

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

**MINUTES OF THE FINANCE COMMITTEE MEETING
FEBRUARY 5, 2008**

CALL TO ORDER

Committee Chair Joe Blake called the meeting order at 3:10 p.m. Committee member attending was Bonifacio Cosyleon and Board members attending were Doug Jones, Board Chair; Diane Evans; Pat Grant, Marguerite Salazar; and Katie Gleeson. Board member appointee Thomas Farley attended and staff attending were Chancellor Penley, Loretta Martinez, Joanne Ballard, Rich Schweigert.

Mr. Haselden advised the committee on emerging issues regarding the new student housing facility in Pueblo that were raised in the Real Estate Committee meeting. The original plan was to outsource this project to a third-party developer as an off-balance-sheet transaction so that CSU-Pueblo's bond capacity would not be encumbered and it would not carry the risk of guaranteeing the facility performance. The probable developer, Allen and O'Hara, is proposing a master lease agreement through a third-party 501(c)(3). The master lease will require the University to guarantee an annual rent payment which will make CSU-Pueblo responsible not only for the debt but will also encumber the balance sheet. This is significantly different than initially planned. It was agreed that this matter should be presented to the Board at the next general meeting.

Mr. Schweigert said that in the past, institutions had used an "off-balance" structure. GASBY and credit rating agencies have defined and have clarified what constitutes and "off-balance" transaction. As a result, transactions are brought back to "on-balance" impacting the institutions financial condition. It will be recorded as a long term capitol lease on the System Balance Sheet. The ultimate impact of the change would be re-prioritization of capital projects and/or reduced bonding capacity and those will be mitigated by additional revenues, such as increased tuition. Of greatest importance is the need for additional housing CSU-Pueblo's to encourage and facilitate increased enrollment.

The committee members agreed this matter should be discussed at the regular Board meeting on February 6, 2008, to discuss the impact on the System's bonding capacity.

Quarterly Financial review

Mr. Schweigert said revenues were being generated and administrative cost recovery had increased. Grant and contract revenue has been less than anticipated which is normal for this time of year due to payment timing issues with the federal government; \$418M had been budgeted and \$415M has been received. Every department is under-expending but there may be adjustments in the 3rd Quarter reports. Pending legislation permitting the Board to invest its money would increase the long-term return on investments could increase the return on investment \$5-6M per year. He reported that the name of CSU-Colorado had been changed to CSU-Global Campus (CSU-GC) pursuant to the results of their market research and noted that CSU-GC expenditures will be dramatically

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increasing and a full report will be presented at the General Board Meeting on February 6, 2008.

Budget Update

Mr. Schwiegert stated the Board had adopted a budget of approximately \$47M. The State Department of Higher Education has suggested an increase in the current base funding for institution of 7.7 percent, which would be a \$10.4 M increase in general, fund support for CSUS or 21 percent of the available money. CSUS is working with the JBC, Governor and Legislature for an additional \$37M in spending authority. The Capital Development Committee (CDC) requested \$19.2M for the Diagnostic Medicine Center for the College of Vet Med and Biomedical Science, which the Governor's budget office reduced to \$15M in their recommendation. CDC opposes this reduction and Mr. Schwiegert is hopeful that the \$19.2M will be funded as well as funding for Clark and CSU-Pueblo's library. Pending legislation regarding tuition increase will have an impact and students are concerned about tuition increases. Mr. Schwiegert said the costs of salaries, utilities, financial aid and insurance for all State institutions is \$91M and the State is proposing \$48M for higher education. Ms .Ballard said the original funding for the CSU-Pueblo library, a \$24M project, was a two-phase request. CDHE modified the request to funding only professional services or \$2.9M.

Graduate School Health Plan

Mr. Schweigert reported that access to affordable medical insurance for graduate and research students aids recruitment encouraging graduate students to attend CSU-Ft. Collins. The health plan statutorily implements CSU-Ft. Collins supported 2007 legislation in the Colorado General Assembly. It is intended for use by students that have no other access to medical insurance and will be offered to enrolling students. The estimated first year cost is \$110,000 with a maximum cost of \$900,000 in four years. Only new, enrolling student are eligible and current students will not be grandfathered-in. It is an optional, not mandated, benefit and is not offered at CSU-Pueblo. Students not choosing the plan will have to demonstrate that they have insurance from another source.

