

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM MEETING
Colorado State University-Pueblo, Occhiato University Center
August 4, 2016**

CALL TO ORDER

Chair Mosher called the meeting to order at 8:36 a.m.

ROLL

Governors present: William Mosher, Chair; D. Rico Munn, Vice Chair (by phone/Evaluation Committee meeting); Nancy Tuor, Treasurer; Dennis Flores; Mark Gustafson; Jane Robbe Rhodes; Joseph Zimlich; Andrea Buchmeier, Student Representative, CSU-Global Campus; Paul Doherty, Faculty Representative, CSU; Antonio Huerta, Student Representative, CSU-Pueblo; Daniela Pineda Soracá, Student Representative, CSU; Stephanie Quinn, Faculty Representative, CSU-Global Campus; David Volk, Faculty 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; Allison Horn, Director of Internal Auditing, CSU System; Lynn Johnson, Chief Financial Officer, CSU System, and Vice President of Operations, CSU; Rick Miranda, Chief Academic Officer, CSU System, and Provost and Executive Vice President, CSU; Michael Nosler, General Counsel, CSU System

System Staff present: Adam Fedrid, IT Manager; Melanie Geary, Executive Assistant; Allen Sneesby, IT Technician; Sharon Teufel, Executive Assistant to the General Counsel

Guests Present: Rick Callan, Senior Real Estate Analyst, CSURF; Helen Caprioglio, Assistant Provost, CSU-Pueblo; Nick Coltrane, Reporter, Coloradoan; Johnna Doyle, Deputy General Counsel, CSU-Pueblo; Chris Fendrich, Director of Auxiliary Services, CSU-Global Campus; Blanche Hughes, Vice President of Student Affairs, CSU; Nancy Hurt, Managing Director, CSURF; Jason Johnson, Deputy General Counsel, CSU; Todd Kelly, Executive Director, CSU-Pueblo Foundation; Rick Kreminski, Executive Vice President of Academic Affairs and Provost, CSU-Pueblo; Karl Spiecker, Vice President for Finance and Administration, CSU-Pueblo; Jason Warr, Vice President of Operations, CSU-Global Campus.

PUBLIC COMMENT

Chair Mosher convened the meeting and ask if there was any public comment of which there was none.

AUDIT AND FINANCE COMMITTEE

Committee Chair Tuor convened the meeting and asked Ms. Horn for her report.

Status of FY 2016-17 Audit Plan and Audit Reports: Ms. Horn reported there are nine audits in progress of which two evolved from special reviews of the Lory Student Center Operations and the CSU Early Childhood Center. She reviewed the four reports issued since the last meeting that include the Confucius Institute with no findings; the CSU Dept. of Occupational Therapy with three findings related to internal controls and no red flags; CSU Ram Card Office with suggestions for improvements in internal controls; and CSU-Pueblo Residence Life and Housing with nine recommendations agreed to by management.

Past Due Recommendations: Ms. Horn commented on the tension with setting achievable target dates and implementation of the recommendations. Seven of the seventeen past due recommendations listed have been implemented since the report was submitted and some of the recommended corrective actions have evolved since the audit reports were issued. Internal Auditing has an effective tracking system and the audits are kept open until the actions are completed.

In response to questions on the CSU Conflict of Interest audit, Ms. Horn explained that, due to the amount of financial activity at the university, there needs to be assurance conflict of interest is appropriately addressed. The recommendations relate to continual monitoring to ensure effectiveness and, with the office currently restructuring, the recommendations will be held open until the staffing changes are in place. When asked if the consultant's evaluation of CSU Risk Management and Insurance would be shared with the Board, Ms. Horn responded the target date is the end of FY 2017 and detailed information would be available.

Higher Education Funding and Model Update: Ms. Johnson explained that Colorado higher education is in the second year of the current outcomes-based funding model. At the July CFOs meeting, the CCHE brought forward recommendations for the next fiscal year based on the current model with no expectation of major modifications to the model. The DHE developed the model last year to help inform what level of tuition increases each higher education institution would need based upon cost structures and there is no indication at this time as to what changes might occur in the level of state funding. A chart outlining the tuition recommendation process was provided.

Campus Budget Presentations with Tuition Discussion: Committee Chair Tuor noted there is no action item and the presentation is only for discussion.

Colorado State University: Ms. Johnson explained how the budget was reformulated to be static and based on 1.2% inflation in order to be more transparent on the deployment of resources and to more cohesively align with the strategic plan. She reviewed the new resources, new expenses and base assumptions, and explained how revenue from any potential enrollment growth in the current year would be included in the subsequent year's budget.

Dr. Frank noted the draft budget is only a starting point for discussions and was designed to illustrate the fundamental challenges of balancing the budget including the impact of no enrollment growth and the tension between keeping tuition increases down with low state support while trying to make progress on faculty salaries. He commented on the fundamental flaw with the cost driver analysis embedded into the state funding formula that does not allow for quality improvements which creates another tension.

In response to a question, Ms. Johnson explained the Triple Crown scholarship program for non-resident undergraduate students with increases in non-resident undergraduate financial aid tied to enrollment growth and not tuition rate. When asked about quality enhancements, Ms. Johnson responded the budget line was blank at this point and will be populated later in the budgeting process with the institution already committed to at least some quality enhancements that have multi-year funding.

