

**BOARD OF GOVERNORS OF THE  
COLORADO STATE UNIVERSITY SYSTEM  
AUDIT COMMITTEE MEETING MINUTES  
October 1, 2009**

The meeting was called to order at 11:00 a.m. by Chair, Joe Zimlich. Committee members present were Joe Zimlich, Chair, Bonifacio Cosyleon, Tom Farley, staff representative Allison Horn, and Executive Secretary to the Board, Frank T. Pierz. Other board members in attendance were Dan Gerheart and Dan Turk. Staff members present were Joe Blake, Mike Nosler, Allison Dineen, Amy Parsons, Joanne Ballard, Hunt Lambert, Tony Frank, Joe Garcia, Russ Meyer.

Ms. Horn presented the four projects that were completed since the last meeting. The first project discussed was the Colorado Wool Growers Association special review, based on a special request from CSU President Tony Frank. There were four objectives which were met by the review, with the conclusion that the amount returned to the CWGA was appropriate, and that expenditures were reasonable and appropriate for the program, and compliant with the general intent stated by the donor.

The second project presented was the review of First-year Programs at CSU-Pueblo. There were eight recommendations made to management, with which they agreed. Several corrective action plans had already been implemented, and the first follow-up will take place in February 2010.

The next project was Computer Operations at CSU. There were five recommendations, with which management agreed. Corrective action was implemented for one of the recommendations at the time of the report, and the first follow-up of the remaining recommendations will be February 2010.

Finally, the review of Conference Services at CSU was presented. There were 11 recommendations, with which management agreed. Corrective action for two of the recommendations had been implemented at the time of the report, and the first follow-up of the remaining recommendations will be March 2010.

Five audits are currently in progress: Diagnostic Lab and the Department of Microbiology, Immunology, and Pathology in the College of Veterinary Medicine and Biomedical Sciences; CSU Police Department; Payment Card Industry Data Security Standards; and the College of Agriculture; all at CSU, and CSU Global Campus general review (including functions that are shared with the CSU System office).

The status of open recommendations was presented: there are five open recommendations at CSU, and 18 open recommendations at CSU-P.

Ms. Horn presented a current matter at CSU Parking services that is currently being investigated by the CSUPD. Internal Auditing reviewed internal controls in that area, and determined that weaknesses had been identified and addressed. No further audit involvement was recommended.

Mr. Farley requested that the current audit of the College of Agricultural Sciences include a review of faculty workload. Dr. Frank indicated that future faculty reviews will include detailed information regarding number of classes taught, students instructed, semester credit hours

included in that instruction. It was agreed that Internal Auditing will review the College's policies on faculty workload and address discrepancies between College information and that contained in the faculty manual.

The meeting was concluded at 11:45 a.m.

**BOARD OF GOVERNORS OF THE  
COLORADO STATE UNIVERSITY SYSTEM  
BOARD of GOVERNORS MEETING MINUTES  
OCTOBER 2, 2009**

Chairman Pat McConathy called the meeting of the Board of Governors to order. Chairman McConathy called for any public comment, and seeing as there was none, the Chairman publicly thanked CFO Rich Schweigert for the contributions he makes, and the commendable job he does as with the Finance Committee.

The meeting moved forward to the **Board Chair's Agenda**.

Chairman McConathy reiterated the rationale regarding the importance of the Finance Committee, and the significant issues the Board is informed on and engaged in during these meetings.

At this point the Chairman asked Mr. Jones to provide some background and an update on the Board of Governors Scholarship.

Mr. Jones provided an overview of the intent of the scholarship, and how it will emulate the criteria used for the Boettcher Scholarship. CSUS has the desire to attract the best and the brightest, and to create a legacy of ongoing contributions to be used for funding this scholarship from past and current Board members.

Mr. Farley inquired as to how recipients would be selected, and Mr. Jones deferred to President Frank, who indicated this too would be modeled after the Boettcher process.

Mr. Farley asked for clarification as to whether this would be limited to CSU Ft. Collins, and Mr. Jones replied that a similar scholarship/process would be started at CSU-Pueblo.

Student Representative Dan Gearheart then asked if this would be awarded to only one person a year, and the response was the model that has been reviewed would be 25: five full ride scholarships and 20 tuition and fees scholarships.

Chairman McConathy then spoke about the tribute to the former Board of Governors, which was also an idea from Mr. Jones, and has come to fruition. This tribute was designed by Fred Alder, and is at the south end of the Oval near the administration building on the Ft. Collins campus. General information was then shared regarding a recent tour the Board participated in on the Ft. Collins campus.

