miranda explained the new degree program is part of an extensive reorganization of the department’s undergraduate curriculum. The current Natural Resources Recreation and Tourism program offers two areas of concentration that would be coalesced into the new degree to more accurately emphasize the area of expertise. The new major would include existing curriculum with reworked course offerings and new approved courses. The current student population will be migrated into the new program and there is no anticipation of a large new cohort of students. No new faculty or teaching assistants will be required and there will be no budget implications.

New Master of Communications and Media Management, Plan C: Dr. Miranda explained the difference between the three Master’s plans (A, B, C) with Plan C basically coursework only. The proposed new degree would be a Denver-based hybrid degree program with both online and classroom coursework with a focus on digitally delivered communications. A variant of the degree program was put on hold in 2005 when the Dept. of Journalism received approval to create a Ph.D. program and the timing to renew the Master’s degree program is now deemed to be appropriate. The expectation is there will be a minimum cohort of twenty students per year and no budget implications with the program funded via distance tuition revenues.

Sabbatical Requests Approved for AY 2016-17 – CSU: Dr. Miranda explained the institutional process for approving sabbatical requests that support faculty with their scholarly activity, enhance the university’s reputation and improve the students’ educational experience. The written report provided a description of the sabbatical leaves in each of the eight colleges.

Sabbatical Requests Approve for AY 2016-17 – CSU-Pueblo: Dr. Kreminski reported there were twelve sabbatical requests and two educational leave requests that were approved. Tenure-track faculty are

generally eligible for sabbatical leave every seven years. Educational leaves are leave without pay that provide an opportunity for faculty to enhance expertise in a particular field of study connected to an educational program.

AY 2014-15 Program Review Summary – CSU: Dr. Miranda explained the report summarized the program review activities for the previous year. The purposes for program reviews are to assess the quality of the degree programs and to analyze the operations of the departments delivering the degree programs. The review process includes a self-study and an internal review committee and is supported by data provided by the Office of Institutional Research.

CampusLabs software, utilized by the HLC for its accreditation processes, has been instituted to archive online all program review information and allows for electronic communications. Through the Provost's Office, annually approximately \$100,000 to \$150,000 is budgeted to provide grants to support initiatives identified in the program review process. In addition to the internal review process, there are numerous specialized external accreditations outside of the HLC's overall university accreditation that are conducted primarily by professional societies or professional accrediting organizations.

AY 2014-15 Program Review Summary – CSU-Pueblo: Dr. Kreminski listed the program reviews completed and explained the internal review process. Summaries and action items from the reviews were provided in the meeting book.

CSU Academic Calendar – Fall 2020–Summer 2022: Dr. Miranda explained there were essentially no major changes other than date modifications except for the addition of Founder's Day beginning on February 11, 2021. The academic calendar will be approved on the consent agenda.

Dr. Miranda explained that CSU holds commencements in fall and spring on a Friday and Saturday in mid-December and mid-May respectively. Due to enrollment growth, there are scheduling issues in accommodating those commencements in the available campus venues. Various ways of addressing the scheduling issues that would accommodate the students and their families have been explored. A proposal was presented to pilot two Sunday morning commencements beginning in May 2016. **Motion/Action:** Governor Flores moved to permit CSU to hold commencements on Sunday contingent upon Faculty Council approval. The motion was seconded and carried unanimously.

CSU-Pueblo Academic Calendar – AY 2016-17 and AY 2017-18: Dr. Kreminski reported there were no substantive changes from the previously approved calendar. Dr. Di Mare noted the academic calendar is in compliance with the HLC requirements. Dr. Kreminski explained the semesters are now composed of 14 weeks of instruction and one week of finals. An additional five minutes was added to the Monday-Wednesday-Friday classes for 55 minutes of instruction time. There was no change to the teaching blocks for the Tuesday-Thursday classes that are 80 minutes of instruction time. The academic calendar will be approved on the consent agenda.

Enrollment and Student Success Reports: Dr. Miranda indicated there were reports for each of the three campuses.

