

BOARD OF GOVERNORS
February 7-9, 2018
CSU – Pueblo
Occhiato Student Center, Tundra 008A

THURSDAY, FEBRUARY 8, 2018

Board of Governors Breakfast, *Great Plains 006A*
Institute for Cannabis Research, Rick Kreminski

8:00 a.m. – 9:00 a.m.
8:30 a.m. – 9:00 a.m.

COMMENCE BOARD MEETING – CALL TO ORDER, *Tundra 008A*

9:00 a.m.

1. PUBLIC COMMENT

9:00 a.m. – 9:15 a.m.

2. BOARD CHAIR’S AGENDA

Excellence in Teaching Award Presentation

9:15 a.m. – 9:20 a.m.

3. AUDIT AND FINANCE COMMITTEE

9:20 a.m. – 10:50 a.m.

Jane Robbe Rhodes, Chair

Finance Items

- State Budget Update
- FY 2018 Quarterly Financials – 2nd Quarter
- Action on CSU Non-Resident Summer Tuition
- Campus Budget Presentations
- Year to Year Budget Comparisons
- Treasury Update
 - Series 2017 C, D, E & F Bond Sale Update
 - Interest Rate Exchange Agreement Update
 - Investment Committee Update
- Site Lease and Sub-lease for National Western Center update

Audit Items

- Status of FY 2017-2018 Audit Plan
- Audit Reports and Recommendations
- Past Due Audit Recommendations
- FY 2017 Audit Results from BKD

BREAK

4. STRATEGIC MAPPING UPDATE

11:00 a.m. – 12:00 noon

- System Update
- CSU-Pueblo Strategic Plan Update

LUNCH, *OSC cafeteria*

12:00 p.m. – 12:50 p.m.

TOUR OF OCCHIATO STUDENT CENTER

12:50 p.m. – 1:20 p.m.

5. CSU-PUEBLO REPORTS

1:30 p.m. – 2:10 p.m.

- Student Representative’s Report - Presented by Jake Harmon
- Faculty Representative’s Report – Presented by David Volk
- President’s Report – Presented by Tim Mottet

Colorado State University System
Board of Governors Meeting Agenda
February 8-9, 2018

- 6. ACADEMIC AND STUDENT AFFAIRS COMMITTEE** 2:10 p.m. – 2:40 p.m.
Dennis Flores, Chair
- New Degree Programs
 - a. CSU: B.S. Major in Geography
 - Sabbatical Summaries for AY 2016-17 – CSU, CSU-Pueblo
 - Faculty Manual Changes
 - a. CSU: Appendix 7
- BREAK**
- 7. REAL ESTATE/FACILITIES COMMITTEE** 2:50 p.m. – 3:35 p.m.
Bill Mosher, Chair
Executive Session
Open Session
Action: Annexation of the Hughes Stadium Property
- 8. EXECUTIVE SESSION** 3:35 p.m. – 4:10 p.m.
- BOARD OF GOVERNORS DINNER** (*Social event*) *General Classroom Building* 4:30 p.m.
- FRIDAY, FEBRUARY 9, 2018**
- Board of Governors Breakfast, *Great Plains 006A* 8:00 a.m. – 9:00 a.m.
CSU-Pueblo Enrollment Management Discussion, Chrissy Holliday 8:30 a.m. – 9:00 a.m.
- RECONVENE BOARD MEETING, *Tundra 008A*** **9:00 a.m.**
- 9. CHANCELLOR’S REPORT** 9:00 a.m. – 9:30 a.m.
- Government Relations Update
 - Action: CSU System Freedom of Speech Policy
- 10. COLORADO STATE UNIVERSITY REPORTS** 9:30 a.m. – 10:10 a.m.
- Student Representative’s Report – Presented by Michael Wells
 - Faculty Representative’s Report – Presented by Margarita Lenk
 - President’s Report – Presented by Tony Frank
 - a. Stadium Operations Report, First Season
- 11. CSU GLOBAL REPORTS** 10:10 a.m. – 10:40 a.m.
- Student Representative’s Report - Presented by Keith Knies
 - Faculty Representative’s Report – Presented by Tony Vrba
 - President’s Report – Presented by Becky Takeda Tinker
- 12. APPROVAL OF CONSENT AGENDA** 10:40 a.m. – 10:45 a.m.
- A. Colorado State University System
Minutes of the November 30-December 1, 2017 Board and Committee Meetings
- B. Colorado State University
New Degree Programs – B.S. Major in Geography
Faculty Manual Changes – Appendix 7
- 13. BOARD MEETING EVALUATION** (*5 min.*) 10:45 a.m. – 10:50 a.m.
- ADJOURNMENT** **10:50 a.m.**

Next Board of Governors Board Meeting: May 2-3, 2018 CSU, Fort Collins

APENDICES

- I.* Construction Reports
- II.* Higher Ed Readings
- III.* Correspondence

Section 1

Public Comment

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Section 2

Board Chair's Agenda

**2017
Excellence in Undergraduate
Teaching Award**



The Board of Governors and its institutions are committed to excellence in undergraduate teaching.

In 1993, to support this commitment,
the Board established the

**Board of Governors
Excellence in Undergraduate
Teaching Awards.**

Awards are presented annually to a faculty member from Colorado State University, Colorado State University - Pueblo, and Colorado State University - Global Campus.

The Board believes,

“Excellence in teaching involves creating a process of inquiry that stimulates the curiosity of students and that helps them develop and probe ideas. The teaching function increases motivation, challenges students, and channels inquiry.”

Dr. Claire Ramos

Colorado State University Pueblo



Ramos, assistant professor of biology, joined the CSU-Pueblo faculty in 2013 and has since taken her research outdoors to study mercury pollution in Colorado. With students from CSU-Pueblo, she is now studying mercury contamination in bird populations along the Fountain Creek Watershed as well as the possible impacts of mercury deposition on high elevation species like the Rocky Mountain goat.

In addition to the 2017 Excellence in Undergraduate Teaching award, Dr. Ramos earned the 2015 award for Faculty Excellence in Scholarly and Creative Activity.

Nominators of Dr. Ramos acknowledge her significant contributions to the biology curriculum and her use of technology and pedagogical techniques to enhance student learning. Described as a “*master teacher who serves as an example for teachers across campus,*” Ramos teaches at all points in the curriculum from freshmen College Biology to upper division offerings. Over the past three years, she has designed and/or taught six new courses, and her course evaluations did not suffer. In fact, she has some of the highest course evaluations in the department and college. She brings activities/technology into her classroom through iClickers, discussions of primary literature, interactive games, and use of the Science Learning Center. She has become a department leader in the practice of applied learning after development of 491 Experimental Design and Biostatistics, which serves as a bridge for upper division and graduate student curriculum. Instead of lecturing and using a textbook, she presents real-life datasets and problems, which students must solve with feedback from her and peers.

Her research on how contaminants are changing the tunes and reproduction rates of songbirds has received significant attention not just from environmental publications, but mainstream media. In fact, Ramos’ research on how bird song distortion is created by pollution was mentioned in a *New York Times* piece, “[Winged Warning: Heavy Metal Song Distortion.](#)” Ramos began her study of the impacts of mercury on songbirds as a postdoctoral researcher at the College of William and Mary, where she raised zebra finches, some on food containing mercury and others on uncontaminated food. Then, she and William and Mary Biology Professors Dan Cristol and John Swaddle, listened. They concluded that the birds raised on mercury-laced food sang a much different song. Their research also uncovered that the reproductive success of the birds declined as the dosage of mercury increased.

Ramos earned bachelor’s degrees in biology and environmental studies at Bowdoin College and her Ph.D. in zoology from Washington State University. She is a member of the American Society of Naturalists, the Animal Behavior Society, and the Cooper Ornithological Society.

Section 3

Audit and Finance Committee

Finance & Audit Committee Presentation February 8, 2018

Item 1

State Budget Update

- The December revenue forecast was stronger than September due to continued growth in the state's economy and passage of the federal tax cut bill.
- The state's economy continues to grow steadily driven by low unemployment and a tight labor market. Inflation expectations for the Denver-Boulder CPI have increased from 3.0% to 3.4% for 2017.
- General Fund revenue is forecasted to increase in FY19 by an additional \$81.9M from \$666M in the September forecast to \$747.9M in the December forecast.

State Budget Update

- Passage of the federal tax cut legislation will provide additional state tax revenues. The forecasted increase to state tax revenue collections due to the federal tax cut is an additional \$35M in FY 2018 and by \$196M in FY 2019.
- This is because the federal tax base has broadened due to the decrease in allowable deductions. Colorado's state income tax is a flat tax on the federal base. The larger federal tax base will increase the state income tax collections.
- The Governor has proposed that the FY19 additional revenues be used to increase the State's reserves to 8% from 6.5% of General Fund expenditures and to also transfer an additional \$148.2M to the State Highway fund.
- The Joint Budget Committee will begin figure setting in February.

Item 2

FY18 2nd Quarter Financial Statements

Colorado State University System
Statement of Revenues, Expenses and Changes in Net Position
Three Year Trend

	FY 2016 Actual Reclassified	FY 2017 Actual	FY 2018 Original Budget	FY 2018 YTD Budget Q2	FY 2018 Q2	\$ Variance	% Variance	FY 2018 Q1
Operating revenues								
Student tuition and fees	\$ 519,044,288	559,547,616	609,595,462	300,101,489	298,412,451	(1,689,038)	-0.6%	276,409,250
State fee for service revenue	91,722,886	91,242,115	95,203,234	47,601,617	47,601,617	0	0.0%	23,800,808
Grants and contracts	291,130,967	305,307,020	331,930,675	158,102,106	156,209,009	(1,893,097)	-1.2%	82,243,622
Sales and services of educational activities	37,875,339	41,496,949	43,285,000	21,147,257	20,713,458	(433,799)	-2.1%	10,184,927
Auxiliary enterprises	163,533,393	175,045,273	188,623,951	101,571,716	101,630,056	58,340	0.1%	77,587,740
Other operating revenue	10,928,246	10,021,736	10,669,779	5,571,120	5,935,816	364,696	6.5%	2,069,729
Total operating revenues	1,114,235,119	1,182,660,709	1,279,308,102	634,095,305	630,502,407	(3,592,898)	-0.6%	472,296,075
Operating expenses								
Instruction	317,284,318	382,657,163	354,177,561	170,467,939	169,101,242	1,366,698	0.8%	72,588,728
Research	201,907,620	233,438,161	214,964,980	104,822,976	104,685,243	137,733	0.1%	52,199,434
Public service	102,055,321	119,404,418	130,672,406	61,890,195	61,917,870	(27,675)	0.0%	30,071,197
Academic support	85,540,584	105,463,912	99,651,858	49,441,118	49,580,046	(138,928)	-0.3%	24,387,943
Student services	59,142,288	72,517,789	74,444,883	35,860,052	33,361,695	2,498,357	7.0%	17,333,959
Institutional support	66,215,355	87,360,727	76,428,613	41,085,234	39,880,069	1,205,165	2.9%	21,899,661
Operation and maintenance of plant	74,160,688	86,428,502	73,288,050	34,849,143	35,888,873	(1,039,731)	-3.0%	19,152,426
Scholarships and fellowships	30,188,419	30,820,500	33,412,301	18,722,420	18,383,252	339,168	1.8%	11,235,788
Auxiliary enterprises	149,156,099	167,710,196	153,286,757	85,750,511	85,500,534	249,977	0.3%	42,417,056
Depreciation	94,957,807	89,606,551	91,625,898	41,617,727	41,324,073	293,655	0.7%	20,865,072
Total operating expenses	1,180,608,500	1,375,407,919	1,301,953,307	644,507,315	639,622,897	4,884,418	0.8%	312,151,262
Operating Income (Loss)	(66,373,381)	(192,747,211)	(22,645,205)	(10,412,010)	(9,120,490)	1,291,521	12.4%	160,144,812
Non-operating revenues (expenses)								
State appropriations	2,143,895	899,256	2,400,000	2,142,256	2,142,091	(165)	0.0%	342,835
Gifts	48,507,119	48,858,472	50,169,599	18,026,968	17,982,666	(44,302)	-0.2%	10,635,869
Investment income	7,108,698	1,072,129	6,202,609	3,160,165	3,571,070	410,905	13.0%	1,968,648
Interest expense on capital debt	(25,533,657)	(31,476,637)	(43,370,567)	(21,074,284)	(21,020,754)	53,530	0.3%	(9,607,865)
Federal nonoperating grants and contracts	41,175,739	41,735,924	46,177,586	22,900,698	22,696,082	(204,616)	-0.9%	17,270,720
Other nonoperating revenues (expenses)	5,805,246	4,254,660	4,090,000	(1,064,500)	(1,142,166)	(77,666)	-7.3%	1,012,040
Net nonoperating revenues	79,207,040	65,343,805	65,669,227	24,091,303	24,228,989	137,686	0.6%	21,622,246
Income (Loss) Before other revenues	12,833,659	(127,403,405)	43,024,021	13,679,293	15,108,499	1,429,206	10.4%	181,767,059
Other revenues (expenses)								
State capital contributions	19,831,209	30,183,415	9,550,862	4,628,459	4,628,740	281	0.0%	2,878,622
Capital grants	8,116,638	7,181,480	7,190,619	2,923,310	2,921,743	(1,567)	-0.1%	522,551
Capital gifts	10,451,580	7,755,056	7,790,361	5,181,144	5,179,744	(1,401)	0.0%	4,425,217
Payments (to)/from governing boards or other institutions	220,042	228,043	2,766,666	2,688,335	2,555,948	(132,386)	-4.9%	2,390,627
Additions to permanent endowments	(729,780)	1,288,142	1,200,000	-	-	-	-	-
Total other revenues	37,889,689	46,636,135	28,498,508	15,421,248	15,286,175	(135,073)	-0.9%	10,217,017
Increase (decrease) in net position	\$ 50,723,348	(80,767,269)	71,522,530	29,100,541	30,394,674	1,294,134	4.4%	191,984,076

Colorado State University
Statement of Revenues, Expenses and Changes in Net Position
Three Year Trend

	FY 2016 Actual Reclassified	FY 2017 Actual	FY 2018 Original Budget	FY 2018 YTD Budget Q2	FY 2018 Q2	\$ Variance	% Variance	FY 2018 Q1
Operating revenues								
Student tuition and fees	\$ 410,122,726	438,129,184	470,000,000	235,000,000	236,305,689	1,305,689	0.6%	238,583,262
State fee for service revenue	82,680,714	82,273,548	85,587,684	42,793,842	42,793,842	-	0.0%	21,396,921
Grants and contracts	278,955,266	292,486,905	319,000,000	152,283,302	150,172,570	(2,110,732)	-1.4%	77,906,541
Sales and services of educational activities	37,737,530	40,985,925	43,000,000	20,990,507	20,550,696	(439,811)	-2.1%	10,066,791
Auxiliary enterprises	155,275,006	165,385,849	180,000,000	95,276,232	95,622,826	346,594	0.4%	72,510,696
Other operating revenue	7,630,516	6,564,164	7,400,000	3,967,984	4,037,352	69,368	1.7%	1,671,192
Total operating revenues	972,401,758	1,025,825,575	1,104,987,684	550,311,867	549,482,975	(828,892)	-0.2%	422,135,403
Operating expenses								
Instruction	280,645,787	338,792,708	310,000,000	151,257,849	150,683,675	574,174	0.4%	64,613,963
Research	200,818,821	230,684,645	210,000,000	103,134,883	103,056,758	78,125	0.1%	51,263,824
Public service	101,895,029	118,783,346	130,000,000	61,588,372	61,604,079	(15,707)	0.0%	29,903,590
Academic support	76,907,654	92,792,102	86,000,000	42,627,092	42,901,209	(274,117)	-0.6%	21,037,753
Student services	31,478,462	37,644,952	35,000,000	16,357,092	15,765,101	591,991	3.6%	7,721,800
Institutional support	48,347,355	65,628,495	54,000,000	29,312,445	29,165,189	147,256	0.5%	16,674,659
Operation and maintenance of plant	65,926,619	77,185,723	65,000,000	30,550,000	31,345,995	(795,995)	-2.6%	17,345,148
Scholarships and fellowships	10,835,373	12,338,268	13,000,000	9,100,000	9,003,364	96,636	1.1%	5,783,219
Auxiliary enterprises	134,268,066	152,577,317	140,000,000	79,240,000	79,215,707	24,293	0.0%	39,456,573
Depreciation	87,776,634	81,908,996	84,000,000	37,800,000	37,456,044	343,956	0.9%	18,929,087
Total operating expenses	1,038,899,800	1,208,336,552	1,127,000,000	560,967,733	560,197,121	770,612	0.1%	272,729,615
Operating Income (Loss)	(66,498,042)	(182,510,977)	(22,012,316)	(10,655,866)	(10,714,146)	(58,280)	-0.5%	149,405,788
Non-operating revenues (expenses)								
State appropriations	2,143,895	-	600,000	343,000	342,835	(165)	0.0%	342,835
Gifts	42,798,208	44,496,156	44,500,000	16,156,000	16,155,528	(472)	0.0%	9,671,690
Investment income	6,070,823	618,881	5,000,000	2,578,000	2,577,998	(2)	0.0%	1,541,979
Interest expense on capital debt	(24,192,123)	(28,106,069)	(40,000,000)	(19,389,000)	(19,388,493)	507	0.0%	(8,797,485)
Federal nonoperating grants and contracts	23,692,431	23,759,518	25,000,000	12,896,000	12,895,646	(355)	0.0%	11,549,496
Other nonoperating revenues (expenses)	5,718,468	4,001,515	4,000,000	(1,087,000)	(1,086,789)	211	0.0%	989,844
Net nonoperating revenues	56,231,702	44,770,001	39,100,000	11,497,000	11,496,725	(275)	0.0%	15,298,359
Income (Loss) Before other revenues	(10,266,340)	(137,740,977)	17,087,684	841,134	782,579	(58,555)	-7.0%	164,704,147
Other revenues (expenses)								
State capital contributions	16,210,709	28,890,640	8,000,000	3,388,000	3,388,281	281	0.0%	2,185,255
Capital grants	7,955,584	7,081,861	7,100,000	2,878,000	2,877,729	(271)	0.0%	511,447
Capital gifts	10,127,744	7,664,695	7,700,000	5,145,000	5,144,744	(256)	0.0%	4,390,217
Payments (to)/from governing boards or other institutions	(5,001,606)	(5,340,241)	(3,100,000)	(410,000)	(410,144)	(144)	0.0%	714,169
Reserve transfers within the CSU System	-	(2,628,872)	-	-	125,000	125,000	-	-
Additions to permanent endowments	(729,780)	1,288,142	1,200,000	-	-	-	-	-
Total other revenues	28,562,651	36,956,225	20,900,000	11,001,000	11,125,610	124,610	1.1%	7,801,088
Increase (decrease) in net position	\$ 18,296,311	(100,784,751)	37,987,684	11,842,134	11,908,189	66,055	0.6%	172,505,235

Colorado State University - Board of Governors								
Statement of Revenues, Expenses and Changes in Net Position								
Three Year Trend								
	FY 2016 Actual Reclassified	FY 2017 Actual	FY 2018 Original Budget	FY 2018 YTD Budget Q2	FY 2018 Q2	\$ Variance	% Variance	FY 2018 Q1
Operating revenues								
Student tuition and fees	\$ -	-	-	-	-	-	-	-
State fee for service revenue	-	-	-	-	-	-	-	-
Grants and contracts	-	-	-	-	-	-	-	-
Sales and services of educational activities	-	-	-	-	-	-	-	-
Auxiliary enterprises	-	-	-	-	-	-	-	-
Other operating revenue	-	-	-	-	-	-	-	-
Total operating revenues	-	-	-	-	-	-	-	-
Operating expenses								
Instruction	\$ -	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	23,820	168,667	220,000	53,000	51,433	1,567	3.0%	55,851
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	-	-	-
Institutional support	6,236,950	7,672,166	7,038,657	3,741,330	3,688,624	52,706	1.4%	1,785,354
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Scholarships and fellowships	3,707	-	-	-	500	(500)	-	500
Auxiliary enterprises	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Total operating expenses	6,264,477	7,840,833	7,258,657	3,794,330	3,740,557	53,773	1.4%	1,841,705
Operating Income (Loss)	(6,264,477)	(7,840,833)	(7,258,657)	(3,794,330)	(3,740,557)	53,773	1.4%	(1,841,705)
Non-operating revenues (expenses)								
State appropriations	-	-	-	-	-	-	-	-
Gifts	-	42,717	-	-	-	-	-	-
Investment income	(16,928)	(18,911)	-	-	135,668	135,668	-	-
Interest expense on capital debt	-	-	-	-	-	-	-	-
Federal nonoperating grants and contracts	-	-	-	-	-	-	-	-
Other nonoperating revenues (expenses)	-	-	-	-	-	-	-	-
Net nonoperating revenues	(16,928)	23,806	-	-	135,668	135,668	-	-
Income (Loss) Before other revenues	(6,281,405)	(7,817,027)	(7,258,657)	(3,794,330)	(3,604,889)	189,441	5.0%	(1,841,705)
Other revenues (expenses)								
State capital contributions	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
Capital gifts	-	-	-	-	-	-	-	-
Payments (to)/from governing boards or other institutions	5,970,638	6,757,138	7,258,657	3,794,330	3,617,507	(176,823)	-4.7%	2,002,165
Reserve transfers within the CSU System	-	27,363,306	-	-	18,031,522	18,031,522	-	-
Total other revenues	5,970,638	34,120,444	7,258,657	3,794,330	21,649,029	17,854,699	470.6%	2,002,165
Increase (decrease) in net position	\$ (310,767)	26,303,417	-	-	18,044,140	18,044,140	-	160,460

Colorado State University Global Campus
Statement of Revenues, Expenses and Changes in Net Position
Three Year Trend

	FY 2016 Actual Reclassified	FY 2017 Actual	FY 2018 Original Budget	FY 2018 YTD Budget Q2	FY 2018 Q2	\$ Variance	% Variance	FY 2018 Q1
Operating revenues								
Student tuition and fees	\$ 76,468,054	85,060,174	102,424,340	44,657,372	41,983,053	(2,674,318)	-6.0%	20,212,139
Other operating revenue	1,919,797	2,684,591	2,798,279	1,390,961	1,678,847	287,886	20.7%	236,109
Total operating revenues	78,387,850	87,744,765	105,222,619	46,048,333	43,661,900	(2,386,432)	-5.2%	20,448,248
Operating expenses								
Instruction	16,240,963	19,330,506	21,753,039	10,240,282	9,450,912	789,369	7.7%	4,441,435
Academic support	4,651,949	6,167,155	7,283,681	3,629,937	3,625,328	4,609	0.1%	1,652,407
Student services	21,886,826	28,198,496	32,794,779	16,177,908	14,321,843	1,856,065	11.5%	7,954,086
Institutional support	5,935,999	6,726,111	8,547,865	4,336,730	3,216,966	1,119,764	25.8%	1,696,251
Operation and maintenance of plant	531,924	541,581	529,054	264,465	258,098	6,367	2.4%	130,773
Scholarships and fellowships	9,628,414	9,930,186	13,348,668	6,090,603	5,786,335	304,269	5.0%	2,836,622
Depreciation	399,948	417,090	345,433	177,495	194,855	(17,360)	-9.8%	98,970
Total operating expenses	59,276,022	71,311,126	84,602,519	40,917,420	36,854,337	4,063,082	9.9%	18,810,543
Operating Income (Loss)	19,111,828	16,433,639	20,620,100	5,130,913	6,807,563	1,676,650	32.7%	1,637,705
Non-operating revenues (expenses)								
Investment income	940,078	319,183	842,609	434,565	704,612	270,047	62.1%	358,451
Federal nonoperating grants and contracts	9,628,414	9,994,409	13,404,389	6,118,099	5,811,819	(306,280)	-5.0%	2,858,668
Net nonoperating revenues	10,568,492	10,313,592	14,246,998	6,552,664	6,516,431	(36,233)	-0.6%	3,217,119
Income (Loss) Before other revenues	29,680,320	26,747,231	34,867,098	11,683,577	13,323,994	1,640,417	14.0%	4,854,824
Other revenues (expenses)								
Payments (to)/from governing boards or other institutions	(724,056)	(766,248)	(800,220)	(400,110)	(400,110)	-	0.0%	(200,055)
Reserve transfers within the CSU System	-	(27,495,640)	-	-	(21,231,094)	(21,231,094)	-	-
Total other revenues	(724,056)	(28,261,888)	(800,220)	(400,110)	(21,631,204)	(21,231,094)	-5306.3%	(200,055)
Increase (decrease) in net position	\$ 28,956,264	(1,514,657)	34,066,878	11,283,467	(8,307,210)	(19,590,677)	-173.6%	4,654,769

Colorado State University - Pueblo								
Statement of Revenues, Expenses and Changes in Net Position								
Three Year Trend								
	FY 2016 Actual Reclassified	FY 2017 Actual	FY 2018 Original Budget	FY 2018 YTD Budget Q2	FY 2017 Q2	\$ Variance	% Variance	FY 2018 Q1
Operating revenues								
Student tuition and fees	\$ 32,453,508	36,358,258	37,171,122	20,444,117	20,123,709	(320,408)	-1.6%	17,613,849
State fee for service revenue	9,042,172	8,968,568	9,615,550	4,807,775	4,807,775	0	0.0%	2,403,887
Grants and contracts	12,175,701	12,820,115	12,930,675	5,818,804	6,036,439	217,635	3.7%	4,337,080
Sales and services of educational activities	137,809	511,024	285,000	156,750	162,762	6,012	3.8%	118,136
Auxiliary enterprises	8,258,387	9,659,425	8,623,951	6,295,484	6,007,230	(288,254)	-4.6%	5,077,043
Other operating revenue	1,377,933	772,981	471,500	212,175	219,617	7,442	3.5%	162,429
Total operating revenues	63,445,510	69,090,370	69,097,798	37,735,105	37,357,532	(377,574)	-1.0%	29,712,424
Operating expenses								
Instruction	20,397,568	24,533,949	22,424,522	8,969,809	8,966,654	3,155	0.0%	3,533,330
Research	1,088,799	2,753,516	4,964,980	1,688,093	1,628,486	59,607	3.5%	935,610
Public service	136,472	452,406	452,406	248,823	262,358	(13,535)	-5.4%	111,756
Academic support	3,980,980	6,504,654	6,368,177	3,184,089	3,053,508	130,580	4.1%	1,697,783
Student services	5,777,000	6,674,341	6,650,104	3,325,052	3,274,751	50,301	1.5%	1,658,073
Institutional support	5,695,052	7,333,955	6,842,091	3,694,729	3,809,290	(114,561)	-3.1%	1,743,397
Operation and maintenance of plant	7,702,145	8,701,197	7,758,996	4,034,678	4,284,780	(250,102)	-6.2%	1,676,505
Scholarships and fellowships	9,720,925	8,552,046	7,063,633	3,531,817	3,593,053	(61,236)	-1.7%	2,615,447
Auxiliary enterprises	14,888,033	15,132,879	13,286,757	6,510,511	6,284,827	225,684	3.5%	2,960,482
Depreciation	6,781,225	7,280,465	7,280,465	3,640,232	3,673,174	(32,941)	-0.9%	1,837,015
Total operating expenses	76,168,199	87,919,408	83,092,131	38,827,833	38,830,881	(3,048)	0.0%	18,769,400
Operating Income (Loss)	(12,722,689)	(18,829,038)	(13,994,332)	(1,092,727)	(1,473,349)	(380,622)	-34.8%	10,943,024
Non-operating revenues (expenses)								
State appropriations	-	899,256	1,800,000	1,799,256	1,799,256	0	0.0%	-
Gifts	5,708,911	4,319,599	5,669,599	1,870,968	1,827,138	(43,830)	-2.3%	964,179
Investment income	114,725	152,977	360,000	147,600	152,792	5,192	3.5%	68,218
Interest expense on capital debt	(1,341,534)	(3,370,567)	(3,370,567)	(1,685,284)	(1,632,261)	53,023	3.1%	(810,380)
Federal nonoperating grants and contracts	7,854,894	7,981,997	7,773,197	3,886,599	3,988,617	102,019	2.6%	2,862,556
Other nonoperating revenues (expenses)	86,778	253,144	90,000	22,500	(55,377)	(77,877)	-346.1%	22,196
Net nonoperating revenues	12,423,774	10,236,407	12,322,229	6,041,639	6,080,165	38,526	0.6%	3,106,769
Income (Loss) Before other revenues	(298,915)	(8,592,631)	(1,672,103)	4,948,911	4,606,816	(342,096)	-6.9%	14,049,793
Other revenues (expenses)								
State capital contributions	3,620,500	1,292,774	1,550,862	1,240,459	1,240,459	-	0.0%	693,367
Capital grants	161,054	99,619	90,619	45,310	44,014	(1,296)	-2.9%	11,104
Capital gifts	323,836	90,361	90,361	36,144	35,000	(1,144)	-3.2%	35,000
Payments (to)/from governing boards or other institutions	(24,934)	(422,606)	(591,771)	(295,886)	(251,304)	44,582	15.1%	(125,652)
Reserve transfers within the CSU System	-	2,761,206	-	-	3,074,572	3,074,572	-	-
Additions to permanent endowments	-	-	-	-	-	-	-	-
Total other revenues	4,080,456	3,821,355	1,140,071	1,026,027	4,142,741	3,116,714	303.8%	613,819
Increase (decrease) in net position	\$ 3,781,541	(4,771,276)	(532,032)	5,974,939	8,749,557	2,774,618	46.4%	14,663,612

Item 3

CSU Non-Resident Summer Tuition

The Board of Governors of the
Colorado State University System
Meeting Date: February 7- 9, 2018
Action Item

MATTERS FOR ACTION:

The Board of Governors of the Colorado State University System (Board) approve the attached Summer Session 2018 Tuition Rate Change for Nonresident Students for Colorado State University.

RECOMMENDED ACTION:

MOVED, that the Board of Governors approve the attached Summer Session 2018 Tuition Rate Change for Nonresident Students for the first three residential instruction (RI) online credits taken during summer by degree-seeking students enrolled on campus through Colorado State University (not students enrolled through the Division of Continuing Education) and summer-only students taking at least one on-campus course.

EXPLANATION PRESENTED BY: Lynn Johnson, Chief Financial Officer, Colorado State University System

In November 2017, the CSU Provost, Vice Provost for Undergraduate Affairs, Dean of Graduate Studies, and Director of Summer Session Initiatives agreed on a minor change to the Summer Session tuition rate for nonresident students, which has been in place since Summer 2014. The existing tuition rate has allowed nonresident degree-seeking students enrolled on campus and summer-only students taking at least one on-campus course to pay the resident tuition rate on the first three RI online credits taken in summer. The reduced tuition rate has not pertained to students enrolled through the Division of Continuing Education (CSU Online) or non-degree-seeking students taking only online courses.

The proposed tuition rate change for summer 2018 would allow nonresident degree-seeking students enrolled on campus and summer-only students taking at least one on-campus course to pay a flat tuition rate for the first three RI online credits taken in summer. Nonresident undergraduates would pay \$500 per credit and nonresident graduate students would pay \$600 per credit for their first three RI online credits. As a result, nonresident undergraduates would pay \$7.30 more per credit and nonresident graduate students would pay \$49.10 more per credit than resident students for the first three RI online credits.

This action item represents a change to the summer nonresident cost of tuition for the first three RI online credits previously adopted by the Board of Governors. The proposed Summer Session 2018 Tuition Rate Change for Nonresident Students is included as an attachment to this Action Item for the Board's approval. Adoption of the budgetary items are in accordance with

The Board of Governors of the
Colorado State University System
Meeting Date: February 7-9, 2018
Action Item

past board policies and are required by various statutes or policies of the Colorado Commission on Higher Education (CCHE).

Approved

Denied

Board Secretary

Date

Summer Session 2018 Nonresident Tuition Rate Change

Undergraduate Tuition and Fees: Nonresident tuition at \$500/credit for first 3 RI online credits
Summer 2018 - Nonresident Undergraduate

RI Online Credit Hours	Tuition	General Fees	University Technology Fee	University Facility Fee	University Alternative Transportation Fee	Total
1	500.00	0.00	25.00	20.75	7.16	552.91
2	1,000.00	0.00	25.00	41.50	7.16	1,073.66
3	1,500.00	0.00	25.00	62.25	7.16	1,594.41
4	2,833.00	0.00	25.00	83.00	7.16	2,948.16
5	4,166.00	0.00	25.00	103.75	7.16	4,301.91

Total tuition and fee charges are calculated based on the sum of:

1) Tuition and fees as seen above

Note: RI online courses (40X credits) are not assessed General Fees

See Summer Session website (summer.colostate.edu/tuition-fees-payment/tuition-fees-tables):

2) Differential tuition

3) Charges for technology

4) Special course and program fees (if applicable)

Graduate Tuition and Fees: Nonresident tuition at \$600/credit for first 3 RI online credits
Summer 2018 - Nonresident Graduate

RI Online Credit Hours	Tuition	General Fees	University Technology Fee	University Facility Fee	University Alternative Transportation Fee	Total
1	600.00	0.00	25.00	20.75	7.16	652.91
2	1,200.00	0.00	25.00	41.50	7.16	1,273.66
3	1,800.00	0.00	25.00	62.25	7.16	1,894.41
4	3,150.60	0.00	25.00	83.00	7.16	3,265.76
5	4,501.20	0.00	25.00	103.75	7.16	4,637.11

Total tuition and fee charges are calculated based on the sum of:

1) Tuition and fees as seen above

Note: RI online courses (40X credits) are not assessed General Fees

See Summer Session website (summer.colostate.edu/tuition-fees-payment/tuition-fees-tables):

2) Differential tuition

3) Charges for technology

4) Special course and program fees (if applicable)



Colorado State University

Summer Session 2018 Nonresident Tuition Rate Change

Comparison of RI Nonresident Tuition Rate Change to Currently Posted Tuition and Fees

UNDERGRADUATES:

Difference between SM18 RI Resident Rate and proposed Nonresident Tuition Rate

SM18 Resident	Proposed RI Undergraduate Nonresident Tuition	SM18 Undergraduate Resident Base Tuition	Increase in Undergraduate Nonresident Cost per Credit
1 credit	\$500.00	\$492.70	\$7.30
2 credits	\$1,000.00	\$985.40	\$14.60
3 credits	\$1,500.00	\$1,478.10	\$21.90
4 credits*	\$2,833.00	\$1,970.80	\$862.20
5 credits*	\$4,166.00	\$2,463.50	\$1,702.50
*Based on Nonresident tuition of \$1,333.00/credit with first 3 RI online credits at \$500/credit			

Sources:

[SM18 Undergraduate - Colorado Resident Base Tuition and Fees \(pdf\)](#)

[SM18 Undergraduate Nonresident Tuition and Fees \(pdf\)](#)

GRADUATE STUDENTS:

Difference between SM18 RI Resident Rate and Proposed Nonresident Tuition Rate

SM18 Resident	Proposed RI Graduate Nonresident Tuition	SM18 Graduate Resident Tuition	Increase in Graduate Nonresident Cost per Credit
1 credit	\$600.00	\$550.90	\$49.10
2 credits	\$1,200.00	\$1,101.80	\$98.20
3 credits	\$1,800.00	\$1,652.70	\$147.30
4 credits	\$3,150.60	\$2,203.60	\$947.00
5 credits	\$4,501.20	\$2,754.50	\$1,746.70
*Based on Nonresident tuition of \$1,350.60/credit with first 3 RI online credits at \$600/credit			

Source:

[SM18 Graduate Tuition and Fees \(pdf\)](#)



Colorado State University

Item 4

FY19 Incremental Budget Update Year-to-Year Campus Budget Comparison

FY19 Incremental E&G Budget - V.4.0 - DRAFT

Colorado State University - Fort Collins

Wednesday, January 24, 2018

New Resources	December BOG Budget		FY19 Proposed			
	Rate = 3%		Rate = 3%		Rate = 5%	
	State = 8.4%		State = 8.4%		State = 0%	
Tuition						
Undergraduate-Enrollment Growth						
Increase in FTE	\$	1,399,000	\$	1,399,000	\$	1,399,000
Change in mix - RES vs. NRES		5,383,000		5,383,000		5,356,000
Undergraduate Rate Increase						
Resident		4,935,000		4,935,000		8,108,000
Non-Resident		3,135,000		3,135,000		3,135,000
Graduate Rate Increase						
Resident		352,000		352,000		352,000
Non-Resident		632,000		632,000		632,000
Professional Veterinary Medicine Rate Increase		1,542,000		1,336,000		1,336,000
Differential Tuition		472,000		472,000		472,000
Total Tuition	\$	17,850,000	\$	17,644,000	\$	20,790,000
State Funding Impact		10,351,000		10,351,000		6,161,000
State Funding Impact - Prior Year Specialty Education Program (SEP)		875,000		875,000		875,000
Facilities and Administrative Overhead		-		510,000		510,000
Other		-		-		-
Total New Resources	\$	29,076,000	\$	29,380,000	\$	25,190,000
						22,175,000
Financial Aid		2,204,000		4,452,000		4,452,000
Net New Resources	\$	26,872,000	\$	24,928,000	\$	20,738,000
						17,088,000
New Expenses						
Multi-Year Central Investments in Strategic Initiatives		904,500		904,500		904,500
Faculty/Staff Compensation		12,362,000		11,770,596		8,256,262
Academic Incentive Funding		2,599,700		2,439,700		2,439,700
Mandatory Costs		5,738,500		4,808,000		4,808,000
Quality Enhancements		5,044,000		5,206,000		5,206,000
Reallocation		-		-		(1,000,000)
Total New Expenses	\$	26,648,700	\$	25,128,796	\$	20,614,462
						17,357,297
Net	\$	223,300	\$	(200,796)	\$	123,538
						(269,297)
Reclassifications						
New Resources						
Reclassification of Program Awards to Scholarships ¹	\$	2,478,000	\$	2,478,000	\$	2,478,000
Reclassification of UAF Program ²		750,000		750,000		750,000
Total New Resources	\$	3,228,000	\$	3,228,000	\$	3,228,000
New Expenses						
Reclassification of Program Awards to Scholarships ¹	\$	2,478,000	\$	2,478,000	\$	2,478,000
Reclassification of UAF Program ²		750,000		750,000		750,000
Total New Expenses	\$	3,228,000	\$	3,228,000	\$	3,228,000
Net	\$	-	\$	-	\$	-

¹The program award is currently setup as a negative revenue and will be reclassified as an expense effective 7/1/2018 to align financial reporting.²The Professional Veterinary Medicine UAF program's tuition will be reclassified from the cash fund to the state appropriated fund effective 7/1/2018 to align financial reporting.

1% RUG Increase = student share \$92/yr.

1% NRUG Increase = student share \$267/yr.

1% Faculty/Admin Pro Salary Increase = \$3.5M

1% State Classified Increase = \$420K

Base Assumptions

Resident Undergraduate See Above 3%; \$274.60/yr.

Non-Resident Undergraduate 2.5%; \$666.60/yr.

Resident Graduate 3.0%; \$297.40/yr. and Resident Professional Veterinary Medicine 7%; \$2,201.84/yr.

Non-Resident Graduate 3.0%; \$729.40/yr. and Non-Resident Professional Veterinary Medicine 2%; \$1,109.80/yr.

Differential Tuition - UG ~ 2.5% (est. round to whole number)

Salary Increases Faculty/AP -2.5%, 1.5%, 1.0%

Salary Increases SC 3.0%

Internal Reallocations TBD

Fees TBD

Comparison of FY19 to FY18 Incremental E&G Budget - V.4.0

Colorado State University - Fort Collins

Wednesday, January 24, 2018

	Proposed FY19 Budget		Approved FY18 Budget May		\$ Variance	% Variance	Comments
	Rate = 3%	State = 8.4%	Rate = 5%	State = 3.5%			
New Resources							
Tuition							
Undergraduate-Enrollment Growth							
Increase in FTE	\$	1,399,000	7,278,000	\$	(5,879,000)	(80.78%)	FY19 FTE 112; FY18 FTE 583
Change in mix - RES vs. NRES		5,383,000	4,422,000		961,000	21.73%	
Undergraduate Rate Increase							
Resident		4,935,000	7,497,000		(2,562,000)	(34.17%)	FY19 Rate = 3%; FY18 Rate = 5%
Non-Resident		3,135,000	2,799,000		336,000	12.00%	FY19 & FY18 Rate = 2.5%; change in mix caused increase
Graduate Rate Increase							
Resident		352,000	422,000		(70,000)	(16.59%)	FY19 & FY18 Rate =3.0%; change in mix caused decrease
Non-Resident		632,000	606,000		26,000	4.29%	FY19 & FY18 Rate =3.0%; change in mix caused increase
Professional Veterinary Medicine Rate Increase		1,336,000	1,507,426		(171,426)	(11.37%)	
Differential Tuition		472,000	1,766,051		(1,294,051)	(73.27%)	Not reflective of spring term - pass through to colleges
Total Tuition	\$	17,644,000	\$ 26,297,477	\$	(8,653,477)	(32.91%)	
State Funding Impact		10,351,000	2,934,210		7,416,790	252.77%	FY19 = 8.4%; FY18 = 3.5%
State Funding Impact - Prior Year Specialty Education Program (SEP)		875,000	-		875,000	100.00%	FY18 SEP appropriation received after May Board Meeting
Facilities and Administrative Overhead		510,000	290,000		220,000	75.86%	F&A recoveries are increasing due to growth in Research
Other		-	-		-	0.00%	
Total New Resources	\$	29,380,000	\$ 29,521,687	\$	(141,687)	(0.48%)	
Financial Aid							
		4,452,000	6,371,000	\$	1,919,000	30.12%	Lower enrollment growth in FY19 vs. FY18
Net New Resources	\$	24,928,000	\$ 23,150,687	\$	1,777,313	7.68%	
New Expenses							
Multi-Year Central Investments in Strategic Initiatives		904,500	1,225,000		320,500	26.16%	Function of resource availability
Faculty/Staff Compensation		11,770,596	11,948,000		177,404	1.48%	FY19 Fac/AP rate = 2.5%, SC = 3.0%; FY18 Fac/AP rate = 2.25, SC = 2.5%
Academic Incentive Funding		2,439,700	7,432,687		4,992,987	67.18%	Lower enrollment growth in FY19 vs. FY18
Mandatory Costs		4,808,000	4,078,000		(730,000)	(17.90%)	Increase due to buildings coming online and utility costs
Quality Enhancements		5,206,000	967,000		(4,239,000)	(438.37%)	Function of resource availability
Reallocation		-	(2,500,000)		(2,500,000)	100.00%	
Total New Expenses	\$	25,128,796	\$ 23,150,687	\$	(1,978,109)	(8.54%)	
Net	\$	(200,796)	\$ -	\$	(200,796)		

FY19 Incremental E&G Budget - V.4.2

Colorado State University - Pueblo

Wednesday, January 24, 2018

New Resources

	Tuition
	Undergraduate Rate Increase
1	Resident
2	Non-Resident and WUE
3	Graduate Rate Increase
4	Resident
5	Non-Resident and WUE
6	Resident Teacher Education Program
7	Differential Tuition
8	Projected Enrollment Change = 0%
9	Total Tuition
10	Change in State Funding
11	Transfer of Funds from Extended Studies
12	Reduction due to one-time funds used in FY 18 (TBD) *
13	Total New Resources

December 2017	FY 19 Proposed		
Tuition Rate = 3% State = 8.4%	Tuition Rate = 3% State = 8.4%	Tuition Rate = 3% State = 5%	Tuition Rate = 5% State = 0%
\$ 628,000	\$ 628,000	\$ 628,000	\$ 1,047,000
234,000	234,000	234,000	390,000
24,000	24,000	24,000	41,000
13,000	13,000	13,000	22,000
8,000	8,000	8,000	13,000
16,000	16,000	16,000	26,000
-	-	-	-
923,000	923,000	923,000	1,539,000
1,390,000	1,390,000	828,000	-
750,000	750,000	750,000	750,000
(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)
\$ 1,963,000	\$ 1,963,000	\$ 1,401,000	\$ 1,189,000

Financial Aid

14	Net New Resources
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250,000	250,000	250,000	250,000
\$ 1,713,000	\$ 1,713,000	\$ 1,151,000	\$ 939,000

New Expenses

15	Multi-Year Central Investments in Strategic Initiatives
16	Salary increases: Faculty and Administrative Professionals (3%)
17	Salary increases: State Classified Employees (3%)
18	Faculty Promotions
19	Fringe Benefit Increase (1% increase)
20	Mandatory Costs**
21	Quality Enhancements
22	Reallocation
23	Total New Expenses

-	-	-	-
780,000	780,000	780,000	780,000
240,000	240,000	240,000	240,000
100,000	80,000	80,000	80,000
340,000	475,000	475,000	475,000
500,000	400,000	400,000	400,000
-	-	-	-
-	-	-	-
\$ 1,960,000	\$ 1,975,000	\$ 1,975,000	\$ 1,975,000

Net

\$ (247,000)	\$ (262,000)	\$ (824,000)	\$ (1,036,000)
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- 25 1% RUG Increase = student share \$77/year
- 26 1% NRUG Increase = student share \$232/year

Base Assumptions

- 27 Changes in tuition rates =3.0%; Change in state funds ≈ 8.4%.
- 28 Salary Increase Faculty / Administrative Professionals = 3.0% plus \$100,000 for faculty promotions. The \$780k in salary increases will include COLAs and merit and equity based on the university meeting performance goals related to enrollment.
- 29 Salary Increase State Classified Staff = 3.0%
- 30 Internal Reallocations TBD
- 31 Fees TBD
- 32 * Because Fall 2017 enrollment targets were not met, it is anticipated that one-time funds will be necessary in FY 2017-18. In FY 2017-18, base adjustments will be required to backfill this one-time revenue source. Depending upon Spring 2018 enrollment, this amount is projected to range between \$700k and \$1.5 million.
- 33 ** This line includes anticipated increases for the following expenses: utilities, statewide indirect costs, library subscriptions, sheriff's contract, payments to risk management (liability and property insurance), information technology inflation, system costs, audit expenditures, and fees for collections.

FY19 Incremental E&G Budget - V.4.0**Colorado State University - Pueblo**

Thursday, January 25, 2018

	May 2017	February 2018	Difference	Comments
New Resources	Tuition Rate = 6%	Tuition Rate = 3%		
Tuition				
Undergraduate Rate Increase				
1 Resident	\$ 1,098,000	\$ 628,000	\$ (470,000)	Lower tuition increases for FY 2019.
2 Non-Resident and WUE	466,000	234,000	(232,000)	
3 Graduate Rate Increase			-	
4 Resident	33,000	24,000	(9,000)	
5 Non-Resident and WUE	22,000	13,000	(9,000)	
6 Resident Teacher Education Program	12,000	8,000	(4,000)	
7 Differential Tuition	49,000	16,000	(33,000)	
8 Projected Enrollment Change = 0%	(780,000)	-	780,000	
9 Total Tuition	900,000	923,000	23,000	
10 Change in State Funding	958,000	1,390,000	432,000	
11 Transfer of Funds from Extended Studies	-	750,000	750,000	Ongoing transfers effective in FY 19.
12 Reduction due to one-time funds used in FY 18 (TBD) *	-	(1,100,000)	(1,100,000)	One-time funds not anticipated in FY 18.
13 Total New Resources	\$ 1,858,000	\$ 1,963,000	\$ 105,000	
Financial Aid	225,000	250,000	(25,000)	
14 Net New Resources	\$ 1,633,000	\$ 1,713,000	\$ 80,000	
New Expenses				
15 Multi-Year Central Investments in Strategic Initiatives	-	-	-	
16 Salary increases: Faculty and Administrative Professionals (3%)	725,000	780,000	(55,000)	
17 Salary increases: State Classified Employees (3%)	188,000	240,000	(52,000)	
18 Faculty Promotions	150,000	80,000	70,000	Reflects anticipated promotions.
19 Fringe Benefit Increase (1% increase)	310,000	475,000	(165,000)	Fringe rates vary from year to year.
20 Mandatory Costs**	500,000	400,000	100,000	Mandatory costs lower in FY 19.
21 Quality Enhancements	-	-	-	
22 Reallocation	(240,000)	(262,000)	22,000	
23 Total New Expenses	\$ 1,633,000	\$ 1,713,000	\$ (80,000)	
24 Net	\$ -	\$ -	\$ -	

25 1% RUG Increase = student share \$77/year

26 1% NRUG Increase = student share \$232/year

Base Assumptions

27 Changes in tuition rates =3.0%; Change in state funds = 8.4%.

28 Salary Increase Faculty / Administrative Professionals = 3.0% plus \$100,000 for faculty promotions. The \$780k in salary increases will include COLAs and merit and equity based on the university meeting performance goals related to enrollment.

29 Salary Increase State Classified Staff = 3.0%

30 Internal Reallocations TBD

31 Fees TBD

32 * Because Fall 2017 enrollment targets were not met, it is anticipated that one-time funds will be necessary in FY 2017-18. In FY 2017-18, base adjustments will be required to backfill this one-time revenue source. Depending upon Spring 2018 enrollment, this amount is projected to range between \$700k and \$1.5 million.

33 ** This line includes anticipated increases for the following expenses: utilities, statewide indirect costs, library subscriptions, sheriff's contract, payments to risk management (liability and property insurance), information technology inflation, system costs, audit expenditures, and fees for collections.



FY19 Incremental Educational & General Budget | *As of January 2018*

	February 2018	December 2017	Variance	
New Resources				
Undergraduate - Retention Growth	\$4,612,069	\$4,612,069	\$0	0%
Undergraduate - New Student Enrollment Growth	\$1,844,803	\$1,844,803	\$0	0%
Graduate - Retention Growth	\$2,386,534	\$2,386,534	\$0	0%
Graduate - New Student Enrollment Growth	\$790,630	\$790,630	\$0	0%
Total	\$9,634,036	\$9,634,036	\$0	0%

New Expenses				
Student Support and Outreach*	\$3,002,644	\$3,002,644	\$0	0%
Instruction & Academic Support*	\$2,658,561	\$2,658,561	\$0	0%
Technology Operations and Innovation	\$820,282	\$820,282	\$0	0%
General & Administrative	\$114,119	\$114,119	\$0	0%
Total	\$6,595,606	\$6,595,606	\$0	0%

Net				
Total	\$3,038,430	\$3,038,430		

Assumptions (Projections)				
New Student Enrollment Target Projection	11,250	11,250		
New Student Undergraduate/Graduate Tuition Rate Per Credit	\$350 / \$500	\$350 / \$500		
Undergraduate to Graduate Ratio Projection	71% / 29%	71% / 29%		

* Expense ratios consistent with FY 2018 budget



FY19 Incremental Educational & General Budget | *As of January 2018*

	FY 2019 February 2018	FY 2018 May 2017	Variance	
New Resources				
Undergraduate - Retention Growth	\$4,612,069	\$6,069,843	(\$1,457,774)	-24% ¹
Undergraduate - New Student Enrollment Growth	\$1,844,803	\$1,756,955	\$87,848	5%
Graduate - Retention Growth	\$2,386,534	\$3,105,851	(\$719,317)	-23% ²
Graduate - New Student Enrollment Growth	\$790,630	\$752,981	\$37,649	5%
Total	\$9,634,036	\$11,685,630	(\$2,051,594)	-18%
New Expenses *				
Student Support and Outreach	\$3,002,644	\$5,044,786	\$2,042,142	40% ³
Instruction & Academic Support	\$2,658,561	\$3,153,466	\$494,905	16% ⁴
Technology Operations and Innovation	\$820,282	\$1,222,225	\$401,943	33% ⁵
General & Administrative	\$114,119	\$114,119	\$0	0%
Total	\$6,595,606	\$9,534,596	\$2,938,990	31%
Net				
Total	\$3,038,430	\$2,151,034	\$887,396	41%
Assumptions (Projections)				
New student enrollment target projection	11,250	10,500		
New Student Undergraduate/Graduate tuition rate per credit	\$350 / \$500	\$350 / \$500		
Undergraduate to Graduate ratio projection	71% / 29%	71% / 29%		

* Expense ratios consistent with FY 2018 budget

1, 2 -Reduced due to increased retention rates, but lower average credit hour enrollment per student

3,4 -Expenses adjust with forecasted enrollment growth

5 -Decrease due to changes in strategic initiatives

Item 5

Treasury Update

Series 2017 CDEF Refunding Bonds

- Board of Governors Authorized Thirteenth Supplemental Resolution, December, 2017, for up to \$325 million refunding bonds
- Series 2017 CDEF closed in December, Par amount - \$260,195,000
- Refunded portion of Series 2013E, 2015E (state intercept), and portion of Series 2013C, 2015A
- Maintained level debt service, did not extend the maturities, achieved \$13.6 million net NPV savings or 5.5%

Series 2017 CDEF Refunding Bonds

- All-in True Interest Cost: Approximately 3.5%
- Ratings: Moody's Aa3, Standard & Poor's A+ (*Series 2017CE carried the State's ratings of Aa2/AA- due to State Intercept backed*)
- Debt Service Savings:

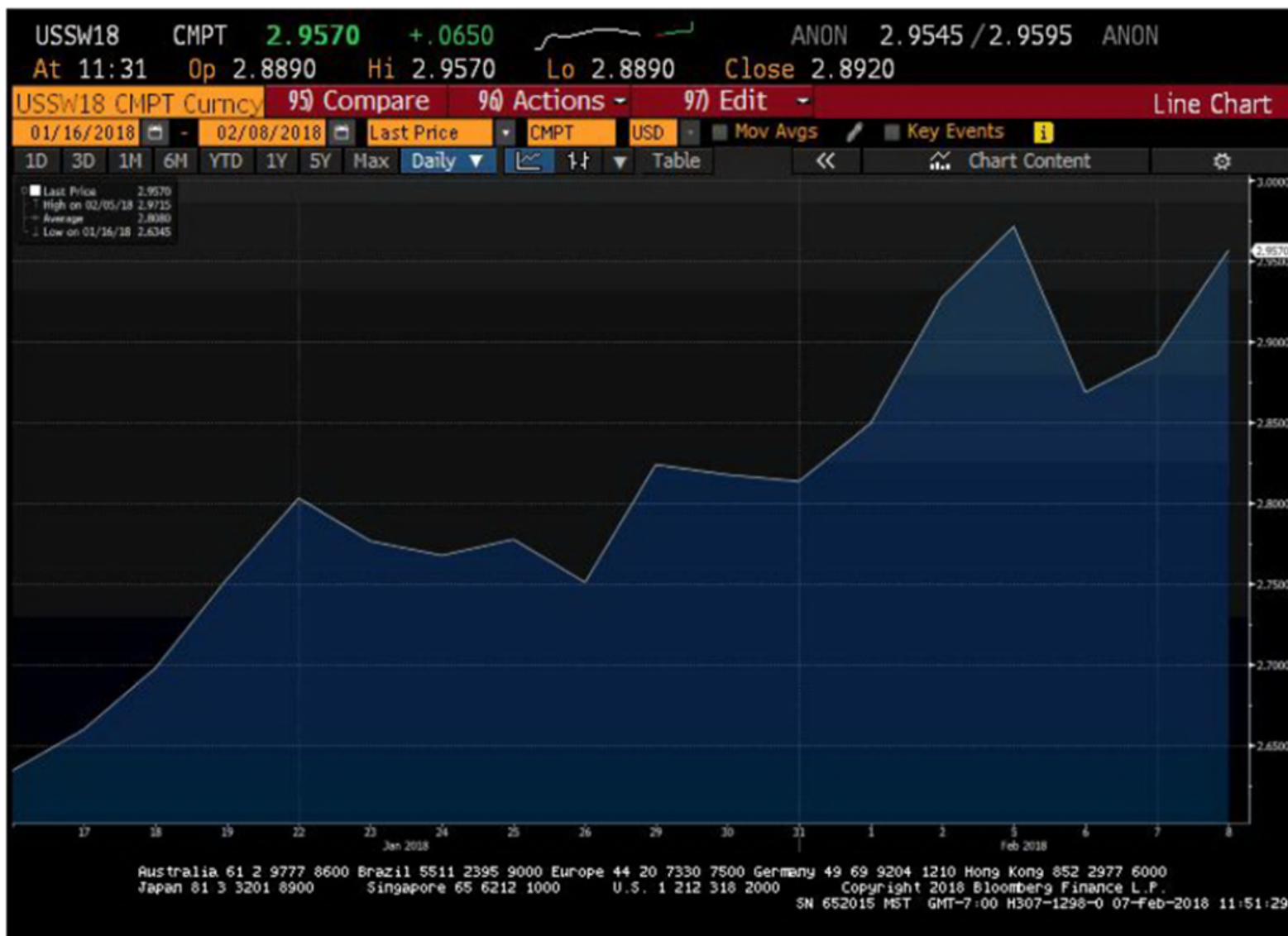
<u>Projects - Units paying debt service</u>	<u>Annual Debt Service Savings</u>
Housing - Aggie Village	\$ 370,000
E&G - Eng. II, Biology, Eddy	150,000
Stadium	59,000
Health	52,000
Parking	27,000
Lory Student Center	5,000
CSU-Pueblo - Occhiato Univ. Ctr	<u>40,000</u>
Total Annual Debt Service Savings	\$ 703,000

Interest Rate Exchange Contract

- Entered into contract with Royal Bank of Canada (RBC) within the parameters of the October, 2017 Board of Governor Approved Resolution
 - Notional amount is equal to the Series 2015D bonds of \$66,655,000
 - Rate of 1.91%
 - Trade date of January 16, 2018
 - Effective date (start date) of July 1, 2019
 - No call feature

Interest Rate Exchange Contract

- The swap was entered into to modify the risk of rising interest rates
- Variable Rate Committee will monitor the swap counterparty (RBC) and the valuation of the swap going forward.
- Recommendation from bond counsel for compliance purposes: to add a "rider" to the System's Derivative Policy that includes language referencing records retention related to interest rate swaps and the CSU System shall select and retain a "swap advisor"



Update CSU System Treasury

- Selected Investment Consultant - Callan

Scope of Services to include:

- *Liquidity Study*
 - *Development of Investment Policy, Objectives and Guidelines*
 - *Selection of Investment Managers*
 - *Development of Investment Manager Performance Standards*
 - *Performance Measuring, Monitoring and Reporting.*
-
- Investment Advisory Committee met January 23rd and established a work plan with Callan, working towards the development of an Investment Policy for Board of Governor approval.

Item 6

NWC Site Lease and Sub Lease Update

National Western Center COP Site Lease and Sublease Update³⁷

- Given the hectic and volatile December municipal market and the timing of the issuance of the State's financial statements, the initial Series of Certificates are planned to be issued in March 2018, for approximately \$140 million and will fund:
 - a portion of the costs of constructing the Equine Veterinary Teaching Hospital, the Translational Medical Institute, and the Health Education Outreach Center on the Fort Collins CSU campus
 - The purchase of the land at the National Western Center
 - The National Western Center Water Resource Center
- The Sublease and Site Lease approved by the Board of Governors in October, 2017 will be modified to include the leased property of:
 - Health Education Outreach Center
 - Equine Veterinary Teaching Hospital
 - Land for the NWC Water Resource Center and the Veterinary Clinic
 - The NWC Water Resource Center

Item 7

Status of FY 2018 Audit Plan

**Colorado State University System
Department of Internal Audit
Status of FY 2017-2018 Audit Plan**

Institution	Audit Area	Reporting Area	Status
Carry Forward from FY 2016-2017			
CSU	Data Centers (IT)	VPIT	Closed
CSU	Social Media (IT)	VP External Relations	
CSU	Disaster Preparedness (IT)	VPIT	Report 18-03
CSU	Data Security-Advancement	VP Advancement	Fieldwork
CSU	Management of Financial Commitments	President/Provost/VPUO	Draft Report
CSU	Office of Sponsored Programs - transition	VP Research	Report 18-01
CSU	Facilities-Campus design and Construction	VPUO	
CSUP	Human Resources	President	Planning
CSUP	Office of International Programs	President	Report 18-02
New for 2017-2018			
CSUP	Chartwells Revenue contract close-out	Auxiliaries	
CSU	Automatic Journal Entries	VPUO	Planning
CSU	Department Codes-Best Practices	Provost	
CSU	VP Enrollment and Access-transition	Provost	
CSU	Athletics Compliance	President	
CSU	Veterinary Teaching Hospital	Provost	Planning
CSU	CSURF/CSUF Operating Agreements	President/VPUO	
CSU	Health Center-Insurance Billing	VPSA	
CSUS	System-wide Strategic Planning-shared resources	Chancellor	
CSU	Research Integrity and Compliance Review Office	Provost	
CSU	INTO	Provost	
CSU	Physical Security/Access to Facilities in On-Campus Programs for Children	President/Safety Committee	
CSUP	Accounts Receivable	VPFA	
CSUP	Payroll	VPFA	
CSUGC	Cloud Computing	President	
CSUS	Internal Audit Quality Assurance Review	IA	Fieldwork
CSUGC	Special Project – Conflict of Interest Process	President	Ongoing
CSU	Special Project – Continuous Auditing	Various	Ongoing

Item 8

Review of Audit Issued since Last Committee Meeting



Colorado State University System

Audit of the Center for International Programs – Colorado State University-Pueblo

EXECUTIVE SUMMARY

January 4, 2018

Background Information

The mission of the Center for International Programs (CIP) at Colorado State University-Pueblo (CSU-Pueblo) is to promote international education within the campus and Pueblo community by focusing on recruitment, orientation, enrollment, and retention of non-immigrant visa holders. Specialized services are designed to meet the needs of foreign students on-campus and help ensure a successful experience at CSU-Pueblo. The CIP also promotes and assists in study abroad initiatives to enhance global awareness and understanding, and provides English language support services through the English Language Institute (ELI).

For Fiscal Year (FY) 2014 to FY 2017, the headcount of international students ranged from 90 to 160. The headcount of international students declined approximately 40 percent from FY 2014 to FY 2017. The top four countries from which international students originated were China, Korea, Brazil, and Germany.

The FY 2016 expenditures for the CIP increased approximately \$140,000 from the prior year, mostly attributed to increased recruitment efforts. Because the funding comes from the general operating budget, there is no accounting net income measure. The ELI is cash funded and is intended to be self-supporting. The net income (loss) from ELI was (\$42,629) and (\$9,746) in 2016 and 2017, respectively.

Scope and Objectives

The audit covered financial and operational activities at the CIP for FY 2014 through December 2016. The objectives of the audit were to:

1. Ensure the mission, goals and objectives were aligned, measurable and continually evaluated;
2. Evaluate internal controls related to the administration of the program;
3. Verify administrative and financial policies and procedures exist and are being followed; and
4. Verify compliance with governing rules and regulations for international programs.

Results and Conclusions

The initial risk assessment process calculated this as HIGH risk operation. During the audit, we assessed controls, processes and procedures designed to mitigate risks. Based on the audit, we concluded that the risk mitigation activities provide a MEDIUM residual risk level.

We made the following recommendation, based on the audit findings:

1. The CIP Director should consult with the Office of General Counsel (OGC) to ensure that government reporting requirements are being interpreted properly by the CIP, particularly in regard to required reporting of changes to student status.
2. The CIP Director should ensure the CIP staff receive continual training to stay current on governmental compliance requirements for universities with international students.
3. The CIP Director should develop documented internal procedures for complying with government international

student requirements to allow continuity in the performance of these duties.

4. The Vice President of Enrollment Management and Student Affairs (VP-EMSA) and the CIP Director should review the duties performed at the CIP to ensure duties are adequately segregated between the recruiting, admissions, and registrar functions.
5. The Registrar and Admissions Director should work with the CIP Director and VP-EMSA to establish appropriate oversight to ensure professional standards and internal policies and procedures are followed.
6. The Registrar, Admissions Director, and the CIP Director should review the current processes for interpreting foreign language documents to ensure the process meets Higher Learning Commission's accreditation standards.
7. The CIP Director should develop a process to review the agreements periodically to determine if they need updating, renewal, or termination. Renewal clauses should be reviewed so that agreements do not extend indefinitely, as programs and situations change over time. The CIP should obtain final copies of agreements signed by all parties for CSU-Pueblo's records to ensure compliance with the terms of the final contract. Additionally, the review process should ensure that all recruiting contracts are documented and vetted through the OGC's contract approval process.

8. The Registrar, Admissions Director, and the CIP Director should review AIS, EMAS, and KFS access to ensure user access reviews are performed. User access should be limited to individuals needing access to perform their job duties.
9. The CIP Director should review the process for preparing the production report to ensure the information is accurately prepared and reported in the most efficient and reliable method. Procedures for how the report is prepared should be documented to ensure information is performed accurately and consistently.
10. The CIP Director should reconcile the international student headcounts reported by the CIP to information reported by IR to ensure the accuracy of the data reported through our official institutional records.
11. The CIP Director should ensure that specific tax guidance is removed from the website and students are referred to the Internal Revenue Service.

We would like to express our appreciation to CIP management and staff for their assistance and cooperation during the audit.

Susy Serrano – Director, Internal Auditing



Colorado State University System

Audit of Central IT Disaster Preparedness – Colorado State University

EXECUTIVE SUMMARY

January 16, 2018

Background Information

Continuity planning is the development of a process to ensure that people and assets are protected and able to function in spite of unexpected, disrupting events. An organization's Board and Senior Management are responsible for determining the organization's risk tolerance, developing a continuity planning policy, assigning responsibility, and providing sufficient resources for implementation of policy.

Colorado State University has developed an emergency response plan to prepare the campus community for unexpected disruptive events. The plan assigns responsibility to Deans, Directors, and Department Heads for creation of organizational plans.

At Colorado State University, the information technology (IT) environment is decentralized. The Provost chairs the Information Technology Executive Committee (ITEC) responsible for the institution's IT policy and oversight. The Vice President of IT chairs the ITEC Advisory Council and oversees the *centralized* IT structure charged with *coordination* of the institution's IT environment.

Scope and Objectives

This examination covered *central* IT disaster preparedness practices during the period beginning fiscal year 2016 through the first quarter of fiscal year 2018. Our objectives were to:

- Determine the maturity of the system of control that is in place to ensure the institution is able to manage availability and restore critical IT processes after a disruptive event.
- Evaluate whether the maturity of the system of control is in alignment with management's risk tolerance.
- Assess whether the system of control ensures compliance with state regulation and institutional policy.

Results and Conclusions

The initial risk assessment process calculated this as a HIGH risk operation. During the audit, we assessed controls, processes and procedures designed to mitigate risks. Based on the audit, we concluded that the risk mitigation activities provide a MEDIUM-HIGH residual risk level.

We made the following recommendations, based on the audit findings:

1. To the extent required for compliance with the institution's Emergency Response Plan and with appropriate confidentiality designations noted, the Directors of central IT should provide a description of their continuity of operation plans addressing the elements listed above for inclusion in the institution's emergency response plan.
2. To the extent required for compliance with the institution's Emergency Response Plan, the Directors of central IT should periodically schedule exercises of their continuity plans.
3. To assure timely accessibility, the Directors of central IT should consider standardizing retention practices of its recovery resources, references, and incident response debrief documentation.

We would like to express our appreciation to central IT management and staff for their assistance and cooperation during the audit.

Susy Serrano – Director, Internal Auditing

Item 9

Report of Overdue Recommendations



Internal Auditing

All Overdue Recommendations

Audit Number	Audit Name	Institution	Rec No	Recommendation	Audit Report Response	Target Completion Date	Revised Target Date
16-06	Risk Management & Insurance	CSU	2	Consider engaging a consultant to evaluate the adequacy of CSU insurance reserves, and make recommendations as to a methodology that can be used to evaluate the	Agree. RMI has recently retained the services of AON Risk Services. AON will assist RMI to evaluate CSU's insurance reserves, and to make recommendations as to a methodology	7/1/2016	04/30/18
17-07	Electrical and Computer Engineering Department	CSU	1	In accordance with University procurement rules, require Engineering Pcard holders to determine if the needed goods/services should be obtained using an APO or DV.	Agree. While the staff of the EBO will continue to encourage card holders to use purchase orders, the College recommends that the University implement controls on purchasing from certain vendors.	9/30/2017	02/28/2018
17-07	Electrical and Computer Engineering Department	CSU	2	Decrease the cycle spending limit for most of the 52 Pcards held in ECE in accordance with Internal Audit's analysis and base the spending limit on projected need rather than the current default amount.	Agree. The College will decrease the cycle spending limit as recommended for all College card holders.	9/30/2017	02/28/2018
17-07	Electrical and Computer Engineering Department	CSU	3	Provide the University Pcard office with the name of the supervisor charged with approver responsibilities for each of the 52 ECE Pcards.	Agree. The College will provide the University Pcard office with the name of the supervisor charged with approver responsibilities.	9/30/2017	02/28/2018

Item 10

FY 2017 Audit Results

Presented by BKD

COLORADO STATE UNIVERSITY SYSTEM

FINANCIAL STATEMENT AND COMPLIANCE AUDIT FISCAL YEAR 2017

PRESENTED BY: BKD, LLP

BKD^{LLP}
CPAs & Advisors

AGENDA

1

Summary of Financials

2

Status of Prior Year Findings

3

Current Year Findings

4

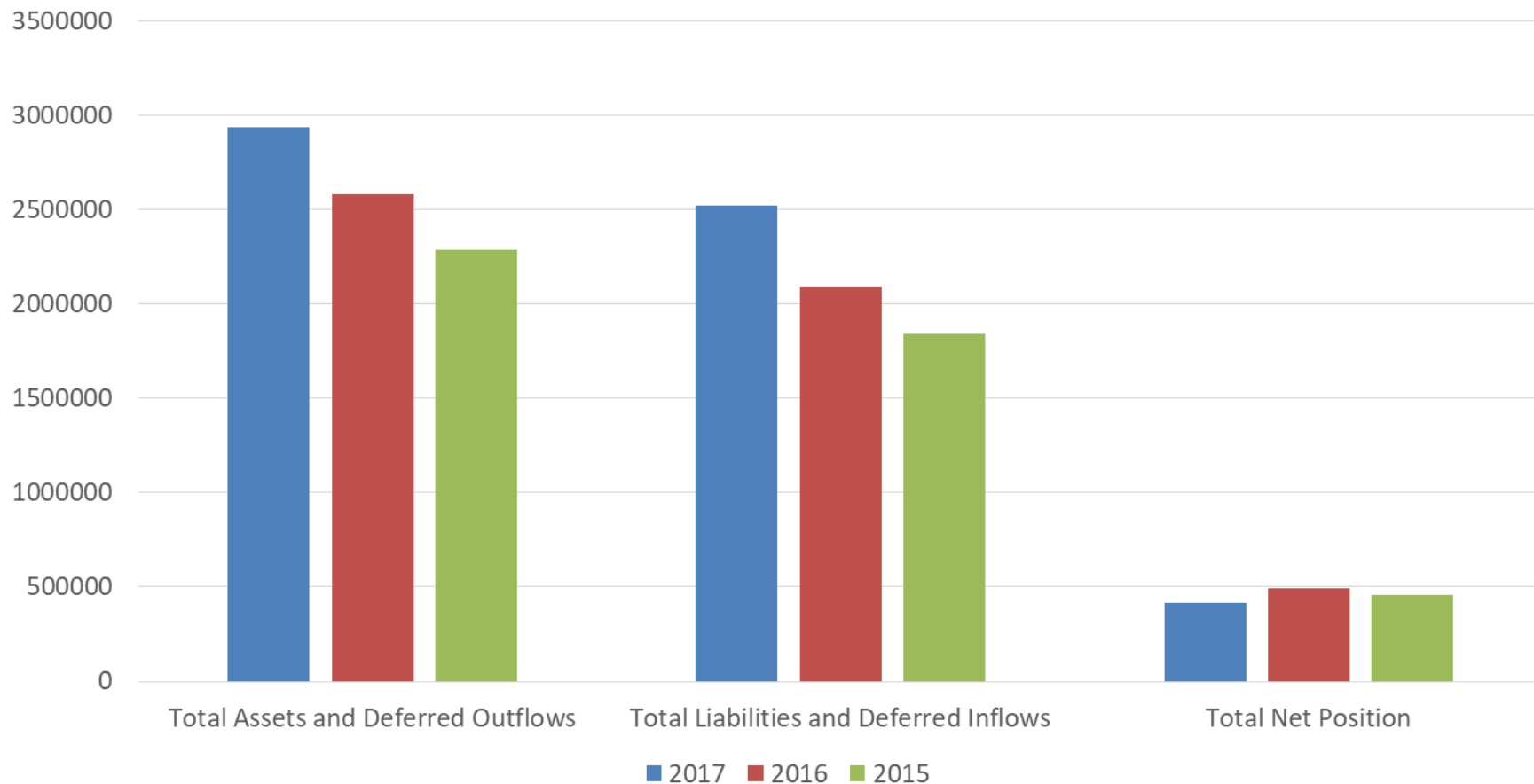
BKD 10th year as external auditor

SUMMARY OF REPORTS ISSUED

- ▶▶ Audit opinion on the Financial Statements of the CSU – System
- ▶▶ Audit opinion on the Financial Statements of CSU - Global
- ▶▶ Audit report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*
- ▶▶ Independent Auditor's Report on Bond Compliance
- ▶▶ Attest work related to the State Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

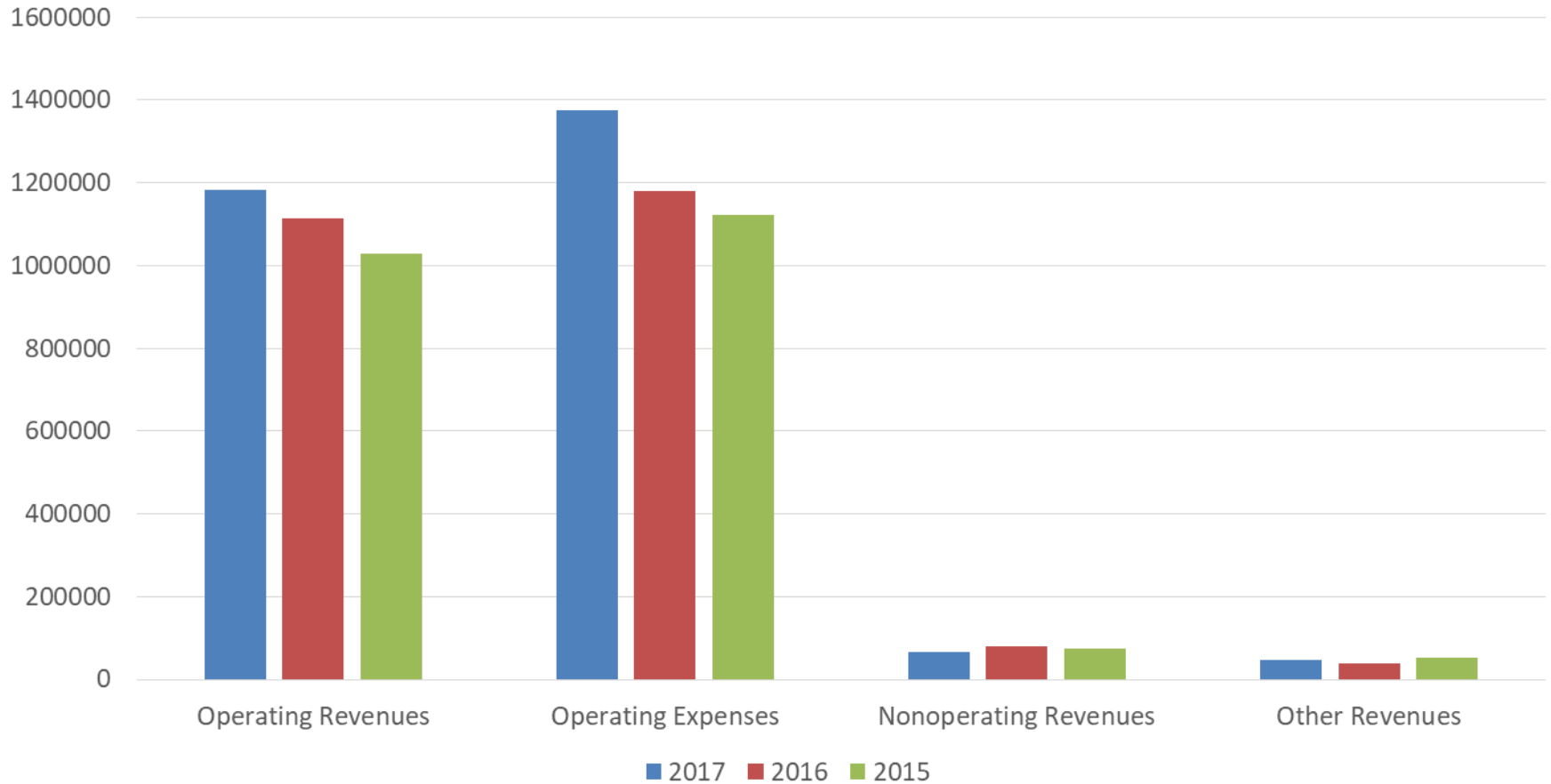
SUMMARY OF FINANCIALS

Summary of Net Position



SUMMARY OF FINANCIALS

Summary of Revenues and Expenses



PENSION ACCOUNTING

- ▶▶ Majority of the increase in the liability was do to the change in the discount rate.
- ▶▶ The measurement date of the PERA plan used in the June 30, 2017 audit is December 31, 2016
- ▶▶ The earnings above or below the expected rate of return are amortized over 5 years
 - As of June 30, 2017 the System has deferred outflows of approximately \$33M that will be expensed in future years for earnings being less than expected
 - The gains in the stock market in first half of 2017 would not be reflected in the System's statements as the measurement date of the pension is December 31, 2016

STATUS OF PRIOR YEAR FINDINGS

53

- Recommendation #1 – Compliance-Special Tests and Provisions - Enrollment Reporting
 - CSU - System
 - Partially Implemented
- Recommendation #2 –Reporting – Common Origination and Disbursement (COD) System
 - CSU – Pueblo
 - Implemented
- Recommendation #3 –Special Tests and Provisions - Disbursements To or On Behalf of Students
 - CSU - Pueblo
 - Implemented
- Recommendation #4 –Eligibility and Payroll Procedures – Colorado Work-Study Program
 - CSU - Pueblo
 - Implemented

CURRENT YEAR FINDINGS

- No material findings on financial reporting

- Recommendation #1: Compliance-Special Tests and Provisions - Enrollment Reporting
 - CSU - System
 - Implementation Dates: CSU-Global – August 2017; CSU-Pueblo – August 2017; CSU-Fort Collins -November 2017 and January 2018

BKD'S FINAL YEAR AS EXTERNAL AUDITOR ⁵⁵

- ▶▶ 10th and final year of BKD performing the external audit (rotation required by state auditor's office)

- ▶▶ Increased focus on IT controls in recent years

- ▶▶ Changes over the 10 years
 - Growth of CSU Global
 - Significant capital projects completed
 - Movement of CSU Pueblo to same accounting system used by Ft Collins
 - Adoption of new accounting standards, including GASB 68 for pension plans
 - The OPEB plan being reported as a fiduciary fund

QUESTIONS?

Rob MaCoy, CPA // Partner
rmacoy@bkd.com // 303.861.4545

THANK YOU!

Colorado State University System
Financial Statements and Independent Auditor's Reports
Financial Audit
Years Ended June 30, 2017 and 2016
Compliance Audit
Year Ended June 30, 2017

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LEGISLATIVE AUDIT COMMITTEE

Representative Tracy Kraft-Tharp – Chair	Representative Tim Neville – Vice Chair
Senator Kerry Donovan	Representative Lori Saine
Senator Cheri Jahn	Senator Jim Smallwood
Representative Dan Nordberg	Representative Faith Winter

OFFICE OF THE STATE AUDITOR STAFF

Dianne E. Ray	State Auditor
Kerri Hunter	Deputy State Auditor
Marisa Edwards	Contract Monitor
BKD, LLP	Contractor

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PLEASE REFER TO REPORT NUMBER 1716F-A WHEN REQUESTING THIS REPORT

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Members of the Legislative Audit Committee:

We have completed the financial statement audit of the Colorado State University System as of and for the year ended June 30, 2017. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We were engaged to conduct our audit pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct or cause to be conducted audits of all departments, institutions and agencies of state government. The reports which we have issued as a result of this engagement are set forth in the table of contents which follows.

BKD, LLP

December 1, 2017

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COLORADO STATE UNIVERSITY SYSTEM
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COLORADO STATE UNIVERSITY SYSTEM

Report Summary
Year Ended June 30, 2017

Purposes and Scope of Audit

The Office of the State Auditor engaged BKD, LLP (BKD) to conduct a financial and compliance audit of the Colorado State University System (the System) for the year ended June 30, 2017. BKD performed the audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The audits of the Colorado State University Foundation and the Colorado State University – Pueblo Foundation, the discretely presented component units of the System, were not performed in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

The purposes and scope of the audit were to:

- Express opinions on the financial statements of the System as of and for the years ended June 30, 2017 and 2016, including consideration of internal control over financial reporting as required by auditing standards generally accepted in the United States of America and *Government Auditing Standards* for the year ended June 30, 2017.
- Evaluate compliance with certain provisions of laws, regulations, contracts and grants governing the expenditure of federal funds for the year ended June 30, 2017.
- Issue a report on the System’s internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters based on our audit of the financial statements performed in accordance with *Government Auditing Standards* for the year ended June 30, 2017.
- Report on the System’s compliance with applicable bond covenants.
- Evaluate progress in implementing prior year audit recommendations.

The System’s schedule of expenditures of federal awards and applicable opinions thereon, issued by the Office of the State Auditor, are included in the Statewide Single Audit Report issued under separate cover.

Audit Opinions and Reports

The independent auditor’s reports included herein expressed unmodified opinions on the System’s financial statements as of and for the years ended June 30, 2017 and 2016.

One material weakness in internal control over compliance was identified.

We noted areas in which the System could improve its compliance procedures. This area is discussed in the Auditor’s Findings and Recommendations section of this report.

(Continued)

COLORADO STATE UNIVERSITY SYSTEM

Report Summary

Year Ended June 30, 2017

Summary of Audit Recommendations*Expenditures of Federal Awards*

There was one finding related to our testing of Federal Student Financial Aid Cluster expenditures under Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Single Audit) related to the following: CSU – System submitted students' status changes to NSLDS after the 60-day notice requirement and did not submit errors identified by NSLDS within the required 15 business-day timeframe.

