

**THE BOARD OF GOVERNORS OF THE  
COLORADO STATE UNIVERSITY SYSTEM  
SPECIAL MEETING OF THE  
AUDIT AND FINANCE COMMITTEE  
By Telephone Conference and in the Conference Room at  
475 17th Street, Suite 1550, Denver, Colorado  
September 27, 2019**

**CALL TO ORDER**

Committee Chair Jordan called the meeting to order at 10:05 a.m.

**ROLL**

**Governors present:** Jane Robbe Rhodes, Vice Chair; Kim Jordan, Treasurer and Chair of the Audit and Finance Committee; and Stephanie Clemmons, Faculty Representative, CSU

**Administrators and Staff present:** Susy Serrano, Director of Internal Audit, CSU System; Jason Johnson, General Counsel, CSU System; Melanie Geary, Executive Assistant, CSU System; Adam Fedrid, IT Technician, CSU System; Margaret Henry, CSU System Treasurer; and Bridget Mullen, Director of Budget and Finance, CSU System.

**MEETING**

Committee Chair Jordan convened the special meeting and asked Internal Audit Director Serrano to talk about recent audit matters, including the Athletics audit, the CSU President's Office transition audit, and the CSU-Pueblo audit of accounts receivable and recommendations. Ms. Serrano also talked about the current IT audits and managing those audits in light of the other business at the campuses.

Given the recent implementation of Banner, a learning management and enrollment system, it seems wise to review that system after full implementation. Governors Jordan and Robbe Rhodes were comfortable delaying those IT audits for the time being, while that system is being implemented. Ms. Serrano will confer with President Mottet about rescheduling these projects, as needed and in light of staffing demands. The Audit and Finance Committee will review and approve any modifications to the current audit plan after Ms. Serrano confers with President Mottet and Chancellor Frank.

Internal Audit conducted an audit of CSU Admissions and the results were positive. Ms. Serrano also talked about the work of Internal Audit with the Office of the General Counsel as they look into Title IX compliance. The coordinated work between the OGC and Internal Audit is ongoing.

Ms. Mullen talked about the finance matters that will come up at the upcoming Board of Governors meeting. Ms. Mullen talked about the state budget update and noted that the System is modeling a two percent (2%) tuition increase at this time. Also, Ms. Henry talked about debt capacity and the Meridian Village and Lory Student Center projects and the related proposed bond issuance. Ms. Henry highlighted the significant due diligence that has gone into those projects and planning for the future.

With no further items for discussion or business, Committee Chair Jordan adjourned the special meeting of the Audit and Finance Committee at 10:34 a.m.

**BOARD OF GOVERNORS OF THE  
COLORADO STATE UNIVERSITY SYSTEM BOARD MEETING  
Colorado State University, Fort Collins, Colorado  
October 3, 2019**

**CALL TO ORDER**

Chair Tuor called the meeting to order at 9:05 a.m.

**ROLL**

**Governors present:** Nancy Tuor, Chair; Jane Robbe Rhodes, Vice Chair; Kim Jordan, Treasurer; Dean Singleton, Secretary; Russell DeSalvo; Steven Gabel; William Mosher; D. Rico Munn; Armando Valdez; Kacie Adair, Student Representative, CSU-Pueblo; Ben Amundson, Student Representative, CSU; Harriet Austin, Faculty Representative, CSU-Global Campus; Stephanie Clemmons, CSU Faculty Representative; Matthew Cranswick, Faculty Representative, CSU-Pueblo; Nicole Hulet, CSU-Global Student Representative

**Administrators present:** Tony Frank, Chancellor, CSU System; Amy Parsons, Executive Vice Chancellor, CSU System; Joyce McConnell, President, CSU; 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

**CSU System Staff present:** Melanie Geary, Executive Assistant; Wayne Hall, IT Manager; Allen Sneesby, IT Technician; Sharon Teufel, Executive Assistant to the General Counsel (via phone)

**Staff and Guests present:** Mohamed Abdelrahman, Provost, CSU-Pueblo; Brett Anderson, Special Assistant to the President, CSU; Tim Aston, Arapahoe County Director, Extension, CSU; Rick Callan, Sr. Real Estate Analyst, CSURF; Phil Chavez, Student, CSU; Stephanie Chichester, President, North Slope Capital Advisors; Ann Claycomb, Communications Director, President's Office, CSU; Johnna Doyle, Deputy General Counsel, CSU-Pueblo; Katie Dunker, Master Gardener Coordinator, Extension, CSU; Karen Ferguson, Provost and Vice President of Strategic Innovations, CSU-Global; Jackie Gedney, Student, CSU; Stacy Grant, Director of Chancellor Engagement, CSU System; Todd Hagenbuch, Routt County Director, Extension, CSU; Margaret Henry, Treasurer, CSU System; Donna Souder Hodge, Executive Director of Organizational Development, 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; Nancy Hurt, Managing Director, REO, CSURF; Pam Jackson, Interim Vice President for External Relations, CSU; Josh Johnson, Student, CSU; Dennis Kann, Golden Plains Area Director, Extension, CSU; Heather Kent, Student, CSU; Ryan Kropp, Student, CSU; Yvonne Harris-Lott, Senior Director of Finance and Institutional Integrity, CSU-Global; Stephen Lunt, Student, CSU; Jose Martinez, Student, CSU; Austin McGill, Student, CSU; Lauren McMaster, Associate Legal Counsel, CSU System; Eric McPhail, Gunnison County Director, Extension, CSU; Ajay Menon, President/CEO, CSURF; Jannine Mohr, Deputy General Counsel, CSU; Cara Neth, Director of Executive Communications, CSU System; Cheri O'Neill, President/CEO, CSU Foundation; Blake Osborn, Water Resources Specialist, Peaks and Plains Region, Extension, CSU; Jackie Paone, Jefferson County Director, Extension, CSU; JoAnn Powell, Front Range Regional Director, Extension, CSU; Kathay Rennels, Special Assistant to the Chancellor for Rural-Urban Initiatives, CSU System; Alan Rudolph, Vice

