

BOARD OF GOVERNORS MEETING MINUTES

June 10-11, 2021

Pinnacle Room, Grand Hyatt, Denver, CO

ROLL

Governors present: Kim Jordan, Chair; Armando Valdez, Vice Chair; Russell DeSalvo, Treasurer; Nate Easley, Secretary; Polly Baca, John Fischer; Steve Gabel; Jane Robbe Rhodes; Nancy Tuor; Dr. Sara Metz, Faculty Representative, CSU Global; Melinda Smith, CSU Faculty Representative; Mikayla Lerch, Student Representative, CSU Pueblo; Paige Martinez, CSU Global Student Representative; Christen Picicci, Faculty Representative, CSU Pueblo; Christian Dykson, Student Representative, CSU.

Administrators present: Tony Frank, Chancellor, CSU System; Joyce McConnell, President, CSU; Timothy Mottet, President, CSU Pueblo; Pamela Toney, President, CSU Global; Jannine Mohr, Deputy General Counsel/Secretary to the BOG, CSU System; Lynn Johnson, Deputy Chief Financial Officer, CSU System, and Vice President of Operations, CSU; Becky Takeda Tinker, Chief Education Innovation Officer, CSU System; Rick Miranda, Chief Academic Officer, CSU System; Susy Serrano, Director of Internal Auditing, CSU System; Henry Sobanet, Senior Vice Chancellor for Administration and Government Relations/Chief Financial Officer, CSU System.

CSU System Staff present: Melanie Geary, Board Liaison; Adam Fedrid, IT Manager; Allen Sneesby, IT Technician; Wayne Hall, CSU IT Professional; Cara Neth, Director of Executive Communications, CSU System.

Staff and Guests present: Jenelle Beavers, VP For Strategy, CSU; Yolanda Bevil, VP of University Communications; Mohamed Abdelrahman, Provost, CSU Pueblo; Margaret Henry, Treasurer, CSU System; CSU Global; Alejandro Rojas-Sosa; VP Administration and Finance, CSU Pueblo; Mary Pedersen, Provost and Executive Vice President, CSU; Yvonne Harris-Lot, CSU Global; Dr. Paul Savory, Provost, CSU Global.

BOARD RETREAT CALL TO ORDER

Chair Jordan called the Board Retreat of the Board of Governors of the Colorado State University System to order at 9:00 a.m. and reminded the Board members the meeting was being livestreamed. The meeting was limited to board members and limited staff and livestreamed publicly through YouTube, as described in the public notice.

Deputy General Council Jannine Mohr delivered the oath of office to the new faculty and student representatives: Paige Martinez (CSU-Global Student rep); Dr. Christen Picicci (CSU-Pueblo Faculty Rep); Mikayla Lerch (CSU-Pueblo Student rep); Christian Dykson (CSU ASCSU Rep); Dr. Sara Metz (CSU Global Faculty Rep). They all took their oath of office and acknowledged their commitment to perform the duties as members of the Board of Governors.

Welcome and Setting the Stage – Tony Frank

Chancellor Frank welcomed everyone to the retreat and laid out the format of presentations. He reviewed the CSU System strategic plan and announced that it is time for a refresh of this plan. The System in its earliest form was a collection of universities that only shared a governing board. He the discussed history and evolution of CSU System strategic planning. He added that the CSU System's mission is to add value to the campuses, but the work of higher education happens on the campuses. The strength of the current plan is that mission drives strategy that drives work so the Board can hold the System accountable. He noted it was likely time to revisit it with greater emphasis on the campus strategic plans and consider what the Board no longer wants/needs and what's the current mission. He encouraged the Board to engage with the campuses around a shared mission. He gave

context to the Board's role in strategic planning and AGB Principles of Trusteeship. He then reviewed the CSU System strategic planning timeline, including the status of CSU Pueblo Vision 2028 and CSU Global's planning. He also noted that the System made it through one of the most difficult years in its history because of the phenomenally hard operational work that happened on the campuses, and President McConnell still worked to begin the process of strategic planning that will be discussed at this retreat. Additionally CSURF is also doing strategic planning. The Board will need to revisit its strategic priorities. There is the potential for both leadership and Board change over the planning period, so he encouraged the Board to take the long-term perspective. He read the Norlin Charge from University of Colorado. He noted that decisions aren't about what happens today, but what happens into the future and the Board's decisions today and tomorrow are tied out across time; these institutions were birthed when Abraham Lincoln was president. The Board members need keep focus on "who gets to carry that lamp" in the future, whatever plan they developed will not go wrong.

