

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM**

**MINUTES OF THE FINANCE SUB-COMMITTEE MEETING
August 23, 2007**

CALL TO ORDER

Chair Diane Evans called the meeting of the Finance Sub-committee of the Board of Governors of the Colorado State University System at 3:15 p.m.

ATTENDANCE

Board members attending were Diane Evans, Joe Blake, Bonifacio Cosyleon; Pat Grant, Don Hamstra, Doug Jones Eric Kartchner, Katie Gleeson, Tim Gallagher and Erica Contrearas. Staff Attending were Larry E. Penley, Joseph Garcia, Allison Horn, Doriane C. Howard, Karen Klimczak, Dr. Alan Lamborn, Loretta Martinez, Frank T. Pierz, Rich Schweigert, Lou Swanson, Frank Fitznagle, Bob Rizzuto

FY 08 BUDGET UPDATE - COLORADO STATE UNIVERSITY—FORT COLLINS

The Sub-committee is asked to approve the addition of the following items to the FY 08 Budget for the Ft. Collins campus:

1. Increase in continuing education undergraduate and graduate tuition;
2. Tuition Schedule for the Western Undergraduate Exchange Program by which participating states reciprocate discounted tuition for out-of-state student;
3. Expenditure of \$5.6M or \$7.1M unrestricted reserves for one time facility requests for CSU-Fort Collins only. \$7.1M would fund the PET/CT Scanner controlled maintenance. This represents a change from incremental to global perspective on maintenance requirements; and
4. Special course fee between \$58 and \$65.60;

It was moved and seconded to approve the recommendation and the Motion which was unanimously approved.

CSU-COLORADO BUSINESS PLAN REVIEW

This Business Education proposal will generate revenue for the system while meeting future needs of higher education, change higher education in Colorado and provide market driven structures for bachelors and masters degrees at affordable prices without limitation to residence or job location. It targets non-traditional students who would not be able to attend classes on campus and will focus merging existent CSU system curriculum with the state of the art online teaching techniques. It is aligned with the Colorado Community College System and no lower division courses will be offered. It will be heavily marketed on the value of the CSU brand. We believe that over 13,000 new Colorado undergraduate and 3,000 new graduate students by 2012 will be enrolled without significant expansion to the system.

Targeted timelines are:

- First Quarter 2008: Complete start of all activities to support a soft launch
- First quarter 2009: Offer 3 program and 35 courses.
- Second Quarter 2009: Complete the long lead items to support the full launch.

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- December, 2009: Complete launch of six programs and 95 courses for 1500 graduate and undergraduate students.
- 2010: Be profitable with 6,400 Colorado undergraduate and graduate students.
- 2011: Accelerate profitability and cash generation operation with 18 programs and 245 and 12,000 Colorado students.

There is a commonality in similar programs that have failed. Key of these is delayed decision making. Our structure is a private sector/corporate concept where the decision making is quicker. Careful control of expenses will allow implementation without huge front end investments. The Board must be aware of cannibalization and the failure to adopt the lowest cost, best models. We will implement a master learning program which the military has been using that is focused on curriculum structure and student mastery at each level based on the learning that is built into the curriculum as it is delivered versus. It's market driven and quality is determined by the users' expectations. University of Colorado has chosen a traditional university model for their online. For each course approved for each program, the college would receive \$10,000. An expected 400 courses would generate a sizable amount for the departments and we propose to pay 5% of gross revenue royalty to the departments for consultation services.

It was moved and seconded to implement of the business plan and expenditure of up to \$4.5M in reserve funds. The Motion was unanimously approved.

CSU SYSTEM FY 2009 PRELIMINARY BUDGET

These are preliminary documents for the CSU System FY 09 of \$45M to \$47M for use at the Colorado Department of Higher Education (CDHE) and JBC budget hearings. There will be subsequent, regular briefings as the procedure progresses. We also ask permission to submit a supplemental for non-resident tuition. We will monitor and determine how CDHE will use NCHEMS and the central costs that are allocated to us. There are specific campus revenue distributions for faculty, salary increases, mandated internal costs, financial aid and investments, estimated expenditures to achieve stretch goals, teaching, learning, research and discovery and to provide greater access for low income first generation of students. CDHE and institutional presidents have agreed to peer categories. CDHE's application of the NCHEMS model in Colorado should be released in a couple of months. We do not know how the model implemented will operate in conjunction with requests to the Governor's office for funding. This budget, per the NCHEMS model, equals \$47M, \$20M of which would be general fund money. Additional revenue would be generated internally resulting \$24M tuition revenue. We will continue to focus on the credit hour where we are behind. Should the state decide not fund under NCHEMS, additional general fund revenue, tuition increase and use of campus based resources may be required.

