

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM
BOARD OF GOVERNORS MEETING AND RETREAT MINUTES
CSU Pingree Park Campus
June 20-21, 2013**

CALL TO ORDER

Chair Dorothy Horrell called to order the Board of Governors meeting at 8:30 a.m.

ROLL

Governors present: Dorothy Horrell, Chair; William Mosher, Vice Chair; Dennis Flores, Treasurer; Scott Johnson, Secretary; Mark Gustafson; Ed Haselden; Mary Lou Makepeace; Joseph Zimlich; Nigel Daniels, Student Representative, CSU-Fort Collins; Vanessa Emerson, Student Representative, CSU-Pueblo; Carole Makela, Faculty Representative, CSU-Fort Collins; Jerry Purvis, Student Representative, CSU-Global Campus; Frank Zizza, Faculty Representative, CSU-Pueblo.

Administrators present: Michael Martin, CSUS Chancellor; Tony Frank, President, CSU-Fort Collins; Lesley Di Mare, President, CSU-Pueblo; Becky Takeda-Tinker, President, CSU-Global Campus; Allison Horn, CSUS Director of Internal Auditing; Rick Miranda, CSUS Chief Academic Officer; Michael Nosler, CSUS General Counsel; Rich Schweigert, CSUS Chief Financial Officer.

System Staff present: Adam Fedrid, IT Manager; Melanie Geary, Executive Assistant to the Chancellor; Allen Sneesby, IT Technician; Sharon Teufel, Executive Assistant to the Board of Governors.

Guests: Martin Hanifin, Vice President of Finance and Administration, CSU-Pueblo; Rick Kreminski, Interim Provost and Vice President of Academic Affairs, CSU-Pueblo.

Chair Horrell welcomed the new student representatives: Nigel Daniels, CSU-Fort Collins; Jerry Purvis, CSU-Global Campus; and Vanessa Emerson, CSU-Pueblo, and asked them to introduce themselves. She commented on the value of input by the student and faculty representatives, and the role of the Board to ensure academic success. General Counsel Nosler administered the Oath of Office for the student representatives who responded affirmatively.

PUBLIC COMMENT

Chair Horrell asked for Public Comment, of which none was offered.

EXECUTIVE SESSION

General Counsel Nosler reported there were few changes in the written litigation report since the last meeting and an Executive Session was not held. He explained to the new members the purposes for which the Board could convene in Executive Session.

ACTION ITEMS

New Program Degree, CSU-Fort Collins: Chair Horrell asked Dr. Rick Miranda, CSUS Chief Academic Officer, to present the new program degree of Plan C Master in Computer Information Systems, CSU-Fort Collins. Dr. Miranda explained the new program degree was discussed extensively at the May Academic and Student Affairs Committee meeting and replaces the existing Plan B degree with changes

in curriculum and requirements. Chair Horrell reported the Academic and Student Affairs Committee recommended moving the new degree program forward positively at the appropriate time, contingent on final approval by the Faculty Council which has been given. **Motion/Action:** The motion to approve the new program degree was made, seconded and carried unanimously.

Tuition Schedule and Parking Fees, CSU-Pueblo: President Lesley Di Mare asked Martin Hanifin, Vice President of Finance, CSU-Pueblo, to present the parking fee changes. Mr. Hanifin explained the change from a decal to a hang tag for the annual student and faculty/staff parking permits. The increase in the fees will provide consistency across the campus and generate \$90,000 per year in new revenue. He provided an overview of the student and faculty/staff parking categories. The new parking fees were thoroughly vetted on the campus. President Di Mare commented the changes will make the parking fees more comparable with peer institutions. Governor Emerson indicated that the students were supportive of the increase to be able to park anywhere needed with a better one-focus pass.

Mr. Hanifin explained the 2013-14 tuition rates would not increase and the proposed tuition fee schedule was to approve a \$2/credit increase for resident undergraduates through the State-approved Colorado Opportunity Fund (COF). Mr. Rich Schweigert, CSUS Chief Financial Officer, explained the funding from the state through COF and fees for service. The initial tuition fee schedule was vetted through the Audit and Finance Committee, but not the increase in parking fees. **Motion/Action:** Governor Flores made the motion to approve the increase in parking fees and the tuition schedule for CSU-Pueblo. The motion was seconded and carried unanimously.