Summary of Progress in Implementing Prior Audit Recommendations

For the Fiscal Year 2017 audit, we performed test work to determine the disposition of the four prior year recommendations relating to Fiscal Year 2016. We found that three of the four recommendations for the fiscal year ended June 30, 2016, were implemented, while the other one was partially implemented and is repeated in the current year finding. The outstanding recommendation relates to internal controls over compliance as it relates to the Student Financial Aid Cluster.

COLORADO STATE UNIVERSITY SYSTEM

Recommendation Locator

Year Ended June 30, 2017

Recommendation Number	Page Number	Recommendation Summary	Response	Implementation Date
1	8	<p>Colorado State University System should improve internal controls over Student Financial Aid Pell and Direct Loan Program enrollment reporting to the National Student Loan Data System (NSLDS) by:</p> <p>(A) Continuing to develop and implement policies and procedures to ensure participating student's enrollment information is reported to NSLDS accurately and within 60 days for all students with a change in enrollment occurring during the school year. Specifically, the policies and procedures should include steps to ensure information provided to NSLDS is accurate and to follow up with NSLDS, as appropriate, to resolve issues if files are not being submitted in a timely manner;</p> <p>(B) Continuing to work with the National Student Clearinghouse and NSLDS to identify and resolve errors noted on roster files and resubmit corrections to NSLDS within the required 15-business day timeframe.</p>	Agree	<p>(A) - January 2018</p> <p>(B) - August 2017 and November 2017</p>

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COLORADO STATE UNIVERSITY SYSTEM
Description of the Colorado State University System
Year Ended June 30, 2017

Organization and Administration

The institutions that compose the Colorado State University System (the System) are established in Title 23, C.R.S. The Board of Governors (the Board) has control and supervision of three distinct institutions: Colorado State University (a land-grant university), Colorado State University – Pueblo (a regional, comprehensive university) and Colorado State University – Global Campus (an on-line university).

The 15-member Board consists of:

- Nine voting members appointed by the Governor and confirmed by the Senate for four-year terms
- Six advisory members representing the student bodies and the faculty councils for each of the three institutions, elected for one-year terms

The Board administers the board of governors of the Colorado State University System Fund located in the State Treasury. The Board is authorized to set tuition, pay expenses, and hire officials. The chief academic and administrative officers are the Chancellor of the Colorado State University System and the President of each institution.

Colorado State University

In 1870, the Territorial Council and House of Representatives of the Territory of Colorado created the Agricultural College of Colorado (the College). When the Territory became a state in 1876, the College was placed under the governance of the State Board of Agriculture.

The College began admitting its first students in 1879. It was also designated that year as Colorado's land-grant college and recipient of federal endowment support under the Morrill Act of 1862. Subsequent federal legislation led to the establishment of the Agricultural Experiment Station and the Extension Service of the College.

State legislation also made the College responsible for the Colorado State Forest Service. Following several name changes, the College became Colorado State University in 1957. In this report, the terms Colorado State University and CSU refer to Colorado State University – Fort Collins.

Resident Instruction

The following eight colleges offer more than 76 undergraduate degrees, 105 Academic Graduate Degrees and 28 Professional Graduate Degrees including Doctor of Veterinary Medicine:

- College of Agricultural Sciences
- College of Health and Human Sciences
- College of Liberal Arts
- College of Business
- Walter Scott, Jr. College of Engineering
- Warner College of Natural Resources
- College of Natural Sciences
- College of Veterinary Medicine and Biomedical Sciences

Agricultural Experiment Station

The Agricultural Experiment Station provides a basis for agricultural research and study programs on the Fort Collins campus and at nine research centers located throughout the State. The mission of the Agricultural Experiment Station

COLORADO STATE UNIVERSITY SYSTEM
Description of the Colorado State University System
Year Ended June 30, 2017

is to conduct research that addresses the economic viability, environmental sustainability, and social acceptability of activities impacting agriculture, natural resources, and consumers in Colorado. It is a public service organization that disseminates the results of its research to the public through CSU Extension and various publications and conferences.

CSU Extension

The mission of CSU Extension is to provide information and education, and encourage the application of research-based knowledge in response to local, state, and national issues affecting individuals, youth, families, agricultural enterprises, and communities of Colorado. CSU Extension disseminates among the people of Colorado useful and practical information on subjects related to (a) agricultural production, marketing, and natural resources; (b) family living; (c) 4-H and other youth activities; and (d) rural and community development. The location of professional staff throughout the State permits CSU Extension to respond to the needs of local communities.

Colorado State Forest Service

The Colorado State Forest Service provides management, protection, and utilization of Colorado State forest lands.

Colorado State University – Pueblo

Colorado State University – Pueblo was incorporated in 1935 as Southern Colorado Junior College. One year later, local citizens decided to support the institution with county taxes. They organized the Pueblo Junior College District and the school was renamed Pueblo Junior College. In 1951, Pueblo Junior College became the first accredited junior college in Colorado.

In 1963, Colorado’s General Assembly enacted legislation changing Pueblo Junior College to a four-year institution—Southern Colorado State College—to be governed by the board of trustees of state colleges. By then, four new buildings had been erected on the new campus north of Pueblo’s Belmont residential district. On July 1, 1975, the State Legislature granted the institution university status. Three years later, the Colorado State Board of Agriculture assumed governance of the University of Southern Colorado. In July 2003, the university was renamed Colorado State University – Pueblo.

Colorado State University – Pueblo (CSU-Pueblo) is accredited at the bachelor’s and master’s levels. CSU-Pueblo is a regional, comprehensive university, with moderately selective admissions standards displaying excellence in teaching and learning. CSU-Pueblo emphasizes professional, career-oriented, and applied programs at the undergraduate and graduate levels while maintaining strong programs in the liberal arts and sciences. CSU-Pueblo has received the federal government’s designation as a Hispanic Serving Institution granted to universities with at least 25 percent of the student population of Hispanic descent.

Colorado State University – Global Campus

Colorado State University – Global Campus (CSU-Global) was incorporated in 2008. CSU-Global is a baccalaureate and graduate online university with the mission in Colorado of offering baccalaureate degree programs for nontraditional students in partnership with the Colorado community college system and selected master-level graduate programs. The mission of CSU-Global is to offer on-line programs that are career-relevant and tailored to existing and emerging industry and occupational trends within Colorado. CSU-Global will cater to working adults and other nontraditional students who already have college credit or a two-year degree and want to complete their bachelor’s and/or master’s degrees. CSU-Global admitted its first students during the fall 2008 semester.

COLORADO STATE UNIVERSITY SYSTEM
Description of the Colorado State University System
Year Ended June 30, 2017

Enrollment and Faculty

Enrollment and faculty and staff information is presented below and was obtained from institutional analysis and the System's Factbooks.

CSU reports full-time equivalent (FTE) student, faculty, and staff for three continuous fiscal years as follows:

Colorado State University			
Full-Time Equivalent (FTE) Student Enrollment			
	Resident	Nonresident	Total
Fiscal year:			
2016-2017	18,443	7,570	26,013
2015-2016 *	18,330	7,044	25,374
2014-2015	17,733	6,188	23,921

* To become compliant with Colorado Department of Higher Education guidelines that changed in fiscal year 2016, Student FTE has been revised to reduce the numbers of credit hours used to calculate Graduate Student FTE from 30 credit hours to 24 credit hours, thereby increasing FTE Student Enrollment.

Colorado State University			
Full-Time Equivalent (FTE) Faculty and Staff			
	Faculty	Staff	Total
Fiscal year:			
2016-2017	1,673	5,243	6,916
2015-2016	1,639	5,132	6,771
2014-2015	1,611	5,026	6,637

CSU-Pueblo reports full-time equivalent (FTE) student, faculty, and staff for three continuous fiscal years as follows:

Colorado State University - Pueblo			
Full-Time Equivalent (FTE) Student Enrollment			
	Resident	Nonresident	Total
Fiscal year:			
2016-2017	3,342	530	3,872
2015-2016	3,323	550	3,873
2014-2015	3,404	555	3,959

Colorado State University - Pueblo			
Full-Time Equivalent (FTE) Faculty and Staff			
	Faculty	Staff	Total
Fiscal year:			
2016-2017	210	315	525
2015-2016	203	304	507
2014-2015	200	313	513

COLORADO STATE UNIVERSITY SYSTEM
Description of the Colorado State University System
Year Ended June 30, 2017

CSU-Global reports full-time equivalent (FTE) student, faculty, and staff for three continuous fiscal years as follows

Colorado State University - Global Campus
Full-Time Equivalent (FTE) Student Enrollment

	<u>Resident</u>	<u>Nonresident</u>	<u>Total</u>
Fiscal year:			
2016-2017	3,323	5,039	8,362
2015-2016	3,155	4,247	7,402
2014-2015	2,771	3,323	6,094

Colorado State University - Global Campus
Full-Time Equivalent (FTE) Faculty and Staff

	<u>Faculty</u>	<u>Staff</u>	<u>Total</u>
Fiscal year:			
2016-2017	285	177	462
2015-2016	273	157	430
2014-2015	259	144	403

Colorado State University Foundation
Colorado State University-Pueblo Foundation
Colorado State University-System Foundation

The System's reporting entities include Colorado State University Foundation (CSUF), Colorado State University-Pueblo Foundation (CSU-Pueblo Foundation), and Colorado State University System Foundation (CSUS Foundation) as discretely presented reporting units. These Foundations are legally separate, tax-exempt entities that were established to receive, manage, and invest philanthropic gifts on behalf of CSU and CSU-Pueblo. The CSUS Foundation was created to accept transfers of intellectual property of the System and distribute money or issue grants to fund innovation and System initiatives, investment in new technology for the benefit of the System, and improvement of access and affordability for students of the System. Colorado State University Foundation is governed by its board of directors, which includes five voting members and three ex-officio nonvoting members. Twenty-seven trustees of the CSU-Pueblo Foundation are elected by members of the CSU-Pueblo Foundation. No person who is an employee of the University is eligible to serve as an officer of the Foundation or as a voting board member. The officers of the CSUS Foundation are appointed by the board of directors, which consists of three CSU directors and four independent directors.

COLORADO STATE UNIVERSITY SYSTEM

Audit Findings and Recommendations

Year Ended June 30, 2017

INTERNAL CONTROL OVER COMPLIANCE

In planning and performing our audit of compliance, we considered the System’s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures and to test internal control over compliance in accordance with federal Uniform Guidance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis.

A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We observed the following matters that we consider to be material weaknesses.

Material Noncompliance and Material Weakness – Internal Control Over Compliance Enrollment Reporting (Student Financial Aid Cluster): Colorado State University System

Enrollment Reporting (Student Financial Aid Cluster)

The federal Department of Education (USDE) requires institutions of higher education who are receiving Student Financial Aid funds to report enrollment information within specified timeframes to the USDE through its central database for student aid, the National Student Loan Data System, or NSLDS. Enrollment reporting, including submission of “roster files” and enrollment status changes, assists the federal government in management of the Pell and Direct Loan programs, which are programs within the Student Financial Aid Cluster. CSU-System submits roster files to NSLDS via a third-party servicer, the National Student Clearinghouse (Clearinghouse) or directly to NSLDS, based on a predetermined schedule.

During Fiscal Year 2017, CSU-System issued approximately \$348 million, in federal Student Financial Aid during the year, which included approximately \$40 million and \$284 million of Pell and Direct Loan funding, respectively.

What was the purpose of our audit work and what work was performed?

The purpose of our audit work was to determine whether the CSU-System complied with enrollment reporting requirements regarding student attendance status changes for Pell and Direct Loan programs during Fiscal Year 2017. Additionally, the purpose of the audit work was to determine whether CSU-System implemented the prior year audit recommendation. We recommended at that time that CSU-System work to develop and implement

COLORADO STATE UNIVERSITY SYSTEM

Audit Findings and Recommendations

Year Ended June 30, 2017

policies and procedures to ensure participating students' enrollment information is reported to NSLDS accurately and within 60 days for all students with a change in enrollment occurring during the school year. We also recommended that CSU-System work with the National Student Clearinghouse to identify and resolve errors noted on roster files and resubmit corrections to NSLDS within the required 15 business-day timeframe.

We reviewed a sample of 41 out of approximately 18,500 CSU-System students whose attendance information was reported to NSLDS during Fiscal Year 2017 for compliance with the Student Financial Aid Cluster enrollment reporting requirements. For each student in our sample, we compared information within CSU-System's Financial Aid system to information contained on the NSLDS website for the specific enrollment status change selected. In addition, we reviewed the Enrollment Reporting Summary Report (SCHER1) provided by NSLDS to CSU-System for Fiscal Year 2017 to determine whether the CSU-System addressed errors identified by the NSLDS and submitted roster files within the required timeframes during the year. The SCHER1 report detailed the dates enrollment reporting roster files were sent and returned by CSU-System during the year; the number and date of errors, as well as online updates; and the number of late enrollment reporting notifications that were sent to the CSU-System for overdue enrollment reporting rosters.

How were the results of the audit work measured?

Under the federal Pell grant and Direct Loan program requirements [Section 34 Code of Federal Regulations (C.F.R.) 690.83(b)(2) and 34 C.F.R. 685.309], a school must report any enrollment change for a participating student within 30 days of the change, unless a roster file will be submitted within 60 days to the NSLDS. A school must report a change in a student's enrollment status to NSLDS when there is a (a) reduction or increase in the student's attendance levels, (b) graduation, (c) withdrawal, and/or (d) a student who has been accepted for enrollment but never attended. Institutions are responsible for timely reporting whether they report directly or via a third-party servicer. We measured the results of our testing against a 60-day timeframe because the CSU-System submits roster files on a scheduled 60-day timeframe under Student Financial Aid guidelines.

The federal Department of Education issued final, revised regulations that were effective on July 1, 2014, that changed the nature and increased the frequency of enrollment reporting to NSLDS. Specifically, the regulations provided that schools must respond to the Department of Education's request for enrollment information (1) within a timeframe specified by the Department of Education, (2) in a manner specified by the Secretary, and (3) in a format specified by the Secretary. Under the authority of those regulations, at least every 30 days, the NSLDS transmits a file containing student enrollment errors to each participating institution; each institution must correct the information and return the Enrollment reporting roster file to the USDE within 15 days of receipt.

What problem did the audit work identify?

We determined that CSU-System did not report status changes timely to NSLDS for 15 of the 41 students (37 percent) tested. The 15 students' enrollment status information was submitted 1 to 42 days beyond the 60-day requirement. Additionally, of the 15 students with errors noted, 12 of the students did not have the correct effective date reported to NSLDS which caused the lack of timely reporting. For reporting purposes, the effective date is the date when the most recently reported enrollment status took effect.

COLORADO STATE UNIVERSITY SYSTEM

Audit Findings and Recommendations

Year Ended June 30, 2017

We also determined that the errors identified by NSLDS were not resubmitted by CSU-System within the required 15 business-day timeframe for the six months between July 2016 and December 2016. Further, although the NSLDS created and made the new SCHER1 report available to institutions including the CSU-System in January 2017, the CSU-System continued to fail to correct and resubmit errors for four of the last six months of the fiscal year.

Based on the errors identified, we determined that the CSU-System did not fully implement the prior year audit recommendation.

Why did this problem occur?

While CSU-System worked to develop and implement policies and procedures to ensure participating students' enrollment information is reported to NSLDS accurately and within 60 days for all students with a change in enrollment occurring during the school year, due to the complexities of the requirement, CSU-System reported that it was unable to create policies and procedures to address all situations. Finally, CSU-System staff reported that they did not have a formal follow-up or monitoring process in place to ensure that information reported to the Clearinghouse has been processed and submitted through the NSLDS with the 15-day timeframe.

Why does this problem matter?

Enrollment reporting assists lenders in the determination of whether a borrower should be moved into loan repayment status or if they are eligible for an in-school deferment. Thus, if CSU-System fails to meet the required reporting timelines or submits inaccurate information to NSLDS, the borrowers' repayment responsibilities may be reported incorrectly and result in either a lack of timely repayments by the borrower or the student being inappropriately moved into loan repayment status.

CSU-System also risks federal disallowances due to its non-compliance with the student enrollment reporting requirements for the federal Student Financial Aid grant.

(CFDA No. 84.063 and 84.268; Federal Pell Grant Program and Federal Direct Student Loans. Classification of Finding: Material Weakness and Material Noncompliance; Total known questioned costs of \$0).

Recommendation No. 1:

Colorado State University – System should improve internal controls over Student Financial Aid Pell and Direct Loan Program enrollment reporting to the National Student Loan Data System (NSLDS) by:

- a. Continuing to develop and implement policies and procedures to ensure participating students' enrollment information is reported to NSLDS accurately and within 60 days for all students with a change in enrollment occurring during the school year. Specifically, the policies and procedures should include steps to ensure information provided to NSLDS is accurate and to follow up with NSLDS, as appropriate, to resolve issues if files are not being submitted in a timely manner.
- b. Continuing to work with the National Student Clearinghouse to identify and resolve errors noted on roster files and resubmit corrections to NSLDS within the required 15 business-day timeframe.

COLORADO STATE UNIVERSITY SYSTEM
Audit Findings and Recommendations
Year Ended June 30, 2017

Colorado State University-System Response:

- a. Agree. Implementation date: January 2018.

Enrollment reporting is a function of the Registrar's office. By August 2017, the Registrar's Office with the errors have instituted policies and procedures to include a monthly audit process to review mid-term status changes to ensure the accuracy of the effective date. In addition, by January 2018, based on a clarification of existing guidance from the US Department of Education, relevant policies and procedures will be updated.

- b. Agree. Implementation date: August 2017 and November 2017.

CSU-System determined that the identified timeliness issues were caused due to the National Student Clearinghouse (NSC) not sending the error resolution report to NSLDS until the 18th day. By August 2017, the NSC changed their due date for error reports to the 13th day, instead of the 15th day, to ensure reports are sent to NSLDS within the required 15-day timeframe. Management has updated its current policies and procedures to reflect this change initiated by NSC and will continue to monitor the enrollment reports.

By November 2017, management will have increased collaboration between units with responsibility for enrollment reporting and subsequent error resolution. While most errors will self-correct with the subsequent reporting or require resolution of basic demographic information, which can be done within the Registrar's Office, some errors will require intervention within the National Student Loan Database System (NSLDS). Management has implemented a process to ensure these errors are communicated to the Office of Financial Aid, who has access to the NSLDS, for resolution within prescribed compliance timeframes.

COLORADO STATE UNIVERSITY SYSTEM

Disposition of Prior Audit Recommendations

Year Ended June 30, 2017

Summary of Progress in Implementing Prior Audit Recommendations

Following are the audit recommendations for the year ended June 30, 2016. The disposition of these audit recommendations as of June 30, 2016 was as follows:

Recommendation Number	Recommendation	Disposition
1	<p>Colorado State University System should improve internal controls over Student Financial Aid Pell and Direct Loan Program enrollment reporting to the National Student Loan Data System (NSLDS) by:</p> <p>a) Implementing policies and procedures to ensure participating student's enrollment information is reported to NSLDS within 60 days for all students with a change in enrollment occurring during the school year. Specifically, the policies and procedures should include steps to follow up with the National Student Clearinghouse and NSLDS, as appropriate, to resolve issues if files are not being submitted in a timely manner.</p> <p>b) Working with the National Student Clearinghouse to identify and resolve errors noted on roster files and resubmit corrections with the required 15-day timeframe.</p>	<p>Partially implemented. See Recommendation #1 for fiscal year 2017.</p>
2	<p>Colorado State University – Pueblo should ensure that federal Pell grant reporting is accurate and performed timely by reviewing the frequency and accuracy of reporting to ensure that the disbursement date reflected by CSU-Pueblo agrees to the date reported to the federal Department of Education through the Common Origination and Disbursement System.</p>	<p>Implemented in fiscal year 2017.</p>
3	<p>Colorado State University – Pueblo should ensure it complies with notification requirements for the Direct Loan program by developing formal procedures outlining the requirement for staff to check the indicator box in PowerFAIDS during the student financial aid disbursement process in order to provide notifications within 30 days of a disbursement occurring to a student's ledger account. CSU-Pueblo should also ensure that staff are sufficiently trained on the procedures.</p>	<p>Implemented in fiscal year 2017.</p>

COLORADO STATE UNIVERSITY SYSTEM

Disposition of Prior Audit Recommendations

Year Ended June 30, 2017

Recommendation Number	Recommendation Summary	Disposition
4	Colorado State University-Pueblo should ensure it complies with State-Funded Student Financial Aid, Colorado Work-Study Program requirements. This should include researching and resolving the system issues identified through our audit to ensure Work-Study Program disbursements are only provided to eligible students up to the student's maximum award amount. In addition, until the system issues are resolved, CSU-Pueblo should implement a monitoring process to ensure Work-Study Program disbursements are not provided to an ineligible student or in excess of the student's award amount.	Implemented in fiscal year 2017.

Independent Auditor's Report

Members of the Legislative Audit Committee:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of Colorado State University System (a higher education institution of the State of Colorado) (the System) as of and for the years ended June 30, 2017 and 2016 and the fiduciary fund information of the System, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the System's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the Colorado State University Foundation (the CSU Foundation) or the financial statements of the Colorado State University – Pueblo Foundation (CSU-Pueblo Foundation), which are included in the aggregate discretely presented component units of the System, which statements reflect total assets constituting 99.8 percent and 99.9 percent, respectively, of the aggregate discretely presented component units total assets at June 30, 2017 and 2016, and total revenues constituting 99.2 percent and 98.6 percent, respectively, of the aggregate discretely presented component units total revenues for the years then ended. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the CSU Foundation, the CSU-Pueblo Foundation and the Colorado State University System Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant

accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and aggregate discretely presented component units of the System as of and for the years ended June 30, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended and the fiduciary fund information of the System as of June 30, 2017 and its changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements of the System, an institution of higher education in the State of Colorado, are intended to present the financial position, the respective changes in financial position and, where applicable, cash flows of the business-type activities, aggregate discretely presented component units and the fiduciary fund information of the State of Colorado that are attributable to the transactions of the System. They do not purport to, and do not, present fairly the financial position of the State of Colorado as of June 30, 2017 and 2016, and the changes in its financial position, or where applicable, its cash flows for the years then ended in conformity with the accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

As discussed in Note 3, during fiscal year 2017 the by-laws of the Colorado State University Other Postemployment Benefits Trust were updated and as a result management determined the Trust should be reported as a fiduciary fund. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, other postemployment benefit information, and pension information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2017, on our consideration of the System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Handwritten signature of BKD, LLP in black ink.

Denver, Colorado
December 1, 2017

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COLORADO STATE UNIVERSITY SYSTEM
Management's Discussion and Analysis
Years Ended June 30, 2017 and 2016
(Unaudited)

Management's Discussion and Analysis

We are pleased to present this financial discussion and analysis of the Colorado State University System (the System). It is intended to make the System's financial statements easier to understand and communicate our financial situation in an open and accountable manner. This section of the financial report provides an objective discussion and analysis of the financial performance of the System for the fiscal years ended June 30, 2017 and 2016. This discussion provides an analysis of the System's financial activities based on currently known facts, decisions, or existing conditions. University management is responsible for the completeness and fairness of this discussion and analysis, the financial statements, and related footnote disclosures.

The System includes Colorado State University (CSU), Colorado State University Pueblo (CSU-Pueblo), and Colorado State University Global Campus (CSU-Global). CSU-Global issued separate audited financial statements for the year ended June 30, 2017.

Understanding the Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the System's finances and are comprised of three basic statements.

Statements of Net Position present information on all of the System's assets, deferred outflows, liabilities, and deferred inflows; with the difference between assets plus deferred outflows less liabilities and deferred inflows reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the System is improving or deteriorating.

Statements of Revenues, Expenses, and Changes in Net Position present information showing how the System's net position changed during the two most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., the payment for accrued compensated absences, or the receipt of amounts due from students and others for services rendered).

Statements of Cash Flows are reported on the direct method. The direct method of cash flows reporting portrays cash flows from operating, noncapital financing, capital and related financing, and investing activities. Their purpose is to assess the University's ability to generate net cash flows and meet its obligations as they come due.

Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes provide information regarding both the accounting policies and procedures the System has adopted as well as additional detail of certain amounts contained in the financial statements. The notes to financial statements follow the basic financial statements.

Required Supplementary Information (RSI) presents additional information that differs from the basic financial statements in that the auditor applies certain limited procedures in reviewing the information. In this report, RSI includes schedules of the System's proportionate share of the Public Employee's Retirement Association (PERA) net pension liability and contributions to the PERA pension. In addition, the schedules of funding status of the Other Postemployment Benefits (OPEB), OPEB liability, employer contributions, and investment returns are provided.

COLORADO STATE UNIVERSITY SYSTEM
Management's Discussion and Analysis
Years Ended June 30, 2017 and 2016
(Unaudited)

Management's Discussion and Analysis focuses on the primary government, which is the Colorado State University System. The System reports its activity as a business-type activity using the economic resources measurement focus and the accrual basis of accounting.

Financial Highlights

Financial highlights are presented in this discussion and analysis to help with the assessment of the System's financial activities. This analysis should be read in conjunction with the System's financial statements and notes thereto, which are also presented in this document.

The Colorado State Legislature established spending authority to the System in its annual Long Appropriations Bill (Long Bill). The Long Bill appropriated funds include an amount from the State of Colorado's College Opportunity Fund.

For the fiscal years ended 2017 and 2016, appropriated expenses in the System were within the authorized spending authority. For the fiscal years ended 2017 and 2016, the System had a total appropriation of \$570.5 million and \$134.6 million, respectively. For the fiscal years ended 2017 and 2016, the System's appropriation from reappropriated funds consisted of \$43.3 and \$42.9 million, respectively, received from students that qualified for stipends from the College Opportunity Fund, and \$91.2 million and \$91.7 million, respectively, as state fee for service contract revenue. Starting in fiscal year 2017, the students' share of tuition, \$436.0 million, became appropriated from cash funds. All other revenues and expenses reported by the System represent non-appropriated funds and are excluded from the annual appropriations bill. Non-appropriated funds include fees, grants and contracts, gifts, indirect cost recoveries, auxiliary revenues and other revenue sources.

The assets and deferred outflows of the System exceeded its liabilities and deferred inflows at June 30, 2017 by \$415.2 million (net position). Of this amount, \$655.2 million is related to the net investment in capital assets and \$71.1 million is restricted for purposes which the donor or grantor or other external party intended. The remaining (\$311.1) million is unrestricted. Although unrestricted net position is not externally restricted, it may be internally designated by the System's administration for various purposes. Unrestricted net position continues to be negatively impacted by the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions*.

The continued introduction of new courses combined with strong enrollment led to increases in operating revenues and expenses at CSU-Global.

Financial Analysis

The Summary of Net Position presents the assets, deferred outflows, liabilities, deferred inflows, and net position of the Colorado State University System for the fiscal years ended June 30, 2017, 2016, and 2015. The System's assets and deferred outflows exceeded liabilities and deferred inflows resulting in a net position at June 30, 2017 and 2016 of \$415.2 million, and \$496.0 million, respectively. In the fiscal years 2017 and 2016, the deferred outflows of resources and deferred inflows of resources include items related to the PERA pension, whose liability was recorded due to the implementation of GASB Statement No. 68. The University's proportionate share of the net pension liability at the years ended 2017 and 2016, was \$992.3 million and \$578.7 million, respectively. The net investment in capital assets (e.g., land, buildings and equipment) is used to provide services to students, faculty and administration. Consequently, these assets are not available to fund future spending.

COLORADO STATE UNIVERSITY SYSTEM
Management's Discussion and Analysis
Years Ended June 30, 2017 and 2016
(Unaudited)

Summary of Net Position
(Amounts expressed in thousands)

	Year Ended June 30		
	2017	2016 *	2015 *
Current assets	\$ 642,754	565,534	455,830
Noncurrent assets, including net capital assets of \$1,779,353, \$1,531,228, and \$1,308,364, and respectively	1,941,011	1,905,177	1,758,815
Deferred outflows	353,558	111,971	71,904
Total assets and deferred outflows	2,937,323	2,582,682	2,286,549
Current liabilities	232,453	229,649	193,266
Noncurrent liabilities	2,277,525	1,842,966	1,645,275
Deferred inflows	12,136	14,091	2,755
Total liabilities and deferred inflows	2,522,114	2,086,706	1,841,296
Net position:			
Net investment in capital assets	655,232	624,707	638,613
Restricted	71,097	68,483	67,976
Unrestricted	(311,120)	(197,214)	(261,336)
Total net position	415,209	495,976	445,253

* Reclassified

The \$113.1 million increase in the System assets in 2017 over that of 2016 is related to increases in current assets, depreciable, and nondepreciable capital assets offset by a large decrease in noncapital noncurrent assets. The \$77.2 million increase in current assets was primarily due to a \$62.6 million increase in cash and cash equivalents and a \$14.2 million increase in receivables. The increase in cash and cash equivalents and receivables is primarily related to a 4.4 percent growth in enrollment combined with a three percent tuition rate increase, as well as increases in cash for capital projects. The increases in noncurrent assets were primarily due to increases in construction in progress, \$91.3 million; buildings and improvements, \$160.6 million; offset by a \$217.5 million decrease in restricted cash and cash equivalents. This increase in construction in progress and buildings and improvements, and decrease in restricted cash is due to the progress made on large bonded projects and completed and capitalized projects. This will be discussed in more detail in the Capital Asset section.

The \$241.6 million increase in deferred outflows is mainly due to the change in PERA's collective assumption, which required the use of a blended investment rate of return in the 2016 analysis.

In fiscal year 2017, total liabilities increased \$437.4 million. Current liabilities increased \$2.8 million primarily due to a \$5.0 million increase in unearned revenue related to timing differences for summer camps, parking services, summer tuition and fees, as well as deposits on athletic tickets. This was offset by a \$3.8 million decrease in accounts payable. The decrease in accounts payable was mainly due to a reduction in capital project payables as projects are nearing completion. Noncurrent liabilities increased \$434.6 million. This increase is primarily due to the \$413.6 million increase in the PERA pension liability and an increase in bonds payable related to the issuance of Bond Series 2016 A and B.

The \$2.0 million decrease in deferred inflows was mainly due to the change in the System's proportionate share of PERA and the change in PERA assumptions.

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Management's Discussion and Analysis
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(Unaudited)

Net position was reevaluated in the fiscal year 2017 to determine the appropriateness of amounts classified as restricted for expendable purposes. As a result of this assessment, tuition and fees, auxiliaries, and Research Building and Revolving Fund (RBRF) activity related to pledges required by bond resolutions were reclassified from restricted for expendable purposes to unrestricted. The change in net position in the fiscal years 2016 and 2015 were reclassified to be comparable. The reclassification had no effect on total net position.

The statements of revenues, expenses and changes in net position report the results of operating and nonoperating revenues and expenses during the year and the resulting increase or decrease in net position at the end of the fiscal year. Operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are paid to acquire or produce goods and services provided in return for operating revenues and to carry out the mission of the University. Nonoperating revenues/expenses include items determined to not fall in the operating category.

Summary of Revenues, Expenses and Changes in Net Position
(Amounts expressed in thousands)

	Year Ended June 30		
	2017	2016 *	2015 *
Operating revenues	\$ 1,182,661	1,114,235	1,029,434
Operating expenses	1,375,408	1,180,608	1,122,794
Operating loss	(192,747)	(66,373)	(93,360)
Nonoperating revenues (expenses)	65,344	79,207	75,594
Gain (loss) before other revenues (expenses)	(127,403)	12,834	(17,766)
Other revenues	46,636	37,889	51,182
Increase (decrease) in net position	(80,767)	50,723	33,416
Net position, beginning of year	495,976	445,253	899,611
Change in accounting principle	-	-	(487,774)
Net position, beginning of year as adjusted	495,976	445,253	411,837
Net position, end of year	\$ 415,209	495,976	445,253

* Reclassified

The System experienced a \$192.7 million, \$66.4 million, and \$93.4 million loss from operations in the fiscal years ended 2017, 2016, and 2015, respectively. The operating loss in 2017 was reduced by net nonoperating and other revenues of \$112.0 million.

An evaluation of tuition and scholarship allowance was performed in fiscal year 2017. The result of this analysis impacted total operating revenues and total operating expenses by an equal and offsetting amount. There was no impact to the net operating loss. Fiscal years 2016 and 2015 were reclassified to be comparable.

COLORADO STATE UNIVERSITY SYSTEM
Management's Discussion and Analysis
Years Ended June 30, 2017 and 2016
(Unaudited)

Operating and Nonoperating Revenues (Excluding Capital)

(Amounts expressed in thousands)

	Year Ended June 30		
	2017	2016 *	2015 *
Operating revenues:			
Student tuition and fees, net	\$ 559,548	519,044	478,424
State fee for service revenue	91,242	91,723	78,931
Grants and contracts	305,307	291,131	274,318
Sales and services of educational activities	41,497	37,876	33,763
Auxiliary enterprises	175,045	163,533	153,865
Other	10,022	10,928	10,133
Total operating revenues	1,182,661	1,114,235	1,029,434
Nonoperating revenues:			
State appropriations	899	2,144	2,355
Gifts	48,859	48,507	44,405
Investment income	1,072	7,109	3,901
Federal nonoperating grants and contracts	41,736	41,176	41,116
Other, net	4,255	5,805	10,788
Net nonoperating revenues	96,821	104,741	102,565
Total noncapital revenue	\$ 1,279,482	1,218,976	1,131,999

*Reclassified

Fiscal year 2017 System operating revenues increased \$68.4 million. This is attributable to increases in several operating revenue sources: tuition and fees increased \$40.5 million due to increases in both attendance and tuition and fee rates, grants and contracts increased \$14.2 million due to increases in federal grants, auxiliary enterprise revenue increased \$11.5 million mainly due to rental increases created by increased census, and sales and services of educational activities increased \$3.6 million. State fee for service revenue and other operating revenue both reflected slight decreases. In fiscal year 2016 System operating revenues increased \$84.8 million. This was attributable to increases in all operating revenue sources: tuition and fees increased \$40.6 million due to increases in both attendance and tuition and fee rates, grants and contracts increased \$16.8 million due to increases in federal grants, state fee for service increased \$12.8 million as determined by the State of Colorado, auxiliary enterprise revenue increased \$9.7 million mainly due to the increase in census, and sales and services of educational activities and other operating revenue increased a combined \$4.9 million.

System nonoperating revenues decreased \$7.9 million and increased \$2.2 million in the fiscal years 2017 and 2016 respectively. The fiscal year 2017 decrease is partially due to the Forest Service State appropriations ending in fiscal year 2016. This reduction was offset by \$899 thousand received by CSU-Pueblo for Cannabis research. This research was funded by the Marijuana Tax. The remaining decrease is related to the reduction in investment income due to the large unrealized losses recorded in fiscal year 2017. Federal nonoperating grants and contracts reflected a small increase. The fiscal year 2016 increase is mainly related to a \$4.1 million increase in gifts, a \$3.2 million increase in investment income, offset by a \$5.0 million decrease in other nonoperating revenues. Federal nonoperating grants and contracts remained constant.

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Management's Discussion and Analysis
Years Ended June 30, 2017 and 2016
(Unaudited)

In addition to operating and nonoperating revenues, the System had the following capital revenue.

Capital Revenue

(Amounts expressed in thousands)

	Year Ended June 30		
	2017	2016	2015
State capital contributions	\$ 30,183	19,831	17,153
Capital grants	7,181	8,117	12,591
Capital gifts	7,756	10,451	21,055
Total capital revenues	\$ 45,120	38,399	50,799

System other revenues increased \$6.7 million and decreased \$12.4 million in fiscal year 2017 and 2016, respectively from capital revenue. The \$6.7 million increase is related to a \$10.4 million increase in state capital contributions offset by decreases in capital grants and capital gifts of \$936 thousand and \$2.7 million, respectively. The Chemistry Building at CSU received an additional \$14.0 million in funding through state capital contributions in fiscal year 2017. The \$12.4 million decrease in fiscal year 2016 is mainly attributed to a \$10.6 million decrease in capital gifts as projects were completed.

Operating Expenses by Functional Category

(Amounts expressed in thousands)

	Year Ended June 30		
	2017	2016 *	2015 *
Instruction	\$ 382,657	317,284	302,885
Research	233,438	201,908	194,020
Public service	119,404	102,055	90,806
Academic support	105,464	85,541	79,991
Student services	72,518	59,142	52,088
Institutional support	87,361	66,215	64,497
Operation and maintenance of plant	86,429	74,161	73,590
Scholarships and fellowships	30,820	30,188	30,661
Auxiliary enterprises	167,710	149,156	144,718
Depreciation	89,607	94,958	89,538
Total operating expenses	\$ 1,375,408	1,180,608	1,122,794

* Reclassified

Fiscal year 2017 System operating expenses increased \$194.8 million. This is due to increases in the following areas: \$65.4 million in instruction, \$31.5 million in research, \$17.3 million in public service, \$19.9 million in academic support, \$13.4 million in student services, \$21.1 million in institutional support, \$12.3 million in operation and maintenance of plant, \$632 thousand in scholarships and fellowships, and \$18.6 million in auxiliary enterprises. These increases are offset by a \$5.4 million decrease in depreciation. The PERA collective assumption, which required the use of a blended investment rate of return in the 2016 analysis, created a \$147.4 million increase in pension expense. The remainder of the increase is mainly related to cost of living increases. These increases are reflected across all functional lines.

Fiscal year 2016 System operating expenses increased \$57.8 million. This is due to increases in expenditures in all of the functional areas: \$14.4 million in instruction, \$7.9 million in research, \$11.2 million in public

COLORADO STATE UNIVERSITY SYSTEM

Management's Discussion and Analysis

Years Ended June 30, 2017 and 2016

(Unaudited)

service, \$5.6 million in academic support, \$7.1 million in student services, \$1.7 million in institutional support, \$571 thousand in operation and maintenance of plant, \$4.4 million in auxiliary enterprises, and \$5.4 million in depreciation. These increases were offset by a \$473 thousand decrease in scholarships and fellowships. Half of the increase is related to cost of living increases across all functional lines.

Capital Assets and Debt Administration

At June 30, 2017 the System had approximately \$1.8 billion invested in capital assets, net of accumulated depreciation of \$1.0 billion. At June 30, 2016, the System had approximately \$1.5 billion invested in capital assets, net of accumulated depreciation of \$951.1 million. At June 30, 2015, the System had approximately \$1.3 billion invested in capital assets, net of accumulated depreciation.

Depreciation charges were \$89.6 million, \$95.0 million, and \$89.5 million for the fiscal years ended June 30, 2017, 2016, and 2015 respectively.

During fiscal year 2017, the System received \$30.2 million of state capital contributions for capital construction projects. Of this amount, \$28.9 million is related to the CSU campus and \$1.3 million is related to the CSU-Pueblo campus. At CSU, \$27.6 million is related to the Chemistry building with the remaining \$1.3 million related to fire alarm and fire sprinkler projects, natural gas line and water line projects, elevator upgrades, and flood protection and College Lake Dam repairs. At CSU-Pueblo, \$594 thousand is related to technology infrastructure upgrades, \$585 thousand is related to the modular data center, with the remaining amount related to smaller campus projects.

A breakdown of assets by category, net of accumulated depreciation is provided below.

Capital Assets, Net of Accumulated Depreciation

(Amounts expressed in thousands)

	June 30		
	2017	2016	2015
Land	\$ 37,492	37,492	32,144
Land improvements	41,928	35,209	34,359
Buildings and improvements	1,187,177	1,026,612	1,028,515
Leasehold improvements	313	987	2,286
Equipment	78,213	88,163	99,784
Collections	5,831	5,149	3,808
Library materials	7,177	7,697	8,357
Construction in progress	421,222	329,919	99,111
Total capital assets, net	\$1,779,353	1,531,228	1,308,364

In fiscal year 2017 capital assets, net increased \$248.1 million with the increase attributable to construction in progress and buildings and improvements. The following are the increases in the major construction in progress projects: \$129.7 million – Multi-Purpose Stadium, \$49.6 million – Biology Building, \$31.7 million – Chemistry Building, as well as many other smaller projects. The following are the major completed projects that were capitalized: \$129.4 million – Aggie Village North Redevelopment, \$57.4 million – CSU Health & Medical Center Building, and \$17.1 million – South College Parking Garage. This was offset by a \$51.6 million increase in accumulated depreciation – buildings and improvements.

COLORADO STATE UNIVERSITY SYSTEM

Management's Discussion and Analysis

Years Ended June 30, 2017 and 2016

(Unaudited)

In fiscal year 2016 capital assets, net increased \$222.9 million with the increase attributable to construction in progress. The following are the major construction in progress projects: \$91.5 million – Multi-Purpose Stadium, \$78.4 million – Aggie Village North Redevelopment, \$23.9 million – Biology Building, \$22.9 million – CSU Health & Medical Center Building, \$15.4 million – South College Parking Garage, \$13.2 million – Chemistry Building, as well as many other smaller projects.

In fiscal year 2015 capital assets, net increased \$74.7 million. This increase was primarily attributable to a \$140.3 million increase in buildings and improvements, offset by the \$65.0 million decrease in construction in progress. The increase in buildings and improvements was largely attributed to the capitalization of the following substantially complete buildings: \$75.2 million – Student Center project, \$49.4 million – Laurel Village project, \$12.4 million – Animal Sciences projects, \$11.9 million – Eddy Building project, \$5.6 million – Avenir Gallery Addition, \$3.8 million – Walter and Suzanne Scott, Jr. Bioengineering 2nd Floor Tenant Finish, as well as many other smaller projects. These costs were offset by depreciation. The decrease in construction in progress was mainly due to several large projects being capitalized in fiscal year 2015.

The System had capital construction commitments of approximately \$109.4 million at June 30, 2017 including approximately \$72.3 million for the Translational Therapies & Research Horse Barn, \$3.4 million for the Biology Building, \$15.0 million for the Natural Resources addition, \$8.8 million for the Multi-Purpose Stadium, \$3.0 million for the Chemistry Building, and \$2.2 million for the Aggie Village North Redevelopment at CSU. The remaining commitments are for other small projects at the University. CSU-Pueblo had capital construction commitments of \$7.7 million for the Energy Performance Contract and \$5.9 million for the OUC Addition and Renovation.

The System had \$1.2 billion, \$1.2 billion, and \$1.1 billion of debt outstanding at June 30, 2017, 2016, and 2015 respectively.

Summary of Debt

(Amounts expressed in thousands)

	June 30		
	2017	2016	2015
Debt outstanding:			
Revenue bonds, certificates of participation	\$ 1,214,755	1,193,743	1,043,146
Capital lease obligations	17,898	20,228	21,950
Total Long-term Debt	\$ 1,232,653	1,213,971	1,065,096

In fiscal year 2017, the System issued \$70.2 million in System Enterprise Revenue and Refunding Bonds, Series 2016 A, B. The proceeds of series 2016 A, B will be used to finance certain improvements as determined by the Board, including but not limited to the construction, acquisition, improvement and equipping of the Michael Smith Natural Resources Building in Fort Collins; the Richardson Design Center in Fort Collins; the Institute for Biological and Translational Therapies in Fort Collins; the Chemistry Building in Fort Collins; the CSU Pueblo Energy Performance Projects in Pueblo; and the Shields and Elizabeth Streets Underpass and above-grade improvements in Fort Collins; to finance any other improvements to any of the campuses for which the Board has spending authority and such other capital projects as may be designated by the Board, to refund the Board's Series 2007 A Bonds and a portion of the Board's Series 2007 B Bonds and advance refund a portion of the Board's Series 2008 A Bonds, and to pay the costs of issuing the Series 2016 A, B Bonds. Series 2016 A are taxable and bears a 1.5-3.4 percent interest rate and matures in March 2025, Series 2016 B bears a 3-5 percent interest rate and matures in March 2046.

COLORADO STATE UNIVERSITY SYSTEM

Management's Discussion and Analysis

Years Ended June 30, 2017 and 2016

(Unaudited)

In fiscal year 2016, the System issued \$156.3 million in System Enterprise Revenue Bonds, Series 2015 E and F. The proceeds will be used on the following projects in Fort Collins: The Prospect Underpass, Research Dr. Parking Lot, S. College Ave. Garage, PERC, the Biology Building, the CSU Health & Medical Center, and the Stadium Academic Space. Series 2015 E-1 bears a 5 percent interest rate and matures in March 2047, Series 2015 E-2 bears a 5 percent interest rate and matures in March 2033, and Series 2015 F bears interest rates from 1.75-5 percent, and matures in 2023.

In fiscal year 2015, the System issued \$235.2 million in System Enterprise Revenue Bonds, Series 2015 A, B and C. The proceeds from the sale of the Series 2015 A and B (\$167.5 million) was used to construct a 643,000 gross square foot multipurpose stadium to be located between Lake Street and Pitkin Street in Fort Collins, Colorado. Series 2015 C (\$67.7 million) will advance refund a portion of the outstanding Series 2007 B bonds, Series 2008 A bonds, and Series 2009 A bonds. The 2015 A, B, and C Bonds bear interest rates from 2.0 to 5.0 percent with final maturity falling in 2055. In addition, the System issued \$66.7 million in System Enterprise Revenue Bonds, Series 2015 D. The proceeds from the sale of the Series 2015 D was used to defray a portion of the cost of financing certain 2015 improvement projects. The 2015 D Bond has a variable interest with a final maturity falling in 2047.

Net proceeds of the above mentioned Series 2016 B and previous Series 2015 C and Series 2013 A, B were placed in an escrow account to purchase U.S. Treasury Securities. The principal and interest from the U.S. Treasury Securities is being used to repay the refunded bonds, which are considered to be defeased. The Escrow Agent will pay the debt service requirements on each of the remaining refunded bonds. Details of each of the outstanding bonds that were partially or fully refunded by these refunding bonds is listed below.

Outstanding Refunded Bonds by Series

(Amounts expressed in thousands)

Refunding Bond	Refunded Bond	Defeased Obligation	Call Date	Call Par Amount	Call Price (% of Par)
Series 2013 B	Series 2007 C	\$ 11,610	N/A	N/A	N/A
Series 2015 C, 2016 B	Series 2008 A	69,170	3/1/2018	\$ 69,170	100
Series 2013 A, 2015 C	Series 2009 A	52,595	3/1/2019	50,975	100

Economic Outlook/Future of the Colorado State University System

The Colorado State University System is a group of higher education institutions in the State of Colorado run under one common leadership structure as previously identified.

The System receives revenues from numerous sources including students who receive a stipend from the State to cover a portion of their higher education expenses. In many states, this funding is appropriated directly to the institution. In Colorado, it is appropriated for use by the student.

The Colorado State University System is authorized to receive \$95.2 million in fee for service contract revenue and \$44.1 million in student stipends in fiscal year 2018. The \$139.3 million of anticipated fiscal year 2018 state support represents an \$806 thousand increase in student stipends and a \$4.0 million increase in fee for service, for a net \$4.8 million increase in state support.

The State General Fund revenue is projected on a quarterly basis by the Governor's Office of State Planning and Budgeting. The most recent projection (March 2017) estimates that revenue will exceed the amount

COLORADO STATE UNIVERSITY SYSTEM

Management's Discussion and Analysis

Years Ended June 30, 2017 and 2016

(Unaudited)

required to maintain the same level of appropriations in fiscal year 2017-2018 as is currently budgeted for fiscal year 2016-2017 by \$254.2 million, or 2.4 percent. The State's overall budgetary situation remains governed by the three constitutional budgetary provisions: The Taxpayer Bill of Rights (TABOR), the Gallagher Amendment on property taxes, and Amendment 23 requiring specified amounts in state support for K-12 Education. The budgetary situation for higher education has changed with the implementation of the College Opportunity Fund in fiscal year 2006. As a result of legislation adopted in the 2004 session (S.B. 04-189), the State no longer provides direct State General Fund appropriation to the governing boards. Instead, the State provides stipends to qualified, resident undergraduate students, and institutions receive fee for service contracts from the Colorado Commission on Higher Education for the provision of other educational services. Finally, S.B. 04-189 also allows institutions of higher education to become TABOR enterprises through this new funding mechanism. Enterprise status eliminates institutional cash funds, such as tuition, from counting against the state's TABOR limitation. As a result of S.B. 04-189, the Colorado State University System became a qualified Tabor enterprise.

In fiscal year 2007, the System was designated a Single Enterprise providing it greater flexibility and expanded financial capabilities in a host of areas. This designation allows the System to raise revenues and finance projects outside of the revenue limits set for most governmental entities. With this TABOR status, the cash funds collected by the System's institutions no longer count toward the State's overall revenue limit. In addition, as enterprises, the institutions can consider issuing revenue bonds backed by student fees for academic buildings.

Total full time equivalent enrollment at the System for fiscal year ended 2017 was 38,247. This includes 26,013 at CSU, 3,872 at CSU-Pueblo, and 8,362 enrolled at CSU-Global. Compared to fiscal year ended 2016, CSU saw growth of 2.5 percent. CSU-Pueblo enrollment remained steady, and CSU-Global saw total enrollment grow 13.0 percent from fiscal year ended 2016. Total enrollment at the System is anticipated to increase 3.0 percent in fiscal year 2018. This includes a 1.3 percent increase at CSU, a 6.6 percent decrease at CSU-Pueblo, and a 12.7 percent increase at CSU-Global.

Requests for Information

The financial report is designed to provide a general overview of the Colorado State University System's finances for all those with an interest in the System's finances and to demonstrate the System's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the attention of the Chief Financial Officer, Colorado State University System, 410 Seventeenth Street, Suite 1415, Denver, CO 80202.

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COLORADO STATE UNIVERSITY SYSTEM

Statements of Net Position

June 30, 2017 and 2016

(Amounts expressed in thousands)

	System		Discretely Presented Component Units	
	2017	2016 *	2017	2016
Assets and Deferred Outflows of Resources				
Current assets:				
Cash and cash equivalents	\$ 516,194	453,556	\$ 6,025	2,590
Student accounts receivable, net	37,103	32,063	-	-
Grant and other accounts receivable, net	68,728	59,718	81,235	44,968
Student loans receivable, net	3,304	3,191	-	-
Inventories	9,235	9,404	-	-
Prepaid expenses	8,190	7,602	1,332	393
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Total current assets	642,754	565,534	88,592	47,951
Noncurrent assets:				
Restricted cash and cash equivalents	99,871	317,394	-	-
Investments, restricted and unrestricted	26,435	25,248	532,407	458,886
Student loans receivable, net	21,675	20,286	-	-
Other noncurrent assets	13,677	11,021	697	651
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Noncurrent assets - non capital	161,658	373,949	533,104	459,537
Nondepreciable capital assets:				
Land and land improvements	37,492	37,492	-	-
Construction in progress	421,222	329,919	-	-
Collections	5,831	5,149	-	-
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Total nondepreciable capital assets	464,545	372,560	-	-
Depreciable capital assets, net:				
Land improvements	41,928	35,209	-	-
Buildings and improvements	1,187,177	1,026,612	-	-
Leasehold improvements	313	987	26	32
Equipment	78,213	88,163	134	67
Library materials	7,177	7,697	-	-
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Total depreciable capital assets (net of accumulated depreciation)	1,314,808	1,158,668	160	99
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Total noncurrent assets	1,941,011	1,905,177	533,264	459,636
Deferred outflows of resources:				
Loss on bond refundings	43,123	45,275	-	-
Deferred outflows-pensions	310,435	66,696	-	-
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Total deferred outflows of resources	353,558	111,971	-	-
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Total assets and deferred outflows of resources	\$ 2,937,323	2,582,682	\$ 621,856	507,587
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* Reclassified

COLORADO STATE UNIVERSITY SYSTEM

Statements of Net Position

June 30, 2017 and 2016

(Amounts expressed in thousands)

	System		Discretely Presented Component Units	
	<u>2017</u>	<u>2016 *</u>	<u>2017</u>	<u>2016</u>
Liabilities and Deferred Inflows of Resources				
Current liabilities:				
Accounts payable	\$ 74,683	78,470	\$ 6,027	1,775
Accrued liabilities	78,841	76,975	178	179
Unearned revenue	40,031	35,009	-	-
Deposits held for others, current	6,914	6,712	-	-
Bonds payable and certificates of participation, current	24,525	23,249	-	-
Capital leases payable, current	2,946	3,884	-	-
Other noncurrent liabilities, current	1,526	2,411	100	78
Compensated absences liabilities, current	2,987	2,939	-	-
	<u>232,453</u>	<u>229,649</u>	<u>6,305</u>	<u>2,032</u>
Total current liabilities				
Noncurrent liabilities:				
Bonds payable and certificates of participation	1,190,230	1,170,494	-	-
Capital leases payable	14,952	16,344	-	-
Deposits held for others	19,382	19,140	13,572	13,009
Other noncurrent liabilities	5,636	5,774	977	807
Compensated absences liabilities	54,989	52,496	-	-
Net pension liability	992,336	578,718	-	-
	<u>2,277,525</u>	<u>1,842,966</u>	<u>14,549</u>	<u>13,816</u>
Total noncurrent liabilities				
Deferred inflows of resources:				
Deferred inflows-other	442	595	-	-
Deferred inflows-pensions	11,694	13,496	-	-
	<u>12,136</u>	<u>14,091</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources				
Total liabilities and deferred inflows of resources				
	<u>\$ 2,522,114</u>	<u>2,086,706</u>	<u>\$ 20,854</u>	<u>15,848</u>
Net position				
Net investment in capital assets	\$ 655,232	624,707	\$ -	-
Restricted for nonexpendable purposes	26,709	25,421	228,753	198,824
Restricted for expendable purposes - other	44,388	43,062	334,193	269,806
Unrestricted	<u>(311,120)</u>	<u>(197,214)</u>	<u>38,056</u>	<u>23,109</u>
	<u>\$ 415,209</u>	<u>495,976</u>	<u>\$ 601,002</u>	<u>491,739</u>
Total net position				

* Reclassified

See accompanying notes to basic financial statements.

**COLORADO STATE UNIVERSITY
OTHER POSTEMPLOYMENT BENEFITS TRUST**

Statement of Fiduciary Net Position

June 30, 2017

(Amounts expressed in thousands)

Assets	2017
Cash and deposits	\$ 1,534
Receivables:	
Contributions	2
Investment income	12
Total receivables	<u>14</u>
Investments:	
Domestic equities	10,976
International equities	9,055
Fixed income	34,016
Alternative investments	19,126
Real estate	<u>3,800</u>
Total investments	<u>76,973</u>
Total assets	<u>78,521</u>
Liabilities	
Payables:	
Bank trustee and administration fees	9
Benefits payable to members	<u>144</u>
Total liabilities	<u>153</u>
Net position restricted for postemployment benefits other than pensions	\$ <u>78,368</u>

See accompanying notes to basic financial statements.

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COLORADO STATE UNIVERSITY SYSTEM
 Statements of Revenues, Expenses, and Changes in Net Position
 Years ended June 30, 2017 and 2016
 (Amounts expressed in thousands)

	System		Discretely Presented Component Units	
	2017	2016 *	2017	2016
Operating revenues:				
Student tuition and fees (including \$91,236 and \$85,117 of revenues pledged for bonds in 2017 and 2016, respectively, and net of scholarship allowances of \$121,800 and \$111,158 for 2017 and 2016, respectively)	\$ 559,548	519,044	\$ -	-
State fee for service revenue	91,242	91,723	-	-
Grants and contracts (including \$49,256 and \$47,618 of revenues pledged for bonds in 2017 and 2016, respectively)	305,307	291,131	-	-
Sales and services of educational activities	41,497	37,876	-	-
Auxiliary enterprises (including \$141,666 and \$125,070 of revenues pledged for bonds in 2017 and 2016, respectively, and net of scholarship allowances of \$4,427 and \$4,341 for 2017 and 2016, respectively)	175,045	163,533	-	-
Contributions	-	-	111,011	102,044
Other operating revenue	10,022	10,928	2,174	14,618
Total operating revenues	<u>1,182,661</u>	<u>1,114,235</u>	<u>113,185</u>	<u>116,662</u>
Operating expenses:				
Instruction	382,657	317,284	-	-
Research	233,438	201,908	-	-
Public service	119,404	102,055	-	-
Academic support	105,464	85,541	-	-
Student services	72,518	59,142	-	-
Institutional support	87,361	66,215	58,695	59,107
Operation and maintenance of plant	86,429	74,161	-	-
Scholarships and fellowships	30,820	30,188	-	-
Auxiliary enterprises	167,710	149,156	-	-
Depreciation	89,607	94,958	19	4
Total operating expenses	<u>1,375,408</u>	<u>1,180,608</u>	<u>58,714</u>	<u>59,111</u>
Operating income (loss)	<u>\$ (192,747)</u>	<u>(66,373)</u>	<u>\$ 54,471</u>	<u>57,551</u>

* Reclassified

COLORADO STATE UNIVERSITY SYSTEM
 Statements of Revenues, Expenses, and Changes in Net Position
 Years ended June 30, 2017 and 2016
 (Amounts expressed in thousands)

	System		Discretely Presented Component Units	
	2017	2016 *	2017	2016
Nonoperating revenues (expenses):				
State appropriations	\$ 899	2,144	\$ -	-
Gifts	48,859	48,507	-	-
Investment income (loss) (including \$1,284 and \$1,100 revenues pledged for bonds in 2017 and 2016, respectively)	1,072	7,109	55,140	(9,344)
Interest expense on capital debt	(31,477)	(25,534)	-	-
Federal nonoperating grants and contracts	41,736	41,176	-	-
Other nonoperating revenues (expenses)	4,255	5,805	(348)	(220)
Net nonoperating revenues (expenses)	<u>65,344</u>	<u>79,207</u>	<u>54,792</u>	<u>(9,564)</u>
Income (loss) before other revenues	(127,403)	12,834	109,263	47,987
Other revenues:				
State capital contributions	30,183	19,831	-	-
Capital grants	7,181	8,117	-	-
Capital gifts	7,756	10,451	-	-
Payments from governing boards or other institutions	228	220	-	-
Additions (reductions) to permanent endowments	1,288	(730)	-	-
Total other revenues	<u>46,636</u>	<u>37,889</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(80,767)	50,723	109,263	47,987
Net position, beginning of year	495,976	445,253	491,739	443,752
Net position, end of year	<u>\$ 415,209</u>	<u>495,976</u>	<u>\$ 601,002</u>	<u>491,739</u>

* Reclassified

See accompanying notes to basic financial statements.

COLORADO STATE UNIVERSITY
OTHER POSTEMPLOYMENT BENEFITS TRUST

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2017

(Amounts expressed in thousands)

	2017
Additions	
Employer contributions	\$ 6,292
Employee/Member contributions	1,501
Total contributions	7,793
Investment income:	
Net increase in fair value of investments	2,081
Interest and dividends	576
Less investment expense	(90)
Net investment income	2,567
Total additions	10,360
 Deductions	
Benefit payments	3,231
Administrative expense	296
Total deductions	3,527
Net increase in net position	6,833
 Net position restricted for postemployment benefits other than pensions	
Beginning of year	71,535
End of year	\$ 78,368

See accompanying notes to basic financial statements.

COLORADO STATE UNIVERSITY SYSTEM

Statements of Cash Flows
 Years ended June 30, 2017 and 2016
 (Amounts expressed in thousands)

	<u>2017</u>	<u>2016 *</u>
Cash flows from operating activities:		
Cash received:		
Tuition and fees	\$ 561,848	515,080
Student loans collected	5,418	5,162
Sales of products	22,803	24,229
Sales of services	194,184	170,646
State fee for service revenue	91,242	91,723
Grants and contracts	294,804	292,435
Other operating receipts	9,273	10,986
Cash payments:		
Scholarships disbursed	(26,920)	(22,648)
Student loans disbursed	(5,833)	(4,522)
Payments to employees	(803,538)	(785,105)
Payments to suppliers	(286,227)	(253,416)
Net cash provided by operating activities	<u>57,054</u>	<u>44,570</u>
Cash flows from noncapital financing activities:		
State appropriations - noncapital	899	2,144
Gifts and grants for other than capital purposes	41,732	47,043
Agency (direct lending inflows)	284,254	260,039
Agency (direct lending outflows)	(284,254)	(259,896)
Other agency inflows	71,182	64,931
Other agency (outflows)	(70,771)	(68,553)
Payments (to) from governing boards or other institutions	946	(550)
Other nonoperating revenues	49,803	47,960
Net cash provided by noncapital financing activities	<u>93,791</u>	<u>93,118</u>
Cash flows from capital and related financing activities:		
Proceeds from capital debt	49,059	174,824
State appropriations - capital	30,183	19,831
Capital grants, contracts, and gifts	12,018	14,464
Acquisition and construction of capital assets	(317,764)	(256,855)
Principal paid on capital debt	(28,046)	(24,517)
Interest on capital debt	(50,457)	(45,241)
Net cash used in capital and related financing activities	<u>\$ (305,007)</u>	<u>(117,494)</u>

* Reclassified

COLORADO STATE UNIVERSITY SYSTEM

Statements of Cash Flows

Years ended June 30, 2017 and 2016

(Amounts expressed in thousands)

	2017	2016 *
Cash flows from investing activities:		
Proceeds from sale and maturities of investments	\$ 21,034	11,256
Purchase of investments	(21,603)	(12,192)
Investment earnings (loss)	(154)	5,666
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	(723)	4,730
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	(154,885)	24,924
	<hr/>	<hr/>
Cash and cash equivalents	453,556	352,583
Restricted cash and cash equivalents	317,394	393,443
	<hr/>	<hr/>
Cash and cash equivalents, beginning of the year	770,950	746,026
	<hr/>	<hr/>
Cash and cash equivalents	516,194	453,556
Restricted cash and cash equivalents	99,871	317,394
	<hr/>	<hr/>
Cash and cash equivalents, end of the year	\$ 616,065	770,950
	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating loss	\$ (192,747)	(66,373)
Adjustments:		
Depreciation expense	89,607	94,958
Noncash operating transactions	2,339	5,678
Decrease (increase) in assets:		
Receivables, net	(11,655)	(15,160)
Inventories and prepaids	(3,074)	2,105
Increase (decrease) in liabilities:		
Accounts payable	(4,021)	5,263
Accrued liabilities	1,390	(9,443)
Unearned revenue	5,021	835
Deposits held for others	776	775
Compensated absences liabilities	2,541	3,409
Pension liability	168,078	22,396
Deferred inflow other	(153)	286
Other liabilities	(1,048)	(159)
	<hr/>	<hr/>
Net cash provided by operating activities	\$ 57,054	44,570
	<hr/> <hr/>	<hr/> <hr/>

*Reclassified

COLORADO STATE UNIVERSITY SYSTEM

Statements of Cash Flows

Years ended June 30, 2017 and 2016

(Amounts expressed in thousands)

	2017	2016 *
Noncash activities:		
Noncash gifts	\$ 5,773	7,008
Noncash capital leases	1,985	2,802
Noncash additions (subtractions) to investments held by Foundation	563	(1,232)
Unrealized gains (losses) on investments	(5,130)	2,540
Capitalized interest	15,722	18,512
Capital debt refinanced, gain/loss	547	-
Noncash bond issuance costs	158	428
Amortization of bond premium	3,925	4,661
Amortization of bond issuance costs	15	10
Retainage payable	4,179	7,321
Amortization of bond refunding	(2,699)	(2,641)

* Reclassified

See accompanying notes to basic financial statements.

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COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

(1) Governance and Reporting Entity

(a) Governance

The Colorado State University System (the System) is an institution of higher education of the State of Colorado. For financial reporting purposes, the System is included as part of the State of Colorado's primary government. The Board of Governors (the Board) is the governing board of the System. The Board consists of nine members appointed by the Governor of the State of Colorado and six nonvoting representatives from the institutions. In addition to these financial statements, the System's financial activity is also included in the basic financial statements of the State of Colorado.

(b) Reporting Entity

The accompanying financial statements present the operations of the System. The System conducts its operations through the following three institutions:

Colorado State University – (CSU)
 Colorado State University – Pueblo (CSU-Pueblo)
 Colorado State University – Global Campus (CSU-Global)

As the State's land grant institution, CSU includes the Agriculture Experiment Station, CSU Extension, and the Colorado State Forest Service. In addition, the accompanying financial statements contain the financial activity of the System offices.

As a higher education institution of the State of Colorado, the income of the System is generally exempt from income taxes under Section 115 of the Internal Revenue Code (IRC). However, income unrelated to the exempt purpose of the System would be subject to tax under IRC Section 511(a)(2)(B). The System had no material unrelated business income for the fiscal years ended June 30, 2017 and 2016.

(c) Discretely Presented Component Units

The System follows Governmental Accounting Standards Board (GASB) Statement No. 39, as amended by GASB 61, *The Financial Reporting Entity: Omnibus*. This statement provides guidance to determine whether certain organizations for which the System is not financially accountable should be reported as component units based on the nature and significance of their relationship with the System. The Colorado State University System Foundation (the CSUS Foundation), the Colorado State University Foundation (the CSU Foundation), and the Colorado State University – Pueblo Foundation (the CSU-Pueblo Foundation) have been determined to be component units of the System and have therefore been included as discretely presented component units in the System financial reporting entity. The Colorado State University Research Foundation does not meet the criteria to be reported as a component unit.

The CSUS Foundation

The CSUS Foundation, established in 2015, began operations in fiscal year 2016 as a Colorado nonprofit entity to support the System in accordance with Colorado law as authorized by the Board. The CSUS Foundation was created to accept transfers of intellectual property of the System, which in turn is then licensed to a wholly owned private corporate subsidiary, Beyond Campus Innovations (the Corporation), of the CSUS Foundation in exchange for ownership of the Corporation and a share of the revenues of the Corporation. The CSUS Foundation will distribute monies or make grants to the System in accordance with the rules and regulations of the internal revenue code. Uses of these distributions include funding innovation and System initiatives, investment in new technology for the

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

benefit of the System, improvement of access and affordability for students of the System, and other purposes as determined by the Board.

The officers of the CSUS Foundation are appointed by the Board of Directors. The Board of Directors initially consists of seven Directors. Three members are designated as CSU Directors and four members are designated as Independent Directors. The Board shall elect the CSU Directors and the reigning Independent Directors shall elect future Independent Directors. The number of Directors is subject to change as determined by the Board of Directors.

The source of the CSUS Foundation's revenue is distributions from the Corporation. The major source for the Corporation's revenue is management fees from the Saudi Electronic University (SEU) and applicant advising. For the fiscal years ended June 30, 2017 and 2016, gross profit was \$1.5 million and \$1.8 million, respectively.

The CSU Foundation

The CSU Foundation is a legally separate, tax-exempt entity that was established to receive, manage and invest philanthropic gifts on behalf of CSU. The majority of resources or income thereon that the CSU Foundation holds and invests is restricted for use by, or for the benefit of CSU by the donors. The CSU Foundation is a nonprofit organization that reports under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), including FASB ASC 958-205, *Presentation of Financial Statements*. As such, certain revenue recognition criteria and presentation requirements are different from GASB revenue recognition criteria and presentation requirements. No modifications have been made to the CSU Foundation's financial information in the System's financial reporting entity for these differences, as permitted by GASB Statement No. 39. The CSU Foundation fully discloses the nature of its endowment funds, both donor restricted endowment funds and board-designated endowment funds, and are classified and reported based on the existence or absence of donor-imposed restrictions.

The CSU Foundation was established in 1970 as an independent 501(c)(3) organization. The officers of the CSU Foundation are appointed by the Board of Directors. The Board of Directors consists of five voting members. Four voting members are community members elected by the Board of Directors and the fifth voting member is the President of the CSU Foundation. The three ex-officio, nonvoting members of the Board of Directors serve by virtue of title: President of Colorado State University, the CSU Vice President for University Advancement, and the CSU Vice President for University Operations. No person who is an employee of CSU is eligible to serve as an officer of the CSU Foundation or as a voting Board Member.

The major source for the CSU Foundation's revenue is contributions. For the fiscal years ended June 30, 2017 and 2016, respectively, gifts were \$108.1 million and \$97.5 million. Included in Total Support and Revenue is net investment income. The CSU Foundation had net investment income and net investment loss for the fiscal years ended June 30, 2017 and 2016 of \$51.2 million and \$9.4 million, respectively. The Total Support and Revenue at June 30, 2017 and 2016 was \$159.7 million and \$100.5 million, respectively.

The support provided by the CSU Foundation to CSU is intended to assist in the promotion, development, and enhancement of the facilities, and educational programs and opportunities of the faculty, students, and alumni of CSU. Additionally, the CSU Foundation provides receipts to contributors and invests philanthropic gifts. Approximately \$49.0 million and \$47.6 million was transferred to CSU for the fiscal years ended June 30, 2017 and 2016, respectively, in pursuit of the above stated objectives.

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

Endowments and the related expendable accounts of CSU are held by the CSU Foundation for investment safekeeping. These funds amounted to \$13.6 million and \$13.0 million as of June 30, 2017 and 2016, respectively, and are reported as deposits held in custody for CSU in the financial statements of the CSU Foundation.

Separately issued financial statements for the CSU Foundation are available at 410 University Services Center, Fort Collins, CO 80523.

The CSU-Pueblo Foundation

The CSU-Pueblo Foundation was established in 1954 as an independent 501(c)(3) nonprofit corporation. The affairs of the CSU-Pueblo Foundation are conducted by up to twenty-five voting, elected Director-Trustees. In addition, the President of CSU-Pueblo, one member of the Board of Governors, and the President/CEO of the CSU-Pueblo Foundation serve as nonvoting, ex-officio members. The CSU-Pueblo Foundation is a nonprofit organization that reports under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), including FASB ASC 958-205, *Presentation of Financial Statements*. As such, certain revenue recognition criteria and presentation requirements are different from GASB revenue recognition criteria and presentation requirements. No modifications have been made to the CSU-Pueblo Foundation's financial information in the System's financial reporting entity for these differences, as permitted by GASB Statement No. 39.

The CSU-Pueblo Foundation's major sources of revenue are contributions and fundraising revenues, dividends and interest, and gains/losses on marketable securities for the fiscal year ended June 30, 2017. The CSU-Pueblo Foundation had \$8.5 million in related revenue as of June 30, 2017. The CSU-Pueblo Foundation's major sources of revenue are contributions and fundraising revenues, dividends and interest, and gains/losses on marketable securities for the fiscal year ended June 30, 2016. The CSU-Pueblo Foundation had \$6.9 million in related revenue as of June 30, 2016. The Total Revenue and Support at June 30, 2017 and 2016 was \$8.6 million and \$7.0 million, respectively.

The CSU-Pueblo Foundation was formed to advance and assist in the development, growth, and operation of CSU-Pueblo. The CSU-Pueblo Foundation recorded \$5.4 million and \$6.3 million in transfers of gifts and other assets to CSU-Pueblo during fiscal years ended June 30, 2017 and 2016, respectively, in pursuit of the above stated objectives.

Separately issued financial statements may be obtained from the CSU-Pueblo Foundation office at 2200 Bonforte Boulevard, Pueblo, CO 81001-4901.

(d) Other Postemployment Benefits Trust

During fiscal year 2017, the bylaws of the Colorado State University Other Post Employment Benefit Trust (Trust) were amended. As a result of this change and further analysis, the University now reports the Trust as a fiduciary fund. The Trust was established June 27, 2014, as a single-employer other postemployment benefits (OPEB) plan, for the purpose of accumulating and investing assets to fund certain post-retirement medical benefits for retirees and disability income replacement for employees of CSU. The Trust, which is an entity separate from the University, is for the exclusive purpose of providing funds to pay benefits and for paying expenses of administering the Trust.

The Colorado State University OPEB Trust Administration Committee (Administration Committee) serves as the Trust Administrator, and a Trustee, First National Bank, has the authority over the management, disposition and investment of Trust assets, as defined in the Trust Agreement. Members

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

of the Administration Committee consist of the University's Chief Total Rewards Officer, the University's Chief Financial Officer, the University's Controller, the Colorado State University System's Treasurer, and the University's Chief Human Resources Officer, and any at-large members that may be appointed by the Administration Committee.

(2) Basis of Presentation

For financial reporting purposes, the System is considered a special-purpose government engaged primarily in business-type activities. For financial reporting, the system also includes the Trust as a fiduciary fund starting with fiscal year 2017. The System applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

Any effort to reconcile this report with presentations made for other purposes, such as data submitted with the legislative budget request of the System, must take into consideration the differences in the basis of accounting and other requirements for the presentation of such information.

(3) Measurement Focus, Basis of Accounting, and Summary of Significant Accounting Policies

As a special-purpose government engaged primarily in business-type activities, the basic financial statements of the System have been presented using the economic resources measurement focus and the accrual basis of accounting. Presentation is also in accordance with the State of Colorado Higher Education Accounting Standard No. 17. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when incurred. All significant intra-agency transactions have been eliminated.

(a) Cash and Cash Equivalents

Cash and cash equivalents are defined as cash-on-hand, demand deposits, certificates of deposit with financial institutions, pooled cash with the State Treasurer, and all highly liquid investments with an original maturity when purchased of three months or less.

(b) Investments

With the implementation of GASB Statement No. 72, *Fair Value Measurement and Application*, the System now provides additional fair value measurements. CSU treasury bill investments are accounted for at fair value, which is determined by quoted prices in active markets for identical assets (level 1). Changes in unrealized gain (loss) on the carrying value of investments are reported as a gain (loss) on investment as well as an unrealized gain (loss) income source in the statements of revenues, expenses, and changes in net position.

Discretely presented component units – CSU Foundation and CSU-Pueblo Foundation investments are accounted for at fair value, which is determined by one of the following: quoted prices in active markets for identical assets (level 1), inputs other than quoted prices that are observable directly or indirectly (level 2), significant unobservable inputs where level 1 and 2 inputs are unavailable (level 3), or net asset value practical expedients not within the fair value hierarchy (NAV).

Other Postemployment Benefits Trust – Trust investments are accounted for at fair value, which is determined by one of the following: quoted prices in active markets for identical assets (level 1), inputs other than quoted prices that are observable directly or indirectly (level 2), or significant unobservable inputs where level 1 and 2 inputs are unavailable (level 3).

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

(c) Inventories

Inventories, consisting of livestock; facilities and housing maintenance supplies; medical, pharmaceutical, and laboratory supplies; food supplies; books; and soft-goods are stated at the lower of cost or market. Cost is determined either on the first-in/first-out, average-cost, specific-identification, or on the retail method. Livestock inventories have been recorded at the lower of cost or market using unit livestock costing methods and estimated animal weights.

(d) Restricted Cash and Cash Equivalents and Restricted Investments

Assets are reported as restricted when restrictions on asset use change the nature or normal understanding of the availability of the assets. For the System, examples of restricted cash and cash equivalents and restricted investments include cash and cash equivalents required as bond reserves, unexpended bond proceeds, and investments held by endowment funds.

(e) Capital Assets

Land, land improvements, buildings and improvements, leasehold improvements, library materials, collections, and equipment are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. Capitalization limits vary at the three institutions ranging from \$5 thousand to \$50 thousand. At CSU, library materials are valued at average acquisition cost. At CSU-Pueblo, library materials are valued at actual cost.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets or intangible assets, generally 10 to 70 years for buildings, 5 to 21 years for land improvements, 10 to 15 years for library books, 2 to 12 years for equipment and software, and 3 to 25 years for leasehold improvements. Depreciation expense was not allocated among functional categories.

Renovations to buildings and other improvements that significantly increase the value and extend the useful life of the structure or includes a conversion of the use of the space, are capitalized. Routine repairs and maintenance are charged to expense. Major outlays for capital assets and improvements are capitalized as construction in progress throughout the building project.

During capital construction, interest cost is capitalized from the date of the borrowing to the date the qualifying asset is ready for use. In addition, interest earnings are capitalized from the date of the tax-exempt borrowing to the date the qualifying asset is ready for use. Once the capital asset is ready for use, the net cost of interest on the borrowing is capitalized and added to the acquisition cost of the asset.

The System has capitalized collections such as works of art and historical artifacts. The nature of certain collections is such that the value and usefulness of the collection does not change over time. These collections have not been depreciated in the System's financial statements.

Assets under capital leases are recorded at the present value of the future minimum lease payments and are amortized using the straight-line method over the estimated useful life of the asset being leased.

The System evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Capital assets are generally considered impaired if a decline in service utility occurs, the impairment is material, and the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will no longer be used by the System are reported at the lower of carrying value or fair value. Impairment losses on capital assets that will continue to be used by the System are measured using the method that best

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

reflects the diminished service utility of the capital asset. If evidence is available to demonstrate that impairment will be temporary, the capital asset is not written down. There were no material impairments of capital assets for the fiscal years ended June 30, 2017 and 2016.

(f) *Deferred Outflows of Resources*

With the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the System now carries a deferred outflow of resources related to the loss on bond refundings previously reported as a liability. Additionally, with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*-an amendment to GASB Statement No. 27, the System now carries a deferred outflow of resources related to pensions.

(g) *Compensated Absences Liabilities*

The amount of compensated absence liabilities that are recorded as a current liability on the Statements of Net Position are a three or five-year rolling average of actual payouts. The remaining balance of the compensated absence liabilities is recorded as a noncurrent liability on the Statements of Net Position.

(h) *Deferred Inflows of Resources*

With the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*-an amendment to GASB Statement No. 27, the System now carries a deferred inflow of resources related to pensions. In addition, with the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the System now carries a deferred inflow of resources related to sponsored program nonexchange transactions.

(i) *Net Position*

Net position of the System is classified as follows:

Net investment in capital assets – This represents the total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets.

Restricted net position – nonexpendable – Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing future income, which may either be expended or added to principal.

Restricted net position – expendable – Restricted expendable net position includes resources in which the System is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net position – Unrestricted net position represents resources derived from student tuition and fees, state fee for service reserves, and sales and services of educational activities. These resources are used for transactions relating to the educational and general operations of the System and may be used to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff. Unrestricted net position may be designated by actions of the Board.

Discretely presented component units – Net assets of the CSUS Foundation, the CSU Foundation, and the CSU-Pueblo Foundation and the changes therein are classified and reported as follows:

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Unrestricted net assets – Net assets that are not subject to third party or donor-imposed restrictions.

Temporarily restricted net assets – Net assets are subject to third party or donor-imposed stipulations that will be met either by actions of the CSUS Foundation, the CSU Foundation, the CSU-Pueblo Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets are subject to donor-imposed restrictions that are maintained permanently by the CSUS Foundation, the CSU Foundation, and the CSU-Pueblo Foundation.

Other Postemployment Benefits Trust – Net position of the Trust is classified as restricted for postemployment benefits.

(j) Classification of Revenues

The System has classified revenues as either operating or nonoperating according to the following criteria:

Operating revenues consist of services and sales related to teaching, research, and public service, along with auxiliary activities of student, faculty, and staff support. These revenues include: 1) tuition and fees from students (after reduction for scholarship allowances provided with institutional funds); 2) grants and contracts from federal, state, and local governments, and private sources including businesses, individuals, and foundations; 3) state fee for service revenues; 4) sales and services of the Veterinary Teaching Hospital and Diagnostic Laboratory; and 5) fees for goods and services of auxiliary operations such as student housing and dining, student center retail stores, health services, and athletics. Revenues from exchange transactions are recognized when they are earned and measurable.

Operating expenses represent the full cost of providing the services and goods associated with operating revenues. These expenses are accrued when incurred and measurable and reported using functional classifications.

Nonoperating revenues consist primarily of gifts from grantors and donors, and investment income that are relied upon and budgeted for support of operating expenses. Also included in nonoperating revenues are Federal Pell Grants. Nonoperating expenses include interest expense on capital debt.

Other revenues include revenues from state capital construction and controlled maintenance appropriations, capital gifts, and grants primarily designated for capital purposes. Other expenses include payments to other governing boards or other institutions.

(k) Summer Session Revenue and Related Expenses

The System prorates the summer session revenues and expenses based on the number of days between the first day of the summer session and the last day of the summer session which falls before or after June 30.

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Notes to Basic Financial Statements

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(Amounts expressed in thousands)

(l) Application of Restricted and Unrestricted Resources

This application is made on a case-by-case basis by management depending on overall program requirements and resources. Generally, management applies restricted resources then unrestricted resources when both restricted and unrestricted resources are available to pay an expense.

(m) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(n) Reclassifications

Net position was evaluated to determine the appropriateness of restricting tuition and fees, auxiliaries, and the Research Building Revolving Fund (RBRF) related to pledges required by bond resolutions. As a result of this evaluation, it was determined that there is no external restriction associated with these items. \$67.0 million of restricted for expendable purposes net position (\$47.9 million restricted for auxiliaries, \$14.3 million restricted for tuition and fees, and \$4.8 million restricted for RBRF) was reclassified to unrestricted net position.

Certain balances in 2016 have been reclassified to conform to the presentation in 2017. Tuition payments made on behalf of Graduate Assistants previously reported as scholarship allowance are now reported as benefit expense. As a result of the reduction to scholarship allowance, both Student tuition and fees and Operating expenses increased \$19.0 million.

Certain tuition reductions were excluded from the scholarship allowance calculation in the parenthetical statement of the Statements of Revenues, Expenses, and Changes in Net Position in 2016. This reclassification of \$6.1 million in scholarships offset by the \$19.0 million Graduate Assistant Tuition reclassification noted above decreased scholarship allowance related to Student tuition and fees from \$124.1 million to \$111.2 million.

(4) Cash and Cash Equivalents

The System deposits its cash and cash equivalents with the Colorado State Treasurer as required by Colorado Revised Statutes (CRS). The State Treasurer pools these deposits and invests them in securities authorized by CRS 24-75-601.1. The State Treasury acts as a bank for all state agencies and institutions of higher education, with the exception of the University of Colorado. Monies deposited in the Treasury are invested until the cash is needed. As of June 30, 2017, the System had cash on deposit with the State Treasurer of \$576.7 million which represented approximately 8.5 percent of the total \$6.8 billion fair value of deposits in the State Treasurer's Pool (Pool). As of June 30, 2016, the System had cash on deposit with the State Treasurer of \$745.4 million which represented approximately 10.1 percent of the total \$7.4 billion fair value of deposits in the Pool.

On the basis of the System's participation in the Pool, the System reports as an increase or decrease in cash and cash equivalents its share of the Treasurer's unrealized gains and losses on the Pool's underlying investments. The State Treasurer does not invest any of the Pool's resources in any external investment pool, and there is no assignment of income related to participation in the Pool. The unrealized gains or losses included in income reflect only the change in fair value for the fiscal year.