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COLORADO DEPARTMENT OF HIGHER EDUCATION (CDHE) INITIATIVES

- Cash revenue/tuition discussion
- NCHEMS/10 Year Funding Plan

There was no discussion.

QUARTERLY FINANCIALS

These are a cash basis accounting and show revenues are close to projection on the original but not on the projected budget and revenues were higher than projected. There is a small increase in tuition and fees. Research expenditures do not match revenue because of how the federal government billed. These financials do not include accruals which create large variances. Investment income was budgeted conservatively and we did better. We are considering running our own treasury and there will further information on this topic.

BRIEFING ON CSU BENEFIT CHANGES FOR JANUARY 2008

Currently, Fort Collins uses BenPay, a cafeteria model, where employees purchase health, vision and dental plans. Money is given to the employee as compensation and is driven by their salary level. Some employees pocket that money and obtain insurance through other means while others who opt out. The change will revert to a cost share plan where we buy and fund a level of insurance for the employee and control medical inflation. The plan is geared toward younger employees and those with families. Ft. Collins would fund 100% of a green plan for the employee, which would be the index, and would progress at 75% of the employee plus one coverage and employee family coverage. It is structured to grandfather the current employees over four years and new hires after January 1, 2008 would be in the new plan. The changes have been presented to all campus groups and the Human Resources website has a calculator for employees to submit their specific information and observe their individual benefit.

REVENUE BONDS: EXTENSION OF DELEGATED AUTHORITY

\$210M were sold today but the hoped for refunding was not obtained. There was focus to improve S&P and Moody's ratings and it went up a half of tick, but many corporations couldn't sell their bonds. There was broad institutional investor participation, including 15 top tier investors. \$32M went to Colorado retail. Remaining refunding will be done later this year or early next year.

PROGRAM PLAN REVIEWS AND ADOPTION

These plans meet CDHE requirements and will be submitted to CDHE if approved.

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CSU-Ft. Collins campus projects are:

PVM Student Facility:

Second Year PVM Student Building Cash Fund Spending Authority to build a 41,7100 sq. ft. a facility beside the hospital for 2nd year students to have more interaction with third and fourth year students. The Dean and his staff will raise and no state money will be involved in this.

Lake Street Parking Garage and Cash-Spending

A 899 parking space on Lake Street with retail and office rental spaces. The revenue would come from parking and rental space charges is adequate.. It will be visually pleasing and there will be an update in November. It will be \$22M on the next bond issue.

Academic Village Phase 1B and Cash-Spending Authority

The plan is to build an additional 219 bed, 1 56,00 sq.ft. wing at the Academic Village in conjunction with a small expansion to the Braden Hall facility which part of the master housing and dining plan. Current revenue structure would pay for it. The first part has opened with a waiting list for future occupants.

Industrial Sciences Building Revitalization Cash Funds Exempt Funding

This building was built in 1884 houses the construction management program. The program plan is to upgrade mechanical and plumbing equipment while keeping the building open for instruction. Donated funds will fund this renovation.

Community Practice Building Cash Funds Spending Authority

This is a 32,700 sq.ft. addition to the Veterinary Teaching Hospital and to create a community active practice to acclimate students to private practice while having access to faculty. Funds for the \$17M are being raised.

Dean Perryman will raise in excess of \$100M from donors for these projects and they are dependent on successful fund raising. Cosmetic improvements are underway including the diagnostic laboratory which was deficient for one of the best veterinary programs in the world.

CSU-Pueblo project is:

Ochiato University Center Renovation

The student, university and community center needs to be more user friendly. 22,000 more sq. ft. will be added at a cost of \$23M to enabling the students and the community to co-exist. The project will be funded will be debt funded and the revenue sources are student activity fees and auxiliary revenues from the community. Because of the dual purpose of this building, the students will not fully fund this full project.