Colorado State University: Dr. Miranda reviewed trends in the five years of enrollment data. There is generally a continued growth in the number of degrees awarded; the number of student credit hours reflects an efficiency in awarding more degrees; undergraduate enrollment has increased by 700 during the five-year period; male-female ratios remain consistent; and resident enrollment is steady and non-resident enrollment has increased by over 1,500. First generation enrollment is relatively flat; Pell-eligible enrollment was increased in the past year; and while multi-racial demographics have decreased, all other categories of underrepresented minorities have increased. There is a slight decline in enrollment in the

Health and Human Sciences and Liberal Arts colleges. Student success metrics that are measured by retention and graduation remain strong. The 86.6% freshmen retention rate and four-year graduation rates are the highest in school history.

CSU-Global Campus: Dr. Bellum explained how the CSU-Global Campus reporting schedule has been adjusted from twice annually to a fall/winter/spring trimester that better captures the data for the year-round operations. The data provided is on a fall to fall comparison. Highlights include growth in the female population which also appears to be a national trend; a slight decrease in Colorado residents or individuals residing in Colorado to 44%, largely due to recruitment from other states; an increase in Pell grants; ethnicity remains stable with 24% for underrepresented minorities; age remains relatively stable; and active enrollment is close to 15,000 students.

When asked about the resident/non-resident mix, Dr. Takeda-Tinker explained generally the target is around 50% and the cost of acquisition within the same state has grown. Instead of increasing spending for recruitment, efforts are being focused on retention and graduation. CSU-Global Campus recently began offering a Colorado scholarship to counterbalance the COF supplement on traditional campuses and the data will be analyzed to determine the effectiveness of the program. Dr. Bellum reported retention during the past few years at CSU-Global has remained steady and supports the growth model while maintaining academic quality. Retention nationally for part-time nontraditional adult students is approximately 10%.

CSU-Pueblo: Dr. Kreminski explained the five years of fall to fall comparison enrollment data was based on resident instruction. There was a decline of 6.8% in credit hours from last year and headcount was down by 6.3% which was factored into the budget analysis. Enrollment and graduation in STEM degree programs has increased and there is a record number of international students. The retention rate for first time full-time freshmen is at 64.5% which is the highest since 2010 and 38% of new freshmen are self-reported as Hispanic.

There is also a significant amount of non-resident instruction that includes independent study courses through extended studies which is typically cash-funded with no state funding and different tuition rates. The strategic plan to be presented in February will include targets and initiatives for recruitment, retention and graduation. When asked about the persistence rate, Dr. Kreminski explained students who withdraw have an exit interview and generally cite personal or financial reasons.

Open Source Texts, E-Textbooks, All Student Access Modes: Dr. Miranda explained the differences between open source and e-textbooks, and the associated cost implications, convenience, timeliness and flexibility. The CSU faculty are being encouraged to consider open source textbook resources for their classes which would help lower costs for students. A workshop was held in September with 44 of the 47 attendees rating open source textbooks as suitable for the CSU courses they would be teaching. Examples of lower level e-textbooks that are free electronically through Openstax College were provided. There are also other free course materials, i.e., lectures, notes, interactive homework designs and videos.

An open forum was held at CSU in October to learn about “mash ups” which are curricular materials assembled in small segments from a variety of sources. Lumen Learning is working with universities to design modularized curricular materials wherein Lumen Learning would assemble the free contents tailored to faculty members’ requirements for a cost of \$5 per student. Faculty are being sought for testing this option.

CSU participates in the Unizin consortium that provides access to a variety of electronic content that integrates with the Canvas learning management system. Through the consortium, a whole course fee model could be utilized to negotiate discounts if there was a guarantee that all students subscribed to the

e-books. The most effective way would be to charge students a relatively low text book fee which would be cheaper than owning print or electronic copies. The students would have access from day one of the course and there would be persistent access through graduation. There could also be an option to print for a nominal fee. The faculty would be able to annotate and to query to detect whether a student has interacted with the textbook.