Mr. Grant moved to present a request for Authorization for Approval of a Mandatory Health Insurance Converge Policy for Graduate Students at CSU-Ft. Collins for FY090 to the Board and Mr. Cosyleon seconded the Motion which Committee members unanimously approved.

System Office Resolution

Mr. Schwiegert proposed a resolution to cap the system office growth at 1.2 percent of the education and general expense budgets of the campuses. The System's current budget is at this funding level. It will assure campuses they will not have to budget more than that amount. The intent of this resolution is for planning purposes and budgetary control.

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Mr. Cosyleon moved to present a request for approval that Budget Growth for the Colorado State University System will limited to 1.2% of the current year estimated Educational and General Operating expenditures at Colorado State University and Colorado State University – Pueblo and Mr. Grant seconded the Motion, which the committee unanimously approved.

The meeting was adjourned at 4:30 p.m.

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**MINUTES OF THE AUDIT COMMITTEE MEETING
FEBRUARY 5, 2008**

CALL TO ORDER

Committee Chair Evans called the meeting to order at 4:25 p.m. Board Members attending were Committee Chair Diane Evans and committee members Bonifacio Cosyleon and Pat Grant; Doug Jones, Board Chair; Marguerite Salazar; Katie Gleeson; and Board member nominee Thomas Farley. Staff members attending were Allison Horn, Director of Internal Auditing; Laurence Pendleton and Joanne Ballard.

Status of FY 08 Audit Plan and Comments on Recently Completed Audits

Ms. Horn reported that the two traditional internal audits went very well and the CSU-Pueblo housing audit was beneficial. The NCAA agreed-upon procedures reviews went well and that the retired auditor who completed the audit review in Ft. Collins will not be available for future audits.

NCAA Agreed Upon Procedures (Annual Review)-CSU

Ms. Horn discussed the two distinct requirements of the NCAA with respect to CSU-Ft. Collins Division 1 Athletics. The first requirement is agreed-upon procedures and the second requirement, as stated in the by-laws, is that at least once every four years the institutions' rule compliance program is evaluated by an authority outside the athletics department. An institution will be out of NCAA compliance if it fails to complete this audit. In the past at CSU-Ft. Collins, one person has done both the financial audit and internal control review audit. The internal control review audit consumes considerable time -600 hours – and requires a CPA with audit experience. Only the financial audit was done this year and, therefore, they are essentially four-years behind on the four-year rotating schedule. The major areas of internal control review audits are financial aid, recruiting and sports camps with some minor audit areas such as team travel and extra benefits. Ms. Horn recommended hiring and independent contractor to do the audit at an approximate cost \$25,000 to \$30,000. There was discussion concerning risk factors, the largest issues and pitfalls, and a comparison between Divisions 1 and 2. Because of high visibility and public perception, athletics is high on the risk assessment.

Ms. Salazar moved that the Committee recommend to the Board that it request competitive bids from three, qualified, independent auditors for the purpose of completing the annual Agreed upon Procedures Audit required by the NCAA for CSU-Ft. Collins. Mr. Grant seconded the Motion which the Committee unanimously approved.

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Mr. Grant asked about reviews of extension offices, formerly called educational reviews. Ms. Horn said that any CSU entity can request and audit. It was not known if there are obligations or policies that departments share audit findings with the audit committee, although past practice has been to share these findings. Ms. Horn spoke about the implementation of internal controls and reported on a recent seminar attended by about 30 individuals.

Status of FY 08 Audit Plan and comments on recently completed audits

Areas of high publicity and high risk guide the schedule of which and how recommendations are implemented. Implementation has been impacted by high personnel turnover in past years. In the near future, CSU-Ft. Collins will be using a new data mining tool that will enable them to test transactions much more easily than in the past. Ms. Evans asked the audit committee to consider how to make audit reports a useful tool.

Update on Risk Assessment

Prioritization of audits on the annual plan

Ms. Evans asked that the committee review and understand how audits are identified and prioritized in terms of risk. Ms. Horn said she would be prepared to have that discussion at the next meeting.