President for Research, CSU; Abi Saeed, Garfield County Agent, Extension, CSU; Christine Schinzel, Lincoln County Agent, Extension, CSU; Sue Schneider, Larimer County, Extension Agent, CSU; Taran Snyder, Student, CSU; Karl Spiecker, Vice President for Finance and Administration, CSU-Pueblo; Ashley Stokes, Assistant Vice President for Engagement and Deputy Director for Extension, CSU; Lesley Taylor, Vice President for Enrollment and Access, CSU; Niki Toussaint, Chief of Staff, CSU-Pueblo; Vanessa Tranel, Pueblo Agent, Extension, CSU; Reagan Waskom, Interim Vice President for Engagement and Director of Extension, CSU; Robin Young, Archuleta County Director, Extension, CSU

## **PUBLIC COMMENT**

Chair Tuor convened the meeting and confirmed no one had signed up to address the Board. She then reviewed the meeting agenda.

## **AUDIT AND FINANCE COMMITTEE**

Committee Chair Jordan reported a committee meeting was held the previous week to prepare for this meeting and then asked Ms. Serrano to begin her report.

*Status of FY 19-20 Audit Plan:* Ms. Serrano reported the CSU President's Office transition audit was completed with the results to be presented at the December meeting. The purpose of transition audits is to provide management an assessment of key controls and risks to understand how the units are managing risks. The exit conference for the CSU-Pueblo human resources and payroll audit has been conducted and the management response is expected the following week. Follow-up testing for a special athletics audit at CSU-Pueblo has been completed with management briefed on the preliminary observations. Work continues on the CSU Title IX controls audit in collaboration with the General Counsel's office; the project has been divided into two phases with the report for phase one to be completed prior to the December meeting.

New projects underway are the CSU international programs audit; CSU Health and Human Services transition audit; and the internal controls audit for the CSU card management system for which the scope was expanded beyond the Ram Card office. The remaining projects on the audit plan will be initiated at appropriate times through coordination with the institutional units and in consideration of changing risks, controls, systems, and operations. Any changes to the audit plan will be communicated to the committee and senior management.

Executive summaries were provided for two reports issued since the last meeting. There were no significant concerns with the CSU enrollment and access transition audit that had ten recommendations related to strategic planning and risk management, and no recommendations related to admission controls. For the CSU athletics compliance report, the areas of ticket office controls, certain player safety protocols, and procurement card purchasing controls were examined. Controls in all three areas were deemed to be strong and three recommendations were made to further improve the controls. Ms. Serrano explained how in the past NCAA compliance audits were completed at least once every four years through agreed-upon procedures for 15 different compliance areas through external and internal audits. The NCAA continues to recommend compliance audits by both external firms and by Colorado State University System (CSUS) Internal Auditing that also examines policies and procedures, controls, and risks.

*Overdue Recommendations:* There are no concerns with any of the recommendations listed in the report. The recommendations for the CSU Veterinary Teaching Hospital and financial commitments audit have been implemented. The three recommendations for the CSU-Pueblo IT/AIS audit were recently

implemented. CSU-Pueblo has hired an information technology security officer and all employees have received training on information technology security.

*State Budget Update:* Mr. Sobanet reported work continues with the Colorado Dept. of Higher Education (CDHE) to revise the allocation formula and there was a request from the governor's office to include efficiency metrics. Based upon the new economic forecasts that reflect a slight decrease from the prior report due to constitutional revenue limits, a 2% increase in state funding for higher education is under consideration with no clarity on allowable tuition increases.

*FY 20-21 Campus Budget Updates:* Mr. Sobanet indicated that, similar to the August meeting, three scenarios based upon the potential state funding would be presented for CSU and CSU-Pueblo.

Colorado State University: Ms. McConnell commented on how the assumptions requested by the Board have been built into the draft E&G budget based upon the available information on the 2% increase in state funding. Ms. Johnson noted the three scenarios are the same as previously presented with adjustments to be made for the December meeting based upon the enrollment growth from the fall census. The scenarios include three different tuition rates and the Veterinary Teaching Hospital tuition rate has been adjusted since the previous meeting. Adjustments were also made in mandatory costs and costs related to faculty promotions and changes implemented for non-tenure-track faculty.

Ms. McConnell reported an announcement was made at the Fall Address on adopting a methodology called "CSU's Excellence Method" that will use operational and utilization efficiency analyses similar to those completed by corporations, such as Toyota, with adjustments made for higher education. Discussion followed on utilization profiling; the difficulty of benchmarking utilization strategies for higher education and the service industry; the diversity of the campuses' revenue streams; and the impact on retention and degree completion with reductions in support services.

CSU-Pueblo: Mr. Spiecker reported adjustments on mandatory costs were made to the draft budget scenarios since the August meeting. While the fall 2019 enrollment was below projections, revenue for CSU-Pueblo's Extended Studies was up by 70% with more students enrolling in online classes.

Dr. Mottet indicated the campus is working carefully on cost avoidance and recently signed a solar power contract to lock in energy rates. Discussions are also being held with CSU for potential back-of-house efficiencies, such as technology upgrades, for more cost avoidance and streamlined operations. In addition to the Vision 2028 initiatives, three enrollment strategies for fall 2020 to enhance enrollment and maximize housing occupancy rates have been identified and modeled for break-even points. The first strategy is to consolidate and lower non-resident rates by 34% to attract more students and add capacity for the housing occupancy. The second strategy is to utilize 100 beds as non-resident scholarships and to target the California and Texas pipelines where there is more demand. The third strategy is to adjust the live-in requirement radius to 50 miles.