Examples of open source texts used at CSU-Pueblo were provided and faculty feedback is generally reported to be positive. Library usage for e-reserve items has increased significantly. There are also in-house manuals and a WeBWork homework system in place for some math courses. One issue identified by faculty with the use of e-books is difficulty during class to determine if a student is reading the text or doing other activities.

CSU-Global piloted open source materials with two undergraduate courses. Feedback was that the open source was not well aligned with the university's learning outcomes and the open source books were discontinued. The issue of open source materials and e-textbooks continues to be evaluated.

Publishers are more active in producing electronic textbooks that are not open source and therefore would need to be purchased. There are no guarantees on content, interactivity or learning analytics with a retail model.

REAL ESTATE/FACILITIES COMMITTEE

Committee Chair Johnson convened the committee meeting and noted there were several action items of which three would be discussed in executive session before approval in open session. He asked Dr. Frank to review the first three action items.

Forest Legacy Conservation Easement – Sawtooth Mountain Ranch: Dr. Frank explained conservation easements periodically brought to the Board are linked to CSU through the Colorado State Forest Service as the holder of these easements. The State of Colorado has elected to use this process and there are no financial implications for this action. The details of the proposed action item are contained in the meeting materials. **Motion/Action:** Chair Mosher moved to approve; Governor Gustafson seconded; and the motion carried unanimously.

CSU Medical Center Easement: Dr. Frank explained the second matter for action is the granting of public utility and access easements to the City of Fort Collins in association with the construction of the new health and medical center on the corner of Prospect and College Avenue. A diagram was provided in the meeting materials. **Motion/Action:** Governor Robbe Rhodes moved to approve; Governor Zimlich seconded; and the motion carried unanimously.

Exchange of Land with City of Fort Collins: Dr. Frank explained the exchange is for land owned by the Board around the corners of the health and medical center to allow the City of Fort Collins to move forward with modifications of the intersection of Prospect and College Avenue for a different land parcel owned by the City. **Motion/Action:** Governor Flores moved to approved; Governor Robbe Rhodes seconded; and the motion carried unanimously.

EXECUTIVE SESSION

At the request of Chair Mosher, General Counsel Nosler read the meeting into executive session for the purposes of discussions relating to the purchase or sale of property for public purpose; consideration of nominations for the awarding of honorary degrees or proposals for the naming of any building for a person or persons; and to receive the litigation report, all confidential as set forth in the meeting notice.

Motion/Action: Governor Johnson made the motion to convene in executive session. Governor Munn seconded and the motion carried unanimously. The meeting convened in executive session at 2:18 p.m. and reconvened in open session at 3:34 p.m.

OPEN SESSION

Chair Mosher reported there were three naming resolutions discussed in executive session for which action would now be taken. He asked General Counsel Nosler to present the matters for action.

CSU Naming Opportunity – On-Campus Stadium: General Counsel Nosler indicated the matter for action is item six in the resolutions book. **Motion/Action:** Governor Flores moved to approve; Governor Zimlich seconded; and the motion carried unanimously.

CSU Naming Opportunity – University Art Museum: General Counsel Nosler indicated the matter for action was provided in the meeting book. **Motion/Action:** Governor Johnson moved to approve; Governor Robbe Rhodes seconded; and the motion carried unanimously.

CSU Naming Opportunity – Temporary Gallery in University Art Museum: General Counsel Nosler indicated the matter for action was provided in the meeting book. **Motion/Action:** Governor Flores moved to approve; Governor Zimlich seconded; and the motion carried unanimously.

Board Chair Mosher reminded the Board of the evening's social event at the Union Station and noted the meeting would reconvene the following morning at 7:30 a.m. The meeting was then adjourned for the day at 3:38 p.m.

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COLORADO STATE UNIVERSITY SYSTEM
BOARD OF GOVERNORS MEETING
Colorado State University System, Denver, Colorado
December 11, 2015**

CALL TO ORDER

Chair Mosher called the meeting to order at 7:59 a.m.