Chairman McConathy then reminded the Board that Stephen Portch would be assisting with the strategic planning process, and to save the date.

Chairman McConathy advised the Board that Mr. Zimlich had accepted the appointment as the CSU Research Foundation Liaison. He then apprised the Board of the self-evaluation process that would be undertaken, and the benefits of having 360 degree view of the Board.

Chairman McConathy then moved on to the approval of the **Consent Agenda**, asking for a motion to approve. Mr. Jones moved, with a second by Ms. Salazar. The motion was unanimously approved by the board, and thereby approved the following:

Colorado State University System:

- Approval of August 2009 Audit Committee Meeting Minutes
- Approval of August 2009 Finance Committee Meeting Minutes
- Approval of August 2009 Real Estate/Facilities Committee Meeting Minutes
- Approval of August 2009 Board of Governors Meeting
- Approval of September 21, 2009 Evaluation Committee Meeting Minutes
- Approval of September 21, 2009 Special Finance Committee Meeting Minutes

CSU-Fort Collins:

- Nondelegable Personnel Actions
- Emeritus Rank Designations
- Revisions to Sabbatical Leave

The Governors went into **Executive Session**, with the meeting reconvening in **Public Session**.

Chairman McConathy then deferred to General Counsel, who addressed a Carry In **Action Item** regarding Authorization for Approval and Execution of an Indemnification and Reservation of Rights Letter to be executed by President Tony Frank, which states that the President of Colorado State University is hereby authorized to execute an indemnification and reservation of rights letter relating to a legal matter discussed by the Board in its Executive Session in accordance with the parameters outlined in session. Chairman McConathy asked for a motion. Mr. Jones moved, with a second by Mr. Zimlich, with unanimous approval by the Board.

Chairman McConathy then moved on to the **CSU-Ft. Collins Action Items** brought forward from **Executive Session** as follows:

The first item was the approval of the acceptance of gifts in naming opportunity relating to the computer lab and the pre-construction center. Chairman McConathy asked for a motion. Mr. Jones moved, with a second by Mr. Farley, with unanimous approval by the Board.

The second item was the approval and acceptance of gifts and naming opportunity relating to the Technology Center in the Department of Construction Management, College of Applied Sciences. Chairman McConathy asked for a motion. Ms. Salazar moved, with a second by Mr. Jones, with unanimous approval by the Board.

The next matter for action was the approval for the acceptance of gifts and naming opportunity relating to a gallery in the University Center for the Arts. Chairman

McConathy asked for a motion. Mr. Farley moved, with a second by Ms. Salazar, with unanimous approval by the Board.

The next matter for action was the approval of a posthumous degree candidate for the presented candidate to receive a Bachelor of Science in Business Administration degree posthumously. The posthumous degree is to be conferred in conjunction with the December 2009 Commencement ceremonies. Chairman McConathy asked for a motion. Ms. Salazar moved, with a second by Mr. Jones, with unanimous approval by the Board.

The final Executive Session item was the approval of the \$16.8 million spending authority for the Morgan Library expansion, and that the Board of Governors of the Colorado State University System approves cash spending authority for the program plan for the Morgan Library expansion. Chairman McConathy asked for a motion. Ms. Salazar moved, with a second by Mr. Ikard, with unanimous approval by the Board.

Chairman McConathy moved to **Student and Faculty Reports**, asking **Student Representative Dan Gearheart** to begin with his report from **CSU-Ft. Collins**:

Mr. Gearheart provided updates on the following:

- ASCSU provides over \$200,000 to student organizations
- ASCSU is reviewing a law in Fort Collins and discussing it with city council that states that only three unrelated people can live in one house, which is affecting students and the amount of rent they pay.
- Mr. Gearheart invited all Board members to come to a Senate meeting and interact with the students. The meetings are held Wednesdays at 6:30 in the Lowery student center, in the student chambers.

Mr. Gearheart then concluded and advised his full report is in the board book.

Chairman McConathy then called on **CSU-Ft. Collins Student Representative, Steve Titus**, who began by thanking the Board. He then reported on the following items:

- The following weekend, members of student government will be participating in the Southwest Leadership Conference down in Tucson, Arizona. This retreat focuses on students in the Southwest who are facing the same circumstances we are regarding funding.
- The student government hosted a very profitable concert where the local gone national group 3OH!3 performed.
- Mr. Titus will be attending a conference at the University of Illinois called the Morrill Act Event. He will report back on this after he attends.
- We will be announcing at the end of October that CSU-Pueblo will be one of the first schools to have an iPhone application that will house a directory of staff members, athletics calendars, maps, and courses. Eventually we're

- The Student Senate passed a resolution asking to form a tobacco research and recommendation committee to look into our current tobacco policy on campus and recommending a change to it -- whether it be banning smoking altogether, extending the 20 foot to 25, 30 feet. This month we're holding two hearings to receive student input, and surprisingly the majority of comments received to date are supportive of a change in this direction.
- October will be the first month that all of the student employees on campus will have electronic timesheets.