CONSENT AGENDA

Chair Horrell reported the Consent Agenda items included the FY 2013-14 and FY 2014-15 Board meeting calendars based on the preferences provided by the Board and a change in the December meeting dates; the committee assignments with the addition of the nonvoting members; the minutes from the various meetings held in May; and approval of the addition of the position of Vice President of Student Services and Enrollment Management at CSU-Pueblo. President Di Mare explained, based on the reorganization that has occurred at CSU-Pueblo, the new position is necessary to provide expertise. **Motion/Action:** Governor Johnson made the motion to approve the Consent Agenda. The motion was seconded and carried unanimously.

Chair Horrell noted the appendix in the Board book contains correspondence received since the last Board meeting and articles on higher education. With no other regular business to conduct, the business meeting was concluded and the Board moved into the retreat at 9:13 a.m.

CHAIR'S REMARKS

Chair Horrell commented on the significance of the work and role of the Board with a focus on the long-term strategic direction and vision, not on the day-to-day operations. The collective goal for the Board is to dispatch the responsibilities effectively and appropriately. The retreat provides an opportunity to examine the current work of the Board and to engage in looking at the future for the CSU System.

Chair Horrell reviewed the retreat agenda that included in-depth discussions with the Chancellor and Presidents on their priorities, highest needs and challenges to ensure alignment and prepare for actions needed in the coming year. She commented on the strong leaders, both at the System level and at the institutions, and noted the transition that has occurred at the System, including streamlining the personnel. The agenda for the second day included a recap of the work completed the first day; Governor Haselden reflecting on his service on the Board; and an opportunity to reflect on how to move from a good board to a great board by examining current practices and ways to be more efficient.

Chair Horrell remarked on the importance of having a productive and enjoyable experience serving on the Board, and the need to develop relationships of trust, transparency and a culture of inquiry. She suggested three lenses through which to consider the discussions: 1) the role and mission of the institutions or System; 2) the perspective of a collective System and how it contributes to the viability and strength of the whole; and 3) from a System perspective, accountability for the citizens of Colorado. Governor Makepeace added that time and energy has been spent to define the System. The framework should be to consider everything from a System perspective while supporting the individual institutions.

CSU SYSTEM

Chancellor Michael Martin distributed handouts on the CSU System strategic plan, mission, vision and values; the Chancellor's position description; CSUS organizational chart; CCHE Master Plan Executive Summary; and the South Metro initiative presentation and business plan. He summarized the role of the System as follows:

1. To support the Board's governance role, both collectively and the members individually;
2. To collectively and individually support the campuses;
3. To provide System-wide services, i.e. legislative relations, auditing, legal, limited financial oversight and bonding authority management;
4. The role of the Chancellor to represent the System collectively in a variety of ways, such as through community forums, and to be visible both locally and nationally;
5. To launch initiatives that relate to and are consistent with the vision, mission and strategic plan of the System; and
6. To be the keeper of the history and policies of System as a whole by managing all records and policies.

Chancellor Martin inquired as to whether the Board was being provided the services necessary to carry out the mission. Governor Makepeace raised the question of when the strategic plan would be revisited and commented on how higher education nationally has focused on STEM (Science, Technology, Engineering, and Mathematics) and decreasingly on Liberal Arts that provide the skills to be strategic thinkers. The Board discussed how students graduate with the technical skills, but lack the creative or critical thinking/leadership/communication skills necessary to succeed; the role corporations have undertaken in providing those skills; curriculum and accreditation requirements; the role of the Board in advocating for change and positioning the System for the future to meet student needs; and incentives for cross-disciplinary experiences.

The Board examined the holistic approach to student education with experiential learning to augment the classroom, such as through study abroad and internships; providing students with data and counseling to pursue a career path leading to employment success after graduation; and the importance of providing access to higher education for low-income students and minorities. Suggestions for ways the System can assist the Board included creating a master calendar; provide executive summaries on information provided; and to sort through the enormous amount of information available by setting up questions with the appropriate background information.

Chancellor Martin reported he would review three items the System is undertaking relative to the strategic plan and within the framework of the duties of his office.