FY 09 planning

Ms. Horn distributed a list of current audits noting that 2 audits were over budget on hours worked as the assigned auditor was newly employed and performed unnecessary tasks at the request of the audited entity. This problem has been corrected. Ms. Horn reported that six audits at CSU-Ft. Collins would not be completed but that 3 of them would be begun and 3 carried to the next fiscal year schedule.

The meeting was adjourned at 5:00 p.m.

**BOARD OF GOVERNORS OF THE
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**MINUTES OF THE REAL ESTATE COMMITTEE MEETING
FEBRUARY 5, 2008**

CALL TO ORDER

The meeting was called to order at 1:05 p.m. Board Members attending were Committee Chair Ed Haselden and members Joe Blake and Bonifacio Cosyleon; Doug Jones, Board Chair, Diane Evans, Marguerite Salazar, and Katie Gleeson. Board member appointee Thomas Farley attended and staff in attendance were Chancellor Penley, Loretta Martinez, Judith Schmidt, Kathleen Henry and Victor Holtorf.

Mr. Jones moved to adjourn into Executive Session and Ms Salazar seconded the Motion which was unanimously approved.

The committee meeting reconvened into regular session at 3:00 p.m.

Mr. Jones moved to present a request for Authorization for the Colorado State University Research Foundation to Transfer Approximately 30 Acres of real property located at I-25 and Prospect to AVA Real Estate LLC to the Board and Mr. Cosyleon seconded the Motion, which Committee members unanimously approved.

Mr. Jones moved to present a request to authorize CSU-Pueblo to sell approximately 18.5 acres of the real property known as the Walkingstick Development in Pueblo, Colorado, to the Board and Mr. Blake seconded the Motion which Committee members unanimously approved.

An additional matter will be discussed at the Finance Committee meeting before being recommended to the Board for action.

The meeting adjourned at 3:05 p.m.

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**MINUTES OF THE REGULAR BOARD MEETING
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CALL TO ORDER

Chairman Jones called the meeting to order at 8:04 a.m.

ATTENDANCE:

Board Members attending were Doug Jones, Chair; Joe Blake, Vice-Chair; Bonifacio Cosyleon; Diane Evans, Treasurer; Pat Grant; Ed Haselden, Secretary; Pat McConathy; Marguerite Salazar; Eric Contreras; Dr. Tim Gallagher; Katie Gleeson; and Dr. Eric Kartchner. Board member Don Hamstra was excused. Thomas "Tom" Farley, appointee to the Board of Governors, also attended. Staff attending were Chancellor Larry Penley, Allison Horn, Karen Klimczak, Dr. Alan Lamborn, Loretta Martinez, Frank T. Pierz and Rich Schweigert. Also attending were Joyce Berry; Dr. Peter Dorthout; Dr. Russ Meyer; Dr. Tony Frank; President Joe Garcia; Blanche Hughes, Vice-President of Student Affairs; Joanne Ballard; Victor Holtorf; Amy Parsons; Brad Bohlander; Dr. Tom Gorrell, Vice-Provost, CSU-Ft. Collins; Paul Kowalczyk, CSU-Ft. Collins Athletic Director; Joe Folda, CSU-Pueblo Athletic Director; Judy Schmidt; Andy White, and Kathleen Henry.

OPENING STATEMENTS:

Chairman Jones said Board member Pat McConathy, appointed by the Board to fulfill the unexpired term of Joe Shoemaker, and had been appointed to the Board by Governor Ritter. He introduced Governor Ritter's additional appointment to the Board, Thomas "Tom Farley" and noted that he could not participate on the Board until his confirmation. Senate Education Committee confirmation hearings are scheduled for February 21, 2008.

Ms. Evans moved to go into Executive Session and Mr. Blake seconded the Motion which was unanimously approved. The meeting into entered Executive Session at 8:06 a.m.

The Meeting reconvened in regular session at 10:24a.m.