Dr. Frank clarified that the state has historically allowed higher education governing boards to determine non-resident tuition rates. He commented on the national enrollment challenges for regional comprehensive universities and expressed support for the proposed enrollment strategies.

In response to questions, Dr. Mottet and Ms. Holliday indicated that approximately 18% of the student population are non-residents and the number of non-resident and international students living on campus has increased. While the majority of the non-resident population is student-athletes, largely from southwestern states, there are specific programs, such as the automotive industry management program, that could be attractive to particular feeder states with the reduction in the non-resident tuition rate. The proposed non-resident tuition rate change coupled with leveraging the housing would also increase the

potential to recruit more student-athletes. Following discussion, there was a general consensus by the Board for CSU-Pueblo to move forward with implementation of the new enrollment strategies.

CSU-Global: Dr. Takeda-Tinker introduced Ms. Yvonne Harris-Lot, Senior Director of Finance and Institutional Integrity. Ms. Harris-Lot reviewed the budget assumptions that include maintaining a 33% profit margin; 4% enrollment growth with a 71% undergraduate and 29% graduate ratio; and no increase in tuition rates. There will be a slight increase in expenses to support the growth of the student population; no additional operational or maintenance expenses; and a slight increase in depreciation due to new assets acquired in FY 20. The implementation of the 2.0 initiatives has been completed and discussions continue on strategic initiatives focused on additional cost savings.

*CSUS Treasury Update:* Mr. Sobanet indicated the update would begin with the annual debt capacity presentation by North Slope Capital that would be followed by a presentation for a proposed policy revision and a bond issuance proposal.

Annual Debt Capacity Presentation: Ms. Chichester explained that the annual review of debt capacity provides a financial health report and stated the CSUS ratings from a review conducted in September are Aa3 by Moody's and A+ by Standard & Poor's. The State Treasurer conducts an annual calculation to determine capacity under the state intercept and the CSUS currently has approximately \$1 billion of intercept capacity. The CSUS debt policy requires any new debt be layered into the debt capacity and the new debt not trigger a credit rating downgrade.

In terms of leverage and financial flexibility, rating agencies do not rely on one single ratio; growth in cash and investments, and continuing strong cash flow margins are viewed positively. An increase in non-resident enrollment is also viewed as a positive driver of margin. The CSUS debt service as a percentage of budget is below 5% which is lower than academic peers. An overview was provided on the CSUS annual debt service payments on all series combined; debt per FTE across all of the Colorado higher education institutions; debt compared to operating budget; and balance sheet strength. Based upon all the ratios in the model, the CSUS with a continuation of a strong cash flow margin could layer in approximately \$250 million in additional debt in the next 18 to 24 months without jeopardizing the rating.

Ms. Chichester commented on the success of the recently completed bond sale for refunding and new money with orders for \$160 million which was \$60 million more than available. Based upon the principal payments schedule, there is capacity for the planned upcoming projects in 2020 and 2021. Taxable bonds are used for projects where there is private use, such as the stadium, and tax-exempt re-financings were eliminated in the most recent federal tax cut. Suggestions for future annual debt capacity reports were to include comparisons with out-of-state peer institutions and other land-grant universities, and outliers at the low and high ends of the spectrum. Conversation followed on leverage and the benefits of borrowing with the current low interest rates; balancing growth in a diversified economy to meet workforce needs; and challenges with state funding, resources, and financial aid while maintaining accessibility.

CSUS Board Debt Management Policy 202: Mr. Sobanet explained that, in preparing the Meridian Village pro forma for debt service, an error for the ratio calculation of debt was discovered. The policy currently states that the ratio calculation is based "...upon expenses and debt payments..." and should be corrected to be based solely upon expenses and not include debt service payments. General Counsel Johnson confirmed that a verbal motion could be made at this meeting to correct the policy.

**Motion/Action:** Governor Gabel moved to approve the amendment; Vice Chair Robbe Rhodes seconded; and the motion passed unanimously.

CSU Meridian Village and Lory Student Center (LSC) and Adult Learner & Veteran Services (ALVS) Plan of Finance: Ms. Johnson recalled that the two projects have been discussed at prior meetings and a

formal analysis for the plan of finance would be presented. She explained how the projects fit within the CCHE Master Plan; the positive impacts of living on campus for GPA, persistence, and four-year graduation rates, and the importance of the sophomore year experience. An overview was provided on the Meridian Village project, location, pro forma assumptions, and conceptual pod floor diagrams; current residential housing inventory and the maintenance backlog; the impact of making no changes with limited housing space and enrollment growth; residence hall price points; Colorado peer housing rate comparisons, including CU; and strategic objectives for the Meridian Village project.

Ms. Johnson reviewed the revenue, expenses, debt service, and debt coverage ratio for phase 1 of the Meridian Village project. Highlights were provided on the recent Moody's bond rating review and the contingency strategies if enrollment projections are not met. The meeting then recessed for a break at 11:06 a.m. and reconvened at 11:17 a.m.

Ms. Johnson commented on the success and accolades received for the ALVS programs. Highlights for the LSC and ALVS project were provided on the costs, pro forma, and plan of finance that includes a new \$12.25 per semester student fee approved by the students to fund the ALVS expansion. Tax-exempt bonds are anticipated to be issued in July 2020 and the commercial paper program will be utilized to fund project expenses until the bond issuance.

