

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM MEETING
Colorado State University, Fort Collins
May 2, 2018**

CALL TO ORDER

Chair Munn called the meeting to order at 9:08 a.m.

ROLL

Governors present: D. Rico Munn, Chair; Nancy Tuor, Vice Chair; Jane Robbe Rhodes, Treasurer; Dennis Flores; Steven Gable; Mark Gustafson; William Mosher; 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

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: Dorothy Axelson, Student, CSU-Global Campus; Jon Bellum, Provost and Executive Vice President, CSU-Global Campus; Tod Clapp, Assistant Professor, Biomedical Sciences, CSU; Johnna Doyle, Deputy General Counsel, CSU-Pueblo; Melissa Emerson, Director, Student Resolution Center, CSU; 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; Scott Horak, Alumni, CSU; Blanche Hughes, Vice President of Student Affairs, CSU; Nancy Hurt, Managing Director, REO, CSURF; Reese Irwin, Founding Member and Training Officer for the Search and Rescue Team, CSU-Pueblo; Erika Lindstrom, Residence Life Coordinator, Member of Search and Rescue Team, CSU-Pueblo; Cheryl Lovell, CSU System; Tom Milligan, Vice President for External Relations, CSU; Bruce Raymond, Interim Provost, CSU-Pueblo; Kathy Sisneros, Assistant Vice President for Student Affairs, CSU; Barry Smith, Faculty, CSU-Global Campus; Donna Souder Hodge, Associate Professor of Rhetoric and Special Assistant to the President for Visioning, CSU-Pueblo; Karl Spiecker, Vice President for Finance and Administration, CSU-Pueblo; Mark Stetter, Dean, College of Veterinary Medicine and Biomedical Sciences, CSU; Wes Taylor, Student, CSU-Pueblo; Jason Warr, Associate Vice President of Finance and Compliance, CSU-Global Campus; Gordon Weightman, CFA, Callen; Niki Whittaker, Executive Assistant, CSU-Pueblo; Cole Wise, Vice President, ASCSU

Chair Munn commented on the breakfast with representatives from the President's Multicultural Student Advisory Committee held prior to the meeting. He reviewed the agenda and introduced Mr. Wise who was substituting for Governor Wells.

PUBLIC COMMENT

Chair Munn indicated one person signed-in to address the Board and then asked Mr. Horak for his comments. Mr. Horak addressed the Board about his concerns on freedom of speech at CSU.

AUDIT AND FINANCE COMMITTEE

Committee Chair Robbe Rhodes convened the meeting and asked Ms. Serrano for her report.

Status of FY 2017-18 Audit Plan: Ms. Serrano reported the current year has been productive with audits initiated on all but one carryforward project from the previous year; several special projects were undertaken; and Internal Audit staff changes have occurred. Updates include the draft report for the CSU Advancement data security audit is being prepared; a report with three recommendations for the CSU management of financial commitments audit has been issued; the report issued for the CSU Veterinary Teaching Hospital included six recommendations; and the Internal Audit quality assurance review that is required every five years by auditing standards has been completed with the highest achievable rating.

Special projects have been completed for the CSU-Global Campus conflict of interest process; student billing at CSU-Pueblo; and the CSU College of Business. Audits are ongoing for CSU-Pueblo Human Resources and CSU automatic journal entries. Audits have been initiated for CSU social media and CSU Athletics compliance in day-to-day operations. The CSU continuous auditing special project is currently focused on assessing credit risks for the PCARD office.

Past Due Recommendations: There are currently two overdue recommendations at CSU with the expectation that the audits will be closed before the August Board meeting.

Approval of the FY 2018-19 Audit Plan: Ms. Serrano explained how the audit plan is developed through a high level risk assessment with collaboration across the campuses and CSU System (CSUS). There are several carryforward items on the proposed audit plan with the exclusion of the CSU-Pueblo Chartwells revenue contract closeout that is no longer deemed to be high risk and will be removed from the list. She reviewed the new audits planned and responded to a question on the ethical climate audit that is intended to assess the effectiveness of the communication on ethical controls across the CSUS. Resources will also be dedicated to unplanned special projects that arise during the year. As required by auditing standards, Ms. Serrano confirmed the organizational independence of Internal Auditing to execute the proposed audit plan.

Committee Chair Robbe Rhodes asked for a motion to approve the FY 2018-19 audit plan. **Motion/Action:** Governor Gustafson moved to approve; Vice Chair Tuor seconded; and the motion carried unanimously.

CSUS Operating Portfolio Analysis and Investment Policy Presentation: Committee Chair Robbe Rhodes acknowledged the work of the Investment Advisory Committee (IAC). Ms. Henry recalled how the CSUS Treasury was established in accordance with state statute to invest the CSUS operating portfolio. The IAC was established and Callan has been engaged as the investment consultant.

Mr. Weightman explained the proposed investment plan is conservative, simple and low cost with liquidity paramount to ensure ongoing daily operations. He reviewed the three-tier investment structure and the methodology utilized that included a liquidity study on cash flow and an asset allocation analysis with back-testing and forward-looking projections on return and risks. The liquidity study was crucial in developing the investment policy statement that outlines the structure of the investment portfolio, implementation procedures, and the governance responsibilities of the various parties with required annual review by the Board and rebalancing occurring at the beginning of the fiscal year.