ROLL

Governors present: William Mosher, Chair; Demetri Munn, Vice Chair; Scott Johnson, Secretary; Nancy Tuor, Treasurer; Dennis Flores; Mark Gustafson; Jane Robbe Rhodes; Joseph Zimlich; Robert Deemer, Faculty Representative, CSU-Global Campus; Paul Doherty, Faculty Representative, CSU; Michael Mincic, Faculty Representative, CSU-Pueblo; Megan Schulze, Student Representative, CSU-Global Campus; Jason Sydoriak, Student Representative, CSU; Sarah Zarr, Student Representative, CSU-Pueblo

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Guests present: Jon Bellum, Provost, CSU-Global Campus; Maria Garcia Berry, CEO, CRL Associates; Kim Day, CEO, Denver International Airport; Johnna Doyle, Deputy General Counsel, CSU-Pueblo; Jocelyn Hittle, Director, Denver Program Development, CSU; Blanche Hughes, Vice President of Student Affairs, CSU; Jason Johnson, Deputy General Counsel, CSU; Lynn Johnson, CFO, CSU; Gene Kelly, Soil and Crop Sciences, CSU; Rick Kreminski, Provost, CSU-Pueblo; Paul Orscheln, Vice President, Student Services and Enrollment, CSU-Pueblo; Rich Schweigert, Director of Government Relations, CSU System; Karl Spiecker, Vice President, Administration and Finance, CSU-Pueblo; Rob White, Reporter, *Coloradoan*

DENVER INTERNATIONAL AIRPORT PRESENTATION

Chair Mosher convened the breakfast meeting and Ms. Day was introduced. Ms. Day provided an overview of Denver International Airport's operations, economic impact and land opportunities, and expressed appreciation for the opportunity to partner with Colorado State University. Mr. Kelly commented on CSU research and the agricultural activities that would provide collaborative opportunities with DIA. Ms. Hittle described ideas for potential outreach and engagement at DIA. Ms. Parsons explained there will be long-term umbrella memorandum of understanding between the university and DIA, and then there would be addendums for short-term projects. The meeting then recessed for a break at 9:01 a.m. and the regular business meeting reconvened at 9:08 a.m.

BOARD CHAIR'S AGENDA

Hospital Provider Fee Resolution: Chair Mosher recounted that the Board at the October meeting discussed consideration of a resolution to support the Governor's efforts to change the hospital provider

fee to an enterprise fund. Governor Zimlich noted at the last meeting he had expressed concerns but his perspective has now changed based on additional information. Governor Syrodiak commented the ASCSU passed a similar resolution. **Motion/Action:** Governor Tuor moved to approve; Governor Munn seconded; and the motion carried unanimously.

CSU-GLOBAL CAMPUS REPORTS

Student Report: Governor Schulze reported the new mentor program that pairs first-time first-year students with students of at least junior level status has been launched to provide support through the first 18 credit hours. Another new opportunity is CSU-Global Campus has been chosen to be part of the Alternative Credit Project that provides low cost credit options for bachelor's degrees. When asked about the quality of the credits, Dr. Bellum explained the various options have been reviewed by ACE and CSU-Global Campus to ensure the quality is equivalent to lower division collegiate coursework.

Faculty Report: Governor Deemer commented on the growth of CSU-Global Campus and provided an overview of the current faculty. As an online institution, the number of faculty has not needed to increase proportionally to the enrollment growth. The percentage of faculty with terminal degrees has increased; the retention rate for the part-time faculty is now at 91%; and the diversity of faculty has increased.

President's Report: Dr. Takeda-Tinker reported new student enrollment is higher than projections. The HLC site visit is scheduled for February 22-23, 2016, with the Board lunch scheduled on the 22nd. All of the HLC documents have been filed and will be credentialed by the first week of January. CSU-Global Campus is in the process of applying for two Department of Education experiment programs. The first experiment program is a business partnership for training with CSU-Global Campus as the higher education partner and the second experiment program pertains to dual enrollment with high schools for the use of Pell grant funds.