Statewide Summit: Chancellor Martin provided an overview of a September 10th summit conference initiated to work more collaboratively and effectively with other state higher education institutions that will focus not only on access, but also on the lack of student success, with 47 of 100 students admitted not

graduating, and the need to work more closely with K-12 to reduce the need for remedial education. He outlined the members of the planning committee; the moderator and presenters at the conference; and invitees that will include members of both legislative education committees, and presidents and provosts from the state higher education institutions.

Venture Capital Fund: Chancellor Martin explained the purposes of creating the Venture Capital Fund are to expand statewide presence through collaborative partnerships; to create financial sustainability; and to benefit students. He reported 72 proposals have been received with an initial screening to be completed by the Presidents to reduce the number before sending the proposals for Board and external review. The projected timeline to disburse the funds is the beginning of the academic year. No further action by the Board is required at this time. A report will be presented to the Board at the August meeting on the projects funded and the range of interests in all proposals.

South Metro Initiative: Chancellor Martin explained how the System was approached by business and community leaders in South Metro Denver to consider a partnership in creating a campus to serve two of the fastest growing communities in the state through a new higher educational model that would blend programs to meet the local needs and aspirations. He explained how the initiative fits within the System's land grant mission and the strategic plan to expand the statewide presence, and provides an opportunity to leverage all three campuses. The timeline is to begin classwork in January 2014 with a focus on the three program areas of business marketing, nursing and systems engineering. Faculty has been involved in the discussions through a task force.

Chancellor Martin provided projected revenues and expenses, and indicated that action by the Board at the August meeting would be endorsement to move forward with the project and allocation of resources. Chair Horrell commented on anticipating risks and asked for Board input. Governor Haselden commented on the alignment with the strategic plan; the demand in the area; the need to create a vetting process; and capitalizing and leveraging the CSU name.

Governor Gustafson raised the question on how the South Metro Initiative and the National Western Stock Show redevelopment fit with the System vision. Governor Mosher suggested development of a longer term financial strategy for the South Metro Initiative and a Denver strategy to address both opportunities. He also recommended articulation of a strategy for the new hybrid education model and the fit within the System.

Suggestions were made to include the branding implications in developing the Denver strategy and an analysis of the impact on the three campuses. President Di Mare noted the limitations of the IT infrastructure at CSU-Pueblo that would need to be addressed. There was discussion on the difference in strategies for planning for an extension of services and planning for a new campus.

Chair Horrell expressed appreciation for the discussion on next steps and expectations. With no further discussion, the Board adjourned for a break at 10:50 a.m. and reconvened at 11:03 a.m.

CSU-GLOBAL CAMPUS

President Becky Takeda-Tinker reported that CSU-Global Campus (CSU-GC) is on-track for the FY 2014-15 and FY 2015-16 projections that were shared at the May 2013 meeting. She commented on the changing dynamics for online learning. The competitive marketplace will be more fragmented with more players and will likely have an impact on the financial results beginning in FY 2016-17. CSU-GC has an innovative higher education model with 12 starts per year and enhances services by continually testing, analyzing the data, and making improvements.

President Takeda-Tinker posed questions for the Board on the future of CSU-GC in revenue generation vs. reinvestment and ownership, and choices on mission, pricing, degrees offered and external influences that will impact the continuing success of CSU-GC. She reflected on higher education challenges with the expectation that, by 2025, more than 60% of U.S. jobs will require a college education. CSU-GC has a 75% Fall 2012 to Spring 2013 retention rate; has graduated 1,784 students; and there are 8,500 active students as of April 2013. Bachelor's degree graduates score in the ETS top quartile for critical thinking, writing, reading, math, humanities, social sciences, and natural sciences. The current CSU-GC mission is focused on nontraditional students. There is a fixed tuition rate, no student fees, and CSU-GC operates on a 30+% net income model.

President Takeda-Tinker examined CSU-GC opportunities, current responses, and additional options in the areas of public online competition; utilization of excess funds to meet the mission with potential students currently turned away for not having enough federal financial assistance left to complete their degrees or not enough credits to secure financial assistance; and the response to market demand by offering key degrees forecasted by the market. Challenges include providing learning solutions that meet the dynamic market with changing demands of students; readiness to adapt by being flexible and scalable; and a strategic approach to Competency-based Exam credits (CBEs).