PUBLIC COMMENTS:

Chair Jones welcomed CSU-Ft. Collins Football Coach, Steve Fairchild. Coach Fairchild said he was excited to back at CSU-Ft. Collins. He is impressed with the coaching staff and the direction and goals of the department. Coach Fairchild said that CSU-Ft. Collins football program will be as good as we want it to be and the standards set for the program. He is excited by the stretch goals. Chair Jones said the stretch goals are about excellence and the Board wants to collaborate with the football program, as it is an excellent marketing tool for the school and augments the institutions academic and research excellence. CSU is the best kept secret in America.

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STUDENT & FACULTY REPORTS

Student Representative - Colorado State University-Ft. Collins

Ms. Gleeson said that the Associated Students of Colorado State University (ASCSU) had hired a lobbying group and is tracking a number of different bills, including SB08-073, regarding textbook costs, and they may take a stand on HB08-1002, the Investment Authority for Higher Education. Particularly, they are looking the costs of textbooks and if textbook components are bundled together or offered separately. Monday, February 11, 2008, is ASCU Day at the Capitol and they will be honored by the Governor, meet with Ft. Collins Legislators, Representative Bernie Buescher and others. The Joint Budget Committee has asked ASCU to present its views on tuition and she is pleased with the budget process at CSU-Ft. Collins. Other issues of interest to the ASCSU and students regard *The Rocky Mountain Collegian*; Vote CSU, student voter education; the Campus Step Up Retreat, a 3-day retreat on social justice; recent Martin Luther King Day events; and excitement generated by the hiring of Coach Fairchild and the new direction of the football program. The Student Fee Review Board recently heard a presentation regarding expansion and renovation of the recreation center. ASCSU has not meet with CSUS lobbying team but Ms. Gleeson has spoken with Andy White. ASCSU is encouraged to work with the CSUS lobbyist in joint effort that benefits the System. Student government does not pay for legal services.

Student Representative – Colorado State University-Pueblo

Ms. Contreras reported that the Office of Student Activities is under new direction of interim director, Nicky Damania, and he has many exciting things planned for this semester. He organized a welcome back week and a wilderness life hunt that helps students understand student life and the organizations involved with student life. Tours have been given every Friday to over a hundred potential football players. The book swap last semester was successful and has continued through the campus newspaper.

Faculty Representative – Colorado State University-Ft. Collins

Dr. Gallagher stated that his written report is an elaboration on Faculty Council activities and items voted on just prior to the December meeting. That extra detail should answer many of the questions posed on these activities.

Faculty Representative – Colorado State University-Pueblo

Dr. Kartchner reported that discussions about the faculty discipline policy have dominated their Senate meetings for the last two months and there should have a permanent policy soon.

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PRESIDENTS' REPORTS

President's Report – Colorado State University-Ft. Collins

Dr. Penley recognized the College of Business as being number one in the State of Colorado in terms of percentage of first time students who passed all four parts of the CPA exam, placing CSU-Ft. Collins seventeenth in the Country. CSU received 5 of the 800 Fulbright Awards granted nationally this year. Only six institutions in the U.S. received more this year, and CSU outpaced all other schools in Colorado. Colleen Myer was named Executive Director of the CSU-Ft. Collins Alumni Association, which is an important marketing tool. He thanked Board members, students and faculty for their enormous participation in the National Western Stock Show this year. CSU Day at the Stock Show was a tremendous success and former Board Chair, Pat Grant was recognized for his contribution to CSU. The Department of Animal Sciences presented Tom Bradbury with the Livestock Leader Award for his contribution to CSU. On January 22nd, he, Katie Gleeson and others, at the request of Christine Chen of Gannett, publisher of *The Coloradoan*, met regarding a possible relationship with *The Rocky Mountain Collegian*. No offer has been made but he assumes one maybe forthcoming. Dr. Penley stated principles that must be met for a relationship to occur and they are: 1.) it builds student citizenship; 2.) a good experience is provided for student journalist; 3.) career opportunities would be provided; and 4.) journalism faculty must be involved. Dr. Penley said the Board would make the ultimate decision on any relationships. Dr. Hughes is organizing a committee to discuss issues and principles relative to any prospective relationships with the Collegian and the committee will make recommendations.

President's Report – Colorado State University-Pueblo

President Garcia distributed a packet of recent media coverage on CSU-Pueblo. The campus looks like a big construction zone and considerable progress is being made on the facilities under construction. The HPER Building grand opening is scheduled for February 22 and classes are already being held there. The recreation center should be completed by late summer and the football stadium is moving quickly. The graduation speaker will be White House Press Secretary, Dana Perino, a CSU-Pueblo graduate.