There was a Motion to approve/recommendation the projects. The Motion was seconded and passed unanimously.

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ADJOURN

Respectfully submitted,

Diane Evans
Chairman, Finance Committee

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**REVISED MINUTES OF THE AUDIT SUB-COMMITTEE MEETING
August 23, 2007**

CALL TO ORDER

Chair Joe Blake called the Audit Sub-Committee of the Board of Governors of the Colorado State University System to order at 1:00 p.m.

ATTENDANCE

Board Members attending were Bonifacio Cosyleon, Diane Evans, Pat Grant, Doug Jones, Dr. Eric Kartchner, and Joe Blake by telephone. Staff members attending were Joseph Garcia, Allison Horn, Doriane C. Howard, Loretta Martinez, Dr. Larry Penley, Frank T. Pierz, Rich Schweigert, Joanne Ballard and Harvey Wilds.

INTERNAL AUDIT FUNCTION

Ms. Horn provided an overview of the mission and procedures of the Audit Department and her intention regarding audit function summarizing the department's purpose is to assist management in achieving its objectives.

STATUS OF THE FY 08 AUDIT PLAN AND RISK ASSESSMENT

The plan was summarized and the methodology used explained. All of the audits in this years ambitious plan may not be completed due to emerging conditions. There was a request at the last meeting for budgeting actual hours for reports that have been issued. The two reports issued this year were not on this year's budget. This list presented shows the work done to date and includes budgeted and actual hours for completed audits. Audit of the construction projects, part time temporary employees and student fees in Fort Collins are currently in progress. The student fee audit in Pueblo is moving forward and we are scheduling a formal exit. The committee is asked to substitute an item of cost share for the audit identified as PCIDSS and for a financial audit of CSU-Pueblo athletics department required by NCAA every 3 years.

It was moved to approve the Audit Plan as amended and Mr. Jones seconded the motion which was unanimously approved.

FOLLOW-UP PROCEDURES – DISCUSSION

The audit department is not meeting its goal to follow up every 6 months on every open recommendations and report. Often, audited units delay or resist implementing corrective action because of changed circumstances. Post audit functions include those where changes are implemented by other means. If needed and helpful, the sub-committee would write a letter noting an audit has not been closed and requesting assistance to close it. There was a discussion regarding the different procedures for follow-up reviews at Ft. Collins and Pueblo. The Committee directed Ms. Horn to develop a common procedure to be followed at both institutions.

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MISCELLANEOUS

- The field of candidates for permanent auditor has been narrowed to four finalists and final interviews are being scheduled. When they are completed, a recommendation will be made to the Board.

- Pat Burns, Vice-President for Information and Technology at CSU-Ft. Collins, has consulted with Internal Auditing regarding the statutory requirement for certification of the IT environment. Perhaps Mr. Burns could attend a future meeting to discuss this requirement at the University's response.

ADJOURN

A motion to adjourn was made and seconded. The meeting was adjourned.

Respectfully submitted,

Joe Blake
Chairman, Audit Committee

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**MINUTES OF THE REGULAR BOARD MEETING
AUGUST 24, 2007**

CALL TO ORDER

Chairman Jones called the meeting to order at 8:55 a.m.

ATTENDANCE:

Board Members attending were Doug Jones, Chair; Joe Blake; Bonifacio Cosyleon, Diane Evans, Pat Grant, Don Hamstra, Ed Haselden, Marguerite Salazar, Jeff Shoemaker, Eric Contreras, Dr. Tim Gallagher, Katie Gleeson and Dr. Eric Kartchner. Staff attending were Chancellor Larry Penley, Allison Horn, Doriane C. Howard, Karen Klimczak, Dr. Alan Lamborn, Loretta Martinez, Frank T. Pierz and Rich Schweigert. Also attending were Dr. Frank Spitznogle, Hunt Lambert, Derrick Lopez, President Joseph Garcia, Dr. Tony Frank, Russ Meyer, Dr. Michael Fronmueller, Dr. Zav Dadabhoy, Dr. Janna McLean, Dr. Roy Sonnema and Dena Sue Potestio.