President Takeda-Tinker explained the new Higher Learning Commission accreditation requirement for institutional resources to be sufficient to fulfill the mission, improve quality, and respond to future challenges and opportunities. CSU-GC will begin its 10-year re-accreditation in FY 2016. President Takeda-Tinker asked that the Board be cognizant of the new requirement if funds are transferred from CSU-GC.

Referring to the questions on the desired future for CSU-GC, President Takeda-Tinker opined that funds should be used to drive the mission of degree completion and/or used as a support system to create a reserve or "rainy day fund." CSU-GC was launched during the economic downturn. The dynamic market is changing with more players and more savvy consumers. To be competitive, CSU-GC needs to be innovative and continue to serve underserved populations.

Discussion followed on future ownership of CSU-GC; the changing technological landscape; the unpredictability of the market and creation of reserves; the new HLC accreditation requirement; and the statutory changes necessary should the CSU-GC mission be expanded to include freshmen students without 12 credits and the ramifications of such a change. The Board examined how CSU-GC was created to add value to the System; the repayment of the \$12 million investment to create CSU-GC plus \$1.5 million in interest; the impact of the CSU brand; increasing scholarship funding and the student base; the value added to Colorado with the graduates from CSU-GC; and the need to develop policies on appropriate reinvestment or distribution of funds generated by CSU-GC.

Governor Haselden remarked that it was premature to be discussing utilization of any excess cash; consideration should not be given to divesting or spinning off CSU-GC; and it was time to "hit the reset button." When CSU-GC was conceived, the Board recognized an opportunity to generate income for the System, but did not realize the huge impact on higher education and students in Colorado that would occur. Governor Haselden recommended the Board address two issues: (1) does the Board want the System to continue to grow and, if so, how the growth would be financed; and (2) the issues related to the revenue generated and the continued growth of CSU-GC.

Chair Horrell thanked the Board for the opportunity for a full discussion and ask the Chancellor and President Takeda-Tinker to begin outlining a work plan relative to the issues identified. The retreat adjourned for lunch at 12:10 p.m. and reconvened at 1:00 p.m.

CSU-PUEBLO

President Lesley Di Mare began with a quote from a June 2, 2013, *Pueblo Chieftain* editorial that noted “CSU-Pueblo is a university of the future.” She remarked on how CSU-Pueblo (CSU-P) is expanding beyond Pueblo and expressed appreciation for the support received from the community, faculty, staff, students, System and the Board.

President Di Mare explained CSU-P, in addition to focusing on budget issues, has undergone a major academic assessment of every unit. A task force of faculty and staff has been working for the past eight months to develop a plan. The work includes program review; reallocation of resources; review of faculty workload and performance standards; developing online and hybrid courses, and collaboration with CSU-Global Campus; efforts to create an enhanced online RN/BSN program through the South Metro Initiative; and development of an accelerated three-year undergraduate business degree. President Di Mare expressed excitement about the South Metro Initiative and noted the need to ensure the capability of the IT infrastructure.

President Di Mare explained that partnerships for a regional university are typically different from a land grant university. A database is being created on all university partnerships; CSU-P students receive internships or hands-on experience; and CSU-P is collaborating with the Pueblo Economic Development Corporation to help drive the local economy and to create a relationship with the Japanese Trade Organization. A \$25 million capital campaign has been launched and an announcement will be made at the end of August when the campaign moves out of the silent phase. The primary purpose of the capital campaign is to create scholarships.

President Di Mare remarked that students need to feel at home on the campus. Residential life improvements being implemented include the Wolf Creek project, funded by student fees, to add an element of beauty to the campus; the development of a new academic classroom building on the west side of the campus; and renovation of the Occhiato University Center. As part of the capital campaign, there are plans to develop a combined soccer/lacrosse field and locker room.

President Di Mare shared a new scholarship model to provide merit scholarships for every level of students with cost estimates and formulas to provide accountability. The new model was developed by the Marketing Task Force and approved by the university’s leadership team. The new scholarship model will be marketed this year for implementation in FY 2015.

President Di Mare explained that students at Hispanic Serving Institutions (HSI) often have socio-economic challenges and HSIs were originally created as an avenue to bring Hispanics into universities. HSIs must have an enrollment of undergraduate full-time students of at least 25% and CSU-P is currently at 30%. The definition and resources for HSIs have been expanded to include all diverse students.