Mr. Titus then concluded and advised his full report is in the board book.

Chairman McConathy then called on **CSU-Ft. Collins Faculty Representative, Mr. Dan Turk**, who advised the Board that his full report is included in the board book, and provided the following highlights:

- Faculty Council is reviewing and discussing the consensual relationships policy. The current policy doesn't give much guidance and the premise of this policy is to make clear to employees the proper relationships between one person and another when there's a disparate power relationship or control or oversight relationship.
- The second discussion item is going to be taking place this Tuesday at our Faculty Council meeting, and that's about arbitration. We are discussing this as there are a number of American Association of University Professor members who have been pushing this, and one or more of our legislative representatives from this area is interested in finding out what the interest is and may go to the state about it.

Mr. Ikard asked for clarification on what this subject matter entailed, and Mr. Turk deferred to General Counsel, who responded that this would be a general discussion regarding the pros and cons of arbitration, trying to get the faculty to understand what the ramifications are of binding arbitration, what the alternatives are, et cetera.

Mr. Ikard then asked if this involved involving faculty versus administration differences, and General Counsel responded yes.

The last highlight Mr. Turk provided was related to flu preparations and the impact H1N1 has had on the Ft. Collins campus.

Chairman McConathy then called on **CSU-Pueblo Faculty Representative, Mr. Scott Eriksen**, asking him to present the Faculty Report. Mr. Eriksen advised that the Board has his full report, and provided the following highlights:

- One item not included in the report was an update on the swine flu. Likewise at CSU-Pueblo, policy was sent out by the provosts, we had discussions with our deans, to take a similar approach to be extremely flexible.

- Faculty Senate has met once and the Executive Committee has met once. We've mainly been involved in setting up the agenda for the upcoming year. That's still to be finalized.
- Listed in my report some of the more important items which have come up in the last two or three reports. The first of those is the passage of the faculty disciplinary procedures. That has passed out of the Senate and is in the provost's office.
- The second is the separation of the Faculty Handbook, which has been mentioned before. All of the non-contractual items will be taken out and put into something called the Faculty Manual.
- We have implemented an online evaluation system a little over a year or so ago, and there have been some real issues with response rates. This is very important because in our annual performance reviews this is one of the major inputs in terms of our teaching evaluation. An ad hoc committee has been developed to address ways to try to enhance that participation.
- Another issue that has come up is the issue of benefits - the gap on compensation with our peers has been addressed, but apparently we lag on benefits. This would include certain things such as faculty use of the recreation center, tuition discounts for family members, etc.
- The University rolled out a new web page, and one of our committees, the Academic Standards and Policies Board, is doing a trial run of maintaining their web page - all the documentation and history of that committee will be accessible. If this is successful then it's anticipated that the remaining committees will follow suit.

Chairman McConathy then moved on to the **Chancellor's Report**, with Chancellor Blake provided updates on the following subjects:

- A presidential search for a full-time president for CSU-Global will be launched. We've not had a full-time person there and we want to initiate that process as expeditiously as we can.
- Following the discussion in the Evaluation Committee yesterday, we are going to do everything we can to accelerate an effort to put together a program; a statewide initiative, engaging the efforts and assets of Colorado State University both in Pueblo and in Fort Collins and CSU-Global; dealing with science, engineering, math, and technology. I would hope to come back in December with a program to discuss with the Board and get your blessing so that we can get that moving, as soon as we can, consistent with what we have talked about in the past.
- Tony will have a fuller report for the December meeting with regard to the capital campaign that's under way, and how the Denver Initiative fits in and helps support that effort.

Chairman McConathy then moved on to **System Reports**, asking **CFO Rich Schweigert** to provide the Board with a financial update. Mr. Schweigert provided the following highlights after advising the board that the Finance Committee met the day before and had quite a discussion:

- A synopsis of how the budget process flows was passed out, with the most notable thing being the process starts in August and runs through the following June every year.

Mr. Schweigert ended on this note. Mr. Farley inquired if Mr. Schweigert is working with Joint Budget Committee during the interim, and his response was we've reached out to individual members and I've talked to almost the whole committee.