Ms. Henry commented that the investment strategy is more conservative than most higher education institutions that have similarly invested. Performance reports will be reviewed quarterly by the IAC and provided to the Board for the annual rebalancing at either the May or August meeting. Tier 1 funds will remain with the State Treasurer's Office and the suggestion was made to track the performance of the

CSUS portfolio against the State Treasurer's results for the next two to three years. **Motion/Action:** Vice Chair Tuor moved to approve the investment policy; Governor Gabel seconded; and the motion was unanimously approved.

Approval of Series 2019 Reimbursement Resolution: Ms. Henry reported consideration has been given to projects for potential funding through a 2019 bond issuance that is anticipated not to exceed \$100 million. Dr. Frank noted the projects listed could have a variety of fund sources, i.e., public, donor and student fees; program plans need to be approved for some of the projects; and approval of the exact financing plan will need to be completed for all of the projects. **Motion/Action:** Chair Munn moved to approve; Governor Mosher seconded; and the motion unanimously passed.

Third Quarter Financial Reports: Ms. Johnson reviewed the format of the reports and noted the net variance in other operating income generated through CSU-Global Campus for curriculum sold to Saudi Electronic University. There are no major concerns with the financial results; CSU-Global Campus and CSU-Pueblo have made adjustments to address variances in tuition revenue.

State Budget Update: The Colorado economy continues to grow and the general fund revenue is forecasted to increase by \$1 billion in FY 2018, largely as a result of the federal tax cut legislation. While legislation has yet to be passed, there is an expectation that the PERA liability will be funded by the state with additional changes, such as change in the retirement age, to be incorporated. The Long Bill that has been passed and signed by the Governor provides \$61.7 million or an approximately 9% increase in higher education funding of which CSUS's portion is \$12.3 million. Tuition increases for CSU and CSU-Pueblo have been capped at 3%.

CSU will also receive \$1.2 million in state funding for controlled maintenance and \$4.5 million in capital construction funds for the Shepardson building renovation. CSU-Pueblo will be receiving \$16.8 million in capital construction funds for the Psychology building. Any additional higher education appropriations or cybersecurity funding that might be approved will be viewed as one-time funding in the E&G budgets. Dr. Frank indicated that, should any major changes occur by the end of the legislative session, a short business meeting would be scheduled at the June retreat to discuss options. A request was made to provide the Board with a list of the state allocations by institution.

Adoption of FY 2019 E&G Incremental Budget, Tuition, Fees and Other Schedules and Policies: Dr. Frank noted the short narrative summaries provide general context and the comprehensive information in the appendix includes comparisons. The CSUS budget planning process began last August and has remained relatively unchanged throughout the year. The resident undergraduate tuition increase for CSU and CSU-Pueblo is 3% and the remaining tuition categories are market-driven. There has been extensive work to develop budgets that provide a good balance between quality and affordability and fulfill the responsibility to provide access to excellence as a land grant university system. Dr. Frank recommended approval of the proposed FY 2019 E&G incremental budgets.

Committee Chair Robbe Rhodes asked for the motion to approve the E&G budgets and related items. **Motion/Action:** Vice Chair Tuor moved; Governor Gustafson seconded; and the motion passed unanimously. Ms. Johnson reviewed the new schedules for comparisons to peer institutions and Colorado higher education institutions provided in the budget materials for each of the three campuses. Dr. Frank welcomed feedback on the format of the narrative and reports to which the response was the budget narratives were helpful for the Board's analysis.

Approval of the FY 2019 CSUS Combined Capital Construction Priority List: Ms. Johnson described the annual approval process that begins with the Board followed by CCHE approval and the state process through DHE, culminating with submission to the CDC. When asked about increasing construction costs for projects that have been on the list for several years, she responded the project plans are periodically

refreshed. **Motion/Action:** Governor Gabel moved to approved; Governor Flores seconded; and the motion carried unanimously.

Approval of the Amended CSU FY 2018-19 Two-Year Cash List: Ms. Johnson reviewed the projects on the list that requires Board approval prior to submission into the state process. **Motion/Action:** Vice Chair Tuor moved; Governor Gustafson seconded; and the motion carried unanimously.

Approval of Financing of Construction of the CSU Foothills Campus Vector-borne Infectious Diseases Facility (CVID): Ms. Johnson reported the action item is to approve the financing structure for construction of the new facility to be built under the project development agreement (PDA) with the P3 partner, Tetrad d/b/a Colorado Nova Campus Developers. The contracted PDA scope of services allows for design, build, operate and maintain, which is being done for the Translational Medicine Institute and the Veterinary Teaching Hospital, as well as financing which is being proposed with the CVID. The first two facilities have funding through NWC certificates of participation (COPs) and donors, whereas the CVID will require resources from the general fund.

Dr. Frank pointed out the CVID is a research project that will essentially be funded by the university and fits with role and mission, and he recounted the shifts that have occurred with federal and state support. The construction will be the first project to begin addressing the challenges with aging research facilities and the first financed project under the PDA that provides a new way of funding facilities. Due diligence has been completed to ensure the financing approach is appropriate. **Motion/Action:** Governor Flores made the motion; Governor Gabel seconded; and the motion passed unanimously.