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(Amounts expressed in thousands)

The difference between the System's cash carrying value, deposits with the State Treasurer and balances at other banks is due to outstanding checks and deposits in transit. Interest earned on deposits with the State for the fiscal years ended June 30, 2017 and 2016 was approximately \$6.9 million and \$7.5 million, respectively. These amounts reflect increases in cash and cash equivalents and increases or decreases in investment income as a result of recording unrealized gains or losses on deposits with the State Treasurer. The System reflected an unrealized loss and an unrealized gain on cash and cash equivalents on deposit with the State Treasurer for the fiscal years ended June 30, 2017 and 2016 of \$253 thousand and \$4.9 million, respectively. The unrealized loss on investment income for the fiscal year ended June 30, 2017 was \$5.1 million and the unrealized gain on investment income for the fiscal year ended June 30, 2016 was \$2.5 million.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the System's deposits may not be returned to it. To manage custodial risk, deposits with financial institutions are made in accordance with the Colorado Public Deposit Protection Act (PDPA) of 1975. PDPA requires all eligible depositories holding public deposits to pledge designated eligible collateral having a market value equal to at least 102 percent of the deposits exceeding those amounts insured by federal depository insurance. Deposits collateralized under PDPA are considered to be collateralized with securities held by the pledging institutions in the System's name. Deposits held in money market funds are not PDPA eligible deposits.

At June 30, 2017 and 2016, the System's book value of cash not on deposit with the State Treasurer was \$39.4 million and \$25.5 million, respectively. Cash included petty cash/change funds and bank account balances of \$7.4 million and \$32.0 million as of June 30, 2017 and \$124 thousand and \$25.4 million as of June 30, 2016, respectively. Bank account balances per the bank at June 30, 2017 and 2016 were \$39.4 million and \$32.7 million, respectively. Of the June 30, 2017 deposits, \$765 thousand were covered by depository insurance and were not exposed to custodial credit risk, and the remaining \$38.6 million were collateralized with securities held by the pledging institution's trust department or agent in the System's name. Of the June 30, 2016 deposits, \$770 thousand were covered by depository insurance and were not exposed to custodial credit risk, and the remaining \$31.9 million were collateralized with securities held by the pledging institution's trust department or agent in the System's name.

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations. This risk is assessed by national rating agencies which assign a credit quality rating for many investments. Credit quality ratings for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not reported; however, credit quality ratings are reported for obligations of U.S. government agencies that are not explicitly guaranteed by the U.S. government.

Additional information on investments of the State Treasurer's Pool may be obtained in the State's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017.

(5) Restricted Investments

As of June 30, 2017 and 2016, the System's restricted investments had a fair value of \$26.4 million and \$25.2 million, respectively. Investment earnings/losses consist of land fund interest and income/loss from investments held by the CSU Foundation. For the fiscal years ended June 30, 2017 and 2016 there was an investment gain of \$618 thousand and loss of \$604 thousand, respectively.

Treasury Bills purchased on January 5, 2017, with a par value of \$12.8 million matured and were reinvested on April 27, 2017. The System only invests in U.S. Treasury securities, which are federally guaranteed investments, as required by state law. The System's restricted investments include investments held by the CSU Foundation.

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Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

With the implementation of GASB Statement No. 72, *Fair Value Measurement and Application*, the System reports investments using the fair value hierarchy. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Valuation techniques are used to determine fair value by maximizing the use of relevant observable inputs and minimize the use of unobservable inputs. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – quoted prices for identical assets in an active market.

Level 2 – quoted prices for similar assets in active markets, or identical or similar assets in markets that are not active, or inputs other than quoted prices that are observable for the asset such as interest rates.

Level 3 – unobservable inputs. In these situations, the organization develops inputs using the best information available in the circumstances. The System's interest in investments held at the CSU Foundation fair value is determined by the Foundation as a proportionate share of total investments at June 30, 2017.

The following details each major category of the System's investments at fair value as of June 30, 2017 and 2016:

	June 30, 2017			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury obligations	\$ 12,862	-	-	12,862
Interest in investments held by CSU Foundation	-	-	13,573	13,573
Total investments	<u>\$ 12,862</u>	<u>-</u>	<u>13,573</u>	<u>26,435</u>
	June 30, 2016			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury obligations	\$ 12,239	-	-	12,239
Interest in investments held by CSU Foundation	-	-	13,009	13,009
Total investments	<u>\$ 12,239</u>	<u>-</u>	<u>13,009</u>	<u>25,248</u>

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Notes to Basic Financial Statements

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(Amounts expressed in thousands)

(a) Interest Rate Risk

At June 30, 2017, the following System investments were subject to interest rate risk:

Type of Investment	Fair Value	Weighted Average Maturity (in years)	Duration (in years)
U.S. Treasury obligations	\$ 12,862	0.83	-
Investments subject to interest rate risk	\$ <u>12,862</u>		

At June 30, 2016, the following System investments were subject to interest rate risk:

Type of Investment	Fair Value	Weighted Average Maturity (in years)	Duration (in years)
U.S. Treasury obligations	\$ 12,239	0.62	-
Investments subject to interest rate risk	\$ <u>12,239</u>		

The System's U.S. Treasury obligations are invested in accordance with Colorado Revised Statute 23-31-504. This statute requires these investments relating to the CSU land grant fund to be invested in specific types of investments, which includes U.S. Treasury obligations. The System does not have a specific policy relating to the management of interest rate risk.

Discretely presented component units – As of June 30, 2017, the Foundations' investments consisted of various securities carried at fair value as determined by quoted market prices on national exchanges. Alternative investments are valued at the position value (NAV) provided by the investment manager. This NAV is computed based on dealer quotations on the fair value of the underlying securities, the majority of which are traded on national exchanges. Alternative investments are comprised of two investment types: hedge funds and private market investments. The goal of hedge fund investments is to achieve returns with a lower correlation to long-only public equity markets. Hedge funds frequently hold both long and short positions. The goal of private market investments is to generate returns in excess of public markets in exchange for restricted liquidity. Private market investments are generally made in the form of equity capital or debt in private companies. The average time to achieve a total commitment draw down is five years for private market investments.

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Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

The following details each major category of the CSU Foundation's investments at fair value as of June 30, 2017 and 2016:

		June 30, 2017				
		Level 1	Level 2	Level 3	Net Asset Value	Total
Cash and cash equivalents subject						
to investment management direction	\$	1,771	—	—	—	1,771
Public equities:						
Domestic		81,781	—	—	1,059	82,840
International		—	—	—	18,146	18,146
Emerging markets		—	—	—	26,844	26,844
Global		22,032	—	—	61,411	83,443
Fixed income		72,221	—	—	28,100	100,321
Other/global asset allocation		20,138	—	—	—	20,138
Alternative investments:						
Hedge funds		—	—	—	60,946	60,946
Private markets		—	—	—	55,740	55,740
Short duration		41,973	—	—	—	41,973
Student-managed investments		1,003	—	—	—	1,003
Total	\$	<u>240,919</u>	<u>—</u>	<u>—</u>	<u>252,246</u>	<u>493,165</u>
		June 30, 2016				
		Level 1	Level 2	Level 3	Net Asset Value	Total
Cash and cash equivalents subject						
to investment management direction	\$	7,578	—	—	—	7,578
Public equities:						
Domestic		89,543	—	—	16,089	105,632
International		18,763	—	—	9,998	28,761
Emerging markets		—	—	—	29,722	29,722
Global		—	—	—	37,702	37,702
Fixed income		31,870	—	—	—	31,870
Alternative investments:						
Hedge funds		—	—	—	97,669	97,669
Private markets		—	—	—	45,680	45,680
Short duration		39,694	—	—	—	39,694
Student-managed investments		855	—	—	—	855
Total	\$	<u>188,303</u>	<u>—</u>	<u>—</u>	<u>236,860</u>	<u>425,163</u>

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

Net investment income of the CSU Foundation consisted of the following for the fiscal years ended June 30, 2017 and 2016:

	<u>June 30</u>	
	<u>2017</u>	<u>2016</u>
Interest, dividends, and other income	\$ 5,849	7,273
Net unrealized and realized gain (loss) on investments	51,429	(13,729)
Less investment management fees	<u>(4,720)</u>	<u>(3,590)</u>
	52,558	(10,046)
Less net investment (income) loss on deposits held in custody for CSU	<u>(1,354)</u>	<u>637</u>
Total	<u>\$ 51,204</u>	<u>(9,409)</u>

The following details each major category of the CSU-Pueblo Foundation's investments at fair value for the fiscal years ended June 30, 2017 and 2016:

	<u>June 30, 2017</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Marketable equity securities				
Domestic	\$ 18,380	-	-	18,380
International	4,806	-	-	4,806
Marketable debt securities				
Domestic	13,031	-	-	13,031
Master limited partnership	423	-	-	423
Beneficial interest in remainder trusts	-	-	248	248
Total	<u>\$ 36,640</u>	<u>-</u>	<u>248</u>	<u>36,888</u>

	<u>June 30, 2016</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Marketable equity securities				
Domestic	\$ 15,437	-	-	15,437
International	4,172	-	-	4,172
Marketable debt securities				
Domestic	11,080	-	-	11,080
International	1,221	-	-	1,221
Real estate investment trust	623	-	-	623
Master limited partnership	455	-	-	455
Beneficial interest in remainder trusts	-	-	232	232
Total	<u>\$ 32,988</u>	<u>-</u>	<u>232</u>	<u>33,220</u>

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Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

Net investment income of the CSU-Pueblo Foundation consisted of the following for the fiscal years ended June 30, 2017 and 2016:

	2017		
	Temporarily		Total
	Unrestricted	Restricted	
Dividend income	\$ 233	980	1,213
Interest income	-	2	2
Realized gain - securities	24	101	125
Unrealized gain	511	2,147	2,658
Total investment income	<u>\$ 768</u>	<u>3,230</u>	<u>3,998</u>
	2016		
	Temporarily		
	Unrestricted	Restricted	Total
Dividend income	\$ 375	1,276	1,651
Interest income	-	2	2
Realized loss - securities	(11)	(38)	(49)
Unrealized loss	(331)	(1,125)	(1,456)
Total investment income	<u>\$ 33</u>	<u>115</u>	<u>148</u>

Other Postemployment Benefits Trust - With the implementation of GASB Statement No. 72, *Fair Value Measurement and Application*, the Trust reports investments using the fair value hierarchy. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Valuation techniques are used to determine fair value by maximizing the use of relevant observable inputs and minimize the use of unobservable inputs. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – quoted prices for identical assets in an active market.

Level 2 – quoted prices for similar assets in active markets, or identical or similar assets in markets that are not active, or inputs other than quoted prices that are observable for the asset such as interest rates.

Level 3 – unobservable inputs. In these situations, the organization develops inputs using the best information available in the circumstances.

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The following details each major category of the Trust's investments at fair value as of June 30, 2017:

	June 30, 2017			
	Level 1	Level 2	Level 3	Total
U.S. government securities	\$ 15,688	-	-	15,688
Corporate bonds	10,918	-	-	10,918
Asset backed securities	4,968	-	-	4,968
Mutual funds	26,264	-	-	26,264
Private equities	-	-	311	311
Hedge funds	-	-	7,981	7,981
Alternative investments	-	-	10,843	10,843
Total	\$ 57,838	-	19,135	76,973

The following table presents the Standard & Poor's quality ratings of the fixed income assets of the Trust as of June 30, 2017. Certain fixed income investments of the Trust are invested in a bond mutual fund and therefore not included in the disclosure below.

	June 30, 2017		
Standard & Poor's	U.S. Government Agencies	Corporate Bonds	Asset Back Securities
AAA	\$ -	55	648
AA	15,688	1,497	448
A	-	4,655	2,212
BBB	-	3,549	697
NR	-	1,162	963
Total	\$ 15,688	10,918	4,968

The following details the effective weighted average maturity of fixed income investments of the Trust at June 30, 2017:

	June 30, 2017		
	Fair Value Amount	Weighted Average Maturity (in years)	Percent of Fixed Income Assets
U.S. government securities	\$ 15,688	6.6	46.1%
Corporate bonds	10,918	2	32.1%
Asset backed securities	4,968	0.9	14.6%
Bond mutual funds	2,442		7.2%
Total	\$ 34,016		100.0%

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(Amounts expressed in thousands)

(6) Accounts Receivable

Accounts receivable are shown net of allowances for doubtful accounts in the accompanying Statements of Net Position.

	June 30	
	2017	2016
Student accounts receivable:	\$ 52,236	44,955
Less allowance for doubtful accounts	(15,133)	(12,892)
Student accounts receivable, net	\$ 37,103	32,063
Student loans receivable:	\$ 33,046	31,038
Less allowance for doubtful accounts	(8,067)	(7,561)
Student loans receivable, net	24,979	23,477
Less current portion	(3,304)	(3,191)
Noncurrent student loans receivable, net	\$ 21,675	20,286
Grant and other accounts receivable:		
Sponsored programs	\$ 46,387	39,587
Commercial receivables	9,788	9,104
Conferences and summer programs	808	436
Insurance trust fund	1,403	1,502
Receivables from Foundation	5,785	1,512
Athletics	905	1,286
Self-funded operations	1,085	596
Other	7,116	13,204
Total grant and other accounts receivable	73,277	67,227
Less allowance for doubtful accounts	(4,549)	(7,509)
Grant and other accounts receivable, net	\$ 68,728	59,718

Discretely presented component unit – As of June 30, 2017, the CSUS Foundation’s receivables are recorded at cost and provisions for doubtful accounts have not been established as all receivables are deemed collectible.

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Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

Discretely presented component unit – As of June 30, 2017 and 2016, the CSU Foundation’s pledges receivable consisted of the following:

	June 30	
	2017	2016
Receivables due in less than one year	\$ 16,859	14,016
Receivables due in one to five years	55,508	28,832
Receivables due in more than five years	15,338	4,498
	<u>87,705</u>	<u>47,346</u>
Less allowance for uncollectible pledges	(2,193)	(1,184)
Less present value discounting	(4,896)	(1,536)
	<u>\$ 80,616</u>	<u>44,626</u>

Unconditional promises to give (pledges receivable) are from various entities including foundations, corporations, and individuals. The discount factor utilized in the present value calculation is the five-year U.S. Treasury note rate as of June 30th in the fiscal year in which the commitment is made.

Pledges receivable from two donors at June 30, 2017 represented approximately 50 percent of net pledges receivable. Pledges receivable from two donors at June 30, 2016 represented approximately 36 percent of net pledges receivable.

Discretely presented component unit – As of June 30, 2017 and 2016, the CSU-Pueblo Foundation’s unconditional promises to give consisted of the following:

	June 30	
	2017	2016
Restricted for scholarships or other particular purposes	\$ 831	351
Less: Allowances for uncollectible unconditional promises to give	(30)	(106)
Gross unconditional promises to give	801	245
Less: unamortized discount	(14)	(2)
Net unconditional promises to give	<u>\$ 787</u>	<u>243</u>
Amounts due in:		
Less than one year	461	207
One to five years	326	36
Total	<u>\$ 787</u>	<u>243</u>

The allowance for uncollectible unconditional promises to give was arrived at by identifying specific donors that have failed to keep their promises and by applying a historical percentage of 1.5 percent to the remaining amount.

Unamortized discount was arrived at by discounting amounts to be received in the future by the average market rate earned on investments of two percent.

Other Postemployment Benefits Trust – As of June 30, 2017, the Trust has \$14 thousand in total receivables.

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Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

(7) Capital Assets

Following are the changes in capital assets for the fiscal year ended June 30, 2017:

	Balance				Balance
	June 30, 2016	Additions	Transfers	Deletions	June 30, 2017
Nondepreciable capital assets:					
Land	\$ 35,171	-	-	-	35,171
Land improvements	2,321	-	-	-	2,321
Construction in progress	329,919	329,566	(228,655)	(9,608)	421,222
Collections	5,149	682	-	-	5,831
Total nondepreciable capital assets	<u>372,560</u>	<u>330,248</u>	<u>(228,655)</u>	<u>(9,608)</u>	<u>464,545</u>
Depreciable capital assets:					
Land and leasehold improvements	93,570	54	11,069	-	104,693
Buildings and improvements	1,564,606	-	214,861	(2,856)	1,776,611
Software	78,578	114	402	(9,701)	69,393
Equipment	284,762	20,968	2,323	(12,991)	295,062
Library materials	88,243	1,110	-	(34)	89,319
Total depreciable capital assets	<u>2,109,759</u>	<u>22,246</u>	<u>228,655</u>	<u>(25,582)</u>	<u>2,335,078</u>
Less accumulated depreciation:					
Land and leasehold improvements	57,374	5,078	-	-	62,452
Buildings and improvements	537,994	52,850	-	(1,410)	589,434
Software	62,605	8,948	-	(7,778)	63,775
Equipment	212,572	21,101	-	(11,206)	222,467
Library materials	80,546	1,630	-	(34)	82,142
Total accumulated depreciation	<u>951,091</u>	<u>89,607</u>	<u>-</u>	<u>(20,428)</u>	<u>1,020,270</u>
Net depreciable capital assets	<u>1,158,668</u>	<u>(67,361)</u>	<u>228,655</u>	<u>(5,154)</u>	<u>1,314,808</u>
Total capital assets, net	<u>\$ 1,531,228</u>	<u>262,887</u>	<u>-</u>	<u>(14,762)</u>	<u>1,779,353</u>

Land includes the following conservation easements:

Catspaw Conservation Easement	3,155
Snow Mountain Conservation Easement	5,000
Elmgreen Conservation Easement	515
Ben Delatour Forest Legacy Conservation Easement	4,000
S. Boulder/Toll Family Conservation Easement	5,070
Sawtooth Mountain Conservation Easement	2,995
Total	<u>\$ 20,735</u>

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Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

Following are the changes in capital assets for the fiscal year ended June 30, 2016:

	Balance				Balance
	June 30, 2015	Additions	Transfers	Deletions	June 30, 2016
Nondepreciable capital assets:					
Land	\$ 29,823	-	5,348	-	35,171
Land improvements	2,321	-	-	-	2,321
Construction in progress	99,111	296,976	(62,818)	(3,350)	329,919
Collections	3,808	1,341	-	-	5,149
Total nondepreciable capital assets	<u>135,063</u>	<u>298,317</u>	<u>(57,470)</u>	<u>(3,350)</u>	<u>372,560</u>
Depreciable capital assets:					
Land and leasehold improvements	88,423	48	5,099	-	93,570
Buildings and improvements	1,514,193	674	49,739	-	1,564,606
Software	76,402	2,041	342	(207)	78,578
Equipment	272,948	20,723	2,290	(11,199)	284,762
Library materials	87,281	1,201	-	(239)	88,243
Total depreciable capital assets	<u>2,039,247</u>	<u>24,687</u>	<u>57,470</u>	<u>(11,645)</u>	<u>2,109,759</u>
Less accumulated depreciation:					
Land and leasehold improvements	51,778	5,596	-	-	57,374
Buildings and improvements	485,678	52,316	-	-	537,994
Software	47,960	14,753	-	(108)	62,605
Equipment	201,606	20,432	-	(9,466)	212,572
Library materials	78,924	1,861	-	(239)	80,546
Total accumulated depreciation	<u>865,946</u>	<u>94,958</u>	<u>-</u>	<u>(9,813)</u>	<u>951,091</u>
Net depreciable capital assets	<u>1,173,301</u>	<u>(70,271)</u>	<u>57,470</u>	<u>(1,832)</u>	<u>1,158,668</u>
Total capital assets, net	<u>\$ 1,308,364</u>	<u>228,046</u>	<u>-</u>	<u>(5,182)</u>	<u>1,531,228</u>
Land includes the following conservation easements:					
Catspaw Conservation Easement		\$ 3,155			
Snow Mountain Conservation Easement		5,000			
Elmgreen Conservation Easement		515			
Ben Delatour Forest Legacy Conservation Easement		4,000			
S. Boulder/Toll Family Conservation Easement		5,070			
Sawtooth Mountain Conservation Easement		2,995			
Total		<u>\$ 20,735</u>			

Interest expense capitalized, net of related interest income for the System, was \$15.7 million and \$18.5 million for the fiscal years ended June 30, 2017 and 2016, respectively.

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

(8) Accrued Liabilities

The current accrued liabilities balances as of June 30, 2017 and 2016 were comprised of:

		June 30	
		2017	2016
Accrued payroll and benefits	\$	60,738	58,759
Accrued interest payable		16,740	16,396
Other liabilities		1,363	1,820
Total	\$	<u>78,841</u>	<u>76,975</u>

(9) Noncurrent Liabilities

Noncurrent liability activity for the fiscal year ended June 30, 2017 was as follows:

	Balance			Amounts	
	June 30, 2016	Additions	Reductions	Balance	Due Within
				June 30, 2017	One Year
Bonds and capital lease obligations:					
Revenue bonds and COPs payable	\$ 1,193,743	75,328	(54,316)	1,214,755	24,525
Capital leases payable	<u>20,228</u>	<u>1,985</u>	<u>(4,315)</u>	<u>17,898</u>	<u>2,946</u>
Total bonds and capital leases	1,213,971	77,313	(58,631)	1,232,653	27,471
Other liabilities:					
Deposits held for others	25,852	7,113	(6,669)	26,296	6,914
Other	8,185	25	(1,048)	7,162	1,526
Accrued compensated absences	55,435	2,751	(210)	57,976	2,987
Net pension liability	<u>578,718</u>	<u>463,591</u>	<u>(49,973)</u>	<u>992,336</u>	<u>—</u>
Total noncurrent liabilities	\$ <u>1,882,161</u>	<u>550,793</u>	<u>(116,531)</u>	<u>2,316,423</u>	<u>38,898</u>

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

Noncurrent liability activity for the fiscal year ended June 30, 2016 was as follows:

	Balance			Balance	Amounts
	June 30, 2015	Additions	Reductions	June 30, 2016	Due Within
					One Year
Bonds and capital lease obligations:					
Revenue bonds and COPs					
payable	\$ 1,043,146	175,251	(24,654)	1,193,743	23,249
Capital leases payable	21,950	3,116	(4,838)	20,228	3,884
Total bonds and capital leases	1,065,096	178,367	(29,492)	1,213,971	27,133
Other liabilities:					
Deposits held for others	29,305	1,960	(5,413)	25,852	6,712
Other	8,334	45	(194)	8,185	2,411
Accrued compensated absences	52,026	3,409	-	55,435	2,939
Net pension liability	524,663	225,863	(171,808)	578,718	—
Total noncurrent liabilities	\$ 1,679,424	409,644	(206,907)	1,882,161	39,195

(10) Revenue Bonds and Certificates of Participation (COPs)

The revenue bonds consist of multiple issues to finance the acquisition, construction, repair, and equipping of various academic, auxiliary, and research facilities of the System. The revenue bonds are payable semiannually and monthly, have serial maturities, may contain sinking fund requirements, and certain bonds contain optional redemption provisions. The optional redemption provisions allow the System to redeem at various dates, portions of the outstanding revenue bonds at 100 percent of the principal amount of the revenue bonds redeemed. Payment of the principal and interest on certain bonds is either insured by various financial guarantee insurance policies or qualifies for payment under the State Intercept Program, which provides payment by the State Treasurer if payment is not made by the due date.

On December 20, 2016, the System issued \$70.2 million in System Enterprise Revenue and Refunding Bonds, Series 2016 A, B. The proceeds of series 2016 A, B will be used to finance certain improvements as determined by the Board, including but not limited to the construction, acquisition, improvement and equipping of the Michael Smith Natural Resources Building in Fort Collins, the Richardson Design Center in Fort Collins, the Institute for Biological and Translational Therapies in Fort Collins, the Chemistry Building in Fort Collins, the CSU Pueblo Energy Performance Projects in Pueblo, and the Shields and Elizabeth Streets Underpass and above-grade improvements in Fort Collins, to finance any other improvements to any of the campuses for which the Board has spending authority and such other capital projects as may be designated by the Board, to refund the Board's Series 2007 A Bonds and a portion of the Board's Series 2007 B Bonds and advance refund a portion of the Board's Series 2008 A Bonds, and to pay the costs of issuing the Series 2016 A, B Bonds.

On September 16, 2015, the System issued \$156.3 million in System Enterprise Revenue Bonds, Series 2015 E, F. The proceeds of series 2015 E, F will be used to construct a 152,000 gross square foot ("gsf") biology building, a 105,000 gsf medical center building, a 30,000 gsf plant environmental research center, a new 4-story parking structure, a new surface parking lot and 85,000 gsf of academic space to be located on the east side of the new Stadium. In addition the proceeds will pay capitalized interest and pay the costs of issuing the Series 2015 E-1, 2015 E-2 and 2015 F Bonds.

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

A general description of each bond issue, original issuance amount, and the amount outstanding as of June 30, 2017 and 2016 is detailed below.

Revenue bonds and COPs payable consisted of the following at June 30, 2017 and 2016:

	Interest Range	June 30	
		2017	2016
Colorado State University System:			
Colorado State University System Enterprise			
Revenue Bonds of 2007 A, issued in the original amount of \$160.7 million and mature in varying annual amounts to March 2037. \$26.9 million advance refunded with 2012 B, \$110.8 million advance refunded with 2013 A, \$3.8 million advance refunded with 2013 B, and remaining amount of \$19.2 million advance refunded in full with 2016 B.	4.625%-5.250%	\$ -	19,185
Colorado State University System Enterprise			
Revenue Refunding Bonds of 2007 B, issued in the original amount of \$34.3 million and mature in varying annual amounts to March 2021. \$2.5 million advance refunded with 2015 C and \$1.7 million advance refunded with 2016 B.	4.000%-5.000%	-	4,570
Colorado State University System Enterprise			
Revenue Bonds of 2008 A, issued in the original amount of \$83.3 million and mature in varying annual amounts to March 2038. \$64.7 million advance refunded with 2015 C, and \$4.4 million advance refunded with 2016 B.	3.000%-5.000%	2,065	8,480
Colorado State University System Enterprise			
Revenue Bonds of 2009 A, issued in the original amount of \$56.1 million and mature in varying annual amounts to March 2039. \$54.4 million advance refunded with 2013 A and \$300 thousand advance refunded with 2015 C.	3.000%-5.000%	820	845

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

	Interest Range	June 30	
		2017	2016
Colorado State University System Enterprise Revenue Bonds of 2010 A, issued in the original amount of \$25.3 million and mature in varying annual amounts to March 2020.	4.000%-5.000%	\$ 10,635	13,870
Colorado State University System Enterprise Revenue Bonds of 2010 B, issued in the original amount of \$40.3 million and mature in varying annual amounts to March 2033.	4.900%-5.957%	40,335	40,335
Colorado State University System Enterprise Revenue Bonds of 2010 C, issued in the original amount of \$33.3 million and mature in varying annual amounts to March 2040.	6.057%	33,250	33,250
Colorado State University System Enterprise Revenue Bonds of 2012 A, issued in the original amount of \$126.2 million and mature in varying annual amounts to March 2044.	2.000%-5.000%	122,310	123,665
Colorado State University System Enterprise Revenue Refunding Bonds of 2012 B, issued in the original amount of \$54.1 million and mature in varying annual amounts to March 2035.	2.000%-5.000%	50,525	52,150
Colorado State University System Enterprise Revenue Refunding Bonds of 2012 C, issued in the original amount of \$5.3 million and mature in varying annual amounts to March 2017.	0.728%-1.864%	-	1,095
Colorado State University System Enterprise Revenue and Revenue Refunding Bonds of 2013 A, issued in the original amount of \$182.0 million and mature in varying annual amounts to March 2043.	1.000%-5.000%	165,445	170,095

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

	Interest Range	June 30	
		2017	2016
Colorado State University System Enterprise Revenue Refunding Bonds of 2013 B, issued in the original amount of \$16.7 million and mature in varying annual amounts to March 2020.	0.450% -2.073%	\$ 5,335	7,065
Colorado State University System Enterprise Revenue Bonds of 2013 C, issued in the original amount of \$18.6 million and mature in varying annual amounts to March 2044.	5.000% -5.250%	18,610	18,610
Colorado State University System Enterprise Revenue Bonds of 2013 D, issued in the original amount of \$7.9 million and mature in varying annual amounts to March 2028.	0.963% -5.251%	6,470	6,940
Colorado State University System Enterprise Revenue Bonds of 2013 E, issued in the original amount of \$138.7 million and mature in varying annual amounts to March 2045.	3.000% -5.000%	135,250	137,700
Colorado State University System Enterprise Revenue Bonds of 2015 A, issued in the original amount of \$134.7 million and mature in varying annual amounts to March 2055.	4.000% -5.000%	134,730	134,730
Colorado State University System Enterprise Revenue Bonds of 2015 B, issued in the original amount of \$32.8 million and mature in varying annual amounts to March 2030.	2.688% -4.081%	32,815	32,815
Colorado State University System Enterprise Revenue Refunding Bonds of 2015 C, issued in the original amount of \$67.7 million and mature in varying annual amounts to March 2038.	2.000% -5.000%	66,965	67,090
Colorado State University System Enterprise Revenue Bonds of 2015 D, issued in the original amount of \$66.7 million and mature in varying annual amounts to March 2047.	Variable	66,655	66,655

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

	Interest Range	June 30	
		2017	2016
Colorado State University System Enterprise Revenue Bonds of 2015 E-1, issued in the original amount of \$96.5 million and mature in varying annual amounts to March 2047.	5.000%	\$ 96,490	96,490
Colorado State University System Enterprise Revenue Bonds of 2015 E-2, issued in the original amount of \$42.1 million and mature in varying annual amounts to March 2033.	5.000%	42,125	42,125
Colorado State University System Enterprise Revenue Bonds of 2015 F, issued in the original amount of \$17.7 million and mature in varying annual amounts to March 2023.	1.750% -5.000%	15,425	16,975
Colorado State University System Enterprise Revenue Bonds of 2016 A, issued in the original amount of \$5.2 million and mature in varying annual amounts to March 2025.	1.500% -3.400%	5,105	-
Colorado State University System Enterprise Revenue and Refunding Bonds of 2016 B, issued in the original amount of \$65.0 million and mature in varying annual amounts to March 2046.	3.000% -5.000%	64,630	-
Unamortized bond premium/discount		<u>96,888</u>	<u>97,007</u>
Total System Bonds		<u>1,212,878</u>	<u>1,191,742</u>
Colorado State University - Pueblo: Portion of the State of Colorado Certificate of Participation to remodel the Academic Resource Center (Library). Payable annually with a final maturity in 2029.	5.100%	<u>1,877</u>	<u>2,001</u>
Total System Bonds and Certificates of Participation		<u>\$ 1,214,755</u>	<u>1,193,743</u>

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

The scheduled maturities of the revenue bonds and COPs as of June 30, 2017 are as follows:

	Principal	Interest	Total Payments
2018	\$ 24,525	51,350	75,875
2019	25,411	50,432	75,843
2020	26,559	49,309	75,868
2021	28,836	48,093	76,929
2022	29,035	46,978	76,013
2023-2027	164,136	214,810	378,946
2028-2032	196,020	173,619	369,639
2033-2037	236,505	123,356	359,861
2038-2042	186,635	70,331	256,966
2043-2047	118,610	30,001	148,611
2048-2052	47,885	13,002	60,887
2053-2057	33,710	2,819	36,529
Total debt service maturities	<u>1,117,867</u>	<u>874,100</u>	<u>1,991,967</u>
Unamortized bond premium/discount	96,888		
Total	\$ <u>1,214,755</u>		

The System Enterprise Revenue Bonds are secured by a pledge of 10 percent of all net revenues derived at the System from charges to students for the provision of general instruction by the System, CSU facilities fees (80 percent of first \$10 credit hour fee and 100 percent of additional \$5 per credit hour fee), CSU-Pueblo facilities fees (100 percent), net revenues derived from the operation of the auxiliary pledged facilities, and net revenues of the CSU Research Building Revolving Fund (RBRF) enterprise. Revenues from the RBRF enterprise include all revenues derived by CSU from the operation of the pledged facilities including allocated recoveries on research contracts and grants performed under the auspices of CSU. Investment earnings from revenue sources are also included. See Note 12 for more information regarding these pledged revenues. The Revenue Bonds are special limited obligations of the Board of Governors and do not constitute a general obligation of the Board or the System.

There were no material events regarding rating changes to report for the fiscal years ended June 30, 2017 and 2016.

(11) Defeased Obligations

On December 20, 2016, the System issued \$24.1 million in System Enterprise Revenue Refunding Bonds, Series 2016 B, with an average interest rate of 4.68 percent as part of the System Enterprise Revenue and Refunding Bonds, Series 2016 A, B. The Bonds advance refunded \$4.4 million of the System Enterprise Revenue Bonds, Series 2008 A, fully refunded \$19.2 million of the System Enterprise Revenue Bonds, Series 2007 A, and partially refunded \$1.7 million of the System Enterprise Revenue Bonds, Series 2007 B with an average interest rate of 4.98 percent. Net proceeds of \$26.1 million were deposited with an escrow agent. The System completed the 2016 B refunding to reduce its total debt service payments over the next 20 years by \$3.8 million and obtain an economic gain (difference between the present value of the debt service payments on the old debt and new debt) of \$2.4 million. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$547 thousand. This difference is reported in the accompanying financial statements as a deferred outflow and is being amortized through fiscal year 2037.

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

Prior to the Series 2016 B detailed above, the System issued System Enterprise Revenue Bonds, Series 2015 C in fiscal year 2015; System Enterprise Revenue Bonds, Series 2013 A, B in fiscal year 2013; System Enterprise Revenue Bonds, Series 2012 B, C in fiscal year 2012; and System Enterprise Revenue Bonds, Series 2007 B in fiscal year 2008. The escrow deposits from Series 2016 B; Series 2015 C; and Series 2013 A, B are being used to purchase certain U.S. governmental obligations. The principal and interest from the U.S. governmental obligations will be sufficient to enable the escrow agent to make all future debt service payments on the refunded bonds and COPS. As a result, the refunded bonds and COPS are considered to be defeased and the liability for those bonds is no longer reflected in the Statements of Net Position.

The following bonds and certificates of participation were included in the refundings and have since been redeemed: Auxiliary Facilities Enterprise Refunding and Improvement Revenue Bonds, Series 1996; Auxiliary Facilities Enterprise Refunding and Improvement Revenue Bonds, Series 1997; Certificates of Participation, Series 1997; Student Sports Recreational Facilities Revenue Bonds, Series 1998; Research Building Revolving Fund Enterprise Revenue Bonds, Series 2001; Enterprise System Refunding and Improvement Revenue Bonds, Series 2003 A (partially refunded on 2007 B and fully refunded on 2012 C); Enterprise System Revenue Bonds, Series 2003 B (fully refunded on 2012 B); Enterprise System Revenue Bonds, Series 2005 B (partially refunded on 2012 B and fully refunded on 2013 A); Research Building Revolving Fund Enterprise Revenue Bonds, Series 2005 A (fully refunded on 2007 B); System Enterprise Revenue Bonds, Series 2007 A (partially refunded on 2012 B, partially refunded on 2013 A, B, and fully refunded on 2016 B); and System Enterprise Revenue Bonds, Series 2007 B (partially refunded on 2015 C and partially refunded on 2016 B).

System Enterprise Revenue Bonds, Series 2007 C (partially refunded on 2013 B); System Enterprise Revenue Bonds, Series 2008 A (partially refunded on 2015 C and partially refunded on 2016 B); and System Enterprise Revenue Bonds, Series 2009 A (partially refunded on 2013 A and 2015 C) were also refunded and have remaining defeased obligations at June 30, 2017 as follows:

	Original Amount Refunded	Balance June 30, 2017
CSU System Enterprise Revenue Bonds, Series 2007 C	\$ 14,500	11,610
CSU System Enterprise Revenue Bonds, Series 2008 A	69,170	69,170
CSU System Enterprise Revenue Bonds, Series 2009 A	54,615	52,595
	<u>\$ 138,285</u>	<u>133,375</u>

(12) Pledged Revenues and Related Expenses

CSU and CSU-Pueblo are required to pledge certain revenues and report related expenses in accordance with the various bond resolutions. The pledged revenues and related expenses were as follows:

System Enterprise Revenue and Revenue Refunding Bonds (including Tuition and University Facilities Fees Revenue Bonds)

Pledged by ten percent System tuition revenues, CSU facilities fees (80 percent of first \$10 credit hour fee and 100 percent of additional \$5 per credit hour fee), CSU-Pueblo facilities fees (100 percent), CSU Research Building Revolving Fund revenues, and revenues derived from auxiliaries as defined by bond resolutions.

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

	<u>June 30</u>	
	<u>2017</u>	<u>2016</u>
Gross auxiliary facility and student fee revenue	\$ 182,157	171,421
Less auxiliary facility and student fee operating expenses	<u>122,058</u>	<u>113,486</u>
Net auxiliary and student fee facility revenue	60,099	57,935
Other pledged tuition and revenue		
10% of tuition fees	\$ 47,932	43,826
Indirect cost recoveries	49,256	47,619
Research facilities	3,084	3,455
Investment income	<u>1,014</u>	<u>99</u>
Subtotal other pledged tuition and revenue	<u>101,286</u>	<u>94,999</u>
Total net pledged revenue	<u>\$ 161,385</u>	<u>152,934</u>

The revenue bonds contain provisions to establish and maintain reasonable fees, rates, and other charges to ensure gross revenues are sufficient for debt service coverage. The System is also required to comply with various other covenants while the bonds are outstanding. Management of the two institutions believe the universities have met all debt service coverage ratios and have complied with all bond covenants.

(13) Capital Lease Obligations

The following is a schedule of the System's future minimum lease payments for obligations under capital leases for each of the five subsequent fiscal years and for five-year increments thereafter.

	<u>Total</u>
Fiscal year ending June 30:	
2018	\$ 3,371
2019	2,516
2020	1,917
2021	1,449
2022	1,186
2023-2027	<u>9,874</u>
Minimum future lease payments	20,313
Less amount representing interest	<u>2,415</u>
Present value of minimum lease payments	<u>\$ 17,898</u>

Capital lease agreements have been utilized to provide for the use of property and equipment. As of June 30, 2017 and 2016, respectively, the System had capital lease obligations in effect with capitalized asset costs of \$24.1 million and \$29.9 million; accumulated depreciation of \$7.0 million and \$7.3 million; and related outstanding liabilities of \$17.9 million and \$20.2 million.

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

(14) Operating Leases

The following is a schedule of the System's aggregate minimum rental commitments for operating leases of real and personal property for each of the five subsequent fiscal years and for five-year increments thereafter.

	<u>Total</u>
Fiscal year ending June 30:	
2018	\$ 3,370
2019	2,992
2020	2,522
2021	1,306
2022	1,246
2023-2027	<u>2,809</u>
Total	<u>\$ 14,245</u>

Rent expense was \$3.2 million for the fiscal year ended June 30, 2017 and \$3.1 million for the fiscal year ended June 30, 2016.

CSU-Pueblo leases a football stadium from a non-profit organization. The lease expires June 12, 2028 and is renewable subject to CSU-Pueblo meeting certain requirements as specified in the lease terms. The annual rent of the lease is \$100; however, CSU-Pueblo pays the annual costs of maintenance and upkeep for the lease premises.

(15) Net Position

The System is subject to multiple constraints, including those imposed by Colorado Constitutional and related legislative actions, State of Colorado statutes, and external third parties.

Under the 1862 Morrill Act, the System holds endowments related to the land granted by the federal government. These funds, including proceeds from the sale of the land and income earned on the assets, are therefore restricted for use under this Act. These amounts are reported as restricted for nonexpendable purposes and restricted for expendable purposes - other on the basic financial statements.

Student loan money is expended according to external restrictions imposed by the program funding sources. The federal programs are administered according to Department of Education Blue Book guidelines. The state match money is restricted by the Colorado Commission on Higher Education policy for student loan programs. These amounts are reported as restricted for expendable purposes - other on the basic financial statements.

Gift funds are restricted based on donor requirements. Available funds include those transferred from the Foundations and not yet spent and those transferred to capital construction projects not yet complete and capitalized. These amounts are reported as restricted for expendable purposes - other on the basic financial statements.

Colorado Revised Statute Section 23-31-135 requires a support fee to be annually assessed to cooperative state or accountable students in the System's professional veterinary medicine program. The statute specifies that this fee must be credited to a reserve account and used for renovation projects and for the acquisition or replacement of equipment. Other State legislations restrict the use of certain professional

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

veterinary medicine program funds such as pari-mutuel receipts and expenses related to horse racing. These amounts are reported as restricted for expendable purposes - other on the basic financial statements.

The Forest Restoration Project and Healthy Forest-Vibrant Communities sub funds receive funding via State legislation for use in relation to wildfire risk mitigation and long-term ecological restoration. These amounts are reported as restricted for expendable purposes - other on the basic financial statements.

Total restricted net position was as follows:

	June 30	
	2017	2016 *
Restricted for nonexpendable purposes:		
Scholarships, research and other	\$ 13,549	12,864
Endowment/Land grant	13,160	12,557
Total	<u>\$ 26,709</u>	<u>25,421</u>
Restricted for expendable purposes:		
Endowment/Land grant	\$ 1,172	1,145
Student loans	26,375	26,471
Colorado Water Institute	312	311
Sponsored programs	176	—
Gifts	3,917	3,943
Plant fund gifts not capitalized	4,557	1,703
PVM federal and state restrictions	473	343
Colorado State Forest Service legislative funds	7,294	9,047
Workstudy	112	99
Total	<u>\$ 44,388</u>	<u>43,062</u>
* Reclassified		

Although other amounts reflected in unrestricted net position are not externally restricted, they may be internally designated by the System's administration for various purposes.

In regard to the net assets of the CSU Foundation, temporarily restricted net assets and the income earned on permanently restricted net assets, consisting of endowment funds to be held in perpetuity, are available to support CSU by providing funds for student scholarships, capital improvements, research, institutional support and other educational purposes and activities. Also, as of June 30, 2017 and 2016, the CSU Foundation's Board has designated \$30.7 million and \$21.4 million, respectively, of the unrestricted net assets to be used for board-designated endowments.

In regard to the net assets of the CSU-Pueblo Foundation, temporarily restricted net assets and the income earned on permanently restricted net assets, consisting of endowment funds to be held in perpetuity, are available to support CSU-Pueblo by providing funds for athletics, scholarships, repairs of facilities, etc. Also, as of June 30, 2017 and 2016, the CSU-Pueblo Foundation's Board has designated \$1.7 million and \$1.6 million, respectively, of the unrestricted net assets to be used for operating reserve for subsequent years' expense, special project awards, and the University personnel discretionary funds.

In regard to the net position of the Trust, all net position is classified as restricted for postemployment benefits other than pensions. As of June 30, 2017, the Trust has \$78.4 million of net position restricted for postemployment benefits other than pensions.

COLORADO STATE UNIVERSITY SYSTEM

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(Amounts expressed in thousands)

(16) Commitments

Outstanding purchase order commitments against future funds not reflected in the financial statements at June 30, 2017 were \$176.1 million. These outstanding purchase order commitments included \$110.5 million of System capital construction commitments. CSU capital construction commitments included approximately \$72.3 million for the Translational Therapies & Research Horse Barn, \$15.0 million for the Natural Resources Addition, \$8.8 million for the Multi-Purpose Stadium, \$3.4 million for the Biology Building, \$3.0 million for the Chemistry Building, and \$2.2 million for the Aggie Village North Redevelopment. CSU-Pueblo's capital construction commitments included approximately \$7.7 million for the Energy Performance Contract and \$5.9 million for the OUC Addition and Renovation. The remaining capital construction commitments were for other smaller projects at CSU and CSU-Pueblo. Of the remaining noncapital purchase order commitments, \$34.7 million were related to CSU sponsored contracts and grants.

In addition to purchase order commitments, CSU has contracted obligations of \$39.8 million at June 30, 2017 related to employment hiring incentives and shared costs on long-term federal contracts. The hiring incentives arise in recruiting faculty and research scientists whereby the University commits to pay for various laboratory remodeling, equipment, and other costs that are important to the person in accepting the position. This obligation is binding on the University upon acceptance of the employment offer. The shared cost obligations arise in connection with federal contracts and grants in which the University agrees to pay for certain costs beyond what would otherwise be reimbursed by the sponsor under the contract or grant. Although the University can exercise cancellation clauses to avoid these shared cost obligations, the University has not used that option to avoid such obligations, and such obligations are considered highly probable. In both cases, settlement of the obligations involves payments to third parties, generally within three years.

Outstanding commitments at June 30, 2017 were:

Purchase order commitments	\$ 176,076
Shared cost obligations on long-term revenue contracts	17,424
Obligations under accepted employment offers	<u>22,117</u>
Total	<u><u>\$ 215,617</u></u>

(17) Employment Benefits

Employees of the System, eligible for retirement benefits, participate in one of three retirement plans. Eligible student employees participate in a Student Employee Retirement Plan (SERP), which is funded solely by student contributions. The SERP is a defined contribution plan administered by a consortium of institutions of higher education in the state. All other eligible employees of the System participate in one of two additional plans, the State Division Trust Fund (SDTF), a defined benefit pension fund administered by the Public Employees' Retirement Association (PERA) or an Optional Retirement Plan – The Defined Contribution Plan for Retirement (DCP), subject to eligibility criteria defined by PERA and the University for each separate governing entity.

The System's total payroll for the fiscal years ended June 30, 2017 and 2016 was approximately \$634.8 million and \$609.0 million, respectively. Payroll for employees covered by the SDTF plan, the DCP plan, and the SERP plan was approximately \$152.0 million, \$399.9 million, and \$16.0 million, respectively, for the fiscal year ended June 30, 2017 and \$151.4 million, \$378.6 million, and \$17.4 million, respectively, for the fiscal year ended June 30, 2016. The remaining employees were not eligible for participation in any of the System's plans.

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(Amounts expressed in thousands)

(a) *PERA Defined Benefit Pension Plan*

Summary of Significant Accounting Policies

The System participates in the SDTF, a cost-sharing multiple-employer defined benefit pension fund administered by PERA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

Eligible employees of the System are provided with pensions through the SDTF. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provision of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and cannot exceed the maximum benefit allowed by Federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, receive an annual increase of two percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of two percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar

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year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007, receive an annual increase of the lesser of two percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions

Eligible employees and the System are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute eight percent of their PERA-includable salary. The employer contribution requirements for all employees are summarized in the table below:

	Fiscal Year 2016		Fiscal Year 2017	
	CY15	CY16	CY17	CY17
	7/1 to 12/31	1/1 to 6/30	7/1 to 12/31	1/1 to 6/30
Employer contribution rate	10.15%	10.15%	10.15%	10.15%
Apportioned to the Health Care Trust Fund ¹	-1.02%	-1.02%	-1.02%	-1.02%
Apportioned to the SDTF	9.13%	9.13%	9.13%	9.13%
Amortization Equalization Disbursement (AED) ²	4.20%	4.60%	4.60%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) ²	4.00%	4.50%	4.50%	5.00%
Total employer contribution rate to the SDTF	17.33%	18.23%	18.23%	19.13%

¹As specified in C.R.S. Section 24-51-208(1)(f).

²As specified in C.R.S. Section 24-51-411

The rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the System is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the System were \$30.5 million, \$28.8 million, and \$27.0 million for the years ended June 30, 2017, 2016 and 2015, respectively, including the 1.02 percent apportioned to the Health Care Trust Fund.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of fiscal years ended June 30, 2017 and 2016, the System reported a liability of \$992.3 million and \$578.7 million, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The System proportion of the net pension liability was based on System contributions to the SDTF for the calendar year 2016 relative to the total contributions of participating employers to the SDTF.

At December 31, 2016, the System proportion was 5.40 percent, which was a decrease of 0.10 percent from its proportion measured as of December 31, 2015.

The System has no legal obligation to fund this shortfall, nor does it have any ability to affect funding, benefit or annual required contribution decisions made by PERA or the General Assembly.

For the fiscal years ended June 30, 2017 and 2016, the System recognized pension expense of \$196.9 million and \$49.7 million, respectively. At June 30, 2017, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,864	-
Changes of assumptions or other inputs	252,457	3,055
Net difference between projected and actual earnings on pension plan investments	32,897	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	514	8,639
Contributions subsequent to the measurement date	14,703	-
Total	<u>\$ 310,435</u>	<u>11,694</u>

At June 30, 2016, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,427	18
Changes of assumptions or other inputs	-	6,850
Net difference between projected and actual earnings on pension plan investments	43,594	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	745	6,628
Contributions subsequent to the measurement date	13,930	-
Total	<u>\$ 66,696</u>	<u>13,496</u>

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\$14.7 million reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Total</u>
Fiscal year ending June 30:	
2018	\$ 152,913
2019	121,655
2020	9,122
2021	<u>348</u>
Total	<u>\$ 284,038</u>

Actuarial Assumptions

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 %
Real wage growth	1.10 %
Wage inflation	3.90 %
Salary increases, including wage inflation	3.90 – 9.57 %
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.50 %
Discount rate	7.50 %
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 (automatic)	2.00 %
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and effective as of December 31, 2016. The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

Actuarial cost method	Entry age
Price inflation	2.40 %
Real wage growth	1.10 %
Wage inflation	3.50 %
Salary increases, including wage inflation	3.50 – 9.17 %
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 %
Discount rate	5.26 %

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Post-retirement benefit increases:

PERA benefit structure hired prior to 1/1/07 (automatic)	2.00 %	
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)		Financed by the Annual Increase Reserve

Mortality rates used in the December 31, 2015 valuation were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with males set back one year, and females set back two years. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back two years for males and set back two years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

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- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the SDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 18, 2016, adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. equity - large cap	21.20%	4.30%
U.S. equity - small cap	7.42%	4.80%
Non U.S. equity - developed	18.55%	5.20%
Non U.S. equity - emerging	5.83%	5.40%
Core fixed income	19.32%	1.20%
High yield	1.38%	4.30%
Non U.S. fixed income - developed	1.84%	0.60%
Emerging market debt	0.46%	3.90%
Core real estate	8.50%	4.90%
Opportunity fund	6.00%	3.80%
Private equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Discount Rate

The discount rate used to measure the total pension liability was 5.26 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumption shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

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- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 28, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree healthcare benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the SDTF's fiduciary net position was projected to be depleted in 2039 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2039 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2039 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent resulting in a discount rate of 5.26 percent.

As of the prior measurement date, the projection test indicated the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.50 percent was applied to all periods of projected benefit payments to determine the total pension liability. The

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discount rate determination did not use a municipal bond index rate and the discount rate was 7.50 percent, 2.24 percent higher compared to the current measurement date.

Sensitivity of the System Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 5.26 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.26 percent) or 1-percentage-point higher (6.26 percent) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	\$ 1,229,071	992,336	797,842

Pension Plan Fiduciary Net Position

Detailed information about the SDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Payables to the Pension Plan

As of fiscal year end June 30, 2017, the System reported a payable of \$2.2 million for the outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2017 and for the fiscal year end June 30, 2016, the System reported a payable of \$2.2 million for the outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2016.

(b) Voluntary Tax-Deferred Retirement Plans

PERA offers a voluntary 401(k) plan entirely separate from the Defined Benefit Pension Plan. Certain agencies and institutions of the State offer 403(b) or 401(a) plans. The PERA Deferred Compensation Plan (457) was established July 1, 2009, as a continuation of the State's deferred compensation plan which was established for state and local government employees in 1981. At July 1, 2009, the State's administrative functions for the 457 plan were transferred to PERA, where all cost of administration and funding are borne by the plan participants.

(c) University Optional Retirement Plan – The Defined Contribution Plan for Retirement (DCP)

Under the University's optional retirement plan, all Academic Faculty, Administrative Professionals, Post-Doctoral Fellows, Veterinary Interns and Clinical Psychology Interns appointed on or after April 1, 1993, are required as a condition of employment under Colorado law to participate in either the University's Defined Contribution Plan (DCP) for Retirement or, in very limited cases, in the PERA Defined Benefit plan (as eligibility permits). DCP participants may select from three investment companies as follows:

1. Fidelity Investments / MetLife (eligible Faculty/Staff at CSU-Pueblo do not have access to this investment company)
2. Teachers Insurance and Annuity Association (TIAA)
3. Variable Annuity Life Insurance Corporation (VALIC)

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The defined contribution retirement plans are established pursuant to state statute (24-54.5-101 to 24-54.5-107 C.R.S.). The CSU plan was adopted by the Board of Governors in December 1992 and the CSU-Pueblo plan was adopted in April 1993. The Defined Contribution Retirement Plan is a qualified plan under Section 401(a) of the IRC. CSU and CSU-Pueblo are the Plan Sponsors. All participants contribute the required 8.0 percent of eligible salary. As required, CSU provides a matching contribution of 11.5 percent of eligible salary for all “permanent” appointees (those with regular, special and senior teaching appointments at half-time or greater) and for temporary appointees with appointments of half-time or greater for the second and subsequent consecutive year(s). CSU-Pueblo provides a matching contribution of 10.7 percent, as required, of eligible salary for all nonstudent employees, including those employees at less than half-time and nonstudent temporary, hourly employees. Both employee and employer contributions are vested immediately. Investments are participant-directed within the funds available through the authorized investment companies. The System’s aggregate contribution to the above three vendors was equal to 11.1 percent of covered payroll or approximately \$44.3 million for the fiscal year ended June 30, 2017 and 10.6 percent of covered payroll or approximately \$40.3 million for the fiscal year ended June 30, 2016. The employee aggregate contribution to the above three vendors was equal to 8.0 percent of covered payroll or approximately \$32.0 million for the fiscal year ended June 30, 2017 and \$30.3 million for the fiscal year ended June 30, 2016.

The Federal retirement system covers a very limited number of employees at CSU Extension. The System’s contribution to this plan was approximately \$77 thousand for the fiscal year ended June 30, 2017 and \$97 thousand for the fiscal year ended June 30, 2016.

(d) Student Employee Retirement Program

Eligible student employees contribute 7.5 percent of covered payroll to the student employee retirement program (SERP). The SERP is funded entirely through employee contributions with no employer match. The SERP is a mandatory plan for all student employees who are enrolled at CSU but are not classified as a half-time student or greater. The SERP was established pursuant to state statute (24-54.6-101 through 24-54.6-106 C.R.S.) as a mandatory nonqualified plan under 403(b) of the IRC in lieu of mandatory old age, survivors, and disability insurance (OASDI) coverage. The student retirement plan is a defined contribution plan administered by the individual agencies that make up the System, as applicable. All contributions are vested immediately and are participant-directed within the funds available through the sole investment company, TIAA-CREF. The contribution by student employees for the fiscal years ended June 30, 2017 and 2016 was approximately \$1.2 million and \$1.3 million, respectively.

(e) Health Insurance Programs

The System’s contribution to the various third-party health insurance programs was approximately \$19.6 million and \$19.2 million for the fiscal years ended June 30, 2017 and 2016, respectively.

(18) Risk Financing and Insurance-Related Activities

CSU manages a combination of self-insured and fully-insured property and casualty insurance programs to best protect the University’s assets. At CSU, separate accounts currently make up the self-insured program: workers’ compensation, liability, auto comprehensive/collision and property. CSU contracts various day-to-day operations of the self-funded benefit plan, including claims processing, to third-party administrators. CSU carries excess insurance for liability and workers’ compensation claims over \$500 thousand per occurrence, including claims arising from employment practices. CSU’s excess liability limits for this insurance are \$25.0 million per occurrence. CSU self-insures for property insurance claims less than \$100

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thousand per occurrence with a \$1 thousand deductible per occurrence paid by the university department incurring the loss. CSU purchases property insurance with limits of \$1.0 billion. In addition to this, CSU carries auto insurance for out-of-state vehicles and workers' compensation for out-of-state employees, student intern professional liability, professional liability insurance (Architects & Engineers), crime insurance, foreign liability insurance, Canadian Liability, Cyber Liability, Aviation Liability, Unmanned Aerial Vehicles Liability, TULIP (Tenant User Liability Insurance Program), and self-insures for in-state auto insurance. As of March 1, 2016, CSU purchased liability, professional liability, and pollution liability for all CEMML operations, including their prescribed burn operations. This insurance included a primary layer of \$2.0 million aggregate, an umbrella layer of \$5.0 million, and an excess layer of \$5.0 million.

In addition to the above, CSU is self-insured for various other risks of loss. At CSU, separate accounts currently make up the self-insured program: healthcare, dental, short-term disability, and an unallocated reserve fund. CSU contracts various day-to-day operations of the self-funded benefit plans, including claims processing, to third-party administrators. Program funding is derived from a combination of premiums paid by benefit plan participants and various institutional match amounts. The self-funded benefit plans are fully self-insured except for healthcare coverage, which is reinsured for claims expenses above \$275 thousand per covered employee per year. The Unallocated Reserve Account is a general contingency reserve fund for miscellaneous and unanticipated expenses of the other health related accounts.

The amount of claims and administrative costs for the self-funded plans for the fiscal years ended June 30, 2017 and 2016 did not exceed plan revenues and reserves. Eligible faculty and nonclassified staff employees may select from various benefit plans and may elect to make premium contributions in the form of a pre-tax salary reduction.

The above health related programs had estimated claim liabilities of \$25.2 million and \$21.1 million at June 30, 2017 and 2016, respectively, which include incurred but not reported claims (IBNR) along with known claims at year end. These estimates are made through a combination of analyzing payments in early months of the subsequent year, historical trends, industry guidelines, and underwriting advice from our third-party administrator and benefits consultant.

In addition to these claims, workers' compensation had estimated claim liabilities of \$4.5 million and \$5.3 million at June 30, 2017 and 2016, respectively. Liability self-insurance had estimated claim liabilities of \$157 thousand and \$337 thousand at June 30, 2017 and 2016, respectively. These estimates are based on current data and actuarial reports. Property self-insurance had no estimated claim liabilities at June 30, 2017 and 2016.

The changes in the balance of claim liabilities were as follows:

	<u>2017</u>	<u>2016</u>
Claim liabilities, beginning of year	\$ 26,760	28,660
Incurred claims (including IBNR)	54,124	46,728
Claim payments	(50,967)	(48,628)
Claim liabilities, end of year	<u>\$ 29,917</u>	<u>26,760</u>

Claims liabilities are recorded in accrued liabilities, deposits held for others, and other noncurrent liabilities on the Statements of Net Position.

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(19) Postemployment Healthcare and Life Insurance Benefits

(a) PERA Postemployment Healthcare Plan

Plan Description

The System contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a healthcare premium subsidy and healthcare programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of healthcare subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The System is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the System are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the fiscal years ended June 30, 2017, 2016, and 2015, the System contributions to the HCTF were \$1.5 million for all three years, equal to their required contributions for each year.

(b) Other Postemployment Benefits (OPEB) – CSU

Plan Descriptions

CSU contributes to three single-employer defined benefit healthcare plans: CSU Retiree Medical Premium Refund Plan for DCP Participants (DCP Refund), CSU Retiree Medical Premium Subsidy for PERA Participants (PERA Subsidy), and the CSU Retiree Umbrella Rx Plan for PERA Participants (Rx Subsidy). Each plan provides premium support or medical benefits to eligible retired CSU faculty and nonclassified employees with the Rx Subsidy extending benefit coverage to spouses and dependents that elect to participate. CSU also has a self-insured Long-Term Disability Plan (LTD or LTD Income Replacement). This plan provides income replacement after the 91st consecutive calendar day of total disability. Benefit provisions for each of the plans are established and amended through the Board of Governors of the Colorado State University System.

Membership of each plan consisted of the following as of June 30, 2017:

	DCP Refund	PERA Subsidy	Rx Subsidy	LTD Income Replacement
Active plan members	4,599	172	172	5,272
Former employees receiving income replacement	-	-	-	42
Retirees receiving a subsidy	384	495	366	-
Retirees eligible for a subsidy but not yet receiving one	68	172	172	-
Total	5,051	839	710	5,314

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(Amounts expressed in thousands)

CSU Retiree Medical Premium Refund Plan for DCP Participants

Employees who retire from the University at age 55 with 20 or more years of service or age 60 with 5 or more years of service are eligible for this benefit. For eligible retirees with 20 or more years of service, CSU pays a healthcare premium refund of the lesser of \$200 per month or the actual cost of the retiree's (not including dependents) health insurance. Benefits are prorated for service between 5 and 20 years. DCP Refund participants include employees who were hired after April 1, 1993, who have no previous participation in PERA or have less than one year of participation in PERA or employees with at least one year of previous participation in PERA who elect to enroll in DCP Refund at the time of appointment. DCP Refund participants also include certain employees hired prior to April 19, 1993 who made a one-time, irrevocable election at the time of implementation to terminate participation in PERA and join DCP Refund. DCP Refund is administered by HealthSmart.

On an annual basis, funds equal to the annual required contribution (ARC), provided by the actuarial valuation, are transferred to the irrevocable trust. The funds available to cover the plan benefits were \$45.4 million and \$40.8 million for the fiscal years ended June 30, 2017 and 2016, respectively. Funds provided for the benefit of the program included \$4.1 million and \$4.5 million for the fiscal years ended June 30, 2017 and 2016, respectively, plus the corresponding interest income less plan costs. Total amounts paid to retirees for this healthcare subsidy were \$848 thousand and \$775 thousand for the fiscal years ended June 30, 2017 and 2016, respectively. As of June 30, 2017 and 2016, 384 and 408 former employees, respectively, received such benefits.

CSU Retiree Medical Premium Subsidy for PERA Participants

University faculty and nonclassified staff participating in the PERA retirement plan who meet CSU's age and years of service requirements and retire from the University with at least 10 years of University service, are eligible to receive a subsidy. Future enrollments are further restricted to those academic faculty and administrative professional staff participating in the PERA retirement plan and holding benefit eligible appointments on June 30, 2009. The amount of the subsidy for eligible retirees is their out-of-pocket expenses for retiree only coverage or an amount equal to the premium for single coverage under the lowest cost plan available to active faculty and nonclassified staff, whichever is less. The plan is administered by PERA which bills CSU on a monthly basis for the applicable premiums.

On an annual basis, funds equal to the ARC, provided by the actuarial valuation, are transferred to the irrevocable trust. The funds available to cover the plan benefits were \$23.6 million and \$22.3 million for the fiscal years ended June 30, 2017 and 2016, respectively. The funds contributed to the plan for the fiscal years ended June 30, 2017 and 2016 were \$2.0 million for both years. There were 495 and 508 beneficiaries of this subsidy for the fiscal years ended June 30, 2017 and 2016, respectively. The benefits paid by the University were \$1.4 million and \$1.3 million for the fiscal years ended June 30, 2017 and 2016, respectively.

CSU Retiree Umbrella Rx Plan for PERA Participants

The University provides reimbursement for the prescription copayments made by eligible faculty and nonclassified staff who retire from the University under the PERA retirement plan with at least 10 years of service. Retirees have to be age 65 or older or eligible for Medicare and enrolled in the PERA Medicare supplement plan to be eligible for this plan. Future enrollments are further restricted to those academic faculty and administrative professional staff participating in the PERA retirement plan and holding benefit eligible appointments on June 30, 2009. PERA provides a prescription insurance program for retirees enrolled in any medical insurance plan. The PERACare Prescription insurance program covers the cost of prescriptions after the member pays a copay which varies depending on

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whether the prescription is purchased through a local retail pharmacy or through a mail-order pharmacy, and whether the drug is generic or a brand-name drug. The Umbrella Rx plan reimburses the retiree for the complete cost of the prescription copay less a \$10 copay for retail and a \$20 copay for mail-order drugs. Spouses and dependents of retirees enrolled in the plan can be covered with the payment of \$44 per month for those enrolled in Medicare or \$99 per month for those not enrolled in Medicare. The plan is administered by Employee Benefit Management Services, Inc.

On an annual basis, funds equal to the ARC, provided by the actuarial valuation, are transferred to the irrevocable trust. The funds contributed to the plan for the fiscal years ended June 30, 2017 and 2016 were \$264 thousand and \$150 thousand, respectively. These funds, along with the amounts paid in by participants of \$24 thousand in fiscal year 2017, and the related interest income, have resulted in total funds available of \$737 thousand and \$594 thousand as of fiscal years ended June 30, 2017 and 2016, respectively, for this plan. Plan members were reimbursed \$58 thousand and \$68 thousand for prescription claims for the fiscal years ended June 30, 2017 and 2016, respectively

CSU Long-Term Disability Plan

The University contributes to the LTD Income Replacement plan. This plan provides a monthly income replacement benefit which begins on the 91st consecutive calendar day of total disability. The LTD coverage provides the eligible PERA or Federal Retirement Plan participants with up to 60 percent of pre-disability covered monthly salary, not to exceed \$6,000 per month, or up to 69 percent of covered monthly salary, not to exceed \$6,900 per month for DCP Refund participants. The income replacement benefit will increase three percent annually. The plan is offset by any other benefits or earnings received or eligible to be received from other sources such as PERA, Federal Retirement, Social Security, or Workers' Compensation. The minimum income replacement benefit is \$50 per month. Employees are eligible to receive benefits until one of the following circumstances occur: recovery, death, age 65 if disabled when less than 60, four and three-fourths years if disabled between the ages of 60 and 65, or age 70 if disabled between the ages of 65 and 68 ³/₄. This plan is administered by Assurant Insurance Company.

CSU funds the LTD plan by providing an allowance to each employee and then deducting the cost of the premium. The premiums collected are transferred to the irrevocable trust as an employee contribution. The funds contributed to the plan for the fiscal years ended June 30, 2017 and 2016 were \$1.5 million and \$1.4 million, respectively. These funds, which include those previously set aside and the related interest income, have resulted in total funds available of \$8.7 million and \$7.9 million as of fiscal years ended June 30, 2017 and 2016, respectively. Plan members received \$881 thousand and \$922 thousand in benefits for the fiscal years ended June 30, 2017 and 2016, respectively.

Funding Policy, Status, and Progress

CSU's annual OPEB cost for each plan was calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial accrued liabilities over a period not to exceed 30 years. Fiscal year 2008 was the year of transition and CSU elected to prospectively implement GASB Statement No. 45 resulting in the net OPEB obligation at the beginning of the year being set at \$0. For each of the plans, CSU set aside funds in an internal service fund to cover future benefits in varying amounts. On June 27, 2014, the funds held in the internal service fund were transferred to an irrevocable trust, and GASB Statement No. 43 was implemented. CSU funds the plans using the ARC amount, an amount actuarially

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(Amounts expressed in thousands)

determined in accordance with the parameters of GASB Statement No. 43. CSU's annual OPEB cost and related information for each plan for the fiscal year ended June 30, 2017 are as follows:

		DCP Refund	PERA Subsidy	Rx Subsidy	LTD Income Replacement
Actuarial accrued liability (a)	\$	34,491	44,708	3,470	10,190
Actuarial value of plan assets (b)		<u>45,363</u>	<u>23,552</u>	<u>737</u>	<u>8,716</u>
Unfunded (overfunded) actuarial accrued liability (a) - (b)	\$	<u>(10,872)</u>	<u>21,156</u>	<u>2,733</u>	<u>1,474</u>
Funded ratio (b)/(a)		131.5%	52.7%	21.2%	85.5%
Covered payroll (c)	\$	350,046	N/A	N/A	N/A
Unfunded (overfunded) actuarial accrued liability as a percentage of covered payroll [(a) - (b)]/(c)		-3.1%	N/A	N/A	N/A
Contribution rates:					
CSU (through June 27, 2014)		Pay-as-you-go	Pay-as-you-go	Pay-as-you-go	Pay-as-you-go
CSU (subsequent to June 27, 2014)		Based on ARC	Based on ARC	Based on ARC	Based on ARC
Participants		N/A	N/A	\$0-\$99 / month based on eligibility	N/A
Annual required contributions (ARC)	\$	1,296	1,981	240	1,373
Interest on net OPEB obligation		-	(44)	7	(330)
Adjustment to ARC		<u>-</u>	<u>64</u>	<u>(10)</u>	<u>206</u>
Annual OPEB cost (d)		1,296	2,001	237	1,249
Contributions made (e)		<u>(4,070)</u>	<u>(1,981)</u>	<u>(240)</u>	<u>(1,478)</u>
Increase (decrease) in net OPEB obligation		(2,774)	20	(3)	(229)
Net OPEB obligation (asset) - beginning of year		<u>(1)</u>	<u>(839)</u>	<u>128</u>	<u>(6,185)</u>
Net OPEB obligation (asset) - end of year	\$	<u>(2,775)</u>	<u>(819)</u>	<u>125</u>	<u>(6,414)</u>
Percentage of OPEB cost contributed (e)/(d)		314.0%	99.0%	101.3%	118.3%

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CSU's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 and the two preceding years for each of the plans were as follows:

	Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
DCP	6/30/2017	\$ 1,296	314.0%	\$ (2,775)
Refund	6/30/2016	4,537	99.4%	(1)
	6/30/2015	2,077	65.9%	(30)
PERA	6/30/2017	2,001	99.0%	(819)
Subsidy	6/30/2016	1,991	98.9%	(839)
	6/30/2015	3,062	99.3%	(862)
Rx	6/30/2017	237	101.3%	125
Subsidy	6/30/2016	117	103.0%	128
	6/30/2015	174	101.9%	132
LTD Income	6/30/2017	1,249	118.3%	(6,414)
Replacement	6/30/2016	1,150	122.5%	(6,185)
	6/30/2015	1,183	267.5%	(5,926)

The financial statements for the irrevocable trust, included in the basic financial statements section, have been prepared using the accrual basis of accounting. Plan members' contributions will be recognized in the period in which the contributions are due. Employee contributions to each plan will be recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are reported at fair market value and administrative costs are direct expenditures of the plan.

The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The OPEB obligation or asset as of June 30, 2017, are recorded in other noncurrent assets and other noncurrent liabilities.

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Notes to Basic Financial Statements

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(Amounts expressed in thousands)

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs, if applicable, between CSU and the plan participants to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

	DCP Refund	PERA Subsidy	Rx Subsidy	LTD Income Replacement
Valuation date	1/1/2017	1/1/2017	1/1/2017	1/1/2017
Actuarial cost method	Entry Age Normal	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization method	30 Years Open, Level Percent of Pay	30 Years Closed, Level Dollar	30 Years Closed, Level Dollar	30 Years Open, Level Percent of Pay
Remaining amortization period	30 Years	21 Years	21 Years	30 Years
Asset valuation method	Market Value	Market Value	Market Value	Market Value
Actuarial assumptions:				
Investment rate of return	5.33%	5.33%	5.33%	5.33%
Inflation rate	3.00%	3.00%	3.00%	3.00%
Salary increase rate	N/A	N/A	N/A	4.00%
Healthcare cost trend rate	7% initial, 5% ultimate	7% initial, 5% ultimate	7% initial, 5% ultimate	N/A

(c) Other Postemployment Benefits (OPEB)

CSU-Pueblo – Retired faculty and exempt administrative staff are eligible to participate in the Colorado Higher Education Insurance Benefits Alliance Trust (CHEIBA). CHEIBA is a cost-sharing multiple-employer insurance purchasing pool, which allows for postemployment health coverage until the retiree is eligible for Medicare. The retiree is responsible for paying 100 percent of the health insurance cost. As of June 30, 2017, there were 106 participants in the plan, of which two were CSU-Pueblo retirees.

CHEIBA financial statements are prepared under accounting principles generally accepted in the United States of America using the accrual basis of accounting following Governmental Accounting Standards for a business type activity. The financial statements can be obtained by contacting: Human Resources, Colorado State University-Pueblo, 2200 Bonforte Blvd., Pueblo, Colorado 81001.

Contributions are recognized in the period due. Benefits and refunds are recognized and paid when due according to the participating plans. The fair value of CHEIBA's investments is based on quoted market prices from national securities exchanges.

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(d) Life Insurance Program

During fiscal years ended June 30, 2017 and 2016, PERA provided its members with access to a group decreasing term life insurance plan offered by Unum Provident. Active members may join the Unum Provident Plan and continue coverage into retirement. PERA retirees are not eligible to enroll in the insurance program. Premiums are collected by monthly payroll deductions or other means. In addition, PERA maintained coverage for members under closed group plans underwritten by Anthem Life, Prudential, and New York Life.

(20) Compensated Absences Liability

System employees may accrue annual and sick leave based on the length of service and subject to certain limitations regarding the amount that will be paid upon termination. The estimated liability of compensated absences for which employees are vested as of June 30, 2017 and 2016 was \$58.0 million and \$55.4 million, respectively.

Overall, expenses increased for the fiscal year ended June 30, 2017 by \$2.6 million and increased for the fiscal year ended June 30, 2016 by \$3.4 million, for the estimated compensated absences liabilities.

(21) Direct Student Financial Aid Reporting

During fiscal years ended June 30, 2017 and 2016, CSU, CSU-Global and CSU-Pueblo participated in the federal government's Direct Loan Program. This program provides loans from the federal government to qualifying students and their families for educational purposes. While CSU, CSU-Global and CSU-Pueblo help students obtain these loans, the University is not a party to the loans and is not responsible for collection of monies owed or for defaults by borrowers.

The gross amounts of Direct Loans disbursed during fiscal years ended June 30, 2017 and 2016 were \$284.3 million and \$260.1 million, respectively.

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(Amounts expressed in thousands)

(22) Scholarship Allowance

Tuition, fees, and auxiliary revenues and the related scholarship allowances for the year ended June 30, 2017 were as follows:

	June 30, 2017		
	Tuition and Fees	Auxiliary Revenues	Total
Gross revenue	\$ 681,348	179,472	860,820
Scholarship allowances:			
Federal	28,327	786	29,113
State	12,934	655	13,589
Private	354	183	537
Institutional	80,185	2,803	82,988
Total allowances	<u>121,800</u>	<u>4,427</u>	<u>126,227</u>
Net revenue	<u>\$ 559,548</u>	<u>175,045</u>	<u>734,593</u>

Tuition, fees, and auxiliary revenues and the related scholarship allowances for the year ended June 30, 2016 were as follows:

	June 30, 2016 *		
	Tuition and Fees	Auxiliary Revenues	Total
Gross revenue	\$ 630,202	167,874	798,076
Scholarship allowances:			
Federal	28,851	955	29,806
State	15,705	792	16,497
Private	328	147	475
Institutional	66,274	2,447	68,721
Total allowances	<u>111,158</u>	<u>4,341</u>	<u>115,499</u>
Net revenue	<u>\$ 519,044</u>	<u>163,533</u>	<u>682,577</u>

* Reclassified

(23) System Foundations and Endowments

(a) Colorado State University Research Foundation

CSURF is a private, nonprofit Colorado corporation established in 1941 to aid and assist the institutions governed by the Board of the System in their research and educational efforts. CSURF officers are appointed annually by the Board of Directors. The Board of Directors consists of five voting members and two nonvoting members. No person who is an employee of CSU or CSU-Pueblo is eligible to serve as an officer of CSURF or as a voting member of the Board.

Colorado State University Ventures (CSUV) is a wholly owned subsidiary of Colorado State University Research Foundation. CSUV is used to assist in the promotion, development, improvement, and expansion of the facilities and programs of the Colorado State University System (System). The sole voting member of the nonprofit corporation is CSURF.

CSURF is a member in a Joint Venture, INTO-CSU, LLC. The purpose of the Joint Venture is to create an avenue for international students to attend CSU in a number of undergraduate and graduate pathways

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(Amounts expressed in thousands)

with multiple programs. INTO-CSU, LLC helps students integrate into classes as well as housing on campus. CSURF's primary role is to financially support the joint venture.

The major sources of CSURF revenues are royalties, rents, management fees, licensing fees, and administration fees. The support provided by CSURF to the universities includes patent and licensing management, equipment leasing, municipal lease administration, debt financing through mortgage debt service, and land acquisition, development, and management. During fiscal years ended June 30, 2017 and 2016, royalty revenues equaled \$3.1 million and \$2.4 million, respectively, and expenses were \$1.9 million and \$1.8 million, respectively. Also during fiscal years ended June 30, 2017 and 2016, rental revenues equaled \$6.1 million and \$6.3 million, respectively, and related expenses were \$3.7 million and \$5.4 million, respectively.

At June 30, 2017, CSURF's debt to provide buildings for use by the universities was \$54.0 million.

At June 30, 2017, the assets of CSURF consisted of:

Cash and current assets	\$	8,097
Property and equipment		53,296
Other assets		16,386
Total assets	\$	<u><u>77,779</u></u>

At June 30, 2016, CSURF's debt to provide buildings for use by the universities was \$52.0 million.

At June 30, 2016, the assets of CSURF consisted of:

Cash and current assets	\$	7,941	*
Property and equipment		52,472	*
Other assets		16,421	*
Total assets	\$	<u><u>76,834</u></u>	*

*Certain reclassifications of amounts previously reported were made to the consolidated financial statements of CSURF to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets and primarily consisted of combining immaterial amounts into "other" categories.

Audited financial statements of CSURF are available at P.O. Box 483, Fort Collins, CO 80522.

(b) CSU-Pueblo Board-Designated Funds

CSU-Pueblo manages two board-designated funds. These funds' assets and activity are reported as part of the System. Both funds retain 20 percent of earnings each year to build the corpus of the fund and transfer 80 percent of the annual earnings to CSU-Pueblo as designated by the Board. The first board-designated fund was established in 1994 from the proceeds of land sales in the Walking Stick Development immediately west of the campus. The sale of excess land adjacent to the university campus provides resources that support the academic mission of CSU-Pueblo. To date, CSU-Pueblo has sold 16 parcels of land with the proceeds from the sales being placed in a board-designated fund.

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(Amounts expressed in thousands)

The Walking Stick Fund assets consisted of cash and land. The cash held by the Walking Stick Fund was \$5.3 million for both fiscal years ended June 30, 2017 and 2016.

On June 30, 2000, CSU-Pueblo sold the KTSC-TV television license and certain related assets. The proceeds of the sale have been placed in a board-designated fund to support the maintenance of the Buell Communication Center building, telecommunications equipment associated with the Mass Communications program of CSU-Pueblo, and scholarships. The cash held by the KTSC Fund was \$2.6 million for both fiscal years ended June 30, 2017 and 2016.

(c) *INTO-CSU, LLC*

INTO-CSU, LLC is a limited liability company jointly owned by CSURF and INTO USA, LLC. CSURF and INTO USA, LLC each own 50 percent of the common units. INTO-CSU, LLC has entered into a service agreement with Colorado State University and INTO University Partnerships Limited (IUP) whereby INTO-CSU, LLC will manage an international student center, located on campus and, in connection with the services of IUP, be the exclusive provider of marketing and student recruitment services for the INTO-CSU programs.

As part of the Service Agreement, CSURF agreed to loan the joint venture up to \$1.5 million. The promissory note matures February 2027 with monthly interest payments of five percent due beginning March 2017. In connection with the agreement for CSURF to loan funds to INTO-CSU, LLC, the University has agreed to reimburse CSURF for net funds loaned to the joint venture. As of June 30, 2017, the University has recorded a receivable for \$1.2 million due from CSURF relating to amounts that have been loaned to the joint venture. The University has also established a bad debt reserve for \$1.2 million. No payments were received in the fiscal year ended June 30, 2017.

(d) *CSURF de Mexico, Association Civil (CSURF AC)*

Todos Santos Mexico will further aid CSU in its mission of teaching, research, and outreach. Education abroad opportunities for CSU students will be available in wildlife ecology and conservation, agriculture, hospitality, nutrition, ecology, human development and family studies, the arts and more.

During 2015, CSURF AC entered into certain promissory notes with a development partner (MIRA) whereby CSURF AC borrowed funds from MIRA for the development of the property. The land for the campus and research farm was to be transferred to the Trust in various phases upon completion and, upon transfer, MIRA was to forgive the debt. During year ended June 30, 2016 development of the campus was substantially complete and, upon transfer of the property, MIRA forgave debt totaling \$3.1 million.

During 2017, MIRA rescinded the forgiveness of debt specific to two promissory notes, totaling \$1.3 million, connected to the land acquisition. The re-signed promissory notes have maturity dates of March 2018.

(24) State Support

In fiscal year 2006 state support for higher education changed with the implementation of the College Opportunity Fund. As a result of this legislation, which was adopted in S.B. 04-189 passed in the 2004 state legislative session, the State no longer provides a direct state general fund appropriation to the System. Instead, state support is provided to the System in the form of fee for service contracts with the State for the delivery of special programs, graduate programs, and high cost/high demand programs. In the fiscal years ended June 30, 2017 and 2016, the System received \$91.2 million and \$91.7 million, respectively, in state fee for service contract revenue.

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State support was also provided to the System in the form of student tuition stipends provided to students by the state College Opportunity Fund. In the fiscal years ended June 30, 2017 and 2016, stipends were provided to students attending classes at Colorado State University and Colorado State University-Pueblo in the amount of \$43.3 million and \$42.9 million, respectively.

(25) Contingencies

Contingencies include those in which the System is a defendant in several lawsuits including various claims related to activities or employees of the System. The System believes that final settlement of matters not covered by insurance will not materially or adversely affect its financial condition or operations.

Financial Awards from Federal and State Agencies

The System receives significant financial awards from federal and state agencies in the form of grants. Expenditures of funds under those programs require compliance with the grant agreements and are subject to audit. Any disallowed expenditures resulting from such audits become a liability of the System. In the opinion of management, such adjustments, if any, are not expected to materially affect the financial condition or operations of the System.

The National Science Foundation (NSF) is currently auditing its funding of various programs at CSU. As the audit process has not yet been finalized, the System is not able to determine the financial impact, if any, at this time.

(26) Subsequent Events

On September 14, 2017, Colorado State University System sold \$103.8 million tax-exempt Series 2017 A and \$13.8 million tax-exempt Series 2017 B System Enterprise Refunding Bonds. The 2017 A bonds were sold as State-Intercept backed bonds and will refund a portion of Series 2012 A bonds and the Series 2017 B bonds will refund a portion of Series 2013 C bonds. Proceeds from the bonds will be used to pay the cost of issuing the bonds. The bonds closed on October 2, 2017.