President Di Mare outlined the CSU-P quality diversity initiatives that provide supplemental support for students and include federal programs, such as TRiO, and initiatives created by CSU-P. Cultural programming on the campus has also been increased. President Di Mare reviewed the quality diversity initiative goals for CSU-P that include creating a full-time Director of Diversity and Inclusiveness position. During 2011-12, 2,416 students were supported through the TRiO and College Assistance Migrant Program (CAMP).

President Di Mare reported retention continues to be a challenge with 57% of the Fall 2012 first-time, full-time freshmen returning; the current rate of 61% will be examined at the Fall 2013 census; and these retention rates are similar to other regional schools. Of the 2005 cohort, 31% graduated within six years and efforts will be made to improve the graduation rate.

President Di Mare reported 50% of CSU-P students are Pell eligible. With reductions in government-supported institutional aids, new resources will need to be developed. President Di Mare commented 15% of CSU-P students default on their loans within three years. She reviewed Colorado HSI feeder institution default rates and raised the question of how to deal with those students who bring with them loan debt. Colorado, at 17%, ranks fifth highest in the country on default rates. Sanctions that can be imposed on institutions that reach a 15% default rate by 2014 include financial aid for new incoming freshmen cannot be disbursed for 30 days, which can have an impact on enrollment. CSU-P is implementing a default prevention and management plan with more counselors.

President Di Mare reported 49% of the Fall 2012 first-time, full-time freshmen at CSU-P required developmental instruction. Information on feeder institution remediation rates was provided. TRiO and CAMP funding has been cut by \$100,000. Data indicates that, with these programs, students are more likely to succeed. President Di Mare outlined costs for institutionalizing first-year programs, RAGE and PROPEL. She raised the issues of how to better brand CSU-P as an HSI; funding to institutionalize RAGE and PROPEL, and to support TRiO and CAMP; and how to address the continuing academic and financial challenges of students in Colorado.

When asked about aspirations, President Di Mare responded to develop the institution to stand out at a higher level as an HSI; more scholarships; graduate students at a faster rate; grow international enrollment; grow and elevate the Liberal Arts since many regional comprehensive universities do not have programs such as art, music and theater; and grow athletics as long as the sports programs remain revenue neutral. Governor Emerson noted the representation of all campus groups in recruitment that contributes to the school in terms of diversity. Governor Flores remarked on the need for additional resources. Governor Zizza pointed out all the changes and improvements that have occurred under President Di Mare's leadership and CSU-P is positioned to plan for the future.

Dr. Rick Kreminski, Interim Provost and Vice President of Academic Affairs, CSU-Pueblo, reported CSU-P is developing a five-year strategic plan with faculty, staff and students leading the effort. President Di Mare explained the plan is focused on recruitment, retention, and graduation, and has goals, benchmarks, and measurable outcomes. She reported the plan will be shared with the Board and inquired on the timing of presentation of the campus strategic plans. Chair Horrell indicated that Chancellor Martin would work with the Presidents to determine the timing for the campus strategic plans.

When asked about the South Metro Initiative, President Di Mare explained CSU-P has the online courses for the nursing program and CSU-Global Campus is available to assist with the online classes if needed. Chancellor Martin explained the 2+2 relationship with Arapahoe Community College and arrangements that can be made for a physical presence and adjunct faculty. President Di Mare commented the new nursing program is being evaluated to ensure HLC accreditation criteria are met and clinical sites would be established in the area. The direction of the program can probably be from the CSU-P campus and costs are being evaluated.

Governor Johnson inquired on developing new and different student support programs. Chancellor Martin commented on the success of work-study programs that create campus involvement and ownership in degrees with a better payout than just financial aid. President Di Mare indicated \$15 million of the capital campaign would be directed towards scholarships and donors would be provided options, including funding for student support programs.

When asked about identifying distinctive programs, President Di Mare responded art, music, mass communications, engineering and nursing. There are several programs that other institutions do not have that can grow. Dr. Miranda expressed appreciation for the focus on the academic program review and faculty workload analysis. He commented that aligning faculty energies with the right curriculum lays a

strong foundation and increases quality for the institution, and CSU-P is at the right stage to move forward. Chair Horrell commended President Di Mare and her leadership team for the progress made during the past 1½ years.