Ms. Marguerite Salazar then asked if December is when we put all of our capital construction projects on the list, or in the budget, for consideration, or does that come later? Mr. Schweigert advised that construction requests go to the capital development committee and they do hearings late November, early December, with every agency including Higher Ed. We just received notice our hearings are December 1 or 2, and we'll go in and do a whole presentation on our needs. From this process comes a prioritized list which is sent to the Joint Budget Committee in February, who then decides how to integrate those into the Long Bill.

Chairman McConathy asked for questions or comments and seeing none, moved on to the **Presidents Reports and Campus Updates**, starting with **CSU-Pueblo President Joe Garcia**. President Garcia advised the Board that his report had been submitted (full report is posted under Board Materials – 10/2/09 at <http://csusystem.edu/pages/schedule.asp>) and provided the following highlights:

- Our football team went to Chadron, Nebraska, and came away with a victory.
- We have launched an evening, adult MBA program in Colorado Springs, where we currently have our continuing ed program. We think that's going to be very popular and build on the strong reputation we have with our Hassan School of Business, which is ranked first among the top 28 best buys in online college degrees for our degrees in social science and sociology.
- Our engineering school has received accreditation for our Bachelor of Science in Engineering Technology, and is retroactive for those students who are already enrolled and graduating.
- Our dean of that program, Dr. Hector Carrasco, who's one of only five Hispanic deans of engineering in the country, is being recognized with a national award by the Mexican American Engineering Society - Bravo Award, which will be presented at their national conference next month in Las Vegas.

President Garcia then moved on to the **Campus Report on Enrollment** (full report is posted under Board Materials – 10/2/09 at <http://csusystem.edu/pages/schedule.asp>), highlighting the enrollment growth CSU-Pueblo has experienced. Dr. Russ Meyer presented this report. A Q and A discussion was held after this presentation.

Chairman McConathy then asked for the **President's Report and Campus Report** from **CSU-Ft. Collins. President Tony Frank** advised the Board that his full report had been submitted (full report is posted under Board Materials – 10/2/09 at <http://csusystem.edu/pages/schedule.asp>) and provided the following highlights:

- Since the launch of the public phase of The Campaign, we've generated nearly \$4.7 million first quarter. The Board will get a full briefing on The Campaign, including, specifically the Denver Initiative which we think is critical to the success of that campaign, at the December Board meeting.
- Thank you to all the Board members, the Chancellor, President Garcia, Hunt Lambert, everyone who participated in the inauguration. The campus community seemed to really enjoy that event and we're very appreciative of you all being here.
- A record was set in research funding for last year, which benefits us in a couple of ways: reputational increase, budget impacts, and research is an absolutely integral part of the mission of this University.

President Frank then gave an update on the Extension Plan and our Regional Engagement Center, and then advised the Board that the financial model for this center will be a draw of one-time reserves from Extension Smith Lever funds in conjunction with available funds from the reimbursement of a loan made to Division of Continuing Education back in 1993.

He then moved on to the **Campus Report on Enrollment** (full report is posted under Board Materials – 10/2/09 at <http://csusystem.edu/pages/schedule.asp> ), presented by Robin Brown, Vice President for Enrollment and Access. A Q and A discussion was held after this presentation.

Chairman McConathy then moved on to the Interim **CEO's Report from Global Campus** (full report is posted under Board Materials – 10/2/09 at <http://csusystem.edu/pages/schedule.asp> ) by Hunt Lambert, who provided the following highlights:

- An update to that Board report has been provided regarding current enrollment numbers at CSU-Global.
- The most important activity that happened since the last meeting was the filing of our preliminary information form for independent accreditation.
- In terms of cash position of the University, we are running just about exactly \$110,000 ahead of goal on cash, with the metrics discussed at the last meeting remaining virtually the same.
- In the consent agenda this morning you approved our first graduates - four graduates finished this summer and eight more will finish this fall. Both campuses have very kindly invited our graduates to walk at their ceremonies since we don't yet have ceremonies we're going to take advantage of that.

Chairman McConathy moved on to **Committee Reports**, asking **Mr. Zimlich, Chair of the Audit Committee**, for a report. Mr. Zimlich provided the following report:

- The Audit Committee meeting met yesterday and received reports with the results of three audits:
  - An audit on the Colorado Wool Growers
  - An audit on First-Year Programs
  - An audit on computer operations
- We reviewed the objectives of the audits, the recommendations, the responses, and any/all follow-up that has occurred to date.
- We were briefed on the status of open recommendations, a small case of embezzlement related to parking services, and how the controls that exist caught the embezzlement.

Mr. Zimlich advised there were no action items from the Audit Committee.