Mr. Jones praised and congratulated CSU-Pueblo, President Garcia and the staff on the Festival on the Hill, Friends of Football, and the Students Welcome Back Party held on August 23, 2007. He thanked the DeRose Family for orchestrating the extremely successful Friends of Football.

PUBLIC COMMENT

There was no public comment.

STUDENT AND FACULTY REPORTS

Student Report - CSU-Ft. Collins

Katie Gleeson praised the System orientation training. There have been numerous activities to welcome new and returning students to campus including RAM Welcome, Rampaloosa, and Community Welcome. There was a meeting with student athletes and excitement for the Rocky Mountain Showdown is growing.

Student Report – CSU-Pueblo

Erica Contreras will attend the All American Student Government Conference. There was a BBQ last night and tonight is karaoke and happy hour. Ribbon cutting for the recreation fields is tomorrow at 3:30. All the different clubs on campus met on Wednesday to get all the students involved.

Faculty Report – CSU-Ft. Collins

Dr. Tim Gallagher expressed thanks for the System orientation training. Faculty officers and vice chair have made plans for the year and discussed the approved budget tenure track schedule. Faculty leaders have discussed proposed new benefit package which will be discussed at an open forum on campus.

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Faculty Report – CSU-Pueblo

Dr. Eric Kartchner also expressed thanks for the System orientation training. Faculty will meet Monday and all faculty is invited to attend and provide input. The faculty senate is at their first retreat. His written report did not include the new student orientation going. Dr. Derrick Lopez has done wonderful things with fewer applicants and was able to obtain a higher conversion rate and a larger freshman class.

PRESIDENT’S REPORTS AND UPDATES

President’s Report – CSU-Fort Collins

Dr. Larry Penley commented on the substantial changes made to CSI-Ft. Collins student orientation, including the Forever Green Book of CSU traditions and extensive upper class participation. Freshmen enrollment is higher, at 78%, due to Robin Brown’s efforts. Minority enrollment is at 15% as last year. The Academic Village residence hall impacted student decisions to attend CSU. He encouraged Board members to tour the facilities and attend the September campus tour. Dr. Penley met with the Athletics Department and reminded the coaching staff of the Board’s support which substantially increased their budget making them more competitive. In the Money Magazine article naming Ft. Collins the best city to live, CSU is mentioned for its world class work in realms of bacterial disease feeding a patent screen that is growing 20% per year. This is important for the super clusters and speeding the transfer of ideas from the laboratory space to the marketplace.

President’s Report – CSU-Pueblo

President Garcia acknowledged the help that CSU-Fort Collins has given to CSU-Pueblo including Dr. Paul Thayer’s presentation on improving retention. Retention at CSU-Pueblo has slightly improved. He noted staffing changes including Dr. Michael Fronmueller, Dean of the Hasan School of Business, Dr. Zav Dadabhoy, Dean of Student Life and Development, Dr. Janna McLean, Interim Dean of the College of Science and Mathematics, Dr. Roy Sonnema, Interim Dean of the College of Humanities and Social Sciences, and the new Executive Director of University Development and the CSU-Pueblo Foundation, Dena Sue Potestio. CSU-Pueblo is endeavoring to generate excitement in the community and express the schools pride at being part of Pueblo. CDHE’s Executive Director David Skaggs invited him to speak at the Commission retreat and Mr. Skaggs has been invited to visit CSU-Pueblo. As a result of Mr. Blake’s suggestion at last year’s retreat, CSU-Pueblo has adopted a four year graduation incentive contract and over 450 entering freshman which have signed this contract. Dr. Kartchner has been selected one of 125 in the nation to conduct a Spanish Best Practices Course Study.