Courageous Strategic Transformation – Joyce McConnell

President McConnell introduced the plan for Courageous Strategic Transformation and discussed how it has progressed since she became president in 2019. She explained how they chose, despite the pandemic, to take an extremely inclusive approach that focused on culture. She reviewed CSU's strengths as an institution, including major rankings and reputation. She outlined how the plan focuses on transformation to build on greatness and rise to challenges, including the demographic cliff, which has since been extended to 2026; global food security; and the changing landscape of higher education. The Framework puts students at the center surrounded by "green, a sustainable thriving planet," and "gold, a flourishing humanity." President McConnell discussed areas of targeted impact, aspirations, process, and examples of how the plan can be executed in detail. She then introduced presentations on "people, programs, places, and performance" which were presented by Provost Mary Pederson, Vice President for Research Alan Rudolph, VP for University Operations Lynn Johnson, and Vice President for Communications and Marketing, Yolanda Bevill. Provost Pederson discussed planning and primary challenges around diversity, equity, and inclusion; student success; academics (including master planning, curricular innovation, and faculty development). VPR Rudolph discussed challenges and opportunities around health and research. President McConnell discussed challenges and opportunities relative to rural Colorado, specifically around accessible education, improved health, vibrant communities, and a thriving economy. VP for Communications and Marketing Yolanda Bevill discussed challenges and opportunities around strategic branding and marketing, including establishing a coordinated communications structure, establishing a unified brand, and enhancing multiplatform assets for marketing CSU. VP for University Operations Lynn Johnson discussed challenges, opportunities, and the need for integration around budgets, business operations, and space/facilities. President McConnell then reviewed the plan timeline. She noted that at the August Board of Governors meeting she would present sub-timelines and deadlines, aligning unit goals to strategic priorities. She then discussed what success will look like and how it will be measured.

The retreat paused for a brief break at 11:03 a.m. and resumed at 11:18 a.m.

The Board engaged in questions and discussions with President McConnell and her team, prior to breaking into working groups who were provided with three prompts for their discussion: What excites you/Inspirational, Challenges and Opportunities.

During a working lunch, the working groups reported back from their discussions. Inspirational Highlights included: Research focus; continuity of prior work; OneHealth; Interdisciplinarity. Challenges: Higher Ed doesn't always promote interdisciplinary behavior; scaling and resources to scale; monitoring progress and how to measure; shelf life of a plan; robust engaged buy-in and alignment; sustainability of a plan; what would differentiate from others; balance for businesses and sustainability; basic needs for

students. Opportunities: Sustainability and climate change; building on rural engagement and understanding the needs of rural communities; robust pipeline; seamless transferability within the System; collaboration between CSU Global and CSU Online; Diversity and Inclusion – everyone feeling welcome but without inadvertently creating silos.

Student Success

Chief Academic Officer Rick Miranda introduced the discussion on student success with a review of how success is measured (access, progress, success metrics) and which populations are considered at-risk. He reviewed equity gaps for each CSU System campus and noted that we cannot achieve overall student success goals without closing equity gaps. He presented goals by institution and stretch goals for System: eliminate equity gaps for all demographics by 2027; raise student success metrics to top quartile of peer group; and faster progress. He recommended a total investment of \$11.2 M over three years from the board to fund the System-wide initiative emphasizing closing the equity by 2027. The current targets show that for both CSU Fort Collins and CSU Pueblo, increases in sophomore-senior cohorts of 4% will produce enough tuition revenue to sustain the investments after FY 2024.