The meeting recessed for a break at 10:37 a.m. and reconvened at 10:52 a.m. Chair Munn amended the agenda for presentation of the student and the CSU President's reports prior to Strategic Mapping.

CAMPUS STUDENT REPORTS

CSU-Global Campus: Governor Kneis announced he completed his degree on March 11 and reported the Governor signed into law SB18-101 that allows first-time freshmen from the state of Colorado with no credits to enroll at CSU-Global Campus. He indicated the rest of the written report would stand as submitted. When asked about the potential number of new freshmen, Dr. Takeda-Tinker described CSU-Global Campus' enrollment model with requirements for new students and the student support systems. Currently, through data collected from seven trimesters, the retention rate is 78% for freshmen outside of the state of Colorado.

CSU-Pueblo: Governor Harmon expressed appreciation for the invaluable experience of serving on the Board. A written report was included in the meeting materials.

Colorado State University: Mr. Wise highlighted the important work completed this past year by the ASCSU to create accountability reports and more transparency. The April 30 Arts Fest was deemed to be successful. Student fees increased 1.59% which is the lowest increase in several years. The impeachment section has been removed from the ASCSU constitution and actions are being centralized within the Student Resolution Services and the Office of Equal Opportunity.

COLORADO STATE UNIVERSITY REPORTS

President's Report: Dr. Frank highlighted from the written report the recognition of Dr. Albert Bimper as an Emerging Scholar and announced Dr. Diana Wall has been elected to the National Academy of Sciences. Other highlights include the recognition of the CSU Peace Corps program and the number of volunteers; the appointment of Leslie Taylor as the Vice President for Enrollment and Access; the naming rights agreement with Public Service Credit Union for the stadium; and recognition of Walter Scott, Jr.

with the 2018 Founders Day Medal. He commended the President's Multicultural Student Advisory Committee for the planning and execution of the CSU Unite event.

STRATEGIC MAPPING

Ms. Parsons reported the NWC Authority Board has begun the CEO search; the construction on the CSU Water Resources Center is slated to begin in the fourth quarter of 2019 and the responses to the RFP for building design are due May 7; and the Water in the West Symposium was successful, during which the Foundation for Food and Agricultural Research (FFAR) announced a \$5 million grant for irrigation innovation that was matched by the private sector for a total of \$10 million. Dr. Frank explained the work will be undertaken through a consortium of universities including CSU and private irrigation companies.

Vice Chair Tuor commented on the activities she participated in during her visit to the CSU Todos Santos Center with Ms. Parsons and Dr. Wall, and noted she did not observe any interference with the local fishing nor any impact on existing water sources as had been previously expressed to the Board during public comment. Dr. Mottet shared an idea to potentially create a sophomore experience that would include three departures annually to Todos Santos. An exploratory trip with a team of faculty and administrators from CSU-Pueblo will occur in June.

Ms. Parsons reported academic updates include the Enrollment Management and Admissions Task Force continues to meet; a team is developing a cross registration process for CSU and CSU-Pueblo students; and representatives from all three campuses will be participating in the NASH conference. Under operations, the Student Information System Strategic Direction Task Force will bring forward recommendations during the coming summer and Drs. Takeda-Tinker and Mottet attended the recent Industry Partnerships Council meeting. There are numerous activities and events occurring in Denver under mission alignment.

Ms. Parsons highlighted Dr. Takeda-Tinker's presentation at the recent AGB conference. Governor Robbe Rhodes who also attended the conference shared highlights on the plenary sessions and key note speakers.

The meeting then recessed at 11:38 a.m. for lunch with representatives from the various employee councils to have a conversation on shared governance. The meeting reconvened at 12:51 p.m. The agenda was adjusted to begin the afternoon session with the CSU faculty report.

COLORADO STATE UNIVERSITY CAMPUS REPORTS *(continued)*

Faculty Report: Governor Lenk highlighted from the written report that Dr. Richard Eykholt is the recipient of the third annual Harry Rosenberg Distinguished Service Award; several successful campus events were held recently; and the faculty has passed for consideration all curriculum and program changes, revisions to the Graduate and Professional Bulletin, and revisions to the Faculty Manual that include several positively impacting non-tenure track faculty. The Faculty Council is still working on the content and delivery of the student course evaluation form.

In response to a request from faculty, a report on the last five years of E&G budgets will be provided by the campus administration to create transparency on how increased resources are being distributed to the colleges and departments. A second request from faculty is for a survey of faculty and students on INTO and pathways programs to examine the impact on the learning environment. When asked about the student course feedback, Governor Lenk explained the challenges with the existing instrument and noted new questions are being developed. She announced the College of Business will hold a summit on September 14 for the pipeline of Hispanic students and business careers.

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

Committee Chair Flores convened the meeting and reviewed the agenda. He then asked Dr. Miranda to begin his report.

New Academic Degree Programs: Dr. Miranda explained that each new academic program has to address in the proposal a variety of elements, such as fit with campus mission, evidence of student demand and need, enrollment projections, curriculum, etc. All of the elements have been addressed in comprehensive detail for each of the proposed new CSU-Global Campus certificates as follows:

- Undergraduate Certificate in Fundraising
- Undergraduate Certificate in Web Application Development
- Undergraduate Certificate in Digital Marketing
- Graduate Certificate in Strategic Digital Information Marketing

There are concentrations or emphasis areas in academic degree programs that sometimes reach a level to justify creating a standalone degree. The proposed new B.S. in Criminology at CSU-Pueblo will replace the criminology emphasis that currently exists in the sociology major. Approval of the new certificates and degree program is on the consent agenda.