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CONSENT AGENDA ITEMS

Mr. Grant moved to approve consent agenda items and minutes of the June 13, 2007—Real Estate Committee Meeting; June 19, 2007—Finance Committee Meeting; June 19, 2007—Audit Committee Meeting; June 20, 2007—Regular Board Meeting; and August 6, 2007—Special Real Estate Committee Meeting and Agenda Items C-2 through 7 and C-10 through 11. Mr. Cosyleon seconded the Motion which was unanimously approved. Consent Items approved were:

Colorado State University—Fort Collins

- C-2 Revisions to Sabbatical Leave for 2007-2008
- C-3 Emeritus Rank Designations
- C-4 Non-delegable Personnel Actions
- C-5 Program Review Schedule – 2008-2009
- C-6 Report on Institutional Academic Program Review
- C-7 Institutional Plan for Student Fees and Charges, Colorado State University—Pueblo
- C-10 Program Review Calendar Report, Colorado State University System
- C-11 Colorado Department of Higher Education (CDHE) Performance Contract – Grade Distributions Reports

BOARD CHAIR COMMENTS

Chair Jones reminded everyone of the retreat and dinner, September 30 and October 1, 2007, which will be an overview of the last one and one-half years, stretch goals, and vision and values. Ted Willey will join the retreat to revisit key issues and ensure the Board is on task. Chair Jones stated our mission and goals are:

1. Marketing: CSU-Pueblo, CSU-Fort Collins and the CSU System are the best kept secret in the country. The people and resources are phenomenal and their message needs to be delivered to a broader audience; and
2. Legislative: Our great legislative team is strategically planning for the legislative session. The executive committee is meeting and will present a plan to the Board. The legislature and the Governor need to know our goals, what we are asking for and need to accomplish them so we can increase the revenue and dollars available to us. This is a high priority this coming year.

COMMITTEE REPORTS

AUDIT COMMITTEE

Diane Evans stated Interim Auditor, Allison Horn, provided an overview of the Audit Department and discussed the reason for the audit. Risk assessments based on 11 factors were conducted on both campuses and follow-up assessments will be conducted every six months and reports will be provided to the Board.

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The Audit Committee requests that the audit plan be modified to include an audit of the cost share plan at CSU-Ft. Collins and a review of procedures of the CSU-Pueblo Athletics Department for FY07-08.

Mr. Haselden moved to approve the additional audits and Mr. Blake seconded the Motion which was unanimously passed

FINANCE COMMITTEE

Revenue Bonds: Action on Extension of Delegated Authority

This item was pulled. They successfully sold \$210 million bonds, saving between 1-7 basis points compared to other municipal offerings. The documents will signed and closed on September 6th and approved projects will be started.

Approval to prepare CSU-System FY09 Preliminary Budgets

A preliminary estimate of the FY 09 budget ranges from \$45 to \$47M new fund needs, including external needs and new internal initiatives.

Mr. Grant moved to ask the Board to permit preparation of documents for presentation to CDHE and Mr. Blake seconded the Motion which was unanimously approved

Approval of CSU-Ft. Collins Program Plans Colorado State University: 2nd Year PVM Student Building Cash Funds Spending Authority; Academic Village Phase 1B and Cash-Spending Authority; Lake Street Parking Garage and Cash-Spending; Industrial Sciences Building Revitalization Cash Funds Exempt Funding; Community Practice Building Cash Funds Spending Authority

The Finance Committee asked the Board to approve program plans for the 2nd Year PVM Student Building, funded with donations; the next addition to the Academic Village, Phase 1B, to be paid for by revenue from the auxiliary housing budget; the first of three retail/parking structures on Lake Street paid for by funds generated from parking revenues; the revitalization of the Industrial Sciences building which will be paid for with donations from the industry; and the Community Practice Building funded by a similar source. Board will allow preparation of documents for submission and consideration in the budget process.

Ms. Evans moved to approve this Action and Mr. Cosyleon seconded the Motion which was unanimously approved.

Approval of the FY08 Budget for CSU-Ft. Collins

The Finance Sub-committee asked the Board is asked to amend the FY 08 Budget to include tuition schedules for the Division of Continuing Education, Western Undergraduate Exchange program (WUE) tuition, and a fee of \$58 to \$65 for Course IU-193, \$100M controlled maintenance expenditures and funds to purchase a PET/CT Scanner.

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Ms. Evans moved to approve the request and Mr. Cosyleon second the Motion which was unanimously approved.

Approval of Program Plan for Occhiato University Center-CSU

The Finance Sub-committee asked the Board to approve \$23M dollars for renovation of the Center which will be funded by student approved fees.