Chairman McConathy thanked Mr. Zimlich, and moved on to Mr. Farley, Chairman of the Evaluation Committee, who provided the following report:

Several motions/recommendations will come from the Evaluation Committee and will be addressed on by one for action:

- First - contract with President Joe Garcia, retroactive to the first of July of this year. The Evaluation Committee fully reviewed this motion, made revisions, and the committee would recommend the Board approve it at this time. So motioned by Mr. Farley, second by Ms. Salazar, with unanimous approval by the Board.
- The metrics for Joe Blake - The Evaluation Committee fully reviewed this motion, made revisions, and the committee would recommend the Board adopt it at this time. So motioned by Mr. Farley, second by Mr. Cosyleon, with unanimous approval by the Board.
- The metrics for Tony Frank – The Evaluation Committee fully reviewed this motion, and the committee would recommend the Board adopt it at this time. So motioned by Mr. Farley, second by Mr. Ikard, with unanimous approval by the Board.
- The metrics for Joe Garcia – The Evaluation Committee fully reviewed this motion, and the committee would recommend the Board adopt it at this time. So motioned by Mr. Ikard, second by Ms. Salazar, with unanimous approval by the Board.
- The retention benefit agreement for Tony Frank – The Evaluation Committee fully reviewed this motion, and the committee would recommend the Board adopt it at this time. So motioned by Mr. Farley, second by Ms. Salazar, with unanimous approval by the Board.
- The change of title of Director of Board Relations to Executive Secretary to the Board of Governors, position held by Frank T. Pierce – The Evaluation Committee fully reviewed this motion, clarified the reporting structure, that this position is a direct report to the Board with a dotted line to the Chancellor, and the committee would recommend the Board adopt it at this time. So motioned by Mr. Farley, second by Mr. Haselden, with unanimous approval by the Board.

Mr. Farley concluded the report of the Evaluation Committee.

Chairman McConathy asked if there was any other business for the good of the order and seeing and hearing none, asked for a motion to adjourn, with a motion by Mr. Cosyleon, second by Ms. Salazar, with unanimous approval by the Board.

The meeting adjourned at 12:01 p.m.

**BOARD OF GOVERNORS OF THE  
COLORADO STATE UNIVERSITY SYSTEM  
EVALUATION COMMITTEE MEETING MINUTES  
October 1, 2009**

Committee Chair Tom Farley called the meeting to order at 12 noon. Board Committee members in attendance were Ed Haselden, Committee Vice-Chair, Patrick McConathy, Marguerite Salazar, John Ikard, Pat Grant, Joe Zimlich, Bonifacio Cosyleon, Doug Jones, and Executive Secretary Frank T. Pierz.

Chairman Farley asked for a motion to go into Executive Session. The motion was made by Committee Vice-Chair Ed Haselden, seconded by Committee member Grant and unanimously approved by the Committee.

The Committee reconvened in open session and unanimously approved the employment contracts and compensation plans for the Chancellor and campus Presidents, and agreed to recommend approval of the full Board in public session of the Board meeting.

The meeting was adjourned at 2:03 p.m.

**BOARD OF GOVERNORS OF THE  
COLORADO STATE UNIVERSITY SYSTEM  
FINANCE COMMITTEE MEETING MINUTES  
October 1, 2009**

Committee Chair Marguerite Salazar called the meeting to order at 2:12 pm. Committee members in attendance were John Ikard, Pat Grant, and staff representative Rich Schweigert.

Discussion was held and input was provided by the Committee on the following items:

**Final Review -FY 2009 Year End Financials**

**CSU-Global Campus Update**

**Review of September State Revenue Forecast**

**Review of Optional Retirement Plan**

**Revenue Development Issues**

**Review of Facility Program Plan-Morgan Library**

The Finance Committee unanimously approved the plan, and agreed to recommend approval to the full Board.

The meeting was adjourned at 3:47p.m.

**BOARD OF GOVERNORS OF THE  
COLORADO STATE UNIVERSITY SYSTEM  
STRATEGIC THINKING COMMITTEE  
OCTOBER 1, 2009**

This meeting of the Board of Governors was opened by Vice-Chair, Ed Haselden. All voting and non-voting Board members were in attendance. Mr. Haselden began the meeting by advising the Board that he would be taking on a different role as opposed to being a chairman of the committee, and would be acting as a facilitator of the discussion. Mr. Haselden then asked for thoughts and comments from Board Chair, Mr. Pat McConathy.