General feedback was positive on the baseline application of inflation to the budgeting process and the simplicity of the categories. Dr. Frank recounted how last year, based on direction from the Board, budget scenarios with tuition increases in the three to six percent range were presented at the October meeting and he asked for the Board's guidance for this year's budget planning process.

CSU-Pueblo: Mr. Spiecker explained the budget was constructed with the same parameters and basic assumptions as the CSU budget and includes two conservative scenarios of flat enrollment and flat freshmen enrollment that could result in an overall decline in enrollment. He commented on the huge

impact of enrollment on financial viability of institutions such as CSU-Pueblo and indicated better budget numbers will be available after the fall census. Applications and deposits for fall have increased by 10% since the previous year.

Mr. Spiecker explained the draft budget is only the E&G budget and does not include quality enhancements or the housing issues. He reviewed a summary of the CSU-Pueblo housing fund balance that is unrelated to the E&G budget with the expectation of growth in the negative balance. Mr. Spiecker recounted the policy changes that have been implemented to assist with the housing challenges. Dr. Frank mentioned the financial sustainability plan endorsed by the Board at the May meeting and indicated updates on the housing issues and the repayment of the CSU-Global Campus loan will be provided at an upcoming meeting.

CSU-Global Campus: Mr. Warr explained the budget was developed on the baseline and the projected new enrollment growth with examination of each operating category in terms of historic and trend percentages, and the alignment with the strategic initiatives. He reviewed the basic assumptions, new resources with no tuition increase, and expenses with a projected incremental net of \$5.8 million. With initiatives and strategies focused on student support, outreach and retention growth, retention was reviewed across four separate demographics with an overall 75% retention rate.

Guaranteed Tuition Models: Dr. Frank provided historical context on guaranteed tuition models and noted the University of Colorado has started a guaranteed tuition program. He noted that fees and other items are generally not guaranteed in such programs.

Dr. Miranda explained the presentation was designed to explain the basics and challenges with implementation and not to advocate for a guaranteed tuition program. He provided an overview of how tuition guarantees work; examples from a student's perspective; revenue estimates from CSU and CSU-Pueblo's perspectives; and a wide range of issues that would need to be considered before implementation. Following discussion, the general feedback was there was no interest in moving forward with a guaranteed tuition program at this time. Dr. Frank indicated the issue will continue to be monitored at the national level.

Institutional Plan for Student Fees: Ms. Johnson explained that, as required by statute, the CSU and CSU-Pueblo plans must be approved and then submitted to CCHE for review and approval. There were minor adjustments to the CSU-Pueblo plan. The CSU plan was relatively the same as the previous year with an additional section on the alternative transportation fee that was approved by ASCSU. Representatives from ASCSU were engaged to review the plan. **Motion/Action:** Governor Singleton made the motion to approve; Governor Gustafson seconded; and the motion carried unanimously.

Approval of Revised 2-Year Cash Funded Project List: Ms. Johnson reported the updated list includes six projects with five of the program plans to be discussed during the Real Estate/Facilities Committee meeting and the Warner College of Natural Resources addition that was approved in December 2013. Based on timing of the Board meeting, the list has been submitted to the CCHE and DHE for approval. Ms. Johnson explained the approval of program plans is for the scope of the project and not the financing plan which is submitted later for Board approval before proceeding with construction. Dr. Frank noted the approval of the list is endorsement that the projects are worthy of consideration by the Board. Action on the list was deferred until after the Real Estate/Facilities Committee meeting.

Reserves Policy: Action was tabled to allow for additional review and revisions of the policy.

CSU System Treasury Update: Ms. Johnson reported that an employment offer for the new CSU System Treasurer position has been extended to and accepted by Margaret Henry who will start in the middle of

September. Due to an existing commitment, Ms. Henry will not be present at the October meeting and will be introduced at the December meeting.

FY 2018 Budget Follow-Up: Feedback indicated that providing different scenarios was helpful the previous year and modeling based on 3% and 4% would be appropriate. Dr. Frank indicated scenarios could be prepared for October based on fixed expenditure amounts and the impact on tuition rates with any changes in state funding. By December and February, the budget modeling can be refined based on the Governor's budget recommendation and the JBC, and the budget would then be finalized in May after the Long Bill is approved by the state legislature.

The meeting recessed for a break at 10:29 a.m. and reconvened at 10:48 a.m.

REAL ESTATE/FACILITIES COMMITTEE

Committee Vice Chair Flores convened the meeting and asked Dr. Frank for introductory remarks. Dr. Frank explained that the Board, by approving the program plans, endorses the general scope and scale of the project. The university can then fundraise and develop the plan of finance to be approved by the Board before a project moves forward to construction.

Dr. Frank recounted that the rating agencies will likely consider a downgrade for the CSU System at the next bond issuance. The rating agencies have positively acknowledged CSU's deployment of the debt capacity in line with a long-term strategic plan. The decision eight years ago to aggressively revitalize the campus during turbulent financial times through a purposeful decision to physically improve the campus is reflected positively with enrollment, philanthropy and investment growth. In context of role and mission, through the Commitment to Colorado, low-income Pell-eligible students have not seen an increase in tuition in eight years with the university covering tuition and fees for those students through packaging of state, federal and institutional financial aid.

Dr. Frank noted the importance of continuing to deploy the debt capacity to finish the campus renovations and to start addressing critical deferred and controlled maintenance issues, including the research infrastructure, through a reasonable long-term business plan. A ratings downgrade in today's market in fiscal terms would be relatively minimal.