Pursuant to a portion of House Bill 15-1344 (collectively, the “Lease Purchase Act”), the General Assembly authorized the execution by the State Treasurer of one or more lease-purchase agreements with a maximum term of 20 years of principal and interest payments for the purpose of financing the construction of certain facilities for Colorado State University at the National Western Center in Denver, Colorado and affiliated facilities on CSU’s campus. The Series 2017 Certificates will be payable solely from amounts annually appropriated by the General Assembly to the National Western Center (“NWC”) Trust Fund from the General Fund to make payments under the Lease. The Series 2017 Certificates are expected to be issued in January, 2018 for approximately \$50 million. Proceeds of the Series 2017 Certificates will be used to finance a portion of the construction costs of Health Education Outreach Center, Equine Veterinary Teaching Hospital, and Translational Medical Institute.

The Board of Governors of the Colorado State University System approved a resolution on October 6, 2017 that authorizes the execution of an interest rate exchange agreement with a notional amount equal to the outstanding principal amount of the Series 2015 D Bonds under which the Board would pay a fixed rate and the counterparty to the interest rate exchange agreement would pay a floating rate. The agreement is expected to be executed in December, 2017.

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The Board of Governors of the Colorado State University System approved a resolution on August 2, 2017 authorizing the issuance of \$50 million taxable and tax-exempt commercial paper. It is anticipated that the commercial paper will be backed by self-liquidity. The commercial paper note proceeds will be used to bridge finance improvement projects; pay capitalized interest, if any; and pay certain costs relating to the issuance of the notes. The first issuance of the commercial paper notes is expected to be in January, 2018.

On November 30, 2017, the Board of Governors of the Colorado State University System approved the Thirteenth Supplemental Resolution authorizing the issuance of up to \$325 million refunding bonds. The ultimate decision to issue refunding bonds is dependent on market conditions.

REQUIRED SUPPLEMENTAL INFORMATION

COLORADO STATE UNIVERSITY SYSTEM
 Required Supplemental Information
 Schedule of Proportionate Share of the Net Pension Liability
 June 30, 2017
 (Unaudited)
 (Amounts expressed in thousands)

	2017	2016	2015	2014
Proportion of the net pension liability	5.4%	5.5%	5.6%	5.6%
Proportionate share of the net pension liability	\$ 992,336	578,718	524,663	500,698
Covered payroll	156,234	154,327	152,106	146,046
Proportionate share of the net pension liability as a percentage of covered payroll	635.2%	375.0%	344.9%	342.8%
Plan fiduciary net position as a percentage of the pension liability	42.6%	56.1%	59.8%	61.1%

Notes to Required Supplementary Information

Changes of assumptions

Amounts reported in the Schedule of Proportionate Share of the Net Pension Liability for the fiscal year ended June 30, 2017 reflect the following changes:

- The investment return assumption was lowered from 7.50 percent to 7.25 percent.
- The price inflation assumption was lowered from 2.80 percent to 2.40 percent.
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent.
- The post-retirement mortality assumption for healthy lives for the SDTF was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 73 percent factor applied to ages below 80 and a 108 percent factor applied to age 80 and above, projected to 2018, for males, and a 78 percent factor applied to ages below 80 and a 109 percent factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90 percent of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35 percent to 0.40 percent.
- The single equivalent interest rate (SEIR) for the SDTF was lowered from 7.50 percent to 5.26 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the fiduciary net position (FNP), and the resulting application of the municipal bond index rate.

COLORADO STATE UNIVERSITY SYSTEM

Required Supplemental Information

Schedule of Contributions

June 30, 2017

(Unaudited)

(Amounts expressed in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 28,826	27,295	25,498	23,760
Contributions in relation to the contractually required contribution	<u>(28,826)</u>	<u>(27,295)</u>	<u>(25,498)</u>	<u>(23,760)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Covered payroll	\$ 156,756	155,689	152,974	150,398
Contributions as a percentage of covered payroll	18.4%	17.5%	16.7%	15.8%

COLORADO STATE UNIVERSITY SYSTEM
 Required Supplemental Information
 Other Postemployment Benefits – Schedules of Funding Progress
 June 30, 2017
 (Unaudited)
 (Amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
DCP Refund						
1/1/2017	\$ 45,363	34,491	(10,872)	131.5%	\$ 350,046	-3.1%
1/1/2016	40,739	39,843	(896)	102.2%	325,055	-0.3%
1/1/2014	35,021	34,014	(1,007)	103.0%	305,603	-0.3%
PERA Subsidy						
1/1/2017	23,552	44,708	21,156	52.7%	-	0.0%
1/1/2016	22,275	45,646	23,371	48.8%	-	0.0%
1/1/2014	18,368	50,077	31,709	36.7%	-	0.0%
Rx Subsidy						
1/1/2017	737	3,470	2,733	21.2%	-	0.0%
1/1/2016	594	2,286	1,692	26.0%	-	0.0%
1/1/2014	452	2,841	2,389	15.9%	-	0.0%
LTD Income Replacement						
1/1/2017	8,716	10,190	1,474	85.5%	-	0.0%
1/1/2016	7,926	12,071	4,145	65.7%	-	0.0%
1/1/2014	5,279	11,570	6,291	45.6%	-	0.0%

COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFITS

Required Supplemental Information

Schedule of Changes in the OPEB Liability and Related Ratios

June 30, 2017

(Unaudited)

(Amounts expressed in thousands)

	DCP Refund	PERA Subsidy	Rx Subsidy	LTD Income Replacement	Total
Total OPEB liability	N/A	N/A	N/A	N/A	-
Service cost	N/A	N/A	N/A	N/A	-
Interest	N/A	N/A	N/A	N/A	-
Plan amendments	N/A	N/A	N/A	N/A	-
Demographics losses (gains)	N/A	N/A	N/A	N/A	-
Assumption changes	N/A	N/A	N/A	N/A	-
Benefit payments	N/A	N/A	N/A	N/A	-
Net change in total OPEB liability	N/A	N/A	N/A	N/A	-
Total OPEB liability - beginning	N/A	N/A	N/A	N/A	-
Total OPEB liability - ending	\$ <u>35,623</u>	<u>45,038</u>	<u>3,449</u>	<u>10,783</u>	<u>94,893</u>
Plan fiduciary net position					
Contributions-employer	N/A	N/A	N/A	N/A	-
Contributions-employee/member	N/A	N/A	N/A	N/A	-
Net investment income	N/A	N/A	N/A	N/A	-
Benefit payments	N/A	N/A	N/A	N/A	-
Administrative expense	N/A	N/A	N/A	N/A	-
Net change in plan fiduciary net position	N/A	N/A	N/A	N/A	-
Plan fiduciary net position - beginning	N/A	N/A	N/A	N/A	-
Plan fiduciary net position- ending	\$ <u>45,363</u>	<u>23,552</u>	<u>737</u>	<u>8,716</u>	<u>78,368</u>
Net OPEB liability (asset) - ending	\$ (9,740)	21,486	2,712	2,067	16,525
Plan fiduciary net position as a percentage of the total OPEB liability	127.3%	52.3%	21.4%	80.8%	82.6%
Covered payroll	\$ 350,046	13,657	13,657	385,441	N/A
Net OPEB liability as a percentage of covered payroll	-2.8%	157.3%	19.9%	0.5%	N/A

Per the actuaries, because it is the year of implementation there was no data available except the Total OPEB Liability, resulting in the rest being noted as not applicable for the fiscal year ended June 30, 2017.

COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFITS

Required Supplemental Information
 Schedule of OPEB Contributions
 Retiree Medical Subsidy for DCP Participants
 June 30, 2017
 (Unaudited)
 (Amounts expressed in thousands)

	<u>2017</u>
Actuarially determined contribution	\$ 1,296
Actual contribution	<u>4,070</u>
Contribution deficiency (excess)	<u><u>\$ (2,774)</u></u>
Covered payroll	\$ 350,046
Contributions as a percentage of covered payroll	1.16%
Actuarial assumptions	
Investment rate of return	5.33%
Cost of living adjustments	N/A
Salary increase rate	N/A
Inflation rate	3.00%
Healthcare cost trend rate	7.00% grading down to 5.00% over 8 years
Notes to schedule	
Valuation date	January 1, 2017
Actuarial cost method	Entry age normal, level percent of pay
Amortization method	30 years open, level percent of pay
Remaining amortization period	30 years
Asset valuation method	Market value
Mortality	Separate mortality rates for non-annuitants (based on RP-2014 "Employees" sex-distinct tables without collar adjustments, adjusted backwards to 2006 using Scale MP-2014, adjusted forward to 2016 using Scale MP-2016, and projected generationally using Scale BB) and annuitants (based on RP-2014 "Healthy Annuitants" sex-distinct tables without collar adjustments, adjusted backward to 2006 using Scale MP-2014, adjusted forward to 2016 using Scale MP-2016, and projected generationally using Scale BB).

COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFITS

Required Supplemental Information
Schedule of OPEB Contributions
Retiree Medical Subsidy for PERA Participants
June 30, 2017
(Unaudited)
(Amounts expressed in thousands)

	<u>2017</u>
Actuarially determined contribution	\$ 1,981
Actual contribution	<u>1,981</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	\$ 13,657
Contributions as a percentage of covered payroll	14.51%

Actuarial assumptions

Investment rate of return	5.33%
Cost of living adjustments	N/A
Salary increase rate	N/A
Inflation rate	3.00%
Healthcare cost trend rate	7.00% grading down to 5.00% over 8 years

Notes to schedule

Valuation date	January 1, 2017
Actuarial cost method	Projected unit credit
Amortization method	30 years closed
Remaining amortization period	21 years
Asset valuation method	Market value
Mortality	Separate mortality rates for non-annuitants (based on RP-2014 "Employees" sex-distinct tables without collar adjustments, adjusted backwards to 2006 using Scale MP-2014, adjusted forward to 2016 using Scale MP-2016, and projected generationally using Scale BB) and annuitants (based on RP-2014 "Healthy Annuitants" sex-distinct tables without collar adjustments, adjusted backward to 2006 using Scale MP-2014, adjusted forward to 2016 using Scale MP-2016, and projected generationally using Scale BB).

COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFITS

Required Supplemental Information
 Schedule of OPEB Contributions
 Retiree Umbrella Prescription Plan PERA Participants
 June 30, 2017
 (Unaudited)
 (Amounts expressed in thousands)

	<u>2017</u>
Actuarially determined contribution	\$ 240
Actual contribution	<u>240</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	\$ 13,657
Contributions as a percentage of covered payroll	1.76%
Actuarial assumptions	
Investment rate of return	5.33%
Cost of living adjustments	N/A
Salary increase rate	N/A
Inflation rate	3.00%
Healthcare cost trend rate	7.00% grading down to 5.00% over 8 years

Notes to schedule

Valuation date	January 1, 2017
Actuarial cost method	Projected unit credit
Amortization method	30 years closed
Remaining amortization period	21 years
Asset valuation method	Market value
Mortality	Separate mortality rates for non-annuitants (based on RP-2014 "Employees" sex-distinct tables without collar adjustments, adjusted backwards to 2006 using Scale MP-2014, adjusted forward to 2016 using Scale MP-2016, and projected generationally using Scale BB) and annuitants (based on RP-2014 "Healthy Annuitants" sex-distinct tables without collar adjustments, adjusted backward to 2006 using Scale MP-2014, adjusted forward to 2016 using Scale MP-2016, and projected generationally using Scale BB).

COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFITS

Required Supplemental Information

Schedule of OPEB Contributions

Self-Insured Long-Term Disability Income Replacement Plan

June 30, 2017

(Unaudited)

(Amounts expressed in thousands)

	<u>2017</u>
Actuarially determined contribution	\$ 1,373
Actual contribution	<u>1,478</u>
Contribution deficiency (excess)	<u><u>\$ (105)</u></u>
Covered payroll	\$ 385,441
Contributions as a percentage of covered payroll	0.38%
Actuarial assumptions	
Investment rate of return	5.33%
Cost of living adjustments	3.00%
Salary increase rate	4.00%
Inflation rate	3.00%
Healthcare cost trend rate	N/A

Notes to schedule

Valuation date	January 1, 2017
Actuarial cost method	Entry age normal, level percent of pay
Amortization method	30 years open, level percent of pay
Remaining amortization period	30 years
Asset valuation method	Market value
Mortality	<p>Healthy participant mortality is based on mortality rates for non-annuitants (based on RP-2014 "Employees" sex-distinct tables without collar adjustments, adjusted backward to 2006 using Scale MP-2014, adjusted forward to 2016 using Scale MP-2016, and projected generationally using Scale BB).</p> <p>Long-term disabled participant mortality is based on the 1987 Commissioner's Group Disability Table with a three month elimination period.</p>

COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFITS

Required Supplemental Information

Schedule of Investment Returns

June 30, 2017

(Unaudited)

	<u>2017</u>
Annual money-weighted rate of return net of investment expense	3.4%

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**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of the Financial Statements Performed in Accordance with
Government Auditing Standards**

Members of the Legislative Audit Committee:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, aggregate discretely presented component units and the fiduciary fund information of the Colorado State University System (a higher education institution of the State of Colorado) (the System) as of and for the year end June 30, 2017, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 1, 2017, which contained paragraphs emphasizing matters regarding the financial statements. Our report includes a reference to other auditors who audited the financial statements of the Colorado State University Foundation, Colorado State University – Pueblo Foundation and the Colorado State University System Foundation which were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of the System is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit of the financial statements, we considered the System's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the System's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the System's management in a separate letter dated December 1, 2017.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows the handwritten signature of BKD, LLP in a dark ink. The letters are bold and stylized, with the 'B' and 'K' being particularly prominent.

Denver, Colorado
December 1, 2017

Independent Auditor's Audit Committee Communication

Members of the Legislative Audit Committee:

As part of our audit of the financial statements of the Colorado State University System (the System) as of and for the year ended June 30, 2017, we wish to communicate the following to you.

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America and the Standards Applicable to Financial Audits Contained in Government Auditing Standards Issued by the Comptroller General of the United States

An audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The System's significant accounting policies are described in Note 3 of the audited financial statements.

Alternative Accounting Treatments

- The CSU Foundation values certain alternative investments as of March 31 for year-end purposes as information is provided only quarterly and not until after year-end close has occurred

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant areas of such estimates for which we are prepared to

discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Allowance for uncollectible student loans
- Allowance for doubtful accounts
- Employment benefits, including the net pension liability measured according to Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*
- Other postemployment benefit liabilities
- Scholarship allowance
- Compensated absences
- Useful lives of capital assets and related depreciation expense
- Claim liabilities for self-insurance

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Noncurrent liabilities
- Pension Plan
- Other Post-Employment Benefits

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Proposed Audit Adjustments Recorded:

- An entry for \$748,749 to adjust the payroll accrual at CSU Pueblo

Proposed Audit Adjustments Not Recorded:

- An entry for \$697,000 related to the turnaround effect of an entry proposed, but not recorded in 2016

Auditor's Judgments About the Quality of the System's Accounting Principles

During the course of the audit, we made the following observations regarding the System's application of accounting principles:

- No matters are reportable

Significant Issues Discussed with Management

During the Audit Process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- Employment benefits, including the net pension liability as measured according to Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*
- Accounting for the change in governance related to the fiduciary fund

Other Material Written Communications

Listed below are other material written communications between management and us related to the audit:

- Management representation letter
- Management letter dated December 1, 2017 communicating other deficiencies in internal control that are not considered material weaknesses or significant deficiencies

This letter is intended solely for the information and use of the Legislative Audit Committee, the Office of the State Auditor, the Colorado State University Board of Governors, the Colorado State University Board of Governors' Audit Committee and the Colorado State University System's management and is not intended to be and should not be used by anyone other than these specified parties. However, upon release by the Legislative Audit Committee, this report is a public document.

BKD, LLP

December 1, 2017

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Independent Auditor's Report on Bond Compliance

Members of the Legislative Audit Committee:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, aggregate discretely presented component units and the fiduciary fund information of the Colorado State University System (a higher education institution of the State of Colorado) (the System) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 1, 2017, which contained paragraphs emphasizing matters regarding the financial statements. Our report includes a reference to other auditors who audited the financial statements of the Colorado State University Foundation, Colorado State University – Pueblo Foundation and the Colorado State University System Foundation which were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

In connection with our audit, nothing came to our attention that caused us to believe that the System failed to comply with the terms, covenants, provisions, or conditions of the respective Authorizing Bond Resolutions and the Official Statements (collectively, bond resolutions) insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the System's noncompliance with the above-referenced terms, covenants, provision, or conditions of the bond resolutions, insofar as they relate to accounting matters.

In accordance with the respective bond resolutions discussed above, revenue bonds' earnings requirement schedules (the Schedules) are shown on page 104. We have not audited the Schedules and express no opinion on them.

This report is intended solely for the information and use of the Legislative Audit Committee, the Office of the State Auditor, the Colorado University System Board of Governors, the Colorado State University Board of Governors' Audit Committee and the Colorado State University System's management, and is not intended to be and should not be used by anyone other than these specified parties. However, upon release by the Legislative Audit Committee, this report is a public document.

BKD, LLP

Denver, Colorado
December 1, 2017

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COLORADO STATE UNIVERSITY SYSTEM
Revenue Bonds' Earning Requirement Schedules
Year Ended June 30, 2017
(Unaudited)
(Amounts expressed in thousands)

Colorado State University (CSU) System Enterprise Revenue and Refunding Bonds

The following information is presented in accordance with the bond resolutions of System Enterprise Revenue and Refunding Bonds: Series 2007 A, B; 2008 A; 2009 A; 2010 A, B, C; 2012 A; 2012 B, C; 2013 A, B; 2013 C, D; 2013 E; 2015 A, B, C, D; 2015 E1, E2, F; and 2016 A, B. Below is the calculation of the earnings requirement, which includes the earnings of 10 percent tuition, CSU facilities fees (80 percent of first \$10 credit hour fee and 100 percent of additional \$5 per credit hour fee), CSU-Pueblo facilities fees (100 percent), CSU Research Building Revolving Fund, and Auxiliary pledged revenues.

For the purposes of determining compliance with the bond resolutions, System Enterprise Revenue earnings for the fiscal year ended June 30, 2017 are computed as follows:

	Tuition and Facilities Fee	Research Building Revolving Fund	Auxiliary	Total
Pledged revenues	\$ 47,932	52,186	138,737	238,855
Pledged fee revenues	16,287	-	27,017	43,304
Pledged investment income	117	153	1,014	1,284
	<u>64,336</u>	<u>52,339</u>	<u>166,768</u>	<u>283,443</u>
Operating expenses	<u>44</u>	<u>2,548</u>	<u>119,466</u>	<u>122,058</u>
Pledged revenue, net of operating expenses	<u>\$ 64,292</u>	<u>49,791</u>	<u>47,302</u>	<u>161,385</u>
Net income required under the bond resolution:				
Current year principal and interest payments			\$ 73,463	
Minimum earnings ratio required by bond resolution				<u>100%</u>
Net income required under the bond resolution			<u>\$ 73,463</u>	

The net income to meet the earnings requirement under the bond resolution shown above exceeds the required amount.

See accompanying independent auditors' report on Bond Compliance.

Colorado State University – Global Campus
(A University within the Colorado State University System)
Financial Statements and Independent Auditor’s Reports
Financial Audit
Years Ended June 30, 2017 and 2016

LEGISLATIVE AUDIT COMMITTEE

Representative Tracy Kraft-Tharp – Chair	Senator Tim Neville – Vice-Chair
Senator Kerry Donovan	Representative Lori Saine
Senator Cheri Jahn	Senator Jim Smallwood
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Kerri Hunter	Deputy State Auditor
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December 1, 2017

Members of the Legislative Audit Committee:

We have completed the financial statement audit of Colorado State University – Global Campus as of and for the year ended June 30, 2017. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We were engaged to conduct our audit pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct or cause to be conducted audits of all departments, institutions and agencies of state government. The reports which we have issued as a result of this engagement are set forth in the table of contents which follows.

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Colorado State University – Global Campus
(A University within the Colorado State University System)

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Colorado State University – Global Campus (A University within the Colorado State University System)

Report Summary

Years Ended June 30, 2017 and 2016

Purposes and Scope of Audit

The Office of the State Auditor engaged **BKD, LLP** (BKD) to conduct a financial audit of Colorado State University – Global Campus (CSU – Global) for the years ended June 30, 2017 and 2016. BKD performed the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

The purposes and scope of the audit were to:

- Express opinions on the financial statements of CSU – Global as of and for the years ended June 30, 2017 and 2016, including consideration of internal control over financial reporting as required by auditing standards generally accepted in the United States of America and *Government Auditing Standards* for the year ended June 30, 2017.
- Evaluate compliance with certain provisions of laws, regulations, contracts and grants governing the expenditure of federal and state funds for the year ended June 30, 2017.
- Issue a report on CSU – Global’s internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters based on our audits of the financial statements performed in accordance with *Government Auditing Standards* for the year ended June 30, 2017.

Audit Opinions and Reports

The independent auditor’s reports included herein expressed unmodified opinions on CSU – Global’s financial statements as of and for the years ended June 30, 2017 and 2016.

No material weaknesses in internal control over financial reporting were identified.

No instances of noncompliance considered material to the financial statements were disclosed by the audit.

There are no findings and recommendations reported for the year ended June 30, 2017.

Significant Audit Adjustments

No matters are reportable.

Colorado State University – Global Campus
(A University within the Colorado State University System)
Report Summary
Years Ended June 30, 2017 and 2016

Summary of Progress in Implementing Prior Audit Recommendations

There were no findings and recommendations reported for the year ended June 30, 2016.

Colorado State University – Global Campus

Description of the Colorado State University-Global Campus

Years Ended June 30, 2017 and 2016

Organization and Administration

Colorado State University-Global Campus (CSU – Global) is the newest institution in the Colorado State University System (the System), an established university system with a rich 140-year history that evolved from agrarian roots as a land-grant institution. CSU – Global was established on August 24, 2007, by the System Board of Governors with a central goal of meeting the educational needs of adult learners in the State of Colorado and beyond by providing high quality online programs. On May 7, 2008, the System Board of Governors delegated authority to CSU – Global to oversee academic, personnel, and financial matters consistent with powers granted to CSU and CSU – Pueblo. Thereafter, CSU – Global was legally sanctioned as a third, independent University on March 18, 2009, when Colorado’s Governor Ritter signed into law the State of Colorado Senate Bill 09-086 declaring the establishment of the CSU – Global Campus as an online university that is part of the Colorado State University System.

CSU – Global is the first statutorily-defined 100% online public university in the United States. It has a unique focus on the success of adult, nontraditional learners with learning outcomes focused on theory, knowledge, and skills necessary to secure employment and improve job performance. From its first class of nearly 200 students in 2008, CSU – Global has now grown to have a student body of over 18,000 students.

On June 30, 2011, Colorado State University-Global Campus was officially granted independent regional accreditation status by the Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools. CSU – Global is the first public university in Colorado to receive initial HLC accreditation since 1971, a significant achievement for the university, the CSU System, and online education. The role and mission of CSU – Global is established in Title 23, C.R.S.

The Board of Governors of the Colorado State University System (the Board) has control and supervision of CSU – Global. The Board consists of 15 members: Nine voting members appointed by the Governor and confirmed by the Senate for four-year terms and six advisory, non-voting members representing the student bodies and the faculty councils elected for one-year terms.

The Board is authorized to set tuition, pay expenses, and hire officials. The chief academic and administrative officers are the Chancellor of the Colorado State University System and the President of each institution.

Academic Degree Programs

CSU – Global currently offers thirteen online undergraduate programs which lead to Bachelor of Science degrees in the following disciplines:

- Accounting
- Applied Social Sciences
- Business Management
- Communication
- Criminal Justice and Law Enforcement Administration
- Healthcare Administration and Management
- Human Resource Management
- Human Services
- Information Technology
- Management Information Systems and Business Analytics
- Marketing
- Organizational Leadership
- Project Management

Colorado State University – Global Campus
Description of the Colorado State University-Global Campus
Years Ended June 30, 2017 and 2016

CSU – Global also currently offers twelve graduate level degree programs in the following disciplines:

- Master of Science in Management
- Master of Science in Teaching and Learning
- Master of Finance
- Master of Information Technology Management
- Master of Project Management
- Master of Science in Organizational Leadership
- Master of Criminal Justice and Law Enforcement Administration
- Master of Healthcare Administration and Management
- Master of International Management
- Master of Science in Teaching and Learning – Education Leadership Concentration
- Master of Professional Accounting
- Master of Human Resource Management

Colorado State University – Global Campus

Colorado State University – Global Campus (CSU – Global) was created by the Colorado State University System Board of Governors in 2007, and initiated its student instruction in Fall 2008. Built on a foundation of low cost, accountability, adaptability to marketplace needs, and sensitivity to student needs, CSU – Global is focused on facilitating adult success in a global marketplace through career-relevant education.

CSU – Global’s degree programs and specializations are carefully selected and crafted to prepare students for relevant jobs and careers that have current and forecasted long-term growth. Instructors with industry expertise and top academic credentials lead courses that emphasize not only pertinent professional information, but they also seek to expand vital skills of critical thinking, evaluation, examination, and decision making—all important factors in both securing and keeping desirable jobs.

Mission Statement

CSU – Global Campus is committed to advancing student success in a global society, investing in human capital, expanding the state economy, and enhancing the quality of life for citizens in the State of Colorado and beyond by providing access to dynamic degree programs characterized by academic excellence, innovative delivery technologies, and strong stakeholder engagement.

CSU – Global reports full-time equivalent (FTE) for student, faculty and staff for three continuous years as follows:

Colorado State University-Global Campus			
Full-Time Equivalent (FTE) Student Enrollment			
	Resident	Nonresident	Total
Fiscal year:			
2016–2017	3,323	5,039	8,362
2015–2016	3,155	4,247	7,402
2014–2015	2,771	3,323	6,094

Colorado State University – Global Campus
Description of the Colorado State University-Global Campus
Years Ended June 30, 2017 and 2016

Colorado State University-Global Campus
Full-Time Equivalent (FTE) Faculty and Staff

Fiscal year:	<u>Faculty</u>	<u>Staff</u>	<u>Total</u>
2016–2017	285	177	462
2015–2016	273	157	430
2014–2015	259	144	403

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Colorado State University – Global Campus
Auditor's Findings and Recommendations
Years Ended June 30, 2017 and 2016

There are no findings and recommendations for the year ended June 30, 2017.

Colorado State University – Global Campus
Disposition of Prior Audit Recommendations
Years Ended June 30, 2017 and 2016

Summary of Progress in Implementing Prior Audit Recommendations

There were no findings and recommendations reported for the year ended June 30, 2016.

Independent Auditor's Report

Members of the Legislative Audit Committee:

Report on the Financial Statements

We have audited the accompanying financial statements of Colorado State University – Global Campus (CSU – Global), a university within the Colorado State University System, as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise CSU – Global's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Members of the Legislative Audit Committee:

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CSU – Global as of June 30, 2017 and 2016, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements of CSU – Global, are intended to present the financial position, the changes in financial position and the cash flows of only that portion of the business –type activities of the CSU System that is attributable to the transactions of CSU – Global. They do not purport to, and do not, present fairly the financial position of the CSU System as of June 30, 2017 and 2016, and the changes in its financial position, or where applicable, its cash flows for the years then ended in conformity with the accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and pension information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise CSU – Global’s basic financial statements. The Description of the Colorado State University-Global Campus listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Members of the Legislative Audit Committee:

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2017, on our consideration of CSU – Global’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CSU – Global’s internal control over financial reporting and compliance.

BKD, LLP

Denver, Colorado
December 1, 2017

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Colorado State University – Global Campus
 Management’s Discussion and Analysis
 Years Ended June 30, 2017 and 2016
 (Unaudited)

Management’s Discussion and Analysis

This section of the financial report presents management’s discussion and analysis of the financial performance of Colorado State University-Global Campus (CSU – Global) for the fiscal years ended June 30, 2017 and 2016. CSU – Global began offering classes to students in fiscal year 2009 and achieved a positive net position (total assets in excess of total liabilities) in fiscal year 2012. Management’s comments will primarily focus on the periods ending June 30, 2015 through June 30, 2017. This discussion provides an analysis of the university’s financial activities based on currently known facts, decisions, or existing conditions, and should be read in conjunction with CSU – Global’s financial statements and notes thereto, which are also presented in this document. The analyses in this section of the report are unaudited.

Enrollment and Financial Highlights

The following accomplishments occurred during the fiscal years ended June 30, 2017, 2016 and 2015:

- Student enrollment (unduplicated headcount) increased 15% between fiscal years 2016 and 2017 and increased 22% between fiscal years 2015 and 2016.
- Student enrollment (FTE) increased 13% and 21% between fiscal years 2016 and 2017 and between fiscal years 2015 and 2016, respectively.
- Unique course offerings to our students increased 5.2% and 5.74% between fiscal years 2016 and 2017 and between fiscal years 2015 and 2016, respectively.
- CSU – Global’s net position decreased from \$77.3 million at June 30, 2016 to \$75.5 million at June 30, 2017. CSU – Global’s net position increased from \$48.4 million at June 30, 2015, to \$77.3 million at June 30, 2016.
- During fiscal years 2017 and 2016, CSU – Global made distributions to the CSU System Board of Governors or other institution of \$28.3 million and \$0.7 million, respectively.

The Basic Financial Statements

The enclosed financial statements are designed to provide readers with a broad overview of CSU – Global’s financial activities. The statements of net position, statements of revenues, expenses and changes in net position, and the statements of cash flow compose the basic financials of CSU – Global.

Financial Analysis

Statement of Net Position

The statement of net position presents the financial position of CSU – Global and includes all assets and liabilities of the university at a point in time. CSU – Global assets exceeded liabilities resulting in positive net position by \$75,805,926, \$77,320,584, and \$48,364,321 at June 30, 2017, 2016 and 2015,

Colorado State University – Global Campus
Management’s Discussion and Analysis
Years Ended June 30, 2017 and 2016
(Unaudited)

respectively. At June 30, 2017, the majority (92%) of CSU – Global’s assets are held as cash and cash equivalents. Surplus reserves or net position is primarily designated to fund strategic initiatives such as enrollment growth and exceptional customer service, to maintain financial stability as required by the Board and Higher Learning Accrediting Authorities and for the development of new and maintenance of existing online courses and degree programs.

Summary of Net Position

	June 30		
	2017	2016	2015
Current assets	\$ 88,064,135	\$ 85,338,905	\$ 54,453,764
Capital assets	863,867	1,155,409	1,243,564
Other assets	-	1,320,713	1,320,713
Total assets	<u>\$ 88,928,002</u>	<u>\$ 87,815,027</u>	<u>\$ 57,018,041</u>
Deferred outflows of resources	<u>\$ 2,849,198</u>	<u>\$ 1,089,574</u>	<u>\$ 419,815</u>
Total deferred outflows of resources	<u>\$ 2,849,198</u>	<u>\$ 1,089,574</u>	<u>\$ 419,815</u>
Current liabilities	\$ 7,596,966	\$ 6,956,615	\$ 5,819,223
Noncurrent liabilities	<u>8,350,833</u>	<u>4,580,402</u>	<u>3,254,107</u>
Total liabilities	<u>\$ 15,947,799</u>	<u>\$ 11,537,017</u>	<u>\$ 9,073,330</u>
Deferred inflows of resources	<u>\$ 23,475</u>	<u>\$ 47,000</u>	<u>\$ 205</u>
Total deferred inflows of resources	<u>\$ 23,475</u>	<u>\$ 47,000</u>	<u>\$ 205</u>
Net position:			
Net investment in capital assets	\$ 863,867	\$ 1,155,409	\$ 1,243,564
Restricted for expendable purposes			
Scholarships	-	11,548	32,093
Unrestricted	<u>74,942,059</u>	<u>76,153,627</u>	<u>47,088,663</u>
Total net position	<u>\$ 75,805,926</u>	<u>\$ 77,320,584</u>	<u>\$ 48,364,321</u>

2017 compared to 2016

Continued expansion of new courses and degree programs followed by strong enrollment growth contributed to the changes in CSU – Global statement of net position assets as outlined below:

- Cash and cash equivalents increased \$0.5 million, or 1%.
- Net student accounts receivable increased \$1.2 million, or 50%.

Colorado State University – Global Campus
Management's Discussion and Analysis
Years Ended June 30, 2017 and 2016
(Unaudited)

- Other accounts receivable increased \$1.1 million, or 169%, in 2017 over that of 2016 due to the timing difference of receipts.
- Net capital assets decreased \$292 thousand, or 25%, from fiscal year 2016 due to depreciation expense exceeding the amount of capital asset additions.
- Current liabilities increased \$640 thousand, or 9%, primarily due to an increase in unearned revenue.
- Noncurrent liabilities increased by \$3.8 million, or 82%, primarily as a result of the increase in the net pension liability.
- The change in deferred outflows and deferred inflows are the result of change in deferred items related to pension plans.

2016 compared to 2015

Continued expansion of new courses and degree programs followed by strong enrollment growth contributed to the changes in CSU – Global statement of net position assets as outlined below:

- Cash and cash equivalents increased \$30.2 million, or 59%.
- Although CSU – Global increased revenue, net student accounts receivable increased \$40 thousand, or only 2% as a result of more timely collections.
- Other accounts receivable increased \$455 thousand, or 219%, in 2016 over that of 2015 due to the timing difference of receipts related to student credit card settlement payments and direct loan disbursement payments.
- Net capital assets decreased \$88 thousand, or 7%, over fiscal year 2015 due to disposals of software licenses of \$80 thousand. Prepaid expenses increased \$184 thousand, or 26%, in 2016 over that of 2015 due to increased prepayments of licensing and subscriptions.
- Current liabilities increased \$1.1 million, or 20%, with the increase in expenses related to the strong enrollment growth.
- Noncurrent liabilities increased by \$1.3 million, or 41%, primarily as a result of the increase in the net pension liability.
- The change in deferred outflows and deferred inflows is the result of change in deferred items related to pension plans.

Colorado State University – Global Campus
Management's Discussion and Analysis
Years Ended June 30, 2017 and 2016
(Unaudited)

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the financial operating results of CSU – Global for the reporting period. Operating and nonoperating revenues and expenses and the resulting increase/decrease (changes in net position) during the year are shown in this statement.

	Year Ended June 30		
	2017	2016	2015
Operating revenues			
Student tuition and fees	\$ 85,060,172	\$ 76,468,053	\$ 63,603,436
Other operating revenue	2,530,831	1,919,797	1,843,092
Total operating revenues	<u>87,591,003</u>	<u>78,387,850</u>	<u>65,446,528</u>
Operating expenses			
Instruction	19,330,507	16,240,963	12,605,994
Academic support	6,167,155	4,651,949	4,457,086
Student services	28,198,497	21,886,826	16,905,263
Institutional support	6,726,111	5,935,999	6,306,771
Operation and maintenance of plant	541,581	531,924	491,710
Depreciation	417,090	399,948	287,116
Scholarships and fellowships	9,930,186	9,628,414	8,474,220
Total operating expenses	<u>71,311,127</u>	<u>59,276,023</u>	<u>49,528,160</u>
Operating income	<u>16,279,876</u>	<u>19,111,827</u>	<u>15,918,368</u>
Nonoperating revenues (expenses)			
Investment income	319,183	940,078	332,273
Grant to Community College	-	-	(161,250)
Federal nonoperating grants and contracts	10,148,171	9,628,414	8,474,220
Net nonoperating revenues	<u>10,467,354</u>	<u>10,568,492</u>	<u>8,645,243</u>
Income before other revenues (expenses) or transfers	<u>26,747,230</u>	<u>29,680,319</u>	<u>24,563,611</u>
Other revenues (expenses) or transfers			
Payments from (to) governing boards or other institutions	(28,261,888)	(724,056)	547,235
Total other revenues, (expenses) or transfers	<u>(28,261,888)</u>	<u>(724,056)</u>	<u>547,235</u>
Increase (decrease) in net position	<u>(1,514,658)</u>	<u>28,956,263</u>	<u>25,110,846</u>
Net Position			
Net position, beginning of year	77,320,584	48,364,321	25,410,266
Change in accounting principle	-	-	(2,156,791)
Net position, beginning of year, as adjusted	<u>77,320,584</u>	<u>48,364,321</u>	<u>23,253,475</u>
Net position, end of year	<u>\$ 75,805,926</u>	<u>\$ 77,320,584</u>	<u>\$ 48,364,321</u>

Colorado State University – Global Campus
 Management’s Discussion and Analysis
 Years Ended June 30, 2017 and 2016
 (Unaudited)

2017 compared to 2016

The continued introduction of new courses combined with strong enrollment growth led to increases in operating revenues and expenses. CSU – Global offers fixed tuition pricing. Once a student enrolls in a degree program, the tuition rate is locked as long as the student remains in classes and in good academic standing.

- Total student enrollment based on full-time equivalents increased 13.0%.
- Tuition and fee revenue grew by \$8.6 million or 11.2%.
- As the interest and demand grew for CSU – Global online course offerings, so did its operating costs.
- The number of instructors (full-time equivalent) increased 4.4%.
- The number of non-teaching or support staff employees (full-time equivalent) increased 12.7% during this same period.
- Nonoperating revenues decreased \$101 thousand or 1%. This increase is attributable to the increased number of undergraduate students eligible for federal grants. Nonoperating revenues for CSU – Global primarily consist of federal Pell Grant awards received on behalf of students. Reporting standards require the receipt of these resources to be recognized as nonoperating revenue while the actual disbursement to students is reported as an operating expense. This increase was offset by a decrease in investment income of \$621 thousand.
- CSU – Global’s change in net position before transfers of \$26.7 million for fiscal year 2017 compared to \$29.7 million for fiscal year 2016 as the result of increased expenses in excess of revenue.
- As a result of strong financial results over a period of years, CSU-Global was able to make a transfer of \$28.5 million to the CSU-System during fiscal year 2017. This transfer is required under the CSU System Reserves Policy, which requires that CSU-Global transfers net assets in excess of the institutional reserve to the CSU System. CSU-Global retains a sufficient institutional reserve to maintain a strong overall financial position.

2016 compared to 2015

The introduction of new courses and degree programs combined with strong enrollment growth led to significant increases in operating revenues and expenses. CSU – Global offers fixed tuition pricing. Once a student enrolls in a degree program, the tuition rate is locked as long as the student remains in classes and in good academic standing.

- Total student enrollment based on full-time equivalents increased 21.0%.

Colorado State University – Global Campus
Management’s Discussion and Analysis
Years Ended June 30, 2017 and 2016
(Unaudited)

- Tuition and fee revenue grew by \$12.9 million or 20.2%.
- As the interest and demand grew for CSU – Global online course offerings, so did its operating costs.
- The number of instructors (full-time equivalent) increased 5.4%.
- The number of non-teaching or support staff employees (full-time equivalent) increased 9.0% during this same period.
- Nonoperating revenues increased \$1.9 million or 22.2%. This increase is attributable to the increased number of undergraduate students eligible for federal grants. Nonoperating revenues for CSU – Global primarily consist of federal Pell Grant awards received on behalf of students. Reporting standards require the receipt of these resources to be recognized as nonoperating revenue while the actual disbursement to students is reported as an operating expense.
- CSU – Global’s change in net position was \$29.0 million as the result of increased revenues in excess of costs.

Statement of Cash Flows

The statement of cash flows provides information about CSU – Global’s operating results by reporting sources and uses of cash. The basis of presentation for this statement is the direct method, which illustrates cash flows from operating, non-capital financing, capital and related financing, and investing activities.

Economic Outlook for Colorado State University – Global Campus

Quality, convenience, flexibility and affordability are the growing demands of the educational consumer, particularly among the adult nontraditional students on which CSU – Global’s mission is focused. The university’s data-driven approach to all university activities, its introduction of market relevant courses and degree programs, its emphasis on student and graduate workplace success, and its dedication to student retention and degree completion are expected to continue to fuel the university’s growth and reputation.

Management believes CSU – Global will experience strong enrollment growth as new accredited programs and student experience enhancements are introduced across the nation, and as students continue to demand educational opportunities that provide access, affordability, and high academic quality. Although CSU – Global is a Colorado public university under the governance of the CSU System Board of Governors, it receives no state funding but instead relies on its own operational excellence and efficiencies to achieve its mission. Therefore, the threat of reduced or limited state support will not encumber the operational abilities of CSU – Global. It is the intent of management, as evidenced by its strong and favorable net position on June 30, 2017, to employ a fiscal policy of adding to its cash reserves or making transfers to the CSU – System while maintaining minimal long-term debt. Given CSU –

Colorado State University – Global Campus
Management’s Discussion and Analysis
Years Ended June 30, 2017 and 2016
(Unaudited)

Global’s mission and focused initiatives, its leadership position in higher education innovation, and its understanding of the educational market, management believes that the University’s financial position will remain strong.

CSU – Global is a young university that is rising up in a time that its industry is rapidly filling with competitive private equity players, for-profit publishers & businesses, large well-funded non-profit organizations, innovative upstarts and new public university online options. As in any industry, there are uncertain economic and political factors that may restrict the growth and threaten the financial viability of an organization. With CSU – Global’s streamlined operational models that afford it flexibility and scalability, minimal long-term debt load, and low operating costs, and with its revenue diversification abilities, management believes that it is well-positioned for adverse and unforeseeable events.

Requests for Information

The financial report is designed to provide a general overview of the Colorado State University-Global Campus’s finances for all those with an interest in CSU – Global’s finances and to demonstrate CSU – Global’s accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the attention of the Controller, Colorado State University-Global Campus, 7800 East Orchard Road, Suite 200, Greenwood Village, Colorado 80111.

Colorado State University – Global Campus

Statements of Net Position

June 30, 2017 and 2016

	2017	2016
Assets		
Current assets		
Cash and cash equivalents	\$ 82,034,155	\$ 81,500,318
Student accounts receivable, net	3,445,551	2,290,439
Grant and other accounts receivable, net	1,779,620	662,430
Inventories	6,380	7,180
Prepaid expenses	798,429	878,538
Total current assets	88,064,135	85,338,905
Capital assets		
Furniture and equipment, net	\$ 607,834	\$ 797,355
Software, net	182,610	241,320
Leasehold improvements, net	73,423	116,734
Total capital assets	863,867	1,155,409
Other assets		
Long term intra fund receivable	\$ -	\$ 1,320,713
Total other assets	-	1,320,713
Total assets	\$ 88,928,002	\$ 87,815,027
Deferred Outflows of Resources	\$ 2,849,198	\$ 1,089,574
Liabilities		
Current liabilities		
Accounts payable	\$ 1,235,499	\$ 1,647,051
Accrued liabilities	2,665,600	2,377,794
Unearned revenue	3,519,767	2,433,931
Deposits held for others	130,984	451,439
Other noncurrent liabilities, current portion	45,116	45,116
Compensated absences, current portion	-	1,284
Total current liabilities	7,596,966	6,956,615
Noncurrent liabilities		
Net pension liability	7,626,621	3,962,509
Compensated absence liabilities	690,375	538,941
Other noncurrent liabilities	33,837	78,952
Total noncurrent liabilities	8,350,833	4,580,402
Total liabilities	\$ 15,947,799	\$ 11,537,017
Deferred Inflows of Resources	\$ 23,475	\$ 47,000
Net Position		
Net investment in capital assets	\$ 863,867	\$ 1,155,409
Restricted for expendable purposes		
Scholarships and grants	-	11,548
Unrestricted	74,942,059	76,153,627
Total net position	\$ 75,805,926	\$ 77,320,584

Colorado State University – Global Campus
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating revenues		
Student tuition and fees, net	\$ 85,060,172	\$ 76,468,053
Other operating revenue	<u>2,530,831</u>	<u>1,919,797</u>
Total operating revenues	<u>87,591,003</u>	<u>78,387,850</u>
Operating expenses		
Instruction	19,330,507	16,240,963
Academic support	6,167,155	4,651,949
Student services	28,198,497	21,886,826
Institutional support	6,726,111	5,935,999
Operation and maintenance of plant	541,581	531,924
Depreciation	417,090	399,948
Scholarships and fellowships	<u>9,930,186</u>	<u>9,628,414</u>
Total operating expenses	<u>71,311,127</u>	<u>59,276,023</u>
Operating income	<u>16,279,876</u>	<u>19,111,827</u>
Nonoperating revenues		
Investment income	319,183	940,078
Federal nonoperating grants and contracts	<u>10,148,171</u>	<u>9,628,414</u>
Net nonoperating revenues	<u>10,467,354</u>	<u>10,568,492</u>
Income before other revenues, expenses or transfers	<u>26,747,230</u>	<u>29,680,319</u>
Other expenses or transfers		
Payments to governing boards or other institutions	<u>(28,261,888)</u>	<u>(724,056)</u>
Total other expenses or transfers	<u>(28,261,888)</u>	<u>(724,056)</u>
Increase (decrease) in net position	(1,514,658)	28,956,263
Net position, beginning of year	<u>77,320,584</u>	<u>48,364,321</u>
Net position, end of year	<u>\$ 75,805,926</u>	<u>\$ 77,320,584</u>

Colorado State University System – Global Campus

Statements of Cash Flows

Years Ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Cash received		
Tuition and fees	\$ 84,670,440	\$ 76,847,386
Other operating receipts	1,349,418	1,465,039
Cash payments		
Scholarships disbursed	(9,930,187)	(9,628,414)
Payments to employees	(31,371,980)	(27,442,012)
Payments to suppliers	(27,648,707)	(20,490,882)
Net cash provided by operating activities	17,068,984	20,751,117
Cash flows from noncapital financing activities		
Agency (direct lending inflows)	89,198,649	79,094,890
Agency (direct lending outflows)	(89,198,649)	(79,094,890)
Other agency (inflows)	1,364,853	903,770
Other agency (outflows)	(1,364,853)	(903,770)
Payments to governing boards or other institutions	(26,941,175)	(724,056)
Other nonoperating revenues	10,212,393	9,628,414
Net cash provided by (used in) noncapital financing activities	(16,728,782)	8,904,358
Cash flows from capital financing activities		
Acquisition of capital assets	(125,548)	(392,430)
Net cash used in capital financing activities	(125,548)	(392,430)
Cash flows from investing activities		
Investment earnings	319,183	940,078
Net cash provided by investing activities	319,183	940,078
Net increase in cash and cash equivalents	533,837	30,203,123
Cash and cash equivalents, beginning of the year	81,500,318	51,297,195
Cash and cash equivalents, end of the year	\$ 82,034,155	\$ 81,500,318

Colorado State University System – Global Campus

Statements of Cash Flows

Years Ended June 30, 2017 and 2016

	2017	2016
Reconciliation of operating income to net cash provided by (used in) operating activities		
Operating income	\$ 16,279,876	\$ 19,111,827
Adjustments		
Depreciation expense	417,090	399,948
Noncash operating transactions	916,379	634,071
Decrease (increase) in assets		
Receivables, net	(3,252,904)	(1,048,825)
Inventories and prepaids	800	(186,628)
Prepaid expenses and other assets	80,109	-
Increase (decrease) in liabilities		
Accounts payable	(411,552)	464,499
Accrued liabilities	287,806	265,097
Unearned revenue	1,085,836	279,365
Deposits held for others	(320,455)	140,601
Compensated absences liabilities	150,150	166,454
Other liabilities	1,835,849	524,708
Net cash provided by operating activities	\$ 17,068,984	\$ 20,751,117

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(1) Governance and Reporting Entity

Governance

Colorado State University-Global Campus (CSU – Global) is a Colorado public institution and one of three universities within the Colorado State University System (the CSU System). The CSU System is an institution of higher education of the State of Colorado. The Board of Governors (the Board) is the governing board of the CSU System. The Board consists of nine members appointed by the Governor of the State of Colorado and six advisory, nonvoting representatives from the institutions. In addition to these financial statements, CSU – Global’s financial activity is also included in the basic financial statements of the Colorado State University System.

Reporting Entity

The accompanying financial statements present the operations of CSU – Global. As a higher education institution of the State of Colorado, the income of CSU – Global is generally exempt from income taxes under Section 115 of the Internal Revenue Code (IRC). However, income unrelated to the exempt purpose of CSU – Global would be subject to tax under IRC Section 511(a)(2)(B). CSU – Global had no material unrelated business income for the years ended June 30, 2017 and 2016.

(2) Basis of Presentation

The financial statements of CSU – Global, are intended to present the financial position, the changes in financial position and the cash flows of only that portion of the business-type activities of the CSU System that is attributable to the transactions of CSU – Global. They do not purport to, and do not, present fairly the financial position of the CSU System as of June 30, 2017 and 2016, and the changes in its financial position, or where applicable, its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Any effort to reconcile this report with presentations made for other purposes, such as data submitted with the legislative budget request of CSU – Global, must take into consideration the differences in the basis of accounting and other requirements for the presentation of such information.

(3) Measurement Focus, Basis of Accounting, and Summary of Significant Accounting Policies

For financial reporting purposes, CSU – Global is considered a special-purpose government entity engaged only in business-type activities. Accordingly, the basic financial statements of CSU – Global have been presented using the economic resources measurement focus and the accrual basis of accounting. Presentation is also in accordance with the State of Colorado Higher Education Accounting Standard No. 17. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when incurred.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents are defined as cash-on-hand, demand deposits, certificates of deposit with financial institutions, pooled cash with the State Treasurer, and all highly liquid investments with an original maturity when purchased of three months or less.

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

Student Receivables

Student receivables are carried at cost, less an allowance for doubtful accounts. Management believes that the allowance for doubtful accounts is adequate. Management uses available information to recognize losses on student receivables. Future additions to the allowance may be necessary based on changes in economic conditions and other factors.

Inventories

Inventories, consisting of school store merchandise, are carried at cost.

Capital Assets

Capital assets are stated at cost. Depreciation on furniture, fixtures, equipment and improvements is provided on a straight-line basis over the estimated useful lives as described in the table below:

<u>Asset Class</u>	<u>Useful Life</u>
Furniture and Other Equipment	5–7 years
Computer Hardware and Software	3–5 years
Leasehold Improvements	Shorter of term of lease or useful life

Amounts spent for repairs and maintenance are charged to expense as incurred. When assets are sold or retired, the associated cost and accumulated depreciation are removed. Any gain or loss from such disposition is recorded as a component of other non-operating revenues and expenses on the Statements of Revenues, Expenses and Changes in Net Position.

Deferred Outflows and Inflows of Resources

With the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, the System reports a deferred outflow and a deferred inflow of resources related to pensions.

Compensated Absence Liabilities

The amount of compensated absence liabilities that are recorded as a current liability on the statements of net position are the known amount of separation payouts at June 30. The remaining balance of the compensated absence liabilities is recorded as a noncurrent liability on the statements of net position.

Net Position

Net positions of CSU – Global are classified as follows:

Net investment in capital assets – This represents the total investment in capital assets, net of accumulated depreciation and outstanding debt obligations, if any, related to those capital assets.

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

Restricted net position – nonexpendable – Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing future income, which may either be expended or added to principal. CSU – Global has no non-expendable assets as of June 30, 2017 and 2016.

Restricted net position – expendable – Restricted expendable net positions in which CSU – Global is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties or debt agreements.

Unrestricted net position – Unrestricted net position represents resources derived from student tuition and fees, state fee for service reserves, and sales and services of educational activities. These resources are used for transactions relating to the educational and general operations of CSU – Global and may be used to meet current expenses for any purpose. Unrestricted net assets may be designated by actions of the Board.

Classification of Revenues

CSU – Global has classified revenues as either operating or nonoperating according to the following criteria:

- Operating revenues consist of services related to teaching, including tuition and application fees from students (after reduction for bad debt and scholarship allowances provided with institutional funds).
- Operating expenses represent the full cost of providing the services and goods associated with operating revenues. These expenses are accrued when incurred and measurable and reported using functional classifications.
- Non-operating revenues and expenses consist primarily of investment income that is relied upon and budgeted for support of operating expenses. Also included in non-operating revenues are Federal Pell Grants.

Unearned Revenue

CSU – Global defers a portion of the tuition revenue for courses whose duration span two fiscal years. The unearned amount is based on the number of calendar days that occur after June 30.

Application of Restricted and Unrestricted Resources

This application is made on a case-by-case basis by management depending on overall program requirements and resources. Generally, management applies restricted resources then unrestricted resources when both restricted and unrestricted resources are available to pay an expense.

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(4) Cash and Cash Equivalents

CSU – Global deposits cash and cash equivalents with the Colorado State Treasurer as required by Colorado Revised Statutes (CRS). The State Treasurer pools these deposits and invests them in securities as prescribed by CRS 24-75-601.1. The State Treasury acts as a bank for all state agencies and institutions of higher education, with the exception of the University of Colorado. Monies deposited in the Treasury are invested until the cash is needed. As of June 30, 2017, CSU – Global had cash on deposit with the State Treasurer of approximately \$72 million, which represented approximately 1.1 percent of the total \$6.8 billion of fair value of deposits in the State Treasurer's Pool (Pool). As of June 30, 2016, CSU – Global had cash on deposit with the State Treasurer of \$78 million, which represented approximately 1.0 percent of the total \$7.4 billion of fair value of deposits in the State Treasurer's Pool (Pool).

For financial reporting purposes all of the Treasurer's investments are reported at fair value, which is determined based on quoted market prices at fiscal year-end. On the basis of CSU – Global's participation in the Pool, CSU – Global reports as an increase or decrease in cash and cash equivalents its share of the Treasurer's unrealized gains and losses on the Pool's underlying investments. The State Treasurer does not invest any of the Pool's resources in any external investment pool and there is no assignment of income related to participation in the Pool. The unrealized gains or losses included in income reflect only the change in fair value for the fiscal year.

The difference between CSU – Global's cash carrying value, deposits with the State Treasurer and balances at other banks is due to outstanding checks and deposits in transit. CSU – Global earned interest of \$350,923 for the fiscal year ended June 30, 2017 and \$573,029 for the fiscal year ended June 30, 2016. However, CSU – Global recognized the occurrence of increases in cash and cash equivalents and increases or decreases in investment income as a result of unrealized gains or losses on deposits with the State Treasurer. CSU – Global reflected an unrealized gain (loss) of \$(31,740) and \$367,050 in cash and cash equivalents on deposit with the State Treasurer for fiscal years ended June 30, 2017 and 2016, respectively.

Custodial credit risk for deposits is the risk that in the event of a bank failure, CSU – Global's deposits may not be returned to it. To manage custodial risk, deposits with financial institutions are made in accordance with the Colorado Public Deposit Protection Act (PDPA) of 1975. PDPA requires all eligible depositories holding public deposits to pledge designated eligible collateral having a market value equal to at least 102 percent of the deposits exceeding those amounts insured by federal depository insurance. Deposits collateralized under PDPA are considered to be collateralized with securities held by the pledging institutions in CSU – Global's name. Deposits held in money market funds are not PDPA eligible deposits.

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

At June 30, 2017, CSU – Global’s book and bank balance value of cash not on deposit with the State Treasurer was \$9.6 million and \$9.9 million, respectively. Cash includes petty cash or cash on hand and cash in bank accounts. Bank account balances per the bank at June 30, 2017 and 2016, are \$9.9 million and \$3.6 million, respectively. Of the June 30, 2017 deposits, \$250,000 were covered by depository insurance and were not exposed to custodial credit risk, and the remaining \$9.6 million were collateralized with securities held by the pledging institution’s trust department. Of the June 30, 2016 deposits, \$250,000 were covered by depository insurance and were not exposed to custodial credit risk, and the remaining \$3.3 million were collateralized with securities held by the pledging institution’s trust department.

Additional information on investments of the State Treasurer’s Pool may be obtained in the State’s Comprehensive Annual Financial Report for the fiscal years ended June 30, 2017 and 2016.

(5) Accounts Receivable

Accounts receivable are shown net of allowances for doubtful accounts in the accompanying statements of net position.

	June 30	
	2017	2016
Student accounts receivable	\$ 6,795,615	\$ 4,789,224
Less: allowance for doubtful accounts	<u>(3,350,064)</u>	<u>(2,498,785)</u>
Student accounts receivable, net	<u>\$ 3,445,551</u>	<u>\$ 2,290,439</u>
Grants and other accounts receivable, net	<u>\$ 1,779,620</u>	<u>\$ 662,430</u>

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(6) Capital Assets

Capital assets as of June 30, 2017 and 2016, consist of the following:

	Balance 6/30/2016	Additions	Deletions	Transfers	Balance 6/30/2017
Depreciable capital assets					
Furniture and equipment	\$ 1,154,453	\$ 5,074	\$ -	\$ -	\$ 1,159,527
Software	460,227	120,474	-	-	580,701
Leasehold improvements	199,875	-	-	-	199,875
Total capital assets	1,814,555	125,548	-	-	1,940,103
Less accumulated depreciation					
Furniture and equipment	(357,098)	(194,595)	-	-	(551,693)
Software	(218,906)	(179,185)	-	-	(398,091)
Leasehold improvements	(83,142)	(43,310)	-	-	(126,452)
Total accumulated depreciation	(659,146)	(417,090)	-	-	(1,076,236)
Total capital assets, net	<u>\$ 1,155,409</u>	<u>\$ (291,542)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 863,867</u>
	Balance 6/30/2015	Additions	Deletions	Transfers	Balance 6/30/2016
Depreciable capital assets					
Furniture and equipment	\$ 948,771	\$ 205,682	\$ -	\$ -	\$ 1,154,453
Software	522,355	139,718	(201,846)	-	460,227
Leasehold improvements	152,845	47,030	-	-	199,875
Total capital assets	1,623,971	392,430	(201,846)	-	1,814,555
Less accumulated depreciation					
Furniture and equipment	(180,714)	(176,384)	-	-	(357,098)
Software	(151,200)	(188,915)	121,209	-	(218,906)
Leasehold improvements	(48,493)	(34,649)	-	-	(83,142)
Total accumulated depreciation	(380,407)	(399,948)	121,209	-	(659,146)
Total capital assets, net	<u>\$ 1,243,564</u>	<u>\$ (7,518)</u>	<u>\$ (80,637)</u>	<u>\$ -</u>	<u>\$ 1,155,409</u>

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(7) Accrued Liabilities

The current accrued liabilities balances as of June 30, 2017 and 2016, were composed of:

	June 30,	
	2017	2016
Accrued payroll and benefits	\$ 2,078,807	\$ 1,425,240
Other accrued liabilities	586,793	952,554
Total current accrued liabilities	\$ 2,665,600	\$ 2,377,794

(8) Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	Balance 6/30/2016	Additions	Reductions	Balance 6/30/2017	Amounts due within one year
Accrued compensated absences	\$ 540,225	\$ 152,614	\$ 2,464	\$ 690,375	\$ -
Other	124,068	-	45,115	78,953	45,116
Net pension liability	3,962,509	3,998,221	334,109	7,626,621	-
	\$ 4,626,802	\$ 4,150,835	\$ 381,688	\$ 8,395,949	\$ 45,116

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	Balance 6/30/2015	Additions	Reductions	Balance 6/30/2016	Amounts due within one year
Accrued compensated absences	\$ 373,771	\$ 297,428	\$ 130,974	\$ 540,225	\$ 1,284
Other	169,184	-	45,116	124,068	45,116
Net pension liability	2,769,722	1,356,405	163,618	3,962,509	-
	\$ 3,312,677	\$ 1,653,833	\$ 339,708	\$ 4,626,802	\$ 46,400

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(9) Operating Lease Commitment

The following is a schedule of CSU – Global’s aggregate minimum rental commitments for operating leases of real and personal property for each of the five subsequent fiscal years.

Fiscal year ending June 30:	
2018	\$ 474,177
2019	358,551
2020	-
2021	-
2022	-
Total	<u>\$ 832,728</u>

In May 2013 CSU – Global entered into a new five-year lease for office space, with a commencement date of October 18, 2013. The lease provides an option to renew the terms of the lease for two consecutive additional periods of five years each. The lease agreement also includes a stipulation for rent holidays, which are recognized on a straight-line basis over the life of the lease. The lease includes base rent payable, net of property tax credits of \$2,345,770 beginning in March 2014. CSU – Global receives a monthly property tax credit in the amount of \$2,594 that began March 1, 2014 and continues through the duration of the lease.

Total rent expense for the years ended June 30, 2017 and 2016 was \$424,932 and \$423,095, respectively.

(10) Net Position

CSU – Global is subject to multiple constraints, including those imposed by Colorado Constitutional and related legislative actions and State of Colorado statutes.

Student loan money is expended according to external restrictions imposed by the program funding sources. The federal programs are administered according to Department of Education Blue Book guidelines.

CSU – Global periodically receives nongovernmental grants or monies restricted for certain scholarships or programs. Amounts received with these restrictions are reflected in restricted net position.

Although other amounts reflected in unrestricted net position are not externally restricted, they may be internally designated by CSU – Global’s Board or executive management for strategic and mission-related purposes.

(11) Employment Benefits

CSU – Global employees who are eligible for retirement benefits participate in either the State Division Trust Fund (SDTF), a defined benefit pension fund, administered by the Public Employees’ Retirement Association Defined Benefit Plan (PERA) or an Optional Retirement Plan (ORP), subject to eligibility criteria defined by PERA and CSU – Global for each separate governing entity.

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

CSU – Global’s total payroll for the fiscal years ended June 30, 2017 and 2016 was approximately \$26.0 million and \$22.8 million, respectively. Payroll for employees covered by the SDTF plan and the optional defined contribution plan was approximately \$250 thousand and \$1.0 million for the fiscal years ended June 30, 2017 and 2016, respectively.

(a) PERA Defined Benefit Pension Plan

Plan Description

CSU – Global provides certain of its employees with pension benefits through the State’s PERA defined benefit retirement program.

Summary of Significant Accounting Policies

CSU – Global participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund administered by PERA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

Eligible employees of CSU – Global are provided with pensions through the State Division Trust Fund (SDTF) – a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provision of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, receive an annual increase of two percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of two percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007, receive an annual increase of the lesser of two percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

Contributions

Eligible employees and CSU – Global are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements for all employees are summarized in the table below:

	Fiscal Year 2016		Fiscal Year 2017	
	CY15	CY16	CY17	CY17
	7/1 to 12/31	1/1 to 6/30	7/1 to 12/31	1/1 to 6/30
Employer Contribution Rate	10.15%	10.15%	10.15%	10.15%
Apportioned to the Health Care Trust Fund ¹	-1.02%	-1.02%	-1.02%	-1.02%
Apportioned to the SDTF	9.13%	9.13%	9.13%	9.13%
Amortization Equalization Disbursement (AED) ²	4.20%	4.60%	4.60%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) ²	4.00%	4.50%	4.50%	5.00%
Total Employer Contribution Rate to the SDTF	17.33%	18.23%	18.23%	19.13%

¹ As specified in C.R.S. Section 24-51-208(1)(f).

² As specified in C.R.S. Section 24-51-411.

Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and CSU – Global is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from CSU – Global were \$215,649, \$192,535, and \$169,316 for the years ended June 30, 2017, 2016 and 2015, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of fiscal years ended June 30, 2017 and 2016, CSU – Global reported a liability of \$7,626,621 and \$3,962,509, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. CSU – Global's proportion of the net pension liability was based on CSU – Global contributions to the SDTF for the calendar year 2016 relative to the total contributions of participating employers to the SDTF.

At December 31, 2016, CSU – Global proportion was 0.0376 percent, which was an increase of 0.0045% from its proportion measured as of December 31, 2015.

CSU – Global has no legal obligation to fund this shortfall, nor does it have any ability to affect funding, benefit or annual required contribution decisions made by PERA or the General Assembly.

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

For the fiscal years ended June 30, 2017 and 2016, CSU – Global recognized pension expense of \$2,090,029 and \$776,579, respectively. At June 30, 2017, CSU – Global reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 75,809	\$ -
Change in assumption or other inputs	1,939,370	23,475
Net difference between projected and actual earnings on pension plan investments	252,829	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	462,730	-
Contributions subsequent to the measurement date	118,460	N/A
Total	\$ 2,849,198	\$ 23,475

At June 30, 2016, CSU – Global reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 57,701	\$ 96
Change in assumption or other inputs	-	46,904
Net difference between projected and actual earnings on pension plan investments	286,801	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	629,399	-
Contributions subsequent to the measurement date	115,673	N/A
Total	\$ 1,089,574	\$ 47,000

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

\$118,460 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending June 30:		
2018	\$	1,574,875
2019		1,059,601
2020		70,111
2020		2,676
Total	\$	<u>2,707,263</u>

Actuarial Assumptions

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method		Entry age
Price inflation		2.80 %
Real wage growth		1.10 %
Wage inflation		3.90 %
Salary increases, including wage inflation		3.90 – 9.57 %
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation		7.50 %
Discount rate		7.50 %
Future post-retirement benefit increases:		
PERA Benefit Structure hired prior to 1/1/07		2.00 %
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)		Financed by the Annual Increase Reserve

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and effective as of December 31, 2016. The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

Actuarial cost method		Entry age
Price inflation		2.40 %
Real wage growth		1.10 %
Wage inflation		3.50 %
Salary increases, including wage inflation		3.50 – 9.17 %
Long-term investment rate of return, net of pension plan investment expenses, including price inflation		7.25 %
Discount rate		5.26 %

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

Post-retirement benefit increases:

PERA benefit structure hired prior to 1/1/07 (automatic)	2.00 %
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates used in the December 31, 2015 valuation were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with males set back one year, and females set back two years. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back two years for males and set back two years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the SDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 18, 2016, adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. equity - large cap	21.20%	4.30%
U.S. equity - small cap	7.42%	4.80%
Non U.S. equity - developed	18.55%	5.20%
Non U.S. equity - emerging	5.83%	5.40%
Core fixed income	19.32%	1.20%
High yield	1.38%	4.30%
Non U.S. fixed income - developed	1.84%	0.60%
Emerging market debt	0.46%	3.90%
Core real estate	8.50%	4.90%
Opportunity fund	6.00%	3.80%
Private equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Discount Rate

The discount rate used to measure the total pension liability was 5.26 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 28, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree healthcare benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the SDTF's fiduciary net position was projected to be depleted in 2039 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2039 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2039 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent resulting in a discount rate of 5.26 percent.

As of the prior measurement date, the projection test indicated the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.50 percent was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use a municipal bond index rate and the discount rate was 7.50 percent, 2.24 percent higher compared to the current measurement date.

Sensitivity of CSU – Global Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 5.26 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.26 percent) or 1-percentage-point higher (6.26 percent) than the current rate:

	1% Decrease	Current	1% Increase
	(4.26%)	Discount Rate	(5.26%)
		(5.26%)	(6.26%)
Proportionate share of the net pension liability	\$ 9,446,043	\$ 7,626,621	\$ 6,131,827

Pension Plan Fiduciary Net Position

Detailed information about the SDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

(b) University Optional Retirement Plan -The Defined Contribution Plan for Retirement (DCP)

Under the University's optional retirement plan, all Academic Faculty and Administrative Professionals are required as a condition of employment under Colorado law to participate in either the University's Defined Contribution Plan (DCP) for Retirement or, in very limited cases, in the PERA Defined Benefit plan (as eligibility permits). DCP participants may select from two investment companies as follows:

1. Teachers Insurance and Annuity Association (TIAA)
2. Variable Annuity Life Insurance Corporation (VALIC)

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

The defined contribution retirement plans are established pursuant to state statute (24-54.5-101 to 24-54.5-107 CRS). As a university of the Board of Governors for the Colorado State University System, CSU – Global employees are eligible to participate in CSU – Global’s retirement plan. The Defined Contribution Retirement Plan is a qualified plan under Section 401(a) of the IRC. CSU – Global participants contribute the required 8 percent of eligible salary. CSU – Global provides a matching contribution of 11.1 percent, as required, of eligible salary for all nonstudent employees, including those employees at less than half-time and nonstudent temporary, hourly employees. Both employee and employer contributions are vested immediately. Investments are participant-directed within the funds available through the authorized investment companies. CSU – Global’s aggregate contribution to the above two vendors was equal to 11.1 percent and 11.1 percent of covered payroll or approximately \$2.8 million and \$2.4 million for the fiscal years ended June 30, 2017 and 2016, respectively. The employee aggregate contribution to the above two vendors was equal to 8.0 percent of covered payroll or approximately \$2.0 million and \$1.7 million for the fiscal years ended June 30, 2017 and 2016, respectively.

(c) Health and Life Insurance Programs

CSU – Global’s contribution to the various health insurance programs was approximately \$1.8 million and \$1.5 million for the fiscal years ended June 30, 2017 and 2016, respectively.

(12) Compensated Absences Liability

CSU – Global employees may accrue annual and sick leave based on the length of service and subject to certain limitations regarding the amount that will be paid upon termination. The estimated liability of compensated absences for which employees are vested as of June 30, 2017 and 2016 was \$690 thousand and \$540 thousand, respectively.

Overall, net expenses increased by \$150 thousand for the fiscal year ended June 30, 2017 and \$166 thousand for the fiscal year ended June 30, 2016, for the estimated compensated absences liabilities.

(13) Direct Student Financial Aid Reporting

During the fiscal years ended June 30, 2017 and 2016, CSU – Global participated in the federal government’s Direct Loan Program. This program provides loans from the federal government to qualifying students and their families for educational purposes. While CSU – Global helps students obtain these loans, the University is not a party to the loans and is not responsible for collection of monies owed or for defaults by borrowers.

The gross amounts of Direct Loans disbursed during the fiscal years ended June 30, 2017 and 2016 were \$89.2 million and \$79.3 million, respectively.

Colorado State University – Global Campus

Notes to Basic Financial Statements

Years Ended June 30, 2017 and 2016

(14) Scholarship Allowance

Tuition and fees revenues and the related scholarship and bad debt allowances for the years ended June 30, 2017 and 2016 were as follows:

	Tuition and Fees	
	2017	2016
Gross revenue	<u>\$ 87,144,719</u>	<u>\$ 77,786,210</u>
Bad debt allowance (net recoveries)	916,379	553,434
Scholarship allowances		
Institutional	<u>1,168,168</u>	<u>764,723</u>
Total allowances	<u>2,084,547</u>	<u>1,318,157</u>
Net revenue	<u>\$ 85,060,172</u>	<u>\$ 76,468,053</u>

(15) Related-party Transactions

In February and June 2014, the Colorado State University Board of Governors approved resolutions to transfer monies from the funds of the Board to balance the CSU – Pueblo budget for fiscal year 2014 with the intent that such funds would be transferred from CSU – Global to CSU – Pueblo. As such, at June 30, 2014 accounts payable included \$5.4 million as an obligation to CSU – Pueblo. In August 2014 the funds were transferred and subsequent to the issuance of the fiscal year 2014 audit financial report, it was determined that \$1.3 million of the \$5.4 million transferred was a note receivable from CSU – Pueblo. Therefore, CSU – Global recorded a long-term receivable in that amount, identified as an interest-free note with no minimum monthly payments, maturing June 30, 2018. However, CSU – Pueblo satisfied their \$1.3 million obligation in March 2017.

(16) Risk Management

CSU – Global is exposed to various risks of loss related to torts; theft of damage to and destruction of assets or information; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health and accident benefits. Insurance coverage for claims arising from such matters including those related to workers' compensation and natural disasters is purchased from the State of Colorado's Risk Management program. Settled claims have not exceeded this coverage in 2017 or 2016. Claims are administered by the Colorado Division of Risk Management.

(17) Subsequent Events

Subsequent events have been evaluated through December 1, 2017, which is the date the financial statements were available to be issued. Management determined there were no subsequent events that required disclosure.

Required Supplementary Information

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Colorado State University – Global Campus

Required Supplemental Information
 Schedule of Proportionate Share of the Net Pension Liability and
 Schedule of Contributions
 (Unaudited)
 June 30, 2017

	2017	2016	2015	2014
Proportion of the net pension liability	0.042%	0.038%	0.029%	0.025%
Proportionate share of the net pension liability	7,626,621	3,962,509	2,769,722	2,221,821
Covered payroll	1,161,000	1,019,873	792,808	642,148
Proportionate share of the net pension liability as a percentage of covered payroll	656.9%	480.3%	349.4%	346.0%
Plan fiduciary net position as a percentage of the total pension liability	42.60%	56.10%	59.80%	61.08%
	2017	2016	2015	2014
Contractually required contributions	\$ 215,649	\$ 189,279	\$ 169,316	\$ 101,758
Contributions in relation to the contractually required contribution	(215,649)	(189,279)	(169,316)	(101,758)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,161,000	\$ 1,005,669	\$ 941,312	\$ 597,298
Contributions as a percentage of covered payroll	18.6%	18.8%	18.0%	17.0%

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**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of the Financial Statements Performed in Accordance with
Government Auditing Standards**

Members of the Legislative Audit Committee:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Colorado State University – Global Campus (CSU – Global), a university within the Colorado State University System, State of Colorado (the CSU System) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise CSU – Global's basic financial statements and have issued our report thereon dated December 1, 2017, which contained an Emphasis of Matter paragraph indicating the financial statements do not purport to, and do not, present the CSU System's financial position, changes in financial position, or, where applicable, cash flows.

Internal Control Over Financial Reporting

Management of CSU – Global is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered CSU – Global's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CSU – Global's internal control. Accordingly, we do not express an opinion on the effectiveness of CSU – Global's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of CSU – Global's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Members of the Legislative Audit Committee:

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CSU – Global’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CSU – Global’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Denver, Colorado
December 1, 2017

Independent Auditor's Audit Committee Communication

Members of the Legislative Audit Committee:

As part of our audit of the financial statements of Colorado State University – Global Campus (CSU – Global), a university within the Colorado State University System (the CSU System) as of and for the year ended June 30, 2017, we wish to communicate the following to you.

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America and the Standards Applicable to Financial Audits Contained in *Government Auditing Standards* Issued by the Comptroller General of the United States

An audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

CSU – Global's significant accounting policies are described in Note 3 of the audited financial statements.

Alternative Accounting Treatments

- No matters are reportable

Members of the Legislative Audit Committee:

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Allowance for doubtful accounts
- Scholarship allowance
- Compensated absences
- Employment benefits, including the net pension liability measured according to Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Related-party transactions

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Areas in which adjustments were proposed include:

Proposed Audit Adjustments Recorded

- No matters are reportable

Proposed Audit Adjustments Not Recorded

- No matters are reportable

Auditor's Judgments About the Quality of CSU – Global's Accounting Principles

During the course of the audit, we made the following observations regarding CSU – Global's application of accounting principles:

- No matters are reportable

Members of the Legislative Audit Committee:

Other Material Written Communications

Listed below are other material written communications between management and us related to the audit:

- Management representation letter

* * * * *

This letter is intended solely for the information and use of the Legislative Audit Committee, the Office of the State Auditor, the Colorado State University Board of Governors, the Colorado State University Board of Governors' Audit Committee and Colorado State University – Global's management and is not intended to be and should not be used by anyone other than these specified parties. However, upon release by the Legislative Audit Committee this report is a public document.

BKD, LLP

December 1, 2017

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Section 4

Strategic Mapping

System Mission

Operate as a dynamic whole to produce access to excellence across all three institutions, delivering human and economic advances throughout Colorado and the world.

<p>Strategy</p>	<p><u>Mission Projection</u></p> <p>Rapidly respond to the market through innovation and research</p>	<p><u>Mission Delivery</u></p> <p>Leverage academic and operational expertise across the System to create stronger programs, improve student success and create efficiencies</p>	<p><u>Mission Alignment</u></p> <p>Deliberately engage with a diverse array of partners to ensure our work brings critical value to the community</p>		
<p>Work Areas</p>	<ul style="list-style-type: none"> National Western Center Lifelong Learning Todos Santos 	<table border="0"> <tr> <td data-bbox="1059 676 1429 1076"> <p><u>Academic</u></p> <ul style="list-style-type: none"> Innovation in Learning Systems Student enrollment Faculty Exchanges Program Collaboration </td> <td data-bbox="1442 676 1760 1076"> <p><u>Operational</u></p> <ul style="list-style-type: none"> ERP Systems IT Integration Administrative Operations </td> </tr> </table>	<p><u>Academic</u></p> <ul style="list-style-type: none"> Innovation in Learning Systems Student enrollment Faculty Exchanges Program Collaboration 	<p><u>Operational</u></p> <ul style="list-style-type: none"> ERP Systems IT Integration Administrative Operations 	<ul style="list-style-type: none"> Optimize membership and participation in leading organizations Strengthen existing and create new powerful partnerships with local and national thought leaders
<p><u>Academic</u></p> <ul style="list-style-type: none"> Innovation in Learning Systems Student enrollment Faculty Exchanges Program Collaboration 	<p><u>Operational</u></p> <ul style="list-style-type: none"> ERP Systems IT Integration Administrative Operations 				
<p>Outcomes</p>	<p>Student Success, Fiscal Strength, Community Impact</p>				
<p>System</p>	<p>Institutional Strategic Plans</p>				



System Mission

Operate as a dynamic whole to produce access to excellence across all three institutions, delivering human and economic advances throughout Colorado and the world.

Strategy

Mission Projection

Rapidly respond to the market through innovation and research

Work Areas

- National Western Center
- Lifelong Learning
- Todos Santos

System Mission

Operate as a dynamic whole to produce access to excellence across all three institutions, delivering human and economic advances throughout Colorado and the world.

Strategy

Mission Projection

Rapidly respond to the market through innovation and research

Work Areas

- CSU-Pueblo at Todos Santos
 - Expansion to System Steering Committee
 - Development of new programs

System Mission

Operate as a dynamic whole to produce access to excellence across all three institutions, delivering human and economic advances throughout Colorado and the world.

Strategy

Mission Delivery

Leverage academic and operational expertise across the System to create stronger programs, improve student success and create efficiencies

Work Areas

Academic

- Innovation in Learning Systems
- Student enrollment
- Faculty Exchanges
- Program Collaboration

Operational

- ERP Systems
- IT Integration
- Administrative Operations

System Mission

Operate as a dynamic whole to produce access to excellence across all three institutions, delivering human and economic advances throughout Colorado and the world.

Strategy

Mission Delivery

Leverage academic and operational expertise across the System to create stronger programs, improve student success and create efficiencies

Work Areas

Academic

- National Association of System Heads (NASH)
 - TS3 – Taking Student Success to Scale
- Student passport
- System-wide Enrollment Management Taskforce

System Mission

Operate as a dynamic whole to produce access to excellence across all three institutions, delivering human and economic advances throughout Colorado and the world.

Strategy

Mission Delivery

Leverage academic and operational expertise across the System to create stronger programs, improve student success and create efficiencies

Work Areas

Operational

- IT Integration
 - Ad Hoc Student Information System (SIS) Strategic Directions Taskforce
- Industry Partnerships Council (IPC)

System Mission

Operate as a dynamic whole to produce access to excellence across all three institutions, delivering human and economic advances throughout Colorado and the world.

Strategy

Mission Alignment

Deliberately engage with a diverse array of partners to ensure our work brings critical value to the community

Work Areas

- Optimize membership and participation in leading organizations
- Strengthen existing and create new powerful partnerships with local and national thought leaders

System Mission

Operate as a dynamic whole to produce access to excellence across all three institutions, delivering human and economic advances throughout Colorado and the world.

