

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM MEETING
Colorado State University System, Denver
December 5, 2018**

CALL TO ORDER

Chair Munn called the meeting to order at 9:01 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; Dorothy Axelson, Student Representative, CSU-Global Campus; Susan Belpert, Faculty Representative, CSU-Pueblo; 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, Deputy 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; Henry Sobanet, Chief Financial Officer, CSU System

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

Guests present: Mohamed Abdelrahman, Provost, CSU-Pueblo; Brett Anderson, Special Assistant to the President, CSU; Albert Bimper, Jr., Senior Associate Athletic Director for Diversity and Inclusion, CSU; Stephanie Chichester, President, North Slope Capital Advisors; Johnna Doyle, Deputy General Counsel, CSU-Pueblo; Karen Ferguson, Provost and Vice President of Strategic Innovation, CSU-Global Campus; Mark Gill, Chief of Staff, CSU; Sarah Greichen, Founder, Score A Friend; Yvonne Harris-Lott, Manager of Compliance, CSU-Global Campus; Kathleen Henry, President/CEO, CSURF; Margaret Henry, Treasurer, CSU System; Donna Souder Hodge, Special Assistant to the President for Visioning, CSU-Pueblo; Christin Holliday, Vice President, Enrollment Management and Student Affairs, CSU-Pueblo; Mike Hooker, Director, Public Relations, CSU; Greg Hoye, Executive Director for Marketing and Community Relations, CSU-Pueblo; Blanche Hughes, Vice President of Student Affairs, CSU; Steve McDonnell, Director of Athletic Academic/Student Services, CSU; Tom Milligan, Vice President for External Relations, CSU; Bridget Mullen, Director of Budget and Finance, CSU System; Joe Parker, Athletic Director, CSU; Kathay Rennels, Associate Vice President for Engagement, CSU; Dave Ryan, Director of Business Financial Services and Controller, CSU; Shalini Shanker, Senior Associate Director for Compliance, Athletics, CSU; Karl Spiecker, Vice President for Finance and Administration, CSU-Pueblo; Jason Warr, Associate Vice President of Finance and Compliance, CSU-Global Campus; Niki Whitaker, Chief of Staff, CSU-Pueblo

PUBLIC COMMENT AND BOARD CHAIR'S AGENDA

Chair Munn convened the meeting and confirmed no one signed up for public comment. He then reviewed the meeting agenda.

AUDIT AND FINANCE COMMITTEE

Update on the CSU-Pueblo Accounting Issues: Committee Chair Robbe Rhodes convened the committee meeting and asked Dr. Frank to begin the discussion on the CSU-Pueblo accounts reconciliation report. Dr. Frank explained the presentation would address the work accomplished over the last several months on the negative account variances that were detected through the implementation of an automated financial system.

Ms. Serrano indicated that an audit was initiated to determine if the deficit identified in CSU-Pueblo's capital assets sub-funds was accurate and to determine why the deficit occurred and was not detected in a timely manner. Other objectives were to determine if state funds were used appropriately; to determine if there was any evidence of fraud; to determine what internal control improvements were needed; and to determine if underlying risks are addressed in the corrective action plan developed by the CSU-Pueblo management.

The audit confirmed there was a \$7.9 million negative cash balance in the capital assets sub-funds, primarily attributable to two projects, with the financing costs not properly budgeted and debt service payments made without a designated funding source. State appropriations received for the projects were properly expended. The deficits occurred and were not detected in a timely fashion due to missing or inadequate internal controls, and the accounts were not properly monitored nor did variance analyses occur. No evidence of fraud was identified within the scope of the Internal Audit (IA) review.

Ms. Serrano reviewed the ten recommendations made to improve controls over the accounting, budgeting and staffing processes that focus on the underlying conditions. The recommendations include mandatory training; implementation of best practices through written policies and procedures with roles and responsibilities clearly defined; a strategic human resources management effort to recruit and retain qualified personnel; establishment of continuous monitoring controls; implementation of procedures to monitor vendor contracts and guaranteed performance clauses; examination of all old and inactive projects accounts to ensure appropriate clearance and closure; and, in collaboration with CSU, the reconciliation of all other general ledger accounts to determine if there were other deficits.

Ms. Johnson reported that, following the initial IA audit results, a full reconciliation of all CSU-Pueblo accounts was completed with assistance by Mr. Ryan and his staff at CSU. Services were also provided by Rubin Brown, a third party external accounting firm. She summarized the breadth of the overall project and reported 100% of the accounts have been reviewed for potential negative financial impacts. CliftonLarsonAllen, the external auditors retained by the state to complete the CSU System (CSUS) annual audit, has been made aware of the circumstances. Multiple variances across different accounts were identified and will be actively managed.

Ms. Johnson outlined the path forward that includes hiring and training personnel with assistance through CSU to ensure appropriate skill sets; temporary transition of work to CSU and potential reassignment of some work due to complexity; assessment of organizational structure to ensure appropriate staffing; and establishment of internal processes and team assignments under the oversight of the new CSU-Pueblo controller and the Deputy CSUS CFO through a process similar to CSU's. When asked about the CliftonLarsonAllen response, Ms. Johnson responded the firm indicated this was an internal issue that would not impact the overall opinion on the CSUS financial statements.

Dr. Mottet reviewed the management plan addressing the proposed resolution for the variances in numerous accounts that includes the \$7.9 million in capital accounts, utilizing existing accounts and related balances. After discussion by the Board members and staff, Chair Munn suggested that, based upon the conversation, there was a consensus of understanding around the issues and the level of work

completed, and Committee Chair Robbe Rhodes concurred. Specific additional strategic information on the reserves was requested and would be presented later in meeting during the CSU-Pueblo reports to understand the impact and support the conclusions. Further discussion and action were postponed until later in the meeting.