Committee Vice Chair Flores clarified that the Board would be asked to approve the program plans, but not the commitment to go forward with the projects. The suggestion was made to provide the Board with an overview of the projects represented by the debt service.

Approval of Program Plans: Ms. Johnson indicated there were five program plans for approval.

Richardson Design Center: Ms. Johnson noted the name is basically a misnomer for the project used by the campus as the Board has not formally approved a naming for the facility. She reviewed the scope of the project including cost, location, size and usage. With the addition of this facility, the university would create a design district that would provide a "maker's space" which would be available to the entire CSU community.

Shields and Elizabeth Underpass: Dr. Frank clarified that negotiations with one of the landowners is still underway and there is optimism for a positive outcome. He also clarified that this project is one of several non-stadium related projects included in the IGA with the City of Fort Collins. As with the College Avenue underpass and the new Prospect and Center underpass under construction, the project is based on safety concerns for pedestrian and bicycle traffic and is not part of the scope and scale of the new on-campus stadium.

In response to a question, Ms. Johnson explained the underpass becomes property of the city when completed with ongoing collaboration for maintenance and CSU branding components. Part of the cost is additional work for drainage due to the water table in that area. Based on traffic studies, the location is where the majority of the bicycle and pedestrian traffic enters the campus and the determination was made that an underpass would be more cost effective than an overpass. Discussions are planned with the tenants adjacent to the project to address any concerns and to receive additional input.

Temple Grandin Equine Center: Ms. Johnson reviewed the cost, location and components for an integrated research and education facility focused on equine-assisted activities and therapies. The construction cost for the facility is slated to be 100% covered by donors.

JBS Global Food Innovation Center: Ms. Johnson explained the center will be an addition to the existing Animal Sciences building to provide hands-on instruction in the areas of food animal handling and meat processing. In addition to a meat processing facility, classrooms, and research space, there will be a small retail space to sell meat and a livestock holding facility. The project is slated to be 100% donor funded; however, depending on fundraising results, institutional resources may need to be utilized.

Athletic Practice Fields and Heritage Garden: Ms. Johnson explained the challenges for the various athletic and recreational programs with the existing outdoor practice fields. The new football practice field would be located directly west of the new stadium and allow the existing practice field to be repurposed for NCAA women's soccer. The heritage garden addition would celebrate and demonstrate CSU's agricultural history and provide a gateway to the arboretum. Donor funds were initially used to start the design development and schematic work for the stadium. With the issuance of the stadium bonds, those funds were pulled back into an account and could be utilized for this project. There are also resources residing in the CSU Foundation that could be utilized.

Dr. Frank noted this is a stadium-related project and, as such, will be funded from appropriate revenue sources related to the stadium. He recounted the campus input process to determine how to utilize the area that includes some of the last remaining agricultural land of the original campus and will honor the land-grant university heritage.

General Counsel Nosler listed the five program plans that, along with the two-year cash list brought forward from the Audit and Finance Committee, would be approved by one motion. **Motion/Action:** Governor Tuor made the motion; Governor Robbe Rhodes seconded; and the motion passed unanimously.

Telecommunications Contract Authority Delegation: Ms. Johnson explained how CSU has been identified as an attractive place for cellular phone companies to locate their towers. Currently there are ten agreements that generate \$375,000 annually for the university. The resolution is to delegate authority to either the President or the Vice President of University Operations to approve agreements that are greater than five years and up to fifty years due to the importance of longer term agreements for the providers. The authority is currently for up to five years. **Motion/Action:** Governor Gustafson moved to approve; Governor Robbe Rhodes seconded; and the motion carried unanimously.

Hughes Stadium Update: Dr. Frank reviewed the location and size of the four CSU campuses in Fort Collins and Hughes Stadium. Discussion on how to utilize Hughes Stadium was postponed until Board approval was given to move forward with the new on-campus stadium and the real estate assets of the existing stadium were included as one of the buffers in the financial model that did not include any state funds, tuition or fees. A variety of proposals have come forward and an open transparent process to receive public input has been established to assist the Board in fulfilling its fiduciary responsibilities to the citizens of Colorado in disposition of the site.

Ms. Parsons reported Icon Venue Group has been engaged to assist with the assessment over the next year through the open process with involvement of all stakeholders. She reviewed the timeline with the expectation that a recommendation will be made to the Board at the May 2017 meeting. Dr. Frank indicated city staff have reviewed the process, and the City Council and County Commissioners will also be engaged.

In response to questions, Dr. Frank recounted that, based on independent real estate assessments for Hughes Stadium, \$15 million was included as a buffer in the financial model. He noted the Board's real estate policy stipulates that revenue from the sale of a long-term real estate asset can only be utilized for acquisition of other long-term real estate assets and cannot be used for operational purposes. The basic cost for renovation of Hughes Stadium was projected to be \$30 million; there was no significant donor interest; and the renovation would have required sale of E&G-backed revenue bonds.

CSU-Pueblo Foundation Commercial Development: Vice Committee Chair Flores introduced Mr. Kelly, the Executive Director of the CSU-Pueblo Foundation. Mr. Kelly reported the foundation is in the exploratory phase of the project that is anticipated to increase enrollment, create student life, and better connect the campus to the community. He reviewed the location and the site development plan. There are currently three signed letters of intent from locally owned businesses that include a pizzeria, a casual dining restaurant and a coffee shop. A purchasing signing agreement has been executed with the current land owner and the due diligence process is underway with an anticipated November closing.