The retreat paused for a brief break at 2:24 p.m. and resumed at 2:39 p.m.

February Rural Retreat Follow up

Chair Jordan reflected on the discussion around rural issues at the February retreat and introduced Special Adviser to the Chancellor Kathay Rennels, who coordinated the February session. She thanked the Board on behalf of the rural counties and reiterated the value and importance of engaging with rural communities statewide. She introduced CAO Miranda who discussed a plan for a rural initiative along with key outcomes anticipated for rural Colorado. He reviewed graduation and retention rates by campus, then reviewed the framework of the proposal and key outcomes for rural Colorado which were: accessible education, improved health, vibrant communities, and thriving economies. He then discussed a three-year budget of \$8.58 M for investments in expanding CSU's capacity to serve Colorado. He discussed the sustainability of the initiative, and how success would be measured. VP Blake Naughton discussed that the CSU System has untapped opportunities for garnering external support for these activities. He also discussed aspects of the proposal and addressed questions from the Board. Chancellor Frank concluded the discussion, noting that the pilot asks for \$3 million a year for three years and discussing availability of resources to fund the initiative.

Chair Jordan adjourned the meeting at 4:14 p.m.

FRIDAY, JUNE 11, 2021 **BOARD CHAIR'S AGENDA**

Chair Jordan called the Board to order at 9:03 a.m.

PUBLIC COMMENT

Chair Jordan confirmed no one had submitted any public comment for the Board.

CHANCELLOR'S REPORT

Chancellor Frank reviewed the discussions at the Board retreat. Board can take time between now and the August meeting to send any additional suggestions or questions on CSU's Courageous Strategic Transformation to Chair Jordan or Chancellor Frank, as well as additional thoughts around student success and closing the equity gap. He discussed Initiative 16 (PAUSE – **P**rotect **A**nimals from **U**nnecessary **S**uffering and **E**xploitation). He pointed the Board to a fact sheet prepared by Dean James Pritchett of the CSU Colorado of Agricultural Sciences, and discussed the harm the initiative

would cause to higher education and Colorado State University. While the ballot initiative is still tied up in the courts, it is not an opportune time for the Board to take an official position. However the Board at this stage may take a position of advocacy, offering a general position on behalf of the Board that allows employees of the University to speak out on behalf of the Board.

Chancellor Frank then discussed HB 1330 (the “stackable credits” bill), including the Core section and the opportunities it creates for individual students and the potential impacts on institutions. Other parts of the bill deal with managing federal funding aimed at bringing low-income students who have left the higher education system back into the system; establishing a role and mission task force; establishment of a working group to increase the number of students completing FAFSA; and more. He reviewed various issues and aspects of the bill which are under review and discussion.

AUDIT AND FINANCE COMMITTEE

Governor DeSalvo, Chair of the Audit and Finance Committee, convened the committee at 9:28 a.m. and asked CFO Sobanet to begin.

State Budget Update

CFO Sobanet pointed to the state budget update previously shared with the Board.

FY 2022 Campus Budget Scenarios

CFO Sobanet thanked the campus CFOs and others involved in developing the budgets for approval. Chancellor Frank discussed the Board’s role in the budget approval process and noted it is one of the most important responsibilities of the Board of Governors. He reviewed the process of how budgets are constructed on the campuses and the opportunities for faculty, staff, and student input throughout that process. He recommended that the Board approve the budgets brought forward by the campuses.

President McConnell presented the budget for CSU Fort Collins and reviewed the volunteer early retirement program implemented over the last year to reduce expenses. She then discussed increases in tuition, salaries, and graduate student stipends; noting the proposed budget also includes a request for Board reserves to help move the campus quickly from a negative position into a positive one. She introduced CFO Lynn Johnson, who provided a more detailed presentation of budget specifics. Enrollment growth going into FY 22 was tracking higher than anticipated, which was enabling the campus to address employee salaries and the proposed 3 % increase that would be effective in January 2022. She acknowledged the work of Angie Nielsen and Dave Ryan in preparing the budgets. She explained the issue of campus reserves and shift to focusing on 120 days of cash on hand. She also discussed ongoing concerns about graduate stipends and fees, and President McConnell noted this is a University priority and will continue to be going forward.