Status of FY 2018-19 Audit Plan and Audit Reports Issued: Ms. Serrano stated that, since the last meeting, a report was issued for the CSU Athletics compliance audit with seven areas in the scope of the project and six recommendations made to improve controls. A special, small scope consulting project was completed for the CSU College of Business and a memo was issued to the two requesting parties to close out the project. The CSU INTO audit is ongoing with an extension of the timeline due to a risk identified during the course of the review that prompted additional testing. The CSU-Global Campus cloud computing and the CSU-Pueblo human resources audits are also ongoing. An entrance conference was held for the CSU College of Veterinary Medicine and Biomedical Sciences financial and IT audit. Seven informal memos have been issued for smaller special projects that do not warrant a stand-alone audit, but require a level of follow-up or consultation. Audits have also been initiated for the CSU Research Foundation and CSU Foundation operating agreements, and for the physical security and access to facilities for on-campus children's programs at CSU.

Past Due Recommendations: There are five overdue recommendations for the CSU Veterinary Teaching Hospital due to the delay of implementation of the new hospital management system, which has delayed implementation of the internal control improvements that are to be built into the new system. There are also two overdue recommendations for the CSU financial commitments audit with a revised target date for the end of December, 2018. There are no concerns with the overdue recommendations.

When asked about carryforward items and initiation of new audits during the current fiscal year, Ms. Serrano explained how all items in the audit plan have been identified as high risk and the projects need to be aligned with availability of staff with specific skill sets. Additionally, special projects that are urgent and need immediate action have an impact on the audit plan and staffing availability.

The committee meeting recessed for a break at 10:36 a.m. and reconvened at 10:48 a.m.

FY 2020 Governor's Budget Request: Mr. Sobanet reported that, as required by statute, Governor Hickenlooper submitted his budget request by November 1st. The request includes \$120.9 million in the General Fund to increase affordability and improve outcomes for students. Higher education institutions would receive \$97.7 million with the caveat of no tuition increases and \$23.3 million would be allocated for need-based financial aid. Based on the current model, the CSUS would receive \$19.4 million in new funding.

The budget request also includes \$6.5 million for a new Colorado Teacher Scholarship to address teacher shortages and the CSUS would be eligible to receive block grants if the program is implemented. Additionally, \$74.2 million has been requested for capital construction projects that would include the CSU Shepardson building renovation and addition. Governor-elect Polis will have an opportunity to amend the request prior to legislative approval.

FY 2019 First Quarter Financial Statements: Ms. Johnson noted there were financial statements for the CSUS, the Board, and each of the three institutions. While CSU-Global Campus' revenue line was down from projections, the university has done well in managing operating expenses while moving forward with the 2.0 initiatives. The difference in anticipated student enrollment has resulted in a reduction in the amount generated through Pell grants. When asked about the impact of a healthy economy and lower unemployment rates, Dr. Takeda-Tinker responded that procedures, processes and policies have been adjusted to address the challenges with an increasingly competitive market.

FY 2020 Campus Budget Presentations: Mr. Sobanet deferred the presentations to each of the campuses.

Colorado State University: Ms. Johnson described the three scenarios presented with varying levels for state funding, resident undergraduate tuition increases, salary/benefit pools, and quality enhancements. Dr. Frank commented on the variability of the assumptions and the lack of progress made for faculty salaries that is a key priority, and provided examples of quality enhancements, i.e., investments to address accreditation issues and a centralized human resources function to provide training and staff development opportunities.

CSU-Pueblo: Mr. Spiecker reported the draft budget was modeled on the same three scenarios and includes a projected 3.2% decline in enrollment. Based on updated calculations, fringe benefit rates have been adjusted with an overall impact of \$837,000, and each of the scenarios reflects a shortfall. Dr. Mottet had convened a President's Budget Advisory Committee through a process of shared governance to balance the current year's budget and the group will be reconvened to discuss strategies to balance the FY 2020 budget.

When asked about timing for state budget modifications by the new administration, Mr. Sobanet speculated at least six weeks would be needed and noted the challenges that may arise with any efforts to redo the funding model. Dr. Frank indicated an Audit and Finance Committee meeting may need to be scheduled between the February and May meetings in order to ensure the Board is fully informed before taking action on the budgets.

CSU-Global Campus: Mr. Warr reported there were no changes in the draft budget from previous presentations. With monthly starts, there are opportunities to adjust the level of intentionality and training for the enrollment team and changes are anticipated in the next quarter. Through the improvements being implemented with the 2.0 initiatives, 12,600 new enrollments are projected for the next fiscal year.

CSUS Reserves Report: Committee Chair Robbe Rhodes asked that the reserves update be presented with the action on the reserves withdrawal postponed until later in the day.

Dr. Frank recalled how the formula for determining the amount of reserves was developed and reviewed the Board reserves reconciliation report with the 2017 and 2018 withdrawals, the 2019 proposed withdrawals, and the remaining balances. The decision had previously been made to retain a minimum of \$50 million in the reserves in order to maintain the financial ratios and to support flexibility, while not retaining too large an amount of unrestricted reserves during a time of constrained resources. He then reviewed the reserve commitments report that was redesigned to reflect the priorities set at the June retreat. There are national best practices and guidelines embedded in the Board's reserves policy to ensure the campuses retain the balances needed at the institutional level and the Board reserve is designed to be more strategic rather than operational. Ms. Johnson added that the deployment of the reserve is at the Board's discretion and the timing of the calculations on the annual increase and withdrawals correlates with the audited financial statements.

Approval of the Revised FY 2020 State-Funded Capital Construction Priority List: Mr. Sobanet explained the submittal and approval process for the list. The third CSU building at the National Western Center (NWC) has been added to the list and the three NWC buildings are listed as non-prioritized because, based upon legislation passed in 2015, the construction of these buildings will be paid for by state-issued COPs. The completion of the CSU Shepardson building renovation and addition is listed as the CSUS top priority. **Motion/Action:** Vice Chair Tuor moved to approve; Governor Flores seconded; and the motion carried unanimously.