CONSENT AGENDA

Mr. McConathy moved to approve all of the Consent Agenda Items and Mr. Grant seconded the motion, which unanimously approved the following:

- Minutes – December 4, 2007 Audit Committee meeting
- Minutes – December 4, 2007 Finance Committee meeting
- Minutes – December 4, 2007 Real Estate Committee meeting
- Minutes – December 5, 2007 Board of Governors meeting
- CSU-Ft. Collins Revisions to Sabbatical Leave for 2006–2007 and 2007-2008
- CSU-Ft. Collins Emeritus Rank Designations
- CSU-Ft. Collins Stretch Goals Tracking Chart
- CSU-Ft. Collins Non-delegable personnel actions
- CSU-Pueblo Revised Sabbatical Leave Recommendations
- CSU-Pueblo Institutional Plan for Student Fees & Charges

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CSU-Pueblo Degree Candidates
CSU-Pueblo Stretch Goals Tracking Chart

COMMITTEE REPORTS

Audit Committee

Ms. Evans said they had one item for consideration.

CSU: Contract for Audit Services for the Annual Financial Audit Required by the NCAAA

Ms. Evans stated the Audit Committee recommended this item to the Board for action and the authority to employ an independent auditor or firm pursuant to competitive bids for the purpose of conducting an audit pursuant to NCAA agreed upon procedures.

Mr. McConathy moved to approve the Audit Committee's recommendation and Mr. Blake seconded the Motion.

Finance Committee Report

Committee Chair Blake reported the Committee moved two Actions Items for consideration and adoption by the Board.

Approval of a Mandatory Health Insurance Coverage Policy for Graduate Students at Colorado State University Fort Collins for FY09

Committee members moved this item that emanates from legislation passed in the 2007 Session providing health insurance to graduate students. This year, it will apply to first year students and will progressively include all graduate students. Anticipated cost this year is \$110,000 with an anticipated cumulative cost of \$900,000 when all students are enrolled. Dependents of graduate students can be covered at reasonable costs.

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

Control budget growth for the Colorado State University System by limiting annual System budgets to 1.2% of the current estimated Educational and General Operating expenditures at the Colorado State University and Colorado State University Pueblo.

Committee members moved this Action Item that will limit the System Office budget to 1.2 % of campus General Operating Funds to demonstrate that System office operates in a financially efficient and responsible manner. It is a proactive measure that will diffuse any perceptions that the System is using funds to the detriment of either campus. The board will be apprised if any future adjustments become necessary.

Mr. Blake moved to approve the Action Item and Mr. McConathy seconded the motion which was unanimously approved.

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Real Estate Committee Report

Mr. Haselden said the Real Estate Committee had three items for Action.

CSU-Pueblo: Authorization to Sell approximately 18.5 Acres of Real Property known as the Walkingstick Development in Pueblo, Colorado

This matter supports CSU-Pueblo's policy to divest itself of this property and has been negotiated for the past year.

Mr. Cosyleon moved to approve this Action Item and Mr. Grant seconded the Motion, which was unanimously approved.

CSU-Pueblo: New Student Housing Facility Ground Lease and Operating Agreements

There is an immediate need for additional, on-site student housing at CSU-Pueblo to ensure increased enrollment. The project has gone through an extensive RFQ and RFP process. This is a privatized effort out of the purview of the normal state process in order to expedite the process and to position the University to negotiate favorable terms for the development of the project. This action would authorize President Garcia to negotiate terms and conditions of and execute a lease and operating agreement with Allen and O'Hara Development Company to design, build, and operate Student Housing Facility.

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

CSU: Authorization for the Colorado State University Research Foundation to Transfer Approximately 30 Acres of Real Property Located at I-25 and Prospect to AVA Real Estate, LLC

This item would sell a portion of the 157 acres to AVA to build a facility to manufacture solar panels. CSU has a holding in this company and the principals are CSU researchers. AVA would be the anchor tenant in a development park that CSU is developing with great anticipation.