Strategy

Mission Projection

Rapidly respond to the market through innovation and research

Work Areas

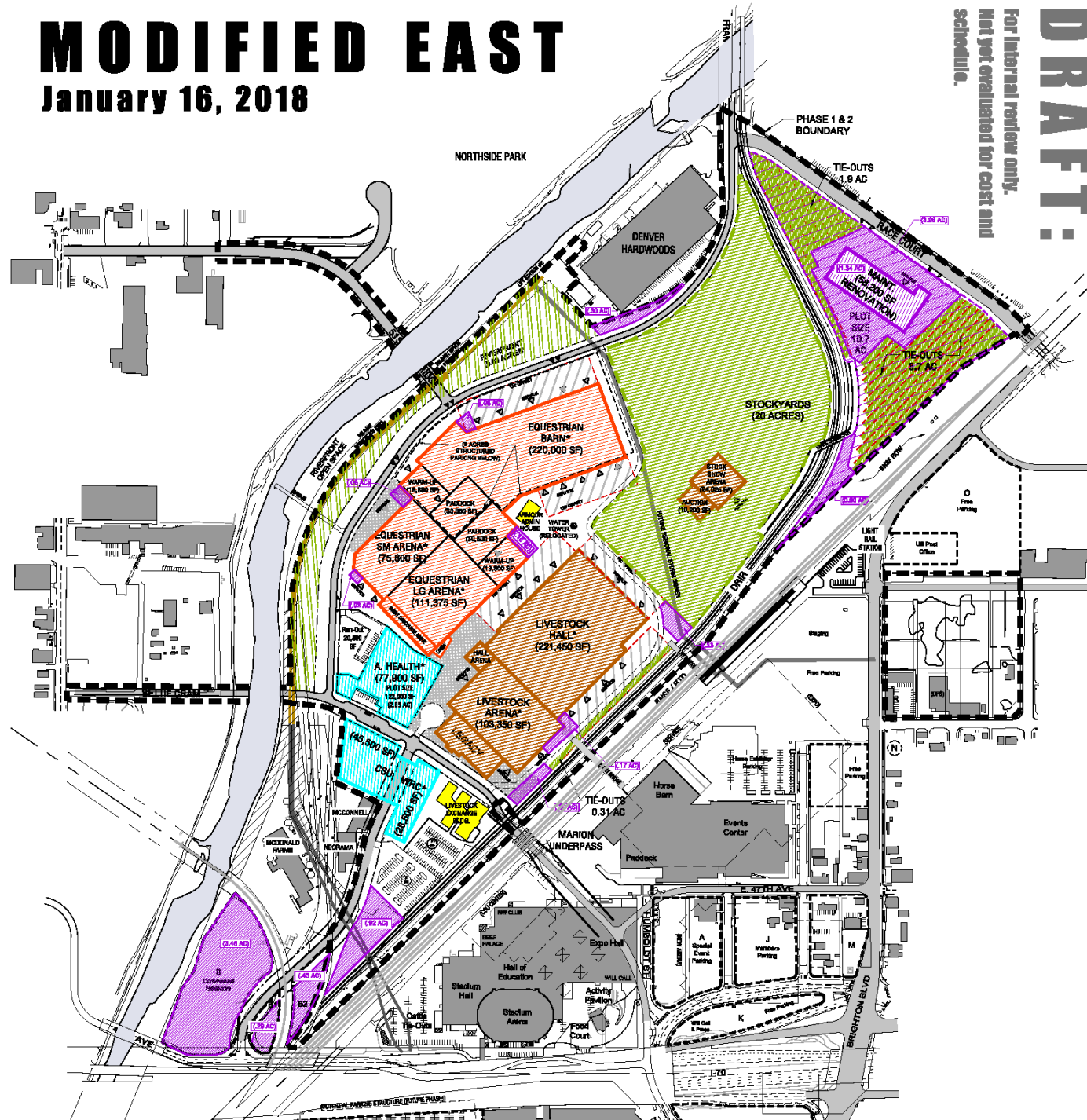
- National Western Center
 - 2018 National Western Stock Wrap-up

MODIFIED EAST

January 16, 2018

DRAFT:

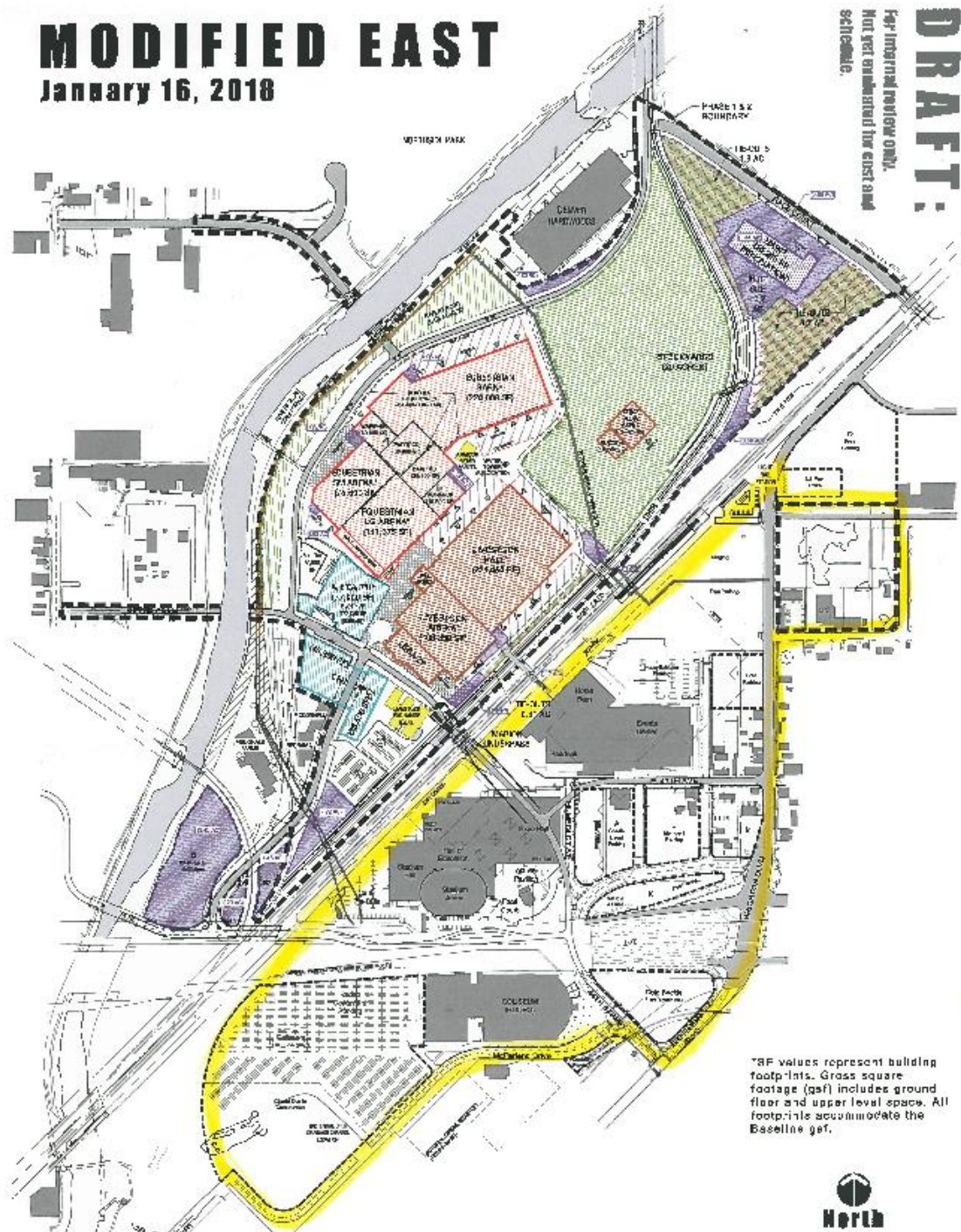
For Internal review only.
Not yet evaluated for cost and
schedule.



MODIFIED EAST

January 16, 2018

DRAFT:
For internal review only.
Not yet enhanced for east and
setback.



*RF values represent building
footprints. Gross square
footage (gsf) includes ground
floor and upper level space. All
footprints accommodate the
Baseline gsf.





National Western Center Authority Board

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Robb Brown

Jacqueline (Jacque) Hinman

Kelly Leid

Monique Lovato

Steven McCarthy

John Zapien, GES Representative (Voting)

Liliana Flores Amaro, GES Representative (Non-voting)

Brendan Hanlon, Treasurer (Non-voting)

Paul Andrews, WSSA Representative

Pat Grant, WSSA Representative

Tony Frank, CSU System Representative

Amy Parsons, CSU System Representative



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on Trusteeship**
April 22-24, 2018

*San
Francisco*

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CSU-Pueblo

2015-2020 Strategic Plan Update

253



February 8-9, 2018

2015-2020 Strategic Plan Update

CSU-Pueblo's Strategic Plan was developed with one major expectation – **Improve Student Success.**

Our plan aims to accomplish this important work by focusing on several success measures but also includes goals in four key areas.

By focusing campus wide attention on these goals, we have been improving the success of our students.

2015-2020 Strategic Plan Update

- Plan developed in 2014
- Refined each year
- Structure
 - Three overarching outcomes
 - Four goals, each with multiple objectives
 - Each objective has at least one measure; each measure has accompanying strategies
- Integrated with cabinet's jumpstart initiatives

2015-2020 Strategic Plan Update

- Overall Outcomes of plan
 - Enrollment
 - Retention
 - Graduation
- Four Goals
 - Excellent Academics (with three objectives)
 - Affordable Education (with four objectives)
 - Transformational Opportunities (with three objectives)
 - Supportive Student Life (with six objectives)

2015-2020 Strategic Plan Update

CABINET JUMPSTART INITIATIVE	OUTCOME	OBJECTIVE	MEASURE	STRATEGY	NEW INITIATIVE
Increase financial aid (merit-based)	E	1.1	1.1.1	1.1.1.A	
Implement local marketing campaign	E	1.1	1.1.1	1.1.1.C. (new bullet)	X
Create 4-year college going culture in Pueblo	E	1.1	1.1.1	1.1.1.F	X
Research CSU Pueblo "Academy" concept	E	1.1	1.1.1	1.1.1.G	X
Implement supervisory training for faculty and staff	R	1.2	1.2.2	1.2.2.G	X
Address employee compensation	R	1.2	1.2.3	1.2.3.B	
Expand nursing program	G	1.3	1.3.1	1.3.1.C	X
Increase on-line enrollments	G	1.3	1.3.4	1.3.4.A	
Implement career advising council	P	1.3	1.3.6	1.3.6.B (new bullet)	X
Increase financial aid (need-based)	E	2.2	2.2.1	2.2.1.B	X
Develop "First-Stop" concept	R	3.1	3.1.1	3.1.1.A (new bullet)	X
Implement advising week	R	3.1	3.1.1	3.1.1.A (added to existing bullet)	X
Implement GPA Alert program	R	3.1	3.1.1	3.1.1.A (new bullet)	X
Implement professional advisors	R	3.1	3.1.1	3.1.1.A (added to existing bullet)	X
Implement STARFISH	R	3.1	3.1.1	3.1.1.A (new bullet)	X
Implement waitlists	R	3.1	3.1.1	3.1.1.A	
Study summer school offerings	R	3.1	3.1.1	3.1.1.A	
Develop task force to examine course scheduling	R	3.1	3.1.1	3.1.1.F	X
Increase internship participation (partner with regional business and industry)	P	4.2	4.2.1	4.2.1.D	X
Develop task force to examine Psychology building	E	4.3	4.3.3	4.3.3.B	X
Foster sense of connectedness for every student	G	4.6 (new)	4.6.1	4.6.1.A	X

2015-2020 Strategic Plan Update

Strategic Plan Implementation Team

- Team member assigned to each strategy and measure
- Campus “champion” assigned to each strategy
- Team works with different groups on campus to monitor progress
 - Enrollment Management committee
 - Starfish Implementation committee
- Team reports to campus community (convocation week presentations, visits to chairs council, faculty senate, admin pro council, classified staff council, ASG, etc.)

2015-2020 Strategic Plan Update

Measures Tracking

Strategic Plan Implementation Delivery Team - Progress Matrix

Last Updated: 01/23/2018

Overarching Outcomes

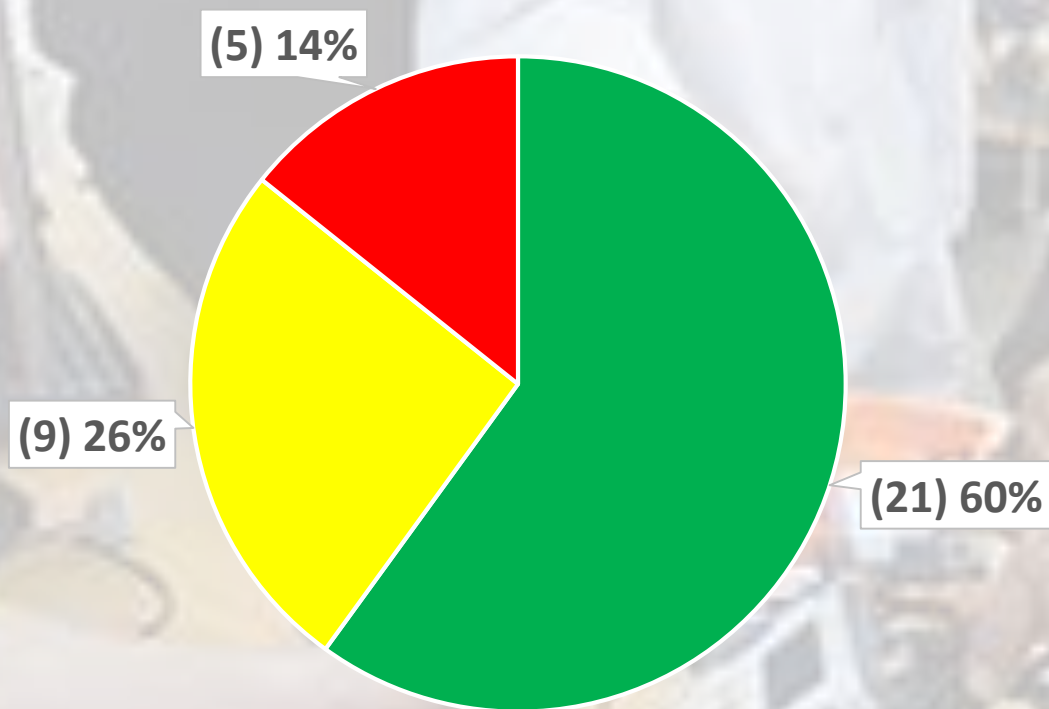
Outcome 1: Enrollment (E) Increase enrollment to 4470 in 2020	4053 - Fall 2017 (PRELIMINARY)
Outcome 2: Retention (R) Increase the first-time, full-time freshman (FTFTF) retention rate to 68% in 2020	64% - Fall 2015 ; 66% - Fall 2016 ; 63% - Fall 2017 (PRELIMINARY)
Outcome 3: Graduation (G) Increase 6 year graduation rate to 36% in 2020	33% - F2009 cohort ; 32.4% - F2010 cohort ; 35% - F2011 cohort (PRELIMINARY)
Outcome 3: Graduation (G) Increase the number of degrees awarded to 820 in 2020	933 - FY 2015 ; 872 - FY 2016 ; 856 - FY 2017 (goals were exceeded each year)

Goal 1: Excellent Academics

Objective 1: Attract motivated students capable of success	
Measure 1.1.1: Increase the percentage of first-time, full-time freshmen (FTFTF) with an index score above 100 from 49% in 2014 to 54% in 2020	48.5% - Fall 2014 ; 50% - Fall 2015 ; 49% - Fall 2016
Objective 2: Attract and retain high quality motivated faculty and staff	
Measure 1.2.1: Increase the percentage of courses taught by tenure-track faculty from 42% in Fall 2014 to 50% in Fall 2020	39% - Fall 2015 ; 43% - Fall 2016 and Fall 2017
Measure 1.2.2: By 2020, increase opportunities for faculty and staff members for professional development supporting teaching, peer-reviewed scholarship or creative activities, and other areas specific to individual job assignments.	Three sub-measures green and one yellow.
Measure 1.2.3: Increase average reported job satisfaction levels of faculty and staff as measured by the campus climate survey from 71% in 2014 to 80% in 2020	In Progress December 2017
Objective 3: Provide sustainable high quality relevant academic programs	
Measure 1.3.1: By 2020, increase support for programs that are identified as high strategic priorities	1 new program launched Fall 2017 ; 4 new programs pending final state or HLC approval ; 1 program expanded
Measure 1.3.2: By 2020, 80% of students assessed will meet defined performance targets for student learning outcomes reported in annual departmental assessment plans.	79.5% - AY 2014/2015 ; 86% - AY 2015/2016 ; 85% - AY 2016/2017
Measure 1.3.3: By 2020, the mean score of CSU-Pueblo students who took the General Education Proficiency Profile test will exceed the national mean score.	444.35 - CSU-Pueblo vs 447.30 for Masters Institutions nationally - 2015
Measure 1.3.4: Increase the number of online or hybrid courses available to students from 67 in AY 2014/2015 to 90 in AY 2019/2020.	86 - AY 2015/2016 ; 201 AY 2016/2017
Measure 1.3.5: Increase number of students enrolled in courses designated as including undergraduate research from 145 in AY 2014/2015 to 160 in AY 2019/2020	145 - AY 2014/2015 ; 130 - AY 2015/2016 ; 140 - AY 2016/2017
Measure 1.3.6: Increase the number of career center graduation survey respondents who reported being employed at the time of graduation in a position related to their degree field from 37.6% in 2015 to 50% in 2020	54.9% in 2016 ; 56.9% in 2017
Measure 1.3.7: Increase the number of career center graduation survey respondents who reported planning to attend graduate school, law school, or medical school from 40.4% in 2015 to 50% in 2020.	43% - 2016 ; 45% - 2017

2015-2020 Strategic Plan Update

Progress on 35 measures from 2015 to 2017



2015-2020 Strategic Plan Update

Four overarching outcomes measures

Outcome 1: Enrollment (E)

- Increase enrollment to 4,250 in 2020

Outcome 2: Retention (R)

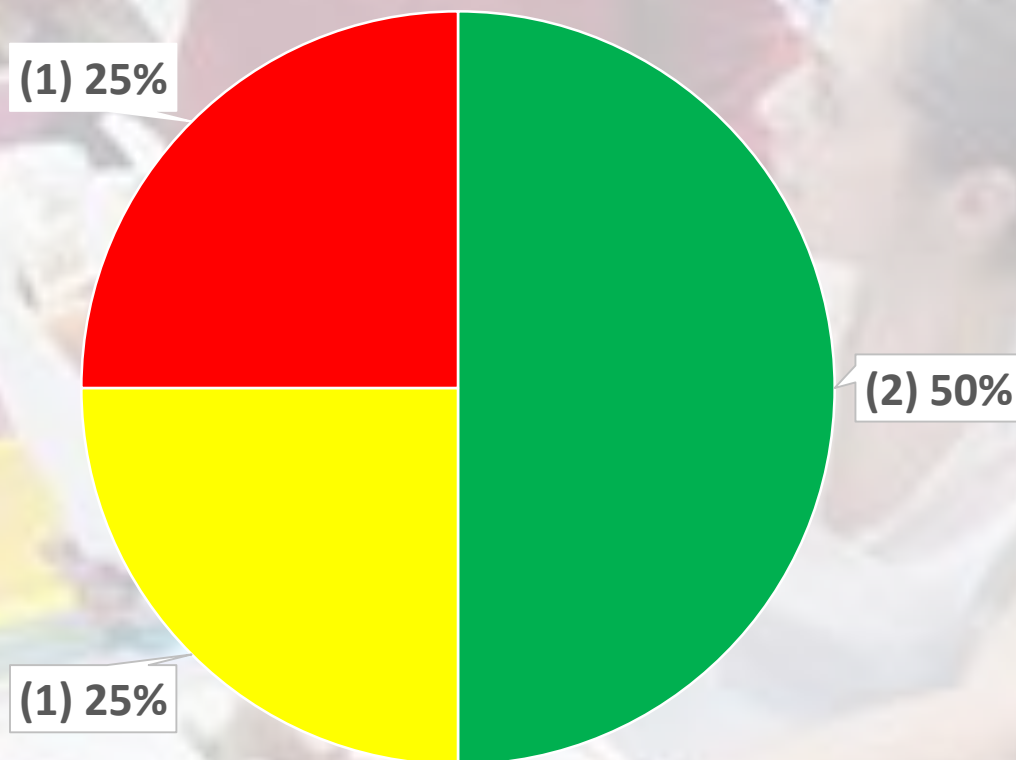
- Increase the first-time, full-time freshman (FTFTF) retention rate to 68% in 2020

Outcome 3: Graduation (G)

- Increase the number of degrees awarded to 820 in 2020
- Increase 6 year graduation rate to 36% in 2020

2015-2020 Strategic Plan Update

Progress on four overarching outcomes measures



Overarching Plan Outcomes - 2020

Enrollment

4250

4243 – Fall 2015 (RI)
4242 – Fall 2016 (RI)
4053 – Fall 2017 (RI and
degree seeking online)

Retention

68%

64% - Fall 2014 cohort
66% - Fall 2015 cohort
63% - Fall 2016 cohort
(preliminary)

Graduation

820 (# of degrees
awarded)

36% (graduation
rate)

872 - FY2016
856 - FY2017

33% - Fall 2009 cohort
32% - Fall 2010 cohort
35% - Fall 2011 cohort
(preliminary)

2015-2020 Strategic Plan Update

Enrollment Management (EM) Strategies

- Some plan measures were revised to align with new enrollment targets, also reflected in Strategic EM Plan. (Separate Board presentation Feb 9 2018.)
- New EM initiatives will ensure meeting goal of 4,075 headcount for Fall 2018.
- 2018, 2019, and 2020 goals developed by EM team and Institutional Research, based on historical data and projections from new interventions; now working with Capture HigherEd to assist with predictive analytics throughout recruitment lifecycle, ensuring we stay on track for targets.

2015-2020 Strategic Plan Update

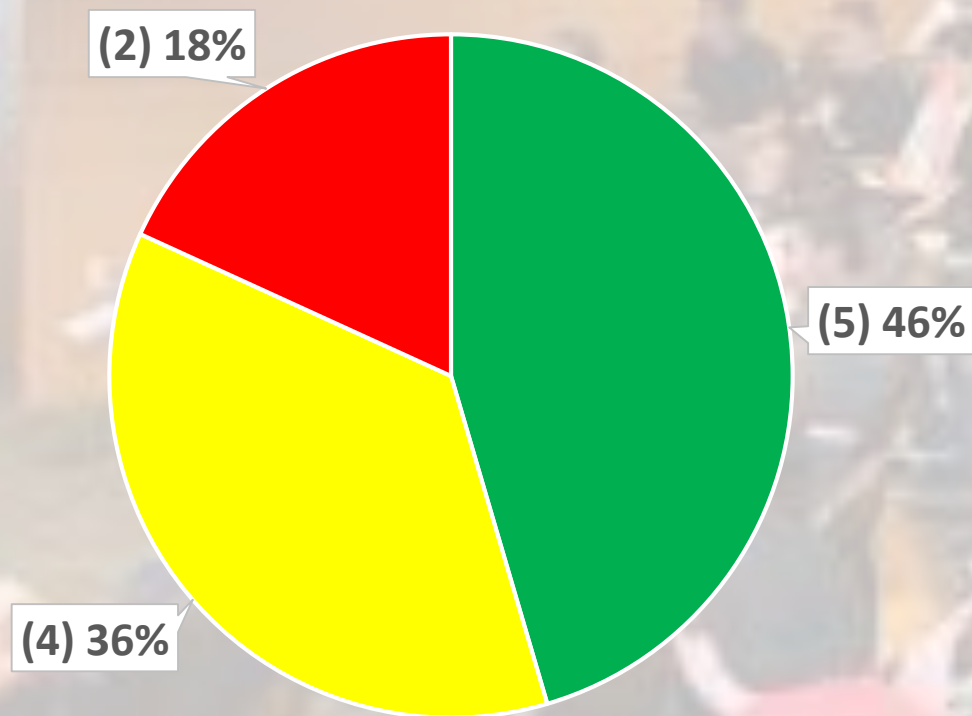
Goal 1 – Excellent Academics – 11 measures

Objectives:

1. Attract motivated students capable of academic success. (E)
2. Attract and retain high quality, motivated faculty and staff who provide outstanding instruction, scholarship, and service. (R)
3. Provide high quality and relevant academic programs that prepare students for professional and academic success. (G)

2015-2020 Strategic Plan Update

Progress on Goal 1 – Excellent Academics measures



2015-2020 Strategic Plan Update

Excellent Academics - Sample key strategies and measures

- New academic programs
(1 - Fall 2017 | 3 – Fall 2018 | 1 – Fall 2019) (Pending approvals)
- Expanded Nursing programs
(10 new BSN students – Spring 2018 | 15 new RN to BSN students– Fall 2018)
- Improved assessment process – students meeting learning outcomes
(79.5% - AY 2014/2015 | 85% - AY 2016/2017)
- Increased online and hybrid course offerings
(86 - AY 2015/2016 | 201 AY 2016/2017)
- Implemented grant related research activities (e.g. CBASE)
- Increase number of students enrolled in courses designated as including undergraduate research – goal not yet met
(145 - AY 2014/2015 | 130 - AY 2015/2016 | 140 - AY 2016/2017)

2015-2020 Strategic Plan Update

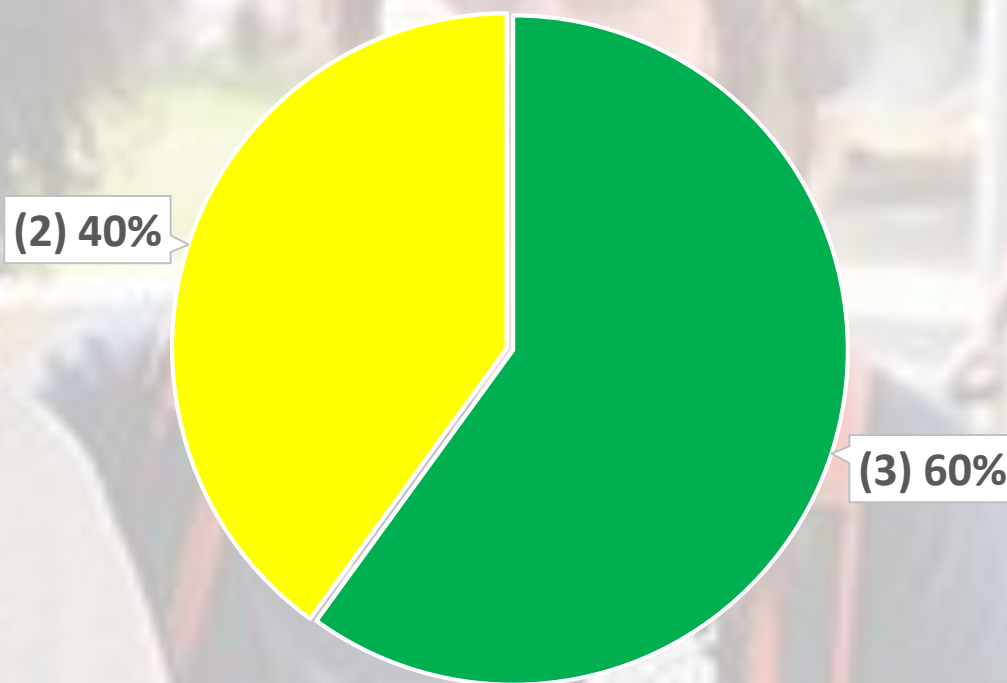
Goal 2 – Affordable Education– 5 measures

Objectives:

1. Provide informed financial aid and debt assistance counseling. (G)
2. Optimize financial aid resources by using data to leverage award packages. (E)
3. Provide effective financial literacy education and financial planning tools. (R)
4. Provide financial stewardship and sustainability of University resources. (E)

2015-2020 Strategic Plan Update

Progress on Goal 2 – Affordable Education measures



2015-2020 Strategic Plan Update

Affordable Education – Sample key strategies and measures

- Integrated financial & academic advising for beginning students
(none – 2014 | all first-year students – 2017)
- Increased number of students participating in financial literacy programs
(1988 - 2015 | 3833 – 2017)
- Increased merit and transfer scholarships
(22 new transfer scholarships given spring 2018)
- Set aside 25% of new tuition revenue for financial aid

2015-2020 Strategic Plan Update

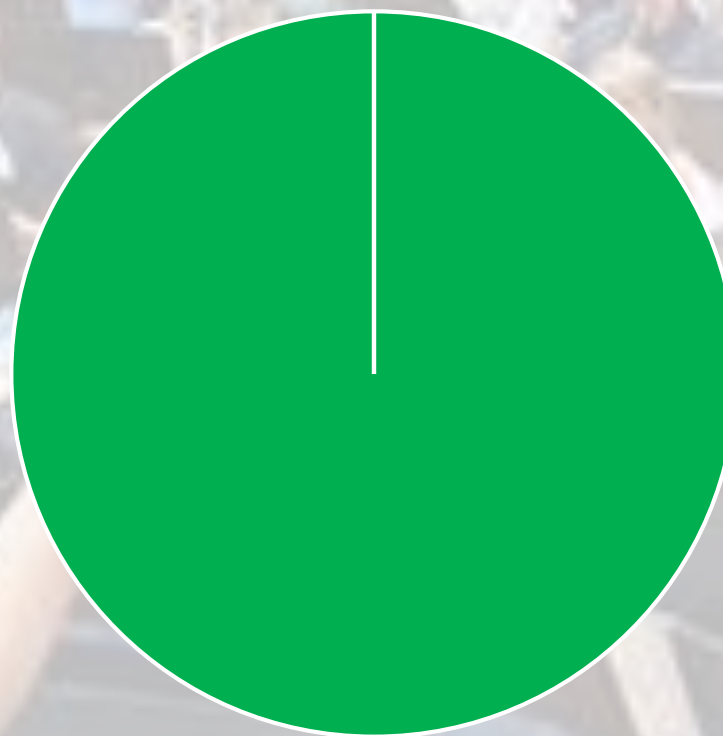
Goal 3 – Transformational Opportunities – 5 measures

Objectives:

1. Provide academic advising, counseling, and tutoring services that support student success and graduation. (R)
2. Enhance ethnic, racial, and cultural diversity across the campus. (E)
3. Integrate experiential education throughout the student's curricular and co-curricular activities. (G)

2015-2020 Strategic Plan Update

Progress on Goal 3 – Transformative Opportunities
measures



(5) 100%

2015-2020 Strategic Plan Update

Transformative Opportunities – Sample key strategies and measures

- Increased the percent of FTFTF who successfully complete 60 incremental hours in the first two years
(13% - 2013-2015 | 16% - 2015-2017)
- Improved advising – Starfish
(18,137 kudos given and 1269 flags successfully cleared Fall 2017)
- Increased diversity of faculty and staff
(32% - 2014 | 37% - 2015 | 38% - 2016 | 39% - 2017)
- Increased percentage of RI students enrolled from underrepresented groups
(47% - Fall 2016 | 49% - Fall 2017 PRELIMINARY)
- Increased the numbers of students who enroll in a designated experiential course
(165 - Fall 2016 | 385 - Spring 2017 | 407 Fall 2017)

2015-2020 Strategic Plan Update

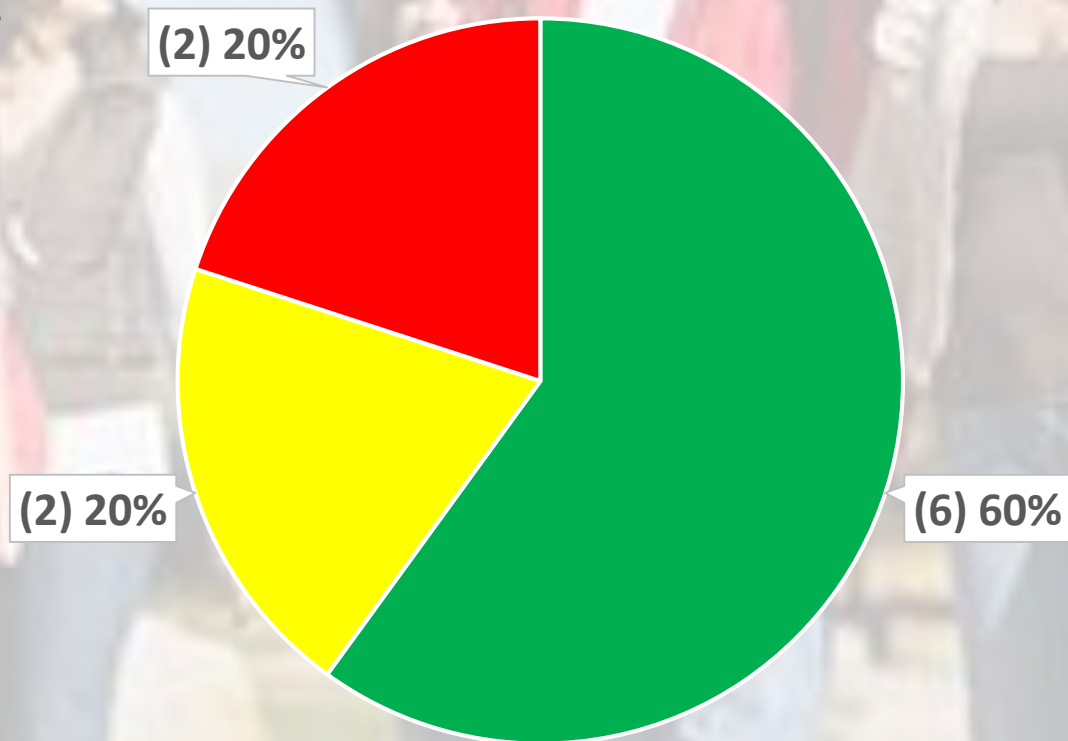
Goal 4 – Supportive Student Life – 10 measures

Objectives:

1. Enhance/increase co- and extra-curricular opportunities for involvement and engagement for students. (R)
2. Provide opportunities for networking, leadership, and mentoring opportunities for students both on and off-campus. (G)
3. Provide modern and relevant campus facilities and technology. (E)
4. Create Sophomore Experience Program. (R)
5. Improve campus residential life. (R)
6. Foster sense of connectedness for every student. (R)

2015-2020 Strategic Plan Update

Progress on Goal 4 – Supportive Student Life measures



2015-2020 Strategic Plan Update

Supportive Student Life – Sample key strategies and measures

- Increased participation in registered clubs and other co-curricular activities
(2359 - AY 2013/2014 | 2456 - AY 2016/2017)
- Developed Sophomore Experience program to improve sophomore to junior retention rate
(74.3% - Fall 2015 | 78% - Fall 2016)
-and-
second year freshman retention rate
(61% - Fall 2015 | 69% - Fall 2016)
- Updated facilities
(2 new facilities)
- Improved wireless connectivity
(90% of buildings on campus upgraded)
- Increase the number of internships – goal not met
(225 - AY 2015/2016 | 213 - AY 2016/2017)

2015-2020 Strategic Plan Update

The Strategic Plan Implementation Team has been working with many individuals and groups across campus to:

- Implement plan strategies
- Support faculty and staff colleagues in their efforts
- Collect relevant data
- Integrate new cabinet initiatives into the plan
- Investigate measures that are not meeting defined targets
- Improve STUDENT SUCCESS

We appreciate your support!

2015-2020 Strategic Plan Update

Questions?

A bronze statue of a cougar standing on a rock, set against a background of a forest with yellow and green foliage. The statue is positioned on the left side of the slide, and the background is a blurred forest scene.

Implementation Team

Co-Chairs:

**Rhonda Gonzales
Dean of Library Services**

and

**Dr. Rick Kreminski
Executive Director, Research and Sponsored Programs
Director, Institute of Cannabis Research**

**Chrissy Holliday,
Vice President, Enrollment Management and Student Affairs**

**Dr. Derek Lopez,
Director of the Center for Academic Excellence**

Amy Robertshaw, Registrar

Vicky Hansen, Professor

Dr. Brad Gilbreath, Professor

Stephen Hodge, Classified Staff

Section 5

CSU-Pueblo Campus Reports

- CSU-Pueblo Student Representative's Report
- CSU-Pueblo Faculty Representative's Report
- CSU-Pueblo President's Report



Colorado State University-Pueblo Student Representative's Report

Associated Students' Government President Jake Harmon

General Statement

Colorado State University-Pueblo Associated Students Government has gathered great tread amongst our students the Fall semester, and will to continue the Spring semester with some fresh initiatives. Associated Students Government will continue to focus on creating a strong community within our organization and reputation externally throughout the students of Colorado State University-Pueblo.

Campus and Student Initiative Projects

The student representatives within ASG are united towards allocating funds via the facility fee budget to continue to bring more signage to our campus. This will result in creating a stronger collegiate atmosphere and PACK culture. To go alongside this ASG voted to change the name of the Occhiato University Center (OUC), to the newly renovated Occhiatto Student Center (OSC). The grand opening for the student center was on January 23. ASG presented a *25 year* time capsule for the event. Student organizations and leaders were encouraged to contribute to this historical moment.

External Initiative Projects

ASG is interested in partnering with the Black Student Union (BSU) to sponsor a campus wide event to give our students the opportunity and platform to discuss complex social, economic, and political challenges that are presented within a national and regional sphere. We are looking to reach out to an interested professor or professional staff member to facilitate this discussion and raise hard questions. Constructive civil discourse will be strongly emphasized before the discussion.

Internal Initiative Projects

Within ASG we are always aiming to continue to develop a healthy culture for our student leaders who donate so much of their time towards student government. Student government is very rewarding experience when *persistency, patience and zeal* are applied to a service mindset. To show my appreciation to my team I would like to find a great way to give back to celebrate our first year in our new office and chambers. Finding a way to collectively allocate funds in a manner to make the space more *our own* is our intention, although we are still examining exactly what we intend to do for this project.

Closing Statement

ASG is continuing to work hard to be in service to meet the needs of the students this year. ASG is excited to take on more obstacles that are presented during the Spring semester and will leave our campus community a better place than we received it. We are proud of the legacy that we have already begun to create this year, and are excited at the prospect of the future. Going into the New Year, we aspire to continue to reach out to student organizations on campus to better facilitate the interconnectivity of our campus.

**Colorado State University System
Board of Governors**

**CSU-Pueblo Faculty Representative Report
submitted by David Volk
January 24, 2018**

Recent Faculty Senate motions approved:

- Aligned CSU-Pueblo definition for graduate student half-time enrollment (5-8 credit hours) with CSU-Fort Collins definition
- Removed military credit and credit by exam limits
- Approved new major in Criminology

Spring 2018 Convocation: Council of Chairs 'Faculty Talking to Faculty' Open Forum – Issues Raised

- Connecting faculty mentors to underserved students
- Efforts to recruit and retain minority faculty
- IT infrastructure – opportunities to restructure processes/staff to improve efficiency
- Addressing the needs of our students as they enter CSU-Pueblo in terms of their academic preparedness
- Instituting a Fall Break?
- Examining 12-12 load and opportunities for faculty course releases for research and service
- Opportunities to increase scholarship offerings for students (balancing academic and athletic scholarships)

Fall 2017 Convocation: Council of Chairs 'Faculty Talking to Faculty' Open Forum – Issues Raised
(reprinted from October 2017):

- Developing a richer academic culture (faculty, staff, student) on campus
 - explore programming and faculty opportunities to share and celebrate scholarship
- Improving organizational efficiency campus-wide
 - collect anecdotes (positive and negative) to share with Cabinet/President
- Developing the Academic Program
 - Coordinating with Extended Studies
 - credentialing, non-degree programs
 - prison education
 - Soliciting ideas from faculty
 - Revenue-sharing models
 - Expand opportunities for faculty to learn Spanish
 - Strengthening our HSI status and non-traditional student outreach
- Recruitment/Retention
 - Chairs actively analyzing who we lost and why

Current Goals (reprinted from July 2017 report)

The following list of goals was compiled by information provided by the Council of Chairs, Faculty Senate, and CHASS Dean. The Chairs Council will maintain an on-going list of goals through 2017-2018, to focus and direct the work of the Council, Senate, and other CSU-Pueblo organizations.

Short-Range goals

- Quicken the interview and hiring processes for new faculty.
 - *Are we expeditious and timely in recruiting the best faculty we can?*
- Increase transparency in the budgeting process and give college Deans greater authority in budget and hiring decisions.
 - *Are we centralizing budget decisions or engaging the entire campus in these decisions?*
 - *Are we utilizing the expertise and knowledge of our Deans effectively?*
- Empower faculty and staff at all levels to expedite work and improve quality of service delivered.
 - *Are we centralizing policy decisions or engaging the entire campus in these decisions?*
- Establish base-level compensation for graduate faculty, the chairing of thesis committees, and by whom this will be determined.
 - *Are we fairly compensating the additional work and responsibilities of graduate faculty?*
- Provide additional time for research and creative activities as well as service through a one-course reduction of the mandatory faculty load.
 - *Are faculty provided adequate time and support to be active scholars in their field?*
- Review campus policies and procedures, the role of non-academic offices in supporting academic units, and the role of academic units in designing the campus processes that support them.
 - *Are support units adequately meeting the needs of the academic units?*
- Consider a new content management system (Blackboard). The current contract was extended without input of faculty.
 - *Are we utilizing the best content management system for courses and are faculty satisfied with the system offered?*
- Institute a clock-stopping mechanism for tenure and promotion for time in rank for faculty demonstrating documentable need, allowing for the accommodation of emergent needs not currently addressed in the Faculty Handbook.
 - *Do we have policies that support faculty facing medical hardships, etc.?*

Long-Range goals

- Continue to implement recommendations of the campus-wide Equity Study
 - *Are we adequately addressing issues of salary compression and salary inequity in departments?*
 - *Are we losing faculty over these issues?*
- Strengthen our campus culture as an HSI and possible MSI.
 - *What changes in campus culture are evident around our HSI (and possible MSI) status?*
- Strengthen IT and computer functionality across campus.
 - *Are instructors provided the IT support and technology they need in their classrooms?*
- Increase philanthropic support of the academic program.
 - *Are we increasing private dollars toward the academic program?*
- Increase our community engagement and service role to Pueblo and southern Colorado.
 - *Are we making a difference in Pueblo and the region we serve?*

PRESIDENT'S REPORT

I. ACADEMIC EXCELLENCE

A. 2017 Fall Dean's List Announced

Over 1,000 students were named to the 2017 Fall Semester Dean's List at Colorado State University-Pueblo. The list recognizes undergraduate degree-seeking students who have completed 12 or more credit hours with a minimum grade-point-average of 3.5. Over 325 students earned a perfect 4.0 grade-point-average.

II. STUDENT ACCESS AND SUPPORT

A. Biology student places third in national poster contest

A senior biology major at Colorado State University-Pueblo recently placed third in a national student poster competition for her research presentation on the prevalence of West Nile Virus (WNV) antibodies and blood mercury levels in song birds from the Colorado Fountain Creek Region. Pueblo native Alyssa Torres placed third in the Best Undergraduate Student Poster competition at the Society of Environmental Toxicology and Chemistry (SETAC) North America 38th Annual Meeting in Minneapolis, Minnesota. She received a certificate and cash award for her efforts.

B. New passport program opens access across the Colorado State University System

Students from each campus in the Colorado State University System can now take advantage of events and programs happening in Fort Collins, Pueblo, and online. The CSU System Passport Program, opens up signature events at each of the three System institutions, CSU Fort Collins, CSU-Pueblo, and CSU-Global Campus, to students enrolled at any of the campuses.

V. COMMUNITY OUTREACH

A. Points of Pride Signage Earns CASE Award

The Colorado State University-Pueblo Office of External Affairs earned a Gold Award from the Council for the Advancement and Support of Education (CASE) District VI for its Points of Pride Signage Program, which highlight campus milestones and accomplishments at six locations across campus. CSU-Pueblo Executive Director of External Affairs Cora Zaletel will accept the award at the CASE VI joint conference held

Board of Governors of the
Colorado State University System
Meeting Date: February 7 – 9, 2018
Report Item

in January in St. Louis, Mo. The award was one of 162 winners in 62 categories chosen from 327 total entries submitted by CASE VI member institutions. The award was one of only two in the Strategic Communication category and the only award in the Public Relations and Community Relations category.

VI. RESOURCE MANAGEMENT

A. Grand Opening of Occhiato Student Center

A Grand Opening and Re-dedication of the Colorado State University-Pueblo Occhiato Student Center (OSC), following a \$34 million renovation, was held at in January in the building's Great Hall. Scheduled speakers at the Grand Opening were CSU-Pueblo President Timothy Mottet, CSU System CFO Lynn Johnson, Associated Students' Government President Jake Harmon, project donors Mike and Joyce Occhiato, and Architect Gwen Gilley, representing hord | coplan | macht.

DATE: January 18, 2018

TO: Colorado State University System Board of Governors

FROM: Timothy Mottet, President, CSU-Pueblo

SUBJECT: CSU-Pueblo President's BOG February 2018 Report

My report is organized around the below six university priorities. The university community validated the priorities during the Fall 2017 semester and all leaders are aligning their work to these six priorities. We are currently in the process of developing a university scorecard that includes metrics for each of the six priorities.

University Priorities

1. Enhance workplace experience for all employees
2. Design differentiated vision
3. Maximize organizational efficiencies in all work processes
4. Market and position university
5. Improve university performance metrics
6. Enhance financial sustainability

Enrollment and Retention Update (Priority 5). At the time of this report preparation, Spring Census has not occurred and enrollment numbers are not final. However, current figures (as of January 18, 2018) indicate Spring 2018 enrollment will likely decline *proportionately* to the enrollment decline seen in Fall 2017. Specifically, enrollment headcount for Spring 2018 is 3682 (down 200) and enrollment full-time equivalent is 3145 (down - 164) from prior year. The decline is logical, given Spring enrollment's heavy reliance on continuing students and the traditionally low number of new students choosing to enter in Spring. To date, there is a slight uptick in transfer enrollments that reflects the transfer initiatives launched mid-Fall; however, the full impact of those efforts are expected to be seen in Fall 2018. While a decline, however expected, is never good news, there are some positive trends in the Spring data. First, it looks as if retention of new Fall 2017 cohort freshmen from first to second semester is higher than last year, which would bode well for official retention figures next fall. In addition, preliminary yield rates for new Spring 2018 students indicate significant increases in yield compared with prior years, which is a positive early indicator for Fall enrollment and the success of our transition in enrollment strategy from Royall to Capture.

Enrollment Marketing Campaign (Priority 4). Our marketing campaign is designed to (1) increase our in-state marketing presence allowing us to reclaim our share of the Southern Colorado higher education market; and (2) cultivate a four-year university bound culture in Pueblo and Southern Colorado.

We are investing \$125,000 in the local (Pueblo) campaign that will launch March, 2018 with an additional \$120,000 for regional expansion of the campaign (Colorado Springs/Canon City/Lamar/La Junta/Trinidad, etc.).

The campaign focuses on four sets of strategic messages, all with a call to enrollment action: (1) perceived cost and value of CSU-Pueblo/higher education, (2) new programs and formats (online/hybrids), (3) family and community centered, Hispanic values, and (4) personalization/support for success.

Measuring the following four sets of enrollment indicators will assess the impact of the campaign:

1. Increase the Fall 2018 enrollment to 4,075 headcount (from 4,053).
2. Increase the Fall 2018 "resident" enrollment to 3,418 headcount (from 3,414 with ultimate goal of 3480 by 2020).*

3. Increase Capture-tracked visitors to CSU-Pueblo websites from June 1-Sept 1, 2018 by 2% over 2017 (goal=58,774 in that summer timeframe). 288
4. Increase the percent of visitors June 1- Dec 31 tracked by Capture to web site pages tagged as Admissions-related from 4.3% in 2017 to 5% in 2018.

*Resident enrollment has been declining, and projections without this marketing campaign are that it will continue to decline. The initial enrollment goal for this campaign is halting that downward spiral.

Financial Impact of Enrollment (Priority 6). The FY 2018 budget was built with an assumed enrollment decline of approximately 2.6%. Year-to-date, the enrollment decline is closer to 5%. These enrollment figures conservatively translate to an E & G budget shortfall of approximately \$1.1 million in FY 2018. By the May Board meeting, more accurate figures will be available, but the shortfall is not expected to exceed \$1.1 million. For the current year, this shortfall is being managed by E & G fund balances (approximately \$1.8 million in fund balances) and funds transferred by the System in December 2017 (\$700k). For subsequent years, this shortfall is accounted for in the FY 2019 incremental budget and will be addressed through a process of increasing revenues and reducing expenses.

Interventions to Address Enrollment and Retention (Priority 5). A number of strategic enrollment initiatives have been implemented in recent months to impact recruitment and retention for Summer and Fall 2018.

- Enhancing and promoting summer school offerings for 2018, to mitigate fiscal impact of low Fall and Spring enrollments this cycle, and to assist with students' long-term retention and completion.
- Executing Capture Higher Education recruitment efforts using data gleaned from behavioral engagement services to inform our new institutional marketing strategies, personalized recruitment communications, and digital content delivery.
- Developing University Tracks Centers in two area high schools that will allow CSU-Pueblo to support local districts and begin to develop a four-year university-bound culture in Southern Colorado.
- Implementing recommendations gleaned from visiting feeder community colleges to improve academic transfer pathways to CSU-Pueblo including introducing on-site Ambassadors who will assist with transfer when our admissions team is not at the community college.
- Implementing and integrating fully the Starfish retention platform. Starfish allows students to actively engage by raising a flag to indicate they need help in a course. Research has shown these personalized interventions have a positive impact on student retention.

Maximizing Organizational Efficiencies and Enhancing Financial Sustainability (Priorities 3 and 4). Pat Burns, Amy Parsons, and I have developed a charge for a committee to explore, analyze, and tender strategic recommendations for the implementation of a Student Information System at the CSU System level. At CSU-Pueblo, our specific concerns are focused on the viability and sustainability of our current systems that limits our ability to integrate technology. The charge includes 6 specific tasks. A committee of 14 leaders representing both the Ft. Collins and Pueblo campuses will be responsible for completing the task.

The University has invited Mr. Brett Anderson, Special Assistant to the President at Ft. Collins, to conduct four assessments on the Pueblo campus. The purpose of his visit will be to make recommendations on how best to enhance our service while maximizing organizational efficiencies. Mr. Anderson will be assessing Business Financial Services, Foundation, External Affairs, and Human Resources.

CSU-Pueblo has started an initial conversation with CSU-Global about supporting and helping to serve three of our on-line programs (RN-BSN, MBA, Construction Management) using a process of profit sharing. Leveraging this system support would prevent CSU-Pueblo from investing in on-line infrastructure needed to market and ensure long-term quality in on-line education.

Compensation Analysis (Priority 1). To continue addressing the compensation concerns on the campus, we have agreed to update the equity study that was commissioned in 2014. Two presidential fellows will lead this effort in collaboration with the Faculty Compensation Committee and the Administrative Professional Compensation Committee. The process will ensure that all job descriptions and titles are appropriately updated and that positions are appropriately mapped to the marketplace. The process will identify strategies for phasing in salary adjustments, balancing the need for across-the-board and targeted adjustments for faculty and staff who are not being compensated appropriately relative to peer institutions.

Information Items

DACA Update. A group of approximately 16 stakeholders, including individuals from Student Affairs, Admissions, Student Financial Aid, Information Technology, External Affairs, Faculty, the CSU-Pueblo Foundation and the Office of General Counsel have worked collaboratively to provide a comprehensive approach to services for our students that are under the DACA program, undocumented, and/or ASSET students (Dreamers) in light of the September 5, 2017 announcement of the repeal of DACA. A webpage has been established that provides an FAQ, resources, and a confidential support form to help identify the needs of our Dreamer students. We have identified areas of need to include financial assistance, transportation, family support, ability to work, and legal concerns which all impact the completion of their academic pursuits. We will be hosting an immigration legal clinic in February for our students and their families with assistance from the local Legal Services office and attorneys from the Denver area.

Executive Vice President of Academic Affairs and Provost Search Update. As of January 18, 2018, we have received 61 applications. The selection committee is conducting Skype interviews the week of January 15 and 22. Candidates will be discussed and names of recommended finalists will be forwarded to the President by Jan. 26 for on-campus interviews in mid- to late-February. We hope to extend an offer in March with a tentative start date of May 1, 2018.

Athletic Director Search Update. As of January 18, 2018, we have received 120 applications for the Athletic Director position. The Selection Committee will meet on January 26, 2018, to identify candidates for Skype interviews. Skype interviews will take place in early to mid-February. On campus interviews will occur in early to mid-March. The tentative start date is May 2018.

#

Section 6

*Academic and Student Affairs
Committee*

BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM
ACADEMIC AND STUDENT AFFAIRS COMMITTEE MEETING AGENDA
February 7 – 9, 2018

Committee Chair: Dennis Flores, Kim Jordan (Vice Chair)

Assigned Staff: Dr. Rick Miranda, Chief Academic Officer

I. New Degree Programs

Colorado State University

- B.S. Major in Geography

Colorado State University-Global Campus

- None

Colorado State University-Pueblo

- None

II. Miscellaneous Items

Colorado State University

- Sabbatical Summaries for 2016-2017
- Faculty Manual Appendix 7

Colorado State University-Global Campus

- None

Colorado State University-Pueblo

- Sabbatical Summaries

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MATTERS FOR ACTION:

New Degree Program: B.S. in Geography

RECOMMENDED ACTION:

MOVED, that the Board of Governors approve the request from the College of Liberal Arts, to establish a New Degree Program: Bachelor of Science (B.S.) in Geography, Department of Anthropology. If approved, this degree will be effective Fall Semester 2018.

EXPLANATION:

Presented by Rick Miranda, Provost and Executive Vice President.

A Geography major with a traditional geographic focus on research at the intersection of humans and the environment builds on a core strength of CSU and contributes to the land grant mission. The Geography major provides students with a broad academic background suitable for a variety of jobs in the public and private sectors. Geography majors are trained to think independently and critically, communicate effectively, and function in a multicultural world. Careers for graduates are available in international development, education, natural resource management, and business. Graduates who go on for advanced studies can pursue careers in geography in academia.

Geography faculty and courses offered are now at the critical mass required to support a Major in Geography. Supporting faculty research and coursework are sufficiently broad so students' training in the many sub-areas in the discipline is possible. The major will have a focus on human-environment interactions in mountain systems and Colorado geography. Faculty relationships with local environmental groups, government organizations, and federal land management agencies will facilitate student participation in geography internships and capstone projects.

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Colorado State University

NEW PROGRAM PROPOSAL MAJOR IN GEOGRAPHY

Program available to students: Fall 2018

College: Liberal Arts

Department/Unit: 1787 – Anthropology

Academic Level: Undergraduate Program

Type: Major

Degree Type: BS – Bachelor of Science

Program Title: Major in Geography

Program Description

Geography focuses on providing undergraduate students with a broad background in geographic thinking with an emphasis on the traditional geographic focus of understanding the dynamic interaction between humans and the environment in an era of rapid global change. Faculty use a variety of research methods including geographic information systems (GIS), remote sensing, spatial modeling, and dendrochronology to address applied research questions in Colorado, the Rocky Mountains, Southeast Asia, Mesoamerica, Melanesia, and southern South America.

Research focus areas include:

1. Climate change implications for society and ecosystems
2. Land-use and land-cover change
3. Critical human geography
4. Biogeography
5. Livelihood systems
6. Conservation
7. Cultural geography
8. Urban geography
9. Glaciology
10. Economic geography
11. Political/electoral geography

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12. Geography of virtual worlds

Current offerings range from lower division courses that introduce students to geography and the two main branches of human and physical geography, to advanced courses which focus on methods (e.g. spatial analysis and GIS, remote sensing) and topical subjects such as climate change, forest biogeography, mountain geography, the geography of commodities, and land change science. New GR courses in Climate Change Science: Policy Implications, Urban Geography, Political Geography, and the Geography of Commodities, as well as courses in GIS and Remote Sensing to reflect social science applications, will broaden the experiential and research opportunities for students.

Program Catalog Copy

The Geography major is housed in the Department of Anthropology. Through coursework and internship opportunities, majors are provided with a broad background in geographic thinking.

The traditional geographic focus of understanding the dynamic interaction between humans and the environment in an era of rapid global change is emphasized in the major. Critical study of the diverse relationships that exist among space, place, humans, and the built and natural environment are explored to reveal and interpret the spatial and temporal distribution of geographic features and processes.

The geography curriculum also concentrates specifically on mountain ecosystems, and the interaction between humans and mountain environments; coursework takes advantage of faculty expertise in these areas of study, some of which is specific to the state of Colorado. Geography faculty use a wide range of research methods including geographic information systems (GIS), remote sensing, spatial modeling, and spatial statistics to address applied research questions in the Arctic, Antarctic, Colorado, the Rocky Mountains, Southeast Asia, Mesoamerica, Melanesia, and southern South America. Undergraduate majors can expect to gain knowledge of and/or participate in faculty research related to:

1. Climate change implications for society and ecosystems
2. Land-use and land-cover change
3. Critical human geography
4. Biogeography
5. Livelihood systems
6. Conservation
7. Cultural geography
8. Urban geography
9. Glaciology
10. Economic geography
11. Political/electoral geography
12. Geography of virtual worlds

The Geography major is built on the core values the Department of Anthropology promotes. These values emphasize experiential training, primary research, and public engagement and education.

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Offered as: Main Campus Face-to-Face

Justification for Request

Geography faculty and courses offered are now at the critical mass required to support a major in Geography. Supporting faculty research and coursework are sufficiently broad so that student training in the many sub-areas in the discipline is possible. The major will have a focus on human-environment interactions in mountain systems and Colorado geography. Faculty relationships with local environmental groups and government organizations, and federal land management agencies will facilitate student participation in geography internships and capstone projects.

Program Level Learning Objectives

Objectives of the GR major are to provide students with:

1. The broad and traditional course offerings commonly associated with the discipline of geography at the undergraduate level;
2. A knowledge of geospatial analysis sufficient to evaluate the physical and human components of earth systems from spatially explicit and/or human-environmental perspectives;
3. Training in the analytical techniques common in geography, focusing on cartographic design, GIS, remote sensing, and quantitative/qualitative spatial analysis;
4. Opportunities to engage in experiential learning in applied geography;
5. Advanced instruction in mountain geography, in the context of the role of rapid global change in defining the nature of geographical problems and their solutions

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Program Requirements

Effective Fall 2018

Freshman		AUCC	Credits
ANTH 120	Human Origins and Variation (GT-SC2)	3A	3
ANTH 121	Human Origins and Variation Laboratory (GT-SC1)	3A	1
ANTH 140	Introduction to Prehistory (GT-HI1)	3D	3
ANTH 200	Cultures and the Global System (GT-SS3)	3E	3
CO 150	College Composition (GT-CO2)	1A	3
GR 100	Introduction to Geography (GT-SS2)	3C	3
Arts and Humanities		3B	3
Mathematics		1B	3
Electives			8
Total Credits			30

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Sophomore		
GR 210	Physical Geography	3
Advanced Writing	2	3
Arts and Humanities	3B	3
Biological and Physical Sciences	3A	3
Select one from the following:		3
Social and Behavioral Sciences	3C	
Biological and Physical Sciences	3A	
Additional Humanities ¹		3
Additional Natural Sciences ²		6
Additional Social Sciences ³		3
GR XXX		3
	Total Credits	30

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Junior			
ANTH 400	History of Anthropological Thought	4B	3
GR 320	Cultural Geography		3
Select one of the following Human Geography courses not taken in another category:			3
GR 330	Urban Geography		
GR 331	Geography of Farming Systems		
GR 345	Geography of Hazards		
GR 415	The Geography of Commodities		
Select one of the following physical geography courses not taken in another category:			3
GR 303	Mountain Geography		
GR 304/WR 304	Sustainable Watersheds	3A	
GR 348	Biogeography		
GR 410	Climate Change: Science, Policy, Implications		
GR 430	Land Change Science and Remote Sensing		
GR 448	Forest Biogeography and Climate Change		
Select one of the following geospatial methods courses:			3

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GR 311	GIS for Social Scientists		
GR 323/NR 323	Remote Sensing and Image Interpretation		
GR 420	Spatial Analysis with GIS		
Select one of the following quantitative methods courses:			3
ANTH 365	Quantifying Anthropology		
GR 315	Quantitative Geographical Methods		
Additional Social Sciences ³			3
GR XXX			6
Electives			3
Total Credits			30
Senior			
GR 493	Capstone	4C	1
Students must take GR 493 concurrently with one of the 4A courses listed in the selection below if not previously taken:			3
GR 303	Mountain Geography	4A	
GR 410	Climate Change: Science, Policy, Implications	4A	
GR 415	The Geography of Commodities	4A	
GR 430	Land Change Science and Remote Sensing	4A	

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Additional Humanities ¹	3
Additional Social Sciences ³	3
Electives ⁴	20
Total Credits	30
Program Total Credits:	120

- 1 **Additional Humanities: Select a total of 6 credits, which must include two subject codes from the following: ART, D, CO, E, ETST, MU, PHIL, SPCM, TH, WS.**
- 2 **Additional Natural Sciences: Select a total of 6 credits, which must include two subject codes from the following: AA, BC, BMS, BIO, BZ, CHEM, CS, CT, GEOL, GR 210, LIFE, MATH, NR, NSCI, PH, SOCR, and STAT.**
- 3 **Additional Social Sciences: Select a total of 9 credits, which must include at least two subject codes from the following: ECON, HIST, INST, JTC, POLS, PSY, SOC.**
- 4 **Select enough elective credits to bring the program total to a minimum of 120 credits, of which at least 42 must be upper-division (300- to 400-level).**

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CSU: Sabbatical Leave Summaries 2016-2017

Presented by: Rick Miranda, Provost and Executive Vice President

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Sabbatical Leave Policy

The sabbatical leave policy for Colorado State University faculty is addressed in Section F.3.4 in the Academic Faculty and Administrative Professional Manual. CSU offers academic faculty members the possibility of sabbatical leaves at any time after six years have elapsed since the faculty member's initial appointment or most recent sabbatical leave.

The faculty members seeking sabbatical leave shall follow the procedures established by his/her academic unit. College deans or the Dean of Libraries shall forward the names of faculty members recommended for sabbatical leave along with a detailed sabbatical plan to the Provost/Executive Vice President. The detailed plan shall specify how the sabbatical will result in the faculty member's professional growth, enhance the institution's reputation and the students' educational experience at the institution, and increase the overall level of knowledge in the faculty member's area of expertise. Faculty members cannot be absent for more than two academic semesters in cases of faculty on nine month appointments, and no more than one calendar year for faculty on 12 month appointments.

College of Agricultural Sciences

Ruth Hufbauer – Bioagricultural Sciences and Pest Management

Dr. Hufbauer worked at the National Institute for Agricultural Research (INRA) Center for Biology and Management of Populations (CBGP) in Montpellier, France.

Dr. Hufbauer had a very productive sabbatical. Some of the highlights include success in obtaining another NIFA grant, and publications in higher tier journals including Nature and the Proceedings of the National Academy of Science. She also learned to work with one of the most important invasive pests of fruit production, the spotted wing fruit fly (*Drosophila suzukii*), and this will allow her to be a regional expert on this insect. In addition, she learned techniques important for her on-going research. Beyond this, she also learned new ways of building community among department members and she has made several suggestions for improvements here since she returned. In addition, she strengthened the international connections between CAS and a premier agricultural research institution through this sabbatical.

Andrew Seidl - Soil and Crop Sciences

This sabbatical leave consisted of two distinct, but integrated efforts:

- Visiting Professor, University of Trento, Department of Management and Economics, Trento, Italy
- Senior Technical Advisor, Biodiversity Finance Initiative (BIOFIN), United Nations Development Programme.

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While in residence at the University of Trento, Department of Management and Economics, Dr. Seidl co-taught a course in their Master's degree program in Sustainable Tourism Management, conducted several workshops and provided several seminar presentations. In addition, he held several discussions with University of Trento professors and administrators regarding the recently signed IMOU between CSU and Università degli Studi di Trento UniTrento.

Regarding work associated with the Biodiversity Finance Initiative undertaken while on sabbatical leave, of the 30 BIOFIN countries, Dr. Seidl was responsible to BIOFIN Belize, Brazil, Fiji, Malaysia, and Indonesia. He reviewed and edited country reports, helped to plan and participated in regional workshops in Zambia and Guatemala, co-authored the 2016 workbook, represented BIOFIN Global in a variety of presentations, and provided technical support, oversight, and guidance to the country teams.

Overall, the reputational, network, and program delivery benefits of this sabbatical leave to CSU should be significant.

- The groundwork for a student and faculty exchange with UniTrento has been laid;
- Peer reviewed outputs and domestic and international educational outreach materials in the areas of conservation finance and development policy will emanate from the work on BIOFIN in 2107 and beyond;
- CSU's reputation within the United Nations and the Ministries of Finance and Environment in the developing world has been enhanced;
- Internationalization of CSU's undergraduate and graduate curricula has been augmented, particularly serving students of DARE, GSSE, SoGES, and Economics.

College of Business

Gretchen Irwin Casterella – Computer Information Systems

Dr. Casterella's primary goal for her sabbatical was to learn a new content area and develop new research skills. Toward that end, she spent five weeks in the Business School at the University of Auckland, New Zealand, developed good connections with several faculty members there, and has one new major research project underway. Upon her return to Colorado, she immersed herself in a new topic area and enveloped a new course offered for the first time in the fall of 2017. Finally, Dr. Casterella initiated a new project with her CSU colleague, Prof. Leo Vijayasarathy, which extends a stream of research they have been working on for several years. They were able to design and conduct an experimental study during the sabbatical.

Dr. Casterella was also able to generate several publications for high-quality peer-reviewed journals. One paper is entering the second round of reviews, while data collection for another study has been completed and data collection for the international study is about to begin.

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Michael Gross – Management

Dr. Gross had the following goals for his sabbatical: to complete data collection and analysis toward a manuscript on the experience of crying in the workplace and to be on a research team studying Canadian Indigenous employees in Ontario.

He was a Visiting Scholar at Columbia University in NYC where he collected, coded and analyzed narratives on the experience of crying in the workplace. Initial findings from the study were presented in a caucus at the Academy of Management conference. The results of this effort include a manuscript on emotion regulation failure targeted to *Administrative Science Quarterly*. He also created and taught a new course for the graduate program in Conflict and Negotiation. He was a Visiting Scholar at the University of Waterloo in Ontario, Canada where he is collaborating on an ORF-RE grant proposal. The aim of the proposed research is to increase employment, retention, advancement, and job satisfaction among indigenous youth in Southwest Ontario.

This sabbatical provided Dr. Gross with professional growth exploring two new lines of research (e.g. crying in the workplace, and working on an international research team studying job satisfaction among Canada's indigenous youth). He brought back his sabbatical experience to the classroom teaching at CSU and in future conferences at the Academy of Management and the International Association for Conflict Management.

Stephen Hayne – Computer Information Systems

During his sabbatical, Dr. Hayne worked on the DHS funded NetBrane project. His team successfully detected “network anomalies” (scanners and attackers) using a new analytical technique called “Functional Principal Component Analysis” and coupled the output to “k-means clustering”. Using recent archives of network traffic flows here at CSU, they demonstrated they can do these analytics in the CIS “private cloud” within 15 minutes. They also perfected applying visualization techniques call “circle plots” and “force directed network” visualizations, which allow humans to see how these scanners/attackers are impacting networks. They presented these results to an executive team at West Safety Services (the nation's largest 911 provider).

Dr. Hayne attended two industry conferences (seminars and workshops). At the first, he learned the latest “big data” management and machine learning analytical techniques which he will apply to his research and incorporate into his Security course and his Data Visualization course. The second conference was about the latest hacker, malware, and security threats which he has integrated directly into the Security course.

He also wrote new manuscripts under review at and accepted at conferences. He revised another paper for resubmission to a top journal.

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This sabbatical allowed Dr. Hayne to reset himself with respect to current techniques in data analytics.

Chris Henle – Management

For her sabbatical, Dr. Henle visited the University of Limerick in Ireland. During her time there, she designed a study that will examine discrimination in the hiring process against job applicants with eldercare responsibilities. They wrote answers to four behavioral interview questions for four different applicants in which they manipulated applicants' gender as well as their caregiving responsibilities for an older relative. They want to see if job applicants with eldercare responsibilities will be evaluated more negatively and thus less likely to be hired even when their performance in the job interview is equivalent to the other applicants. Furthermore, they want to see if the masculinity/femininity of a job makes a difference so they will have hiring managers evaluate applicants for an elementary school teacher position as well as a computer systems analyst. They designed the materials for the study and have completed the pilot studies to determine if the applicants are equivalent in terms of qualifications and to ensure that their manipulations worked. They will now conduct the study in the U.S. and Ireland to examine cross-cultural differences.

Not only did this sabbatical further Dr. Henle's research program and cross-cultural research skills, but it also helped her build international relationships. Although she worked closely with Dr. McCarthy, she also met with a number of other faculty members and discussed ways they could collaborate on research projects in the future. The relationship established while abroad helped her connect others from CSU to the University of Limerick. Students also benefitted from her sabbatical. She teaches human resource management and is able to teach students about an emerging type of discrimination in the workplace that they need to be aware of as future managers. In addition, she can share with them how different countries, like Ireland, are handling the issue.

Laurence Johnson – Accounting

Dr. Johnson's sabbatical leave gave him the opportunity to further his research agenda substantially. Initially, he devoted all of his effort to data gathering. His current projects involve adding a large amount of data to an existing data set; the collection process requires time, patience, and meticulous attention to detail. The "new" data represents both additional variables and additional observations. He made significant progress on what remains a large, ongoing undertaking.

The second half of his leave was focused on addressing comments and suggestions received in conjunction with a manuscript submitted to a journal in early 2017. The reviewers were fairly critical of the manuscript from the standpoint of the literature review, so Dr. Johnson undertook a significant expansion (improvement) of the literature review. From doing so, he refreshed his knowledge of simultaneous regression analysis and the challenge that this method of analysis

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poses in practice. Doing so made him aware that simultaneous regression probably is not suitable for his in-process research projects. This work will pay off in the forthcoming revision of the study in question, as well as a second paper planned as an extension.

Additionally, Dr. Johnson spent some time during his leave weighing possible approaches to improving the content and delivery of ACT641 (Information Technology Auditing and Control). He has implemented some of those in the course.

Tuba Ustuner – Marketing

The initial purpose of Dr. Ustuner's sabbatical was to gather empirical data to launch a new project called "*Creating market opportunities for Syrian refugees: A Social Entrepreneurship Approach*". Due to the military coup attempt in Turkey in July 2016, she had to change those plans. After the coup attempt, thousands of academics, judges, lawyers, and military personnel were imprisoned. The country was in a state of bewilderment. As a result, it was impossible for her to convince potential respondents to conduct interviews for her research.

As a result, Dr. Ustuner had to develop a completely new plan. She decided that if she cannot work with the Turkish NGOs working with refugees, she can at least do some work on NGOs in Colorado working with other disadvantaged groups. She began her new plan with volunteering for Bridge House in Boulder. Her goal was to immerse herself in the nonprofit world and learn as much as possible by participating in their work. After that, she volunteered with Voices Carry in Fort Collins. She conducted in-depth interviews with the executives and staff members. Using her marketing knowledge, she developed a detailed marketing strategy for Voices Carry. With these experiences, as well as some literature review and secondary data collection, she started to gain some insights into the challenges that the nonprofits face. These insights helped her develop an in-depth interview guide that she used to interview executives of a number of other nonprofits located in the larger Fort Collins area. She is working to compile her findings into a white paper titled "State of the Issue". She hopes to develop this into a book length manuscript.

Dr. Ustuner's sabbatical activities will improve her students' educational experiences. In her Marketing capstone course, she included a week long discussion on sustainable consumption and shared her findings with the students. Her work has enhanced her academic growth, her social network, CSU's reputation, as well as her students' learning experiences.

College of Engineering

David Alciatore – Mechanical Engineering

During his sabbatical leave, Dr. Alciatore:

- Completed all the work for the 5th edition of his textbook: "Introduction to Mechatronics and Measurement Systems". It will be published by McGraw-Hill at the end of the year.

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- Completed all work on a SmartBook version of his textbook.
- Created Matlab files for all of his course and textbook examples previously available only in Mathcad.
- Provided support to Jianguo Zhao (a new professor in the Department of Mechanical Engineering) who taught the mechatronics course for his first time.

The benefits derived as a result of this sabbatical leave are:

- The new edition of his textbook will better support students and professors who teach Mechatronics and Measurement Systems and similar courses at other universities that use the textbook.
- The SmartBook version of the textbook will provide an excellent and low-cost textbook alternative as an interactive learning environment to help students better learn the material.
- The Mathcad to Matlab conversion will allow him to better infuse Matlab into all of his courses to support and reinforce the department's chosen analysis software.
- Jianguo Zhao is now in a better position to eventually take over the role of teaching Mechatronics in the future.

Mazdak Arabi – Civil and Environmental Engineering

Dr. Arabi used his sabbatical to develop strong relationships with water stakeholders across the U.S. and to collaborate with research partners at six academic institutions including: Florida International University, University of Miami, University of Maryland Baltimore County, Princeton University, Brooklyn College of the City University of New York, Arizona State University, University of Arizona, University of Oregon and Oregon State University. These interactions provided him with the opportunity to enhance his understanding of regional water challenges and solutions that are deemed socially and economically viable by stakeholders. During the sabbatical, Dr. Arabi developed several new research ideas and initiated new collaborative projects. These transdisciplinary projects involve interactions with stakeholders and researchers from traditionally disparate disciplines and include: Urban Water Sustainability Roadmap, Coastal Flooding Risk to Assets and Communities, and Social Environmental and Economic Justice Implications of Water Management Approaches. During this period, Dr. Arabi contributed to 15 journal papers, 22 conference presentations, and 8 proposals.

This sabbatical provided the opportunity for Dr. Arabi to make significant contributions to CSU's mission. First, a rich dataset of real-world regional water challenges were collected and organized for enhancing pertinent CSU courses. In particular, local information from monitoring and moldering systems were collected, organized, and used to develop real-world projects for the graduate level course "CIVE 622: Risk Analysis of Water and Environmental Systems". The materials will also be used appropriately in "CIV 203: Engineering Decision Analysis" with a focus on enhancing problem-solving skills in undergraduate education. The materials are also being used to author a new textbook titled "Risk Analysis of Water and Environmental

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Systems”. Moreover, the engagement activities in Miami, New York, Baltimore, Phoenix, Tucson, Denver, Portland, and Los Angeles directly align with the mission of CSU as a land-grant university to solve real world problems by transformative and impactful research. The proposals funded during this sabbatical period (approximately \$600,000) contribute to 3 graduate research assistantships (GRA) and 4 undergraduate research opportunities. The engagement activities in conference presentations, regional meetings, and collaborative research projects contributed to the increased visibility of the CSU water program across the nation.

Edwin Chong – Electrical and Computer Engineering

The main purpose of Dr. Chong’s sabbatical was to devote his efforts toward his position in 2017 as President of the IEEE Control Systems Society. The IEEE Control Systems Society (CSS) is an organizational unit of the IEEE, founded in 1954 and dedicated to the advancement of the theory and practice of systems and control in engineering.

Serving as President of IEEE CSS is a highly prestigious position and brings great visibility to Dr. Chong, the Department of Electrical and Computer Engineering, the Walter Scott, Jr. College of Engineering, and to CSU. As President of CSS, Dr. Chong interacted with a wide range of people in the professional community, not only in administrative capacities, but also the top researchers and educators in the field of control systems and related areas. Moreover, Dr. Chong is peered with leaders from other fields within IEEE and other technical societies (such as the American Automatic Control Council, in which he serves on the Board of Directors; the International Federation of Automatic Control; and the Society of Instrument and Control Engineering), some of which are in his own research areas (e.g., information theory, networks, computing, robotics, communication, and signal processing). This interaction has helped to increase Dr. Chong’s overall knowledge and awareness in his areas of interest and widen his knowledge in an ever-expanding plethora of research areas within IEEE. These include smart cities, big data, and food security.

Liuqing Yang – Electrical and Computer Engineering

During Dr. Yang’s sabbatical, she carried out intensive collaborations with researchers and students at Peking University. Peking University is a top university in China and has a renowned international reputation. The School of EECS hosts very strong research groups in Communication and Networking. The close collaboration during her sabbatical resulted in a number of new research ideas in the field of wireless communications. Eleven journal papers, coauthored by faculty and students from both CSU and Peking University have been submitted to top journals in wireless communications during this period. In addition, Dr. Yang successfully recruited a top student from Peking University to CSU’s ECE graduate program. It is anticipated that the established professional relationship will lead to further research and teaching collaborations between CSU and Peking University.

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Dr. Yang also made visits to fourteen other top ranked Chinese universities. Activities carried out during these visits included presentations, research discussions, and short courses. During visits to Southeast University and Huazhong University of Science and Technology, she also coordinated or participated in meetings promoting the joint educational program with CSU at both the undergraduate and graduate levels. Some of her visits were coordinated and/or supported by the IEEE Communication Society Distinguished Lecturer program. This helped broaden the audience with whom Dr. Yang could interact.

This sabbatical enhanced Dr. Yang's ongoing research projects and benefitted the evolution of her ongoing research program. The sabbatical was essential in strengthening her research and teaching programs and helped contribute to the visibility of the department and the university.

College of Liberal Arts

Ruth Alexander – History

During her sabbatical, Dr. Alexander conducted extensive research for the book manuscript (*Reward and Risk at Sublime Heights: An Environmental History of Longs Peak*) in both secondary and primary sources, turning to libraries, archives, and on-line sources. She conducted seven oral histories with climbers and park rangers. The research allowed her to deepen her understanding of Longs' Peak as a site of historical and contemporary significance and to refine the question, conceptual framework and central arguments of the book. She wrote intensively during the sabbatical, drafting a new introduction to the book and nearly completing revisions to the book's first two chapters. As she gathered new research materials, she also mapped revisions to Chapters 3-6, thus setting the stage for revising those chapters during the summer of 2017. She gave one public presentation on her book at the annual conference of the Western History Association, sharing her evidence and interpretation with other scholars and getting useful feedback on her work.

Dr. Alexander's sabbatical contributed significantly to her professional growth, allowing her to make significant progress on a book that speaks to historical and contemporary concerns about the role of national parks in our society, the identities and interests of park visitors, and the complex range of issues involved in the use and stewardship of parks and other public lands. Working on the book has allowed her to develop and showcase her skills in social, environmental, and public history. She was also able to develop new relationships with archivists, environmental scientists, park managers, and members of the public interested in knowledge about public lands and environment. Finally, in deepening her understanding of how Longs Peak, Rocky Mountain National Park, and the National Park System connect to the larger histories of recreational tourism, science, environmental conservation, and civic engagement in the United States, the sabbatical enhanced the knowledge Dr. Alexander can bring into undergraduate and graduate courses and to the supervision of graduate level thesis research.

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Patrick Fahey – Art and Art History

Professor Fahey’s sabbatical was spent visiting outsider art collections, documenting art work, interviewing curators, preparing an outline for a manuscript, and developing preliminary plans for educational materials highlighting Outsider art collections. Conference papers/presentations and an exhibit are also planned by incorporating this research. His studies occurred at the American Visionary Art Museum-Baltimore, Maryland; the Museum of International Folk Art – Santa Fe, New Mexico; Inuit: The Center for Intuitive and Outsider Art, Chicago, Illinois; the John Michael Kohler Arts Center (JMKAC) in Sheboygan, Wisconsin; and the American Folk-Art Museum-New York, New York.

This sabbatical afforded Professor Fahey the opportunity to consider a broader definition and understanding of outsider art that he will bring to his students, the art education program, museum, and community. “Unscathed by artistic culture...and the conventions of classical or fashionable art” (Roger Cardinal, 1972), outsider art includes artists with disabilities or mental illness, and is increasingly applied to others on the margins of art and society: the homeless, ethnic minorities, migrants, folk artists, and the self-taught. Service learning connections will be developed around working with this population. He also plans to adapt and incorporate several aspects of the educational programs studied, especially from the Center for Intuitive and Outsider Art, Chicago, Illinois and the American Visionary Art Museum-Baltimore, Maryland, in his work at the Gregory Allicar Museum of Art at Colorado State University and a new graduate program for educators currently being developed. He also has two manuscripts under development, and another planned, as a result of this research. Curriculum materials are also being developed that he hopes to have available to K-12 art educators around the country.

Idris Hamid – Philosophy

Dr. Hamid finished 231 pages of a book project tentatively titled *Towards an Objective Logic of Islamic Economics*. He has also used the sabbatical to work on his Arabic-script project: 392 glyph masters (98 x 4), and 242 initial glyph-designs.

Towards an Objective Logic of Islamic Economics is a multi-disciplinary work crossing the fields of economics, philosophy, and Islamic studies. It benefits Dr. Hamid in his multi-disciplinary development and ability to teach and do research in more fields of inquiry. He can now claim a research specialty in the Philosophy of Economics. This professional development benefits the University in the following ways:

a) The book is being written in part under the guidance of a former executive director of the International Monetary Fund; he intends to assist in making this product of CSU scholarship widely known.

b) Dr. Hamid is in a better position to serve the university in the area of ethical foundations of economic development and to serve on relevant committees and forums sponsored by CSU.

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c) The Arabic-script project is seminal and will raise the stature of CSU as a center for global scholarship in Islamic and Muslim-world studies, ancient and contemporary.

Del Harrow – Art and Art History

The Fall semester was spent in San Francisco at the California College of Art, where Professor Harrow was appointed the 2016 Viola Frey Distinguished Visiting Artist. He was given studio space at the college and taught two courses, one called “3D Digital Tools” and the other a “Craft Theory Seminar”. As components of this appointment, he presented a public lecture at the College, and had a solo exhibition of his work in the College gallery. While at CCA, Professor Harrow completed a small body of work and conducted research using a new 3D ceramic printer recently purchased by the College. He spent the first half of the semester making a sculpture, which had been recently acquired by the collection of Garth Clark, one of the most influential scholars of Modern and Contemporary ceramic art. To re-make his component – a large wooden structure which houses and frames a series of ceramic vessels- he developed a new joinery technique using our CNC milling machine in the Department of Art and Art History. The second half of the semester was spent completing a new body of work that was shown in early summer in a two person exhibition at the Harvey Meadows Gallery. This body of work was comprised mostly of large, hand-built sculptures about ideas of containment and relationships between interior space and exterior form.

Both semesters offered significant benefits to Professor Harrow’s career as an artist, and have allowed for thinking and work that will benefit CSU. The courses taught at CCA allowed him to further understand opportunities and gaps within our curriculum in the department of Art and Art History – specifically in subjects of Digital Fabrication and Craft Theory. He has already proposed a new course in Digital Fabrication that is currently being reviewed by the departmental curriculum committee. He is also considering a proposal for a “Craft Theory” component in the Graduate Seminar. After teaching at CCA this territory feels under addressed in the current CSU curriculum. The work at the beginning of the spring semester, developing new wood joinery techniques and refining the craftsmanship of one thread of his work could not have been completed without this focused time and attention provided by the sabbatical.

Most of the work shown in the exhibition at Harvey Meadows Gallery has been acquired for prominent public or private collections. A collection of five large sculptures was recently purchased by the U.S. State Department. The work will be delivered and installed early next year in the new U S Embassy in Nuevo Laredo, Mexico. Professor Harrow was invited to participate in a funded think tank, sponsored by the University of North Carolina at Asheville and the Center for Craft Creativity and Design. This think tank is an ongoing program which, in the words of the initiative “brings together a select group of national and international experts across disciplines to understand and advance the importance of craft”. He has two upcoming exhibitions which will present work initiated during the sabbatical, one at the Foundations Bernardaud in Limoges, France, and one at Peters Projects Gallery in Santa Fe, NM. All of these

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opportunities are markers of important development for his visibility and career as an artist, and were made possible by the sabbatical leave.

Terry Iverson – Economics

Dr. Iverson spent 3 weeks visiting his co-author, Larry Karp at UC Berkeley. While there, he gave a seminar in an interdisciplinary climate policy seminar series. He also worked intensively on a joint paper titled “Carbon Taxes and Commitment with Non-Constant Time Preference”. The paper was submitted to *The Review of Economic Studies* (a top five economics journal) within a month of his return home. They also wrote an initial draft for a follow up paper, and discussed ideas for a couple of additional projects. In addition, together with Dr. Elisa Belfiori, he responded to a revise and resubmit request from *The Journal of Environmental Economics and Management* (a top journal in his field). That was for a paper titled “Burn Coal? The Supply-Side Case for Carbon Capture and Storage”. He presented the same paper at a workshop at Stanford University on the economics of climate change. In addition, together with Dr. Sammy Zahran, he responded to a revise and resubmit request for the journal *Ecological Economics*. Finally, he worked extensively on two new projects. The first is joint with Antony Millner at the London School of Economics, which looks at the impact of preference conflict on optimal climate policy. The second is joint with Nicco Jaakkalo from the Ifo Institute in Munich, Germany. It considers the market response of housing in a coastal city undergoing sea level rise. Both projects remain ongoing.

Lynn Kwiatkowski – Anthropology

Dr. Kwiatkowski engaged in a variety of research activities during her sabbatical, as well as some teaching and service activities. Her primary research activity was developing and writing a book focusing on research she has conducted on domestic violence in Hanoi City and Hoa Binh Province of Vietnam. She has written parts of each chapter and is continuing her work on it. She wrote a prospectus for her book and discussed it with several publishers at the American Anthropological Association conference. She conducted follow-up field research in Hanoi, Vietnam for six weeks, in January and February 2017. This research has contributed to the data she had already collected based on previous research visits to Vietnam. She presented her research at the national American Anthropological Association conference in Minneapolis. She has begun writing a peer-reviewed journal article that analyzes marital sexual violence in northern Vietnam based on her earlier research. Teaching activities included mentoring three graduate student advisees in the Department of Anthropology. She also served as Outside Committee Member on the graduate committees of four graduate students in the Department of Human Dimensions of Natural Resources and participated in their M.S. Defenses via the internet. Regarding service activities, Dr. Kwiatkowski refereed three journal article manuscripts for *Culture, Agriculture, Food and Environment*, *The Journal of Culture & Agriculture*, and for *Medical Anthropology: Cross-Cultural Studies in Health and Illness*. She co-organized and chaired a panel for the November 2016 American Anthropological Association conference titled “Ethnographic Engagements with Gender Violence and Suffering.”