Annual Approval of CSURF Capital Lease: Dr. Frank stated this a capital leasing process operated by the CSU Research Foundation on behalf of the CSUS institutions and annual approval is required by IRS regulations. **Motion/Action:** Vice Chair Tuor made the motion; Governor Jordan seconded; and the motion carried unanimously.

Approval of Stadium Net Revenues Resolution: Ms. M. Henry reported the resolution adds the stadium net revenues as pledge revenues to the master resolution that basically is the loan document governing all of the CSUS bonds and defines the facilities that produce the revenues pledged as securities for the bonds. **Motion/Action:** Governor Mosher moved to approve; Governor Jordan seconded; and the motion carried unanimously.

CSUS Credit Profile and Debt Capacity Presentation: Ms. M. Henry noted the CSUS debt management policy requires periodic review of the debt capacity. There is no specific number that defines the debt capacity; there are benchmarks and rating agency methodologies that guide the evaluation.

Ms. Chichester commented on how debt capacity cannot be viewed in isolation and is only one of three factors that drives the credit rating and credit quality, and debt capacity is always changing based on factors such as enrollment, tuition and other revenues. She reviewed the current annual debt service structure as of September 1, 2018, with 24 debt issuances outstanding, and the state intercept-backed debt service. While the debt management policy does not manage debt to a particular rating, stress testing is done to determine how much additional debt could be layered in before the current bond ratings are in jeopardy.

In response to a question, Ms. Chichester explained how the rating agencies roll the PERA liability into the comprehensive debt for the CSUS. She reviewed the Moody's commentary for the CSUS Aa3 credit rating and factors that could lead to either an upgrade or downgrade, and described how the CSUS reputation, net income, and ability to grow and diversify revenues can be leveraged. With the increase in the debt service over the past decade from 2% to 5% of the budget, there is now less flexibility and greater scrutiny by the rating agencies. Mr. Sobanet commented on how the analysis and understanding of the drivers would be used to inform senior management to plan strategically and model different revenue scenarios.

CSUS Treasury Investment Update: Ms. M. Henry recalled that, based upon the investment policy, the investments were divided into three tiers. As of the end of October, the long-term Tier III investments in the amount of \$220 million were completed. Brown Brothers Harriman has been selected as the Tier II investment manager; the process is underway to select a custodian bank that is required to have separately managed funds; and the intent is to have the \$55 million in Tier II funds invested by approximately the end of March, 2019. While there was a recorded, unrealized loss in the Tier III investments as of the end of October, the overall operating portfolio has increased from \$480 million at the beginning of the current fiscal year to \$565 million.

Mr. Sobanet commented on how the CSUS Investment Advisory Committee advised on the allocation of the Tier III funds investment and, while there was a recent recorded loss, the investments are meant to be viewed in the long-term. Ms. M. Henry noted the Tier III asset allocation is 60% equity and 40% fixed income.

The meeting was recessed for lunch at 11:55 a.m. and reconvened at 12:20 p.m.

LUNCH PRESENTATION

Governor Lenk introduced Ms. Greichen, a sophomore in the CSU College of Business, whose team recently won second place at the OtterBox Ethics Challenge competition. Following a video presentation, Ms. Greichen described how she founded Score A Friend to advance inclusion of youths with all levels of abilities and provided an overview of the organization.

COLORADO STATE UNIVERSITY REPORTS

Student Report: Governor Syron highlighted from the written report the ongoing work for a new restorative justice program; the challenges, process changes, new location and success of the student tailgating; progress on the Me+3 initiative and the discussions on how to move the initiative forward for community approval; and efforts to secure support of the Fort Collins police for same day party registration and related conversations with the Lory Student Center IT staff on potential implementation.

Faculty Report: Governor Lenk reported efforts continue to develop a new faculty teaching evaluation form based upon the latest research on student learning, and noted the concerns with the online student course evaluations that will be utilized for the current semester. On behalf of the faculty, she expressed appreciation to the CSU Presidential Search Advisory Committee for providing additional listening sessions and emphasized the issues presented on student to faculty ratios, maintenance and expansion of the university's premier research reputation, commitment to campus sustainability efforts, and the prioritization of access to higher education by all citizens. Governor Lenk commented that the faculty believes the university has continued to grow in greatness because of the strong land grant character and values, and the communication skills exhibited by Dr. Frank. She concluded her report by sharing details on the OtterBox three-stage ethics and business values case competition.

President's Report: Dr. Frank highlighted from the written report CSU's rankings by *Military Times* for the university's veterans-oriented programs, and the Colorado Veterinary Loan Repayment program to assist rural veterinarians in repaying part of their college debt. In response to questions at the August meeting related to academics for student-athletes, a presentation was prepared under the direction of Athletic Director Parker and Dr. Hughes who oversees all of the student-athlete work programs. Mr. Parker remarked on the unique alignment of student-athlete support services that are highly collaborative to drive the success for the student-athletes. Mr. Parker then introduced Ms. Shanker.

Ms. Shanker reported the data presented at the August meeting was for the 2010-11 cohort. She reviewed the 2011-12 cohort data which became available in November and reflects the historically highest six-year graduation rate at 73% and an increase in the NCAA graduation rate to 85%. Student demographics indicate there is a larger percentage of Pell recipients, underrepresented minorities, first-generation and non-resident student-athletes compared to the non-student-athletes. Student-athletes generally have a similar CCHE index score as the regular student population; there is a larger proportion that fall below 100 in the index who are often first-generation students; and graduation rates reflect the success of educating and graduating these student-athletes.