During the presentation, discussion was held on the impact of the fall enrollment melt; current and anticipated housing demand; the safety and accessibility with the pod design; the student experience with on-campus housing; and learning communities to be located in the new residence hall. Other issues addressed were project conformity to building standards and LEED goals; affordability and housing rate comparisons to the marketplace; dining pricing and options; and risks to CSUS portfolio and potential impact on debt capacity and rating.

Approval of the Eighteenth Supplemental Resolution for Series 2020 Revenue Bonds: With no further discussion on the Meridian Village and LSC and ALVS projects, Committee Chair Jordan asked for a motion to approve the bond resolution. **Motion/Action:** Governor Valdez made the motion; Governor Amundson seconded; and the motion carried unanimously.

## CSU-PUEBLO REPORTS

*Student Report:* Governor Adair commented on the success of the Wolf Pack Welcome Week and the annual Packfest music festival. Other updates include the Handshake career management platform is now available for students to assist with job placements; eight students and four faculty will be attending the HACU conference; numerous activities are planned for the October Homecoming Week; preparations are underway for the annual Winter Wonderland event; and the Associated Students' Government is a sponsor for the flu drive with flu shots available to students for \$5.

*Faculty Report:* Governor Cranswick highlighted from the written report the submittal of an NSF 19-540 grant proposal, and several faculty presentations and publications. An update was provided on the Faculty Senate retreat, Executive Committee meeting, and September Faculty Senate meeting. Ongoing concerns include faculty workload, budget issues, unfilled tenure-track positions, information technology, and student retention.

*President's Report:* Dr. Mottet announced Juan Morales, Dept. Chair for English and World Languages, received the national award for best poetry book by the Latino Literacy Association; Roberto Mejias and the Cyberwolves ranked 10<sup>th</sup> of 300 universities in the national cyber league competition; and Sam Ebersall was selected as a 2019 Broadcast Education Association award winner for his Arkansas River documentary. Other campus updates include the solar contract was signed for the public private

partnership that will provide some cost avoidance on energy costs; the university received a \$2.5 million Title V grant from the Pathways for Post-baccalaureate Opportunities for Hispanic Americans; and tabletop activities have recently taken place for emergency management in the event of a measles outbreak on campus.

Vision 2028 Update: Dr. Mottet reported the metrics for the three goals of increasing enrollment, student success, and employee satisfaction for FY 20 visioning activities will be shared later in the meeting with the Evaluation Committee. Eight of the 36 different budgeted FY 20 activities have been completed. Updates were provided for each of the three funding groups of infrastructure and revenue generation; student experience and retention; and enrollment drivers.

Based upon faculty workload concerns and the investment that has been made by the Board in the visioning process, Dr. Mottet and Mr. Cranswick responded to a question on campus communications and faculty buy-in for the Vision 2028 activities. The campus has and continues to undergo tremendous change and challenges, such as the IT infrastructure; there have been numerous campus communication and engagement opportunities, albeit there have been challenges with attendance at meetings due to teaching commitments; faculty want to be involved in the decision-making process for the success of the campus; and faculty are supportive of Dr. Mottet and the administration.

The meeting then recessed at 11:56 a.m. for lunch and conversation with CSU Extension staff and then reconvened at 1:08 p.m.

## **CSU ENGAGEMENT/EXTENSION REPORT**

Ms. McConnell introduced Mr. Reagan Waskom, the Interim Vice President for Engagement, who reported the search for the new vice president has been completed and an announcement should be forthcoming. He described the role of the Office of Engagement to connect communities with CSU through partnerships for the purpose of enhancing lives and livelihoods all across the state. An overview was provided on the six core units; the Provost Council for Engagement; the regional engagement centers; the upcoming Engagement Scholarship Consortium international conference; the locations and number of employees at the various service offices; and the Extension organizational structure. Four years of metrics in the four key areas of the CSU Extension county commissioner satisfaction survey were shared. Dr. Frank provided historical context on how the Extension programming service model was revised to be driven by the local and regional programming needs identified by the county commissioners.

Mr. Waskom highlighted the work of Extension staff in developing the Wood Plant app; the CSU 4-H “It’s Rocket Science” program; and the summer internships for CSU students. The Family Leadership Training Institute is a collaborative program with the Colorado Attorney General’s office that empowers families and individuals to respond to community issues through civic engagement. Highlights were also provided on the Colorado Master Gardeners and 4-H programs; and the collaborative services and partnerships available through the new Western Campus in Orchard Mesa and the CSU Arkansas Valley campus. Mr. Waskom reviewed the Extension budget; the growth and programming of CSU Online; and the work of the Office of Community and Economic Development.

## **CSU-GLOBAL REPORTS**

*Student Report:* Governor Hulet commented on the increased accessibility of online textbooks for students through RedShelf, the campus’ online textbook platform, and the availability through the software of additional resources and tools. Dr. Takeda-Tinker also noted that 100% of the general education courses will have open educational resources (OER) or zero-cost textbooks by spring 2020; and

currently the goal is to have OER or zero-cost textbooks for the other courses which is being addressed by the faculty.

*Faculty Report:* Governor Austin described how CSU-Global's Disability Services website and resources have been expanded to better serve students and faculty. The services and resources of the Writing Center have also been expanded. Dr. Takeda-Tinker pointed out students also have support available through CSU-Global's live 24/7 tutoring.

*President's Report:* Dr. Takeda-Tinker announced CSU-Global has started its own Esports club teams and introduced Mr. Andy Dixon, Director of Marketing, to provide an overview of the university's Esports program. Mr. Dixon commented on how Esports is a \$1.1 billion industry with 254,000 people currently participating in different ways. He reviewed the CSU-Global Esports program goals, objectives, and platform that are generally focused on building community and engagement; the activities and participation requirements for the two CSU-Global formalized club teams; the alignment of the emerging industry to the university's mission to meet workforce needs and to provide future career opportunities; the separate CSU-Global Esports brand with merchandising; and the types of engagement and interaction that occur which provide additional opportunities to learn. Dr. Takeda-Tinker commented on the community-building attributes of Esports for the university through integration with the industry and the power of the sector.