Chairman McConathy expressed to the Board that when he approached Mr. Haselden with this idea, his thought process covered a multitude of issues. He believes this is the most important thing the Board will be doing over the next several months, which is why he has called on Mr. Haselden. Chairman McConathy has full faith in Mr. Haselden's skills, as this is an area Mr. Haselden not only excels at, but he also has a strong focus on the business model and making fundamental changes in our schools and the System.

Chairman McConathy went on to explain that as his thinking continues to evolve, he perseveres in providing reading material to the Board in an attempt to change the culture of the Board. He emphasized that he and the Chancellor have had discussion around the strategic thinking process, and both are on board to embrace strategic thinking and not strategic planning – not to be confused. The Board will address strategic planning in the future, so the current focus is on strategic thinking.

Chairman McConathy then discussed the article the Board read entitled “The Gremlins of Governance,” and zoned in on how he believes culture was defined in the article: what are our shared beliefs and values? These are what are going to delineate the behavior and determine how effective the Board is going to be. He explained how he is looking for the Board to have a methodical search for content, substance, and big ideas that can create comparative advantage and galvanize internal constituencies. He also asked for engagement by all members, a higher level involvement, and in-depth participation on the matters that are critical to the Board's mission.

The Chairman then put out a call of openness, inclusiveness; to cultivate a culture of being candid; being able to disagree but not be disrespectful, and to have that going forward in relation to how the Board interacts and operates. He went on to relay that it is the uncommon insights that will give the Board the competitive edge.

Mr. Haselden thanked the Chair for his comments, and began the meeting, focusing on the following points and encouraging discussion:

- Strategic thinking versus strategic planning, and the differences between them

- The policymakers/board have to decide what those strategic drivers ultimately are that are affecting our business (both external and internal) and the future of this institution.
  - The degradation of public funding of higher education
  - The issue of culture
- Focus on the issue of culture
  - Change of culture versus ensuring everybody's on the same page from a cultural perspective
  - Alignment of common interests
    - To engage in strategic thinking, which will result in strategic planning, which results in strategic goals with action items to accomplish those goals, we've got to be aligned
  - Establish processes to manage issues in which there is an absence of knowledge or a disagreement in knowledge or a disagreement in terms of what some of these things really are

Mr. Haselden then asked for input from the Board on their definition of the mission of a land grant or a land grant institution, and more specifically, what's the mission of CSU as a land grant institution, with the following input from the Board:

- Society was much different when the Morrill Act was signed by President Lincoln in 1862
  - Changes in cultural, social, economic environment
  - Original concept was to build a more practical educational process that increased substantial access of the rural and some urban population to that land grant institution
  - Funded originally through land grants which was practical to agriculture, foundation, and access - the three principal points
- We are still a land grant institution; but are much more than a land grant institution, with many more dimensions, perspectives, and programs than a land grant institution, but it remains part of our foundation
- The land grant heritage set us apart from the other universities and colleges in the state
- We're written into the Constitution
- Access: people should have the ability to go to a university and this is what we offer
  - Access is practical in nature – it affects people
  - The land grant heritage connects us to our agrarian roots in this country, the basis of this in the United States; it connects those dots all the way to the 21<sup>st</sup> century and allows access to higher education to those who might not otherwise have it
  - Land grant equals practical knowledge, access. So we have a greater responsibility to the citizens due to access: land grant drives access which drives tuition
  - Our mission as a land grant is to provide access; affordable and practical
  - Student input which is a different type of access

- That access mission is also about giving all of us access to the talent of everyone in our society, not just to the talents of those people from families who could afford to go to what we all ought to acknowledge is a phenomenal system of private and higher-end institutions.
- Land grant institutions give back to the state as well through Cooperative Extension Offices located in 58 of the 64 counties
  - A unique relationship between the community and the Universities that cannot be separated
- It is a set of beliefs about the social role of the university
  - We are the institution that educates the majority of Colorado residents
  - We are the outreach university; it's not good enough just to create knowledge, you must disseminate it for use

So what's different today? How does that translate?

- As public institutions have evolved most would argue they're about educational access
- All public institutions feel their research makes a difference
- All public institutions feel they're engaged, and that outreach from their university is a part of what they do
- The land grant model has been copied by many institutions
  - Culturally, what still exists and derives its heritage from those roots, has been captured by several people
  - Strong agricultural and natural resource slant to land grants that's not duplicated at other institutions
  - Organized outreach system through cooperative extension and the agricultural experiment stations that's not captured by other institutions
  - Core institutional commitment that is more subjective and harder to measure; making sure we pay attention to access and making sure our research is applied and makes a difference – not just someday, but today
- Although CSU-Pueblo is not a land grant institution, the access mission is still very important
  - That mission in the statute relating to programs with a strong professional focus, but it's still a great deal about access
  - Access for people who might not have access otherwise to institutions that are further away or cost more or, frankly, have higher academic standards for admission
    - An institution for working professionals

At this point Mr. Haselden stated that it seemed the Board endorsed the concept of being a land grant institution, and then inquired if there was anyone who didn't endorse this concept. A spirited discussion ensued regarding a question raised as to what it meant to not be a land grant institution, and what would be given up.