Dr. Hughes commented on the large proportion of students that are not academically prepared and, beginning with the admissions process, there is a holistic team approach to ensure student success. There is a higher undergraduate second to third year fall retention rate for student-athletes compared to the non-student-athlete population; the six-year graduation rates are similar to the non-student-athletes; and GPAs for the first-generation student-athletes is similar to their non-athlete peers. A summary of the student-athlete support services was provided. Processes to improve student success continue to be developed. Dr. Hughes then introduced Mr. McDonnell.

Mr. McDonnell reviewed the staff positions in student-athlete support services and highlighted specific academic support and skill development services that are provided, i.e., objective-based learning programs in the Anderson Academic Center that are monitored; course-based tutoring; and academic mentors. Statistics were shared on the average number of student hours per week for the academic support with a weekly total of 513 hours. He then introduced Dr. Bimper.

Dr. Bimper provided an overview of the IU 193 seminar bridge course for freshmen; the new IU 171 seminar bridge course for transfer student-athletes that will be launched in spring 2019; and the key communities course that offers support in a range of topics and engages the student-athletes with other students from across the university. Other initiatives include on-campus summer internships and research opportunities; the John Mosley leadership program focused on holistic development of student-athletes of color; career development with a Declare Your Futures Day; a new Green & Global project to encourage students to think about sustainable development in home communities located in other parts of the world; and the Rambition program focused on the unique experiences of female student-athletes. A video was viewed that featured student-athletes sharing their unique stories and what it means to be a student-athlete at CSU.

Dr. Frank commented on the current pressures on the intercollegiate athletics model with the amateur status of student-athletes and noted the model will continue to work as long as student-athletes succeed academically and value the degrees obtained. When asked about the number of student-athletes at CSU, Mr. Parker responded there were 380 in sixteen varsity programs.

Chair Munn expressed appreciation for the presentation and then indicated the meeting would now move back to the reserves discussion.

AUDIT AND FINANCE COMMITTEE *(continued)*

Chair Munn asked Dr. Mottet to provide the additional minimum reserve balances as requested. Dr. Mottet reported that, after further analysis, the preferred E&G reserve balance is \$2.6 million due to a variety of unplanned maintenance issues and the volatility of enrollment. With progression of the visioning process and potential growth, the preferred balance for DCE/DCE Support is \$2 million to ensure various initiatives that require curriculum development, facility and IT upgrades, and marketing are able to move forward. Dr. Frank summarized and confirmed with Dr. Mottet that the analysis reflects an additional \$100,000 in the E&G and \$900,000 in the DCE reserves be retained and the other reserve amounts remain as originally brought forward.

Approval of Withdrawal from the Board Reserves: There was discussion on the utilization of the KTSC corpus; operational use of reserves vs. investments in strategic initiatives; and the CSU-Pueblo sustainability plan with the new academic programs and strategic visioning. Chair Munn asked for a motion to adopt the reserves resolution as drafted. **Motion:** Governor Mosher made the motion and Vice Chair Tuor seconded. Chair Munn asked for a motion to amend the resolution to change the amount for the CSU-Pueblo sustainability portion from \$2,594,330 to \$3,594,330. **Motion/Action:** Governor Robbe moved; Governor Flores seconded; and the motion for the amendment passed unanimously. **Action:** Chair Munn called for the vote on the overall motion to approve the reserve allocation and the motion carried unanimously.

Action on Withdrawal and Use of the Principal of the Walking Stick and KTSC Quasi-Endowments: General Counsel Johnson read the matter for action to be taken in accordance with Board Policy 207. **Motion/Action:** Vice Chair Tuor made the motion; Governor Gabel seconded; and the motion carried unanimously.

CSU-PUEBLO REPORTS

President's Report: Dr. Mottet announced the football team won the RMAC championship and made it to the second round of playoffs for the NCAA Division II championship. CSU-Pueblo has been designated as the first Purple Heart university in the state through a process that required meeting different criteria and the training of faculty and staff on a variety of issues that challenge veterans and active military personnel.

The written report provided highlights on the fall 2018 enrollment and retention, and the spring 2019 enrollment that is trending positively is being closely monitored. The Doctorate of Nursing Practice, the university's first doctoral program, has received HLC approval, and \$16.8 million was received from the state to renovate the Psychology Building that will be transformed into a Center for Integrated Human Health and Humanities. In response to a question on personnel gaps, Dr. Mottet commented on the turnover in Business Financial Services and noted there are also vacancies for the registrar and a new chief information officer that will soon be filled.

Vision 2028 Update: Dr. Mottet recalled the charge to develop a new vibrant and bold vision, and the work that was completed to develop the vision. The update focused on the concepts to operationalize the new vision that will then be converted into strategic initiatives to be presented in February and the necessary investments with a pro forma to be presented at the May meeting. He provided an overview of the funding challenges for regional comprehensives whose primary roles are teaching and learning, serving underrepresented students, and assisting with regional work force development and cultural enrichment.

Vision 2028 is focused on developing a college to work model that evolves from the Pueblo heritage with a pathway to streamline the transition from college to industry. Characteristics and differentiators of this model are innovative financial aid; dynamic curricula developed through industry partnerships with opportunities for career exploration; and creation of competencies and outcomes based on innovation, entrepreneurialism and problem-solving to ensure the success of graduating students. Concepts envisioned include yearlong courses to develop the necessary skills with embedded learning opportunities, such as internships, and culminating in capstone projects that are intellectual property developed by the students.

The entire vision is essentially a sustainability plan and work is underway to determine what net revenues will be needed at the end of each fiscal year to reinvest in the development of the faculty and staff, the student experience, and the quality of teaching and learning. The strategic initiatives will be focused on the metrics of enrollment, retention, completion and placement. Opportunities to assist with diversifying the economic development of Pueblo and southern Colorado are being identified.