Colorado State University AY 2017-18 Emeritus Rank Designations: A report was provided in the meeting materials. Emeritus rank designations are offered to retired faculty or administrative professional staff that have served the university with distinction for ten years or more. The promotion pathways under consideration for non-tenure track faculty will potentially include emeritus rank designation.

Colorado State University AY 2017-18 Sabbatical Revisions: The written report contains changes, such as cancellations, to sabbatical leaves previously approved. Approval of sabbatical leaves has been delegated by the Board to the campus presidents.

Colorado State University Faculty Manual Changes: The revisions to the faculty manual are briefly summarized below:

- Section C.2.1.3.2 – The revision allows for all members of the Committee on Non-Tenure Track Faculty to be voting members of the Faculty Council.
- Section C.2.1.9.3 – The change allows committee chairs to have a substitute if they are unable to attend the monthly Faculty Council meetings.
- Section C.2.1.9.6 – The revisions clarify the membership of the Committee on Non-Tenure Track Faculty.
- Section E.1 – The definition of faculty has been amended to include additional academic ranks.
- Section E.2 – Language has been added to establish basic appointment types and mechanisms for providing professional development for non-tenure track faculty.

Additional revisions pertaining to non-tenure track faculty, such as clear definitions of promotional pathways, will be forthcoming. The Section K.10.6.5 revision was respectfully withdrawn and will be presented at a future meeting. Approval of the faculty manual changes are on the consent agenda. Vice Chair Tuor noted that, based upon previous conversations, the Board has been aware of potential changes pertaining to non-tenure track faculty and are supportive of these efforts.

Revised CSU Student Code of Conduct: The Student Code of Conduct is reviewed every three years through collaboration of several units, such as Student Affairs, Office of Policy and Compliance, General Counsel, ASCSU, Student Legal Services, CSUPD, Women and Gender Equity Study, Greek Life and the Support and Safety Office. A summary of the revisions was provided in the meeting materials and the changes include alignment with federal and state regulations and improvements to processes. Approval of the revised Student Code of Conduct is on the consent agenda.

Ms. Emerson added that the revisions codify alternative resolution processes with more conflict resolution and restorative justice opportunities as an alternative to the traditional discipline process. In response to questions, she explained there are specific behaviors that are addressed in the Student Code of Conduct pertaining to abusive behavior to animals that can be cited based upon state statute or local ordinances.

CSU-Pueblo AY 2018-19 Accreditation Schedule: Dr. Miranda reported three programs will undergo specialized accreditation next year. The three new degree programs previously approved by the Board are currently undergoing HLC review.

CSU-Pueblo Emeritus Rank Designations: Two faculty have been approved for emeritus status.

Co-Curricular Initiatives In Support of Student Learning Presentation: Dr. Miranda recalled that there has been a series of presentations related to student learning during the past year. Co-curricular is generally used to describe intentional learning opportunities outside of the classroom that support academic development and each campus strives to create a learning environment beyond the classroom.

CSU-Pueblo: Dr. Raymond commented on how co-curricular activities enhance learning from entry to exit of college and noted not every student has every single experience. He commented on the MAESTRO program that is held in the summer for high school students transitioning to college; the First Generation College Mentor program for freshmen that had 55 students who volunteered to participate and 31 mentors this past fall; and the Education, Development, Growth and Experience (EDGE) program for sophomores that also has mentors. He then introduced Mr. Irwin and Ms. Lindstrom of the Search and Rescue program (S&R).

Ms. Lindstrom explained how the S&R program evolved through a collaborative effort in 2015; has three primary focuses; partners with the Pueblo Sheriff's Office and other community and regional entities; and is one of two local college campus programs that go into every environment. Mr. Irwin provided an overview of the S&R membership; training; mission callouts; fundraising efforts; and donations received. After presentation of a student-developed promotional video, Mr. Irwin shared plans for future development of the S&R program. Dr. Takeda-Tinker commented on the impressive work of the program and indicated she would match the funding that has been received through crowdfunding.

Dr. Raymond described additional co-curricular programs and initiatives that include the Annual Student Research Symposium; the Southern Colorado Entrepreneurship Competition; the Smithsonian Institute internships; and residential interest-based communities.

CSU-Global Campus: Dr. Ferguson commented on how the co-curricular activities are focused on work force readiness and the modern learner by partnering internships and practicums, career development, and professional organizations. There has been substantial growth in the participation in the internships and practicums program that began in 2015-16 and provides the opportunity to apply classroom knowledge. Career development criteria, opportunities and coaching are available through Career Navigation Services. Examples were shared to illustrate how membership in professional and scholarly organizations provides additional learning opportunities. The university's approach to co-curricular experiences is student-centered, holistic and embedded within the classrooms in order to intentionally partner academic and professional experiences.

Colorado State University: Dr. Hughes commented on how curricular and co-curricular activities must tie together for students to learn, and explained co-curricular activities are a campus-wide effort.