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Through her sabbatical activities, Dr. Kwiatkowski has been able to develop and make good progress on her book based on her long-term ethnographic field research in Hanoi, Vietnam. More specifically, this sabbatical provided the opportunity to continue her analysis of the data she has collected in Vietnam, conduct follow-up research that has contributed to the data already collected, develop her book, and further share her research findings. Her presentation at the national anthropology conference and discussions with scholars there allowed her to gain valuable feedback on her work. She anticipates that the book will contribute to the emerging emphasis in cultural anthropology on cross-cultural gender violence research. This book will expand the scope of her publications on Vietnam and contribute to the understanding of how domestic violence is influenced by larger cultural and social forces. The publication of her book will enhance Colorado State University's reputation since the publication of books by faculty members brings recognition to the university. This recognition will potentially be on a national and international scale, since there is anthropological and professional interest globally in cross-cultural research on gender violence. The work she engaged in during her sabbatical will also benefit Colorado State University and its students' educational experiences as she integrates her research findings, experiences, and methodologies into her course instruction. This will help students in developing their knowledge of these issues as well as their own in-depth, cross-cultural studies of gender violence and other health and illness concerns. She will continue to publish her research finding and present her work at campus forums and future national and international conferences, thereby further sharing her research findings with Colorado State University and broader academic communities.

Blythe LaGasse – Music, Theatre, and Dance

Professor LaGasse's sabbatical had two specific aims: collect data on music therapy for motor movement and complete certification courses in the DIR Floortime approach. Her research involved collecting data to determine if music affects motor movements of persons with Parkinson's disease and autism. She is using data from persons with Parkinson's as a comparison to individuals with autism due to similarities in motor profile that have been shown over the last several years. She worked with a large music therapy practice in San Diego and initiated a collaboration with motor analysis lab at Rutgers University. She is currently in the data analysis phase of this project. Her second goal was to acquire knowledge about DIR Floortime approach, a child-centered therapeutic approach that has been receiving attention in music therapy. She engaged in online courses with other professionals and conducted clinics with children with autism that were grounded in the DIR Floortime approach. She successfully completed the level 1 – 3 training courses, making her the only DIR Floortime Music Therapist in Colorado.

Professor LaGasse felt that the sabbatical was essential to her ability to focus on research and continuing education. She feels that her continued focus on research for persons with ASD is making CSU a known leader in music therapy for persons with ASD. Her research efforts over her sabbatical will result in three peer-reviewed publications. She also feels that the research

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collaborations she established will result in a line of research projects and publications. She has another project started with the clinic and San Diego and plans to collect data with a team of students. She feels these research efforts will also positively affect our students, providing them with opportunities to be involved in collaborative multi-site research. The opportunity to engage in DIR Floortime courses enhanced her personal growth by providing her with the opportunity to learn more about a different approach to autism treatment. Without the sabbatical, she would not have been able to devote the time to these intensive courses and clinicals. She believes her completion of these courses enhances the University's reputation in the music therapy community through a broadening of knowledge. CSU is known for a neuroscience approach to music therapy and many music therapists consider graduate school at CSU for this reason. She believes that gaining knowledge in the DIR Floortime model has allowed her to form a bridge between neuroscience and a relationship based approach. This knowledge is informing her teaching and practice. She will also be writing an article on these bridges with the hopes of attracting more graduate students to the CSU Master of Music program.

Lisa Langstraat – English

Dr. Langstraat completed a co-authored article (“Faculty Development Workshops with Student-Vet Participants: Seeing the Induction Possibilities”) that was published in the peer-reviewed journal *Reflections: Public Rhetoric, Civic Writing and Service Learning*. She also split the work during her sabbatical between two projects: 1) conducting research and writing two chapters of the monograph, *Old Things: Vintage Rhetorics, Material Agency and Collector Cultures*; and 2) coding and analyzing over 1000 pages of data for the qualitative research study, “Perceptions and Experience of the CSU Culture and Climate for Women Faculty”. The Standing Committee on the Status of Women Faculty at CSU initiated this work in preparation for publishing that research in multiple venues. She has been communicating with the acquisition editor of the Ohio State University Press series on Feminism and Material Culture, and hopes to place the book with that press.

In the last seven years, Dr. Langstraat's work in the English Department has entailed significant administrative service (e.g., directing the Composition Program, the CSU Writing Center, and the Composition Placement Program), which has required considerable research and professional development related to composition administration/teaching. This sabbatical offered her a hiatus from researching pressing administrative/pedagogical issues and allowed her to resume her prior research trajectory in Critical Emotion Studies and Material Culture Studies. The interdisciplinary nature of *Old Things: Vintage Rhetorics, Material Agency and Collector Cultures* and the incorporation of qualitative research have necessarily meant that it is a project several years in the making. The writing that was enabled by the sabbatical allowed her to considerably accelerate the progress she has heretofore made on the book, publication of which will enhance the CSU's and the English Department's scholarly reputation and will inform several seminars she is teaching in the next two academic years. The research from “Perceptions and Experience of the CSU Culture and Climate for Women Faculty” has immediate relevance to and impact on the CSU community via the recommendations born of the report. In addition, the

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scholarship that will be published in various journals will contribute to the burgeoning inquiry into diversity, gender equity, organizational change, and academic leadership.

Barbara Sebek – English

During the sabbatical, Dr. Sebek presented papers at two conferences, one international and one national. She published one invited essay in the journal *Early Modern Culture* and completed a second one that is forthcoming in an edited collection, *The Routledge Handbook to Shakespeare and Global Appropriation*. These publications were invited based on prior conference papers and her reputation in the field. The essay in *Early Modern Culture* appears on the journal's "Most Popular Papers" page, based on the average number of full text downloads per day since the paper was posted. She conducted research at several libraries and museums in England and Scotland, as well as the New York Public Library and the University of Wyoming. She was invited to join a working group to create a future conference panel on Global Currents in Economic Criticism with other experts on this topic from several U.S. universities.

Returning from international research and conferences during sabbatical, Dr. Sebek brought to our campus an updated and freshly inspired perspective on global approaches to Shakespeare and early modern literature in general. She secured publications about Shakespeare and his contemporaries in important venues that will solidify and advance her national and international reputation as a scholar of Shakespeare, the global Renaissance, and current debates about the relationship between historicist literary scholarship and contemporary culture. In addition to published scholarship, she represented Colorado State University and enhanced its research profile by presenting work at two conferences and networking with other experts in her field. The journal article that appeared in 2017 includes images from the collections of the Guildhall Library (London), the Victoria and Albert Museum (London), the Shakespeare Birthplace Trust (Stratford-upon-Avon), and the Worshipful Company of Cutlers (London). In obtaining permission from and crediting these institutions, Dr. Sebek creates international connections between them and students and scholars here in the U.S. Her sabbatical research and travel were instrumental to bringing this international angle to Colorado State, and inspiring her commitment to encouraging students to create a dialogue between past and present, helping them see the connections between the questions we bring to older literature in a globalized world that had its origins in the sixteenth and seventeenth centuries.

Patrice Sullivan – Art and Art History

Dr. Sullivan's sabbatical included a month-long term as an Artist in Residence, the inclusion of her work in 7 juried shows, and the scheduling of three one-person shows in 2017.

She was Artist in Residence at the Scuola Internazionale di Grafica in Venice, Italy. This residence was creative and informative. Her fellow artists hailed from all over the world: Australia, Ireland, Great Britain, Croatia, Bali, Hong Kong, the United States, and several other

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countries. This afforded Dr. Sullivan the opportunity to get to know, on a personal and professional level, artists who will be her colleagues for years to come.

While in residence, she gave a well-received lecture on her work and the work she produced during the residency, some of which was included in a show to commemorate the experience at their gallery.

In addition, critiques by and interactions with the other artists, with such a diverse range of aesthetics, allowed her to grow in her art and will, in turn, benefit the students at CSU as she interacts with and guides them in research work. Already, she has shared some of the insights and information learned while on sabbatical with her students who benefitted from the exchange.

She also took a bookmaking class, a woodcut class, and an engraving course with internationally renowned Italian artists.

Deborah Yalen - History

Dr. Yalen made significant progress on multiple research and publication projects during her sabbatical. In December 2016, she was awarded a 2017 National Endowment for the Humanities grant (Fellowships for University Teachers, Research Programs) to support her sabbatical project "Ideologies on Display: Jewish Ethnography in the Age of Lenin and Stalin." This enabled her to travel overseas and gather a very substantial number of archival documents, meet with her Russian colleagues, negotiate permission with Russian Archival administrators, and make progress on translating, editing, and analyzing primary source material. Following recent communications with the editors of the "Jews in Eastern Europe" series at Indiana University Press, she has received a written expression of interest in reviewing the completed book manuscript for possible publication. In May 2017, she presented this project to a very receptive audience at the Center for Jewish History in New York City at the international conference "Being a Jew in the Soviet Union: Findings from 'A Comprehensive History of the Jews in the Soviet Union'," and was invited to present the project to the Osteuropa-Institut at the Freie Universitat in Berlin, Germany. In addition to her primary sabbatical project, she has also made progress on the other research endeavors. She completed a peer-reviewed article entitled "The Toiling *froy* and the Speculating *yidene*: Discourses of Female Productivization in the Soviet Shtetl" that has been accepted for publication in the journal *Jewish History*. She also worked on a volume entitled *1929-1939/Jews and Stalinist Socialism*, which she is co-authoring with Dr. Arkadi Zel'tser (Yad Vashem, Jerusalem) as part of the "Jews in the Soviet Union" sponsored by New York University's Global Network for Advanced Research in Jewish Studies.

The sabbatical was incredibly valuable for the advancement of her research and publication endeavors, allowing her uninterrupted time to work with archival materials in multiple languages. Her primary sabbatical project "Ideologies on Display: Jewish Ethnography in the Age of Lenin and Stalin" is an international collaborative endeavor with four Russian Judaica specialists. It not only advances knowledge of an important but understudied subject of Soviet

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Jewish history, but also serves to enhance CSU's visibility as an institution that promotes international and interdisciplinary scholarly collaboration. The value that CSU places on such collaboration is reflected in an International Memorandum of Understanding that she negotiated between CSU and the European University in St. Petersburg (EUSP), the host institution of three of her four Russian collaborators, which was signed in 2014 and remains in effect. While Dr. Yalen's work is chiefly research-based, she believes that it also indirectly benefits her teaching at CSU in two ways: 1) it allows her to share her knowledge of the inner workings of early Soviet cultural and scientific institutions with students, and 2) every research trip enables her to have unmediated conversations with Russian citizens from many different backgrounds who invariably volunteer their perspectives on the current political situation. These encounters provide her with fresh opportunities to explore the dynamic relationship between the past and present with her students, and to offer them humanizing portraits of real people who are still often rendered as caricatures in the Western press.

College of Natural Sciences

Christopher Ackerson – Chemistry

During his sabbatical, Dr. Ackerson worked at the National Renewable Energy Lab in Golden, Colorado on better understanding the process of generating hydrogen from water. His research used enzymes called hydrogenases attached to electrodes to explore ways of generating hydrogen cheaply and efficiently. The project was successful enough that he is bringing it into his CSU lab, where a Ph.D. student will work on it full-time.

This sabbatical allowed Dr. Ackerson to learn in a hands-on way about several areas in which he was previously naïve. This includes SIO surface functionalization, air-free enzyme handling (as the hydrogenase is Oxygen sensitive), construction of Si-electrodes, and collection and interpretation of cyclic voltammeter data collected under illumination and inert atmosphere. Not only did he learn these hands on experimental techniques, but he launched a durable collaboration for which he is optimistic they will secure funding. They have applied to an internal department of energy program (LDRD) at NREL, and the application proceeded through the first round of review, but was declined after a panel interview. He further gained in-depth exposure to a way of working that is typical of a National Lab, which is quite different than academia in terms of security and safety protocol. This lab gave him a substantial exposure to problems in the chemistry of renewable energy.

Finally, Dr. Ackerson was able to enhance the reputation of CSU both in the contacts he made at CSU, but also in that he was able to travel more often than typical. He presented a poster at the Bioinorganic Chemistry Gordon Research Conference, gave a talk at Lawrence Livermore National Lab, gave a short talk at the American Federation for Aging Research meeting, and attended an Edward Tufte workshop on data visualization.

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Charles Anderson – Computer Science

From July through December, 2016, Dr. Anderson was on sabbatical leave at the University of Rhode Island (URI), Kingston, RI. Anderson's most active research project at CSU involves machine-learning algorithms for brain-computer interfaces (BCI). BCI systems are hardware/software systems that record brain activity (EEG) from human subjects and convert the signals to commands to computers and assistive devices. He was able to collaborate with Dr. Besio, professor in the Department of Electrical, Computer and Biomedical Engineering at URI, on the continued development of Besio's improved design of EEG electrodes and to conduct initial BCI experiments using his new electrodes. Success in preliminary BCI experiments with Besio's electrodes motivated the submission of a new proposal by Anderson and Besio to the National Science Foundation to expand their efforts into a major collaboration between their two universities.

The following benefits are a result of Anderson's sabbatical leave. The success of the BCI experiments conducted by Anderson and Besio suggest that the combination of Anderson's machine learning algorithms and Besio's electrodes has the potential to greatly increase the accuracy and reliability of BCI applications. This could move BCI systems from the lab into the home as practical assistive devices to aid people with motor impairments from injury or neurodegenerative disease. Research funding is likely to follow from a submitted grant proposal and other proposals in development. Other benefits include increased awareness of the BCI research program at CSU and dissemination of the lab's results through invited presentations at Brown University, the Harvard University Medical School, the University of Rhode Island, and the National Center for Adaptive Neurotechnologies at the Wadsworth Center in Albany, NY

Jennifer Harman – Psychology

During her semester-long sabbatical, Dr. Harman engaged primarily in two activities. First, she spent time learning more about family law and practice by following a recommended reading list about family law and social change lawyering under consultation with a legal scholar from the Sturm College of Law. She observed nearly a dozen family law hearings across six different county courthouses, and consulted with over a dozen family lawyers and forensic psychologists on family law practices around the country and in Canada. This activity was beneficial because it has resulted in a greater understanding of how judicial and legal systems influence family dynamics, which will ultimately allow her to work with legal professionals and researchers to develop interventions to better address family conflict and negative outcomes on children. Legal professionals are now also seeking her out as an internationally recognized expert on parental alienation, which brings greater recognition to CSU through her affiliation. Her sabbatical also allowed her time to accept keynote talks and presentations in Boston and Iceland on parental alienation due to her acknowledged expertise on the topic.

The second activity she engaged in while on sabbatical was visiting Dr. Edward Kruk, an Associate Professor of Social Work at the University of British Columbia in order to develop

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several research projects together. This time was essential to develop the seminal ideas for two manuscripts that will soon be submitted, which will be groundbreaking for the advancement of research and advocacy on addressing parental alienation. This time in Vancouver also provided her an opportunity to network with other researchers in Canada and in the U.S. who now want to develop a grant proposal. This time has been beneficial for her career goals to obtain funding to conduct longitudinal research with families who are divorcing, and in finding ways to mitigate parental alienation. She is currently working out the methods and identifying funding sources for this grant. In summary, the goals and activities that were proposed for her half-year sabbatical were accomplished. She has been able to think more deeply about the issues raised in these activities, have the necessary time to expand on and learn new areas of knowledge to apply to this line of research and build new, collaborative relationships with policy experts and practitioners in this area.

Kim Hoke – Biology

Travel during her sabbatical allowed Dr. Hoke to build new collaborations in Germany, Spain, and Chile that will greatly expand her research opportunities in the future. Moreover, her fellowship in an Institute for Advanced Study allowed her extensive time for reading diverse literature that will form the foundation of her next series of grant proposals and research projects, while also publishing important synthesis pieces for audiences in neuroscience and behavior. This time devoted to these intellectual pursuits will both help her research career and will further how they understand the evolution of animal behavior. In addition, she will include the research products created in Germany in a new multi-week lab component of her course starting in Spring 2018.

In addition to these research collaborations, she gave lectures in Chile and Germany (six total) and participated in a course in Chile. These lectures introduced a broad range of scientists to her work and to Colorado State University, enhancing our international reputation.

Jennifer Mueller – Mathematics

Dr. Mueller spent her sabbatical in the Department of Mechanical Engineering at the University of Sao Paulo, Brazil (USP) collaborating with the Electrical Impedance Imaging (EIT) group and researchers working in ultrasound imaging. She has a strong collaboration with the researchers there, and in September 2017 they received the NIH grant “An integrated electrical impedance/ultrasound tomographic system for real-time monitoring of ICU patients with acute respiratory distress syndrome/acute lung injury”. Her research at USP focused on the mathematical and scientific computing aspects of reconstruction algorithms for ultrasound tomography (UST), modeling, and simulation of low-frequency ultrasound transducers. Dr. Mueller also continued her research in electrical impedance tomography (EIT) with the group there, working on new aspects of hardware design and reconstruction algorithms. She is co-advising two Ph.D. students at USP, and so spent time advising one on UST for breast cancer detection and the other on the use of statistical priors in the D-bar method for EIT. She gave two

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invited talks at the Federal University of Santa Catarina (UFSC) in Florianopolis; one was an Applied Math seminar and the other an introductory talk to seniors, undergraduates, and graduate students, who were particularly interested in learning about her experiences as a mathematician collaborating closely with physicians and engineers.

The sabbatical strongly impacted her professional growth by enabling her to work intensely on ultrasound tomography, which is a new direction of research for her. The sabbatical has helped her in her work to build an international reputation in UST and advise students in both UST and EIT. It served to deepen and increase in number her collaborations and contacts in South America, while adding a new dimension to her research by gaining a deeper understanding of ultrasound imaging by learning about both the hardware and software with hands-on experience. The sabbatical enhances our students' educational experience both through interactions with her collaborators and students from USP, and from the experience they will gain through the multiple modalities being studied and developed in her lab. Students in both math and biomedical engineering gain valuable laboratory experience, participating in data collection and the subsequent analysis of the data. For students in mathematics, participating in data collection, designing experiments to support conjectures or test algorithms, and using experimental data is rare and often transformational experience. Her students will become even more sought-after with expertise and experience working with multiple imaging modalities. The sabbatical enhanced the University's reputation through student exchange, joint papers, talks, and contacts made at USP and at UFSC. She worked with engineers, physicians, and mathematicians from several different institutions in Brazil, increasing CSU's exposure and reputation.

Rachel Pries – Mathematics

During her sabbatical, Dr. Pries did a substantial amount of work on three projects that will take several more years to complete, submitted five research papers, and made revisions on three papers under review. To collaborate on research, she hosted four visitors at CSU and made six trips to work with mathematicians in the Netherlands, Arizona, California, Georgia, and Pennsylvania. She made eight additional trips to give research presentations at conferences and seminars. The purpose of several of her trips was to mentor women in number theory at the graduate and postdoctoral levels.

The opportunity to travel provided by this sabbatical was a benefit to Dr. Pries' professional growth because she was able to work with collaborators to develop new ideas and write papers. As a benefit to CSU's reputation, this sabbatical increased the university's visibility through her talks, papers, and mentorship. As a benefit to CSU students' educational experience, the graduate students at CSU learned from the talks of her collaborators at CSU and the conferences that were supported by this research. As a benefit to mathematical knowledge, this sabbatical increased knowledge in number theory and arithmetic geometry, specifically on the topics of Fermat curves, supersingular curves, dynatomic curves, Prym varieties, and Newton polygons of curves.

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Mark Simmons – Biology

Dr. Simmons' sabbatical activity resulted in his professional growth by beginning new research collaborations with colleagues in Uganda and Rwanda, completing five manuscripts, becoming an associate editor at a prestigious journal (*Cladistics*), and completing fieldwork in Rwanda and Uganda for an ongoing project on the phylogeography of *Catha edulis*. His sabbatical activity enhanced CSU's reputation by his teaching of both faculty and students at Makerere University and the University of Nairobi. He presented the keynote address at the XXI AETFAT Congress, presented in a symposium at the Willi Hennig Society's 2016 Annual Meeting, and gave four invited lectures. He served on Ph.D. committees for one Argentinian and one Ugandan student and successfully completed a J. William Fulbright Foreign Scholarship.

His sabbatical activity enhanced students' educational experience at CSU by having a recent CSU Ph.D. graduate join him and his Ugandan collaborators for a month of fieldwork in Uganda. His sabbatical activity increased his overall level of knowledge in his area of expertise by enabling him to learn directly from farmers who grow *Catha edulis*, identify a previously unreported species that is also chewed as a stimulant, and refining his teaching methods to better reach a more diverse group of students and professors than he is used to teaching at CSU.

Walter Toki – Physics

Dr. Toki spent his sabbatical leave largely at the Japan Proton Accelerator Center, mainly working on the neutrino physics experiment called T2K. An international collaboration of 60 universities and national research laboratories are involved in this experiment. Work in the T2K collaboration has recently been recognized by the Fundamental Physics Breakthrough Prize. While there, Prof. Toki served as the run coordinator of the experiment, a leadership position that oversees the collection of the scientific data for the experiment. During the sabbatical period, the size of the high-quality neutrino data set was doubled, enabling new scientific knowledge and scientific publications. In a second sabbatical research effort, Prof. Toki participated in development of a main research initiative (MRI) proposal with University of Michigan, Brookhaven National Laboratory and other institutions focused on the development of a new scintillator light detection technology.

CSU will benefit directly from the new data collected through scientific discovery leading to new knowledge, publications, and graduate student education. Further, graduate student experiences involving a substantial international scientific component were facilitated directly through Prof. Toki's presence in Japan, enabling him to work with CSU students involved in the experiment. CSU's reputation and profile were raised through his role in a leadership position in the collaboration. Leading edge neutrino physics that is linked to this experiment will be incorporated into classroom teaching.

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Yongcheng Zhou – Mathematics

Dr. Zhou took a full year sabbatical leave at Pacific Northwest National Laboratory in the fall of 2016 and at the Center for Theoretical Biological Physics (CTBP) at Rice University in the spring of 2017. He worked with computational scientists at PNNL on mathematical modeling of biomolecular solvation with fluctuated molecular surface and on computational methods for cracking problems. At CTBP, he worked with two co-directors on the mathematical modeling of collective cancer cell migration and on multiscale modeling of large scale deformation of protein complexes. The sabbatical leave allowed him to travel for on-site collaborating on these very interesting and challenging problems.

During the visits at the two institutions, he took the chance to introduce the research and teaching programs in the mathematics department at Colorado State University to his collaborators and friends. He has invited some of the experts he met in this year to visit Colorado State in the near future, to promote further interactions and collaborations.

Dr. Zhou will work with graduate students on these problems and will offer a graduate class in the near future on the related topics. He will work with his colleagues to renovate our graduate program so students can obtain sufficient training in programming, hard-core computational mathematics, statistics, physics, and data sciences that are highly needed by industry and national labs.

Mathematical biology is a rapidly evolving interdisciplinary research area and its development has always been driven by the close interactions and rapid interactions between mathematics and various subjects of biology. The sabbatical allows him to update himself with the latest development in these multidisciplinary areas through discussion and collaboration.

Warner College of Natural Resources

Cameron Aldridge – Ecosystem Science and Sustainability

Dr. Aldridge worked at USGS collaborating on existing research projects, working with colleagues, Postdocs, and students to complete manuscripts. They successfully published five peer-reviewed manuscripts in high-end journals. For two of these, they evaluated sage-grouse population responses to energy development and grazing practices, and both received high-level attention in the media and with state and federal agencies, conservation groups, and private organizations. Several hundred media articles were published about these manuscript results, ranging from pieces on NPR, to articles in the Washington Post, to news briefs on NBC, ABC, and CNN. Dr. Aldridge was invited to Washington, DC on two separate occasions to give individual briefings on these manuscript results to members in the Office of the Secretary of the Interior, the USGS, the BLM, and the US Fish and Wildlife Service. He gave several different briefings on the work to the Wyoming Governor's Office, Wyoming BLM and State Agriculture Office, the Great Basin Landscape Consortium, and the Western Governor's Sage-grouse Task

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force. Together, these have increase the profile of his lab's research, and increased opportunities for funding to continue and grow his research program.

Additionally, Dr. Aldridge submitted three other manuscripts for peer review, one of which has been tentatively accepted for publication. He worked on seven additional manuscripts with his lab and the USGS collaborators, most of which are nearing completion and will soon be submitted for publication.

Stuart Cottrell – Human Dimensions of Natural Resources

Dr. Cottrell's scholarly activities during his sabbatical year included facilitation of an interdisciplinary workshop at CSU (12 attendees) on adaptive capacity of bark beetle disturbance effects on natural resources resulting in a publication for *Frontiers in Ecology and the Environment* and a working manuscript on adaptive capacity of bark beetle landscape disturbance linked to his prior NSF project work. He co-facilitated a double session on tourism resilience at a conference in Italy. He spent three weeks in Holland where he gave an invited seminar on resilience thinking in tourism at Wageningen University and taught a graduate seminar that led to collaboration on a special session "Toward Resilient Tourism Destinations" for a Dutch conference in June 2017. He published six refereed journal articles with two in review, two book chapters, and helped facilitate a grant to CSU from Rocky Mountain National Park for internships renewable for 5 years. He was a visiting scholar for two months in Estonia, co-teaching two undergraduate tourism courses in tourism development and participated in an EU collaborative research project on tourism educational needs for Estonia, Latvia, and Finland. He guest lectured for two honors seminars at CSU and co-facilitated an NSF funded CSU/Colorado School of Mines honors collaborative seminar on mountain pine beetle infestation effects on water resources culminating in outreach to Rocky Mountain High School and Wendy Peaks Outdoor Lab in Jefferson County. Finally, he conducted fieldwork in south Florida coastal areas and the Bahamas related to ongoing projects and study abroad courses in marine ecotourism.

The personal benefits derived from the sabbatical included time to complete NSF related research projects, associated outreach activities, and publications. He was able to teach and collaborate on research in Estonia to maintain his connections following his 2010 Fulbright and advanced his scholastic interests in resilience thinking in tourism development with the book chapter, seminar/teaching in Holland, and international conference sessions. Benefits to CSU include enhanced visibility for research, scholarship, and teaching. The bark beetle workshop was attended by scholars from Canada, France, and the US and a forest service professional working on multiple publications as an interdisciplinary group. The outreach course coupling CSU and CSM faculty and honors students as part of an NSF project is unique to our collaborative for science communication enhancing CSU as innovative in community engagement. The insights gained from his experiences to other countries and universities will and have already been included in course lectures and collaboration on interdisciplinary papers both domestic and internationally. Finally, the Rocky Mountain National Park grant to CSU for

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internships going into its second year provides CSU students the opportunity to apply knowledge gained; a win-win scenario for the institution and more importantly for the students.

Steven Fassnacht – Ecosystem Science and Sustainability

Dr. Fassnacht spent his sabbatical at the Institute of Geography at the Georg-August-Universität Göttingen in the German state of Lower Saxony, collaborating with Professor Martin Kappas of the Department of Remote Sensing and GIS. Professor Fassnacht worked to understand trends in the climate and hydrology of Mongolia, specifically the snowpack and soil moisture; the former is part of a MS thesis and the latter is part of a PhD dissertation at the University of Göttingen. He used data collected by CSU undergraduates as well as German meteorological data to determine the fine scale spatio-temporal structure of soil moisture, snow depth, temperature and precipitation data. Using these data, he developed a method to determine sampling strategies to assess uncertainty, which is useful for evaluating remote sensing imagery and climate/hydrological modeling. He also developed a new method to assess variability of climate change by combining social datasets (local knowledge) and physical (station) data.

The most beneficial aspect of Dr. Fassnacht's sabbatical was to meet new scientists and have in-depth discussions. These dialogues have already led to co-advising students cross-continently, writing papers, and developing proposals for new innovations in the field. Connections were made through invited talks at South West University in Chongqing, China; East Normal University in Shanghai, China; the European Union Harmonisation of Snow Monitoring project conference in Granada, Spain; the British Antarctic Survey in Cambridge, England; and the Helmholtz Center for Environmental Research in Magdeburg, Germany. Professor Fassnacht also taught a snow hydrology field course in the Harz Mountains of Germany. It is anticipated that his work in Göttingen can lead to a strong collaboration between CSU and Georg-August-Universität Göttingen.

Jerry Magloughlin – Geosciences

Dr. Magloughlin's sabbatical experience was of personal benefit in that he had his first and long sought opportunity to visit Chile and photograph and study the geology of Atacama Desert, where the geology is so perfectly exposed. He experienced his first earthquake and spent time at the Cerro Paranal Observatory. He was able to initiate a project with a jointly advised graduate student, in addition to being able to photograph, video, and gather drone video of the desert landscapes and geology, in addition to the volcanic landscapes of the Andes and the world's highest geyser basin, for his courses. He was able to complete the research on two long-term research projects, and present talks at the Geological Society of America Cordilleran section meeting in Honolulu in May, something that would not have been possible except for the time afforded by the sabbatical. In Hawaii, he was able to photograph, video, and collect drone video of volcanic landscapes and processes for his courses and potential book project. He benefited by having several weeks to visit the South Island of New Zealand, where he conducted field work to

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initiate a new project connected to his discovery of a new rock type, heretofore undescribed in New Zealand.

CSU benefitted from his sabbatical through his completed research projects and visibility afforded by his research presentations at the Hawaii GSA meeting. The initiation of research in New Zealand will produce a publication in the New Zealand Journal of Geology and Geophysics, increasing CSU's visibility and ties there. He was able to make extensive progress on his next two overhead-generating research proposals, including support for new (fall 2017) graduate students. He was able to complete a long-term geochemical project by processing a large backlog of specimens, which will lead to a completed research paper in 2018. All of his courses at CSU, including Geol 110, an entirely on-line Introductory Geology (Parks and Monuments) course, will benefit from the very extensive new photos and videos, in addition to an improved specimen collection. Finally, he was able to spend time on improving two of his important courses for geology majors through extensive revisions, improvements, and upgrades, which was very time consuming and would not have been possible except for the time afforded by the sabbatical.

Joseph O'Leary – Human Dimensions of Natural Resources

Dr. O'Leary's primary scholarly activities during the sabbatical year included keynoting an international symposium in tourism in Alghero, Italy, which resulted in a guest-edited special issue of the journal *Tourism Geographies*. He wrote a book chapter on the future of Design Science in Tourism, which was published in 2017 as part of a book series on Tourism Design Science published by Channel View Press. He also accepted an award from the UN World Tourism Organization for work he has done on Tourism Satellite Accounts. He gave a keynote presentation at the International Travel and Tourism Association meetings held in Vail, Colorado. Because it was their international conference, he was able to attend other portions of the conference. Dr. O'Leary gave four invited seminar presentations at four universities in the United States and in each case was able to meet with the leadership of public and private organizations in the areas he visited regarding the focus of his sabbatical agenda to assess the way in which "big data" is being integrated into industry decision making. He also presented two invited SKYPE presentations in Korea and in Spain as part of the process.

The personal benefits derived from the sabbatical included time to strengthen industry ties on forthcoming research projects and publications. Institutional benefits include increased visibility for CSU scholarship in the U.S., Europe, and Asia. The international tourism conferences were attended by scholars from across North America, Europe and Asia. The feedback from participants and requests for copies of presentations were extremely positive. The keynote talks and invited seminars enhanced CSU's international visibility and seminars give at other U.S. universities enhanced CSU's national visibility. The experiences will be incorporated into his book chapter and an international proceeding about emerging issues in tourism. This will enhance CSU's reputation as a leader in hybrid data applications and the emerging area of Tourism Design Science.

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Liba Pejchar – Fish, Wildlife and Conservation Biology

During her sabbatical, Dr. Pejchar was an invited Guest Researcher at Lund University in Sweden. During this time, she led a working group in writing a synthesis paper on an important emerging topic in Conservation Biology, gave multiple talks, and had productive interactions with European scientists. She found this opportunity to build a network of international collaborators and make an important contribution to her field extremely rewarding. Insights from her time in Sweden will strengthen her teaching and research activities in the coming years.

Dr. Pejchar also travelled to India as part of a funded program to encourage exchange and collaboration between scholars and scientists at CSU and institutions in Bangalore. During this visit, she co-taught an eight-day workshop with her CSU postdoctoral fellow at the National Centre for Biological Sciences. The workshop was free for the 15 participants, who came to Bangalore from eight different states across India and Bangladesh. She also gave an invited seminar and met with graduate students at another top institute in Bangalore, and spent a week developing research ideas with a former Indian Fulbright fellow at the student's remote field site in the Himalayas. In addition to these international visits, Dr. Pejchar co-authored nine publications, with six more in press or in review. CSU graduate and undergraduate students were first author on the majority of these products.

Doug Rideout – Forest and Rangeland Stewardship

Dr. Rideout interacted with public officials at the National Interagency Fire Center in Boise, ID to strengthen collaboration, relationships, and to establish a vision for future work. He collaborated with officials in the Bureau of Land Management (BLM) and the National Park Service (NPS). With the BLM, he addressed providing comprehensive fire management planning for the entire State of Idaho. This scale and breadth of analysis had never been successfully accomplished and they expect this to set a new standard of analysis. This highly visible collaboration will bring notoriety to CSU's wildland fire program while supporting the stature of the WESTFIRE Research Center. Collaboration with the NPS involved growing the vision for strategic level program budgeting at all levels (planning unit, regional and national). Laying the foundation for this vision directly benefited CSU through the establishment of two new grants and one modification of a current grant and the publication of two manuscripts in scientific journals.

He also engaged in activities to directly benefit the classroom and CSU's stature in the international community. First, he had the honor of being appointed to the International Science Advisory Committee to help organize and promote the "11th International Conference on Ecosystems and Sustainable Development" held in Cadiz, Spain. As a member of the scientific advisory committee, he promoted contributions of CSU researchers and raised the awareness of

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CSU. He also engaged in the delivery of an on-line course that exposed him to new techniques and methods for interacting with students both in the classroom and through on-line experiences.

Matthew Wallenstein – Ecosystem Science and Sustainability

The overall goal of Dr. Wallenstein's sabbatical was to develop and implement approaches to enhance academic impact. He adapted tools originally developed for startup companies to create the Research Impact Canvas. This tool was piloted with a group of multi-disciplinary teams selected by the Office of the Vice President for Research for the Pre-CIP program. He also utilized this tool to develop corporate partnerships and sponsored research in the realm of sustainable agriculture. It enhanced his ability to develop and fund research that addresses real-world problems and benefits CSU by expanding our resources, impact, and creating a model for his colleagues to follow suit.

Dr. Wallenstein also expanded the impact of his research through organizing a meeting called the Ecology of Soil Health Summit, which exposed 250 scientists, private corporations, and NGOs to the leading work of CSU scientists and created new partnership opportunities for CSU. He leveraged those relationships to submit a proposal to the Foundation for Food and Agricultural Research that included over \$2M in matching funds from nine partners. He wrote three articles for general audiences, expanding the reach of CSU research, and was featured in a television interview and several publications. Finally, he wrote 10 new peer-reviewed manuscripts that applied his expertise to sustainable agriculture. These publications enhanced his credentials in this emerging area and increased his competitiveness for funding. Collectively, the work conducted during his sabbatical enhanced his ability to conduct impactful research, enhanced the reputation and resources of CSU, and established a scalable model for enhancing research impact.

Ellen Wohl – Geosciences

Dr. Wohl's primary scholarly activities during the sabbatical year included hosting an international symposium in geomorphology at CSU (150 attendees), which resulted in a guest-edited special issue of the journal *Geomorphology*. She wrote a research monograph on rivers which was published in 2017 as part of the series Springer Briefs in Environmental Science. She spent 3 weeks in Australia as a Fulbright specialist, and while there gave a keynote presentation at a stream management conference and presented seminars at four Australian universities. She attended the annual European Geosciences Union meeting to accept a medal and lectured at the meeting and at universities or research facilities in Austria and Germany before and after the meeting. She gave invited research seminars at five U.S. universities and gave invited talks at four professional meetings in the U.S. Dr. Wohl conducted field research related to ongoing projects in the Colorado Front Range, the Colorado Great Plains, and the U.S. southern prairie. Finally, she completed and published four major technical or research papers.

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The personal benefits derived from the sabbatical included time to complete major research projects and associated publications and to develop new research initiatives which have resulted in two major proposals submitted thus far. Institutional benefits include increased visibility for CSU scholarship. The geomorphology symposium was attended by scholars from across the United States and from five countries and the feedback from participants in the symposium was extremely positive. The keynote talks and invited seminars given in Australia, Austria, and Germany enhanced CSU's international visibility, and seminars given at other U.S. Universities enhanced CSU's national visibility. The insights gained while visiting other countries and universities will be incorporated into her course lectures and future writing of papers and books, as they have been in the past based on other travel. Serving as the lead author on a national technical report initiated by the U.S. Army Corps of Engineers and the U.S. Environmental Protection Agency enhances CSU's reputation as a leader in water resources, as does publication of the Springer book on rivers and water resources.

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MATTERS FOR ACTION:

Report on CSU-Pueblo sabbatical and educational leaves completed in AY2016-2017.

No action required -- report only.

EXPLANATION:

Presented by Bruce C. Raymond, Interim Provost and Executive Vice President for Academic Affairs.

This report provides summaries of the sabbaticals completed during the 2016-2017 academic year.

REPORT ON APPROVED SABBATICAL LEAVES FOR AY2016-2017

As described in material presented most recently at the December 2017 meeting of the CSU System Board of Governors, per section 2.11.2 (Sabbatical Leaves) of the CSU-Pueblo Faculty Handbook, “The purpose of sabbatical leave is to provide tenure contract faculty an opportunity to engage in research, scholarly or creative activity, or otherwise enhance professional stature as teachers and scholars.” 2.11.2.2.i states in part that “Sabbatical leaves will be granted on the merits of the faculty member's application, the availability of funds, and institutional priorities... Faculty members must demonstrate in writing, as part of their application, a well-structured plan involving research, scholarly or creative activity, study for advanced degrees outside their primary discipline, or other activities which will result in the faculty member’s professional growth, increase the overall level of knowledge in the leave holder’s area of expertise, and enhance the institution’s reputation, and the students’ educational experience.”

Per section 2.11.2.4 of the CSU-Pueblo Faculty Handbook, faculty who received sabbatical leave submit a final report within three months of the end of the sabbatical period to their department chair (who forwards it to the respective Dean and Provost), which includes a summary of activities undertaken and benefits accrued. Similarly, section 2.11.3 of the CSU-Pueblo Faculty Handbook on Educational Leaves describes how “Enhancement Leaves are for the purpose of providing probationary and tenured faculty the opportunity to participate in educational activities or programs which will enhance their credentials, knowledge, or reputation. 2.11.3.2c. states “All faculty members returning from educational leave must submit to the Provost, with copies to the Dean and Department Chair, a written report on the results of the leave within two (2) months of return.” While such leaves are leaves-without-pay and thus no costs are incurred, they provide important experiences for faculty in their professional development.

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Below are summaries of 11 sabbatical leave reports and one report for educational enhancement.

Ms. Beverly Allen, Associate Professor, Library

Professor Allen's spring 2017 sabbatical leave was provided with the primary goal of completing the narrative for her book (with Fawn-Amber Montoya), *Bridging the Town/Gown Divide: Practicing Oral History to Connect University and Community*. A corollary goal was to begin preparing the book for publication. This goal was achieved resulting in the book publication in December 2017. In Professor Allen's words,

“During my sabbatical, the book went through several more drafts with editor Nancy MacKay and was sent out to an external reviewer. By the end of May, we had the penultimate narrative draft which was submitted to Eve Setch. Setch sent the book out for an additional peer review, and we began cleaning up endnotes, compiling a bibliography, and assembling appendices for the book. We didn't get comments back from the reviewer until later that summer, and there were some substantial issues that we needed to address. We completed the revisions, and the book was finally accepted for publication by Routledge in December 2017.”

Ms. Maya Avina, Professor, Art

Professor Avina's AY 2016-2017 sabbatical met its goals including her compilation of Women Build an exhibition hosted by a regional gallery during spring of 2017. Avina's work as a designer/builder with cob has received wide attention and in the past has been published. The work she accomplished during this most recent sabbatical has been documented. During the same period, despite some technical glitches, Professor Avina advanced her writing of a new publication on her work in this area. In sum Professor Avina successfully met the goals she had set for herself and for the advancement of her creative research.

Dr. Bill Brown, Professor, Physics

Dr. Brown's AY 2016-2017 sabbatical leave included goals to set up a consortium of schools to use the CSU-Pueblo observatory remotely, to pursue grants and other funding for, and to work and plan for, the completion of full observatory remote functionality and to carry out modeling and laboratory research and writing, including paper submissions.

These goals were partially completed due to problems with the functionality of the telescope. Assumptions that the telescope would be fully operational turned out to be false so a good part of the sabbatical was spent on trouble-shooting and repairs of the telescope itself. Scholarly efforts in manuscript developed did lead to three conference presentations and one journal publication.

Dr. Carol Foust, Professor, Exercise Science

Dr. Foust's sabbatical plan for fall 2016 was to implement a grant funded program titled *Project to Implement Mindfulness Training in Pueblo City Schools to Prevent School Violence and Empower Health Decisions* in collaboration with Baca Elementary School. She was successful

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in implementing this mindfulness program in the Pueblo School District. An abstract regarding this project was accepted for presentation in March 2017 and a publication manuscript is in development. In addition to the school district implementation described in her sabbatical proposal she also partnered with St. Mary Corwin Medical Center regarding their employee program, “Mindful Me” to benefit their employees.

Dr. Rick Huff, Associate Professor, Computer Information Systems and Accounting

Dr. Huffs Fall 2016 sabbatical leave included goals to complete his research project entitled *The Accounting Information Systems Class Focus and Topics: A Comparison of Practitioner and Educator Viewpoints*, to complete the training courses required to qualify to take the Certified in Financial Forensics credential examination given by the Association of International Certified Public Accountants and to develop a new course in Financial Forensics.

Dr. Huff was not successful in his goal to complete his research project due to personal reasons. He did complete the training course for certification in Financial Forensics and he did develop a syllabus for a new course in financial forensics and is looking forward to offering this new course when appropriate.

Dr. Joel Johnson, Associate Professor, Political Science

Dr. Johnson’s spring 2017 sabbatical goals included making progress on an ongoing book project and beginning a book project regarding the political economy of taxation. His report indicated that he received a publication contract after very positive evaluations from three blind peer reviewers with a scheduled publication date for his book of December 2018. He was not able to begin the second project as noted in his report (see following).

“I will note that the research that I conducted during my leave differed from the plan that I proposed in my sabbatical application, which was dated more than a year before the start of my Sabbatical. In my application, I had anticipated that I would be farther along in my book and that my leave would allow me to also begin on another project. That did not occur because the text proved much more labor-intensive than I had anticipated.”

Dr. Alan Mills, Associate Professor, Music

Professor Mills's AY 2016-2017 sabbatical was productive and fulfilled several goals set by him in his original application. First was his two-semester residency teaching music in the Culture and Art Education Center of The University of Electronic Science and Technology of China (UESTC). This assignment included serving as an Adjunct Professor of Music, classroom lecturer, and symphony orchestra conductor.

Additional professional activities involved residencies in Taiwan, Singapore, and Thailand. Another important and related accomplishment was the writing and publication of an article by Professor Mills in December of 2017. Taken as a whole, the projects, activities and work completed provide evidence of a set of appropriate, productive, and rewarding accomplishments.

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Dr. Hsin-hui (Ida) Whited, Professor, Finance

Dr. Whited's spring 2017 sabbatical goals included the creation and submission of a scholarly manuscript regarding stock valuation and the completion of an online course from the College of Trader Development (CTD). These goals were completed including a publication published in 2017 in the Journal of Business Cases and Applications and the completion of the trading program titled *Trading Combine* by Topstep Trader (also a part of CTD)

Dr. Ding Yuan, Associate Professor, Engineering

In his proposal, Dr. Yuan set two goals for his spring 2017 sabbatical: 1) Enhance/Update his engineering research knowledge through independent study and prepare a research proposal to the Visiting Faculty Program (VFP) under the Department of Energy (DOE); 2) re-develop a graduate-level engineering course. Both of these goals were completed. Dr. Yuan spent most of the time of his leave in the bay area and immersed himself in conferences, workshops and self-study regarding a broad set of technologies and topics relating to his courses and research including control theory, big data, machine learning and control of autonomous vehicles. Dr. Yuan successfully updated EN561, the graduate level control course.

Dr. Frank Zizza, Professor, Mathematics

Dr. Zizza's fall 2016 objectives anticipated professional preparation to create an online offering of Calculus and Analytical Geometry, to find an outlet for his scholarly manuscript titled *Symplectic Integrators for the Undergraduate Classroom* and to investigate graduate level courses in Physics with the goal of enhancing his qualifications to teach physics courses when needed. His sabbatical efforts took many different directions not aligned with the stated objectives, but resulted in personal study and development regarding enhancing his computer programming and API capabilities, investigation of the use of the Graphical Processing Unit to speed up large computer calculations and the update of his distributed software package, *DifferentialForms.m*. While his time was directed to unanticipated inquiry the results were substantive and will provide utility for his future pedagogy.

Educational Leave

Dr. Igor Melnykov, Associate Professor, Mathematics

The goals of Dr. Melnykov's Ay 1026-2017 Educational Leave included gaining experience in working with the statistics curriculum within the math department, pursuing new research opportunities that would result from strengthening his research network and exploring the possibilities for the recruitment of graduate students interested in coming to CSU-Pueblo. During his leave Dr. Melnykov worked in the position of Associate Professor at the Department of Mathematics at Nazarbayev University (NU) in Kazakhstan. In this position he taught two statistics courses accomplishing the first goals of his leave. His research collaborations in

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Kazakhstan regarding the detection of tax evasion resulted in journal publication as did his continuing collaborations at CSU-Pueblo regarding selenium in the Fountain Creek watershed.

Summary Listing

The following listing summarizes the sabbatical and educational faculty leaves taken at Colorado State University-Pueblo in 2016-2017.

Sabbatical Leave

Ms. Beverly Allen	Associate Professor of Library Services and University Archivist	half year (January-June 2017)
Ms. Maya Avina	Professor of Art	AY 2016-2017
Dr. Bill Brown	Professor of Physics	AY 2016-2017
Dr. Carol Foust	Professor of Exercise Science	fall 2016
Dr. Rick Huff	Associate Professor of Computer Information Systems and Accounting	fall 2016
Dr. Joel Johnson	Associate Professor of Political Science	spring 2017
Dr. Alan Mills	Associate Professor of Music	AY 2016-2017
Dr. Ida Whited	Professor of Finance	spring 2017
Dr. Ding Yuan	Associate Professor of Engineering	spring 2017
Dr. Frank Zizza	Professor of Mathematics	fall 2016

Educational Leave, i.e. enhancement leave without pay

Dr. Igor Melnykov	Associate Professor of Mathematics	AY 2016-2017
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Leave Note Taken - The following faculty members were approved for leave, but did not consequently take the leave.

Dr. Dana Ihm	Professor of Music	postponed to fall 2017
Dr. Kristy Proctor	Professor of Chemistry	did not take the leave
Dr. Dora Luz Cobian-Klein	Professor of English/Foreign Languages	retired

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MATTERS FOR ACTION:

2017-18 Academic Faculty and Administrative Professional Manual Revisions:
Appendix 7 – Bullying in the Workplace

RECOMMENDED ACTION:

MOVED, that the Board of Governors approve including the University Bullying In The Workplace Policy, including the Bullying Complaint Guidelines and Procedures, put into place by President Anthony Frank on September 7, 2017, also in the Colorado State University Academic Faculty And Administrative Professional Manual as Appendix 7.

EXPLANATION:

Presented by Rick Miranda, Provost and Executive Vice President.

The proposed revision for the 2017-2018 edition of the Colorado State University Academic Faculty and Administrative Professional Manual has been adopted by the Colorado State University Faculty Council.

The University Bullying in the Workplace Policy is similar to policies already in Appendix 1 of the Academic Faculty and Administrative Professional Manual. It should be treated in a similar manner.

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NOTE: Revisions are noted in the following manner:
 Additions - underlined Deletions - ~~overseored~~

ACADEMIC FACULTY AND ADMINISTRATIVE PROFESSIONAL MANUAL
 REVISIONS AND ADDITIONS – 2017-18

APPENDIX 7: BULLYING IN THE WORKPLACE *(new section)*

PURPOSE OF THIS POLICY

Colorado State University is committed to maintaining an environment conducive to working and learning, in which the rights and dignity of all staff, faculty, and students of the university community are respected. The University prohibits behaviors that rise to the level of bullying, as described below. Workplace bullying is a form of psychological violence that disrupts the peaceable environment and can result in lower workplace morale and productivity, greater employee absenteeism and turnover, and higher stress and its related health issues.

APPLICATION OF THIS POLICY

This policy applies to all employees (“Covered Persons”), including, but not limited to, faculty, administrative professionals, state classified employees, student employees, volunteers, affiliates, and all other persons under the jurisdiction of the University to impose sanctions for behavior in the employment context, including agents, contractors and subcontractors. It is not intended to cover CSU students who are not employed by CSU (although a similar policy applies under the Student Conduct Code).

It is the responsibility of all Covered Persons to know and apply this policy.

DEFINITIONS USED IN THIS POLICY

Bullying in the context of the workplace is repeated mistreatment by words or actions that are intended to shame, embarrass, humiliate, degrade, demean, intimidate, and/or threaten an individual or group.

A person who is a target of bullying may not be the only one, or even an intended target; behavior that foreseeably places bystanders or unintended targets at risk or in fear, or causes them to feel threatened or humiliated, is within the scope of this definition.

The determination of whether bullying has occurred is highly dependent upon the facts and circumstances surrounding any given situation. Words or actions that may cause an individual discomfort or distress do not necessarily constitute bullying behavior.

CSU-Fort Collins – Academic Faculty and Administrative Professional Manual Revision
 Appendix 7 – Bullying in the Workplace

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Differences of opinion and routine conflicts or problems in workplace relationships are not bullying, as these may be part of working life. Behavior that is unfriendly, dismissive or curt is not bullying unless carried to such an extreme that a reasonable person would feel fearful, intimidated, or physically or mentally harmed by it. Criticism, complaints, or negative feedback are not considered bullying when they are reasonable, legitimate, and proportional, and directly address issues of workplace performance and/or conduct. Employees are expected to meet the reasonable performance and behavior standards of their position, and requiring a person to meet those expectations is not bullying under this policy.

Bullying can take a variety of forms and may include behaviors that are physical, verbal, nonverbal, direct or indirect, and may take place face-to-face, via written communications, or by electronic means. Some examples of bullying include, but are not limited to:

- Shouting or yelling at, berating, ridiculing, or demeaning others;
- Name calling and attacks on one's character, using a person as the butt of jokes, using nicknames after being warned by the target that the nickname is considered to be offensive, or spreading gossip and rumors about the person to others;
- Mocking, ridiculing, punishing, or putting someone down in front of others, constant unwarranted criticism, or making offensive remarks regarding a person's known intellectual or physical attributes;
- Persistently interrupting a person or otherwise preventing a person's legitimate attempts to speak;
- Undermining or sabotaging the work performance of others;
- Spreading false or sensitive information about another;
- Deliberately excluding, isolating or marginalizing a person from normal workplace activities;
- Tampering with a person's personal effects or work equipment; damage to or destruction of a person's work product, work area, including electronic devices, or personal property;
- Punishments or negative consequences designed primarily to shame, exclude, and/or draw negative attention from others;
- Violent behavior, such as pushing, shoving, kicking, poking, or tripping; assault or threat of physical assault; making threatening gestures toward a person or invading personal space after being asked by the target to move or step away. Bullying that is physically violent may violate criminal law and is addressed in CSU's Workplace Violence policy.
- Making threats, either explicit or implicit, to the security of a person's job or position when not part of a legitimate process by the supervisor to set expectations or engage in progressive discipline as outlined by the University. This may include, but is not limited to, manipulating the workload of a person in a manner intended to cause that person to fail to perform legitimate functions.

POLICY STATEMENT

The University values the well-being of its employees and recognizes that bullying in the workplace can significantly impact a person's dignity and their physical and mental health, as well as the overall experience of working at CSU. Colorado State University considers workplace bullying unacceptable and will not tolerate it under any circumstances. Bullying, as defined in this policy, is prohibited.

CSU has a [policy that prohibits unlawful discrimination and harassment](#). While workplace bullying can be intertwined with unlawful discrimination and harassment, bullying behavior can occur apart from these other forms of misconduct. In either case, workplace bullying is prohibited by this policy. Conduct that might be unlawful discrimination or harassment should be reported to the Office of Equal Opportunity (970-491-5836 or oeo@colostate.edu).

1. Freedom of Speech

The University values and promotes freedom of expression and inquiry as provided under applicable law. Please refer to the University's policies under References, below. Nothing in this policy is intended to limit or restrict a person's First Amendment rights or rights to academic freedom; however, such rights do not include the right to engage in workplace bullying.

2. Anyone impacted by bullying behavior may access support services from the Employee Assistance Program, by calling 1-800-497-9133.

3. Violence

The University is committed to providing a safe and secure campus environment for members of the CSU community, and workplace violence impedes such goals and endangers the entire community. Violent behavior is prohibited in or on any university facility or while participating in any university activity, as described in the University's separate Violence in the Workplace policy.

Any incident that involves a threat of violence or physical harm should be reported immediately and referred to the Office of Support and Safety Assessment for review and consultation, unless the threat is imminent, in which case the CSU Police (or local law enforcement having jurisdiction) should be called. In certain circumstances, the University may impose interim measures for the duration of the review, including but not limited to campus exclusion.

4. Members of the university community shall cooperate with the reasonable inquiry and review process.

5. Retaliation

The University will not tolerate, and this policy expressly prohibits, retaliation against employees making good faith reports as provided for in this policy, even where the concerns are ultimately unsubstantiated. False reports of prohibited behavior that are found to have been made intentionally are also a violation of this policy. Policy violations may result in University disciplinary action in accordance with established policies and procedures, as appropriate.

POLICY PROCEDURES

1. Any person who is a target of workplace bullying (an “impacted party”), or who witnesses or learns of an incident of workplace bullying at CSU, is strongly encouraged to report it to their supervisor, or, if the supervisor is involved, then to the next level supervisor in the reporting line. Reports may also be made by calling or emailing the Human Resources (HR) Solutions Partner (970-491-6947 or myhr@colostate.edu), who may bring the matter to the attention of other university officials, as appropriate. Individuals wishing to report a concern are encouraged to do so as soon as possible following the incident(s).
2. If the person reporting, the impacted party, and/or the alleged bully (the “responding party”) have different supervisors, then the HR Solutions Partner will contact the other supervisor(s) or a common higher level administrator and facilitate communications between those involved. At the discretion of the Chief Human Resources Officer (CHRO) or delegate, the matter may be elevated to other university officials, as appropriate.
3. Those involved are encouraged to consider informal methods of resolution (see the Bullying Complaint Guidelines and Procedures attached to this policy). Resources to assist with an informal resolution include the HR Solutions Partner and the Office of the Ombuds. However, if informal resolution is not feasible or any party wishes to follow the formal process, a written complaint should be made to the impacted party’s immediate supervisor. (See the required Bullying Complaint Form attached to this policy). A formal complaint must be filed within 180 days of the incident of workplace bullying or, where the behavior is of an ongoing nature, within 180 days from the most recent incident. Either the impacted party or the supervisor of either party may file a formal complaint.
4. The formal process requires that the supervisor(s) (or higher level university official) and the HR Solutions Partner make a jointly coordinated, reasonable inquiry into the facts, document what is discovered, and, if warranted, take appropriate action, which may include counseling those involved, initiating corrective action, or pursuing other

employment action. If a supervisor of either party filed the complaint, that person cannot act as an investigator, and the matter will be referred to the next higher level supervisor.

5. The steps to be taken in the reasonable inquiry and resolution process are described in the Bullying Complaint Guidelines and Procedures. The procedures include an administrative review process that any of the parties involved may initiate if the resolution of the matter is unacceptable to them.
6. At the discretion of the CHRO, related complaints or incidents may be combined for purposes of inquiry, resolution, and/or review through the HR Solutions Partner.
7. At the conclusion of the formal process, if the bullying was substantiated, it should be documented, and action should be taken promptly to address the situation, including disciplinary action or other employment action, if warranted, subject to applicable university policies and procedures.
8. Substantiated bullying incidents should be taken into consideration in an employee's annual performance review, subject to established evaluation procedures (see, e.g., Academic Faculty and Administrative Professional Manual, section C.2.5 for faculty and D.5.5 for Administrative Professionals, and Human Resources Manual section 3 for State Classified). In particular, department heads need to be familiar with the restrictions in section C.2.5 of the Manual.
9. In addition, the reasonable inquiry process may identify improper or problematic conduct that does not constitute bullying as defined and prohibited by this policy. In that situation, the supervisor should address the improper conduct, and such conduct may form the basis for action by the supervisor in accordance with university policies and procedures.
10. Supervisors should inform participants in the bullying process that the Employee Assistance Program exists to provide help and resources to employees who are dealing with the impacts of workplace bullying and conflict.

COMPLIANCE WITH THIS POLICY

Compliance with this policy is mandatory. For assistance with interpreting or applying its provisions, contact the designated Human Resources Solutions Partner.

Any person covered by this policy who engages in workplace bullying is subject to disciplinary sanctions up to and including termination or dismissal from the University, in accordance with applicable policies and procedures, including: for tenured faculty, section E.15 of the Academic Faculty and Administrative Professional Manual; for state

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classified personnel, the Human Resources Manual section 3; and for administrative professionals, section D.5.5 of the Faculty and Administrative Professional Manual.

Student employees who are in violation of this policy are also subject to the procedures detailed in the CSU Student Conduct Code.

This policy is not intended to conflict with or supersede any other policy that might subject a violating party to disciplinary review, including but not limited to the Policy on Discrimination, Harassment, Sexual Harassment, Sexual Misconduct, Domestic Violence, Dating Violence, Stalking, and Retaliation; the Policy on Workplace Violence; the CSU Student Conduct Code; the Academic Faculty and Administrative Professional Manual; and existing Human Resources and departmental conduct policies.

REFERENCES

- [CSU Policy on Discrimination, Harassment, Sexual Harassment, Sexual Misconduct, Domestic Violence, Dating Violence, Stalking, and Retaliation](#)
- [Student Conduct Code](#)
- [Colorado Governor's Executive Order D 023 09, Establishing a Policy to Address Workplace Violence, including Domestic Violence Affecting the Workplace](#)
- [Academic Faculty and Administrative Professional Manual sections D.9.c, E.15](#)
- [Freedom of Expression and Inquiry](#)
- [CSU Policy on Workplace Violence](#)
- [Academic Faculty and Administrative Professional Manual](#)

BULLYING COMPLAINT GUIDELINES AND PROCEDURES

Responsibility to Report

Any person who is a target of workplace bullying, or who witnesses or learns of an incident of workplace bullying at CSU, is strongly encouraged to report it to his or her supervisor (or, if the supervisor is involved, then to the next level supervisor in the reporting line). Reports may also be made by calling or emailing the Human Resources (HR) Solutions Partner (970-491-6947 or myhr@colostate.edu), who may bring the matter to the attention of other University officials, as appropriate.

In the case of physical assault or harm, or imminent danger of harm, the supervisor should immediately contact CSU Police (or the local police in a non-campus location) by

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dialing 911. The non-emergency number for CSU Police is 970-491-6425. The matter should also be referred to the Office of Support and Safety Assessment (970-491-1350) for review and consultation within five working days (a “working day” is any day that the University is open for business).

Anyone impacted by bullying behavior may access support services from the Employee Assistance Program, by calling 1-800-497-9133. EAP is a resource available to all employees that can provide support and resources for employees impacted by concerns about workplace bullying—including resources for the person who feels they have been a target as well as for the responding party in a bullying complaint.

The Ombuds Office is a confidential resource for all employees to explore options and obtain information about the policy and processes related to workplace bullying. As a neutral resource, the office is available both to the person who feels they have been a target of bullying as well as the responding party to bullying complaints. As an informal resource, the Ombuds office is not an office where complaints are placed “on the record.” Therefore, if someone wants to initiate a formal process, the Ombuds office can discuss the process but does not initiate an inquiry or document the concerns for the institution.

Note: More than one impacted party, more than one responding party, and/or more than one supervisor may be involved in the bullying complaint process. Singular references herein may be taken as plural as the context requires. As used herein, “impacted party” means the person(s) targeted or affected by the responding partying behavior, and “responding party” means the person(s) alleged to have engaged in bullying behavior.

Informal Resolution by the Targeted Employee

An employee who believes he or she has been bullied may wish to take informal action, in which case, some suggestions are as follows:

1. **Keep Records:** Keep notes detailing the nature of the behavior (e.g., dates, times, places, what was said or done and who was present) and copies of paper trails that may indicate bullying. Hold onto copies of documents that provide evidence of events (e.g., time sheets, letters or emails). This documentation will be useful when seeking advice from another party, discussing the matter with the responding party, or if the matter is formally investigated.
2. **Seek Immediate Support and Advice:** Explain the behavior you experienced to someone you trust. Good sources of support and advice are HR Solutions Partners, the Employee Assistance Program (EAP), and the Ombuds. It is vital to discuss the situation with somebody who is empathic and trained in these issues. These individuals can provide information regarding one’s rights and responsibilities and suggest options on how best to deal with the situation. Bringing the situation to the attention of another party is often an effective way of

dealing with the problem and ensuring that the bullying stops. Oftentimes bullying goes on in private and, by informing someone, it may become apparent that others are feeling the same way. This will help employees get the support and advice they need.

3. **Consider Addressing the Behaviors of the Responding Party Directly:** Employees may want to consider approaching the responding party directly and raising the matter, either face-to-face or in writing, but should only do so if they feel it is a safe option. Avoid being contentious or escalating the situation. Tell the responding party politely and calmly exactly which behaviors are offensive and why, and expressly state that the behavior is unwelcome and unacceptable. The person should be asked to stop immediately, and told that if the behavior doesn't stop further action will be taken. Remaining silent allows the responding party to continue their behavior, which may result in the bullying getting worse. Sometimes the responding party will stop immediately once becoming aware that his or her behavior is offensive and harmful.

Addressing the responding partying behaviors directly can be difficult. The person involved may deny and perhaps misconstrue the accusations. To address these issues, a colleague or an HR Solutions Partner may act as support or as a witness. Keep a record of the discussion and a copy of any correspondence that is sent to the responding party. It is best to seek guidance from support personnel prior to meeting with the responding party.

4. **Mediation:** Consider mediation as an option. If all parties agree to mediation, they will be given the opportunity to state their case and how they would like to see the situation resolved. The mediator will assist the parties in attempting to reach a mutually acceptable solution. However, it is important to remember that bullying may result from an imbalance in power, in which case, the target and the responding party may not be on an equal footing. Seek guidance from the Ombuds Office or HR Solutions Partner to explore the option of mediation.

Informal Resolution by the Responding Party

If you have been accused of bullying, there are steps you should take immediately to resolve the situation and to prevent it from escalating.

1. **Keep Records:** If you are told that your actions have offended someone and that they feel bullied by you as a result, you should document this discussion including what you were told and how you responded. This will be important if you need to discuss the matter with your supervisor or Human Resources or if the matter is formally reviewed.
2. **Seek Advice:** You are advised to seek counsel immediately from your supervisor, Human Resources, or the Ombuds, especially if you do not understand the

complaint against you or if you believe that the allegations are unjust or malicious.

3. **Stop the Offending Behavior:** If you have been told that your behavior makes someone feel uncomfortable, then you should stop it immediately. Even though your behavior may seem innocent to you, it is important to consider its effects on others. Remember it is the other person's reaction to your behavior that is important, not the reaction you think they should have.
4. **Reflect on Your Work Behavior:** Review the way you behave at work and consider whether any of your behaviors may be perceived as bullying. For instance, ask yourself the following question: If other people were to witness my behavior would they find it offensive, humiliating, intimidating, or threatening? If you have concerns about the appropriateness of your behavior consider asking your supervisor for training on communication, conflict management, etc. or seek advice from the Employee Assistance Program.

Informal Resolution by a Bystander

Individuals who witness someone being bullied can utilize informal methods to support the person being bullied and to attempt to stop the behavior.

1. **Talk to the Alleged Target:** It is advised that you speak with the person who you think has been bullied to ensure that you have understood the exchange between him or her and the responding party. If you still feel that bullying has occurred, you should discuss with the individual how he or she feels about the incident and whether he or she needs any support. You should advise the individual of the available resources that can help with situations of bullying such as HR Solutions Partners, the Ombuds, or the Employee Assistance Program.
2. **Keep Records:** If you think you have witnessed bullying you should keep a record of when and where the behavior occurred. This will be important when discussing the matter with the responding party, sharing your concerns with a third party, or if the matter is formally investigated.
3. **Address the Responding Party:** If comfortable with addressing the responding party, inform the responding party in a constructive manner that his or her actions are inappropriate, the effect they have on the target and workplace, and that they should not be repeated.
4. **Tell Someone:** Report any concerns to the appropriate supervisor or HR Solutions Partner, regardless of whether the responding party is confronted. They will determine whether the incident can be resolved informally or requires further action. If the situation has been discussed with the responding party and he or she has agreed to amend his or her behavior, then no further action may be required.

Informal Resolution by the Supervisor

When a report of bullying is received, or when a supervisor observes the bullying behavior directly, the supervisor may attempt to resolve the matter informally by interacting with both the impacted party and the responding party.

Supervisors may begin by initiating informal discussions with the parties involved (and the supervisor of each of the parties, if different from the one receiving the complaint). If this does not resolve the situation, or if the supervisor receives a formal written bullying complaint, they should first notify their HR Solutions Partner, and then follow the formal resolution process. Any supervisor with a conflict of interest should recuse herself or himself from the process and refer it to the next higher level supervisor.

Other approaches that a supervisor may take to informally resolve the matter may include:

1. **Offer Support:** The person who believes he or she is being bullied needs to be able to discuss the situation with somebody who is empathetic and trained in these issues. If bullying is occurring, the employee will gain strength to address the offensive course of action; if bullying is not occurring, those involved can be advised accordingly.
2. **Seek Advice:** Obtain the advice and support of individuals or groups with expertise in handling bullying such as your supervisor, the HR Solutions Partner, the Ombuds, or the Employee Assistance Program when deciding the most appropriate course of action to follow.
3. **Refer the Employee to Available Resources:** Suggest that the impacted party access support and guidance from sources such as Human Resources, the Ombuds, or the Employee Assistance Program as appropriate.
4. **Address the Responding Party:** Accompany and support the impacted party when he or she approaches the responding party to ask the behavior to stop, but without taking sides before you know the facts. If the impacted party is not comfortable approaching the responding party directly, you may approach the person on the employee's behalf. Make the responding party aware of the behavior in question, as well as its harmful effects, its inappropriateness, and that it is contrary to policy. Remind the responding party that bullying is a disciplinary offense and repeated incidents may render him or her liable to a formal procedure which may result in disciplinary action. It may be necessary to discuss any training needs with the responding party that may help change the unacceptable behavior.

Formal Resolution Process

1. If an informal resolution was not reached and the impacted party wishes to pursue the matter, he or she must submit a written complaint to his or her immediate supervisor (or, if the supervisor is involved, then to the next level supervisor)

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- using the Bullying Complaint Form. The complaint must be limited to events having occurred within the last five years, with the most recent incident having occurred within the last 180 days. The supervisor should be prompt to acknowledge receipt of the complaint, in writing. Only the targeted, impacted party or the supervisor of either party, may file a formal complaint.
2. Within 10 working days of receiving the complaint, the supervisor must contact the designated HR Solutions Partner (970-491-6947 or myhr@colostate.edu). If the impacted party, and/or the responding party have different supervisors, then the HR Solutions Partner will contact the other supervisor(s) and facilitate communications between those involved. In the discretion of the Chief Human Resources Officer (CHRO) or delegate, the matter may be elevated to other University officials, as appropriate. The CHRO or delegate also has the authority to extend all timelines as deemed necessary.
 3. Before initiating a reasonable inquiry into a complaint of bullying, the supervisor should contact the HR Solutions Partner for help in creating a plan of action. The supervisor should consider if she or he has any biases or other conflicts of interest that would preclude her or him from conducting a full and fair reasonable inquiry. If so, the next higher level supervisor should take over responsibility. The HR Solutions Partner will assist in this determination.
 4. Supervisors and the HR Solutions Partner should jointly begin the inquiry promptly upon learning of the complaint, conduct the inquiry expeditiously, prepare a confidential, written report and provide it to the parties and HR within 30 working days after receiving the written complaint. If a longer time is needed, the HR Solutions Partner can extend the time.
 5. The supervisor and/or HR Solutions Partner must meet with the complainant to discuss the complaint of bullying. When meeting with the complainant, the interviewer(s) should listen carefully and not be judgmental. The interviewer(s) should refrain from evaluating the complaint or offering premature feedback to the complainant.
 6. Acknowledging the complainant's perceptions and feelings by briefly paraphrasing what the complainant has shared to ensure accurate understanding is important. The interviewer(s) should make notes of the key facts that are stated and instruct the complainant to put their requested relief in writing, utilizing the Bullying Complaint Form.
 7. The supervisor should thank the complainant for bringing concerns forward and ensure them there will be timely follow-up regarding their concerns.
 8. A supervisor and/or the HR Solutions Partner conducting a reasonable inquiry should meet privately with the responding party to get his or her side of the story.

- They should clearly communicate the need for undesirable behavior to change. Clear expectations should be set with the complainant, responding party and any witnesses. Supervisors and/or the HR Solutions Partner should emphasize with all parties that retaliation is not acceptable, and explain that disciplinary action will follow if retaliation occurs.
9. The confidential report will include, at a minimum, the following information:
 - a. Identities of the supervisor, HR Solutions Partner and any others involved in conducting the reasonable inquiry;
 - b. Nature and substance of the allegations;
 - c. Reasonable inquiry process, including the number of witnesses interviewed, but excluding the identity of the witnesses;
 - d. Summary of the facts;
 - e. Final determination of whether the Bullying Policy was violated;
 - f. Decision as to action to be taken.
 10. If the determination is that the facts do not sustain a charge of bullying, this should be documented and communicated to the parties, and no further action is required. If requested by the responding party, this determination should also be communicated to all persons interviewed during the inquiry.
 11. If the action to be taken involves formal discipline, the applicable CSU policies and procedures for the employees involved will be followed. Actions not involving formal discipline may include:
 - a. Separation of the parties involved within the workplace, without a change in duties;
 - b. Counseling one or both parties;
 - c. Requiring attendance at an appropriate training about workplace behavior;
 - d. A letter of expectations that is shared only with the responding party and does not become part of the employee's personnel file.
 12. Repeated violations of the bullying policy by the same individual should result in progressively stricter actions being taken.
 13. The file containing all documents related to the report, review, and reasonable inquiry must be kept for 5 years by Human Resources, after which time, it may be destroyed.

Administrative Review

The final decision of the supervisor may be subject to administrative review at the request of either the complainant or the responding party. The request must be made in writing and submitted to the HR Solutions Partner within 10 working days after the written decision is received. The request must specify the reasons why the party finds the resolution unacceptable.

The administrative review will be performed by the next higher level supervisor of the person who rendered the decision (or the department/unit head if that person is higher in the reporting line). The reviewer will assess the written request for a review, the written report and decision, and the written documentation in the case. The reviewer may also consult with the supervisors involved and the HR Solutions Partner. No new evidence will be taken. The decision will be announced, in writing, within 30 working days after the receipt of the written request for a review by the reviewing administrator. The decision of the administrative review is final, and is not grievable.

Section 7

Real Estate and Facilities Committee

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM
REAL ESTATE/FACILITIES COMMITTEE MEETING AGENDA
February 8, 2018 - Pueblo**

Committee Chair: Bill Mosher, Mark Gustafson (Vice Chair)

Assigned Staff: Jason Johnson, General Counsel, Kathleen Henry, CSU Research Foundation

EXECUTIVE SESSION

OPEN SESSION

1. Hughes Stadium Property Annexation (Amy Parsons) Action Item (10 min)

Board of Governors of the Colorado State University System
Meeting Date: February 8, 2018
Action Item

MATTERS FOR ACTION:

Land: Annexation of approximately 162 acres to the City of Fort Collins.

RECOMMENDED ACTION:

MOVED, that the Board of Governors authorizes the submission of a petition for annexation of the approximate 162 acre Hughes Stadium Property shown on Exhibit A, to the City of Fort Collins.

FURTHER MOVED, that the President or Vice President for University Operations of Colorado State University is hereby authorized to sign implementing contracts and other documents necessary and appropriate to consummate the transaction with modifications made in consultation with General Counsel.

EXPLANATION:

Presented by Amy Parsons, Executive Vice Chancellor, Colorado State University System.

The proposed annexation consists of approximately 162 acres located on the west side of Fort Collins, CO near the intersection of Overland Trail and County Rd 42C.

The annexation is to support the eventual development and disposition of the property.

 Approved

 Denied

 Board Secretary

 Date

Exhibit A



Section 8

Executive Session

This section intentionally left blank

Section 9

Chancellor's Report



COLORADO STATE UNIVERSITY SYSTEM

Colorado State University • Colorado State University - Pueblo • CSU Global Campus

COLORADO STATE UNIVERSITY SYSTEM CHANCELLOR'S REPORT

February 9, 2018

CSU-System Wide

- Continued meetings around collaboration between Fort Collins and Pueblo related to IT.
- Continue to make progress on system-wide academic integration opportunities in relation to admissions and transfers through the efforts of Dr. Cheryl Lovell.
- CSU-Fort Collins, CSU-Global, and CSU-Pueblo previously held duplicate memberships to several organizations, but over the past year, we have modified the memberships to represent the System as a single unit. By combining funds and employee efforts previously dedicated to these individual memberships, we were able to elevate the System's membership level with the Denver Metro Chamber of Commerce, South Metro Chamber of Commerce, World Trade Center, and Downtown Denver Partnership without allocating additional funding. In addition, membership benefits of the elevated levels are available across the System for the individual campuses. This coordinated approach to memberships raises the visibility of the System and each institution, is an efficient use of funding, and encourages communication and collaboration among the campuses regarding outreach and partnerships.

Campus Updates

- Chancellor Frank addressed CSU-Global faculty and staff at the Dec. 14 Team Virtual Meeting.
- General Counsel Jason Johnson presented to the CSU-Pueblo campus community on the First Amendment as part of the campus's Spring Convocation January 10, 2018.
- CFO Lynn Johnson represented the System at the Occhiato Student Center Grand Opening and Rededication, hosted by President Mottet, on January 23, 2018.

CSU System Government Affairs – Federal

- Continued to communicate with the Colorado congressional delegation about potential impact of a DACA repeal for the CSU System campuses and students. The Fort Collins and Pueblo campuses also coordinated their messaging around a potential appeal.
- Communicated with the Colorado congressional delegation on the impact of the proposed House and Senate Tax Bills.
- Coordinated with campuses to communicate about the anticipated impact of a potential government shutdown in January.

CSU System Government Affairs – State

- Meetings with key members of the legislature and local delegations continue. The System legislative bill review process is also underway to monitor and assess any potential legislative impacts on the CSUS institutions.

- Chancellor Frank participated in discussions with the Department of Higher Education about the state's higher education budget request.
- Chancellor Frank and Executive Vice Chancellor Parsons presented to the Capital Development Committee December 18, 2017, at its annual hearings.
- Chancellor Frank presented to the Joint Budget Committee on January 5, 2018, at its annual hearings.
- Executive Vice Chancellor Parsons escorted Governor-nominated board appointments and reappointments to the Capitol January 16 and 17, 2018, for visits with Senate Education Committee members and other Colorado legislators in advance of their hearings and confirmation.
- Chancellor Frank attended the Senate Education Committee Hearing for Board appointments on January 25, 2018.

Statewide Partnerships:

- Executive Vice Chancellor Parsons attended the unveiling of the Western Stock Show Association Legacy Building plans and Trustees lunch and briefing December 12, 2017.
- Chancellor Frank attended the Western Stock Show Association Board on December 14, 2017.
- Chancellor Frank and Executive Vice Chancellor Parsons attended the Coors Western Art Red Carpet Reception January 3, 2018.
- Chancellor Frank and Executive Vice Chancellor Parsons attended the Mayor's press conference announcing National Western Authority Board on January 4, 2018.
- Chancellor Frank participated in the annual National Western Stock Show Parade in Denver January 4, 2018.
- Executive Vice Chancellor Parsons spoke at the Annual NWSS VIP BBQ on January 4, 2018.
- The CSU System hosted tables at both Boots 'n Business January 5, 2018, and Citizen of the West January 8, 2018.
- Chancellor Frank attended the Denver Metro Chamber Board meeting on January 11, 2018.
- Executive Vice Chancellor Parsons delivered the keynote address to the Red Meat Club annual dinner on January 11, 2018, at the National Western Stock Show.
- Board members Munn, Tuor, Robbe-Rhodes, Gustafson, and Flores joined Chancellor Frank for CSU Day at the National Western Stock show January 13.
- Executive Vice Chancellor Parsons hosted the CSU System table and the Colorado Business Hall of Fame dinner January 25, 2018.

The Board of Governors of the
 Colorado State University System
 Meeting Date: February 8-9, 2018
 Action Item

MATTERS FOR ACTION:

Approval of new Colorado State University System Board of Governors Policies and Procedures: Policy 129.

RECOMMENDED ACTION:

MOVED, that the Board of Governors of the Colorado State University System (Board) hereby approves and adopts the new CSUS Board Policy 129: CSUS Board Free Speech and Peaceful Assembly Policy.

EXPLANATION PRESENTED BY: Jason L. Johnson, General Counsel.

In August 2017, the Board of Governors of the Colorado State University System (Board) approved an updated Policy and Procedures Manual to govern how the Board discharges its constitutional and statutory responsibilities. From time to time, and in accordance with best practices, the Board updates or amends the Policy and Procedures Manual.

Policy 129: CSUS Board Free Speech and Peaceful Assembly Policy is a new policy that is being presented to the Board for approval. This policy recognizes and acknowledges the rights of students and others to engage in free speech and to assemble in groups for peaceful purposes in accordance with the First Amendment of the United States Constitution and applicable state law. It also directs each System Institution to adopt its own policies, procedures or guidelines to facilitate the exercise of these rights of free speech and peaceful assembly, and protect the community at each System Institution.

Upon approval of the aforementioned new policy, the Policy and Procedures Manual will be amended accordingly, both in the official hard copy maintained in the CSU System Office and on the CSUS website.

 Approved

 Denied

 Board Secretary

 Date

COLORADO STATE UNIVERSITY SYSTEM**Policy and Procedures Manual**

SUBJECT: GOVERNANCE

Policy 129: CSUS Board Free Speech and Peaceful Assembly Policy

Board Policy

The Board, the CSU System, and its constituent institutions (the “System Institutions”) recognize and acknowledge the rights of students and others to engage in free speech and to assemble in groups for peaceful purposes in accordance with the First Amendment of the United States Constitution and applicable state law. In addition, the Board, the CSU System and the System Institutions expect that there will be no endangerment to health or safety and that any gatherings or events must not disrupt the normal conduct and operations of the System Institutions or endanger persons or property.

The First Amendment to the Constitution of the United States assures that “Congress shall make no law ... abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble” These rights to free speech and peaceful assembly are afforded and protected by the Board, the CSU System, and the System Institutions. In addition, the Board, the CSU System and the System Institutions may, consistent with the Constitution and applicable law, require compliance with reasonable time, place, and manner restrictions that are content-neutral, narrowly tailored to serve a significant governmental interest, and leave open ample alternative channels for communication of the information or message. These restrictions are enforced in a content-neutral manner to assure the safety of the campus community and the orderly operations of the System Institutions.

This policy both facilitates the exercise of these rights of free speech and peaceful assembly, and protects the community at each System Institution.

Procedures and Guidelines

In accordance with this policy, each System Institution must adopt its own policies, procedures, or guidelines to assure that this policy is followed in order to respect those rights established by the First Amendment and applicable state law, and to protect the health and safety of the campus community and prevent disruption to the normal conduct and operations of the System Institutions. These policies, procedures, or guidelines shall, at a minimum, address the following: (a) different types of areas, locations and venues that may be online or on campus, including a public forum, a student forum, and non-public areas; (b) when reservations should be required to reserve space or hold an event on campus; and (c) specific guidelines for large events that may be hosted or sponsored on University property. It is essential that each System Institution minimizes risks to the health, safety and security of event participants and the campus community, and protects the rights of free expression by event sponsors, participants, and the community.

History: Effective February 9, 2018 by Board Resolution

Section 10

Colorado State University Reports

- Colorado State University Student Representative's Report
- Colorado State University Faculty Representative's Report
- Colorado State University President's Report



Michael Wells

Student Representative-CSU Fort Collins Campus

Governors & Board Members:

I want to thank you all for the kindness and warmth you have shown me in this transitional period. It has not been an ideal semester for anyone in ASCSU and you all have given me hope for what can still be accomplished throughout the year. I am looking forward to working with you all this semester and hope I can be here to help in any way I can. My main goal this semester is to restore a sense of transparency and accountability within ASCSU for not only the board, but all the constituents of the CSU system. There is no way I would rather spend my final semester of college!