Dr. Mottet reviewed the primary drivers and eight guiding principles in the CSU-Pueblo Works concept that includes different categories of students, environment, experiences, and access and affordability. Concepts in development include occupational education with opportunities for credit for work; a formalized graduate school with applied, market-driven graduate programs; and an onboarding academy with an assessment process for every student to develop individual pathways and outcomes, and for employees with professional development plans and mentors. Other ideas being developed are geared towards unique student experiences for first year and transfer students; professional learning studios; expanded continuing education opportunities; career exploration; and a Downtown Innovation Center to bridge the gap between the community and the campus. Access and affordability are central to the vision and a concept under consideration would be to hire more students to work on campus with a wraparound curriculum and applied credit for tuition.

Dr. Mottet concluded his remarks by reiterating that the concepts being developed will be translated into strategic initiatives for presentation at the February meeting and followed by the development of the pro forma for presentation at the May meeting. In response to questions on realigning academic programs, he explained how certain programs and initiatives will no longer fit within the new guiding principles and communication efforts will be undertaken to ensure understanding the context of the decision-making processes. Dr. Mottet also responded to questions on the early retirement initiative with a defined process to reinvest funds in academic programming, and the model being developed in the sustainability plan to reinvest in staff and address equity issues based on national benchmarks.

Student Report: Governor Taylor highlighted from the written report efforts to increase the capacity of the Pack Pantry to help students seeking aid for food and toiletries, and the actions taken to more efficiently distribute funds for the Student Emergency Fund that is administered through the CSU-Pueblo Foundation. He noted there is a Career Closet next to the Pack Pantry that provides professional attire to students who are unable to afford such attire for meetings and interviews.

Faculty Report: Governor Belpert commented on the equity studies and the work of the Faculty Compensation Committee with Provost Abdelrahman to address the salary issues with new faculty hired at higher rates than longer-term faculty. The Graduate Studies Board has been meeting frequently and the university will be moving towards an electronic application process to improve response time and customer service. Through the HLC Assessment Committee, work has been undertaken to examine the syllabus template in conjunction with the measurements of student learning and program outcomes from across the campus. There have been conversations without any conclusions on whether a fall break would be beneficial to students.

Seven current students are being transitioned into the new Doctorate of Nursing Practice program with the first two graduates anticipated in May 2020, and the masters degree reaccreditation is scheduled for the spring. Based upon a question, Dr. Belpert described national trends and the curriculum for the Doctorate of Nursing that is a clinical doctorate degree, not a Ph.D., with high demand for nurse practitioners in rural communities.

CSU-GLOBAL CAMPUS REPORTS

Student Report: Focusing on student success and satisfaction, Governor Axelson remarked that non-traditional students return and complete their college degrees mainly for jobs, advancement and increased income, and to learn new skills. Costs and return on investment are important and CSU-Global Campus offers numerous options to keep costs low, i.e., locked-in tuition rates, digital textbooks, and accelerated learning experiences. The university also offers degree specialization options to help meet market needs.

Faculty Report: Governor Smith provided an overview of the three-phase faculty selection process that begins with the application, credentialing and interviews. Faculty-candidates that pass through the application process complete the faculty certification course to learn the policies, learning management system and expectations. After that phase, faculty-candidates enter a third phase that has them teaching a mentored course with a faculty mentor that evaluates the faculty-candidate and, if appropriate, the mentor then forwards a recommendation to hire, dependent upon background checks and completed paperwork. In addition to teaching, newly hired part-time faculty also participate in 2.0 initiatives and in other ways that include service on committees and task forces, contributing to curriculum development, and development of new university initiatives. Every year all faculty are reassessed and re-credentialed.

President's Report: Dr. Takeda-Tinker clarified that CSU-Global Campus' PLA program offers students a low-cost pathway to provide a portfolio project that is then evaluated by program faculty against course learning outcomes to determine if credit can be awarded. There is also another alternative pathway for

Self-Study Assessment courses, formerly referred to as CBE courses, that provides students with free access to learning shells and self-assessments, to prepare for a proctored exam which can lead to collegiate credit.

Dr. Takeda-Tinker reported that, as part of the ongoing 2.0 initiatives and to address the increasing growth and global presence, a new compliance department has been created to provide assistance with the global market requirements relative to risk abatement, laws and regulations. She acknowledged Ms. Yvonne Harris-Lott for her work, and thanked Mr. Warr for his leadership to create the new department. A video describing how the new compliance department informs the university's leadership on new laws, standards and requirements across all functions to ensure operational quality was viewed. A second video was shared to provide an overview of the new recruiting department and the new technology utilized. Dr. Takeda-Tinker acknowledged the work of Ms. Erin Davis in the ongoing development of the department. She concluded her report by inviting the Board to participate in the December 8th Virtual Commencement which will be CSU-Global's first virtual interactive commencement with over 2,000 participants registered.

EXECUTIVE SESSION

Chair Munn indicated the meeting would recess for a break and then reconvene in executive session for the Real Estate/Facilities Committee and the general executive session in the first floor conference room at 3:00 p.m. **Motion/Action:** Governor Jordan moved to convene in executive session; Vice Chair Tuor seconded; and the motion carried unanimously. General Counsel Johnson read the meeting into executive session for discussions pertaining to the purchase or sale of property and nominations for honorary degrees and naming of buildings, and for the purposes of receiving the litigation report and legal advice, all confidential as set forth in the meeting notice. The meeting recessed for the break and was concluded after the executive session at 4:00 p.m.

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM MEETING
Colorado State University System, Denver
December 6, 2018**

CALL TO ORDER

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

ROLL

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Chair Munn reconvened the Board meeting and asked Governor Gustafson to reconvene the Real Estate/Facilities Committee meeting.