Ms. Evans moved for approval of the request and Mr. Grant seconded the Motion which was unanimously approved.

Briefing on Benefit Changes

There was no presentation or discussion. If a Board member has questions, they are asked to call staff.

CSU-Colorado

CSU System's online education will provide high quality, outcome based education business education to non-traditional students, those who's schedules, residence and family needs preclude them from attending in a traditional campus setting. It is planned to be financially viable in 2010 and making payments on its debt by 2012. The on-line programs at the Universities of Illinois and Massachusetts have been used as planning models CSU-Colorado. The marketing, business and financial plan and goals are explained. It will serve as a social and economic catalyst, particularly in rural Colorado. It is partnered with the Colorado Community College System and will offer upper undergraduate classes and graduate programs. The partnership will not prevent the campuses from offering freshmen and sophomore on-line courses. It is a program within the CSU-System. Future education will be delivered on-line. The plan is continuously discussed with CDHE which will have oversight over the program. It is not known if legislative approval will be required. An out-reach partner to CSU-C are life long learning centers in all of Colorado to meet local community education and economic development needs with the Office of Economic Development. The market place will control tuition charged. but in discussion with CDHE to determine that.

Mr. Haselden moves to approve the CSU-Business Plan as amended to include regularly scheduled reports made to the Board. Ms. Evans seconded the Motion which was unanimously approved.

REAL ESTATE COMMITTEE

The Real Estate Subcommittee asked for approval of a Declaration transferring 255 acres to the Colorado State University Research Foundation.

Mr. Haseldent moved for approval of the land transfer and Mr. Shoemaker seconded the Motion which was unanimously approved.

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CHANCELLOR'S REPORT

At Chancellor Penley's request, Ms. Klimczak reported on collaborative communication initiatives being implemented at the System and campuses to create greater visibility for all elements of the System. The Board website has been redesigned to maximize exposure and highlight the goals, mission and successes. CSU-Pueblo's website is being redesigned to enhance recruitment and as part of a major communications initiative. Forever Green Books are comprehensive guides to student life on the Ft. Collins campus and build tradition and encourage alumni involvement. Eric Flynn has been hired as Director of Denver Initiatives to cultivate Denver alumnus. The ad in *U.S. News & World Report* shows changing your world at 21st century at an institution with a 140 year history. The role of the Board in building CSU-System as economic engine will be featured in different publications Ft. Collins and Pueblo. CSU is taking a different approach that is more inspirational and definitively informs the State of Colorado about our research and accomplishments.

INSTITUTIONAL ACTION ITEMS

Colorado State University—Pueblo

Approval of the CSU-Pueblo for Administrative/Professional Employees

Mr. Shoemaker moved to approve the Administrative/Profession Handbook and Mr. Grant seconded the Motion which was unanimously approved.

Approval to name the Center Court of the Massari Arena at CSU-Pueblo the "Harry S. Simmons Court".

Ms. Evan's moved to approve the naming and Mr. Grant seconded the Motion which was unanimously approved.

Endorsement of donors to and developers of the "Friends of Football" and naming the athletic field in honor of "Eddie and Neta De Rose"

Ms. Evans moved to approve the endorsement and Ms. Salazar seconded the Motion which was unanimously approved.

INSTITUTIONAL REPORT ITEMS

Chair Jones asked the provosts to discuss the important Annual Reports on Faculty Performance, Promotion and Post-Tenure review as clarity is needed on them. After the discussion, the Board will reconvene in Executive Session to discuss specifics.

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Colorado State University—Fort Collins - Report on Annual Faculty Performance, Promotions and Post-Tenure Review