Mr. Kelly explained how the foundation sold out-of-state commercial properties three years ago and will utilize the profit to invest in the project and the renovation of the Occhiato University Center. The RFP process for general contractors is underway and a July 2017 opening is anticipated. Dr. Di Mare and Governor Huerta expressed appreciation to the foundation for the project that will help the campus have a more residential atmosphere with the adjacent retail space.

Executive Session: Committee Vice Chair Flores indicated there was one remaining item to be discussed in executive session. General Counsel Nosler read the meeting into executive session for the purpose of consideration of gift and naming opportunities, confidential pursuant to statute as set forth in the meeting notice. **Motion/Action:** Governor Tuor made the motion to convene in executive session. Governor Singleton seconded and the motion carried unanimously. The meeting convened in executive session at 11:55 a.m. and reconvened in open session at 12:02 p.m.

Open Public Session: Committee Vice Chair Flores asked for a motion to approve the CSU naming opportunity as discussed in executive session. **Motion/Action:** Governor Robbe Rhodes made the motion; Governor Tuor seconded; and the motion carried unanimously. The meeting then recessed at 12:04 p.m. for lunch with the leadership of the CSU-Pueblo Faculty Senate, the Associated Students' Government, the Classified Staff Council, and the Administrative Professional Council.

EXECUTIVE SESSION

Chair Mosher reconvened the meeting at 12:52 p.m. and explained the Board would convene in executive session to receive the litigation report. Upon the completion of the executive session, the Evaluation Committee composed of the voting members would then convene in executive session. General Counsel Nosler read the meeting into executive session for the purposes of receiving the litigation report or to receive legal advice for specific legal questions, all confidential pursuant to statute as set forth in the meeting notice. **Motion/Action:** Governor Zimlich made the motion; Governor Flores seconded; and the motion carried unanimously. The meeting convened in executive session at 12:55 p.m. and reconvened in open session at 1:27 p.m.

EVALUATION COMMITTEE

Chair Mosher reviewed the activities for the evening's social event and then the non-voting members were excused. General Counsel Nosler read the meeting into executive session for the purpose of discussing and evaluating public officials and professional staff employees of the Board, confidential pursuant to statute as set forth in the meeting notice. **Motion/Action:** The motion to convene in executive session was made, seconded and carried unanimously. The Evaluation Committee convened in executive session in the Cottonwood Room at 1:37 p.m. and then adjourned for the day at the conclusion of the committee meeting.

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM MEETING
Colorado State University-Pueblo, Occhiato University Center
August 5, 2016**

CALL TO ORDER

Chair Mosher called the business meeting to order at 9:07 a.m.

ROLL

Governors present: William Mosher, Chair; Scott Johnson, Secretary; Nancy Tuor, Treasurer; Dennis Flores; Mark Gustafson; Jane Robbe Rhodes; Joseph Zimlich; Andrea Buchmeier, Student Representative, CSU-Global Campus; Paul Doherty, Faculty Representative, CSU; Antonio Huerta, Student Representative, CSU-Pueblo; Daniela Pineda Soracá, Student Representative, CSU; Stephanie Quinn, Faculty Representative, CSU-Global Campus; David Volk, Faculty 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; Allison Horn, Director of Internal Auditing, CSU System; Lynn Johnson, Chief Financial Officer, CSU System, and Vice President of Operations, CSU; Rick Miranda, Chief Academic Officer, CSU System, and Provost and Executive Vice President, CSU; Michael Nosler, General Counsel, CSU System

System Staff present: Adam Fedrid, IT Manager; Melanie Geary, Executive Assistant; Allen Sneesby, IT Technician; Sharon Teufel, Executive Assistant to the General Counsel

Guests Present: Jon Bellum, Provost, CSU-Global Campus; Rogelio Arreguin-Mancera, Student, President's Leadership Program, CSU-Pueblo; Dianne Archuleta, History Student, CSU-Pueblo; Helen Caprioglio, Assistant Provost, CSU-Pueblo; Johnna Doyle, Deputy General Counsel, CSU-Pueblo; Courtney Ewing, Biology Research Student, CSU-Pueblo; Joe Folda, Athletic Director, CSU-Pueblo; Jason Johnson, Deputy General Counsel, CSU; Christopher Irwin, HSB, Student/Alumnus, CSU-Pueblo; Sylvester A. Kalevla, Dean, CEEPS, CSU-Pueblo; Rick Kreminski, Executive Vice President of Academic Affairs and Provost, CSU-Pueblo; Fawn Montoya, Associate Professor, Chicano Studies, CSU-Pueblo; Jose Ortega, History Student/Alumnus, CSU-Pueblo; Joe Parker, Athletic Director, CSU; Bruce Raymond, Dean, HSB, CSU-Pueblo; Erika Retzlaff, Student, President's Leadership Program, CSU-Pueblo; Annica Roberts, Student, Healy Center, CSU-Pueblo; Juan Rodriquez, Student, CSU-Pueblo; Tracy Samara, Director, Alumni Relations, CSU-Pueblo; Trent Schaelling, Student, CSU-Pueblo; Karl Spiecker, Vice President for Finance and Administration, CSU-Pueblo; Lou Swanson, Vice President of Engagement, CSU.