REAL ESTATE/FACILITIES COMMITTEE *(continued)*

Vice Committee Chair Gustafson indicated there was one matter for action and asked Ms. Parsons to review the details. Ms. Parsons explained that Board approval of the program plan for the CSU Center, the third of the three CSU buildings to be constructed at the NWC and financed through state COPS, will enable the CSUS to proceed with obtaining the final financing approvals during the 2019 legislative session. The CSU Center will be focused on food, agriculture and an urban extension center. Design and horizontal construction could then move forward through 2019 with the intent of going vertical with all

three of the CSU buildings after the 2020 National Western Stock Show. Vice Committee Chair Gustafson asked for the motion to approve. **Motion/Action:** Governor Gabel moved; Governor Jordan seconded; and the motion carried unanimously.

STRATEGIC MAPPING UPDATE

Ms. Parsons reported work continues on the programming, design and construction of the CSU NWC buildings; partnerships have been developed with 16 non-profits and schools in the Globeville and Elyria-Swansea neighborhoods and CSU participated in 42 events; the second Water in the West Symposium will be held March 13-14, 2019; and there are numerous upcoming National Western Stock Show events that the Board is invited to attend. A local news video featuring the Temple Grandin equine assisted therapy program at the NWC was shared. The CSU Todos Santos Center recently hosted the School of Global Environmental Sustainability external advisory board and the Green & Gold Foundation leadership retreat. The most recent issue of *State* magazine that includes an article on the partnership with the Colorado Ballet was distributed. Board members were encouraged to attend the upcoming Association of Governing Boards annual conference to be held April 14-16.

CHANCELLOR'S REPORT

Dr. Frank indicated the written report would stand as submitted. Due to the Capitol Conference in Washington, DC, the Board leadership has agreed to change the retreat dates to June 12-14 and the other Board members were asked to contact Dr. Frank if they had a conflict with the change of dates.

Legislative Update: There was no federal legislative update at this time. Ms. Parsons remarked that work is underway for the 2019 state legislative session and introduced Mr. Feeley, the CSUS' state lobbyist. Mr. Feeley provided an overview of the state election results and identified the incoming legislative leaders, members of the Joint Budget Committee, and the priorities of Governor-elect Polis. There have been discussions on modifying the current higher education distribution model and other legislative issues with potential impacts for the CSUS that may arise include campus sexual assault processes, water, and forest services. He explained the CSUS strategy development process with weekly meetings and ongoing phone calls.

Action on CSUS Board Policy 130: General Counsel Johnson explained that, in accordance with HB 1198 which was passed last year, state board and commissions must have written policies or bylaws and obtain annual training. The CSUS Board already has comprehensive bylaws and policies; the new Board Policy 130 memorializes the existing processes to be in compliance with the statute. **Motion/Action:** Governor Robbe Rhodes moved to approve; Governor Syron seconded; and the motion carried unanimously.

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

Committee Chair Flores reviewed the committee meeting agenda and asked Dr. Miranda to begin with the action items.

New Academic Degree Programs

CSU – Master of Agribusiness Innovation and Management (Plan C): Dr. Miranda reported the new Distance and Continuing Education program originates from the Dept. of Agriculture and Resource Economics in the College of Agriculture and is focused on the National Western Center with linkage to the Ag Innovation Center. A cohort model will be used wherein all the students will come in and move through the curriculum together. A hybrid curricular model with both face-to-face and online delivery will be utilized.

CSU – Master of Conservation Leadership (Plan C): The program will be primarily located in the Warner College of Natural Resources, Dept. of Human Dimensions of Natural Resources, and is an evolution of the Conservation Leadership through Learning program that has been offered for approximately ten years. The curriculum will include experiential learning and interdisciplinary instruction with an applied approach. Governor Lenk expressed support for the program that will have a systems approach for conservation, economics and sustainability.

CSU – Professional Doctorate in Systems Engineering: Dr. Miranda recalled that a new template for professional doctorates was developed last year by the Faculty Council which requires a major applied project at the culmination of the doctorate and no requirement of a major research dissertation. There has been a Ph.D. in Systems Engineering for numerous years and the expectation is a higher percentage of students will enroll in the new professional doctorate program. Governor Lenk remarked this new program provides an opportunity to partner with leading industry members that are moving through the ranks in their organizations; allows for more technology transfers; and enhances the university's reputation.

CSU-Pueblo – Bachelor of Science in Health Science: Dr. Miranda reported the new degree will prepare students for a broad array of health professions and graduate programs and will be launched in fall 2019.

Approval of the new academic degree programs is on the consent agenda. All of the programs have gone through rigorous analyses on the campuses, beginning with proposals from the departments that are followed by curricular reviews at a variety of levels and approval by the Faculty Council or Faculty Senate. An administrative review for budget and resources also occurs. The process generally takes approximately two years to complete.

Sabbatical Requests for 2019-20: Dr. Miranda explained how approval of sabbatical requests has been delegated to the campus presidents. The process begins with a faculty proposal for an appropriate research and educational project that is approved by the Department Chair, Dean, Provost, and President. There were 70 sabbatical requests at Colorado State University; CSU-Pueblo had five sabbatical and one special leave requests. Summaries of the requests were provided in the meeting materials.

Program Review Summaries: Dr. Miranda described how the program review processes are similar at both CSU and CSU-Pueblo with a departmental self-study; an internal university committee composed of members who are external to the originating department; and compilation of the program review document that is then reviewed by the Deans, Institutional Research and Provost. The reviews are focused on the curricular programs; the research and hiring plans of the faculty and departments; and administrative matters related to areas such as facilities, equipment and governance. The timing of the reviews are aligned, when possible, with specialized accreditations and may be adjusted for a variety of circumstances.

Dr. Miranda listed the CSU program reviews that occurred in six departments of the College of Liberal Arts and the six programs reviewed at CSU-Pueblo. Dr. Mottet added that the lead for each program review at CSU-Pueblo is invited to make a presentation to the Cabinet to understand any weaknesses and to allocate funds to close the loop on any assessment or quality gaps.