CSU-FORT COLLINS

President Tony Frank explained his report would be focused on the CSU 2020 overview and model; American Association of Universities (AAU) status; major areas of strength as an institution; and updates on projects.

CSU 2020: President Frank explained the significance of 2020 was the date provided a longer term view and CSU will be 150 years old. CSU 2020 is essentially a model with integrated spreadsheets that take any number of variables, such as enrollment, tuition, state funding, non-traditional revenues and expenses, to run scenarios. President Frank commented on the contraction and/or realignment in the current higher education marketplace and reviewed desired attributes for the university in 2020.

President Frank explained comparability with the current peer AAU land grant members with a focus on the fundamentals of the educational experience, affordability, the infrastructure including the physical campus, research, and student success. He reviewed examples of the 2020 model with variations in funding, growth, and tuition, and noted the biggest threat to higher education across the country is declining state support. President Frank recounted the stress test model shared at the Board retreat in February that was run on the worst case scenarios. CSU can survive in a reasonable state of strength if the state defunds, but needs to begin expanding now. Approaches to resource management include containing expenses, enrollment and tuition, and nontraditional revenues including strategic partnerships.

President Frank explained the CSU 2020 model is a tool for long-term planning that can be utilized as part of the annual budget process and in other ways such as finance plans for bonds; provides a model for control and flexibility; and allows a theoretical approach to the future of Colorado public higher education. The 2020 model was presented to ensure alignment with the Board and not for approval of any specific scenario.

President Frank answered questions on the percentage of the state higher education funding allocated to CSU and the capability to pick up additional students. He commented on the positive value proposition of Colorado, Fort Collins and CSU. Dr. Miranda added that the high quality of academic programs is a key factor in attracting students; CSU has unique programs not offered at CU; and part of the strategy is to continue to enhance and develop new programs.

Board members commended the flexibility of the model. Governor Zimlich commented on the impact on the debt rating with growth and noted the Board will have to continue to address this issue. President Frank remarked on financial scenarios run to stress test impact on ratings with potential longer term and political implications. The physical changes on the campus over the past ten years have been a good investment that has increased the debt. With more debt, there will be a need to find a balance and there will be pressure on making decisions for new projects.

Governor Haselden commented on the how the CSU 2020 model contains the potential to yield positive surplus capital. Since the System does not have a mechanism to generate funding, he counseled to look at opportunities from a broader perspective. President Frank remarked on containing expenses through shared centralized services or shared programs, and the potential to share with the System or with other state institutions. Chair Horrell remarked on the strong alignment of the Board with the CSU 2020 model.

The Board recessed for a break at 2:50 p.m. and reconvened at 3:01 p.m.

AAU: President Frank commented on how the AAU symbolizes a marker for excellence; provides an external benchmark; and AAU status could be helpful in recruiting faculty. He listed an AAU peer group; provided a comparison between CSU and the 25th percentile of the peers; and outlined 2020 stretch goals. President Frank concluded that membership in the AAU is a stretch, but not out of reach, and the AAU could provide external benchmarks and validation.

Chancellor Martin explained that the AAU currently has 62 members with 17 land grant institutions and the group is self-perpetuating with members voting on new membership. There would be costs to pursue membership, including decisions on investments, national academy scholars, and incentives. When asked what President Frank was seeking from the Board, he responded general alignment and support for aspirational long-term markers for the strategic plan.

Branding and Reputation: President Frank reported the next segment would focus on the big picture within the research mission in the areas of food, including the National Western Stock Show redevelopment; water; energy; environment; and medicine/biomedical.

Food: President Frank recounted the land grant heritage of CSU and the challenge to meet the global demand to feed nine billion people. He described investments made in the College of Agricultural Science and efforts to integrate other disciplines.

President Frank described the historical partnership with the National Western Stock Show (NWSS) and the opportunities with the redevelopment of the site for a National Western Complex (NWC). CSU's efforts, through partnerships, would focus on a year-round equine sports medicine and rehabilitation clinic, and a food immersion center. The business model remains to be determined. A feasibility study will be completed this fall and a draft MOU is being circulated.

Governor Mosher commented on the end of the NWSS as it currently exists; the emphasis to reinvest with new facilities and rebranding with 365-day programs; the investment to be made by the City of Denver; the view that CSU as the state's land grant institution is the cornerstone for the redevelopment; and the potential to leverage the CSU brand. Governor Gustafson remarked on sustainability as a big factor and the NWC presents a unique opportunity for CSU. The project is in the preliminary stages with the concepts and footprint being developed.