BREAKFAST PRESENTATION

Chair Mosher convened the breakfast presentation at 8:01 a.m. and asked Dr. Kreminski for his remarks. Dr. Kreminski reviewed the schedule for the February 2017 Higher Learning Commission (HLC) reaffirmation of accreditation process for CSU-Pueblo. The HLC has instituted open pathways as part of the process and institutions have been asked to select a quality initiative for three to five years that is a grassroots effort unique to every campus.

CSU-Pueblo received thirteen proposals through various campus open forums for a quality initiative. Experiential education, both curricular and co-curricular, was selected and has been incorporated as part

of the campus strategic plan. The following students shared their personal experiences in experiential education during the past year: Christopher Irwin, Dianne Archuleta, Jose Ortega, Courtney Ewing, Juan Rodriquez, Trent Schaelling, Annica Roberts, Rogelio Arreguin-Mancera, and Erika Retzlaff.

STRATEGIC MAPPING UPDATE

Chair Mosher reconvened the regular business meeting at 9:07 a.m. and asked Ms. Parsons for the update. Ms. Parsons reviewed the refreshed strategic map based on the work at the June retreat that has three overarching strategies with related work areas and outcomes. The institutional strategic plans support the overall CSU System strategic plan. She then reviewed the activities to be undertaken in each of the three work areas.

Ms. Parsons indicated Hispanic Serving Institutions (HSIs) was the discussion topic for this meeting. She reviewed statistics on HSIs and noted the number of HSIs has more than doubled in the past 21 years. Dr. Di Mare recounted the congressional hearings in the early 1980s that created the HSI designation for higher education institutions serving underrepresented Latino groups and, in the 1990s, the designation of Minority Serving Institutions (MSIs) was added.

Dr. Di Mare explained how CSU-Pueblo as an HSI embeds in the curriculum a focus on the culture and history of Pueblo County and the local community. Over the past three to four years, CSU-Pueblo has increased Hispanic student enrollment from the required 25% FTE to 33% FTE, and the graduation and retention rates are higher than the overall student body. During the past five years, the institution through its HSI designation has received over \$10 million in federally funded educational grants that provide opportunities for all CSU-Pueblo students. Dr. Di Mare shared descriptions of grants that have been received.

Governor Huerta commented on the relationships built through HACU. He expressed pride in CSU-Pueblo as an HSI and remarked that the university's culture provides "a feeling of attending school with family."

In response to questions, Dr. Di Mare commented on other institutions that are leaders with HSI designations. When asked if the CSU-Pueblo faculty mirror the Hispanic student population, Dr. Di Mare commented on faculty recruitment challenges and efforts to increase that faculty demographic. The suggestion was made to emphasize activities that support the HSI designation in the strategic plan updates.

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

Committee Chair Robbe Rhodes convened the meeting and asked Dr. Miranda to report.

Approval of New CSU Degree Program – Ph.D. in Communication: Dr. Miranda reviewed the rationale, components and funding for the new degree program. Approval would be on the consent agenda.

Approval of CSU Graduate Certificates: Dr. Miranda recounted the approval process to qualify for Title IV funding and reviewed the eight graduate certificates presented for Board approval on the consent agenda.

Approval of CSU-Global Campus Undergraduate and Graduate Certificates: Dr. Miranda reviewed the undergraduate and graduate certificates being brought forward for Board approval on the consent agenda.

Approval of CSU Academic Faculty and Administrative Professional Manual Changes: Dr. Miranda explained the manual is a codification of the policies, procedures and benefits for those two classifications

of employees. There are certain processes, such as curricular changes, and promotion and tenure, pertaining only to faculty. The following revisions were submitted for Board approval on the consent agenda.

- Preface: Amended to require new policies and changes that apply to administrative professionals be approved by the Administrative Professional Council prior to Faculty Council approval.
- Section F.3.16: Amends the parental leave policy to clarify and incorporate new federal regulations and removes the reference to catastrophic leave which is now in Section F.3.17.
- Section F.3.17: The amendments expand and clarify the existing catastrophic leave policy and terms.
- Sections C.2.3.3, C.2.8, and E.4.2: The amendments will address issues identified with practices in establishing and operating Special Academic Units (SAUs). The changes pertain to administrative structure relative to supervision and to allow the SAUs to hire non-tenure track faculty.

Approval of CSU Program Review Schedule: Dr. Miranda reported there are five programs in the College of Business that will be reviewed in AY 2016-17. Board approval would be on the consent agenda.

Approval of CSU Academic Calendar – Fall 2016 through Summer 2022: Dr. Miranda recounted the Board had previously granted testing the installation of one commencement for Spring 2016 on Sunday morning. Based on the positive results, blanket approval for Sunday commencements is being sought on the consent agenda and the dates will be incorporated in the formal university calendar.

Annual Approval of Degree Candidates: Dr. Miranda recounted the change to an annual approval for each of the campuses to award the degrees to the graduates as they are earned during the year. The three campus approvals are on the consent agenda. Graduation statistics for the past year were provided for CSU and CSU-Pueblo.

Approval of CSU-Global Campus Latin Honors: Dr. Miranda reported a task force researched and developed the proper criteria to award Latin honors for students graduating with distinction. The proposal to be approved on the consent agenda includes retroactively awarding the honors to graduating cohorts since 2013. Dr. Bellum added that this action was primarily driven by student demand.