CSU-Pueblo Academic Calendar for AY2019-20 and AY2020-21: Dr. Miranda reported the only adjustments are shifts in dates as mandated by the calendar and approval is on the consent agenda.

CSU Faculty and Administrative Professional Manual Revisions: The proposed changes to be approved on the consent agenda are as follows:

- Section C.2.1.9.3-C.2.1.9.6: The amendments clarify the membership of all of the Faculty Council standing committees; changes in language on non-tenure-track faculty participation; and clarification of titles and ex officio membership policies.
- Preface and Section H: Through a cooperative process between the Faculty Council and the Administrative Professional Council (APC), the proposed revisions modify the language that was approved two years ago in the preface that gave the APC the ability to veto any changes to the manual. The proposed changes have been approved by the APC and the Faculty Council.
- Section E.13: The extensive revisions establish the procedures and expectations for the advancement in rank for the non-tenure-track faculty. There were previous revisions to establish the ranks for the non-tenure-track faculty.

Governor Lenk remarked on the significance of these changes to honor the contributions of the non-tenure-track faculty who are important to the teaching mission. Dr. Frank commented on how tenured and tenure-track faculty have different research and service requirements from the non-tenure-track faculty. He pointed out the financial pressures that necessitate the utilization of adjunct faculty members who are highly qualified, committed to their scholarship, and greatly valued by the institution. Vice Chair Tuor noted there were numerous requests in the CSU Presidential Search Advisory Committee listening sessions to have the next president be committed to recognizing the value of the non-tenure-track faculty and the importance of shared governance.

Enrollment/Student Success Campus Reports: Dr. Miranda explained the reports are presented in December to allow time to verify the fall census data which is not available in time to prepare for the October meeting. The information provides a five-year snapshot and comparisons between fall 2017 and fall 2018.

Colorado State University: Highlights include the modest increases in the number of bachelor and master degrees and a large increase in Ph.Ds. and graduate certificates awarded; the 1% increase in credit hours; increased headcounts for undergraduates and a slight decrease for graduate students; and a 6% increase in enrollment for new freshmen and 4% increase for transfer students. Gender diversity remains steady with 700 more females than males; first generation students increased to over 6,000; the number of Pell-eligible students declined by 4% which is being examined by the university; and minority students increased by 6.5% with the strongest increase in the multi-racial category. Enrollment at every college is within a percentage of the previous year except for the 5% increase in the College of Natural Sciences and the 2.5% increase in the Warner College of Natural Resources.

Dr. Miranda and Ms. Taylor, Vice President of Enrollment and Access, responded to questions on the positive changes for the doctorate programs; the decrease in Pell-eligible enrollments and incomplete FAFSA applications that are areas of concern; and the need-based financial aid and scholarships that are available for resident and non-resident undergraduate students. Over the last couple of years, non-resident enrollment has increased and there is a slight reduction in resident enrollment.

Dr. Miranda reported the retention rate for the fall 2017 cohort is 83.1%; there was a 5% decline in retention of students whose index is under 100 and a 3.7% decline in the non-resident WUE students; and six-year graduation rates have increased to 71%. There is a significantly higher percentage of incoming freshmen who only spend one year at CSU. Ms. Taylor expanded upon this phenomenon that has been identified through survey data, exit interviews and social media posts by parents.

Governor Lenk commented on new initiatives to support students that have been implemented under the leadership of Dr. Hughes. When asked about the analysis process, Dr. Miranda explained how the data is

reviewed at the fall Provost's retreat on student success to set goals and develop action steps. Dr. Frank noted more in-depth analysis on enrollment and financial aid has been presented at previous Board retreats and this analysis could be updated for the February or June retreat. He announced CSU is participating in an APLU program, Powered by Publics, to increase graduation by 10% and Dr. Miranda has been selected as the cluster lead for the land grant institutions in the Rocky Mountain region.

CSU-Pueblo: Ms. Holliday reported the persistence rate for the first-time full-time freshmen cohort increased from 63.1% to 68.4% and commented on initiatives that have been implemented. There was an anomaly with the six-year graduation rate for the fall 2012 cohort due to the "ghost" students that were initially counted as enrolled and later expunged. Hispanic/Latino students are retaining at a higher rate than the non-Hispanic/Latino student population and first generation retention has increased by 6.6%. The Hispanic/Latino transfer student retention rate is also higher than for non-Hispanic/Latino transfer students. The graduation rate for Pell and first generation transfer students is higher than their non-Pell and non-first generation counterparts. A majority of the transfer students are from community colleges in southern Colorado.

There has been a significant increase in the number of masters degrees awarded; new undergraduate credit hours increased by 4.4%; persistence efforts are being focused on second, third and fourth year students for which there was a decrease in undergraduate credit hours; and there was significant improvement in the credit hours for non-resident, non-WUE students. There was a transition from the previous enrollment partner; the number of students who enrolled and attended increased significantly; and the student RI population decreased by 2.9% in fall 2018

CSU-Global Campus: Dr. Ferguson noted the university does annual program reviews for all programs with measurements on academic outcomes, faculty credentialing and demographics that are then translated into a yearly report. CSU-Global campus is a moderately select university according to the state and a very intentional enrollment approach is taken to ensure student success.

There was a slight increase in headcount from 2017 to 2018; demographics for gender and first generation have remained consistent with a slight shift in the undergraduate to graduate student ratios; and master's degree graduation rates have increased. The number of full-time students has increased; the number of students using financial aid has decreased; and minority enrollment has increased to 36%. The five-year graduation rate increased from 56% to 61%; four-year graduation rates remain steady at 63%; and first to third term retention is in the 83% to 86% range, dependent upon the term start.

With monthly starts, the fall to fall data is a snapshot of the performance during the year. A retention task force meets regularly and retention is a goal in every single department. Based upon a thorough analysis on the significant differences in student behavior, a pro-active advising model has been implemented with an array of new intervention tools.