## **ANNUAL CAMPUS SAFETY REPORTS**

General Counsel Johnson remarked on how campus safety is a priority for the Board, the CSUS, and the campuses. Annual safety reports are published by October 1<sup>st</sup> to coincide with the submittal of the required federal Clery Act reports. He provided an historical overview of the Clery Act and outlined the three primary requirements.

*Colorado State University:* Deputy General Counsel Mohr provided an overview of the functions and subcommittees of the university's Public Safety Team. The CSU Police Dept., which is a full service law enforcement agency, is central to the campus safety efforts and coordinates safety efforts with other law enforcement agencies. The report recently published is for 2018 during which there were 25 reports of sex offenses and 39 reports of dating violence, domestic violence, and stalking which is comparable to peer institutions, the University of Colorado, and prior years, and is a relatively low number of crimes.

*CSU-Pueblo:* Deputy General Counsel Doyle reported law enforcement for the campus is provided through a 24/7 policing contract with the Pueblo County's Sheriff's Office (PCSO) and includes all emergency functions. In conjunction with the PCSO, the university's emergency operation plan was rewritten and numerous active shooter drills have been conducted in past years. Ms. Doyle described the composition of the Campus Safety Team that considers all aspects of safety, not just physical violence, as demonstrated by the table top exercises conducted in coordination with the Pueblo County Health Dept. The 2018 report statistics that are overall relatively low include three incidents of fondling under the forcible sex offenses, one burglary, one dating violence offense, and three stalking instances. A Pack Cares team meets with students who are having difficulties to assist with working through the processes. Governor Adair expressed appreciation for how safety is taken seriously and commented she has never felt unsafe on the campus.

General Counsel Johnson explained the Clery Act focuses on geography and physical campuses and, accordingly, there were no crime statistics for CSU-Global.



## REAL ESTATE/FACILITIES COMMITTEE

Governor Gabel convened the committee meeting and asked Dr. Mottet to review the CSU-Pueblo right-of-way action item.

*Approval to Grant Right-of-Way to City of Pueblo for Extension of Walking Stick Boulevard:* At the request of Dr. Mottet, Mr. Spiecker explained the matter pertains to the solar power project and was discussed at the prior meeting. The granting of the right-of-way to the City of Pueblo ensures access for any future development and roadway construction at the expense of the developers on the north side of the planned solar power project. **Motion/Action:** Governor Mosher moved to approve; Governor Adair seconded; and the motion carried unanimously.

## EXECUTIVE SESSION

At the request of Chair Tuor, Dr. Frank confirmed who would be in attendance during the executive session of the Real Estate/Facilities Committee, the regular executive session, and the executive session of the Evaluation Committee. **Motion/Action:** Vice Chair Robbe Rhodes moved to convene in executive session; Governor Valdez seconded; and the motion passed unanimously. General Counsel Johnson read the meeting into executive session for the purposes as set forth in the meeting notice. The meeting recessed for a break at 2:23 p.m., convened in executive session at 2:40 p.m., and adjourned for the day upon completion of the Evaluation Committee session.

**BOARD OF GOVERNORS OF THE  
COLORADO STATE UNIVERSITY SYSTEM BOARD MEETING  
Colorado State University, Fort Collins, Colorado  
October 4, 2019**

**CALL TO ORDER**

Chair Tuor called the meeting to order at 9:05 a.m.

**ROLL**

**Governors present:** Nancy Tuor, Chair; Jane Robbe Rhodes, Vice Chair; Kim Jordan, Treasurer; Dean Singleton, Secretary (via phone); Russell DeSalvo; Steven Gabel; William Mosher; D. Rico Munn; Kacie Adair, Student Representative, CSU-Pueblo; Ben Amundson, Student Representative, CSU; Harriet Austin, Faculty Representative, CSU-Global Campus; Stephanie Clemmons, CSU Faculty Representative; Matthew Cranswick, Faculty Representative, CSU-Pueblo; Nicole Hulet, CSU-Global Student Representative

**Administrators present:** Tony Frank, Chancellor, CSU System; Amy Parsons, Executive Vice Chancellor, CSU System; Joyce McConnell, President, CSU; 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

**CSU System Staff present:** Melanie Geary, Executive Assistant; Wayne Hall, IT Manager; Allen Sneesby, IT Technician; Sharon Teufel, Executive Assistant to the General Counsel (via phone)

**Staff and Guests present:** Mohamed Abdelrahman, Provost, CSU-Pueblo; Brett Anderson, Special Assistant to the President, CSU; Hamlin Barnes, Student, CSU; Chelsey Beardsley, Student, CSU; Suzanne Brandenburg, Associate Dean of Education, CU Medical School at CSU; Hannah Brech, Student, CSU; Ann Claycomb, Communications Director, President's Office, CSU; Orlando Cruz, Student, CSU; Mikaela Dalton, Student, CSU; Johnna Doyle, Deputy General Counsel, CSU-Pueblo; Karen Ferguson, Provost and Vice President of Strategic Innovations, CSU-Global; Stacy Grant, Director of Chancellor Engagement, CSU System; Margaret Henry, Treasurer, CSU System; Steven Herlihy, Student, CSU; Donna Souder Hodge, Executive Director of Organizational Development, 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; Pam Jackson, Interim Vice President for External Relations, CSU; Christa Johnson, Associate Vice President for Research, OVPR, CSU; Chris LaBelle, Interim Senior Director, CSU Online; Olivia Martinez, Student, CSU; Jannine Mohr, Deputy General Counsel, CSU; Camila Silva Monroe, Student, CSU; Cara Neth, Director of Executive Communications, CSU System; Cheri O'Neill, President/CEO, CSU Foundation; Matt Peters, Student, CSU; Kathay Rennels, Special Assistant to the Chancellor for Rural-Urban Initiatives, CSU System; Karl Spiecker, Vice President for Finance and Administration, CSU-Pueblo; Lesley Taylor, Vice President for Enrollment and Access, CSU; Mark Stetter, Dean, College of Veterinary Medicine and Biological Sciences, CSU; Kim Tobin, Vice President, University Advancement, CSU; Niki Toussaint, Chief of Staff, CSU-Pueblo; Reagan Waskom, Interim Vice President for Engagement and Director of Extension, CSU

Chair Tuor reconvened the meeting and confirmed Governor Singleton had joined the meeting by phone.