The statement was then presented that the issue isn't whether we're land grant, or should or should not be. The issue is how do we build on that foundation and how do we build a culture or a mindset that we are prepared to be adaptive, we are prepared

to be flexible and still be true and honor our traditions of the past. This in turn led to a discussion around core values related to the land grant heritage, and access. Mr. Haselden inquired specifically how access would be defined, what it means and what is the Board willing to contend with to not give access up:

- Cost and admission standards that have to be met, defines access
- Access is a culture
- A numerous-point thought process that looks to be as inclusive of the population to get a higher education degree as possible
- Diversity and access are closely tied together
- It's access to quality
- Increase non- resident student registration
- Awareness: statistically 23% of the resident population are first generation students
  - This is diversity
  - This is access
- Urban land grant institution
  - Practical
  - Strong practicum
  - Connection
- Maintain high standards of admission - we attract some of the best and brightest

The question was then posed to the board if they thought access is a core value, with the caveat being that a core value is something you cannot function without. Everyone was asked to weigh in on this as the foundation of the Board's thoughts must be established prior to any attempt at changing a business model or strategically going in a different direction because of external and internal drivers:

- It is an extremely important value to us as a local society, as a Colorado community, and as a nation
- Access fueled CSU-Pueblo; access is why this Board created Global Campus; to provide access to this campus to a group of people who don't have access to the campuses
  - There was as need to create access for the people who aren't able to attend either Fort Collins or Pueblo; Global was designed, in large part, to address that
  - Access is looking across these three institutions and seeing opportunities for more people than there would be if there were only one of us
- Access is building an effective pipeline that can reach out to another place, in the modern age; on a System level, it matters in different ways
- Access relies on revenue
  - A value with a price tag associated with it
- Access is an abstract value
  - Is it a sustainable value?
    - If it's not sustainable, then we are losing our fiduciary responsibility

- Is this a value that's shared by the rest of Colorado? Are we in a vacuum on this one?
  - If the community does believe this is sustainable, is it something they're willing to invest in to maintain
- Access is a core value
  - To important to sacrifice
  - Should be viewed as a high priority for protecting
    - Access and affordability are key but there is also a responsibility to enhance the value of the diploma, ensuring each and every student graduates and walks away with something that grows in value every day
      - How do we fund that?

The following was then proposed: How can still have access and quality and all the things that we're proud of without bankrupting ourselves?

- What must we consider to maintain access, quality, and standards:
  - Maintaining student-to-faculty ratios
  - Quality of graduates
  - Accreditation
  - If affordability is your only consideration, there are far less expensive places to go
    - If you're qualified and from a low-income family some of your least expensive places to go are some of the richest institutions in the country
    - Here is where we fit - affordable access for people; the price is relative to the value of that degree and what our institution offers

Mr. Haselden then directed the discussion towards affordability, and the link between access, tuition, and affordability:

- Define unbridled access coupled with tuition increases and the impact on in and out-of-state students:
  - This would not be compatible with why we're here as an institution or with our mission
  - Enrollment would decline
  - Expansion would halt
  - This would necessitate a change in business model
  - This would be a violation of the covenant with our constituents who are the citizens of Colorado
  - Loss of credibility
  - Economic and political impact
    - We are Colorado
    - Moral obligation
  - How could we raise tuition, shut off access and continue to build a knowledge based economy in our state without educating our own citizens?

- What are the benefits of being a state institution versus what would we covet by being a private institution?
  - Autonomy is a benefit of private institutions
    - Not being bound by all the restrictions of being part of a state government
  - How can we work towards improving the things we don't like as a state institution?
    - Take the best of private and reconfigure and implement those processes and practices here
  - As a land grant concept our mission is three fold:
    - Outreach, teaching, research
      - Which are more expandable without affecting access?
        - What \$ amount does research generate?
        - What do we expend on outreach cost & how does that relate to tuition?
  - Research is the single biggest portion of our institution's budget
    - We've generally funded Extension and the Outreach missions as a pay-as-you-go model, with federal funds that come into place that flow through USDA to the land grant universities to fund Extension
    - The state is required to put up a match that matches the counties', and the state portion flows through us
    - County commissioners provide their portion
    - Are we hurt by our budgeting process by not linking revenue sources to expenses? Should we continue to co-mingle the pot?