Approval of CSU-Pueblo Program Review Schedule: Dr. Miranda reported the campus is on a six-year cycle and listed the six programs to be reviewed in AY 2016-17. Board approval is on the consent agenda.

Faculty Activity Reports: Dr. Miranda indicated there were three separate campus reports that include comprehensive data on faculty evaluations; promotion and tenure; demographics; workload; and compensation. CSU and CSU-Pueblo have established hiring practices that include national searches, rigorous reviews by committees, faculty input, external reference letters, and campus interviews for finalists culminating in hiring new faculty. CSU-Global Campus has a different but equally rigorous onboarding process.

Dr. Miranda explained the annual performance review process for all faculty that is especially rigorous for non-tenured tenure-track faculty. CSU and CSU-Pueblo utilize five commonly used levels of evaluation with the goal that all faculty either meet or exceed expectations. Overall the majority of reviews are positive and development plans are implemented where appropriate. CSU-Global Campus does not have tenured/tenure-track faculty and utilizes a different process for evaluating faculty, and the results from the annual faculty satisfaction survey are very positive. Governor Tuor commended CSU-Pueblo on the hard work and progress made to address issues previously raised by the Board.

Dr. Miranda reported there were 55 cases of promotion and tenure at CSU this past year with one denial and nine cases at CSU-Pueblo with one denial. Each year there are cases that are withdrawn for a variety of reasons. Additionally, each year a certain number of promotions for non-tenure track faculty are considered. CSU is currently revising the non-tenure track faculty roles to reflect a more comprehensive array of faculty titles and a better understanding of promotion career ladders for these faculty members.

Tenure occurs in the sixth year with ongoing annual reviews for tenured faculty and a comprehensive review every five years. During the past year 128 CSU tenured faculty underwent comprehensive five-year reviews with four recommendations for professional development plans of which one case went to a phase two peer review committee. At CSU-Pueblo there were ten cases which were all deemed to be positive and no professional development plans implemented.

Metrics were provided on faculty workload. For CSU, undergraduate student-faculty ratios are comparable to peers; degrees awarded per faculty are higher than peers; and research expenditures are significantly higher than peers. For CSU-Pueblo, undergraduate student-faculty ratios are higher than peers; degrees awarded per faculty are comparable to peers; and research expenditures are significantly higher than peers. For CSU-Global Campus, the metrics are primarily related to student credit hours. The number of credit hours per faculty member has risen during the past four years which reflects the growing class sizes and a student FTE equivalent to CSU and CSU-Pueblo.

Compensation metrics indicate overall CSU has held steady over the last five years at 93% to 94% of peer salaries with some differences in the various ranks. With several years of no or low raises at CSU-Pueblo, all faculty ranks are approximately \$10,000 lower than peer averages. CSU-Global Campus applies a different compensation algorithm to all faculty.

CSU faculty demographics indicate the number of women and minorities are at an all-time high level and the number of tenured/tenure-track faculty has increased during the past five years. Gender statistics are stable at CSU-Pueblo and the number of minority faculty is at an all-time high level.

In addition to the faculty activity report, a separate CSU promotion and tenure report with statistics from the past year was provided.

CSU-Pueblo Degree Proposal Process: Dr. Kreminski recounted the grassroots effort undertaken to develop new degree programs that would build on existing programs with the potential to develop into cornerstone programs. The programs should reflect community needs and, where possible, leverage system resources and collaboration with the other campuses. Eight proposals were initially submitted and the internal review committee has reduced the number to five with two at the undergraduate level and three at the graduate level. Dr. Kreminski reviewed the five proposals currently under consideration and commented on the potential to create additional centers for excellence.

Dr. Miranda summarized the activity occurring during the past two months as proceeding in three directions: the grassroots proposals from faculty utilizing other system level resources; due diligence on needs assessment; and development of strategic thematic areas with multiple programs. Dr. Kreminski recounted that CSU-Pueblo has a National Security Agency designation as a Center for Excellence in Cyber Defense Education that has potential for grant funding and creates opportunities for program enhancements and synergies.

Dr. Di Mare acknowledged the support of the Board, the Chancellor and the community to assist the university in moving forward with the new degree programs. CSU-Pueblo recently received a \$1 million donation to assist with the nursing program and efforts continue to secure revenue for other programs. Dr.

Frank noted the new academic cornerstone programs are an important component of the financial sustainability plan previously presented to the Board.

The meeting recessed for a break at 10:33 a.m. and reconvened at 10:48 a.m.

CSU-PUEBLO CAMPUS REPORTS

Student Report: Governor Huerta provided updates from the written report on additional Dean's Advisory Councils; fundraising for the student emergency fund; collaboration between the President's Council and student organization presidents on campus events; the new Campus Activity Board; the student discount program; new volunteer ASG positions; and monthly ASG open forums. When asked about the student emergency fund, Governor Huerta responded approximately \$10,000 has been raised and the CSU-Pueblo Foundation has assisted with creating an account for the fund.

Faculty Report: In addition to the written report, Governor Volk shared reflections on how to be the most effective in his role as the faculty representative and the challenges undergone by CSU-Pueblo during the past few years. He commented on the progress made by the university and the positive direction in moving forward with the equity study to address salary inequities.

President's Report: Dr. Di Mare acknowledged the work accomplished in completing the equity study and commented on the challenges with peer comparisons for administrative professional categories. An estimated \$3 million would be needed to make all the necessary salary adjustments to remain competitive with peer institutions. A revenue sharing policy is being drafted to create an equity account to begin the adjustments. The equity study results indicated no gender or ethnic bias. In response to questions, Dr. Di Mare commented on the retention and hiring issues with non-competitive salaries.