## ACADEMIC AND STUDENT AFFAIRS COMMITTEE

Committee Chair Singleton convened the meeting and asked Dr. Miranda to begin with the new degree programs.

*New Degree Programs:* Dr. Miranda reported there were two new degree programs to be approved on the consent agenda.

CSU Master of Public Policy and Administration: The new Plan C master's degree is a non-thesis, non-research degree program that will provide a professional education in public policy, administration, and service with elements of the program specifically designed to take advantage of the relationship with the City of Fort Collins. The curriculum has been approved through the regular campus processes.

CSU-Global Master of Science in Computer Science: The 32-credit degree program is focused on applied skills in various areas of computer science, i.e., software development, programming, networking, security, etc.

*CSU Faculty Manual Changes:* The revisions to Section E.12 that were originally scheduled to be approved at the August meeting are relatively extensive and generally relate to performance expectations for tenure, promotion, and merit salary increases. In addition to clarifications, language has been added related to mentoring and outreach and engagement to properly evaluate the activities. Section E.12.1 relates to teaching, advising, and mentoring activities. Section E.12.2 pertains to research and other creative work activities. Section E.12.3 clarifies service with special attention related to clinical services and external partners and a new section for Extension Service has been added. Section E.12.4 is a new section specifically dedicated to outreach and engagement activities. Approval of the revisions is on the consent agenda.

*Approval of CSU-Pueblo Renaming the College of Humanities and Social Sciences (CHASS):* The change is the insertion of "Arts" to rename the college to the College of Humanities, Arts and Social Sciences with the addition creating a reference to the performing and visual arts. **Motion/Action:** Committee Chair Singleton moved to approve; the motion was seconded and carried unanimously.

*CSU Minority Faculty Counts Update:* As follow-up to the faculty demographic statistics presented in August, Dr. Miranda reported there was a coding error in the software related to naturalized U.S. citizens who are minorities, but were formally classified as international. The coding error has been corrected and the actual number of minority faculty increased from 176 to 197.

*CSU Online Presentation:* Dr. Miranda introduced Mr. Chris LaBelle, the Interim Director for CSU Online. Mr. LaBelle highlighted from the FY 19 annual report the increase in gross revenues; the launching of the B.S.B.A. in Accounting at the Sturm Collaboration Campus in Castle Rock; and the growth of the Osher Lifelong Learning Institute that is an important part of the service provided to the community. Strategic planning for FY 20-21 is focused on growth with expansion of the portfolio, partnerships, leadership, and business analytics with a 10% projected increase in gross revenues.

Mr. LaBelle reviewed the current offerings from all eight of the colleges; the wide range of programs launched in FY 19; the credit programs broken out by college; the new and redesigned professional development and corporate trainings to be offered in FY 20-21; and new partnership opportunities. An overview was provided on the online student demographics and locations, and the historical growth of the gross revenues by total amounts and colleges. He commented on how strategies are focused on business

analytics with data-driven decisions being developed to improve and expand operations and to deliver better accessibility and service to constituents. Dr. Frank indicated a report will be prepared for the December meeting to provide a better understanding of all CSUS' current online activities with comparisons and overlap between CSU Online, CSU-Global, and CSU-Pueblo in areas such as financials, infrastructure, student demographics, and the scope of programs.

## **COLORADO STATE UNIVERSITY REPORTS**

*Student Report:* Governor Amundson highlighted from the written report the Cap and Gown initiative and discussions with the Colorado Dept. of Higher Education to provide student input on Open Education Resources (OER). After a blackface incident, over 700 students showed up at a recent student senate session to share opinions and several diversity and inclusion initiatives have been initiated. ASCSU has been providing input to the City of Fort Collins on e-scooters.

*Faculty Report:* Governor Clemons reported faculty are engaged in several campus-wide initiatives, i.e., efforts to reduce the complexity of undergraduate curriculum and increase efficiency to assist students with degree completion; a non-tenure-track faculty promotion review process; development of an interactive teaching effectiveness design guide; overarching institutional learning objectives; student success initiatives; and guidelines to assist faculty with difficult conversations. The College of Agriculture and the Walter Scott, Jr. College of Engineering were highlighted in the written report.

*President's Report:* Ms. McConnell provided an overview of the Race, Bias and Equity initiative launched at the fall 2019 address that was based upon an analysis of efforts over the past ten years and preceded by the student senate session as reported by Governor Amundson. She commented on the critical role of the university to address climate change, i.e., the work of the School of Global Environmental Sustainability; the recent launch of the Salazar Center with a focus on conservation; an upcoming international gathering of environmental journalists to be hosted on the campus October 9-13; the Green College Honor Roll recognition by the *Princeton Review*; and work with students to address concerns on fossil fuel research. Ms. McConnell then highlighted four top scholarly awards received by female faculty in STEM disciplines.