Faculty performance, promotion and post-tenure review begins at the recruitment and hiring of qualified people. Annually, every faculty member prepares a packet of evaluation materials in a defined form that addresses their role over the past year in teaching, research and service. The Department Chair reviews the submission and provides a written and verbal evaluation to the employee. At the midpoint of the promotion and tenure process, 3 of 6 years, the review is essentially the promotion/tenure process without the external evaluation letters. Faculty members prepare cumulative evaluation of their teaching, research and service which are reviewed by the Chair and department's promotion and tenure committee. This review indicates if a faculty member is or is not on a successful track for promotion/ tenure and defines areas need improvement. Thereafter, annual evaluation processes continues to tenure year, year six. Department chairs and promotion/tenure committees review eligible individuals desiring promotion/tenure. Deans and Department Chairs provide an informal assessment of the potential candidates including problematic cases. Discussion are held with problematic cases to determine their and the institutions' best interest. The formal tenure process includes a self-evaluation of the previous six years of activities of teaching, search and service and a minimum of five external letters. There are conflict of interest standards for these letters. The department's promotion and tenure committee is the entire faculty at the appropriate rank and its recommendation is forwarded to the Department Chair for an independent evaluation which is forwarded to the Dean. Deans utilize their executive counsel, assistant and associate deans, and other department personnel in their review and an independent decision which is forward to the Provost. The Provost seeks advice from Deans, Vice- presidents and Provosts to make an independent decision. His recommendation is forwarded to the President who has the final promotion and tenure decision. Thereafter, the annual evaluation process continues. Faculty members promoted to associate professor with tenure are expected to progress and, if a demonstrated high level of excellence continues, a promotion to full professor will be considered. Whether or not a full professor promotion occurs, the Chair will conduct a detailed post tenure review, similar to the evaluation for promotion and tenure and necessary adjustment. A Phase 2 review, by a committee of mostly tenured professors in the department with an external member on that committee, may be recommended, and is automatic if, in any two years out of a five year period, a faculty member gets an unsatisfactory evaluation. Maintaining the quality of faculty and accountability to the public that supports our institution is one of our highest priorities. The new HR system will provide to track faculty members

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**Colorado State University—Pueblo - Report on Annual Faculty Performance,
Promotions and Post Tenure Review**

CSU-Pueblo employees the same process as the Ft. Collins campus. As a smaller institution, faculty members are known individually and there is sense of how people are progressing towards tenure. Issues are quickly addressed. Outside letters are not universally required although some departments require them. We judge our faculty primarily as teachers and they don't tend to develop an out of state reputation as those in Fort Collins.

EXECUTIVE SESSION

Mr. Grant moved to go to executive session and Mr. Blake seconded the Motion. The motion was unanimously approved at 11:45 a.m.

COLORADO STATE UNIVERSITY--PUEBLO

CSU-Pueblo Foundation Report

The foundation is a 501(c) (3) non-profit established in 1954. The November, 2006, Memorandum of Understanding explicitly defines the structure of the Board, University and Foundation relationship and policies and procedures define the use of discretionary funds, the flow of funds between the two entities, how funds may be used at the university, and funding of scholarships. The Operational Agreement further defines the roles and us an understanding of Agreement similar to that used with the CSU-Ft. Collins Foundation. It is the University's fundraiser as there is no development entity. There are 21 voting members, two non-voting ex officio members, the President and the Board representative, currently Diane Evans, on the Foundation Board. The foundation is an entity separate from and not connected with the institution and its staff manages & raises funds, have their own benefits, etc. A review of the Foundations organizational structure and the alumni office are in process and will demonstrate what, if any, changes are needed, including Board involvement. The Operational Agreement may be changed to redefine responsibilities. A friend for Football is 501(c) (3) organization separate from the Foundation and it keeps the money it raises.

Academic Accountability Student Assessment

The assessment is based on the National Survey of Student Engagement (NSSE). Students were polled in 2005, will next be polled in 2008 and, subsequently, in alternating years. Beginning next year, The Cooperative Institutional Research Program Survey and the Counsel for Advancement of Past Standards will also be used.

First Year Program Update Report

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Derrick Lopez, an alumnus, has been hired as Director of this program. The staffs of eight fulltime, first year advisors interact with only freshman students and have contacted every applicant encouraging them to enroll and helping to enroll. A dozen more students are enrolled than a year ago. This program will impact retention efforts. We are using graduation incentive contracts and have developed learning communities to help students adapt to college life. First time, full time freshman retention is up 63%, increased from a year ago. Our five year goal is 65%.