Equifax/third-party salary data reflects salaries for graduates continue to increase subsequent to awarding of degrees. An additional request has been made to Equifax for pre- and post-graduation data. There was a 30% response rate for an employer satisfaction survey that indicates companies are 99% very satisfied/satisfied with their CSU-Global graduates, and 82% stated that they were extremely/very likely and 21% are somewhat likely to hire another CSU-Global Campus graduate.

COLORADO STATE UNIVERSITY REPORTS

Student Report: Governor Syrodiak reported efforts continue to create a police advisory board; an ASCSU trip to Todos Santos is being planned for spring break; a resolution was passed to support changing the hospital provider fee to enterprise status; an Alternative Transportation Fee Advisory Board has been established; and the City of Fort Collins is highlighted in the Smithsonian's Places of Invention exhibit due to the joint efforts between the city and CSU for sustainable innovation. ASCSU has hired an attorney to help draft an ordinance to reform U+2 and signatures will be collected to put the initiative on the 2017 city ballot.

Faculty Report: Governor Doherty explained his written report summarizes the October and November Faculty Council meetings. In addition to shared governance, other issues the Faculty Council will be working on include parental leave policies, faculty omnibus positions, and hiring additional tenure-track faculty. Governor Doherty summarized Todos Santos programs to be offered through the Department of Fish, Wildlife and Conservation Biology during the winter break and the spring semester. The suggestion was made to have a presentation at the February meeting.

President's Report: Dr. Frank explained how stadium updates will be presented on the construction phase and, when the stadium is completed, there will be ongoing reports to track financial performance. Ms. Parsons reviewed the construction budget and schedule with construction currently on target, and noted the live construction can be viewed on the web cam. The Stadium Advisory Group (SAG) composed of different constituency groups met twice during the fall. The SAG also attended a weekly football game operations meeting and observed the management activities during two football games. The Game Day Experience Committee is working with city staff on game day logistics. In addition to these committees, CSU through the IGA is working with the city on infrastructure projects. Premium ticket sales are benchmarked against the pro forma and proceeding well with the goal to sell all of the inventory.

Ms. Parsons reviewed a pro forma income statement template to track the financial performance that does not include the academic and alumni space which would be a separate report. Dr. Frank noted the template allows for tracking against the three buffers presented in the conservative low case scenario. In response to a question on light and sound containment, Ms. Parsons explained information on best practices is being utilized. There was a general consensus that the reporting format will provide transparency on the use and source of funds.

Dr. Frank provided an overview of the requests, options and assignments for the area immediately west of the new stadium. Consideration was given to the land grant heritage and the original agricultural land on the campus; the perennial gardens, arboretum and greenhouses; practice fields; a women's sports hub; and parking.

CSU-PUEBLO REPORTS

Student Report: Governor Zarr reported next semester piggybanks will be given to students in the residence halls to collect spare change to support the student emergency fund. Other updates include the groundbreaking for the Occhiato University Center was held; ASG assisted Enactus for a week of sustainability awareness activities and there are now new recycling bins in two buildings; and ASG approved funds to clean up the ropes course and to fund trees and other upgrades. During finals week, students were encouraged to write thank you notes to staff and faculty, and there has been a push for students to complete the evaluation surveys. ASG is working with the Dean of Students to develop an honor code and efforts continue internally to ensure ASG has a solid foundation.

Faculty Report: Governor Mincic noted his written report reflects the work completed at the October Faculty Senate meeting. Work continues through the various Senate and university committees on numerous issues such as tuition rate policies. Issues of concern include the enrollment shortfall, the statewide budget cuts and the bond debt issues. There are several dean searches underway and new academic degree programs and other methods to generate resources are being explored. A new graduation planning sheet has been implemented and is in the trial stages.