Semester Goals:

Internal

- *Accountability report* – Each branch has put together, and is continuing to put together, accountability reports for work accomplished. So far this has given more transparency within ASCSU, and this semester our goal is to bolster this information to package it in a way students and staff can review as well.
- *Updated elections code* – With elections in April, we are working to resolve issues involving credit hours and campaign violations that negatively impacted campaigns last year. These changes are minor and designed to add access to participate. Updates include – defining minor vs major violations, adding roles to campaign liaisons to increase communication with candidates, and a switch to campaign suspensions rather than full expulsion from the race for minor violations.
- *Constitutional changes* – As you all know we drastically need to change our constitution to fall in line with CSU general counsel as well as the BOG expectation. Our senators are working with Jason Johnson to ensure that any changes are thoroughly red lined and reviewed.
- *Update of current technology* – Our new website has proven to be a more efficient way to store our data, and we will be updating our records sites as well to match
- *Records up to date* – Currently our records online only go up to last year's senate, once we can be caught up on the information on the page we can implement an easier way to upload documents for future ASCSU members
- *Online students* – Along with the lines of our website upkeep we are pushing for online students to share that access to the data most on campus students have the knowledge to access.

External

- *Arts Festival* – There is a significant level of talent on CSU’s campus, and with the UCA and other arts programs off the main campus we see the need to highlight our student’s creativity! We are looking to hold an event in March where students (both arts major’s and non) have a forum to showcase their creativity.
- *Diversity Symposium* – An event we have done the last few years that we want to continue. Our director of Diversity will be in charge, and this event will hold weight more than ever in our current political climate. With that, we will work heavily with Office of Diversity as well as SDPS offices to generate the most intentional event.
- *Ram Ride expansion* – Something Josh and I looked to in the fall and we have an opportunity to accomplish this spring. Ram Ride is ever growing and Motorpool has said they would have the capacity to expand the fleet if Ram Ride showed a current need. One additional Van or Sedan can offer another avenue for student safe ride.

Student Feedback initiative:

The main theme throughout these goals is to continue in delivering to students projects they care about. Through our departmental reviews and events, we will be gaining feedback from students along the way. With more advanced online feedback techniques we feel this is feasible. By the end of the semester we want to have a full feedback report that can be shared with the board in hopes that you all can see ASCSU from that same student lens allowing all of us to be more aware of what needs to change.

**Report by the Faculty Representative from CSU – Fort Collins to the Board of Governors
February 7-9, 2018 Pueblo, CO.**

Respectfully submitted by Prof. Margarita Maria Lenk, CSU Faculty Representative to the Board of Governors. Since the last Board meeting, there has only been one Faculty Council meeting in December 2017.

Faculty at Colorado State University at Fort Collins continue to work on **high impact learning and course innovations** in a variety of contexts and purposes with a variety of incentive programs and TILT office support. TILT, ACUE, Impact, and Adaptive Learning.

Faculty Council been also working on the following topics in December 2017 and January 2018:

- The new anti-bullying policy has been voted to be in the Faculty Manual,
- Freedom of speech and expression guidelines are being created,
- Training and preparation for all guest presentations on campus,
- Revisions continue for the processes and the instrument regarding the use of student course evaluations for **faculty teaching effectiveness** evaluations by department heads and chairs as well as the course evaluation content and process,
- Discussions continue in committees regarding **non-tenure track faculty status** and promotional and career paths,
- A new Bachelor of Science degree in Geography, a new certificate in Spanish for Animal Health and Care, and several new, continuing experimental, changed courses, and Pathways course designations have been approved, as were several revisions to the Graduate and Professional Bulletin,
- Manual changes regarding grades of incomplete and retroactive course withdrawals are also discussed.

Cool CSU-Fort Collins Faculty Factoids:

Albert Bimper, associate professor of ethnic studies and a senior associate athletic director for diversity and inclusion at CSU has been selected by Diverse: Issues in higher Education as one of its 15 Emerging Scholars across the nation. “While this award recognizes Dr. Bimper’s outstanding achievements in scholarship, I am most impressed with so many of his intangible qualities that make him truly stand out as a deeply caring mentor, a disciplined scholar, and an incredibly affable teacher and colleague,” said Joon Kim, chair of the Department of Ethnic Studies.

The Electrical and Computer Engineering Department continues with their national leadership in their NSF grants for revolutionizing engineering education by improving undergraduate STEM education and the professional formation of engineers. The knowledge threads include foundations, professional formation, and creativity learning outcomes. The knowledge integration occurs throughout the 2nd and 3rd years of their program. The NSF grant also includes many education and organizational change research projects.

Faculty member Chris Stein in the College of Business is the faculty advisor for the Summit Fund club, whose student members manage a real money diverse portfolio now worth over \$450,000. This year, the summit fund average earnings of 29.6% surpassed the performance of the S&Ps 500 average return of 20.5%.

The Exercise and Sports Science Department have finished their amazing expansion of their Human Performance Clinical Research Laboratory, which has been designated a CSU Program of Research and Scholarly Excellence since 2008. This lab is used to discover new knowledge thorough excellence in research in the areas of health and exercise science, and to disseminate that knowledge through academic and outreach programs in innovative research in human health and function. Specific areas of focus include expanding “healthspan” which is the quality of life and preventing disease, heart disease preventions, and hands on research training for undergraduate and graduate researchers.

COLORADO STATE UNIVERSITY PRESIDENT'S REPORT

Board of Governors of the Colorado State University System
February 9, 2018

I. TEACHING AND LEARNING: ASSURE EXCELLENCE IN ACADEMIC PROGRAMS

A. Studies show CSU is an economic powerhouse in Colorado

Colorado State University, along with its students, faculty, staff, and alumni, contributed more than \$460 million in tax revenues to the state of Colorado during a year-long period, while also helping create 19,000 jobs in the state, and spawning dozens of new startup companies through its world-leading research programs. All told, this \$465.2 million contribution to the state's bottom line during 2015 was nearly four times the amount of funding the state of Colorado provided to the university during the same year. In addition, six of the largest projects that were part of the recent construction boom on campus sparked \$560 million in new economic activity, creating the equivalent of 3,602 yearly jobs that persisted during a 2.5-year period. These are among the findings of two new studies of the economic and fiscal impact of CSU and of recent campus construction projects. The studies, released Nov. 28, were carried out jointly by lead author Rebecca Hill, Ph.D., an agricultural and resource economist in CSU's College of Agricultural Sciences, and co-authors Harvey Cutler and Martin Shields, both professors and economists in CSU's College of Liberal Arts. "Simply put, CSU is one of the state's most important economic growth engines and a cornerstone of Colorado's economic future," the authors conclude.

B. College of Business online MBA program ranked no. 1 in Colorado

Colorado State University's College of Business has been recognized for its outstanding online graduate education programs by *U.S. News and World Report* in its 2018 rankings, released Jan. 9. The College of Business online MBA program ranked No. 34 among public universities and is Colorado's top-ranked program—and in the top 15 percent nationwide. The College achieved other notable rankings among public universities, including best online graduate business program at No. 26 and best graduate online information technology program at No. 21.

C. 1,900 during degrees conferred during Fall Commencement ceremonies

Colorado State University conferred degrees on nearly 1,900 graduates during Fall 2017 commencement ceremonies Dec. 15-16. College ceremonies and the ROTC commissioning recognized 1,373 undergraduate and 519 graduate students, and four Army ROTC commissionees. Twelve undergraduates are candidates for distinction as summa cum laude, 35 magna cum laude, and 70 cum laude.

D. Professor A.R. Ravishankara receives U.N. Scientific Leadership award

A.R. Ravishankara, a professor in the Department of Chemistry and the Department of Atmospheric Science, received in an international Scientific Leadership award from the United Nations Environment Programme (UNEP), the agency that coordinates the U.N.'s environmental activities. The award recognized Ravishankara's lifelong work studying and finding solutions to climate change and ozone layer depletion. The honor was presented at a ceremony in October in Montreal on the 30th anniversary of the Montreal Protocol, the international treaty that phased out ozone-harming chlorofluorocarbons, or CFCs.

II. TEACHING AND LEARNING: INTEGRATE ACADEMIC AND CO-CURRICULAR EXPERIENCES

A. Stock Show Ag Adventure program prepares students for industry opportunities

CSU students were provided the opportunity to participate as volunteers and CSU ambassadors in the University's Ag Adventure program, leading up to and during the annual National Western Stock Show, held in January in Denver. The Stock Show Ag Adventure program provides current students with the experience to work alongside industry professionals and answer common questions about agriculture. Students also learn what professionalism is like off-campus and within the industry. The Ag Adventure program is available to all CSU students and takes place every fall semester.

B. Program lets undergrads help teach classes and engage students

A program at Colorado State University is helping undergraduates get more involved in the classroom as students and instructors. The Institute for Learning and Teaching (TILT) calls it the learning assistant, or LA, program. It lets undergraduates who have already taken a particular course help a faculty member teach – much like a graduate teaching assistant – allowing them to learn the material more deeply and to build their resumes. From an instructor's perspective, LAs help facilitate active learning, which is the process of engaging students with small groups or hands-on activities. LAs also can give verbal quizzes, help answer questions, and guide small groups through problem solving. Since the start of CSU's LA program in 2015, TILT has trained more than 100 LAs.

III. RESEARCH AND DISCOVERY: FOSTER EXCELLENCE IN RESEARCH, SCHOLARSHIP, AND CREATIVE ARTISTRY/FOCUS IN AREAS OF INSTITUTIONAL STRENGTH AND SOCIETAL NEED

A. Expanded networks, faculty mentorship bolster female students in geoscience majors

To retain more undergraduate women in geoscience majors, a supportive network that includes faculty mentorship seems to be a key driver, according to a new study led by Colorado State University. The study, published in November in the journal *PLOS ONE*, is the first official result from an ongoing effort led by Emily Fischer, assistant professor of atmospheric science. Fischer

and colleagues from seven universities across the Front Range, Wyoming and the Carolinas are in the fourth year of a five-year, \$1.7 million National Science Foundation grant for a program called PROGRESS (PROmoting Geoscience Research, Education and Success). They are investigating how best to attract and retain women in traditionally male-dominated science fields, particularly earth and environmental sciences. About 150 women across the seven participating universities, including about 30 at CSU, are involved in PROGRESS. The program includes an introductory weekend workshop and pairing students with female mentors, typically graduate students or postdocs. Results show that a program like PROGRESS can expand a student's network of support by connecting them with people, particularly other women, they view as role models. The students are then more inclined to further expand those networks on their own, notably with faculty in earth and environmental sciences.

B. Forest resilience declines in face of wildfires, climate change

A new study, led by Colorado State University and released in December, on the resilience of Rocky Mountain forests found sobering results, including significant decreases in tree regeneration following wildfires in the early 21st century, a period markedly hotter and drier than the late 20th century. Researchers analyzed data from nearly 1,500 sites in five states — Colorado, Wyoming, Washington, Idaho, and Montana — and measured more than 63,000 seedlings after 52 wildfires that burned over the past three decades. The research team said their findings suggest it will take much longer after a wildfire for sites to return to forests, if they return at all. In one-third of the areas studied, researchers found no seedlings growing. The hardest-hit sites were the warmest and driest, and those where fires burned so severely that few trees survived to provide seed. One of the big surprises for the team was seeing the data for the average annual water deficit at study sites. Many forest managers want post-fire years to be cooler and wetter, to help with regeneration, and that's just not happening anymore, or happening very infrequently, said Camille Stevens-Rumann, assistant professor in the Department of Forest and Rangeland Stewardship at CSU.

C. Warmer, wetter climate could mean stronger, more intense storms

Extreme thunderstorms, or what atmospheric scientists call convective systems, will increase in frequency under a warmer climate scenario, according to Colorado State University researcher Kristen Rasmussen, an assistant professor of atmospheric science. This shift would be caused by fundamental changes in thermodynamic conditions of the atmosphere. Rasmussen is lead author on a new paper in *Climate Dynamics* that details high-resolution climate simulations across the continental United States. For the study, Rasmussen employed a powerful new dataset developed by the National Center for Atmospheric Research (NCAR) in Boulder, Colorado, where Rasmussen completed postdoctoral work before joining the CSU faculty in 2016.

D. CSU develops new approach for community resilience in the face of hazards

In a new study announced Jan. 5, Colorado State University civil engineer Hussam Mahmoud offers an innovative approach to defining resilience that could help communities better prepare for hazards. Integrating a community's infrastructural, social, and economic features, Mahmoud's team has created a dynamic mathematical model that quantifies, in space and time, how well a community would withstand a major shakeup – regardless of whether it's a natural disaster like a

flood, or a social disruption like the Arab Spring in 2011. Mahmoud and graduate student co-author Akshat Chulahwat describe their “hazard-agnostic,” finite element resilience model in the journal *Computer-Aided Civil and Infrastructure Engineering*. Mahmoud and Chulahwat’s work is built on the principle that a community – be it a town, city, or suburb – responds to a disaster very much like a swinging pendulum or vibrating violin string responds to a force. Among their observations was that a fast recovery is not necessarily best; if a community bounces back too quickly from a disruption, it can cause instabilities.

IV. RESEARCH AND DISCOVERY: IMPROVE DISCOVERY CAPABILITIES

A. AgingPLUS program at CSU expanding with \$2.7 million NIH grant

A CSU pilot program designed to get older adults exercising more has turned a few years of seed money into a \$2.7 million grant from the National Institutes of Health, CSU announced on Nov. 29. Manfred Diehl, a professor in the Department of Human Development and Family Studies, and a team of other researchers are testing a new approach on how to better motivate middle-aged and older adults to make physical activity a lasting part of their daily routine. AgingPLUS is a program that Diehl started as a pilot several years ago to provide participants with insights on how they can fit exercise into their daily life. Funding for the initial years of the project was provided by the Colorado Clinical and Translational Sciences Institute (\$25,000), the Colorado School of Public Health (\$20,000) and the Prevention Research Center in the College of Health and Human Sciences (\$30,000). The interdisciplinary research team for AgingPLUS includes researchers from multiple disciplines and universities, including Matthew Hickey and Kaigang Li in CSU’s Department of Health and Exercise Science. Hickey is overseeing the cardiorespiratory fitness assessments of study participants, while Li will assess physical activity using accelerometer technology.

B. Air pollution project harnesses the power of backyard science

A handful of motivated Fort Collins citizens are collecting cutting-edge scientific data from their backyards that may soon help NASA create maps of global air pollution. The volunteers are part of a network of citizen scientists for a Colorado State University-led project called CEAMS: Citizen-Enabled Aerosol Measurements for Satellites. The goal of CEAMS is to improve understanding of local air quality through dispersed, ground-based measurements. Data on this scale could eventually help NASA satellites provide higher-resolution air-quality data than is possible today. CEAMS leader John Volckens, CSU Energy Institute researcher and professor of mechanical engineering, said that to develop better algorithms to make the air-quality maps from satellite images more representative, researchers need more data on the ground. This project is designed to develop those datasets. The ongoing pilot phase of CEAMS is supported by a \$160,000 NASA grant. If successful, CEAMS may be eligible for a second round of funding, at which time they will deploy in several cities including Denver and Los Angeles. The pilot project also received a Colorado Office of Economic Development and International Trade grant, which provided critical support for early CEAMS sensor prototypes.

C. New grants bolster CSU expertise in wildfire smoke impacts

The study of smoke particles – their size, composition, dispersion and interaction with clouds and atmospheric processes – has a rich interdisciplinary history at Colorado State University. Now, Shantanu Jathar, assistant professor of mechanical engineering, and Jeff Pierce, associate professor of atmospheric science, are taking that foundational work many steps forward, thanks to support from a handful of grants. In 2017, the National Oceanic and Atmospheric Administration (NOAA) jointly awarded Jathar and Pierce about \$250,000 to study the complex, dynamic chemistry and microphysics of both primary and secondary organic aerosols from wildfire smoke. The three-year award will fund research into modeling how aerosols from fires in the West travel and react in the air. Their efforts will build on previously collected and future data from the Fire Influence on Regional and Global Environments Experiment (FIREX), a multi-institution, NOAA-funded effort to understand various aspects of wildfire science. In addition, the two scientists have received a nearly \$520,000 grant from the Department of Energy Office of Science (Atmospheric Science Research program) to study organic aerosols, including but not limited to those from wildfires. This work will focus on how the particles interact with clouds and climate, both regionally and globally.

D. Gift boosts animal-assisted therapy research and education at CSU

For nearly 25 years, the Human-Animal Bond in Colorado (HABIC) program in the Colorado State University School of Social Work has been providing animal-assisted therapy to those in need. A gift of more than \$1.6 million from the Avenir Foundation will grow the research and training arms of the program. The gift will fund a full-time director of the program responsible for fundraising and community outreach, as well as further enhance staffing by funding a faculty position, a post-doctoral fellow, and a graduate research associate dedicated to the program. The gift also will support the development of a Graduate Certificate in Human-Animal Interaction. HABIC currently has more than 150 volunteer human-animal teams who serve hundreds of people weekly at more than 40 schools and nonprofits in Colorado. The volunteer HABIC human-animal teams, made up primarily of dogs (and a couple of cats) and their owners, are HABIC-certified in animal-assisted therapy and work with professional therapists on a range of issues affecting people in many different settings.

E. Bringing chemistry HOME with \$1.1 million Sloan Foundation grant

An unprecedented scientific inquiry into the chemistry of the indoor environment is being launched by Colorado State University researchers. Delphine Farmer, associate professor of chemistry, is co-leading a two-year, \$1.1 million Sloan Foundation-backed project to examine various aspects of indoor air, surfaces, and microbes in a typical U.S. home. She'll be joined by multiple researchers in a multifaceted, four-week experiment, slated for June 2018, at a University of Texas at Austin testing facility that recreates a real home. The grant was awarded jointly to Farmer and Marina Vance, assistant professor of mechanical engineering at University of Colorado Boulder. Their primary goals are initiating community building and data infrastructure for the Sloan Foundation's Chemistry of Indoor Environments program. Their project is called HOMEChem, or House Observations of Microbial and Environmental Chemistry. Among Farmer's goals for the

project are developing new ways of sampling indoor air, as well as infrastructure and archiving protocols for the large amounts of data being collected.

V. SERVICE AND OUTREACH: PREPARE AND EMPOWER LEARNERS OUTSIDE THE CAMPUS ENVIRONMENT

A. School Leadership Institute at CSU to improve K-12 principal preparation

A group of Colorado State University faculty in the fall semester launched an institute to provide much-needed support to new K-12 principals and administrators. The organizers of the School Leadership Institute say the intent is to provide resources for new principals once they begin putting their skills to practice in their first leadership position. The partnership with the American Association of Colleges for Teacher Education kicked off Dec. 1-3 with a retreat at the YMCA of the Rockies in Estes Park for some recent graduates of CSU's School of Education who are in their first years as K-12 leaders. Donna Cooner, an education professor in CSU's Center for Educator Preparation, and Wendy Fothergill, an assistant professor in the school, are leading the effort with CSU education instructor Juliana Searle. They are connecting the study to The Wallace Foundation report "Improving University Principal Preparation Programs: Five Themes from the Field," which highlights recent research about the importance of a strong partnership between universities and districts; district leaders' views about the need to improve principal preparation programs in ways that reflect principals' real jobs; and how some university policies and practices can hinder change. The CSU team will present its findings at the AACTE's annual meeting, March 1-3 in Baltimore.

VII. RESOURCES AND SUPPORT: EXPAND FUNDRAISING

A. Support for Rams Against Hunger pours in on Giving Tuesday

Nearly 1,500 people donated \$73,290 to support Rams Against Hunger on Nov. 28, providing 10,470 meals for students in need. An additional \$46,974 was raised for other CSU funds, making for a historic day. CSU had hoped to raise enough to provide 7,142 meals. Rams Against Hunger was chosen as the featured fund in the Giving Tuesday campaign because 1 in 10 CSU students faces food insecurity. Rams Against Hunger provides meal cards for campus dining centers so students can depend on getting one good meal per day.

B. Major Gift Report

	December 2017		FY18 (July - December)		FY17 (July - December)	
	Amount	Count	Amount	Count	Amount	Count
Contributions	\$22,089,219	9,094	\$54,940,120	22,251	\$82,721,341	24,744
Irrevocable Planned Gifts	\$22,852	1	\$207,736	5	\$22,887,089	6
Revocable Gifts and Conditional Pledges	\$790,416	8	\$12,431,419	46	\$17,106,915	54

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Payments to Commitments Prior to Period	(\$4,015,987)	952	(\$9,802,840)	971	(\$14,237,696)	1,226
Total Philanthropic Support	\$18,886,500	8,599	\$57,776,435	21,918	\$108,477,649	24,267
Private Research	\$1,690,805	18	\$13,352,310	100	\$18,729,282	112
Net Private Support	\$20,577,305	8,616	\$71,128,745	22,002	\$127,206,932	24,367

Major Gifts – Not Previously Reported

\$3,995,235 gift to support the *C. Wayne McIlwraith Translational Medicine Institute*, College of Veterinary Medicine & Biomedical Sciences

\$2,000,000 gift to support the *Richardson Design Center*, College of Health and Human Sciences

\$1,890,000 pledge designated as \$1,050,000 to support the *Monfort Professors*, Other Areas, and \$840,000 to support the *Monfort Scholars - Annual*, Other Areas

\$1,000,000 pledge to support the *Richardson Design Center*, College of Health and Human Sciences

\$750,000 pledge to support the *Gordon and Joan Bishop Professorship Endowment*, Other Areas

\$640,000 gift to support the *Veterinary Teaching Hospital*, College of Veterinary Medicine & Biomedical Sciences

\$500,000 gift designated as \$450,000 to support the *Class of '73 Scholars*, Warner College of Natural Resources, and \$50,000 to support the *Partnership Initiatives*, Other Areas

\$982,000 in gifts designated as \$500,000 to support the *Lefty Van Dyke Cardiology Fellows*, and \$456,800 gift to support the *Lefty Van Dyke Endowment*, College of Veterinary Medicine & Biomedical Sciences

\$488,750 planned gift to support the *David W. Scott Memorial Scholarship Endowment*, College of Veterinary Medicine & Biomedical Sciences

\$482,000 gift to support the *SoGES - Research*, Research & Interdisciplinary Programs

\$423,646 gift to support the *Human Development and Family Studies - Community Outreach*, College of Health and Human Sciences

\$400,000 gift to support the *CVMBBS-Research Sponsored*, College of Veterinary Medicine & Biomedical Sciences

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\$400,000 revocable commitment to support the *Irvin Perline Professorship of Behavioral Neuroscience Endowment*, College of Natural Sciences

\$300,000 revocable commitment to support the *Tom and Marge Copenhaver Scholarship in Statistics Endowment*, College of Natural Sciences

\$250,000 gift to support the *Equine Orthopaedic Research*, College of Veterinary Medicine & Biomedical Sciences

\$250,000 revocable commitment to support the *David T. Siever Theatre Scholarship Endowment*, College of Liberal Arts

\$167,000 gift to support the *Jorgensen Laboratories, Inc. Chair in Clinical Sciences Endowment*, College of Veterinary Medicine & Biomedical Sciences

\$167,000 gift to support the *Jorgensen Laboratories, Inc. Chair in Clinical Sciences Endowment*, College of Veterinary Medicine & Biomedical Sciences

\$150,000 gift to support the *Equine Reproduction Laboratory (ERL)*, College of Veterinary Medicine & Biomedical Sciences

Revocable commitment to support the *Computer Science Graduate Student Professional Travel Endowment*, College of Natural Sciences

\$150,000 pledge to support the *Jacqueline R. Voss Native American Student Scholarship Endowment*, Student Affairs

\$129,061 gift to support the *Animal Cancer Center*, College of Veterinary Medicine & Biomedical Sciences

\$125,000 gift to support the *Models For Analyzing The Biology of Barrier Tissues Project*, College of Engineering

\$125,000 revocable commitment to support the *Fitz Brothers Land Conservation Fellowship Endowment*, Warner College of Natural Resources

\$125,000 gift to support the *Center for New Energy Economy-Program*, Research & Interdisciplinary Programs

\$107,500 gift to support the *Center for New Energy Economy-Program*, Research & Interdisciplinary Programs

\$101,000 gift to support *Construction Management*, College of Health and Human Sciences

\$121,469 in gifts to support the *Liniger Honor, Service & Commitment Scholarship*, Student Affairs

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\$100,000 gift to support the *Energy Institute*, Research & Interdisciplinary Programs

\$100,000 revocable commitment to support the *Laramie Foothills Bison Project*, College of Veterinary Medicine & Biomedical Sciences

\$100,000 gift to support the *Temple Grandin Project*, College of Agricultural Sciences

VIII. RESOURCES AND SUPPORT: NURTURING HUMAN CAPITAL

A. CSU extends contract of Director of Athletics Joe Parker through 2022

Citing continued and improving success by student athletes in both competition and in the classroom, as well as high staff morale and unprecedented revenue results, Colorado State University on Dec. 12 announced it has signed Joe Parker to a new five-year contract as Director of Athletics. CSU's student athlete graduation rate of 65 percent matches the university's overall graduation rate, and is three points higher than the average of athletes across the Mountain West Conference, and a full nine percentage points higher than the average graduation rate of all students in the MWC. CSU's impressive three-year winning percentage of 74.63 among the four revenue sports ranks third in the nation, surpassing storied programs including Stanford, North Carolina, Duke and Ohio State. Since 2015 the Rams have posted 250 wins and only 85 losses when combining results of football, volleyball, and men's and women's basketball. The Rams were represented in 10 NCAA postseason competitions in 2016-17, and 13 of the 16 CSU athletic programs wrapped up their year in postseason events. Parker oversaw the completion and opening of CSU's new 41,000-capacity on-campus stadium. Its financial performance has exceeded even the most optimistic revenue projections.

IX. RESOURCES AND SUPPORT: INCREASING AWARENESS

A. 795 smiles: CSU's first Toys for Tots campaign a huge success

The CSU community donated 795 toys in the inaugural campus Toys for Tots campaign. Led by first-year CSU employee Janet Mabon, volunteers collected the toys before Christmas from 31 campus sites. The toys were then given to Larimer County Toys for Tots, with an assist from Santa Cops, for distribution to area kids in foster homes and safe houses. CSU's Facilities Management donated a collection truck and gas to gather the toys, and Chad Alexander from the CSU Veterinary Teaching Hospital's Facilities team drove the truck and helped gather toys.

Income Statement Pro Forma as of December 2018 - Colorado State University All Purpose On-Campus Stadium

	FY 16 Hughes	FY 17 Hughes	FY18 Forecast
Revenues			
1 Premium Seat Donations	\$ -	\$ -	\$ 3,441,300
2 Priority Seat Donations	2,339,759	2,541,068	1,139,289
3 Tickets and Parking	3,705,625	3,632,874	5,206,438
4 Advertising/Sponsorship	2,596,024	3,509,256	3,200,000
5 Naming Rights	-	-	1,060,167
6 Hughes Base Budget Reallocation	-	-	610,000
7 Miscellaneous Revenue	315,942	306,417	884,037
8 Total Revenue	\$ 8,957,350	\$ 9,989,615	\$ 15,541,231
Expenses			
10 Salaries and Benefits	\$ -	\$ -	\$ 157,108
11 Supplies	-	-	40,812
12 General Operating Services	-	-	50,000
13 Professional Services	-	-	105,093
14 Repairs & Maintenance	-	-	271,225
15 Utilities	-	-	428,018
16 Game-Day Expenses	1,000,089	854,707	1,325,858
17 Total Expenses	\$ 1,000,089	\$ 854,707	\$ 2,378,114
18 Net Income	\$ 7,957,261	\$ 9,134,908	\$ 13,163,117

CSL Feasibility Study Low Case 2012							
		CSL FY18	FY18 Forecast	\$ Variance CSL vs. Forecast	% Variance CSL vs. Forecast		
Revenues							
19 Premium Seat Donations		\$ 1,846,000	\$ 3,441,300	\$ 1,595,300	86%		
20 Priority Seat Donations		1,876,000	1,139,289	(736,711)	(39%)		
21 Tickets and Parking		4,678,000	5,206,438	528,438	11%		
22 Advertising/Sponsorship		1,616,162	3,200,000	1,583,838	98%		
23 Naming Rights		400,000	1,060,167	660,167	165%		
24 Hughes Base Budget Reallocation		-	610,000	610,000	100%		
25 Miscellaneous Revenue		982,319	884,037	(98,282)	(10%)		
26 Total Revenue		\$ 11,398,481	\$ 15,541,231	\$ 4,142,750	36%		
Expenses							
27 Salaries and Benefits		\$ 200,000	\$ 157,108	\$ 42,892	21%		
28 Supplies		15,000	40,812	(25,812)	(172%)		
29 General Operating Services		35,000	50,000	(15,000)	(43%)		
30 Professional Services		75,000	105,093	(30,093)	(40%)		
31 Repairs & Maintenance		200,000	271,225	(71,225)	(36%)		
32 Utilities		400,000	428,018	(28,018)	(7%)		
33 Game-Day Expenses		480,000	1,325,858	(845,858)	(176%)		
34 Total Expenses		\$ 1,405,000	\$ 2,378,114	(973,114)	(69%)		
35 CSL Net Income		\$ 9,993,481	\$ 13,163,117	\$ 3,169,636	32%		

Projected Net Income Variance Versus CSL Feasibility Low Case (Line 18-Line 34)							
36						\$ 3,169,636	

Projected Bond Debt Service Coverage							
				FY18 Forecast			
37 Net Income from Line 18	\$ 7,957,261	\$ 9,134,908		\$ 13,163,117			
38 Contribution to Athletics from CSL Model	3,645,974	3,645,974		3,645,974			
39 Bond Payments	-	-		4,200,000			
40 Surplus(Shortfall)	\$ 4,311,287	\$ 5,488,934		\$ 5,317,143			
41 Stadium Donations from CSUF as needed	-	-		-			
42 Net	\$ 4,311,287	\$ 5,488,934		\$ 5,317,143			
43 Add'l Allocation to Athletics' Ops	4,311,287	5,488,934		-			
44 Allocation to Other Operations	-	-		-			
45 Net Annual Stadium Reserve	\$ -	\$ -		\$ 5,317,143			
46 Cumulative Stadium Reserve	\$ -	\$ -		\$ 5,317,143			

Philanthropic Coverage							
				FY18 Forecast			
48 Prior FYE stadium capital cash				\$ 8,360,737			
49 Current FY stadium capital pledge payments less naming rights				944,088			
50 Use of stadium gifts to repay bonds (= line 49)				-			
51 Net Stadium Cash gift available to service bonds at FYE		\$ 8,360,737		\$ 9,304,825			

**Colorado State University
Multi-Purpose Stadium
Variance Analysis
CSL Low Case vs. FY 2018 Forecast
February 2018
Page 1 of 2**

	CSL Feasibility Study Low Case 2012			
	Revenues	FY 18 Forecast \$ Variance vs CSL Low Case	FY 18 Forecast % Variance vs CSL Low Case	Comments
19	Premium Seat Donations	\$1,595,300	86%	Premium seat inventory (suites, indoor club, loge, stadium club) was greater than original CSL model and was fully sold out by October 2016; these are multiyear commitments
20	Priority Seat Donations	(736,713)	(39%)	Actual construction created more premium inventory with reduction of some priority inventory compared to CSL model; priority seating was also sold out
21	Tickets and Parking	528,438	11%	Increased season ticket, miniplan and single game sales drove higher revenue results
22	Advertising/Sponsorship	1,583,838	98%	Athletics entered into a new contract with Learfield after the CSL study with higher guaranteed revenue
23	Naming Rights	660,167	165%	Successful naming rights commitments for OCR Field Club, NBB Porch and Sonny Lubick Field (anonymous)
24	Hughes Base Budget Reallocation	610,000	100%	University budget for Hughes transferred to Multi-Purpose Stadium
25	Miscellaneous Revenue	(98,282)	(10%)	Estimate on misc revenue largely driven by concessions and nongame day rentals
26	Total Revenue	\$4,142,747	36%	

Colorado State University
Multi-Purpose Stadium
Variance Analysis
CSL Low Case vs. FY 2018 Forecast
February 2018
Page 2 of 2

	Expenses	FYE Forecast \$ Variance vs CSL Low Case	FYE Forecast % Variance vs CSL Low Case	Comments
27	Salaries and Benefits	\$42,892	21%	CSL budgeted for an additional FTE that has not yet been hired
28	Supplies	(25,812)	(172%)	Higher level of expenditures is due to higher level of overall activity/services relating to the Stadium.
29	General Operating Services	(15,000)	(43%)	Higher level of expenditures is due to higher level of overall activity/services relating to the Stadium.
30	Professional Services	(30,093)	(40%)	Higher level of expenditures is due to higher level of overall activity/services relating to the Stadium.
31	Repairs & Maintenance	(71,225)	(36%)	Higher level of expenditures is due to higher level of overall activity/services relating to the Stadium.
32	Utilities	(28,018)	(7%)	Utilities costs higher than anticipated; some of this cost reflects ongoing construction into fall impacting utility costs; Athletics and FM are working to control; e.g., electricity cost reduced by 50%/month after August
33	Game-Day Expenses	(845,858)	(176%)	With this being the initial season, we incurred additional costs over those projected by CSL to ensure an exceptional fan experience. Costs included items such as additional security, bus transportation, custodial services, etc.
34	Total Expenses	(\$973,113)	(69%)	
35	CSL Net Income	\$3,169,634	32%	

Board of Governors of the Colorado State University System
 Meeting Date: February 7-9, 2018
 Report Item

MATTERS FOR ACTION:

CSU: Delegable Personnel Actions

No action required. Report only.

EXPLANATION:

Presented by Tony Frank, President

At its August 3, 2012 meeting, the Board approved a resolution to expand the delegated and redelegable authority to the institutional Presidents to include approval, in accordance with Board-approved institutional policies: 1) sabbatical leaves and revisions to them; 2) emeritus faculty appointments; and 3) all requests for Leave without Pay, with periodic reports to the Board.

<u>LEAVE OF ABSENCE</u>			
NAME	DEPARTMENT	FROM	TO
Allen, Jenna	Library	09/19/17	09/29/17
Andrews, Nancy	Constituent and Gift Information	11/10/17	11/10/17
Andrews, Nancy	Constituent and Gift Information	11/13/17	11/13/17
Antonelli, Lara	Health Network Medical	11/20/17	11/24/17
Antonelli, Lara	Health Network Medical	12/18/17	12/29/17
Bontadelli, Johnna	Health Network Medical	10/12/17	10/13/17
Bowden, Helen	Health Network Counseling	10/25/17	10/31/17
Bowden, Helen	Health Network Counseling	11/01/17	11/17/17
Bowden, Helen	Health Network Counseling	11/11/17	11/29/17
Brand, Jamie	CEMML	11/01/17	Unknown
Buxton, Rachel	Wildlife & Conservation Biology	Unknown	Unknown
Clark, Marcy	Health Network Counseling	11/20/17	11/20/17
Czaja, Michael	Vice President for Research	11/01/17	02/28/17
DeLaTorre, Alyssa	Health Network Counseling	11/27/17	11/29/17
Demers, Dorothy	Health Network Counseling	11/01/17	11/30/17
Demers, Dorothy	Health Network Counseling	12/01/17	12/29/17
Dickason, Karen	Health Network Counseling	11/20/17	11/24/17
Dickason, Karen	Health Network Counseling	12/19/17	12/20/17
Elffner, Terri	Health Network Medical	11/01/17	11/30/17
Elffner, Terri	Health Network Medical	12/01/17	12/28/17
Farinas, Janina	Human Development and Family Studies	10/12/17	10/16/17
Fox, Erin	Information Systems	11/20/17	12/29/17
Fox, Erin	Information Systems	01/22/18	01/26/18
Frankhouse, Kari	Microbio, Immunology, & Pathology	11/15/17	11/17/17

Board of Governors of the Colorado State University System
Meeting Date: February 7-9, 2018
Report Item

<u>LEAVE OF ABSENCE</u>			
NAME	DEPARTMENT	FROM	TO
Gerlitzki, Elizabeth	Health Network Medical	11/20/17	11/24/17
Gerlitzki, Elizabeth	Health Network Medical	12/18/17	12/29/17
Held, Marie	CEMML	11/27/17	Unknown
Hoinig, Mark	Health Network Medical	11/03/17	11/28/17
Hoinig, Mark	Health Network Medical	12/01/17	12/29/17
Hopkins, John	Finance and Real Estate	11/28/17	Unknown
Hopkins, John	Finance and Real Estate	12/01/17	12/29/17
Jeffryes, Melissa	Health Network Counseling	12/29/17	12/29/17
Jorgensen, Sarah	Health Network Medical	11/20/17	11/24/17
Lopez, Jaclyn	EFNEP	11/02/17	11/26/17
Lucas, Rachel	Health Network Counseling	12/22/17	12/28/17
Lyons, Jessica	Conference & Event Services	11/28/17	Unknown
Mann, Bruce	Student Leadership/ Inv & Comm Engagement	11/02/17	11/23/17
Matthews, Jon	Health Network Medical	11/01/17	11/01/17
Matthews, Jon	Health Network Medical	11/08/17	11/08/17
Matthews, Jon	Health Network Medical	11/22/17	11/22/17
Matthews, Jon	Health Network Medical	11/29/17	11/29/17
Matthews, Jon	Health Network Medical	12/06/17	12/06/17
Matthews, Jon	Health Network Medical	12/13/17	12/13/17
Matthews, Jon	Health Network Medical	12/27/17	12/27/17
Mellon, April	Health Network Medical	10/25/17	10/25/17
Metz, Lisa	Walter Scott Jr. College of Engineering	09/01/17	09/01/17
Metz, Lisa	Walter Scott Jr. College of Engineering	09/04/17	09/08/17
Metz, Lisa	Walter Scott Jr. College of Engineering	09/13/17	09/13/17
Miller, Lisa	Health Network Counseling	11/21/17	11/30/17
Miller, Lisa	Health Network Counseling	12/01/17	12/29/17
Morse, Emily	Health Network Medical	11/20/17	11/22/17
Morse, Emily	Health Network Medical	12/18/17	12/21/17
Nelson, Rachel	Health Network Medical	11/20/17	11/22/17
Nelson, Raechel	Health Network Medical	12/18/17	12/29/17
Orswell, Forrest	Student Legal Services	10/06/17	10/06/17
Orswell, Forrest	Student Legal Services	10/24/17	10/24/17
Orswell, Forrest	Student Legal Services	11/13/17	11/13/17

Board of Governors of the Colorado State University System

Meeting Date: February 7-9, 2018

Report Item

<u>LEAVE OF ABSENCE</u>			
NAME	DEPARTMENT	FROM	TO
Reiger, Ray	CEMML	10/30/17	10/30/17
Ross, Abigail	Health Network Medical	11/13/17	11/13/17
Ross, Abigail	Health Network Medical	11/15/17	11/15/17
Ross, Abigail	Health Network Medical	11/13/17	11/13/17
Ross, Abigail	Health Network Medical	12/22/17	12/22/17
Schwartzkopf, Joel	Health Network Medical	12/20/17	12/20/17
Schwartzkopf, Joel	Health Network Medical	12/28/17	12/28/17
Sharkey, Moira	University Development	12/29/17	02/19/18
Shulman, Lauren	Residence Life	09/27/17	09/29/17
Stanley, Mariann	Health Network Counseling	11/20/17	11/24/17
Stanley, Mariann	Health Network Counseling	12/08/17	12/29/17
Strong, Kathleen	Health Network Counseling	11/22/17	11/22/17
Strong, Kathleen	Health Network Counseling	12/22/17	12/22/17
Strong, Kathleen	Health Network Counseling	12/28/17	12/29/17
Therkelsen, Chase	Health Network Medical	12/11/17	12/29/17
Valez, Marielys	CEMML	12/29/17	Unknown
Vanderpool, Kimberly	Biomedical Sciences	11/01/17	04/30/17
Vesty, Jill	Health Network Medical	11/20/17	11/24/17
Vesty, Jill	Health Network Medical	12/18/17	12/29/17
Whitesell, Julie	Health Network Medical	11/20/17	11/24/17
Whitesell, Julie	Health Network Medical	12/19/17	12/20/17
Whitesell, Julie	Health Network Medical	12/28/17	12/28/17
Wieghaus, Marianne	HDS Administration	08/31/17	Unknown
Williams, Shaun	CEMML	11/01/16	11/16/17

Section 11

CSU-Global Campus Reports

- CSU-Global Campus Student Representative's Report
- CSU-Global Campus Faculty Representative's Report
- CSU-Global Campus President's Report

Board of Governors of the
Colorado State University System
February 7-8, 2018
CSU-Global Student Representative's Report

The university experience as a non-traditional student.

In each of my board reports, I have shared some of my personal experience as a student at CSU-Global. This month is no exception. You are aware from previous reports of the challenges non-traditional students face and the ways that CSU-Global addresses those challenges. Since I am writing this report while on international assignment, I felt it was fitting to share my experience taking classes while traveling. This month's report comes to you from Sofia, Bulgaria.

As I complete the final days of a multiple week assignment in Sofia, I am proud to be part of a university that serves the needs and schedules of non-traditional students. Even though I am nine hours ahead of my normal time zone, I am still able to complete my coursework and collaborate with a group of learners around the world. All that I need is an internet connection and a device. For example, I was able to catch up on the weekly discussion in my course using a smartphone during a five hour layover in the Munich airport.

CSU-Global Campus also allows students the flexibility to complete assignments ahead of time when necessary. For example, I could have submitted my portfolio project prior to traveling for my international assignment. I attempted to use the one week break from class over the holiday to work ahead in the class. While I accomplished much in that one week break, I still needed more time to complete the portfolio project. Even though I was thousands of miles from home, I was able to complete my research, write, revise, and submit my portfolio project during the final week of the course.

Immediately afterwards, I began my next class. This class will be the final class in my pursuit of a Bachelor's degree. There was no need to reschedule the course for my travel plans, so my graduation date did not change. Thanks to CSU-Global's online format, I am able to continue my course work even while traveling. A fellow student in Germany is accessing and posting to the

course during the same times of day that I am active. Each evening after work I can catch up with other students from the United States. When I return home at the end of the week, my schedule may change, but I am still on track to complete my degree program.

Sincerely,



Keith Andrew Knies
Student Representative
Colorado State University-Global Campus

Best Online Bachelor's Degrees

CSU-Global was recently ranked #9 by U.S. News and World Report among the Best Online Bachelor's Degrees. CSU-Global was also ranked for its graduate degrees in criminal justice, education, and business. Today, non-traditional students have many choices for online degrees. However, not all degree programs are created or respected equally. Like many other non-traditional students, I want to know that the credential I earn will be valued equally by prospective employers when compared to a credential from a traditional degree program. There have been many concerns about online for-profit universities, and this caused me concern about which university I would choose. The U.S. News and World Report ranking helps distinguish CSU-Global as one of the best choices for an online bachelor's degree. With a ranking among the top ten, competitive tuition, and membership in a well-respected state university system, CSU-Global was an obvious choice for me.

Toward the Future

CSU-Global is on course to surpass 20,000 students by February 2018. While the university is growing, I still experience the same small class sizes, which range from six to 24 students per class. I feel like I am receiving the same personal attention that I did when I began taking classes two and a half years ago. There is always a professor available who is knowledgeable, credible, and skilled in facilitating online courses. I have never experienced a slowdown in accessing course content or library resources, despite this growth in enrollment. From my perspective, this is a testament to the scalability of the CSU-Global business model and processes.

CSU-Global courses are increasingly encouraging students to use video and audio in their weekly discussion posts. At the last meeting, we discussed the strength in writing outcomes among CSU-Global students. The video and audio options for assignments encourage students to develop and use other communication skills that are also needed in today's workplace.

The course interface has been updated to be more mobile friendly. Menus, buttons, and other interactions in the courses are now larger, making them easier to navigate on a device like a

smartphone or tablet. Students are increasingly using devices in addition to computers to access course content. This also suits the preferred method for the millennial generation that I am seeing in increasing numbers in my courses.

As students work through the weekly instructional materials in the Interactive Lecture, the course now indicates the percentage complete. This is helpful to the non-traditional student because the progress indicator can encourage them by showing what they have accomplished or remind them of what is left to be completed for the week.

Enlightening Talks

CSU-Global is now offering a series of monthly webinars featuring speakers from diverse career fields who share their experience and discuss current industry and career-related topics. Speakers present for approximately 30 minutes, followed by a 30 minute question and answer session. These Enlightening Talks are available to CSU-Global students and alumni. CSU and CSU Pueblo students also have access to this programming through the Passport program.

Recent Enlightening Talks include:

- Coach Bruce Ryles presenting “Character in Leadership: The Key to Longevity across the Organizations”
- Kim Avila, CPA and Manager of Internal Auditing at Liberty Media Corporation, presenting “Using Statistical Sampling & Reliability in the Workplace”

Professional Organizations

Membership and participation in professional organizations is an important way for students to stay abreast of changes in their field and to build a professional network. CSU-Global has partnered with the Society for Human Resource Management to offer students access to the study materials and exam for the SHRM-Certified Professional (SHRM-CP) or SHRM-Senior Certified Professional (SHRM-SCP) certification at a greatly reduced price. I am taking advantage of this program and I will focus on certification after my degree is complete in March.

For me and other students, this is another way that CSU-Global helps non-traditional students by preparing them with skills needed in today's workplace. The program is administered by Dr. Tony Vrba, your CSU-Global faculty representative to the Colorado State University System Board of Governors.

CSU-Global School Store

Using input from a recent student survey, the CSU-Global School Store underwent a makeover. The new store features an attractive and friendly user interface. As one of the three separate campuses in the Colorado State University System, CSU-Global has its own school colors and mascot. The CSU-Global School Store offers apparel and accessories featuring the CSU-Global logo and Goldy, the CSU-Global mascot.

Board of Governors of the Colorado State University System
Meeting Date: February 7-8 2018

MATTERS FOR ACTION:

Report Item. No action necessary.

EXPLANATION:

Presented by Tony Vrba, Ph.D., Faculty Representative from CSU-Global

Report to the Board of Governors that provides an overview of the CSU-Global's faculty and focus on innovation.

Faculty Center for Teaching Excellence

We are excited to announce that all faculty are now enrolled in our new Center for Teaching Excellence. The Center was created to foster innovation and excellence and inspire faculty to provide the most outstanding educational experience for students. Additionally, the Faculty Center for Teaching Excellence is located right in Schoology – our online portal, to enable faculty to easily locate forms and other information you may need including:

- Instructional Resources, How-to Videos, Frequently Asked Questions (FAQs), Technology Tutorials, and Best Practices
- Research and Professional Development Funding and Application Information
- FCC Course Schedule and Reservation Information
- A Faculty Discussion Forum, Faculty Announcements (current and archived), University and program meeting links and archives
- Consolidated links and login information for University systems and access points, contact information for program and university points of contact, Opportunities, HR, Payroll, Student Evaluations and more!
- University Strategic Plans and Initiatives, CSU-Global 2.0
- Task Force Updates (Innovation, Rubric, Pilot programs)

All Faculty Meeting January 11, 2018

Almost 200 faculty attended the hour long virtual meeting

- TIAA 403B Retirement Plan overview offered to all part-time faculty
- IR –added enhancements to end of course surveys and student comments
- Updates from each school on innovations, including
 - Gamelearn pilot in the Criminal Justice Program
 - Muzzylane being piloted in Organizational Leadership

Accreditation Efforts Ongoing

- Submitting QAR for ACBSP to review current programs

Board of Governors of the
 Colorado State University System
 February 7-9, 2018
 President's Report Item



CSU System Goals: Expand Statewide Presence

CSU-Global Transformation Plan Goal: Develop Innovative Stakeholder Engagement

- The Enrollment Department is focused on quality in its initial interactions with students. During the second quarter of FY18, the team increased its average quality assurance score by 15% on initial introductory calls. The Enrollment Team enrolled 3,963 students in the first half of the fiscal year.
- CSU-Global's academic department launched its third session of Enlightening Talks, with the January event focused on organization leadership. The Talks feature a virtual guest speaker and provide information on industry trends and career pathways. These events are intended for the CSU-Global family of students, alumni, faculty and staff as well as those in the CSU System Passport Program and prospective students.
- CSU-Global was selected by Colorado Business Roundtable (COBRT) as the winner for the Collaboration in Industry Award in the Education & Workforce category. COBRT's Collaboration in Industry Awards recognize Colorado businesses and organizations that have shown outstanding leadership in collaboration and partnership and by doing so has made the state's business ecosystem stronger. CSU-Global currently has over 500 business and post-secondary institution partnerships; is engaged with CareerWise, Colorado's apprenticeship program; and has been an active participant in activities led by the CO Workforce Development Council.
- This fall the university launched its Dinner with Alumni program. CSU-Global alumni volunteers host a dinner with 4-5 students in order to provide career mentoring and help students build relationships with their peers. In the past two months alumni have hosted three dinners. Two gatherings were in Colorado and one took place in Alaska to help build a community for CSU-Global's military members living there.

CSU System Strategic Goals: Student Success and Satisfaction

CSU-Global Transformation Plan Goal: Utilize Evidence-based Practices

- CSU-Global's Bachelor of Science in Project Management and Master of Project Management programs were accredited by Project Management Institute Global Accreditation Center for Project Management Education Programs (GAC).

- A biannual library survey indicates a nearly 5% increase in student, instructional designer, and faculty satisfaction with library resources and services.
- Delta Mu Delta, a business honor society that recognizes and encourages academic excellence of students at qualifying universities awarded two scholarships to active CSU-Global students for the winter trimester.
- Increased library resources, targeted marketing to faculty, and standards for course development have resulted in a 461% increase in streaming media usage directly from library subscription databases.
- In December the Student Experience department launched the CSU-Global Way, a set of three principles that will allow staff and faculty to operate with a high level of consistency throughout the student experience. Initial training has taken place and continued reinforcement and integration of these principles into processes and service evaluation will continue in the coming months.

CSU System Goals: Transform Colorado's Future**CSU-Global Transformation Plan Goal: Sharing for Global Good**

- CSU-Global participated in a panel presentation at New York EdTech Week. The panel explored the role and significance of adult students in higher education. In addition, the university presented at the UPCEA Marketing and Enrollment Management Seminar where its website received an award for higher education excellence.
- CSU-Global co-sponsored the New Year / New You event with Denver 7 News. The event is intended to provide Coloradans with the tools they need to help keep their New Year's resolutions and put their best foot forward in 2018.
- CSU-Global was ranked #9 in the nation for Best Online Bachelor's Degree programs in the 2018 U.S. News & World Report rankings. The university's Master of Criminal Justice and Law Enforcement Administration was ranked #13 among criminal justice programs and additional rankings were received for CSU-Global's graduate business (non-MBA) and education programs.

Section 12

Consent Agenda

- Colorado State University System
 - Minutes of the November 30- December 1, 2017 Board and Committee Meetings
- Colorado State University
 - New Degree Programs
 - B.S. Major in Geography
 - Faculty Manual Changes
 - Appendix 7

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM MEETING
Colorado State University System, Denver, Colorado
November 30, 2017**

CALL TO ORDER

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

ROLL

Governors present: Nancy Tuor, Vice Chair; Scott Johnson, Secretary; Jane Robbe Rhodes, Treasurer; Dennis Flores; Mark Gustafson; Kim Jordan; William Mosher; Dean Singleton; Jake Harmon, Student Representative, CSU-Pueblo; Keith Knies, Student Representative, CSU-Global Campus; Margarita Lenk, Faculty Representative, CSU; David Volk, Faculty Representative, CSU-Pueblo; Tony Vrba, Faculty Representative, CSU-Global Campus; Michael Wells, Student Representative, CSU

Administrators present: Tony Frank, Chancellor, CSU System, and President, CSU; Amy Parsons, Executive Vice Chancellor, CSU System; Timothy Mottet, President, CSU-Pueblo; Becky Takeda-Tinker, President, CSU-Global Campus; Jason Johnson, General Counsel, 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; Susy Serrano, Director of Internal Auditing, CSU System

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

Guests present: Jon Bellum, Provost and Executive Vice President, CSU-Global Campus; Brian Braido, Manager of Technology Services, CSU-Global Campus; Helen Caprioglio, Assistant Provost, CSU-Pueblo; Johnna Doyle, Deputy General Counsel, CSU-Pueblo; Karen Ferguson, Vice Provost, CSU-Global Campus; Mark Gill, Chief of Staff, CSU; Kathleen Henry, President/CEO, CSURF; Margaret Henry, Treasurer, CSU System; Christin Holliday, Vice President, Enrollment Management and Student Affairs, CSU-Pueblo; Mike Hooker, Director, Public Relations, CSU; Blanche Hughes, Vice President of Student Affairs, CSU; Nancy Hurt, Managing Director, REO, CSURF; Darlene Jaffke, Chair, Innovation Task Force, CSU-Global Campus; Laura Jensen, Associate Provost for Planning and Effectiveness, CSU; Rick Kreminski, Provost and Executive Vice President for Academic Affairs, CSU-Pueblo; Cheryl Lovell, CSU System; Tom Milligan, Vice President for External Relations, CSU; Karl Spiecker, Vice President for Finance and Administration, CSU-Pueblo; Jason Warr, Associate Vice President of Finance and Compliance, CSU-Global Campus

PUBLIC COMMENT

Vice Chair Tuor convened the meeting and confirmed no one had signed in for public comment.

BOARD CHAIR'S AGENDA

Vice Chair Tuor reported Chair Munn would not be in attendance and then reviewed the meeting agenda.

AUDIT AND FINANCE COMMITTEE

Committee Chair Robbe Rhodes convened the committee meeting and asked Ms. Serrano for her report.

Status of FY18 Audit Plan: Ms. Serrano reviewed the audits currently in progress that include the CSU Disaster Preparedness IT Operations; the CSU-Pueblo Center for International Programs; the CSU Data Security & Advancement; and the CSU Veterinary Teaching Hospital. The next step in the Internal Audit quality assurance review is to compile the results and have an external validator verify the report. A special conflict of interest review at CSU-Global Campus has been initiated; the CSU audit of automatic journal entries is on hold until the main point of contact returns from an extended leave; and the CSU continuous auditing special project is currently ongoing with Athletics, Sponsored Programs and Procurement. The Internal Audit Department is now fully staffed with two new auditors.

Past Due Audit Recommendations: There are currently four past due recommendations at CSU and one at CSU-Pueblo. Progress towards implementation is satisfactory and there are currently no concerns.

Governor's FY19 Budget Request: Ms. Johnson reported the passage of SB 17-267 resulted in the removal of the hospital provider fee from the TABOR cap and has allowed for more resources in the state budget. The Governor's proposed budget includes a 3% salary increase for state classified employees and an approximate \$87 million increase for higher education funding with a 3% cap for tuition increases. Significant changes to PERA calculations based on life expectancy, inflation and the rate of return will result in a larger unfunded liability which will impact state agencies and Standard & Poor's recently issued a negative outlook for the state's rating. Various recommendations for the PERA liability have been suggested and legislation is expected in the coming session to address the matter.

The Governor's capital construction prioritized list of projects includes the CSU Water Resource Center and the NWC land acquisition to be funded through certificates of participation (COPs). The list also includes recommendations for controlled maintenance, IT capital projects and other capital construction of which there are three other CSU and one CSU-Pueblo projects.

FY19 Campus Budget Updates

Colorado State University: Ms. Johnson recalled that the draft budget presented in October had six different scenarios and the draft has been updated based on potential additional state funding with the 3% tuition increase cap. Another modification is inclusion of additional resources relative to the proposed improvements for the Agricultural Experiment Stations and Agricultural Extension that will be discussed in the Real Estate/Facilities Committee meeting. The faculty and staff compensation total has been adjusted to 3% for all employee classifications with the caveat that resources may be allocated differently relative to the living wage initiative for the lowest paid employees and the administrative professional compensation study that is currently in the process of being completed. Other adjustments from the previous draft budget include allocations for quality enhancements and multi-year strategic initiatives. Suggestions were made to include additional scenarios and benchmarks from the prior year budgeting process.

CSU-Pueblo: Mr. Spiecker explained the draft budget is modeled with a 3% tuition increase across all categories and there will be ongoing transfers from the Extended Studies cash fund balance as a revenue source to sustain the E&G fund balance. The university did not meet the fall enrollment target and necessary base adjustments in the FY18 budget are projected in the \$700,000 to \$1.1 million range, depending on the spring enrollment that is currently tracking positively. Discussions are ongoing to utilize the 3% salary increase allocation in the draft budget for COLA, merit and equity adjustments. There is also a 1% placeholder for potential fringe benefit adjustments for PERA contributions.

Responding to a question, Dr. Frank and Ms. Johnson explained the internal formula utilized by the CSU System to distribute the state funding and fees for service (COF) to CSU and CSU-Pueblo. In conjunction

with the implementation of the State Funding Formula, the State segregated the funding for the CSU Agencies (CSU Forest Service, the PVM program and the Extension and Agricultural Experiment Stations) along with CU's Medical Campus into a separate source under Specialty Education Programs (SEP). Adjustments have been made during the past three years to provide additional resources to CSU-Pueblo to support their financial sustainability plan approved by the Board.

CSU-Global Campus: Ms. Johnson reported there were no adjustments from the previous meeting for draft FY19 E&G budget.

Approval of CSU Graduate Program Differential Tuition: The action item pertains to an adjustment of the previously approved graduate tuition differential for the Masters of Addiction Counseling and other minor adjustments for coding and naming conventions. **Motion/Action:** Vice Chair Tuor moved to approve; Governor Flores seconded; and the motion carried unanimously.

FY18 First Quarter Financial Statements: Ms. Johnson explained the report includes a consolidated CSU System (CSUS) statement as well as individual campus and CSUS statements. She described the layout and formatting adjustments that have been made to include both percentage and dollar variances with actual results for FY17. There are no significant variances at the consolidated level. Based on the fall 2017 student tuition and fees, there is a modest increase at CSU netted against a negative variance at CSU-Pueblo and an expectation of a slight shift downwards for CSU-Global Campus. Dr. Takeda-Tinker remarked on how resources and expenditures are being monitored to ensure there is no impact on student engagement.

FY17 Draft CSUS Financial Statements: Ms. Johnson indicated that, due to timing, a draft of the audited financial statements was being presented to the Board prior to the mandatory review and approval of the report by the Legislative Audit Committee in early December which must occur before formal release of the audit report. The BKD auditor will present the official report at the February Board meeting that will include the OMB circular compliance report. There is an unqualified clean opinion; a \$54 million improvement in unrestricted net assets after adjustments for GASB 68; and a \$168 million increase in the unfunded liability for the CSUS related to PERA. Due to materiality, the three foundations and postemployment benefits trusts are presented as discrete entities.

CSUS Board Reserves Report: Ms. Johnson reviewed the Board reserve reconciliation report that outlines the distribution from the previous year and the initiatives in the requested distribution for the current year. She then reviewed the actual reserves calculation report with adjustments for GASB 68; the Maximum Available Unrestricted Net Assets (MAUNA); the primary reserve calculations for the campuses; the retention of institutional reserves; and the calculation for E&G Board reserves available for deployment. CFI calculations are made for each campus to ensure accreditation compliance of financial sustainability of each institution.

Dr. Frank commented on how the Board reserves policy delineates acceptable uses of the funds. There will be an opportunity at the upcoming June retreat to discuss balancing adequate reserves with opportunities to best serve students. Dr. Mottet expressed appreciation to the Board for the \$2.9 million of support for CSU-Pueblo and remarked that the institution is working hard to right-size the institution. **Motion/ Action:** Governor Flores moved to approve the withdrawal from the Board reserves. Governor Gustafson seconded and the motion carried unanimously.

CSURF Capital Lease Renewal: Ms. Johnson explained the action item is an annual renewal of the \$1 million line of credit that CSURF manages on behalf of the CSUS. Items financed through the line of credit are individual acquisitions by the campuses in the amount of \$50,000 or less. Currently there are four different leases totaling \$150,000. **Motion/Action:** Vice Chair Tuor made the motion; Governor

Jordan seconded; and the motion carried unanimously. Ms. Johnson noted that CSURF also assists with a municipal leasing program on behalf of the CSUS. Previously the Board decided that the cap for this mechanism is one-third of 1% of revenues which is calculated annually. The cap is currently \$4.4 million; the amount of annual lease payments for this particular leasing mechanism currently approximates \$2.5 million which is part of the debt portfolio.

National Western Center (NWC) COP Site Lease and Sub-lease Approval: Ms. Henry reported the financing for the NWC projects is being initiated through the State Treasurer's Office by execution of the COPs as lease purchase agreements authorized through HB 15-1334. The COPs are a financing mechanism utilized by the state that are structured as lease payments, not principal and interest or bonds. The COP "lease payments" are subject to annual appropriation by the state, and therefore do not constitute a multi-year fiscal obligation.

The first issuance in the amount of \$50 million in the Series 2017 COPs will be used to fund a portion of the Equine Veterinary Teaching Hospital, the Translational Medicine Institute and the Health Education Outreach Center, all projects on the CSU campus. The resolution authorizes CSU to enter into a site lease and sublease mechanism wherein the state will lease the property from the investors and pay an annual rent with CSU as a sub-lessee. The property being subleased is the property that is being financed and the collateral for the transaction. Ms. Johnson pointed out that CSU has the ability through this sublease agreement to step in should the state fail to make payment. The projects being funded through the COPs are key to the academic and programmatic mission. **Motion/Action:** Governor Jordan moved to approve; Vice Chair Tuor seconded; and the motion carried unanimously.

Approval of Collateral for COPs under SB 17-257: Ms. Johnson explained that the state under SB 17-257 has requested all higher education institutions to identify buildings that could be used to collateralize lease-purchase agreements for capital construction, controlled maintenance and transportation projects. The ten CSUS buildings on the list meet the specified criteria; are ancillary, i.e., not facilities where students are taught; and are not facilities listed in any prior bond documents nor directly related to generating any other revenue streams that have been pledged for bond holders. There are no restrictions on the buildings and the potential exists for controlled maintenance funding. The CSUS has the ability to step in should the state default and the ability to exchange a collateralized building. **Motion/Action:** Governor Johnson moved to approve; Governor Gustafson seconded; and the motion carried unanimously.

Approval of Thirteenth Supplemental Resolution: Ms. Henry explained the tax bill currently under consideration in the U.S. Congress could potentially eliminate tax-exempt advance refundings and private activity bonds which has resulted in a rally in the municipal bond market with rates decreasing and an opportunity to refund bonds. Approximately \$325 million of existing CSUS bonds have been identified that could net potentially \$400,000 annually in debt service savings. The state intercept program would be utilized in the bond issuance. The Standard & Poor's rating for the CSUS has been affirmed and a ratings call with Moody's has been scheduled. The intent is to be in the market prior to the end of the year. **Motion/Action:** Vice Chair Tuor moved to approve; Governor Flores seconded; and the motion carried unanimously.

Re-Adoption of Resolution to Approve an Interest Rate Exchange Agreement: Based on the interest rate exchange agreement discussed and approved at the previous meeting, negotiations are underway with the Royal Bank of Canada as the counter party who has requested that the approving resolution have explicit language on the termination payment being on parity with all other CSUS bond payments. The appropriate language has been added to the resolution being presented for re-adoption. **Motion/Action:** Governor Gustafson moved to approve; Governor Mosher seconded; and the motion carried unanimously.

Upon conclusion of the committee meeting, the Board recessed for a break at 10:55 a.m. and reconvened at 11:06 a.m.

STRATEGIC MAPPING UPDATE

CSU System Update: Ms. Parsons provided NWC mission projection updates on the groundbreaking, the progress on the site planning and place-making, and the process to draw down on the COPs. Updates for Todos Santos included a site visit in October with Drs. Takeda-Tinker and Mottet in attendance; an ASCSU leadership exchange trip; and the receipt of a grant to start an Institute for Sustainable Tourism. Drs. Mottet and Takeda-Tinker commented on the opportunities that could be developed for their respective institutions.

Under mission delivery, the academic collaborations continue with an informal dinner hosted at CSU-Global Campus for faculty from all three of the campuses and progress has been made on the IT integration effort. Governor Flores acknowledged Dr. Frank's assistance to establish a partnership between the CSU School of Veterinary Medicine and a Pueblo veterinarian who received a 2017 American Humane Hero and Caring award.

CSU-Global Campus 2.0 Strategic Plan Update: Dr. Takeda-Tinker indicated specifics for the strategic plan were provided in the written materials. A video was shared to illustrate the 2.0 work that will be accomplished to meet the needs and success of the modern nontraditional student. Through a deliberate process of organizational collaboration, all university activities from student outreach to academic programming will enhance the student learning experience and allow CSU-Global Campus to continue to be a leader in the global marketplace by providing high quality, affordable education through established educational values and innovation.

Operational components have been derived through analysis of eight years of data, experience in working with nontraditional learners, and third party research projections. In addition to proactively ensuring student success in the workplace, 2.0 will feature actions directed towards lifelong learning. The 2.0 data collection will be completed by December 2018 with refinements through June 2019.

Dr. Takeda-Tinker reported the 2.0 work that began 1.5 years ago has already been positive with 19,000 current active students and 1st to 3rd term retention rates at 86% and 90.18% for undergraduates and graduate students, respectively. Discussion followed on the evolving leadership with constant challenges for faculty and staff to accommodate the growth and the changing marketplace and student population; the online higher education competition and CSU-Global Campus' competitive advantages; utilization of adaptive learning technology for customized learning experiences; interventions to ensure student success; alignment with workforce needs; and the CSUS initiative for integration of similar platforms.

CSU-GLOBAL CAMPUS REPORTS

Student Report: Governor Kneiss indicated his written report would stand as submitted and then he commented on the mission of the university to serve working adults that have distinct challenges and needs. A video was shared on the role of higher education in the collective future, the changing higher education landscape, and the obstacles for nontraditional students to complete their degrees.

Faculty Report: Governor Vrba commented on the faculty involvement in HB 17-1004 for military credit transfers. She then introduced Dr. Jaffke who presented on the work of the Innovation Task Force to embrace the entrepreneurial culture and promote innovation at all levels. Dr. Jaffke explained that innovation means more than technology and is necessary to understand the changing needs of students and workplace. She reviewed the innovation process with the submittal of 84 proposals of which 35 are

either in the pilot or implementation phases. Examples were provided on enhancements for textbooks, the student experience, the alignment with industry needs and partnerships, and the monthly speaker series on industry relevant topics.

President's Report: Dr. Takeda-Tinker remarked that presentations would be made on the behind the scenes work for CSU-Global Campus 2.0 through December 2018 in the areas of information technology, human resources and finances. Mr. Braidó explained how IT is a proactive partner that provides a platform to address the data needs infused throughout the business and decision-making processes to support student learning, retention and success. He also shared that the department has delivered and will continue to enhance its technology tools to shift from descriptive reporting to a predictive reporting model and to improve student engagement with tools necessary for the workplace.

Mr. Warr described how talent acquisition was the main human resources function with technology and data analytics utilized throughout the hiring processes to attract the best candidates, meet compliance requirements, and onboard new employees. He then provided an overview and video with a budget modeling demonstration that illustrated the corporate performance management tool that provides a data-driven budget with real-time financial data and forecasting.

Dr. Takeda-Tinker reported that, while operating revenues for the first six months of the fiscal year are \$2.5 million below projections, the operating expenses are aligned with per student education costs and operating expenses have been reduced by \$3.1 million, resulting in a net gain or net contribution of \$400,000 with \$11.6 million forecasted for calendar year-end and \$31.8 million for the fiscal year. Accordingly, with Board approval, the institution will move forward with the employee recognitions for the first six months.

The meeting then recessed for lunch at 12:42 p.m. and reconvened at 1:18 p.m.

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

Committee Chair Flores convened the meeting and reviewed the agenda. He then asked Dr. Miranda to review the proposed new degree programs.

Colorado State University New Degree Programs

Ph.D. in Ecosystem Sustainability and M.S. in Ecosystem Sustainability: Dr. Miranda explained how the Department of Ecosystem Science and Sustainability was established in the Warner College of Natural Resources six years ago with an initial B.S. degree program. Based on the success of this initial degree program, approval is being sought for two new graduate level programs.

M.A. in Counseling and Career Development: There currently is a general M.A. in education with a specialization in counseling and career counseling. The intent is to revise the existing specialization to create a stand-alone degree program with three specializations – career counseling, clinical and mental health counseling, and school counseling – that have a core curriculum, practicums and internships aligned with the new accreditation standards of the accrediting body for career counselors.

B.S. in Data Science: The new interdisciplinary degree program can be completed online and will have four concentrations initially in mathematics, statistics, computer science and economics with the potential to add additional disciplines in the future. A new M.S. program could also potentially be developed at a later time.

Graduate Certificate in Teaching Extension: The proposed new 13 credit hour graduate certificate is designed to allow extension agents from all over Colorado and the nation to take advantage of CSU's expertise.

CSU-Pueblo New Degree Programs: The new degree programs for CSU-Pueblo are two of five that have been discussed during the past two years and have gone through the rigorous curriculum design and approval processes.

B.S. in Early Childhood Education: The courses will be offered primarily in the evening with an online option. The curriculum has been developed cooperatively with community college curriculum and will initially be launched with a 2+2 approach to accommodate transfer students. Revenue generated through tuition should be sufficient to fund the academic program.

M.S. in Athletic Training: The new M.S. degree program will lead to certification as an athletic trainer and will be accredited by the professional organizations. There will be a 3+2 option available for the program with completion of both degrees in five years or a stand-alone M.S. in two years.

Dr. Kreminski commented on how new academic degree programs are positive opportunities for the university. There is the potential to expand with a special education specialization in early childhood education. With 22 athletic programs, there is a high population of undergraduate athletes of whom many are majoring in exercise science. Dr. Mottet added that the new athletic training degree program could also lead to stackable credentialing in occupational and physical therapy for expansion in health sciences and wellness.

Committee Chair Flores indicated that approval of all of the new degree programs is on the consent agenda.

Sabbatical Requests for 2018-19: Dr. Miranda recalled that the Board has delegated the authority to the campus presidents to approve faculty sabbaticals that have been submitted and approved through a robust campus process. Sabbatical reports are presented twice annually. The report presented at this meeting pertains to the requests granted for the coming academic year; the number for CSU is within the normal range and slightly less for CSU-Pueblo. The second report presented annually in August details the sabbatical experiences from the prior academic year.

Academic Program Reviews: Program reviews at CSU are conducted approximately every six years with alignment to specialized accreditations. The program reviews for the last year were for departments within the College of Business that underwent a rigorous AACSB accreditation. CSU-Pueblo conducted reviews for five programs in the disciplines of liberal studies, education, history, mathematics and chemistry. Summary reports for both campuses were provided in the meeting books.

Approval of Academic Calendars: The CSU academic calendar for fall 2022 to summer 2024 and the CSU-Pueblo academic calendar for AY 2018-19 and AY 2019-2020 are extensions of the current calendars with adjustments to align to the days of the weeks. Approval is on the consent agenda.

CSU Faculty Manual Changes: Approval of the following modifications is on the consent agenda.

- Section E.9: The formalization of the use of documented negative behavior in annual evaluations and merit salary decisions.
- Section E.12.1: Clarification and enhancements to describe the evaluation of teaching.
- Section I.8: Clarification of the use of student course evaluations only as a part of a more comprehensive suite of inputs to evaluate teaching.

Enrollment and Student Success Reports: Reports for each of the three campuses, presented annually in December in a standardized format, were provided in the meeting materials.

Colorado State University: Five years of enrollment data was provided on degrees awarded, number of credit hours, headcount, new and transfer undergraduates, and demographics including gender, resident/non-resident, first generation and minorities. Breakouts on individual colleges were also provided. Enrollment changes from fall 2016 to fall 2017 include moderate growth in undergraduate enrollment; a very slight decline in graduate enrollment and transfers; almost 11% increase in minority enrollment; slight increase in international enrollment; and overall growth largely due to continuing students. All colleges generally experienced slight to modest growth, except Liberal Arts that had a decrease which is also reflected nationally. When asked about females outpacing males on most universities, Dr. Miranda responded there was generally a balance in gender with some exceptions in certain disciplines.

Data for student success illustrates that six-year, five-year and four-year graduation were all at a historically high rate and the slight decline in retention is being evaluated. Last year the entering freshmen class was one of the largest increases in history with over 500 students; freshmen enrollment growth was more modest this fall.

CSU-Global Campus: The university continues to experience growth in virtually all demographic areas.

CSU-Pueblo: The data details some of the enrollment issues with erosions in credit hours and FTE. Non-resident enrollment is at a historically high level; retention is holding steady; and six-year and four-year graduation rates were at the highest level in the seven years of data provided.

Dr. Kreminski commented on how the retention and graduation rates correlate strongly with the index and there has been some progression. The Hispanic retention rate is higher than non-white Hispanic students and there is a slight difference in the six-year graduation rate between Hispanics and white students. Dr. Miranda added that the correlation between index and retention is being evaluated with generally good retention at the low and high end of the index and softness in the middle. Students who identify at the low index are often provided extra resources, such as extra credit, co-curricular support and special programs. He also noted that information on accrediting bodies was provided in the meeting materials.

Student Learning Assessment Presentation

Dr. Miranda explained the presentation would be focused not on how to assess a particular student, but on how to assess whether the learning experience is working. Reasons for such assessment include continuous improvement, accountability, and efficacy that can be used to demonstrate the value of the learning experience and the degrees. The curricular design process at all three institutions entails establishing the learning outcomes and then designing and executing the curriculum to achieve the learning outcomes.

Colorado State University: Dr. Jensen explained assessments occur both at the program and institutional levels with co-curricular, university core curriculum and discipline student learning outcomes. She reviewed the various methods of assessment and the utilization of the results for multiple purposes, such as addressing attainment gaps, creating new majors and specializations, and demonstrating the equivalency of online and on-campus courses. High impact practices are incorporated and the link between curricular and co-curricular continues to be strengthened.

Dr. Jensen reviewed the results of the Collegiate Learning Assessment, the National Survey of Student Engagement (NSSE) and first destination survey that overall reflect continued improvement. The data is

available on the CSU Institutional Research website and can be broken out by colleges or departments. Beginning with the Provost's retreat last summer, discussions are underway in the Faculty Council with work by subgroups to begin developing overarching institutional learning outcomes (ILOs). Examples of possible ILOs were provided.

CSU-Global Campus: Dr. Ferguson commented on how direct and indirect measures are used to inform the student learning experience and student achievement. Reports are issued twice annually through the six-step learning outcomes assessment process that utilizes a faculty-led, centralized approach to curriculum development with input from industry experts and program advisory boards. The assessment of learning is part of the annual review for all programs that utilizes direct measures and third party tools, such as the Educational Testing Service Proficiency Profile (ETS). Faculty data, such as credentialing and performance, are also part of the review process. Reports extracted from the learning management system can be used to analyze every level of student learning performance compared to goals including retention, persistence and graduation. Data collected from employer and alumni surveys reflect a very high level of satisfaction with CSU-Global Campus graduates.

CSU-Pueblo: Ms. Caprioglio reviewed the seven-step, faculty-lead annual assessment process and described how the results are utilized. The NSSE is administered every four years and there were comparable or higher results than peers for the indicators in the 2014 survey. The 2015 ETS Proficiency Profile demonstrates increased performance from first year to seniors and scores are comparable to means in the peer group. First destination surveys are administered to graduates. The annual assessment process feeds into the academic program reviews that are conducted every five to seven years and scheduled to correspond with program accreditations. The university will be identifying institutional student learning outcomes with the general education student learning outcomes foundational and contributing to other outcomes. A sample curriculum map and examples of ongoing initiatives for student learning outcomes were provided.

REAL ESTATE/FACILITIES COMMITTEE

Committee Chair Mosher asked for a motion to convene in executive session. **Motion/Action:** Governor Flores made the motion; Governor Robbe Rhodes seconded; and the motion was carried unanimously. General Counsel Johnson read the meeting into executive session for the purposes of discussing the purchase or sale of property for public purpose, all confidential as set forth in the meeting notice. The meeting convened in executive session at 2:59 p.m. and reconvened in open session at 3:48 p.m.

Committee Chair Mosher noted there were five action items and asked for a motion to approve the sale of approximately six acres of land on the west edge of the CSU Foothills Campus to the City of Fort Collins to supplement the natural resource area program. **Motion/Action:** Governor Jordan moved to approve; Governor Robbe Rhodes seconded; and the motion carried unanimously.

The second matter for action was the sale of approximately four to six acres of land to the Soldier Canyon Water Treatment Authority for the filter plant expansion. **Motion/Action:** Governor Flores made the motion; Governor Gustafson seconded; and the motion carried unanimously.

The third matter for action was a grant of easement to the City of Fort Collins for a bus stop near Centre Avenue and Botanical Lane. **Motion/Action:** Governor Singleton moved to approve; Vice Chair Tuor seconded; and the motion carried unanimously.

The fourth matter for action was approval of the CSU program plan for the Centers for Research, Extension and Engagement. Dr. Frank explained how new base funding approved by the JBC will be leveraged to improve and integrate the Rogers Mesa Agricultural Experiment Station as part of an

interconnected Western Slope agricultural experiment station network that will include the Orchard Mesa and Rocky Ford facilities.

Ms. Johnson reported that an additional bond issuance will be made in the future to cover the construction costs for the new Western Colorado Research Center that will include a new classroom, office building and residence space. Additionally, \$2 million will be deployed towards the consolidation of an Eastern Plains Research Center. Dr. Frank added that the new mini campus locations will allow for efficiencies in backroom operations and cross-training of personnel. **Motion/Action:** Governor Robbe Rhodes moved to approve; Vice Chair Tuor seconded; and the motion carried unanimously.

Committee Chair Mosher indicated the last matter for action was approval of the program plan for the CSU Foothills Campus Research Laboratory. Ms. Johnson explained the need to consolidate the Arthropod-borne and Infectious Disease Laboratory and the Infectious Disease Annex into a new facility that could adequately support the research. The two existing facilities could then be repurposed for more office space. The new facility will be constructed by the P3 developer selected for the South and Foothills campuses; determinations will need to be made on O&M and the financing. Dr. Frank clarified that the facility will be primarily a research building that fits with the university's role and mission, and will probably fall under the General Fund with some indirect cost recoveries. **Motion/Action:** Governor Flores moved to approve; Governor Gustafson seconded; and the motion carried unanimously.

EXECUTIVE SESSION

Vice Chair Tuor asked for a motion to convene in executive session. **Motion/Action:** Governor Mosher made the motion; Governor Jordan seconded; and the motion carried unanimously. General Counsel Johnson read the meeting into the general executive session and the executive session of the Evaluation Committee to discuss consideration of the awarding of honorary degrees; to receive the litigation report and legal advice; and to discuss and evaluate public officials and professional staff employees of the Board, all confidential as set forth in the meeting notice. The meeting convened in executive session at 3:58 p.m. and adjourned at 5:20 p.m.

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM MEETING
Colorado State University System, Denver, Colorado
December 1, 2017**

CALL TO ORDER

Vice Chair Tuor called the meeting to order at 9:02 a.m.

ROLL

Governors present: Nancy Tuor, Vice Chair; Scott Johnson, Secretary; Jane Robbe Rhodes, Treasurer; Dennis Flores; Mark Gustafson; Kim Jordan; William Mosher; Dean Singleton; Jake Harmon, Student Representative, CSU-Pueblo; Keith Knies, Student Representative, CSU-Global Campus; Margarita Lenk, Faculty Representative, CSU; David Volk, Faculty Representative, CSU-Pueblo; Tony Vrba, Faculty Representative, CSU-Global Campus; Michael Wells, Student Representative, CSU

Administrators present: Tony Frank, Chancellor, CSU System, and President, CSU; Amy Parsons, Executive Vice Chancellor, CSU System; Timothy Mottet, President, CSU-Pueblo; Becky Takeda-Tinker, President, CSU-Global Campus; Jason Johnson, General Counsel, 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; Susy Serrano, Director of Internal Auditing, CSU System

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

Guests present: Brett Anderson, Special Assistant to the President, CSU; Johnna Doyle, Deputy General Counsel, CSU-Pueblo; Mike Feeley, Brownstein Hyatt Farber Schreck; Mark Gill, Chief of Staff, CSU; Christin Holliday, Vice President, Enrollment Management and Student Affairs, CSU-Pueblo; Mike Hooker, Director, Public Relations, CSU; Blanche Hughes, Vice President of Student Affairs, CSU; Rick Kreminski, Provost and Executive Vice President for Academic Affairs, CSU-Pueblo; Cheryl Lovell, CSU System; Tom Milligan, Vice President for External Relations, CSU; Erin Porteous, CEO, Boys and Girls Club; Karl Spiecker, Vice President for Finance and Administration, CSU-Pueblo

CHANCELLOR'S REPORT

Boys and Girls Club Partnership: Ms. Parsons remarked on the mission alignment between CSU and the Boys and Girls Club for educational access and outreach, and then introduced Ms. Porteous. Ms. Porteous provided an overview of the Boys and Girls Clubs' services; the challenges for the children served; and the key indicators of success. She described the multi-faceted partnership with CSU that includes campus tours, scholarship opportunities and academic support, and then concluded her presentation by sharing two success stories. Dr. Frank commented on how student recruitment has shifted from passive to active with the expectation of involvement in more substantive ways through development of partnerships and pipelines to provide opportunities for families. Ms. Parsons explained how CSU financial aid counselors will be training club directors to help families navigate financial aid.

Recognition of Outgoing Board Member: Dr. Frank acknowledged Governor Johnson's eight years of service on the Board and announced a scholarship would be awarded at each of the three campuses in his honor. Governor Johnson expressed appreciation for the opportunity to serve on the Board.

Government Relations Update: Mr. Feeley reported the state legislative session will begin on January 10th and described the ongoing CSUS process to review all legislation for impacts on higher education. He commented on a recent collaborative luncheon held for higher education lobbyists and noted the sexual harassment allegations at the state legislature. Issues to be addressed during the coming session include the unfunded PERA liability, health care and opioid addiction. Dr. Frank and Ms. Parsons commented on the positive working relationship with the federal Colorado delegation. Issues at the federal level that will continue to be monitored include DACA, the Higher Education Reauthorization Act and children's health insurance.

COLORADO STATE UNIVERSITY REPORTS

Student Report: Governor Wells reviewed highlights from the fall semester that included the positive student game day and tailgating experiences; the successful student health fair; and the expanded civic engagement efforts to reach more students. Technology for onboarding freshmen has been implemented to help identify resources available and other technology opportunities will continue to be explored. A focus for the next semester will be on increasing ASCSU communications with the student body.