Ms. Sisneros described the Community for Excellence infrastructure program for access that has been in place for over 30 years and assists students through more than 60 partnerships; assistance with financial aid; an early structured approach; and resources. A breakdown of the 1,484 students enrolled in the fall of

2017 was provided by first generation, Pell-eligible, students of color and ASSET students. Examples were provided on the foundations and organizations that are involved in the partnership program.

The Multicultural Undergraduate Research Art and Leadership Symposium (MURALS) program began as one person's vision and is now a campus-wide collaboration that provides access and opportunities for undergraduate research for students of color. Graduate students and faculty mentors assess the quality of the research presentations. In addition to the feedback, the experience helps develop student confidence. Participation in the program has grown significantly, and persistence and retention rates are tracked.

Dr. Hughes briefly highlighted additional co-curricular programs that were listed in the meeting materials that include support for DACA and ASSET students; Elevate for adult learners and veterans; Fostering Success for foster students; and Rams Against Hunger. There are also residential curriculum, peer education and career opportunities.

Dr. Miranda concluded the presentation by providing examples of the benefits of co-curricular learning opportunities. He acknowledged Dr. Lovell for her coordination of the student learning presentations that have been made during the year.

REAL ESTATE/FACILITIES COMMITTEE

Committee Chair Mosher convened the committee meeting and reviewed the agenda.

Approval of the Updated CSU Animal Health Building Program Plan: Ms. Parsons stated the building has been discussed previously and the estimated cost of \$55-\$60 million will be funded through COPs for the National Western Center (NWC). Approval of the program plan will allow the legislative process to be completed in order to draw down the funding next year. Construction is scheduled to begin in the first quarter of 2020. An illustration on the location of the building at the NWC site was provided.

Dr. Stetter provided an overview of the animal health and science complex that will include a Temple Grandin equine center, a small animal clinic, an equine sports medicine center, and an educational outreach center that will engage the broader community. Virtual reality will be utilized for both teaching and public educational opportunities. The equine portion will be open to any large animal veterinarian that is working an event and discussions are being held on the small animal clinic with a non-profit organization that serves underserved populations in Metro Denver. The educational platform will allow for sharing best practices with other veterinary medicine professionals. The facility will also have short-term temporary housing for staff working at the facilities and veterinary students in rotation.

Dr. Frank acknowledged the work of Dr. Stetter and his team. Committee Chair Mosher asked for a motion to approve the CSU Animal Health Building program plan. **Motion/Action:** Governor Robbe Rhodes moved; Vice Chair Tuor seconded; and the motion passed unanimously.

Approval of the Grant of Right of Way at Prospect and Whitcomb to the City of Fort Collins: Ms. Johnson described the location and indicated the city would be charged \$21,800 for the right of way that would ensure good traffic movement through the intersection. **Motion/Action:** Vice Chair Tuor made the motion to approve; the motion was seconded and carried unanimously.

Committee Chair Mosher indicated the committee would convene in executive session and then take action in open session on three additional matters. **Motion/Action:** Governor Robbe Rhodes made the motion; Vice Chair Tuor seconded; and the motion passed unanimously. General Counsel Johnson read the meeting into executive session for the purposes of discussions on the purchase or sale of property and to receive legal advice, all confidential pursuant to the meeting notice. The meeting convened in executive session at 2:36 p.m. and reconvened in open session at 3:03 p.m.

Approval of Acquisition of Three Parcels on West Prospect Road and West Lake Street: Committee Chair Mosher asked for a motion to approve the land acquisition as discussed in executive session. **Motion/Action:** Vice Chair Tuor moved to approve; Governor Robbe Rhodes seconded; and the motion carried unanimously.

Approval of Land Exchange with Colorado State University Research Foundation (CSURF): Committee Chair Mosher asked for a motion to approve the exchange of approximately 15,000 sq. ft. of land owned by the Board of Governors for approximately 15,000 sq. ft. of land owned by CSURF. **Motion/Action:** Governor Flores moved; Governor Gabel seconded; and the motion passed unanimously.

Approval of the Sale of Land and Granting of Easements at I-25 and Prospect: General Counsel Johnson read into the record the motion to approve the sale of land and grant of easements by the CSURF to the Colorado Department of Transportation related to the development of the I-25 and Prospect interchange as discussed in executive session. **Motion/Action:** Chair Munn moved to approve; Vice Chair Tuor seconded; Governor Steve Gabel abstained from the vote and the motion carried.

Given that the meeting was ahead of schedule, Chair Munn adjusted the agenda and indicated the meeting would conclude with an executive session with no official business to be conducted the next day.

CSU-PUEBLO REPORTS

Faculty Representative: Dr. Volk highlighted from the written report the meetings that have been held with the Pueblo Community College on the transfer articulation agreements to facilitate transfers and strengthen connections. He then reflected on issues that the Board has addressed during his tenure and expressed appreciation for the opportunity to learn about the CSUS.

President's Report: Dr. Mottet indicated there are two written reports of which the first provides a snapshot of the university's recent achievements and the second is focused on the activities undertaken to address the six university priorities. Dr. Mohamed Abdelrahman will begin June 1 as the new Provost and Executive Vice President of Academic Affairs and Dr. Paul Plinske will begin his duties as the new Athletic Director on May 20. Dr. Mottet thanked Dr. Raymond for serving as the interim Provost and introduced Ms. Whitaker whose role in the President's Office has been expanded.