Mr. Spiecker explained how the first draft of the study was completed in fall 2014 and, with the initial data collection complete, the second phase to develop a strategy and methodology for the salary adjustments is underway. The suggestion was made to present an equity study report at the October meeting to assist the Board in understanding the issues and to begin factoring the adjustments into the budget process over multiple years.

Dr. Di Mare reported the *On the Move Campaign* has raised approximately \$19 million of the \$25 million goal and there will be a press conference on August 31st to announce a new campaign focused solely on academic programs. She thanked the Friends of Football, initially created in 2008 to help reinstate football, who have contributed \$3.3 million from more than 83 donors during the past year to expand and upgrade the athletic facilities.

Ms. Parsons provided an update on the competitive RFP process for a private partner to assist with CSU-Pueblo housing operations. Two finalists were interviewed and due diligence is underway for the firm selected. An update will be provided at the October meeting. Dr. Di Mare indicated that, with the new policy requirements, 40 additional students are projected to live in the residence halls this fall. When asked about Belmont, she responded the cost to renovate the facility is projected at \$18 million and the facility is closed due to numerous issues.

CSU-GLOBAL CAMPUS REPORTS

Student Report: In addition to the written report, Governor Buchmeier remarked that her reasons for choosing CSU-Global Campus to pursue her Masters of Health Care Administration included the high faculty standards, the cutting edge course curriculum, and the reputation of the university and the CSU

System. With a specialization in strategic innovation and change management, she expressed appreciation for the availability of the degree program.

Faculty Report: Governor Quinn commented on how a faculty member's personal satisfaction can impact effectiveness as an instructor and retention. She provided an overview of the faculty mentor program that, in lieu of traditional annual reviews, began earlier in the year with a six-month pilot program utilizing best practices. Goals for the program include faculty success, improved communication, and increased student satisfaction and retention. The program is equitable with a common rubric for course expectations.

President's Report: Dr. Takeda-Tinker explained the written report is a wrap-up of the accomplishments for Fiscal Year 2016 with the information and data points aligned with the strategic plan. She reported the generic language approved for the Aurora public schools bond initiative stipulates that bond money, in addition to providing funds for the schools, will be used for constructing a building that the school district may lease to a state institution of higher education. While CSU-Global Campus is not referenced in the bond initiative, the university will be referenced in the marketing campaign. Dr. Takeda-Tinker described the location and flexibility that the new building would provide.

As part of the university's outreach and strategic initiatives, Dr. Takeda-Tinker reported three sets of 30-second and one minute television/web commercials have been developed to be shown across the U.S. in markets strategically identified with military populations in the 25-64 age group who have college coursework without a degree. One of the new 30-second commercials was viewed by the Board.

COLORADO STATE UNIVERSITY CAMPUS REPORTS

Student Report: Governor Pineda Soracá reported she spent the summer bridging relationships with the City of Fort Collins. She provided highlights from the written report that included updates on marketing initiatives, university relations, governmental affairs, communications with other universities, environmental initiatives, and traditions and programming. Governor Zimlich shared that the mayor of Fort Collins was very complimentary of Governor Pineda Soracá's efforts to work with the city.

Faculty Report: Governor Doherty indicated the written report includes activities from the May Faculty Council meeting. The Faculty Council will continue work during the coming year on development of career and position pathways for non-tenure track faculty and teaching effectiveness. Accomplishments include progress on parental leave including extending some parental leave benefits to graduate students and the new ombuds program to help with faculty conflict issues. Faculty will be teaching for the first time this year in the Semester at Sea program and a search is underway for a new James C. Kennedy Endowed Chair in Wetland and Waterfowl Conservation.

President's Report: Dr. Frank reviewed highlights from the written report including CSU had a new fundraising record of \$197.8 million; recognition of the environmental science and engineering research programs and the Department of Design and Merchandising reflects the high quality of the university's faculty and academic programs; student-athletes graduate at a higher rate than the general student population and 102 student-athletes earned academic recognition for Spring 2016; Kelly Long has been hired as the new Vice Provost for Undergraduate Affairs; and CSU has been designated as an innovation and economic prosperity university by the APLU. In response to a comment on a potential shortfall for the new JBS Global Food Innovation Center, Dr. Frank indicated there are still issues to be resolved with the financing plans for the various program plans brought forward for Board approval.

Stadium Update: Ms. Parsons reported the project is within budget and on schedule. She reviewed milestones that will be achieved during the remaining year of construction. Mr. Parker reported naming rights and sponsorships have exceeded the base case at 104% of the pro forma. The total amount for

stadium naming rights, sponsorships and philanthropy has progressed from \$36 million in December 2015 to \$86.4 million in July 2016. The premium seating is at 120% of the base case pro forma and total capacity is now at over 91%.

National Western Center: Ms. Parsons reported the first annual report was submitted to the Governor's Office and the legislature as required by HB 1344. The city is preparing to issue five large RFPs that include project and program management and CSU will participate in the decision-making process. CSU has also been participating in public outreach on the project. Updates will be provided at upcoming Board meetings. Governor Gustafson who serves on the National Western board provided an update on land acquisitions for the project.