Water: President Frank reflected on CSU's history of work in the field of water, particularly agricultural water, and noted the institution's strongest international reputation is in water with top-of-mind awareness. He commented on the work of the Colorado Water Institute and the CSU Water Center/Water Initiative.

Energy: President Frank commented on the success of the Center for New Energy Economy and Cenergy, a technology transfer organization. A new Powerhouse Energy Institute is being built and the Warner College of Natural Resources is developing a partnership for a new addition to the college.

Environment: President Frank reported one of the key areas is the School of Global Environment Sustainability and the Board will have an opportunity at the October or December meeting to hear from Dr. Diana Wall, a recent recipient of the Tyler Prize for Environmental Achievement. Other areas of environmental work include a new department of Ecosystem Science; a strong graduate degree program in ecology; and a large scale cross-disciplinary Center for Multiscale Modeling of Atmospheric Processes.

Medicine: President Frank reported a Medical Center is being explored and commented on the research being conducted on cancer and infectious diseases. He outlined the potential options and the possible

opportunity to relocate the Hartshorn Clinic that would enable expanding the CSU's iconic green space. The new medical center could provide improved health care services for students and staff.

International Reputation: President Frank reported the INTO program was initiated as part of the international recruitment strategy. The CSU internationalization program is focused on strategic partnerships that provide opportunities for joint research, and faculty and student exchanges. The Todos Santos project falls under the category of strategic partnerships in Mexico. President Frank explained how the Todos Santos project aligns with the role and mission of CSU, and provides opportunities for off-campus service learning. He reviewed the business model, funding and timeline.

General Counsel Nosler explained the land will be donated by the developer to a foundation established in Mexico by the CSU Research Foundation. The Mexican entity to be established by CSURF and the developer will be co-settlers of the trust. A more detailed and definitive agreement in the form of the trust agreement will be negotiated by the parties.

When asked if the project should be reviewed by the Real Estate or Finance Committee, President Frank responded that this issue was discussed with Chancellor Martin and General Counsel. The business plan has been circulated to the Board Chair and Vice Chair. Generally the Board is not asked about receipt of donations; the financing model is under \$1 million and not out of reserves, and thereby is under the delegation of authority to the President; and the intent is to keep the Board informed on the project.

General Counsel Nosler concurred on the process for the program that was initiated out of the campus and meets with the campus goals. The Board discussed risks and completion guarantees, and concurred that President Frank had the autonomy to make the decision. Chancellor Martin noted President Frank and his leadership team are doing the due diligence, and will maximize returns and minimize risks.

National Reputation: President Frank commented on how the presence of an athletic program is an important part of how some people choose a college experience and remarked on the role of athletics. Without knowing the future of college athletics, CSU has tried to design an athletic program and the proposed new stadium in a manner that makes sense. The program needs to run clean; be competitive and cost effective; and expand the CSU brand.

President Frank explained the basis for a one-time athletics investment, primarily in staff with business capabilities, with the intent to drive revenue growth. The Mountain West Conference (MWC) has been stabilized during the past year. New television arrangements will improve visibility and television revenue. President Frank provided an overview of the athletic budget with comparisons to the MWC, and an athletics budget summary with revenues and expenses for the FY 2013 budget, FY 2013 actual and proposed FY 2014.

President Frank provided an update on the stadium fundraising that is in the quiet phase, projected costs, and revenue generation. A report will be presented to the Board at the October 2013 meeting. A larger meeting room will be reserved and time for a public report by President Frank will be added to the agenda before the public comment. President Frank reviewed the timelines for the project.

President Frank concluded his presentation by remarking on the heritage of the university. He noted that as long as CSU stays true to the mission of affordable access to excellence for Colorado, CSU will continue to be a viable higher education institution for Colorado.

Chair Horrell reviewed the evening's events and the schedule for the following day. The retreat was adjourned for the day at 5:14 p.m.

Chair Horrell reconvened the Board retreat at 8:30 a.m. on June 21st and reviewed the agenda. She reported General Counsel Nosler has been updating the Board policy manual that he will send electronically to the Board with assignments of sections for review by the various committees. The policies will then be brought to the Board for discussion and adoption at the August meeting.