Year in Brief: June 2017-June 2018: Dr. Mottet provided an overview of the actions and decisions that have occurred during his first year based upon a set of defined competencies; the expectations established for the university leadership team that is composed 26 individuals; the development of six university priorities; the communication of a gap analysis through three well-attended forums; the establishment of four performance goals; and the development of 20 jumpstart initiatives of which 15 have been launched. He then described the future state of the university that includes a visioning process, investments in systems and processes, and the launch of a comprehensive campaign.

Enrollment Campaign: Ms. Holliday shared digital ads and three videos for an enrollment campaign that features real CSU-Pueblo students and distinct messaging to identify the unique student population. The campaign will initially focus on southern Colorado and eastward. Additional students will be featured in upcoming ads and the campaign will eventually be expanded to out-of-state and other areas in Colorado. Based upon the visioning process, the ads will be realigned as necessary. Governor Harmon noted the veteran featured in one of the ads is a Purple Heart recipient. Dr. Mottet announced that, through work with the Military Order of the Purple Heart-Department of Colorado, the university is the first in the state to be designated a Purple Heart University.

University Visioning: Dr. Souder Hodge explained why the campus visioning was necessary with current credential attainment rates and the challenges for higher education in Colorado. She provided an overview of the methodology and timelines with phase one focused on research and validation, and phase two for

development and implementation of a plan to differentiate, sustain and grow the university. Examples were shared on potential opportunities, anticipated investments, and return on investment. The August 2018 convocation week will focus on the future vision for 2028. The visioning process will be inclusive and the campus is primed to take on the challenge.

CSU-GLOBAL CAMPUS REPORTS

Faculty Report: Dr. Vrba pointed out the written report provides updates on faculty development opportunities and the new Connect social platform for student groups. She reflected on Board accomplishments during her tenure and expressed appreciation for the opportunity to serve.

President's Report: Dr. Takeda-Tinker stated the written report would stand as submitted. She thanked the Board for the support and permission to move forward with the passage of SB18-101 that received unanimous approval in the state house and senate and will allow CSU-Global to accept first-time Colorado freshmen. The university has undergone a concerted effort to analyze the changing demographics and interests of young students to create a freshmen program. To that end, the university has adopted a live eagle as a mascot through the Rocky Mountain Raptor Program and is exploring e-games and other student engagement initiatives. Dr. Takeda-Tinker reported she has been triangulating external research to ensure the CSU-Global Campus 2.0 strategic plan, developed through a bottom-up approach, addresses all gaps and she is pleased to report that the current university plans align with the research findings. In addition, she will be directly driving some additional initiatives to create the environment that will allow the university to meet the challenges with younger generations.

CHANCELLOR'S REPORT

Legislative Update: At the state level, Dr. Frank indicated the CSUS state lobbyist would present a wrap-up report on the current legislative session at the August meeting. While the Long Bill has passed, there are other items still in process that may have potential impacts on the CSUS budgets. In response to questions on HB18-1300 that allows community colleges to provide a four-year degree in Nursing, Dr. Mottet explained CSU-Pueblo's RN to BSN program will be a total online program with assistance from CSU-Global Campus and CSU-Pueblo has expanded nursing programs at the graduate level to provide the comprehensive education needed for southern Colorado.

On the federal side, Dr. Frank reported the passage of the current fiscal year budget which is generally a solid reauthorization bill has not had negative impacts on research and development. Issues that will be forthcoming include the agricultural bill and the higher education reauthorization. There were no DACA updates with challenges currently in the courts.

Dr. Frank briefly reviewed the components of a Denver ballot initiative that would support scholarship funding and reimburse tuition success. He recalled that, with a few exceptions, the Board generally does not take a political position unless there is an election issue that has direct higher education impacts. In the case of the ballot initiative, higher education has not been asked to take a position and the generic approach used by Dr. Frank has been that the CSUS is supportive of providing more access to higher education.

CONSENT AGENDA

Chair Munn reviewed the consent agenda items to be approved with the exception of the CSU Section K faculty manual revision that was removed. **Motion/Action:** Governor Robbe Rhodes moved; Vice Chair Tuor seconded; and the motion carried unanimously.

BOARD CHAIR'S AGENDA *(continued)*

Board Meeting Calendar: Chair Munn asked if there were any objections to changing the proposed December 2018 meeting dates to December 5-6. Hearing none, he asked for a motion to approve the FY 2018-19 meeting schedule as amended and the FY 2019-20 meeting schedule as submitted. **Motion/Action:** Governor Gabel made the motion; Vice Chair Tuor seconded; and the motion carried unanimously.

FY 2018-19 Committee Assignments: Chair Munn indicated he would be contacting Board members to make the assignments.

Acknowledgment of Outgoing Board Members: Chair Munn thanked outgoing Governors Harmon, Knies, Vrba and Volk for their service. The new Board representatives were introduced as follows: Dr. Barry Smith and Ms. Dorothy Axelson, CSU-Global Campus, faculty and student representatives, respectively; and Mr. Wesley Taylor, student representative, CSU-Pueblo. Dr. Moussa Diaware, the new CSU-Pueblo faculty representative, and Mr. Tristan Syron, CSU student representative, were unable to attend the meeting. A new Board member orientation was scheduled for the next day.