Report and Discussion on Plans for New Student Housing

One of CSU-Pueblo's stretch goals is to add 400 new beds over the next 10 years. In 2006, the Future Housing Committee, chaired by the Vice-President of Finance and Administration was formed and was charged with the immediate problems of increasing occupancy and identifying and devising a long term strategy in an improved and increased housing. Another consultant audited Belmont Residence Hall and it has been determined to renovate that facility. Scion Group, LLC, an expert in higher education housing did a needs assessment, a market analysis of Pueblo and our competitors. A four component plan evolved including:

- 1) New construction of a 500 bed residence hall primarily for freshman;
- 2) Relocate students in BRH into new facility once built and renovate BRH and determine its use;
- 3) University Village at Walking Stick Apartments are owned and operated/managed on a lease arrangement with the University managing student programs, student life programs and campus student disciplinary actions;
- 4) Partnering with other developers to build multi-purpose retail or housing on the edge of campus.

Current students, staff and faculty and students we attempt to recruit feel the campus is to isolated, there is no entertainment, and there are no convenient offerings nearby, The most immediate need is new construction at BRH. Debt and public/private financing are a construction funding options and there needs to be a funding mechanism for both new construction and the renovation of BRH. Financial modeling is being done for the staging of new construction of various sizes. Preliminarily, there is a question of whether we can afford a debt issuance to support both new construction and renovation of BRH and whether or not we have revenue capacity, not necessary debt capacity. A private partnership, negotiated business arrangement is another option and we will issue Requests for Proposal and evaluate the responses and, intend to report to the Board in November. Financial advisors with national experience can provide a side by side comparison for the Board, the pros and cons of public/private, and our return versus the pros and cons of building it ourselves. When all of the components are in available, a recommendation will be made to the Board. It is suggested a real estate office may provide valuable, needed assistance. Submission of a report to the Real Estate Subcommittee is requested.

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM**

**MINUTES OF THE REGULAR BOARD MEETING
AUGUST 24, 2007**

OTHER BUSINESS

Mr. Grant remarked on the critical relationship between the administration and the foundation.

ADJOURNMENT

The meeting adjourned at 12:35 p.m.

Respectfully submitted,

Doug Jones
Chairman, Board of Governors

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM**

**MINUTES OF THE REAL ESTATE SUB-COMMITTEE MEETING
August 9, 2007**

CALL TO ORDER

Mr. Haselden call the Real Estate Sub-committee to order at 9:00 a.m.

ATTENDANCE

Board Members attending were: Joe Blake, B.A. Cosyleon, Doug Jones, Ed Haselden and Jeff Shoemaker. Others attending were Kathleen Henry, Victor Holtorf, Doriane Howard, Loretta Martinez, Chancellor Larry Penley, Frank Pierz and Judith Schmidt

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes of the June 13, 2007, and August 6, 2007, Real Estate Committee meeting. The motion passed.

EXECUTIVE SESSION

A motion was made to adjourn into Executive Session to discuss the following topic: the purchase or sale of property for public purpose or sale of property at competitive bidding if premature disclosure of such transaction would give a competitive advantage to the other party, confidential pursuant to C.R.S. 24-6-402 (3) (a) (I) (2006). The Executive Session met from 9:05 to 10:05 a.m. at which time the committee reconvened in open session.

MEETING RECONVENED

Mr. Jones moved to approve the transfer of land at I-25 and Prospect to the Colorado State University Research Fund. Mr. Shoemaker second the Motion which was unanimously approved.

OTHER BUSINESS

U.S. Forest Service Lease

The US Forest Service has been using a piece of property without a formal lease. They have requested a lease be executed and that is being done.

Walking Stick Update

Processes and due diligence with Encore are continuing to cumulate in a closing in December. Encore will be making another earnest money payment of \$100,000 in September.

ILEX PROPERTY

During the protracted negotiations, the value of the land increased. Consequently, the CSURF Board terminated negotiations.

EXECUTIVE SESSION

MEETING RECONVENED

Minutes of the Real Estate Committee – Board of Governors
of August 6, 2007

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM**

MINUTES OF THE REAL ESTATE SUB-COMMITTEE MEETING

August 9, 2007

The Real Sub-committee wants to be a part part in the plans for privatization of development of housing on the CSU-Pueblo campus.

ADJOURN

The meeting adjourned at 2:00 p.m.

Respectfully submitted,

Ed Haselden
Chair, Real Estate Committee