Governor Mincic provided an update on the online construction management degree program that was developed in conjunction with CSU-Global Campus. Videos for the program posted on CSU-Pueblo's website have resulted in 1,131 leads; 180 leads to applications; 45 applications in process; 23 students admitted; 18-20 students ready to start class in January 2016; and another 20-24 students to start a second cohort in March. The cost per lead is \$176 which is slightly higher than normal acquisition costs; this is a pilot project and work will continue to reduce the costs. Dr. Takeda-Tinker explained CSU-Global Campus is handling the admissions and financial aid processes which are then reviewed and approved by CSU-Pueblo who will have actual admittance of the student. The videos were shared with the Board.

President's Report: Dr. Di Mare reported the *On the Move* campaign has raised approximately \$15 million. Notification has been received on the receipt of a \$3 million gift for academics and scholarships.

There is a prospect for another \$2 million gift that would bring the total to \$20 million of the \$25 million goal. Other updates include CSU-Pueblo continues to examine new degree programs and is working with CSU on potential agricultural degrees. Another potential program would be a Homeland Security certificate or a degree in cybersecurity. Dr. Kreminski explained a grant application has been made to the NSA for a campus-wide designation.

Dr. Di Mare commented on the medical marijuana research opportunity for CSU-Pueblo with the passage of the Pueblo County excise tax on retail marijuana and noted the university will abide by all regulations and laws for this research. The university will be working with the county commissioners and lobbying for marijuana monies through the legislature.

Other updates include Rev 89, the university's radio station, now has global streaming capabilities and can broadcast around the world. Marketing campaigns are being assessed, particularly in light of the new two-year residence hall requirement. The university is partnering with the Greater Pueblo Chamber of Commerce and the City Council on an event to be held downtown to welcome students and their families. The university is also working with local school districts on curriculum to improve college readiness. Faculty representatives from the university traveled to Los Alamos National Laboratories to explore mutually beneficial relationships.

CONSENT AGENDA

Chair Mosher reviewed the consent agenda items and asked for a motion to approve. **Motion/Action:** Governor Tuor moved; Governor Robbe Rhodes seconded; and the motion carried unanimously.

The meeting was recessed for a short break at 10:42 a.m. and reconvened at 10:50 a.m.

CHANCELLOR'S REPORT

National Western Center (NWC) Update: Ms. Parsons reported the quarterly newsletter will be provided to the Board; plans for the CSU Water Center are being developed; and the RTA awarded \$121.5 million towards the project. Ms. Garcia Berry provided an overview of the 2C campaign to extend the Denver lodgers' tax.

Legislative Update: Mr. Schweigert highlighted potential legislative topics for the coming legislative session that include the hospital provider fee; plans for the NWC; work by an interim committee for the blind to allow blind students preference for vending machines at higher education institutions; higher education tuition caps; expansion of CORA; sexual violence on campus and "yes means yes" initiatives; and student intellectual property rights. The CSU System will sponsor a bill to allow students in distillery and brewing degree programs to taste the product. The DHE and the OSPB have recommended funding for the third phase of capital construction for the CSU chemistry building. Other issues being discussed include free college and matters related to adjunct faculty.

Ms. Parsons explained that the CSU System works with a federal lobbyist in Washington, DC. Federal priorities for 2016 include funding for new and existing research projects; reauthorization of the Higher Education Act; online and compliance based-learning; and Title IX.

Metro Denver Boys and Girls Club: Ms. Parsons remarked on the new CSU partnership with the Boys and Girls Club of Metro Denver that will be focused on education and college preparation. Activities will take place twice annually on the campus to help the kids understand what it is like to be on a college campus. There will also be support for the families to assist with completing admission applications and financial aid forms. For students from the Metro Denver Boys and Girls Club there will be a guarantee of

an annual \$2,500 scholarship for every year the student remains in good standing at CSU. A video on the new partnership was shared.

BOARD MEETING EVALUATION AND NEXT MEETING

Positive feedback was received on sending relevant articles in advance of the meeting. The next meeting is scheduled for February 3-5, 2016, at CSU-Global Campus. With no further business to come before the Board, the meeting was adjourned at 11:26 a.m.