EXECUTIVE SESSION

Chair Munn indicated the open session of the May Board meeting was concluded and asked for a motion to convene in executive session. **Motion/Action:** Governor Gustafson moved; Governor Flores seconded; and the motion carried unanimously. General Counsel Johnson read the meeting into executive session at 4:22 p.m. for the purposes of receiving the litigation report and to receive legal advice, all confidential pursuant to the meeting notice. The meeting was then adjourned upon conclusion of the executive session.

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM RETREAT
C Lazy U Ranch, Granby, Colorado
May 31, 2018**

CALL TO ORDER

Chair Munn called the retreat to order at 9:00 a.m.

ROLL

Governors present: D. Rico Munn, Chair; Nancy Tuor, Vice Chair; Jane Robbe Rhodes, Treasurer; Kim Jordan, Secretary; Dennis Flores; Steven Gabel; Mark Gustafson; William Mosher; Dean Singleton; Dorothy Axelson, Student Representative, CSU-Global Campus; Margarita Lenk, Faculty Representative, CSU; Barry Smith, Faculty Representative, CSU-Global Campus; Tristan Syron, Student Representative, CSU; Wes Taylor, Student Representative, CSU-Pueblo

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: Henry Sobanet, Director, Office of State Planning and Budgeting

PUBLIC COMMENT

Chair Munn convened the retreat and confirmed no one had signed in to address the Board.

RESERVES DISCUSSION

Chair Munn recalled how the structure of the CSU System (CSUS) has been an ongoing conversation over the past few years. He reviewed the retreat agenda that would begin with a discussion on Board reserves and then transition to a strategic discussion on higher education systems and the CSUS.

Historical Overview: Dr. Frank provided an overview of the CSUS reserves that had historically been held at the institutional level; the challenges with balanced budgets and the rationale of the 1.5% carry-forward; the impact of reserve levels on the composite financial index (CFI) and bond ratings; public perception, visibility and potential risks associated with maintaining large, uncommitted reserve balances; and the success of CSU-Global Campus. Mr. Sobanet commented on the state budget and reserves; the independent studies conducted by the rating agencies; and the strategic opportunity for the CSUS to build up reserve capacity.

Annual Reserves Report and Draws: Dr. Frank summarized the calculations in the annual reserves report that was developed from the audited financial statements to determine the amount available to withdraw after ensuring all general fund expenditures and financial obligations are met with a potential 10% deployment of the net E&G Board reserves. He described the 2017 draws from the reserves and possible

initiatives for December 2018 draws. Discussion followed on comparisons to peer and other state institutions; HLC requirements; potential deployment through legislative actions during an economic downturn; independent university endowments; tuition affordability, financial aid and scholarships funds; potential impacts on bond ratings; and maintaining sufficient reserves for unanticipated financial shortfalls and crisis situations.

National Western Center: Dr. Frank reviewed the preliminary estimated annual budgets and timeline for the three CSU projects at the National Western Center (NWC): the CSU Water Resources Center, the CSU Animal Health Building and the CSU Center. Further discussion is needed about the presence at the NWC and how it is a value for CSU or the CSUS. When asked about any other NWC expenses, Dr. Frank and Ms. Parsons explained how the Framework Agreement contains a cap on the amount of expenses for the three partners with the partner contributions scaling down to zero when the NWC is self-operational with incoming revenues.

CSUS Board Reserves Policy 205 and Strategic Initiatives: Dr. Frank explained the policy was designed to provide operational flexibility while maintaining financial stability for the CSUS and its institutions with the primary uses of the reserves defined as support in the event of a sudden revenue shortfall and unanticipated expenditures; unexpected opportunities; and extraordinary one-time investments. The reserves are not to be used for ongoing base expenditures or to backfill unexpected shortfalls unless a plan exists to increase revenues or reduce expenses.

Dr. Frank commented on the Board's fiduciary responsibility to maintain the reserve levels; fiscal management with ongoing revenue implications; possible game changers, such as AAU membership and signature academic programs; leveraging innovations through matching funds; and potentially enlarging the CSUS. Vice Chair Tuor suggested a strategy statement and desired outcomes, such as investments in new or expanded academic programs, student access, financial aid, and rural initiatives as part of the land grant mission, be added to the policy.

Dr. Frank asked for Board guidance to support the upcoming budget processes and to define the strategic initiatives for future reserve draws. Conversation followed on fiduciary responsibilities to the state; declining enrollments; support for CSU-Pueblo that serves some of the poorest areas in the state; consolidation of backroom and support operations; more concise definitions on inappropriate utilization of reserves; and utilization of reserves to reduce debt service. The reserves policy has been amended three times during the past two years and there was general consensus that the purposes of the reserves could be more strategically stated based upon the discussion to ensure financial preservation and to better define categories of investments and new strategic initiatives.