President Mottet presented the budget for CSU Pueblo. He acknowledged the leadership of VP Rojas-Sosa and also thanked staff members Meg Brewer and Juanita Pena. CSU Pueblo was recommending 3% salary increases for employees effective January 2022 and have reduced expenses to make that possible. He discussed the status of enrollment for FY22 which was tracking at an increase of 1.5%. He introduced CFO Rojas-Sosa, who provided a more detailed presentation of budget specifics. He reviewed a revised student fee model developed in cooperation with CSU Pueblo students and discussed financial benefits of retention.

President Toney presented the budget for CSU Global. Global’s budget does not include staff salary increases, but they will be considering pay increases on a case-by-case basis if operating margins allow. CSU Global is anticipating enrollment returning to pre-pandemic levels this year. CFO Yvonne Harris-Lott, who provided a more detailed presentation of budget specifics. CSU Global is not anticipating tuition increases this year. Ms. Harris- Lott discussed the importance of Global’s revenues to

overall System financial health and changes to the competitive landscape for online higher education which had accelerated during the pandemic.

CSU System CFO Sobanet presented a summary of the System budget and previewed a set of recommendations around Board reserves that the Board will vote on in December. Chancellor Frank provided context for the budget presentation, and the goal of previous Boards to preserve a reserve balance of around \$50 million, while acknowledging the short-term impact of standing up the medical school cohort and Spur campus.

Motion/Action: Adoption of FY 2021-2022 E & G Incremental Budget and Related Items
Governor Tuor moved for the Board to approve the FY 2021-2022 operating budget targets and expenditures along with approval of all tuition, tuition differentials, fees, fee policies and manuals, room and board, dining, and other rates and charges for Colorado State University, CSU – Pueblo, CSU Global Campus, and the CSU System as appropriate to each unit. The motion was seconded by Governor Baca. Motion carried.

Motion/Action: Adoption of FY 2021-2022 Combined Campuses Capital Construction Priority List and Capital IT Prioritization List. Governor Gabel moved approval of the FY 2022-2023 CSU System Combined Capital Construction Priority List for State Funded Construction Projects for CSU and CSU-Pueblo, Governor Robbe Rhodes seconded. Motion carried.

Motion/Action: Approval of the 2 Year Cash Funded Capital Construction List
Governor Easley moved for approval of the amended FY 21-22 2-year Cash List for CSU; Governor Robbe-Rhodes seconded. Governor Easley withdrew the motion, and the item was postponed until after discussion in the Real Estate committee.

Motion/Action: Approval of the CSU Daily Parking Permit Discount for FY 2022
Governor Robbe-Rhodes moved to approve the CSU Daily Parking Permit discount for FY 2022 which would be in effect August 1, 2021 – April 1, 2022. Governor Gabel seconded. Motion carried.

The meeting paused for a brief break at 11:10 a.m. and resumed at 11:26 a.m.

Motion/Action: Rural Initiative
Governor Baca moved to approve the withdrawal from the Board Reserves in accordance with Board Policy 205 for investments in expanding CSU's capacity to serve in rural Colorado, Governor Valdez seconded. Motion carried.

Motion/Action: Approval on Student Success Initiative – Governor Valdez Moved to approve the withdrawal from the Board Reserves in accordance with Board Policy 205 for Investments in a System-wide Student Success Initiative, Emphasizing Closing the Equity Gaps by 2027. Governor Tuor seconded. Motion carried.

Committee adjourned at 11:31 a.m.

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

Chair Gabel convened the meeting of the Academic and Student Affairs Committee at 11:31 a.m. and asked System Chief Academic Officer Rick Miranda to lead the Board through the one agenda item. CAO Miranda presented CSU Faculty Manual Change: Section E.15 Disciplinary Action for Tenured Faculty which would allow for additional notification around disciplinary action. It would be approved on the consent agenda. The Committee adjourned at 11:34 a.m.