Chair Horrell recapped the work completed the previous day for the System and the individual campuses as follows:

- **CSU System:** Reports were made on the Venture Capital Fund and the South Metro Initiative. Suggestions were made to develop a Metro Denver strategy to include the National Western Complex and the South Metro Initiative; a calendar of System and campus events, possibly online; and an annual work plan, including timing for presentation of campus strategic plans and an update on the System strategic plan. Chancellor Martin and the Presidents were charged with developing the timelines.
- **CSU-Global Campus:** A report was presented with discussion on the long-term plan with the suggestion made for a “reset.” Decision items included a potential statutory change; variable tuition; use of scholarships; types of degrees offered; and the name.
- **CSU-Pueblo:** A presentation was made that included planning for IT needs for the RN/BSN degree for the South Metro Initiative; resources and strategies to increase and support recruitment, retention and graduation; maximizing HSI designation; and approval of the campus strategic plan.
- **CSU:** Key elements of the presentation included the CSU 2020 model; AAU aspirations to assess stretch goals; project and program updates with support of the Board; and an update on the stadium with a public report to be made at the October meeting.

Chair Horrell remarked that Governor Haselden will have served the longest term on the Board with nine years when he completes his service in December 2013. She noted he has been an invaluable member and the Board could benefit from his insights. Chair Horrell asked Governor Haselden to share his observations and recommendations.

Governor Haselden explained that a change in statute resulted in his service on the Board being nine years. He reflected on the accomplishments of the Board; lessons learned; and opportunities and advice for future. Governor Haselden expressed his appreciation for the opportunity to serve and his commitment to remain involved in the South Metro project. The Board thanked Governor Haselden for his service. Governor Makepeace suggested a Governor Emeritus structure to keep past members engaged. Chair Horrell thanked Governor Haselden for his insights and indicated his comments would be distributed to the Board.

The Board recessed for a break at 9:52 a.m. and reconvened at 10:04 a.m.

Chair Horrell asked the Board members to share (1) why they agreed to serve on the Board and (2) their priorities for the Board’s work. Following their comments, the Board and staff were given time to write and post their comments on what the Board should start doing, stop doing, and keep doing to address the challenge of being a high functioning board with best practices. Chair Horrell reviewed the responses and indicated the responses would be compiled.

BOARD MEETING/RETREAT EVALUATION

Chair Horrell explained that the decision was made to not have a facilitator given the work outlined for the retreat. Governors Zimlich and Haselden were asked to address the question of why the Board has two retreats a year. The suggestion was made to have February be a regular meeting with time allotted, if necessary, to delve more deeply into a specific issue. Other suggestions were to not have three in-depth campus reports and to have speakers with space allotted for discussion at the February meeting to grow the Board's capabilities. Chancellor Martin explained he was meeting individually with Board members who have specific interests to create pockets of expertise.

When the Presidents were asked for input, President Frank responded the biggest challenge is taking complicated topics in context with a briefing to help the Board understand and discharge their duties. The retreat format provided an opportunity to collectively get more in-depth on bigger picture topics. President Takeda-Tinker added the June retreat was a good opportunity for strategic planning and February could be a good opportunity for Board education.

Chair Horrell reviewed the general meeting structure to have an informal social dinner on Wednesday evening and a formal Board dinner on Thursday night, generally to either develop social relationships between the Board and Presidents or to interact with the community or specific constituent groups. Breakfast meetings with faculty or students provide another opportunity for interaction and to be visible. Chair Horrell asked the Presidents to begin thinking about the constituent groups and opportunities. She noted one function of Board is to be an ambassador and encouraged members to be familiar with programs or broader issues to be able to share with the community should an opportunity be provided.

Chair Horrell reminded the Board that the next meeting will be August 1-2 in Pueblo and an informal dinner will be planned for Wednesday evening. She thanked Chancellor Martin and the Presidents for their work to make the retreat productive, and the support staff for their efforts. Chair Horrell acknowledged the Board for their time, energy and thoughtfulness. She asked President Frank to thank the Pingree staff on the Board's behalf. Governor Makepeace thanked Chair Horrell for her leadership.

With no further business to conduct, the retreat adjourned at 11:18 a.m.