The meeting then recessed briefly for lunch at 11:03 a.m. and reconvened at 11:15 a.m.

ANNUAL RESEARCH REPORTS

Colorado State University: Dr. Rudolph commented there are over 1,700 faculty and students engaged in the CSU research enterprise that has evolved across the campus in a more strategic way by aligning investments through cluster hires and catalyst teams for innovative partnerships. Following a Partnership on Air Quality, Climate and Health video, he provided additional examples of cluster hires and catalyst teams, and described efforts to focus investments on core facilities and research equipment to create a culture of excellence and accountability in research operations.

The research administration staff in the Office of Sponsored Programs annually handles the submission of over 2,500 proposals from across the campus with increasingly complex regulations and compliance. Overall, research expenditures were up 11%, largely attributable to the Center for Management of Military Lands through the Warner College of Natural Resources. A new Global Research Impact Team has been created to continue building synergies and fundraising efforts have been undertaken in collaboration with the Advancement office.

New curricular, research and scholarly opportunities are being developed through expanded student engagement in research and engagement-driven institutional opportunities. The 2018 tech transfer statistics illustrate the impact of translational and transactional discoveries. A video on the CSU translational impacts in global health and infectious diseases was shared. Dr. Rudolph concluded his presentation with an overview of new coalitions being developed to address agricultural biosecurity challenges. Responding to a question, he indicated the CSU research enterprise is in line with peer institutions.

CSU-Pueblo: Dr. Abdelrahman commented on how research at a regional comprehensive university is focused on students with knowledge generation and faculty development as integral aspects. The \$6.8 million of research funding for FY 2018 was largely from U.S. Dept. of Education grants and the state legislative funding for the Institute of Cannabis Research (ICR). There are also several other funding sources for smaller projects of which some are sub-awards through collaborative work with CSU. An overview, program highlights and statistics were provided for the Communities to Build Active STEM Engagement (CBASE) project that is focused on increasing enrollment, retention and graduation rates in STEM fields among Hispanic and low-income learners and funded through a five-year \$5.9 million U.S. Dept. of Education grant.

Activities of the ICR include numerous collaborative projects with 22 faculty and staff and 35 students currently funded; the annual conference will be held March 23-25, 2019, at CSU-Pueblo; and a *Journal of Cannabis Research* was launched in September 2018. Highlights were provided on ICR research projects that include a provisional patent on tracking of cannabis which was filed through CSU Ventures and fits within the entrepreneurship aspect of CSU-Pueblo's strategic plan.

The Office of the Provost provides internal SEED grants to fund faculty research and SURP grants to provide support for undergraduate research. Integration of research and education can occur through projects completed within established research classes with results often culminating in presentations at national conferences and publications. Campus dissemination of the student research occurs in a variety of forums, such as the campus-wide Student Works Symposium.

Future directions include re-establishing an Office of Research and Sponsored Programs (ORSP); increasing collaboration with CSU; and increasing research funding and productivity. Responding to questions, Drs. Abdelrahman and Mottet described how the research activities fit within the strategic plan and, in conjunction with Dr. Rudolph, explained how there would not be duplication through the collaboration between CSU and CSU-Pueblo, particularly on compliance issues. There is a necessity to have an ORSP director on the CSU-Pueblo campus to interface with faculty, liaison with CSU and meet compliance regulations; the position could potentially be funded through indirect costs or grants.

CSU-Global Campus: Dr. Ferguson remarked that the university is a teaching institution with faculty engaged in their individual fields as well as in the scholarship of teaching. The university serves as an incubator for innovations in online learning with opportunities for faculty to engage in actual research in specific projects. Scholarship is encouraged and financially supported through the university with numerous opportunities to share the research results, i.e., publications and presentations at web, academic

and professional conferences. Examples were provided on research publications and conference presentations for the current academic year.

Faculty professional development is encouraged and, thus far this year, 60 faculty have pursued professional development that is not university sponsored or provided, which has resulted in numerous faculty maintaining their industry certifications. Through 15 faculty development sessions offered by CSU-Global Campus, 95% of all full-time and part-time faculty have completed their annual professional development engagement. Professional development and scholarship is also supported in different projects across the university, i.e., faculty are engaged with Open Educational Resources (OER) development to meet a university goal of 90% of the general education courses utilizing OER and in testing different pedagogical approaches for use in online classrooms. Engagement through partnerships with educational and business providers also offers opportunities for faculty and currently the university has over 1,300 partners.

CONSENT AGENDA

Chair Munn asked for a motion to approve the consent agenda. **Motion/Action:** Vice Chair Tuor moved to approve; Governor Gabel seconded; and the motion carried unanimously.

GENERAL ACTION ITEMS

Approval of Acceptance of Gifts and the Naming in Recognition of Gifts Relating to Operating Room Suites within the CSU College of Veterinary Medicine and Biomedical Sciences: General Counsel Johnson read the matter for action and Chair Munn asked for a motion to approve. **Motion/Action:** Governor Jordan moved to approve; Governor Flores seconded; and the motion carried unanimously.

Settlement Authorization for Approval and Executive of Settlement Agreement: General Counsel Johnson read the matter for action pertaining to a legal matter discussed in executive session. **Motion/Action:** Governor Gabel made the motion; Governor Robbe Rhodes seconded; and the motion carried unanimously.

EVALUATION COMMITTEE

Chair Munn indicated the Evaluation Committee that consists of the voting members would convene in the first floor conference room and asked for a motion to convene the committee meeting in executive session. **Motion/Action:** Governor Gustafson moved; Governor Flores seconded; and the motion carried unanimously. General Counsel Johnson read the Evaluation Committee into executive session for the purposes of discussing professional staff and to receive legal advice, all confidential as set forth in the meeting notice. The regular business meeting was then adjourned at 12:22 p.m.