Ms. McConnell reported the university has achieved approximately \$400 million in research expenditures with a 36% increase in proposal dollars. Research activity highlights include a 29% increase in sponsored award dollars; 26% increase in sponsored expenditures in the last five years; and 23% increase in industry award dollars. The alliances built with industry partners are important in terms of research and for the opportunities for students.

Responding to a question on federal research funding, Ms. McConnell explained how the university's research portfolio has been expanded through industry partnerships. Dr. Frank commented on the challenge of understanding what represents overhead as opposed to indirect costs recoveries. Ms. Christa Johnson, Associate Vice President for Research, noted the university has done well with indirect cost recoveries for industry partnerships and noted overall the under-recovery is in other types of partnerships, grants, and contracts. The university has also been successful with federal awards and expenditures through diversification of the research portfolio and the focus on team science. A more extensive research report will be presented at the December meeting.

Governor Munn acknowledged the challenges that Ms. McConnell has faced as the new campus president with the blackface incident and other concerns, and expressed appreciation for the leadership she has exhibited. Chair Tuor noted the importance to lead with principle as demonstrated through Ms. McConnell's leadership and to not allow ignorance and hate to compromise those principles.

CU-CSU Medical School Update: Ms. McConnell asked Dr. Mark Stetter, Dean of the College of Veterinary Medicine and Biomedical Sciences, to begin the presentation. Dr. Stetter introduced Dr. Suzanne Brandenburg who is spending 50% of her time at CSU on this initiative and acknowledged the work of Mr. Brett Anderson. He commented on CSU's work in human, animal, and public health with faculty already involved in research at CU Anschutz. Dr. Stetter reviewed the timeline and infrastructure with the first cohort of 12 students in the four-year program to be admitted for spring 2021. The intent is to expand to 24 students with the facilities built to support 48 students in each cohort.

Dr. Brandenburg provided an overview of the vision and the new curriculum with a focus on innovative education, local community immersion, and service learning; the One Health concept; longitudinal integrated clerkships; utilization of simulation and virtual reality; and the "trek curriculum." She reviewed the current leadership team and upcoming hires for an assistant dean and additional faculty, and described the innovative teaching space on the fourth floor of the CSU Health and Medical Science building.

Conversation followed on the branding of the degree; the difference in the medical education offered at CSU vs. the CU Anschutz campus; the pipeline for CSU graduates; opportunities for specialty internships and research; the connection to the rural outreach and engagement mission; and partnering with the other CSUS campuses, such as the CSU-Pueblo nursing and health sciences programs. Governor Mosher acknowledged the contributions of Mr. Don Elliman, the Chancellor of the CU Anschutz campus who had served on the CSUS Board, and Dr. Frank to develop this collaboration that is a unique model which will benefit the state.

## **CHANCELLOR'S REPORT**

*Governmental Affairs Update:* Dr. Frank remarked there were no substantive issues on the federal level germane to the CSUS at this time. On the state level, Mr. Sobanet noted the Board had voted to endorse Proposition CC, but no resources have been devoted to the campaign. Dr. Frank added that the public campaign was launched recently and an op-ed piece he co-authored with CU President Kennedy will be published in *The Denver Post*.

*Strategic Mapping Update:* Ms. Parsons reviewed the revised strategic map that provides a calendar of reports and events for the coming year. Mr. Sobanet recalled efforts to develop the handout with standardized metrics for each of the three CSUS institutions and commented on the process to create the document utilizing IPEDS data. The project will be advanced to develop a CSUS accountability report. Dr. Frank noted that CU reports research and fundraising data differently than CSU and historically a report had been created to provide comparisons.

Ms. Parsons provided a construction update for the three CSUS buildings at the National Western Center (NWC) and reviewed the development timeline. Final renderings will be presented at the December meeting. She reviewed programming activities and events that have or will occur, i.e., the BioBlitz research project; the Youth Action Coalition; the annual health clinic for the Globeville, Elyria and Swansea neighborhoods; the Salazar Center symposium on conservation; and the CSUS Water in the West symposium. Dr. Frank and Ms. Parsons serve on the NWC Authority Board and are working with the partners on the overall construction and programming. CSUS signage and branding efforts are also underway with the intent to showcase all three campuses.

Ms. Parsons reported a few Board members will be visiting the CSU Todos Santos Center (TSC) and the recent *State* magazine contains an article on CSU-Pueblo students' experiences at the TSC in the ecotourism program. There are now two full-semester programs at the TSC; the 6<sup>th</sup> annual Kids Do It All summer camp was held during the summer; a third week-long Spanish immersion program will be held; and development of a five-year strategic plan is in process.

Ms. Parsons stated that all three CSUS campuses are running programs at the Sturm Collaboration Campus. Dr. Miranda described the 2+2 accounting program developed through collaboration with the Arapahoe Community College and reported the deans of all of the CSU colleges were invited to visit the campus in early November. Dr. Mottet reported he will be visiting the campus to sign the articulation agreement for CSU-Pueblo's cybersecurity program.

Ms. Parsons reported the Together We Grow annual meeting was held in Denver with CSUS participation on a panel discussion. CSU will house this national consortium's Center for Excellence for Diversity and Inclusion and a director for the center was recently hired.

*Enrollment Reports:* Dr. Frank commented that enrollment reports are generally presented in December due to the timing of the fall census. An initial enrollment report with a broad overview will be given by each of the campuses with a more formal report provided in December.

Colorado State University: Ms. McConnell reported that, while there is a slight decline in enrollment of first year students, overall enrollment increased with an improvement in diversity. Dr. Miranda explained the first table provided was for new and transfer students that reflects a slight decline in most subcategories. The second table was for total enrollment with an overall increase. First generation and veterans were consistent with the previous year. There was an increase in diversity and female students; a decline of 200 first year students; and an increase in retention of continuing students. Comparisons to CU were provided.