CHANCELLOR'S REPORT

Dr. Frank indicated the written report would stand as submitted. He reported the CEO of Beyond Campus Inc. (BCI) has stepped down. Based on conversations with the BCI and the CSU System Foundation boards, Dr. Takeda-Tinker will serve as the interim CEO of BCI and a conflict of interest management plan prepared through the Office of General Counsel has been executed.

Government Relations Update: Ms. Parsons reported there has been limited activity on both the federal and state levels due to the upcoming November elections. The federal legislature has recessed for the August break and will probably need to pass a continuing resolution to keep the government operational past the end of the fiscal year. The Colorado Dept. of Higher Education will be reviewing the state authorization that may affect online education. Ms. Parsons announced she will be serving on Senator Bennett's new Council on Cuba, a 30-member commission that is part of a nationwide effort to engage Cuba state-by-state, to assist with education and agriculture issues.

The meeting then recessed for lunch at 12:11 p.m. and reconvened at 12:51 p.m.

CSU EXTENSION REPORT

Dr. Frank explained how CSU Extension, a critical aspect of the university dating back to 1912, has undergone changes through the years. Upon becoming President, one of his highest priorities was to re-engage county commissioners and make extension relevant and vibrant.

Dr. Swanson provided an historical overview of CSU's extension that serves all 64 counties and reviewed the distribution of programming that includes 4-H in every county. He recounted the changes that have occurred with the vision of creating a 21st Century land-grant university. Extension has been reorganized with incorporation into Engagement across the campus and is locally housed in the counties with demand-driven programs in three geographic areas. The CSU Extension model is nationally unique with a college model that devolves program development and management across the regions and counties, and utilizes expertise from across the campus. Additional expertise is available through a national eXtension program.

The hiring of extension agents is regionally driven with inclusion of local stakeholders and programming has been reduced to ten program reporting units focused on local and regional relevancy. Presently there are 13,618 volunteers working with CSU Extension and 40% of funding is from the counties. Examples of blended and integrated programs include the online certified gardener program and water programs through the Colorado Water Institute. There has been interest from other countries in creating similar university-based extension programs.

ATHLETICS REPORTS

Dr. Frank commented on how the Board has chosen to follow AGB guidelines with an annual report to ensure institutional control, oversight including finances, and regulatory compliance. He introduced Mr. Folda, the CSU-Pueblo Athletic Director.

CSU-Pueblo: Mr. Folda reviewed the primary goals of the Athletics Department; academic performance with an overall 3.0 GPA for all student-athletes and a 76.8% retention rate; academic recognitions of student-athletes; graduation rates with student-athletes graduating at a higher rate than the general student population; and academic success by sports program and team GPAs. He recapped 2015-16 athletic program highlights, individual athletic and coaching achievements, and athletic performance by team. New sports facilities include the new soccer/lacrosse stadium and the strength and conditioning facility. Pack quick facts include CSU-Pueblo is part of the NCAA Division II RMAC conference with 22 sports programs and 574 student-athletes. Mr. Folda commented on the NCAA Division II philosophy with athletics as the front porch for the universities.

Colorado State University: Mr. Parker explained how the mission of the CSU Athletics Dept. could be defined in five words: to educate, engage and excel. He reviewed academic performance by federal graduation rates and NCAA graduation success; graduation comparisons to peers; single and multi-year academic progress rate by sport with all teams performing well and two teams in the top 10% of their cohort group of sports; team GPAs with a slightly higher GPA than the overall student population; accomplishments in terms of GPA; and academic recognitions and awards.

Highlights of athletic performance for the past year include CSU was ranked #1 in combined winning percentage over the last two years in the four top revenue-generating sports; four teams earned Mountain West championships; and three student-athletes were recognized as the best in their sport at the conference level. Mr. Parker explained the budget preparation is a collaborative effort and reviewed the 2015-16 financial report.

CONSENT AGENDA

Chair Mosher listed the items for approval on the consent agenda. **Motion/Action:** Governor Johnson made the motion; Governor Tuor seconded; and the motion carried unanimously.

EVALUATION COMMITTEE

Chair Mosher reported the Evaluation Committee conducted evaluations for the five direct reports to the Board. Overall the results were positive with discussions on the past year and goals for the coming year and there is a good leadership team in place. For the General Counsel and Director of Internal Auditing, there is no further action to be taken and follow-up letters will be sent.

Chair Mosher noted there is no standardized contract for the presidents and each president has a contract with different terms on salary and incentive compensation. For Dr. Di Mare, the Evaluation Committee recommends awarding the maximum incentive compensation provided in her agreement of \$15,000. For Dr. Takeda-Tinker, the recommendation is to award the maximum incentive compensation in her employment agreement of \$100,000 and an increase in her annual salary from \$200,000 to \$225,000. For Dr. Frank, in the dual role of Chancellor and President of CSU, the recommendation in accordance with his employment agreement is approval of a \$100,000 incentive compensation, a portion of which will be funded by donor-directed monies in the CSU Foundation Leadership Excellence Fund. **Motion/Action:** Governor Singleton made the motion to approve the incentive compensation awards. The motion was seconded and carried unanimously.

BOARD MEETING EVALUATION

Chair Mosher indicated efforts will be made to include more targeted discussions on specific issues during the Academic and Student Affairs Committee meetings.

The next meeting will be held October 6-7, 2016, at Colorado State University. With no further business to come before the Board, the meeting was adjourned at 1:58 p.m.