The query was then put forward regarding moving in the direction of becoming a research institution, and whether this would lead to chopping all other educational functions off from a funding standpoint:

- No, for two reasons
  - First - Mission
    - Ours is two-fold – teaching & research
      - We are a research university that says our faculty members will do both and we value both of them
  - Second – Fiscal
    - Purely from a business perspective, if we eliminated the non-research pieces it would leave a huge financial hole in our budget because of the tuition revenues that are generated there

The Board continued to probe the issue of affordability and tuition:

- The main focus at many other institutions is privatization and money
  - We have three sources of money: the endowment, tuition, and giving

- How many students do not apply at universities due to the cost factor?
  - We have an incredible alumni that gives back; 63% of our alumni give
    - We have institutional accountability to the State of Colorado
    - Privatization is not the way to go
- We ought to break out of the mindset that makes access and financial sustainability in opposition to each other
  - There are ways of looking for new revenue in the access concept - . we need to brainstorm that dimension
  - Access will not cost the institution financially
    - How do we reach deeper into the middle class of Colorado; reach more broadly across Colorado; discover different ways that are actually revenue generators?
      - Global Campus is one method

Mr. Haselden was in full agreement, as was the Chair. Mr. Haselden then indicated this would be a good segue to wrap up today. He left the Board with a couple of thoughts:

- The Board Chair wanted to have this discussion to eliminate:
  - Fear of a difference of opinion on some of these issues
- In summary:
  - The discussion of land grant determined this Board feels:
    - It's still important for the sake of a 200 year tradition we want to maintain
    - It contributes to the roots of this being a true middle-class school, a school accessible to the middle class
  - The land grant discussion took us to that of access:
    - We want access to be one of our top values
    - We don't want to compromise access unless it's the very last thing that's left standing on the table
  - The discussion of access led us into a discussion on tuition and affordability
    - We want to keep tuition at a number that made sense
    - We definitely don't want to turn this into a tuition-driven institution where, at the end of the day, every kid is paying the equivalent of an out-of-state student
    - We discussed the concept of affordability and that there's a moral duty to the citizens of Colorado to provide what we provide today
    - At the end of the day, we can talk about privatized efforts and that could mean we explore being privatized or not
      - Those are discussions for another day
    - We do not have to compromise everything that was just articulated

- We do not have to compromise access or affordability or our tuition model or our land grant heritage or our duty to the citizens of the state of Colorado, or our responsibility to provide access to the middle class or the working professionals
- And that as we go forward, if, in fact, we're going to consider a new business model or out-of-the-box thinking or changes in paradigms or programs that Rich spends day and night generating financial models to figure out, that the things that we've talked about today still need to remain in the middle of the radar screen

Mr. Haselden then asked if this was the Board's belief, as today's discussion was establishing a foundation on which the Board will build – the overwhelming opinion of the Board was a hearty “yes.”

Mr. Haselden called for comments, at which time Governor Farley commended Mr. Haselden on “a magnificent job of leading this discussion.”

Chairman McConathy then recognized the importance of the CFO, Rich Schweigert, attending this session, and acknowledged that “what Rich did for us today was an incredible service...when times are dire, the last person you want to see walking off is the guy that's got the numbers. And generally, you know, people take it out on them and they don't want to hear the bad news. And I think Rich does an incredible job, and has done so the entire time I've been on this Board and I know we have confidence in him. And I think some of the ideas he's got – no matter how you guys originated them – the hybrid model of some part private and some part not – all those things are just great ideas for us to start thinking about it and I would encourage all of us to be thinking like that.”

Mr. Haselden then asked the Board to begin to strategically think on how it wants to ultimately craft a strategy to deal with external and internal drivers, as this will be a discussion topic at the December meeting. Time will be spent “talking about what are the things, externally and internally, that are affecting the context of this institution? What are the things that are going to have impact, or drive the way we do business? Or, more important, drive us to change the way we are going to do business to respond to what's happening externally, to what's happening internally?” He then advised that as a board there must be an understanding of those strategic issues before the attempt can be made to turn to any strategic planning session or ask the staff and the administration to try and implement any solutions to those.

Mr. Haselden then inquired as to whether the Board wanted to ultimately be part of a strategic planning process for the System that begins to put together; a strategic plan that focuses on three to five major strategic initiatives with, perhaps, three or four strategies for each of those initiatives and a handful of action items for each. He asked the Board members to be prepared to provide input on these two questions tomorrow.

The meeting was adjourned.