CSU-Pueblo: Dr. Mottet reported overall enrollment declined by 2.3% which is slightly more than the 2% that was budgeted due to graduating larger-than-expected classes. There has been a shift with more students utilizing online options that impacts how revenues are distributed. Additional online general education courses were added for summer that resulted in increased enrollment and, with more online graduate programming, there was growth in the graduate online enrollment. Other highlights include 55% of the student population are women; there was an increase in the percentage of Hispanic students; and the retention rate of Hispanic students is the same as non-Hispanic students.

CSU-Global: Dr. Takeda-Tinker reported the university currently has approximately 19,000 students and is on-track to meet the projection of 12,600 new students for the current fiscal year. The 2.0 initiatives appear to have been impactful with an increase in retention. The underserved minority population is at 28%; first generation has slightly declined to 38%; the military population is 14% and expected to grow through significant intentionality; and work continues to improve African-American and Hispanic graduation rates.

CSUS: Ms. Neth reported a news release will be published with the campus and overall CSUS statistics. There is a commitment across the CSUS to improve first generation enrollment and retention which is reflected in the data. Based upon comparisons, CSU has outpaced CU Boulder in terms of the number of women, diverse, first generation, and resident students.

## **CONSENT AGENDA**

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

With no further business to come before the Board, the meeting was adjourned at 11:20 a.m.

**THE BOARD OF GOVERNORS OF THE  
COLORADO STATE UNIVERSITY SYSTEM  
SPECIAL MEETING OF THE  
AUDIT AND FINANCE COMMITTEE  
By Telephone Conference and in the Conference Room at  
475 17th Street, Suite 1550, Denver, Colorado  
November 25, 2019**

**CALL TO ORDER**

Committee Chair Jordan called the meeting to order at 11:04 a.m.

**ROLL**

**Governors present:** Stephanie Clemmons, CSU Faculty Representative; Nicole Hulet, CSU-Global Student Representative; Kim Jordan, Treasurer and Chair of the Audit and Finance Committee; and D. Rico Munn

**Administrators and Staff present:** Susy Serrano, Director of Internal Audit, CSU System; Henry Sobanet, Chief Financial Officer, CSU System; Lynn Johnson, Deputy Chief Financial Officer, CSU System and Vice President for University Operations, CSU; Margaret Henry, CSU System Treasurer; Jason Johnson, General Counsel, CSU System; Melanie Geary, Executive Assistant, CSU System; Bridget Mullen, Director of Budget and Finance, CSU System

**MEETING**

Committee Chair Jordan convened the special meeting and asked Internal Audit Director Serrano to talk about audit matters that are included in the materials for the upcoming meeting of the Board of Governors. Ms. Serrano talked about the changes to the audit plan given the impact of ongoing IT projects at CSU-Pueblo. Two projects are being removed from the current plan and are being replaced with two smaller yet important projects concerning CSU-Pueblo information security and a consultative audit regarding the use of the CSU-Pueblo campus card. Committee Chair Jordan complemented Ms. Serrano on her team's adjustments as they work with campus partners. Ms. Serrano mentioned Internal Audit's progress on the audit plan, and noted that the Spring will be busy.

Committee Chair Jordan turned to Henry Sobanet to discuss the finance matters that will be presented to the Board of Governors. Mr. Sobanet focused on the Board reserves and the upcoming requests for funding, including the funding for CSU-Pueblo Vision 2028, strategic personnel moves, the Sturm Collaboration Campus in Castle Rock, as well as moving expenses for the new System office space. Mr. Sobanet also described certain System initiatives, such as the medical school and IT upgrades. The medical school collaboration with CU will launch its first full student cohort in 2021, which coincides with the increase in operating costs for that program. Mr. Sobanet also described one-time funding for programs concerning cybersecurity, mental health support programs, and the National Western Center. Lynn Johnson also talked about one-time renovation projects for certain athletics facilities at CSU-Pueblo and CSU. Mr. Sobanet also mentioned funding for Todos Santos and its importance as a System asset. Mr. Sobanet talked about the Board reserve balance in 2019 and the estimated reserve balance in 2020. Committee Chair Jordan commented on the reserve balance under the new model for strategic priority funding and available resources given the recommended balance for the Board reserves.

Mr. Sobanet then commented on the State higher education funding model. Broadly speaking, the new State model moves resources to smaller and rural schools. With the anticipated 2.5% increase for the overall model, the CSU System would only receive approximately \$750,000 for E&G funding to be allocated between CSU and CSU-Pueblo, along with specialty education funding for CSU. The specific authority to set any tuition increases is yet to be determined. The institutions also have increasing costs and new expenses, which will make this year a challenging budget to manage. Ms. Johnson also talked about costs for certain IT initiatives and salaries that could impact CSU. Rico Munn and Committee Chair Jordan talked about the upcoming budget issues that are impacted by State-level decisions and keeping the Board informed about the potential impact.

Margaret Henry previewed the treasury update for the Board. Ms. Henry described the total treasury assets and the recent results. Ms. Henry also talked about the commercial paper program and seeking a manager for fixed income allocations in Tier 3 investments. This was recommended and would add value, as it would bring additional professional advice to manage our portfolio and should earn above what the index would otherwise generate.

Bridget Mullen also described the two action items to be approved by the Board at the December meeting, such as renewing the CSURF lease-purchase program and updating the Fifteenth Supplemental Resolution, which are routine action items.

The meeting concluded with a discussion of the higher education funding model, as well as the Governor's policy and approach towards higher education, as described in the recent announcement.

With no further items for discussion or business, Committee Chair Jordan adjourned the special meeting of the Audit and Finance Committee at 12:03 p.m.