Faculty Report: Governor Lenk highlighted from the written report the work of Dr. Emily Fisher who received a PROGRESS grant to promote female success in STEM majors and careers. There has been a request for more engagement with the Board, i.e., members consider attending a Faculty Council meeting or attending classes for a day. Governor Lenk commented on the positive work accomplished at the first faculty interchange meeting held at CSU-Global Campus and noted CSU will host the next session. The Faculty Council will continue work on the bullying policy, faculty evaluations and the role of student course evaluations, and the complex issues for non-tenure track faculty. The initial faculty resistance to the new on-campus stadium has dissipated and the recommendation was made to come early on game day to explore the campus activities.

President's Report: Dr. Frank shared highlights from the written report on the publication of the APLU report on leadership for internationalization; the \$6 million gift from the Bohemian Foundation to create the Bryan Willson Presidential Chair in Energy Innovation; the anticipated early completion of the \$1 billion campaign by 2020; and the positive progress made on the salary equity study.

CSU-PUEBLO REPORTS

Student Report: Governor Harmon reported ASG would be providing coffee and donuts to students as they prepare for finals and the library hours would be extended for extra study time. He was honored to speak at the unveiling of the preferred parking for veterans who received a Purple Heart service award. The ASG constitution has been revised and approved through the senate; the constitution will be forwarded to the CSUS General Counsel for review. The Red Cross of Southern Colorado will be recognizing Governor Harmon and ASG with a community service hero award in February for their Houston hurricane victim relief project.

Faculty Report: Governor Volk reported there was good attendance at the open forums held in October and faculty are excited about the upcoming visioning process. He provided an overview of a civic health and equity initiative wherein he is partnering with a professor at the University of Denver to examine the impact campuses have in their local communities. Metrics will be developed to gauge over time the strength of those impacts. The project entails first identifying and then interviewing the community partners in order to diagram the depth of the relationships that includes student internships. Community engagement is an important part of CSU-Pueblo's mission and can be identified as one of the university's strengths.

President's Report: Dr. Mottet reported the visioning process will begin in January and utilize external facilitators to generate a vision to differentiate the university. The intent is to present the vision in fall 2018 with feedback to be collected from a variety of stakeholders, including the community, employers, alums and the Board. An implementation plan and funding will then be developed.

Dr. Mottet recognized the CSU-Pueblo football team for winning the RMAC championship and for the sportsmanship of the team and coaches after the team was defeated in the NCAA Division II playoffs. He noted the written report showcased twenty events of which seven were awards for faculty and teaching and learning innovations. Six institutional initiatives to jumpstart enrollment, retention, completion and placement rates were reviewed. Investments will be made in a local three-year marketing campaign that is being developed to communicate the vision and elevate the university. Other campus matters to be addressed include assessing infrastructure systems including information technology (IT). A CSUS cross-functional group with participants from the three campuses will conduct an IT audit and develop recommendations for IT integration.

Dr. Mottet commended Governor Harmon and his team who will be recognized by the Red Cross and at the February Board meeting for their hurricane relief efforts. Discussion followed on the ROI and the intent of the proposed local marketing campaign. Dr. Mottet confirmed that enrollment is the driving factor in the marketing campaign and more details will be forthcoming. He concluded his report by acknowledging Dr. Kreminski whose role is shifting from Provost to Director of the Institute of Cannabis Research.

The meeting then recessed for a break at 10:45 a.m. and reconvened at 10:52 a.m.

DENVER 2.0 INITIATIVE

Dr. Frank recounted how the initial Denver Initiative was launched in 2009 to increase CSU's presence in the Denver area with specific strategies and corresponding metrics. Mr. Milligan explained there was significant progress in raising awareness, strengthening market position, and building partnerships. With increasing competition, the determination has been made to reinvigorate the campaign to regain market position for the CSUS and the three campuses.

Mr. Anderson recapped the importance of the Denver Metro area; the focus of the Denver Initiative; the significant progress made during the three-year trial period; and the redirection of funding in 2012 within specific divisions. The Denver Initiative 2.0 will have a dedicated budget for specific activities with key metrics. Discussion followed on capitalizing on CSU's importance in the NWC redevelopment and the use of innovative marketing strategies, social media platforms and strategic partnerships as well as print and television mass media.

APPROVAL OF CONSENT AGENDA

Vice Chair Tuor reviewed the items on the consent agenda and called for a motion to approve.

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

Vice Chair Tuor noted the topics for the June retreat that have been identified include the reserves and investment strategies. Board members were asked to provide feedback on other topics for the February mini-retreat to be held at CSU-Pueblo and the regular June retreat.

With no further business to come before the Board, the meeting adjourned at 11:20 a.m.

Board of Governors of the Colorado State University System
Meeting Date: February 8-9, 2018
Consent Item

MATTERS FOR ACTION:

New Degree Program: B.S. in Geography

RECOMMENDED ACTION:

MOVED, that the Board of Governors approve the request from the College of Liberal Arts, to establish a New Degree Program: Bachelor of Science (B.S.) in Geography, Department of Anthropology. If approved, this degree will be effective Fall Semester 2018.

EXPLANATION:

Presented by Rick Miranda, Provost and Executive Vice President.

A Geography major with a traditional geographic focus on research at the intersection of humans and the environment builds on a core strength of CSU and contributes to the land grant mission. The Geography major provides students with a broad academic background suitable for a variety of jobs in the public and private sectors. Geography majors are trained to think independently and critically, communicate effectively, and function in a multicultural world. Careers for graduates are available in international development, education, natural resource management, and business. Graduates who go on for advanced studies can pursue careers in geography in academia.

Geography faculty and courses offered are now at the critical mass required to support a Major in Geography. Supporting faculty research and coursework are sufficiently broad so students' training in the many sub-areas in the discipline is possible. The major will have a focus on human-environment interactions in mountain systems and Colorado geography. Faculty relationships with local environmental groups, government organizations, and federal land management agencies will facilitate student participation in geography internships and capstone projects.

Board of Governors of the Colorado State University System
Meeting Date: February 8-9, 2018
Consent Item

MATTERS FOR ACTION:

2017-18 Academic Faculty and Administrative Professional Manual Revisions:
Appendix 7 – Bullying in the Workplace

RECOMMENDED ACTION:

MOVED, that the Board of Governors approve including the University Bullying In The Workplace Policy, including the Bullying Complaint Guidelines and Procedures, put into place by President Anthony Frank on September 7, 2017, also in the Colorado State University Academic Faculty And Administrative Professional Manual as Appendix 7.

EXPLANATION:

Presented by Rick Miranda, Provost and Executive Vice President.

The proposed revision for the 2017-2018 edition of the Colorado State University Academic Faculty and Administrative Professional Manual has been adopted by the Colorado State University Faculty Council.




The University Bullying in the Workplace Policy is similar to policies already in Appendix 1 of the Academic Faculty and Administrative Professional Manual. It should be treated in a similar manner.



APPENDICES






- Appendix I: Construction Reports
- Appendix II: Correspondence
- Appendix III: Higher Ed Readings

APPENDIX I

Construction Status Reports

Project	Bonds/Funding		Occupancy	Status as of Nov. 1, 2017
<p>C. Wayne McIlwraith Translational Medicine Institute and Research Horse Barn</p> <p>Total Budget: \$77,800,000</p>	<p>\$9,600,000 bond funds</p> <p>General fund</p> <p>Remaining funding from donations and NWC COPs.</p>		<p>March 2019</p>	<p>This project will construct an approximately 130,000 gsf research building and a 48 stall research horse barn on South Campus.</p> <p>Project is in budget and on schedule. Framing, MEP and fire sprinkler rough-in underway. Project is approximately 50% complete.</p>
<p>Michael Smith Natural Resources Addition</p> <p>Total Budget: \$20,200,000</p>	<p>\$5,000,000-bond funds</p> <p>General fund</p> <p>Remaining funding from donations and Student Facility Fees.</p>		<p>August 2018</p>	<p>This project will construct an approximately 46,500 gsf addition to the Warner College of Natural Resources.</p> <p>Project is in budget and on schedule. Framing, MEP and fire sprinkler rough-in underway. Project is approximately 62% complete.</p>
<p>Richardson Design Center</p> <p>Total Budget: \$16,500,000</p>	<p>\$5,500,000-bond funds</p> <p>General fund</p> <p>Remaining funding from donations</p>		<p>January 2019</p>	<p>This project will construct an approximately 47,000 gsf building to house interdisciplinary design programs.</p> <p>Foundation and utility work underway. Project is in budget and on schedule.</p>

Project	Bonds/Funding		Occupancy	Status as of Nov. 1, 2017
<p>JBS Global Food Innovation Center in Honor of Gary & Kay Smith</p> <p>Total Budget: \$20,000,000</p>	<p>All funding from donations and General Fund</p>		<p>January 2019</p>	<p>This project will construct an approximately 36,600 gsf food animal handling and meat processing facility addition to Animal Sciences.</p> <p>Foundation and utility work underway. Project is in budget and on schedule.</p>
<p>Health Education and Outreach Center</p> <p>Total Budget: \$23,200,000</p>	<p>Funding from NWC COPs and Student Facility Fee cash</p>		<p>January 2019</p>	<p>This project will construct an approximately 38,000 gsf addition to the Anatomy-Zoology building for new gross and neuro anatomy laboratories and National Western Center program space.</p> <p>Foundation and utility work underway. Project is in budget and on schedule.</p>

COLORADO STATE UNIVERSITY - PUEBLO					
CONSTRUCTION PROJECT STATUS REPORT					
Project	Total Budget & Funding Source	Construction Start	Scheduled Completion	STATUS as of 01/18/2018	Description
Corridor Extension @ Student Recreation Center	\$856,260 Student Rec. Ctr. Fee			Construction Completed January 2012	
South Campus Entry Drive, Parking Addition, Foyer addition, Internal Renovation @ Buell Communication Center Building	\$1,062,500 Student Fee-- \$300,000 Parking funds---\$301,000 Building Repair/Replacement--\$462,500			Construction Completed February 2012	
Occhiato University Center Renovation and Addition	\$35,000,000 Debt to be repaid with student fee facility fees, grants, & auxiliary services revenue			Occhiato University Center Schematic Design completed. Design Development Phase completed. GMP established, Notice to Proceed to Commence Construction issued November 3, 2015. All Bid Packages 1, 2, 3, underway-- (Earth work, utilities, foundations, steel frame, electrical, plumbing, HVAC, finishes) Design-Build Team of Nunn Construction/hord-coplan-macht Architects. Phase 1 (New Addition) 100% complete, occupied November 28, 2016. Phase 2 (ACM Abatement Completed February 6, 2017. Phase 2 Renovation area is Substantially Complete. Entire project approximately 98% overall complete to date. Phase 2 Renovation Occupied 2Jan18, grand opening 23Jan18. Phase 3 retrofit of temporary cafeteria back to new ballroom underway. Total Project Completion scheduled for 03/2018.	
Exterior Door Security Access Control at all Academic Buildings.Phase II	\$998,351 Controlled Maintenance		12/2015	Add electronic card access/monitoring, new keyways, and replace worn exterior entrances at 11 academic buildings.	Project under budget and on schedule. 11 buildings are live on-line.Project is Complete
New General Classroom Building	\$16000000 Capital Funds		Construction Start 06/14 Completion 07/15	Completion July 28, 2015. On time and on budget. Classes are in process.. G H Phipps Construction Co., General Contractor hord-coplan-macht Architects	
Soccer/Lacrosse Complex	\$3,100,000 cash funded project from grants and donations		Construction began 3/2014, Completion Phase 1 field and bleachers June 2014, Phase 2 Building completed February 1, 2016	Phase 2 (building) 100% complete. Occupancy on February 1, 2016 Press box Completed 6/1/16 (Phase 1-- Synthetic turf field--- completed and in use.) H. W. Houston General Contractor	

APPENDIX II

Correspondence

CSUS Board of Governors Correspondence Received				
<u>Date Received</u>	<u>Email/Letter</u>	<u>From</u>	<u>Subject</u>	<u>Response</u>
January 23, 2018	Email	Bob Vangermeersch	Athletics	January 23, 2018
February 6, 2018	Email	Mike Pruz	Turning Point Event on Campus	

Geary, Melanie

To: bobvangermeersch@aol.com
Subject: RE: Letter for each Governor

Thank you for your interest in the CSU System, your correspondence will be shared with the Board of Governors of the Colorado State University System.

Best regards,

Melanie

Office of the Board of Governors
Colorado State University System

From: bobvangermeersch@aol.com [mailto:bobvangermeersch@aol.com]
Sent: Tuesday, January 23, 2018 2:16 PM
To: CSUS Board <csus_board@Mail.Colostate.edu>
Subject: Letter for each Governor

Open letter to the CSU system Board of Governors 1-23-2018

Dear Governor _____

RE: An easy way to make the CSU athletics " Net subsidy " a zero sum

As you all should know, the athletics financial data ,as presented to you, uses a unique formula that is contrary to the annual CSU report to the NCAA.

Lynn Johnson, the chief financial officer, told us that the Governors have been apprised of this method and are comfortable with it. This unique formula is comprised of subtracting the athletics scholarship cost from the university subsidy. Using the 2017 NCAA report that would look like this:

\$9,171,934 minus \$14,835,533 to equal \$5,663,599
 Scholarship - University subsidy net university subsidy costs

I'm surprised that Tony Frank has not thought of this new wrinkle before.

Let's increase the athletes "cost to attend" stipend by 10 fold (from \$2,500 to \$25,000*) that way the scholarship cost will match the university subsidy and the net cost is: **ZERO.**

CSU would not need to add any non-revenue sports, coaches, or athletes.

BTW if you believe the above formula, there may be a bridge for sale in Brooklyn.

Bob Vangermeersch

Fort Collins CO.

970-223-0493

* CSU will probably be able to recruit 5 star athletes at this rate

Geary, Melanie

From: mikepruz@gmail.com
Sent: Tuesday, February 6, 2018 11:44 AM
To: CSUS Board; Harris, Scott
Subject: Re: URGENT: Deescalate hate at tonight's Turning Point Event

BOG, Frank, Harris,

I read the 2nd Coloradoan report below to indicate that a member of the non-hate group initiated an assault with a deadly weapon (felony) against a law abiding citizen. There are also pictures there which appear to show the police just standing around watching a fight. I'm sure the pictures of you breaking up the fight were not printed, but they could show you let the suspect go without a proper detainment and investigation. I think you have an obligation to investigate these reports and pictures. I don't think you can say "Harris considers the safety response a success based on there being no arrests, no reported injuries or assaults" -- There are in fact reported assaults, reported to the paper, just not the bullies with badges and guns, that watch the innocent get attacked. And this statements reeks of cover up "no conflict with people who attended the event INSIDE the student center" and failure of those with oversight to publicly demand an investigation will reek of conspiracy. [NOTE: I do agree all reports indicate the inside event went well]

I am asking for:

1) Frank and Harris to resign by the end of the week. Frank for his part in inciting the violence with his hate speech and letter that looks a like it could be cyber bullying. Harris for failing to protect law abiding citizens and public statements standing by his failed plan. We can no longer trust either of these people to protect our rights and safety. Also consider reassigning Hooker. While he is the propaganda agent for the university and didn't do anything wrong in his statement's I've seen, the public can no longer trust what he says and a new face we can trust is needed.

OR

2) You announcement of an independent external review, including the role Frank's letter and the BOG ignoring my warning played, separating rumors from fact, and addressing media pictures and statements.

OR

3) Continue your unsatisfactory response, and I'll file formal complaints requesting both 1 and 2 above. I hope the BOG will be proactive and show the public that we can trust you with oversight.

Please don't force me to file formal complaints.

<https://www.coloradoan.com/story/news/2018/02/05/csu-police-say-no-arrests-no-leads-after-protest/308440002/>
 -- "No individuals have come forward to police saying they were assaulted or to lodge any complaints" -- With your boss Tony Frank describing the victims as "immoral" and "unwelcome and repudiated at Colorado State University", I suspect they may be afraid to come forward and be denied a fair trail. I see your complaint form allows me to file on behalf of someone else. I will start writing my complaints next week, unless Frank and Harris

<https://www.coloradoan.com/story/news/2018/02/02/violence-erupts-csu-protest-conservative-speaker-led/301496002/>

"Amade and her friends said they saw one of the anti-fascist members, or antifa, charge at the other group and get slammed on the back of the head with a heavy flashlight"

"Harris said some of the criticisms of police actions that are being made on social media are from people who may not have even attended the event and are based on perceptions from video clips that don't show the entirety of what occurred Friday night." -- I admit I wasn't there, but there is also no one video that shows everything, so the statement is meaningless. Also, the violence was outside and after the event, so what does it matter who was at the event itself?

> BEG: <mikepruz@gmail.com> (Sat, 3 Feb 2018 02:36:57 -0700)

>

> BOG,

>

> I did my part. I warned you. You failed to respond. The media is
> currently reporting that the anti-fascists initiated the violence. In
> other words, you must investigate if Frank's hate statement
> ("unwelcome and repudiated") incited the violence in reports such as,
> "The white supremacists came through chanting 'blood and soil' and
> 'you won't replace us,' much like they did at Charlottesville, and we
> decided to replace them and move them off campus, move them away from
> anybody that they might be putting at risk," he said. "They are
> dangerous people, they have a dangerous ideology predicated on murder
> and genocide, and they had to go."

>

> [https://collegian.com/2018/02/white-nationalists-clash-with-antifa-cha](https://collegian.com/2018/02/white-nationalists-clash-with-antifa-chased-off-campus-following-charlie-kirk-event-at-csu/)
> [sed-off-campus-following-charlie-kirk-event-at-csu/](https://collegian.com/2018/02/white-nationalists-clash-with-antifa-chased-off-campus-following-charlie-kirk-event-at-csu/)

>

> "The white nationalist group was, in essence, chased off of the CSU
> campus by members of Antifa"

>

> "Colorado State University Police made no arrests during the clash" --
> Of course not. As with the FRA meeting the campus police don't arrest
> Frank supporters.

>

> ALSO NOTE: Since the university does support many of the TWP views,
> this is pretty much proof that Frank's anti-TWP statements are hate.
> Frank did not stand up for human rights, he tore TWP and all its views
> a new one. He threw the baby out with the bath water. TWP says all
> jews are bad. We know that is not true. Frank said all TWP is bad.
> We know that is not true.

>

> BOG, do your job. Protect the university and its reputation from
> Frank.

>

> Michael Pruznick

>

>> BEG: <mikepruz@gmail.com> (Fri, 2 Feb 2018 11:06:00 -0700)

>>

>> BOG,

>>

>> Tony Frank's letter is misleading, descriptive, and maybe even
>> defamatory. It does more to promote hate and bigotry than to
>> deescalate it. It is even more hateful than the group he is
>> characterizing, "Their base and immoral ideology, is, indeed,

>> unwelcome and repudiated at Colorado State University." Frank's
 >> employment should be immediately terminated for cause and the letter
 >> similar to the following released:
 >>
 >> CSU Community. We welcome free speech, especially that from
 >> groups we oppose. By showing our support for people to express
 >> views we disagree with, we protect our right to express our views
 >> that others disagree with. This Friday we are proud to support free
 >> speech by hosting Charlie Kirk founder of Turning Point USA who will
 >> be promoting his pro-capitalism anti-socialism view. We have also
 >> received word that Traditionalist Workers Party, a pro-socialism
 >> anti-capitalism group will be present. We have also heard that
 >> other groups will be present to protest one or both of these groups.
 >> I remind you that CSU supports freedom of speech.
 >> Turning Point has the room and their supporters and the undecided
 >> want to hear what Mr. Kirk has to say. CSU will protect Mr. Kirk's
 >> right to deliver his message. Those that disagree should arrange
 >> their own event and not interfere with Mr. Kirk's rights. Peaceful
 >> protest that follows the rules of time, place, and manor will be
 >> allowed. See URL below for guidelines of acceptable protest. I
 >> also encourage you to visit both groups web-sites and read Hitler's
 >> 25 points of the Nazi party (URLS below). While several of the
 >> points will be an offensive violation to human rights to many, most
 >> Americans may find our similarities out number our differences. In
 >> closing, let me clear, while CSU supports freedom of speech, we
 >> don't support acts of hate and have a security plan to maintain
 >> safety and order, to protect the rights of the speaker to lawfully
 >> use our facilities, to stop those that would illegally disrupt free
 >> speech on our campus, and most importantly to stop acts of hate and
 >> violence and hold the perpetrators of such accountable.
 >>
 >> [https://president.colostate.edu/speeches-and-writing/principles-of-c
 >> ommunity-february-1-2018/](https://president.colostate.edu/speeches-and-writing/principles-of-community-february-1-2018/)
 >>
 >> GOOD:
 >> "This university strongly respects the Constitution and the First
 >> Amendment, and the right of even repugnant viewpoints to be spoken
 >> and debated in the public space"
 >>
 >> ACCEPTABLE:
 >> "Colorado State University denounces ... of religions they do not
 >> share"
 >>
 >> CONCERNING:
 >> "and their attempts to claim our national identity as exclusively
 >> their own." -- You clearly didn't read their 25 points. They want
 >> to secede. Besides, if you denounce TWP you must by rational
 >> relations even more denounce the Democrat and Republicans parties.
 >>
 >> WRONG:
 >> "Their base and immoral ideology, is, indeed, unwelcome and
 >> repudiated at Colorado State University."

>>

>> REFERENCES:

>> <https://www.tpusa.com/aboutus/>

>> <http://www.historyplace.com/worldwar2/riseofhitler/25points.htm>

>> <https://www.tradworker.org/points/>

>>

>> TWP AGENDA HIGHLIGHTS:

>>

>> [and thus things Franks says are unwelcome at CSU]

>>

>> All citizens shall have equal rights

>>

>> corruption and cronyism will be investigated and harshly prosecuted

>>

>> The Traditionalist Worker Party believes strongly in environmental

>> conservation

>>

>> Healthcare is a right for our people, not a business opportunity

>>

>> Organic and healthy foods will be made affordable

>>

>> We demand the end of foreclosures and taxation on the primary

>> dwelling places of families with children or the elderly.

>>

>> The "payday loan" shops, the usurious credit cards, and the subprime

>> mortgage industry are to be opposed and shut down.

>>

>> There shall be paid maternity and paternity leave for new parents

>>

>> We shall focus on a process of rehabilitation for most criminals

>>

>>

>> END: <mikepruz@gmail.com> (Fri, 2 Feb 2018 11:06:00 -0700)

>>

> END: <mikepruz@gmail.com> (Sat, 3 Feb 2018 02:36:57 -0700)

>

APPENDIX III

Higher Ed Readings

Policy brief: concurrent and dual enrollment

Explainer from the Colorado Department of Higher Education regarding “dual enrollment” vs. “concurrent enrollment” and how those differ from other opportunities to earn college credit.

How higher education lost Washington

The Washington Post; 12/1/2017

When Congress eliminated earmarks and pork barrel spending in 2011, many college and university leaders pulled back on their Washington presence, leaving fewer of these leaders making the case for higher education to the federal government. In addition, many Republicans began distancing themselves from academia, leading to a current environment in which, according to a recent Pew survey, 58 percent of Republicans and Republican-leaning independents think colleges and universities have a negative impact on the country. With these same Republicans controlling the presidency, Congress, and the majority of statehouses and governors’ mansions, policies hostile to higher education like the new tax overhaul, are poised to become more common unless higher ed leaders adopt new lobbying policies.

The future of Trumpism is on campus

The Atlantic; 1/2/2018

While a debate rages among the Republican Party about who they are as a party and what values they represent in the age of Trump, a similar debate is playing out on college campuses across the country. Many College Republican groups were very divided during the election, with some choosing to embrace Trump, some publicly announcing they would not endorse him, and some remaining mostly quiet throughout the process. Those divisions have not tightened up in the past year, leaving many to question what the future of conservatism will look like.

How the right weaponized free speech

The Chronicle of Higher Education; 1/7/2018

Richard Hofstadter, in the 1960s, suggested that “regard for intellectuals in the United States...is subject to cyclical fluctuations.” With the election of Donald Trump and the current climate surrounding free speech and intellectualism, particularly on college campuses, we have moved into a “downturn”, where free speech and academic freedom are viewed as one in the same. Academic freedom, also protected under the first amendment, requires a slightly more discerning lens than free speech. Academic freedom is predicated on the idea that there is a right answer or a right way to engage on a topic – and that way is rooted in knowledge and evidence-based argumentation. When this gets conflated with free speech, students are not encouraged to think critically or defend their opinions, controversial topics are more frequently side-stepped in the interest of “safe spaces”, and the public discourse suffers.

State spending on higher education has inched upward. But most public colleges can’t celebrate.

The Chronicle of Higher Education; 1/20/2018

According to a recent “Grapevine” survey, compiled annually by the Center for the Study of Education Policy at Illinois State University and the Sheeo, state appropriations for higher education increased over the last year. But the news isn’t necessarily what it seems, after several

factors are taken into account, including that the 1.6 percent increase is the smallest in five years; it falls short of the 2.1 percent increase in the CPI over the same time period; without Florida, California, and Georgia the gains would be just two-tenths of a percent; and there is wide variation across the country with eighteen states reporting increases, but nineteen states reporting cuts (the rest had negligible increases of 2 percent or less).

[Who has the most student debt? The wealthiest, a new analysis finds](#)

The Chronicle of Higher Education; 1/23/2018

A new analysis from the Urban Institute suggests what many involved in higher ed research have been saying for years – the total amount of college debt owed in the United States is not as big an issue as who owes the debt, and who is pushing through with the ability to repay vs. who is dropping out, also in debt but with no credential. The analysis found that households in the top 25 percent of income distribution held half the outstanding student debt and households in the top 10 percent held almost one quarter – however, these are also the households most able to repay their debt and reap the benefits of a college education.

[National Western Center quarterly newsletter](#)

Check out the January edition of our NWC newsletter for updates on the project!

Policy Brief: Concurrent and Dual Enrollment

The terms “dual enrollment” and “concurrent enrollment” are often used interchangeably to represent partnerships between K-12 Local Education Providers (LEPs) and Institutions of Higher Education (IHEs) that enable high school students to take and earn college course credits before high school graduation.

To differentiate, the Colorado Department of Higher Education (CDHE) will refer to state programs created through the Concurrent Enrollment Program Act, passed in 2009, as “Concurrent Enrollment” and all other programs which offer college level courses in high school as “dual enrollment.”

Concurrent Enrollment in Colorado

Concurrent Enrollment provides (1) a specific structure for providing college courses to high school students; (2) Colorado Opportunity Fund (COF) eligibility; (3) tuition paid for up to the local community college rate (in most cases); (4) and coursework that applies to a degree or certificate.

Courses taken through Concurrent Enrollment must apply to a degree or certificate. **If the student successfully completes a course towards an academic degree, the course will transfer to other public IHEs in Colorado.** However, if a student takes a Career and Technical Education (CTE) course and then changes his/her program of study to an Associate or Bachelor of Arts or Science degree, the courses might not transfer or apply to their new program of study.

Dual Enrollment in Colorado

There are other education programs (such as CU Succeed and extended studies programs) offered to high school students by IHEs in Colorado that do not follow the state statutory guidelines. These programs, which are often also referred to as concurrent enrollment, are usually cash funded (i.e. students/parents pay for the tuition), and course transferability may vary. Pathways in Technology Early College High Schools (P-Tech) and Early Colleges follow state statutory guidelines and, as a result, benefit from many of the tuition and course transferability benefits like Concurrent Enrollment Act programs.

Other Opportunities to Earn College Credit

High school students have other opportunities to earn college course credit outside of dual and Concurrent Enrollment. The most commonly used methods are through Advanced Placement (AP) exams, International Baccalaureate (IB) exams and College Level Education Program (CLEP) exams.

Colorado’s Success in Concurrent Enrollment

Dual enrollment has grown dramatically in Colorado from 5,000 participants in 2009 to more than 38,000 in 2015-16. More than 25,000 of those students are enrolled in Concurrent Enrollment. Ninety-four percent of districts and 82 percent of high schools participate in this program. Concurrent enrollment has grown even more dramatically among underrepresented minorities. **From 2009-10 to 2015-16, the percent change in participation was 37 percent among Hispanic/Latino students, 65 percent among African American students, and 12 percent for Native American/Alaskan Native students.**

Concurrent and dual enrollment are a key strategy for increasing attainment and closing equity gaps in Colorado, and more must be done to give all students equal access to the state’s Concurrent Enrollment program.

Research

State and national research indicates strong outcomes for dual enrollment students. CDHE releases an annual report on programs in Colorado, available on CDHE's website: <https://highered.colorado.gov/Data/Reports.aspx>.

Colorado

A 2004 study using Colorado data shows better outcomes on all indicators for dual enrollment students as compared to students who did not take dual enrollment courses. Participation in Concurrent Enrollment is associated with:

- An increased likelihood of enrolling in college after high school (**23 percentage points higher**)
- A decreased need for remediation (**11 percentage points lower**)ⁱ
- Higher earned cumulative credit hours by the end of their first year (**9 more credit hours**)
- Higher first-year grade point averages (**0.15 GPA higher**)
- Higher first-year retention rates (**3 percentage points higher**)ⁱⁱ

CDHE recently received a competitive, two-year \$400,000 federal grant to study dual enrollment. The study will investigate the relationship between dual enrollment in Colorado on college persistence and completion and cost estimates of implementing Concurrent Enrollment in K12 school districts. This will also provide a calculation of the return on investment for Colorado's Concurrent Enrollment program. Finally, CDHE is working with researchers to evaluate students outcomes based on where students took Concurrent Enrollment courses (on a high school campus vs. on a postsecondary campus).

Other State Examples

In other states, the impacts of dual enrollment are similar. A recent study of **Illinois** high school class of 2003 showed that students enrolled in dual credit were significantly more likely to obtain baccalaureate degrees than their peers who did not participate in dual enrollment.ⁱⁱⁱ

A study using **Texas** data showed that students enrolled in dual credit (dual enrollment) courses are: more likely to earn their baccalaureate degrees in three, four or five years, declare a major early compared to AP students, and change their major less often. The study also found that compared to students who passed AP exams, dual credit students are **more likely to be rural, have lower incomes, have lower SAT scores/high school GPA, and be African American or Hispanic.**^{iv}

National

A recent brief by the U.S. Department of Education, which reviewed the results of 35 studies that examined dual enrollment, showed consistent and positive outcomes for dual enrollment students. Dual enrollment programs were found to have positive effects on students':

- Degree attainment
- College access and enrollment
- Credit accumulation
- Completion of high school, and
- General academic achievement^v



For more information, please contact:

Beth Bean, Ph.D.
Chief Strategy and Research Officer
beth.bean@dhe.state.co.us

Kim Poast, Ph.D.
Chief Student Success and Academic Affairs Officer
kim.poast@dhe.state.co.us

ⁱ Bautsh, B. (2014). *The Effects of Concurrent Enrollment on the College-Going and Remedial Education Rates of Colorado's High School Students*. Available at: https://highered.colorado.gov/Academics/Concurrent/ConcurrentEnrollmentEffectsAnalysis_2014.pdf.

ⁱⁱ Bean, B. (2015). Annual Report on Concurrent Enrollment 2013-14 School Year. Available at: https://highered.colorado.gov/Publications/Reports/Enrollment/FY2014/2014_Concurrent_Enrollment_Sep_2015.pdf

ⁱⁱⁱ Blankenberger, B., Lichtenberger, E., and Witt M. A. (2017). Dual Credit, College Type, and Enhanced Degree Attainment. *American Education . Educational Researcher*, Volume 46 (5), pp. 259-263.

^{iv} Sadler, S. and Tai, K. (2010). *AP: A Critical Examination of the Advanced Placement Program*. Harvard Education Press.

^v US Department of Education, Institute of Education Sciences. (2017) *WWC Intervention Report: Dual Enrollment Programs*. Available at: https://ies.ed.gov/ncee/wwc/Docs/InterventionReports/wwc_dual_enrollment_022817.pdf

How higher education lost Washington

The Washington Post

Few sectors of the economy have been hit harder in the proposed overhaul of the federal tax code than higher education. The [legislation calls](#) for new taxes on graduate students and the endowments held by wealthy institutions, and the elimination of several student and family tax benefits.

College leaders I have talked with in recent weeks seem to have been blindsided by what they see as an attack on one of the strengths of the U.S. economy. Perhaps one of the reasons they didn't see this coming is that for many of them, Washington has become an afterthought. Although federal dollars account for a sizable portion of campus budgets when financial aid and research are included, college presidents seem to be spending less time looking after that money in Washington (especially when compared to their counterparts in other industries).

When I first started writing about higher education two decades ago, college and university leaders were fixtures on Capitol Hill, along with their hired lobbyists. Congress still allowed earmarks, [pork barrel spending](#) that until 2011 delivered billions of dollars annually for research and facilities on campuses, and institutions wanted their place at the trough. When college officials visited their elected representatives, they also had an opportunity to talk about their schools and how federal policies affected their students and researchers.

Now, I'm not suggesting we bring back earmarks, but when widespread pork barrel spending ended, many universities pulled back on their Washington presence, particularly visits to Capitol Hill. Lobbying also became much more fractured across higher education as schools fixated on parochial needs.

Lobbying turned into a transaction, with fewer college leaders making the case for the larger societal good that higher education provides. Large research universities focused on funding for the National Institutes of Health and the National Science Foundation, while private colleges lobbied for student aid and fewer regulations. The responsibility for talking about the public good fell to a small group of lobbyists for the national associations.

Maybe higher education leaders thought, incorrectly, that universities would always occupy a privileged spot among lawmakers who supported their alma maters and had children or grandchildren in college. But that support for colleges began to decay in the late 1990s when Congress proposed efforts to rein in runaway college tuition. Even Democrats in Washington became a less reliable voting bloc for higher education in recent years.

Meanwhile, Republicans distanced themselves from academia altogether, annoyed by what they saw as growing intolerance of conservative views on campuses. A [recent survey by the Pew Research Center](#) found that 58 percent of Republicans and Republican-leaning independents think that colleges and universities have a *negative effect* on the way things are going in the country. If you want to see what this means for higher education in one state (Arizona) where the

GOP controls basically everything, [read this excellent piece](#) in last week's Washington Post by Kevin Sullivan and Mary Jordan.

If college and university officials spent more time in Washington in recent years talking to lawmakers instead of treating them with contempt back on college campuses, those school officials might have foreseen this tax legislation. And this legislation might only be the start of bad news for higher education. Republicans control the presidency, both chambers of Congress, and the majority of statehouses and governors' mansions. No matter what, higher education still depends on the GOP to support colleges and students at the federal and state level, at least for now.

You would think that because the tax bills were introduced last month, college and university presidents would be marching on Washington to lobby against the proposals. But rather than pay personal visits, most are simply [penning letters](#). Perhaps they know their arguments would probably fall on deaf ears.

Whatever happens with this tax overhaul, the provisions affecting higher education have exposed a deep rift between Congress and academia. It's clear that if colleges and universities want to gain the trust of lawmakers, they need to take a page from the playbook of lobbyists who represent interests deeply entrenched in Washington — the bankers, defense and developers. That's what technology companies did several years ago when Silicon Valley had a strained relationship with Washington.

Colleges and universities can't afford to spend what for-profit companies can on lobbying, nor should they. But academic leaders need to start treating what is happening now to higher education as a campaign for its future — because it is.

The future of Trumpism is on campus

The Atlantic

In August of 2016, Michael Straw had just gaveled in the year's first meeting of the Penn State College Republicans. The classroom was packed, with students filling every seat and lining the walls. Many were returning members, and some were brand new. But a few weren't members at all—and they were angry. Halfway through the meeting, they erupted into chants of “Trump, Trump, Trump.”

From the back of the room, someone shouted, “Cuck!”

The week before the meeting—which was captured on [video](#)—the College Republicans announced that they would not endorse Donald Trump for president. Straw, a senior at Penn State and the group's president, had surveyed dues-paying members, and found that most didn't support the party's nominee. Thus, the executive board took to Facebook to post the club's first unendorsement of a Republican candidate: “Conservative ideals must be defended from individuals who have tried to extinguish them in the past,” the statement [concluded](#). “Future generations depend on us to defend these principles so they may enjoy them as well.”

The Bull-Moose Party, the school's pro-Trump group, [accused](#) Straw of holding a fraudulent vote. Zach Bartman, then the chair of the Pennsylvania Federation of College Republicans—the umbrella organization for all College Republicans in the state—called on him to resign for not supporting the GOP nominee. But Straw refused.

And so it was that members of the Bull-Moose Party showed up at the first gathering of the College Republicans to demand a new election of the group's executive board. An image topping a *Daily Collegian* [article](#) from the night captured the dramatic scene: Straw, in a sleek blue suit, stood resolutely behind a lectern with his eyebrows raised, while a t-shirt-clad young man in a baseball cap gestured toward him in an emphatic appeal for change.

Ultimately, the Bull-Moose Party lost its appeal and the Pennsylvania Federation didn't remove Straw. The College Republicans spent September and October of 2016 helping down-ballot candidates, like Senator Pat Toomey, get reelected instead of knocking on doors for Trump. The Bull-Moose Party, meanwhile, focused on the presidential race: “We were the ones doing the campaigning. We were knocking on doors,” said Sean Semanko, a sophomore who is now the secretary of the Bull-Moose Party. “The College Republicans didn't help us at all.” The group even got Eric Trump to [pay a visit](#) to campus the day before the election.

But the College Republicans still stand by their decision not to endorse. “They invaded my meeting, and tried to wreak havoc,” Straw told me in an interview roughly one year after the fact. “I look back on it, and I still think I did the right thing for the organization.”

For some Republicans, Donald Trump’s candidacy was a welcome middle-finger to the political establishment. But others were averse to the man on an ideological, temperamental, and visceral level. Over the course of his first year as president, a series of prominent Republican lawmakers have denounced him, including Arizona Senator Jeff Flake, who [criticized](#) the “reckless, outrageous, and undignified” behavior coming from the Trump administration.

But the civil war within the Republican Party is also being waged in campus multipurpose rooms across the country. Ahead of the 2016 presidential election, College Republicans wrestled with whether—and how much—to embrace Trump. In August 2016, the Harvard College Republicans [announced](#) that they would not endorse him in the presidential election, calling him a “threat to the survival of the Republic.” The Duke University Republicans [abstained](#) from endorsing either candidate. The University of Virginia College Republicans endorsed Trump, only to [retract](#) their support after the now-infamous *Access Hollywood* tape emerged in October, writing “we do not feel Donald Trump accurately represents the way we view and conduct ourselves.” And a handful of the Yale College Republicans [quit](#) to form their own group after the club endorsed Trump.

More than a year later, things still aren’t back to normal on the quad. In many ways, the debate over Trump taking place among College Republicans mirrors the national intra-party one: It pits young conservatives who view Trump as a distraction from long-held conservative goals of shrinking government and defending family values against those who see Trump’s presidency and distinctive message as a much-needed adjustment of the party’s priorities.

During a speech to the College Republican National Committee in 1987, President Ronald Reagan called them the “vanguard” of the GOP whose work will “ensure the continued success of Republican goals.” But today, they’re unable to agree on what those goals should be.

College Republicans form an integral component of the party’s grassroots campaign efforts. While it’s true that College Republicans aren’t exactly representative of Trump’s base, these young people represent the next generation of Republicans—and what now seem like low-stakes debates on college campuses will ultimately come to define the party’s future. If Trumpism has a political future, these young people will likely be its torchbearers.

* * *

Reagan McCarthy, a junior on the Penn State College Republicans executive board—who was indeed named after America’s 40th president—told me the club wants to move on from the drama of 2016. “There’s definitely some people [in College Republicans] who still are not huge Trump fans because of the nature of his rhetoric and his tweeting ... but everyone accepts that he won,” McCarthy said. The group is supportive of the president’s efforts to further the Republican agenda, like pushing for tax cuts and Obamacare repeal. “There’s no reason to be divided anymore.”

Yet interviews with more than two dozen young conservatives revealed that they remain divided, still wrestling with the same questions that plagued them in 2016. “Just because [Trump] is a Republican doesn’t mean we need to be rubber stamps,” McCarthy told me. She hopes the party

will back more candidates like Flake, “who will stand up for our values when the president might not get it exactly right.”

Other Republicans I spoke with think that’s a big problem: The College Republicans may have accepted Trump as president, but they still aren’t committed to his vision. “They are basically the establishment at the college level,” Sean Semanko said. “They’re still talking about Ronald Reagan. We’re talking about the new movement, the MAGA movement.”

Semanko, who has always identified as a Republican, was involved with both the College Republicans and the Bull-Moose Party at Penn State. But once the latter started campaigning hard for Trump, Semanko said it encouraged a lot of Republicans to “convert” to the Bull-Moose Party. Trump, he says, has made people excited about the GOP, when they were previously “scared away by the warmongering, gay-hating, super-religious right.”

Semanko and the other Trump Republicans I spoke with described the MAGA movement as having four basic tenets, including building a border wall and cracking down on illegal immigration; staying out of foreign conflicts; and a more protectionist trade agenda. Semanko predicts that the “economic nationalism that Trump and Steve Bannon advocate for is exactly where [the party] is going.” The fourth tenet, he said, is ending “political correctness”—a consistent, if vague, rallying cry for Trump’s supporters. Semanko says members of the Republican establishment, including the College Republicans, are too careful when they speak. “We don’t like these people being so soft and weak,” he told me. “Trump is a fighter.”

Elliot Jersild, who was also a member of the Bull-Moose Party and served as the group’s president for one semester, put it this way: “I think voters are more aware that they can get something better than old-fashioned Republicans, someone who will actually fight for the middle and lower classes,” he said. “Candidates now are going to have to be much more willing to acknowledge the struggles of working people. You can’t just open up our trade, you can’t just support NAFTA without analyzing whether it’s actually worth it for the working class.”

Jersild voted for Mitt Romney in 2012, and interned for the Republican National Committee in 2016. But in Trump, he says, the party has finally found a strong leader. “The big thing for me is that Trump, his willingness to fight for Republican values, that’s something I feel has been lacking,” he said. “I always feel a little strange when a kid my age espouses 50-year-old *National Review* talking points. *National Review* has always thought they were the Republican Party, but they’re not,” he said. “It’s the working class.” (As exit polls [showed](#), while white working-class voters supported Trump, an overall majority of working-class voters supported Clinton.)

Like Steve Bannon, Bull-Moose Party members argue that the next generation of conservatives should be pushing for the populist, anti-establishment candidates—not just people who identify as Republican. In Pennsylvania, the club is backing Bobby Lawrence, one of seven Republican candidates challenging Democratic Senator Bob Casey in 2018, whose slogan is—you guessed it—“Make Pennsylvania Great Again.” The group has also channeled the energy it amassed in 2016 toward launching [The State Patriot](#), a new student publication meant to serve as an alternative to the school’s “mainstream media.”

The State Patriot, which describes itself as “Penn State’s Source for Real News,” offers mostly opinion columns, with a few out-of-date news items sprinkled in. One [recent column](#) hit the College Republicans for choosing “safe” speakers and using trigger warnings during a lecture series. Another from November asks “does the [*Daily*] *Collegian* have a problem with white people being in college?” A third unpacks “Diversity as State Ideology: The Accelerating Death of Traditional America.”

All this is to say, “We’re not shutting up,” Semanko told me. “We’re still advocating for Trump.”

* * *

In many ways, Donald Trump is a relic of a bygone era. Until this year, the 71-year-old lived in a tall tower filled with gilded French furniture and fresco-style ceilings. Trump still thinks of *Time* magazine as a powerful [tastemaker](#), and even his campaign slogan is meant to evoke nostalgia. Yet many of the young people I spoke with view him as a rejuvenating force for the party—the hero who has finally disrupted the Brooks Brothers-wearing, *National Review*-subscribing GOP.

“He’s bringing up issues that have needed to be brought up, like handling immigration,” Jarrett Cathcart, a senior at the University of Central Florida and president of the UCF College Republicans, told me. “What has been going on with illegal immigration over the past eight or 10 years or so, it’s not good.” He added that Trump’s tweets are something people his age appreciate: “He’s typing it out, he’s telling us what he thinks, that’s something Millennials on social media really value.”

At Arizona State, the club benefitted from a Trump wave. “He’s [increased the] numbers of College Republicans at ASU by incredible numbers,” the group’s president, Jennifer Custis, told me. Custis, a senior studying secondary education, history, and government, said deciding to support Trump was never an issue: “People loved him.” And Andrew Mendoza, the president of the University of California-Davis College Republicans, said he saw something special in Trump right from the beginning: “His out-and-out nationalism was amazing,” he said, adding that Trump’s ideology defies labels. “I think he’s an individual.”

During the past few years, young voters have been steadily [leaving](#) the Republican Party. In the [most recent poll](#) from the Harvard Institute of Politics, only 22 percent of Americans under 30 identified as Republican, compared to 38 percent identifying as Democrats and 39 percent as independents. While young Republicans still mostly approve of the president’s job performance, a recent [analysis](#) from Republican pollster Kristen Soltis Anderson points out that there are two large areas where they disagree: immigration and climate change.

Less than 33 percent of young Republicans who approve of Mr. Trump say they view climate change as a serious threat, but among young Republicans who disapprove of the president, that rises to over 60 percent. While over 70 percent of Trump-approving young Republicans believe undocumented immigrants and refugees are a threat to America, 60 percent of Republican Trump disapprovers say the opposite.

If the party continues to lose young voters, it will be because of these differences, writes Soltis Anderson: “In that case, the party’s turn to Trumpism will have won out among the young who still call themselves Republicans, but at the expense of scaring off many young voters who might have called themselves Republicans in another time.” Soltis Anderson concludes that “for Republicans who are dismayed at the direction of the party, counting on a new generation to ride to the rescue may be overly optimistic.”

The anti-Trump College Republicans I spoke with seemed to have come to this conclusion, as well. For them, the past year has been an exhausting whirlwind of emotions: first frustration, then confusion, and finally, a deep sense of hopelessness. After Trump won the election, Ben Rasmussen, a student at Yale, officially pronounced the Republican Party dead. Rasmussen had quit the Yale College Republicans after the seven-member group endorsed Trump, and co-founded an anti-Trump Republican club—the Yale New Republicans. Four members left with him, and three stayed behind. Rasmussen said the weeks before the election were silently hostile—that the two tiny groups had a “Cold-War” relationship: “We’d walk by each other in the hallways and just not make eye contact,” he told me.

But Rasmussen’s experiment failed. After Trump won, there were fewer opportunities to get involved with GOP politics, and the New Republicans’ membership, which had grown slightly, dwindled. They decided to stop paying hosting fees for the club’s website. “It turns out that is what many Republican voters want. They want Trump,” Rasmussen told me. “The Republican Party that has this long lineage that goes back to Eisenhower and Reagan, it’s dead. A new chapter has opened. It’s a chapter of the alt-right, of [Pepe the Frog](#), of white supremacist Charlottesville protesters.”

In Provo, Utah, even on a campus as conservative as Brigham Young University’s, being a Republican “has such a negative connotation,” Madison Barr told me. Barr, the president of the BYU College Republicans, said membership in the club dropped steadily throughout 2016, largely because people wanted to distance themselves from Trump.

She said the president’s rhetoric revealed an ugly side of her party, a side that became visible to her during a recent interclub debate. The College Republicans were discussing whether Trump should extend DACA protections for Dreamers—undocumented immigrants brought to the United States as children—when one club member suggested that all Dreamers, regardless of their criminal history, should be deported. “I don’t think that’s a Republican thing to do, to just deport people,” Barr said. “It’s just like a core issue. How can we be so different in the same party?”

Barr, who graduated in December, told me she hopes the club will reject certain elements of Trumpism after she’s gone. In the same vein, she wants more traditional conservatives like Flake and Nebraska Senator Ben Sasse to step up and steer the party in the right direction. “I’m hoping that Republicans will realize this isn’t what they want. This isn’t who they are,” she told me.

But a few days after Flake announced his retirement, I called Barr back to find her increasingly pessimistic about the future of the party—and facing a Jeff-Flake scenario of her own. “Do I keep fighting? Is it worth it?” she said. “Because sometimes it doesn’t feel like it.”

* * *

At Ohio State, Donald Trump's nomination tore Nick Frankowski's club apart.

More than 70 people showed up to the first meeting of the Ohio State College Republicans in August 2016. The group had made it through the turbulent presidential primaries and the withdrawal of hometown boy Governor John Kasich. But members couldn't agree on whether—or how much—to support Trump. The candidate was hated by some in the group, and loved by others; so they never took a formal position. In the end, the group “kind of didn't really do much,” Frankowski, the club's current president, told me.

That indecision led a chunk of frustrated members to join Ohio State Students for Trump, a chapter started earlier that spring by Nick Davis, a junior studying natural-resource management. Davis, who believes Trump has “energized the people in America who aren't typically into government,” said he started Students for Trump because no one else on campus was doing anything.

In late September 2016, Davis's club and the depleted College Republicans attempted a show of unity. They rented a room in the Ohio Union and co-hosted a presidential debate-watching party. The room was full of students on both ends of the Trump spectrum, who were eager to watch the first face-off between Trump and Hillary Clinton. Things quickly got rowdy. While most people were quietly listening to both candidates, a handful of passionate Trump fans in the front of the room were treating the debate, as Frankowski put it, more like a “high-stakes sporting event.” For a full 90 minutes, they booed when Clinton answered a question, and cheered heartily when Trump did. Occasionally, they chanted, “Lock her up!”

It was a clash of personalities, Frankowski told me. “There wasn't really anyone in charge,” he said. “We tried politely asking [the Trump supporters] to settle down. Most of those [requests] were rebuffed.”

Instead of unifying the two groups, the debate-watch extinguished what remained of their rapport; they never collaborated again. For the next two months, just like at Penn State, the Students for Trump did all the legwork for Trump, while the College Republicans remained passive, campaigning only for local city council and judicial races. “Most everyone thought [Trump] was going to lose, and we would all kind of move on from there,” Frankowski said. But instead, Trump became president, and by the end of the school year, the College Republicans were down to 18 members.

To Frankowski, some of the fervor surrounding Trump—the graphic t-shirts showing Trump tossing Clinton off a motorcycle, the chanting, the red MAGA hats—represents the trivialization of American politics. “When I first got into politics I always thought it was this noble thing,” he said. “I guess maybe I've just gotten jaded as I've gotten older...” He still hopes Trump is an anomaly. “I honestly think the Trumpian strategy only works for Donald Trump,” he told me.

In 2017, the College Republicans focused on bringing speakers to campus, networking, and preparing for the 2018 gubernatorial and Senate elections. “We're really focusing on things that

bring us together, just disregarding the stuff that's more divisive," Frankowski said. In early fall, the group went bowling. In December, they went to the zoo.

* * *

Earlier in the fall semester, Nick Frankowski and Nick Davis, leaders of the rival Republican groups at Ohio State, had a sit-down. It was awkward, but it had to be done. "We just said you know, the election's over, we don't want to be at each other's throats anymore. Kind of let bygones be bygones, and move forward with the Republican agenda," Frankowski told me, adding that the hard feelings between the groups were mostly gone.

But Davis characterized the conversation differently. "[Frankowski] came up to me and he was like, 'Let's come together and blah blah blah, and let's sit down and talk and come up with ways to include Trump people,'" he told me. "Well that meeting never happened because he didn't want it to happen."

Davis says since the election, the College Republicans have been slacking. "They've been really lazy," Davis said, adding that they still aren't encouraging Trump supporters to come to the meetings. "When you have people in there who feel it's their responsibility to push their own Republican narrative instead of the one that people chose, that's where the main issue lies," he told me. "I think that issue is nation-wide."

This fall, the Students for Trump decided to rename themselves: Now they're Students for Conservative Leaders, and they're pledging to campaign for candidates who back Trump. At some point, Davis would like to see the Ohio State College Republicans under entirely new leadership—an executive board made up of people who understand where the party is headed.

"The Republican Party is the party of Trump now," Davis said. "The people overwhelmingly chose Trump, and [the College Republicans] need to respect that. How do we expect to get anything done if people are constantly fighting?"

How the right weaponized free speech

The Chronicle of Higher Education

I was 10 years old when my father was suspended from his job as a high-school social-studies teacher. Two years later, he was fired for insubordination and conduct unbecoming a teacher because he refused to cooperate with an investigation into purported communist infiltration in the New York City public schools. [His defense](#) was eloquent.

"I have been a teacher for 15 years — a proud American teacher. I have tried all those years to inspire my youngsters with a deep devotion for the American way of life, our Constitution, and Bill of Rights. Hundreds of my youngsters fought in World War II, and I know their understanding of the need to fight for their country was inspired by my teaching and the Bill of Rights. ... From that teaching our youngsters got the feeling that we are living in a country where nobody has a right to ask what are your beliefs, how you worship God, what you read. As a teacher and a believer in fundamental principles, it seems to me that it would be a betrayal of everything I have been teaching to cooperate with the committee in an investigation of a man's opinions, political belief, and private views."

At the time, I took it all in stride — we were expected to be proud of the principled stand my father had taken. But looking back, I can see that I was also afraid. Our family life was rendered uncertain by his firing and not only because he no longer had a job. In fact, it was not so much economic insecurity that I felt, but a sense of foreboding: FBI agents showing up at the door, friends whose fathers were in jail, Joseph McCarthy's voice leering, insinuating, angry — the sounds that to a child conveyed dangerous, unreasoning hatred.

That was 65 years ago. I thought all of it was long passed, a stage in my history — in American history — we had all survived and that even some of its most ardent supporters had repudiated. So I was unprepared for the power of my reaction to the election of Donald Trump: diffuse anxiety; a sense of fear in response to an indeterminate threat; dread about what would come next, as day after day more draconian measures were announced. It was, in some sense, the return of the repressed, and not only for me, but for the country as a whole.

Looking for insight, I turned (not for the first time) to Richard Hofstadter's *Anti-Intellectualism in American Life*, a reflection on the experience of the 1950s, published from the critical distance of 1963. In the book's first chapter, Hofstadter comments on "the national disrespect for mind" that characterized the era. "Primarily it was McCarthyism which aroused the fear that the critical mind was at a ruinous discount in this country. Of course, intellectuals were not the only targets of McCarthy's constant detonations — he was after bigger game — but intellectuals were in the line of fire, and it seemed to give special rejoicing to his followers when they were hit." Hofstadter went on to argue that the experience of the '50s was not new, but a recurrent aspect of American identity with "a long historical background. An examination of this background suggests that regard for intellectuals in the United States has not moved steadily downward ... but is subject to cyclical fluctuations."

My son, Tony, characterized these fluctuations as the escape of the American id from the confines of its reasonable containment. The return of the repressed with a vengeance!

The American id has been let loose again, this time by Donald Trump, and, as in the McCarthy period, intellectuals are only one of his targets. But targets we are. It's not only the president's preference for alternative facts that challenge evidence-based argument, but direct attacks by him and others on scientists who work on climate change or who support the Affordable Care Act. It's also an apparent distrust of and dislike for professors. Secretary of Education Betsy DeVos [tells college students](#) that "the fight against the education establishment extends to you, too. The faculty, from adjunct professors to deans, tell you what to do, what to say, and, more ominously, what to think." We are, in her view, dangerous agents of thought control, purveying our ideology to the detriment of free thought.

"Professor Watchlist," established by the conservative organization Turning Point USA, publishes online the names of professors that it describes as advancing "a radical agenda in lecture halls." Two Arizona legislators introduce a [bill](#) that would prohibit state institutions from offering any class or activity that promotes "division, resentment or social justice toward a race, gender, religion, political affiliation, social class or other class of people." The bill failed, but it is a sign of the times. (Arizona has already banned the teaching of ethnic studies in grades K-12.) In Arkansas, [a bill](#) seeks to prohibit any writing by or about Howard Zinn from school curricula. In Iowa, a state senator introduced a [bill](#) to use political-party affiliation as a test for faculty appointments: "A person shall not be hired as a ... member of the faculty ... if the person's political party affiliation ... would cause the percentage of faculty belonging to one political party to exceed by ten percent the percentage of the faculty belonging to the other political party." The Anti-Defamation League [notes](#) that since January, white supremacists have stepped up recruiting on campuses in more than 30 states. Anti-Semitic and anti-Muslim leaflets have caused concern, but also — as in the case of speeches by the likes of Richard Spencer and Milo Yiannopoulos — they have raised the question of what counts as free speech.

These days, free speech is the mantra of the right, its weapon in the new culture war. The invocation of free speech has collapsed an important distinction between the First Amendment right of free speech that we all enjoy and the principle of academic freedom that refers to teachers and the knowledge they produce and convey. The right's reference to free speech sweeps away the guarantees of academic freedom, dismissing as so many violations of the Constitution the thoughtful, critical articulation of ideas; the demonstration of proof based on rigorous examination of evidence; the distinction between true and false, between careful and sloppy work; the exercise of reasoned judgment. To the right, free speech means an entitlement to express one's opinion, however unfounded, however ungrounded, and it extends to every venue, every institution.

The Goldwater Institute's [model legislation](#), the "Campus Free Speech Act," has been taken up in several states and by the National Association of Scholars. It calls on professors to present both sides of an issue in the classroom in order to protect students' right of free speech. Professors, in this view, have the right to regulate speech, provided that they do so in a "viewpoint- and content-neutral" manner. In effect, students are allowed to say anything they want, removing intellectual authority from the professor. Here is the vice president of the

College Republicans at the University of Tennessee supporting a bill to protect student free speech: "Students are often intimidated by the academic elite in the classroom. Tennessee is a conservative state. We will not allow out-of-touch professors with no real-world experience to intimidate 18-year-olds." The National Association of Scholars has [proposed new ways](#) to evaluate the "academic elite." Among its recommendations is the elimination of peer review and its replacement by experts "who are of genuinely independent minds." It's hard not to see in these recommendations a more veiled version of the political-party test proposed in Iowa.

There's a kind of blood lust evident in those charges, an attempt to rein in serious intellectual work, critical thinking, scientific inquiry. I don't want to deny the existence of real problems on our campuses: the moralism that is apparent in some courses and some student activism, the calls for trigger warnings, the insistence on the authority of their experiences by those whose minority status has silenced or marginalized them, and who look to "safe spaces" as a way to gain traction in an otherwise hostile or neglectful environment or erupt in protests that are sometimes ill-considered violations of the rights they need to respect and protect. But none of that explains the ferocity of the anti-intellectualism we are witnessing, the desire to impugn our motives and disparage our work, to do away with what power academics are supposed to have.

If Tony's reference to the unleashed id is right, we are the superego who would spoil the fun. We keep asking questions, they already have their answers. We have to be silenced if they are to enjoy their power to its fullest — because that power depends on reversing advances in equality and undermining the institutions of democracy: the Constitution, the citizenry, the courts, and the schools. Those are the institutions that, arguably, provide the ground rules for the conflict and diversity that are the permanent condition of the republic.

That may be why freedom is the principle invoked so forcefully on the right these days — freedom in the sense of the absence of any restraint. From this perspective, the bad boys can say anything they want, however vile and hateful. The worse the better, for it confirms their masculine prowess, their ability to subvert the presumed moralism of those they designate "eggheads" and "snowflakes" — female-identified prudes who, in a certain stereotypical rendering of mothers, wives, and girlfriends, are the killjoys who seek to rein in the aggressive, unfettered sexuality that is the mark of manly power.

Intellectuals, liberals, and progressives (the terms are often taken to be synonymous) are portrayed as the enemies of freedom. "Inside every progressive is a totalitarian screaming to get out," warns David Horowitz, who has been on the front lines of the anti-intellectual movement for years. The strategy of the extreme right these days is to provoke situations that can be used to demonstrate Horowitz's claim. By collapsing the distinction between free speech and academic freedom, the right denies the authority of knowledge and of the professor who purveys it.

Danielle Allen, a university professor at Harvard, fell right into their trap when she compared Charles Murray's experience at Middlebury College in March with that of the Little Rock Nine, the black high-school students in Arkansas who had to be protected from violent crowds by the National Guard as they sought to integrate Central High School in 1957. [In a column](#) for *The Washington Post*, Allen rendered the proponent of racist false science as a defender of "the intellectual life of democracies." Like the Little Rock Nine, who defied racists and "tried, simply,

to go to school," she concludes, "Murray and his hosts were also trying, simply, to keep school open. In this moment, they, too, were heroes."

What happened at Middlebury was not about "the intellectual life of democracies" — that goes on in classrooms and forums where tests of truth and evidence apply. It *was* about the violation of an individual's right of free speech, in which no such standards are applied.

The confusion between these two — between academic freedom and free speech — is also evident in the [statement](#) issued by the unlikely duo of Cornel West and Robert P. George. Insisting on the importance of respecting free speech, they concede what should be refused: the conflation between an individual's right to express his opinions, and criticism — lack of respect, even — of the opinions themselves. They assume a necessary parity between different sides of debates about discrimination, equality, and justice, as well as about what counts as scientific evidence and about the validity of certain forms of political protest. The authority of knowledge is denied in their call for neutrality, as is the unequal distribution of social power; it is as if everything is of the same quality in the marketplace of ideas.

Free speech makes no distinctions as to quality; academic freedom does. Are all opinions equally valid in a university classroom? Are professors being "ideological" when they refuse to accept the Bible as scientific evidence? What, then, becomes of certified professorial expertise? Does the university have a responsibility to uphold standards of truth-seeking outside the classroom as well as inside it? When does an invitation imply endorsement of a speaker's views? Is the exchange of ideas really impeded by passionate debate, even angry exclamations? Should the right of free speech be restricted to polite and civil exposition? Is righteous anger unreasonable in the face of racial, economic, religious, or sexual discrimination? Is there really no difference between the structures of discrimination experienced by African-Americans and the criticism of those structures? Does "all lives matter" carry the same critical commentary as "black lives matter?" What does it mean historically for those groups marginalized by or excluded from majority conversations and institutions to protest their treatment?

The students participating in the sit-ins that launched the civil-rights movement were deemed "uncivil" by their segregationist critics. Sometimes it requires extraordinary actions to make one's voice heard in a conversation that routinely ignores it. Incivility, even today, is most often a charge made against protesters on the left, while the hate speech of those on the right looks for — and finds — protection in the right of free speech.

Although there are differences between the reaction to student protest and the more general defamation of the life of the mind that takes aim at faculty members, there are also connections between them. These have to do with the status of criticism or critique in the national conversation. It was in defense of the university's role as the crucible of critique that the doctrine of academic freedom was formulated in the United States over a century ago. When John Dewey and his colleagues founded the American Association of University Professors, in 1915, they articulated a vision of academe that was at once immune to powerful economic and political interests and also promised to serve those interests, however indirectly, by producing new knowledge "for the common good."

The university was defined as "an inviolable refuge from [the] tyranny of [public opinion] ... an intellectual experiment station, where new ideas may germinate and where their fruit, though distasteful to the community as a whole, may be allowed to ripen." Scientific and social progress depended on the nonconformity that is protected, indeed fostered, by the university. The well-being of the place came from its ability to support critical thinkers, those who would challenge prevailing orthodoxy and stir students to think differently, to become "more self-critical," hence more likely to bring about change. The role of professors was to be, in the words of one university president, "a contagious center of intellectual enthusiasm." He went on: "It is better for students to think about heresies than not to think at all; better for them to climb new trails and stumble over error if need be, than to ride forever in upholstered ease on the overcrowded highway."

The century-old notion of academic freedom insists on the expertise of scholars and the importance of that expertise for advancing "the common good." That principle is full of so-called elitist implications. It views the faculty as capable of inspiring, inculcating, and judging students' mastery of subjects being taught. Students' free speech is appropriately limited in the classroom, subject to the disciplinary tutelage of the professor in charge — a professor who has been subjected to and certified by a disciplined formation of his or her own. This does not mean silent acquiescence in the face of indoctrination — far from it. It does mean learning how to evaluate things critically, how to question orthodoxy and challenge it from a position of knowledge rather than one of unexamined belief.

This training in the rigors of critical thought is not without its difficulties, and it is more often characterized by strong differences and contentious argument than by consensus. But that is what makes it the preparation required for the exercise — inside and outside the classroom — of free speech. Academic freedom — the right of professors to teach as they choose, without outside interference — is the key to the exercise of free speech: not as an expression of the unruly id, but as a voice given to reasoned argument. That voice can be angry, insistent, condemnatory; there is no contradiction between reason and outrage.

That is why exhorting students to respect the ideas of individuals with whom they disagree is not the solution to their purported misbehavior: We can respect the right of free speech without having to respect the ideas being uttered. Critical thinking is precisely not a program of neutrality, not tolerance of all opinion, not an endorsement of the idea that anything goes. It is about how one brings knowledge to bear on criticism; it is a procedure, a method that shapes and disciplines thought.

That kind of critical thinking has been discouraged in university classrooms in recent years; it has been severely compromised as the mission of the university, replaced by an emphasis on vocational preparation, on the comfort and security of students, on the avoidance of controversy lest students, parents, trustees, legislators, and donors find offense. Its absence in the university curriculum has produced some of the problems we now face.

This is the result of the introduction into university management of a corporate mentality — one that defines students as clients (paying customers) and that measures the value of a university education in terms of the salary earned upon graduation by its students. Administrators

increasingly turn to risk consultants to figure out how to avoid the costs of legal challenges from disaffected "customers"; they bow to the demands of donors with political agendas (for example, the enormous power of donors who support Israel's current policies and seek to prevent any criticism of them); and they accommodate (by necessity) state and federal laws that may violate their mission.

Consider the warning to University of Houston faculty members in 2015, after the passage of a law permitting concealed weapons on campus. If a class discussion threatened to become heated, new guidelines suggested, it might be better to change the subject, to "not go there." The problem is also evident in the tendency of administrators to punish the extramural speech of left-wing faculty members when it is attacked by right-wing bloggers. Students learn that the free expression of ideas is not always protected; indeed, that silence is a wiser choice. The university as a place for critical thinking, for difficult dialogue and frank, open debate, has been damaged.

The lack of training in critical thinking extends beyond subject matter in courses to strategic planning for political action. If students haven't learned how to analyze texts and historical arguments, they won't be able to bring critical thinking to political engagements; they will tend to act more impulsively, venting their rage rather than directing it to considered strategic ends. They will underestimate the power of the opposition to discredit their aims along with their actions. They will end up as the bad guys, while Milo Yiannopoulos or Richard Spencer bask in their First Amendment martyrdom.

It's unfashionable to look to the past for answers to the present; unrealistic not to accept the corporate neoliberal university as a *fait accompli*. But there is value in conserving the principles that inaugurated our democracy and that informed the founding missions of the colleges and universities of this country. If the production of knowledge was understood to be vital to the progress of the nation, then intellectualism is our best answer to anti-intellectualism. Not the watering down of ideas or the search for popular consensus, not the notion that all ideas are worthy of respect, but the more difficult task of honing our critical capabilities, cultivating them in our students, and insisting on their value even in the face of ridicule, harassment, and repression.

In 1954, Leslie Fiedler described McCarthyism as a "psychological disorder compounded of the sour dregs of populism [and] the fear of excellence, difference and culture." It's time, I think, to reassert the authority of knowledge in the face of the Trump administration's attempt to elevate mediocrity to a heroic virtue. The pursuit of knowledge is not an elitist activity, but a practice vital for the exercise of democracy and the promotion of the common good. Those values — knowledge, democracy, the common good — are worth reasserting, despite their corruption and neglect. The university was once considered the crucible of those values; its mission has been diminished over the course of the past 20 or 30 years. Still, we have no choice but to hold on to that vision and to find ways to reanimate it, so that it can inspire our thinking in the difficult days that lie ahead.

Joan W. Scott is a professor emerita at the Institute for Advanced Study, in Princeton, N.J. This essay is adapted from an address she delivered at the American Academy of Arts and Sciences on the occasion of being awarded the Talcott Parsons Prize.

State spending on higher education has inched upward. But most public colleges can't celebrate.

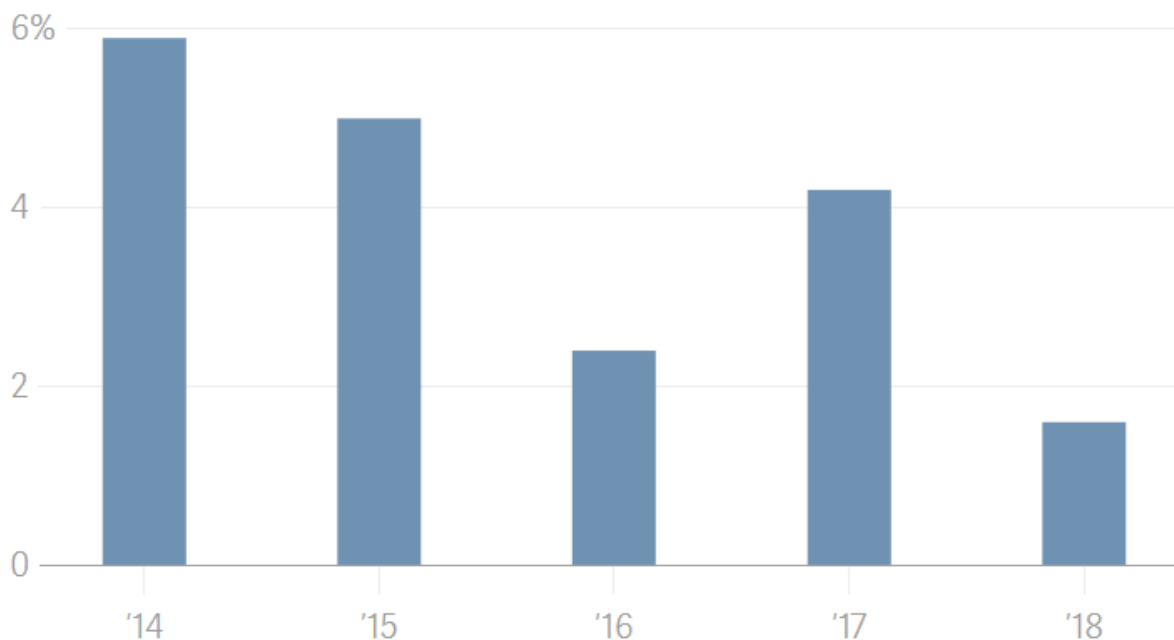
The Chronicle of Higher Education

State appropriations for higher education increased nominally over the last year, according to an annual survey. But the small rise and wide variations across the nation underscore why many public colleges still have reason to fret about their states' economies.

Over all, state appropriations for colleges were 1.6 percent higher for the current fiscal year, which began on July 1 for most states, than in the previous one, according to the annual "Grapevine" survey, compiled by the Center for the Study of Education Policy at Illinois State University and the State Higher Education Executive Officers, known as Sheeo.

But several factors erase any notion that the national gains in higher-education spending amount to a significant step up. This year's increase is the smallest in five years, and it falls short of the 2.1-percent increase in the [Consumer Price Index](#) for the 2017 calendar year.

Year-to-year growth in states' higher-education funding, by percentage



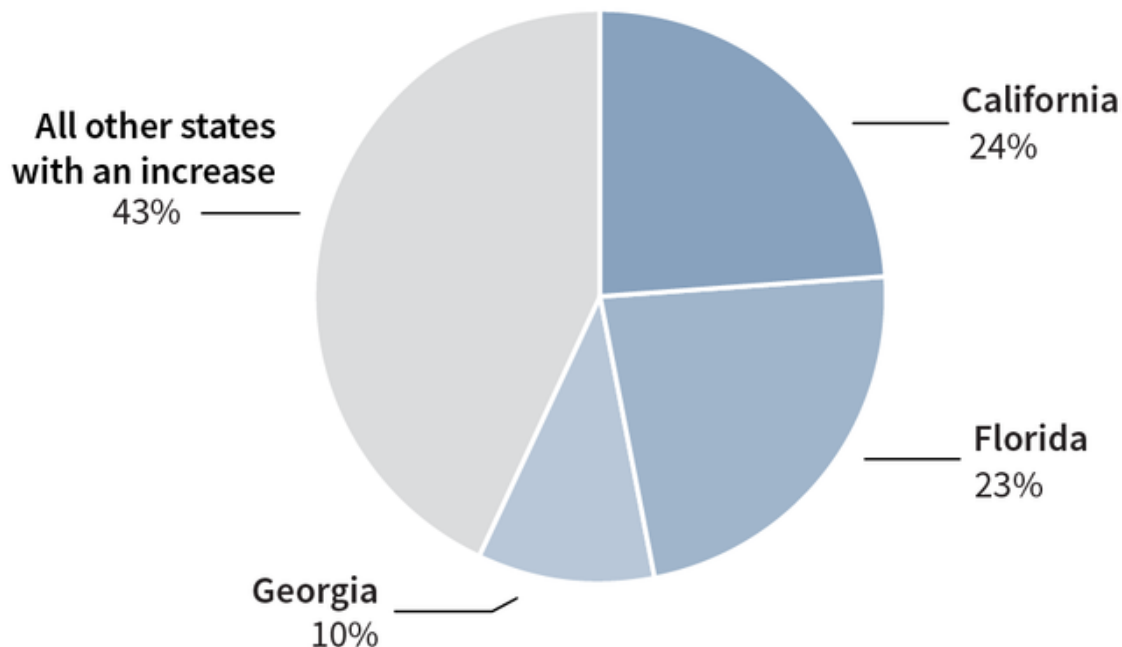
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In addition, the overall increase is due almost entirely to the increased appropriations in California, Florida, and Georgia, according to the survey's findings. Without those three states, the overall increase is barely noticeable — just two-tenths of a percent.

3 States Account for Most Growth in Higher-Ed Funding

Increases from 2017 to 2018 as a percentage of nationwide gains



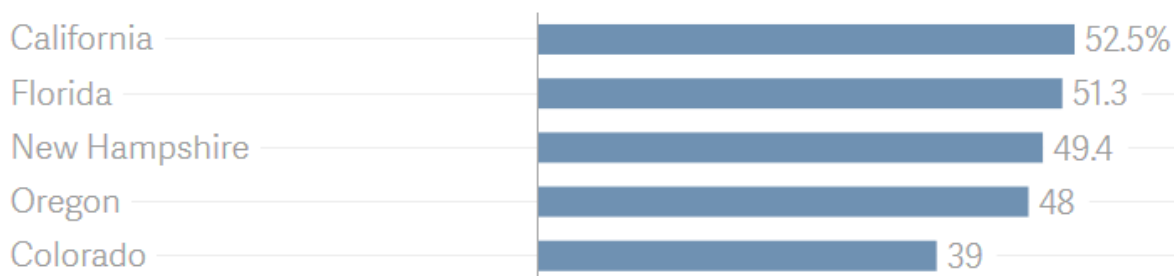
Source: Center for the Study of Education Policy at Illinois State U. and SHEEO

And there is wide variation among the 50 states. Eighteen states reported increases, ranging from 2 percent, in Michigan, to more than 11 percent, in Florida. A dozen states had increases of 2 percent or less.

Nineteen states cut spending for higher education, with the decreases ranging from one-tenth of a percent, in Ohio, to 14.6 percent, in North Dakota.

Over the past five years, most states have made significant increases in higher-education appropriations, with a nearly 21-percent increase in spending nationwide, according to the Grapevine figures. Over that time, 40 states have spent more on higher education. The biggest gainers, California and Florida, have seen increases of more than 50 percent.

Where state support grew the most: 2013-18

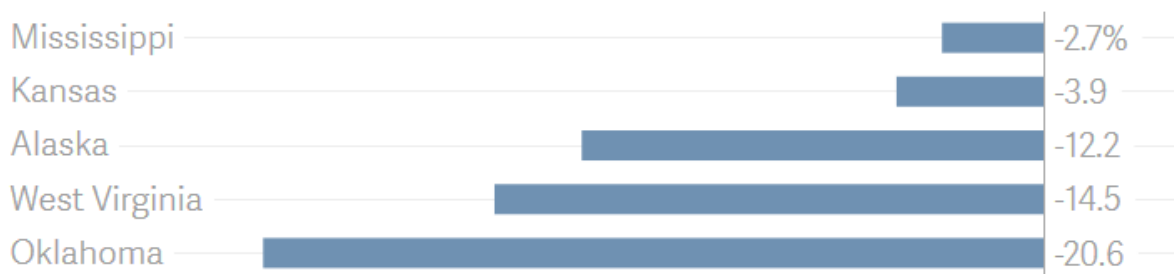


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The biggest losers, meanwhile, were Oklahoma and West Virginia.

Where state support dropped the most: 2013-18



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But the future of state spending in all areas remains uncertain. [A report from the American Association of State Colleges and Universities](#) listed “sluggish state revenues” as the second-greatest issue facing public higher education in the coming year.

Low prices for oil and agricultural commodities have hampered state revenues in recent years, the report notes, as have state tax cuts enacted in the wake of the Great Recession. The future economic outlook is “stable,” the report says, “but tight.”

Its final prediction: “More states will likely confront budget shortfalls as 2018 unfolds.”

Who has the most student debt? The wealthiest, a new analysis finds

The Chronicle of Higher Education

The student-debt horror story has become ubiquitous in the national media and elsewhere: recent graduates, tens of thousands of dollars in debt, [moving back in with their parents](#).

Higher-ed researchers have long pushed back against that easy narrative, arguing, for one thing, that a bigger problem is college students' amassing even small amounts of debt and then dropping out with no credential. Now the Urban Institute has unearthed a data point in favor of the more nuanced approach.

[In an analysis](#), two researchers used the results of a recently released federal survey to conclude that households in the top quartile of income distribution in 2016 — those making more than \$81,140 a year — held roughly half of the outstanding student debt. And the top 10 percent of households by income held almost a quarter of that debt.

“As you might expect, those who earn more owe more,” write the researchers, Sandy Baum and Victoria Lee. But those who earn more — many of whom would earn less if not for their college degrees — are less likely to default or have trouble paying back their loans. Focusing on “who owes the most,” the researchers write, may be counterproductive.

“The concentration of education debt among the relatively affluent means that some policies designed to reduce the burden of education debt are actually regressive,” Ms. Baum and Ms. Lee wrote. “Focusing on lowering the interest rate on all outstanding student debt or on forgiving large amounts of that debt would bestow significant benefits on relatively well-off people.”

That emphasis largely underscores one of the key points in [a 2016 book written by Ms. Baum](#), *Student Debt: Rhetoric and Realities of Higher Education Financing*.

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Past Issues

Trans



COLORADO STATE UNIVERSITY



NATIONAL WESTERN CENTER REIMAGINED

Colorado State University is proud to be one of the key partners in the re-imagining of the National Western Center (NWC). Read on for updates about CSU's activities within the NWC, as well as stories spotlighting neighbors, partners, and collaborators of this landmark project.



Project updates



Upcoming events

[National Western Center
Placemaking Public Meeting](#)

February 1, 2018
5:30-7:30 p.m.
Colorado Miners Community
Center

[Girls and Science](#)

March 3, 2018
9 a.m.-5 p.m.
Denver Museum of Nature &

2018 National Western Center campus video update

See a video update of the National Western Center campus above, and keep up to date with all aspects of the National Western Center project [here](#).

News

CSU Day at the National Western Stock Show



CSU celebrated its more than century-long relationship with the National Western Stock Show on Jan. 13, 2018.

[Read more.](#)

Provide feedback - take the Placemaking survey

The National Western Center (NWC) represents a visionary transformation of the site into a year-round destination and regional asset, enhancing these current Denver landmarks for the next 100 years. The NWC is currently undergoing a Placemaking Study to gather input from key stakeholders about the redevelopment of the new center.

Please complete [the survey](#) by February 8 to contribute feedback that will be considered as part of this study, and feel free to share this survey with other members of your neighborhood or

Science

Little Shop of Physics at Broncos Tackle STEM

March 22, 2018

[Trout Tank H2O: Final Pitch Event](#)

April 19, 2018

Inaugural Water in the West Symposium

April 26-27, 2018

McNichols Building

[The Science Lounge: Jungle Love](#)

February 15, 2018

6:30-9:30 p.m.

Denver Museum of Nature & Science

[Zoom In](#)

Presented by CSU

History Colorado Center

[Creatures of Light](#)

Exhibit opens February 23, 2018

Denver Museum of Nature & Science

National Western Center Citizens Advisory Committee Meeting

All meetings are from 5:30-7:30 p.m. in the Centennial Room of the National Western Complex.

association. For more information, please visit nationalwesterncenter.com.

CSU continues 112-year partnership with the National Western Stock Show



CSU has partnered with the National Western Stock Show since the event's founding in 1906. Students, faculty, and staff engaged with the Stock Show each year paying tribute to the University's agricultural roots, and utilizing the opportunity to showcase the University's areas of expertise and connect with the community. [Read more.](#)

Trout Tank H2O



The Denver Metro Chamber of Commerce and Small Business Development Center, Denver Water, Colorado State University, and TAP-IN are partnering to bring Trout Tank H2O - an accelerator and pitch competition that showcases entrepreneurs and businesses

Click [here](#) to view the NDCC event calendar.

NWC profile



Tom Vilsack

Strategic Advisor of Food & Water Initiatives at the National Western Center

"We all have a stake in making sure we use water in the most efficient way possible. If we do this we can see city and farm working collaboratively. The National Western Center embodies the concept of urban-rural collaboration and as it expands and improves the venue the collaboration will deepen and provide the opportunity for tackling the tough issues that could divide us."

Read more of [Secretary Vilsack's interview here.](#)

Partner Spotlight



with a water focus and gives them opportunities to sharpen their pitching skills, gain exposure, secure funding, and build connections within the Colorado business and water community.

The top accelerator participants will pitch at the Trout Tank H2O: Pitch Event on April 19 to compete for a \$5,000 cash prize.

Registration deadline is February 9.

[Learn more.](#)

Denver Water proudly serves high-quality water and promotes its efficient use to 1.4 million people in the city of Denver and many surrounding suburbs. Established in 1918, the utility is a public agency funded by water rates and new tap fees, not taxes. It is Colorado's oldest and largest water utility.

Denver Water is a partner with Colorado State University in the Water Resources Center at the NWC.

Articles and links of interest

Food and agriculture:

- [The current state of agricultural education](#)

Environment:

- [Air pollution project harnesses the power of backyard science](#)
- [Bringing chemistry HOME with \\$1.1 million Sloan Foundation grant](#)

Health:

- [Are amoebae safe harbors for plague?](#)
- [Gift boosts animal-assisted therapy research and education at CSU](#)

Water:

- [Sustainable dams - are they possible? CSU experts weigh in](#)
- [Save the snowpack, save the water supply](#)



This quarterly newsletter is sent to CSU partners and to individuals who have expressed interest in CSU's role in the National Western Center redevelopment and the university's activities in Denver.

The intent of the publication is to share news and updates about the NWC, showcase local and national stories related to the redevelopment, and to spotlight partners, residents and professionals active within the project.

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