REAL ESTATE/FACILITIES COMMITTEE

Chair DeSalvo convened the meeting of the Real Estate and Facilities Committee at 11:35 a.m. and asked that the Board move into Executive Session for the Real Estate and Facilities Committee agenda.

Motion/Action: Governor Gabel moved for the Board to go into Executive Session of the Real Estate and Facilities Committee and to go into the regular Executive Session for the reasons listed in the meeting notice. The motion was seconded by Governor Baca and carried unanimously. Deputy General Counsel Mohr read the Board into Executive Session at 11:37 a.m. and noted the reasons for going into Executive Session under the Colorado Open Meetings Law, as stated in the meeting notice:

1. Motion to go into Executive Session of the Real Estate and Facilities Committee under C.R.S. § 24-6-402 (3) (a) (I), C.R.S. § 24-6-402 (3) (a) (II), and C.R.S. § 24-6-402 (3) (a) (VII) for discussions relating to the sale of property at competitive bidding, for matters concerning trade secrets, privileged information, and confidential commercial, financial data furnished by or obtained from any person, and to discuss specific legal questions related to the Hughes property and the acquisition of North Poudre Irrigation Company shares.

The Board reconvened in open session at 12:10 p.m.

VPUO Johson reviewed the action item for the Acquisition of 16 shares of North Poudre Irrigation Company (NPIC) from the Community Foundation of Northern Colorado on the terms discussed by the Board in its executive session and in accordance with the parameters outlined in such discussion.

Motion/Action: Governor Gabel moved for the approval of the acquisition of 16 of North Poudre Irrigation Company. Governor Baca seconded. The motion carried.

APPROVAL OF CONSENT AGENDA

Motion/Action to Approve Consent Agenda: Deputy General Counsel Mohr presented the Consent Agenda to the Board of Governors for approval. Governor Tuor moved for approval of the Consent Agenda. Governor Baca seconded the motion, and the motion carried unanimously. The Consent Agenda included the following items:

- CSU Faculty Manual Change: Section E.15 Disciplinary Action for Tenured Faculty

Board broke for lunch at 12:12 p.m.

Board Discussion of PAUSE Initiative 16

Governors Gabel and Valdez shared introductory comments and background information on the measure, as the agriculture representatives on the Board of Governors. Discussed impacts on animal health, pet care, agricultural industry, food supply, and educational institutions. Chancellor Frank reiterated that Board has option of taking a position of advocacy, in support of or opposing this issue. He recommended the Board take a position against the initiative. The Board moved to take a position of advocacy against the initiative. Governor Gabel moved approval of the position; Governor Valdez Seconded. Motion carried.

EXECUTIVE SESSION

Motion/Action: Governor Gabel moved for the Board to go into executive session to receive legal advice on real estate and other matters, including legal questions concerning the Hughes Stadium property. The motion was seconded carried unanimously. Deputy General Counsel Mohr read the Board into Executive Session at 12:48 p.m. and noted the reasons for going into Executive Session under the Colorado Open Meetings Law, as stated in the meeting notice:

1) Motion to go into Executive Session under C.R.S. § 24-6-402 (3) (a) (II), C.R.S. § 24-6- 402 (3) (a) (VII), and C.R.S. § 24-6-402 (3) (a) (VIII) and for matters concerning trade secrets, privileged information, and confidential commercial, financial data furnished by or obtained from any person, to consider a proposal for naming on the CSU campus, and to receive specific legal advice on questions regarding the meeting topics referenced in this public notice and the meeting agenda to discuss the Hughes property, and to receive the Litigation Report from General Counsel related to pending and imminent litigation, as well as specific claims or grievances.

2) Motion to go into Executive Session under C.R.S. § 24-6-402(3) (b) (I) for discussions regarding the Board's evaluation and performance update for the Chancellor, Presidents, and professional staff employees of the Board.

Evaluation Committee convened at 12:43 p.m.

With no further business the meeting adjourned at 2:19 p.m.