The Board recessed for a break at 10:28 a.m. and reconvened at 10:43 a.m. The discussion continued on potential uses of the reserves. An informal prioritization exercise was conducted and a revised list of general categories was generated. Chair Munn recapped that the Audit and Finance Committee has been tasked with revising the reserves policy to clarify mission and strategic messaging. He reviewed the reconstituted general categories that will assist Dr. Frank and staff with the budget process for the upcoming fiscal year that will begin with the August meeting and for the development of specific proposals to be presented in December. No formal action was necessary nor taken. The retreat recessed for lunch at 12:09 p.m. and reconvened at 1:32 p.m.

HIGHER EDUCATION SYSTEMS

Dr. Frank pointed out that one goal of the retreat is to examine the current CSUS organization to plan for the future, particularly should the CSUS be asked to respond to a request by the state on potential future opportunities to expand. He recalled discussions held during the past year with representatives from a

Colorado regional comprehensive institution on a potential partnership with the CSUS. The action was supported by the DHE, the Governor's Office and certain legislators. The discussion has since been tabled and the institution will be moving forward with its own financial plan to reduce expenditures.

Mr. Sobanet commented on the supplemental higher education funding that materialized in March due to the revised revenue forecast and explained there are three to four institutions in Colorado that are struggling for a variety of reasons. Each of the governing boards for those institutions are responsible for developing financial plans and working with the new state administration after the upcoming election to address the challenges. When asked about capacity and potential restructuring of the regional comprehensive institutions, Mr. Sobanet responded on how these schools are community anchors and represent economic development for the regions. Dr. Frank added that any decisions on partnerships should be considered from multiple perspectives and the value proposition.

Structure of Systems at the National Level: Dr. Frank provided an overview of the structure, funding, challenges, and leadership for the California Master Plan for Higher Education, SUNY, the University of Wisconsin System, Penn State University System and Texas A&M System. He then described how the CSUS was created in 1985 by the legislature under the leadership of the State Board of Agriculture (now the Board of Governors); the shifts in composition of the CSUS; and the CSUS leadership.

Future Opportunities: Dr. Frank described conceivable future opportunities and advantages for the CSUS and potential partners. Ms. Parsons summarized the readings on the topic of mergers that have been distributed to the Board and noted the shift in thinking that has been occurring with strategic partnerships to be proactive for growth and not just financial stability. In addition to financial aspects, other issues that would need to be considered for a successful merger include governance, structure, academic programs and culture.

Drs. Miranda and Frank explained the challenges related to transferability of credits; the responsibility of faculty by statute for curriculum; and idiosyncrasies in curricula. In Colorado, various mechanisms utilized to facilitate transfers include the general transfer of general education credits and articulation agreements with the community colleges. While progress has been made in transferability within the CSUS, more work needs to be completed.

At the request of Dr. Frank, the campus presidents and the CSUS staff commented on the value of a higher education system and offered suggestions for opportunities. While diverse campuses can be a positive attribute, staff also identified several challenges with a system composed of institutions that have diverse cultures, academic programs and faculty expectations.

Dr. Frank mentioned several reasons why the state might ask institutions to consider consolidation within larger systems. The meeting recessed for a break at 2:59 p.m. and reconvened at 3:18 p.m. Conversation then continued on the merger topic that covered a broad range of issues. Should the CSUS be asked to develop such a partnership, the approach would be positive with a strategic direction. The retreat was recessed for a short break at 4:08 p.m. and reconvened at 4:12 p.m.

Chair Munn noted the agenda for the next day was the convening of the Evaluation Committee to begin planning for the annual evaluations in August. Dr. Frank confirmed that only he and General Counsel Johnson would need to attend the committee meeting.

Chair Munn reiterated that the overall goal of the retreat discussions was to provide Dr. Frank guidance for the budget planning for the next fiscal year and the reserve allocation that will occur at the December meeting with no formal action necessary. A request was made for additional information to understand

what has occurred in the backroom operations and the major systems along with a gap analysis to assist with the budget discussions and the reserve options and priorities.

Chair Munn asked Dr. Frank to summarize where the CSUS is currently stressed and recommendations for additional resources and, secondly, the direction for the CSUS should the state request assistance with any of the struggling universities. Dr. Frank commented the conversation has been helpful in attaining a sense of alignment should the state present the opportunity to assist another institution as well as with understanding the longer term planning for the CSUS. He reviewed the CSUS organizational structure that includes several staff serving in dual functions at the CSUS and CSU, and explained resources will be needed to fulfill some of these functions in the future. Dr. Frank announced Mr. Sobanet would be joining the CSUS on August 1, 2018, as the new CFO.

Ms. Parsons volunteered to begin preparing a gap analysis and the related priorities as discussed. Chair Munn summarized the next steps were to begin the FY 2019 budget planning process in August; the Audit and Finance Committee will undertake revising the reserves policy; and initiatives will be drafted for the next set of reserve withdrawals to be presented at the December meeting.

EXECUTIVE SESSION

With no further discussion to be held at the retreat, Chair Munn asked for a motion to move into the executive session. **Motion/Action:** Governor Gustafson made the motion; Governor Gabel seconded; and the motion carried unanimously. General Counsel Johnson read the meeting into executive session to receive legal advice on specific questions and on pending or imminent litigation, all confidential as set forth in the meeting notice. The executive session convened at 4:38 p.m. and the retreat was adjourned upon the conclusion of the executive session.