Mr. Haselden moved to approve Action Item and Mr. Blake seconded the Motion, which was unanimously approved.

Executive Session Report

CSU Personnel: Multi-Year Employment Contract for Tim Miles, Head Men's Basketball Coach

Ms. Martinez stated that this would authorize one of six multi-year contracts the Board is authorized to execute to meet market conditions.

Mr. Coseyleon moved to approve multi-year contract for Coach Tim Miles and Ms. Salazar seconded the motion, which was unanimously approved.

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CSU Personnel: Multi-Year Employment Contract for Steve Fairchild, Head Football Coach

Ms. Martinez reported that the Board was authorized to execute this multi-year contract as one six multi year contracts the Board can enter to meet market conditions.

Mr. Blake moved to approve both contracts and Mr. Haselden seconded the Motion which was unanimously approved.

CSU: Approval of the Acceptance of Gifts and Naming Opportunity

CSU: Approval of the Acceptance of Gifts and Naming Opportunity

Ms. Evans moved to approve both acceptance of gift and naming opportunities and Mr. Grant seconded the Motion, which was unanimously approved.

Engagement of the law firm of Rothgerber, Johnson and Lyons, LLP

Mr. Jones stated that employment of the law firm would assure effective management of the CSUS operations through independent analysis and recommendations related to organization structure and efficiency.

Mr. Blake moved and Mr. Haselden seconded to approve the Action Item hiring the Rothgerber, Johnson and Lyons, LLP, which was unanimously approved.

Ft. Collins

Degree Program Name Change: B.A. Degree Program in the Department of Speech Communication - College of Liberal Arts

Dr. Tom Gorrell said this would change the name to “Communication Studies” The word “speech” does not adequately describe the components of the degree and the word “speech” needs to be removed from the degree title. The National Association changed its name to reflect the communication component and most communication departments have made the change. It has been approved by all campus departments.

Ms. Salazar moved and Mr. McConathy seconded the motion to approve the name from change of a major in Speech Communication to Communication Studies effective Fall Semester, 2008, which was unanimously approved.

Pueblo

Interim Procedures for Due Process in Faculty Discipline

Dr. Meyer said the Board requested both campuses have a policy addressing faculty discipline. CSU-Pueblo has no policy and, short of dismissal, to address demonstrated irresponsible or professional misconduct short of dismissal. In the past, these issues have been addressed in an ad hoc manner. The Action Item presented reflects research into policies at other schools and is an interim policy until the Faculty Council approves a final policy and that is expected to occur later this Spring.

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Mr. Grant moved and Mr. Cosyleon seconded a Motion to approve the Interim Procedures for Due Process in Faculty Discipline, which was unanimously approved.

BOARD REPORTS

Chair Jones called attention to upcoming events on both campuses and the National Board of Trustees Annual meeting in Boston.

Creation of a Vice Chancellor Position

Chair Jones said that, due to the growth of the System, it has become necessary to have a System Vice Chancellor and a job description has been developed. Dr. Penley said he would appoint a search committee to conduct a national search to fill this position as rapidly as possible.

Report on Strategic Initiatives and the State Constitution

Ms. Salazar and Board Member Blake were members of the University of Denver 2007 Colorado Constitution Panel that studied the Colorado State Constitution for eight weeks. The Panel addressed conflicts within the State Constitution, primarily the financial aspects. The Panel determined there were three main issues: (1) internal conflicts in the Constitution; (2) unintended consequences; and (3) the level of detail in the Constitution that makes it untenable. As a complete revision of the Constitution is not probable, the Panel recommended forming a thirty-three-member commission to be appointed by the Governor, Supreme Court, Speaker of the House and President of Senate that would meet every 10 years to review the Constitution and offer recommendations for revisions.

CHANCELLOR'S REPORT

Update Report

Chancellor Penley reported on his annual visit to Capitol Hill regarding federal issues and said that the Colorado delegation is extraordinarily interested in and supportive of CSU-Ft. Collins and CSU-Pueblo. He attended the State of the Union Speech. He said President Bush's statements concerning earmarks in future spending (directed expenditures) has a direct impact on the CSU System. In the past four budgetary periods, the intuitions received \$22M in directed expenditures, a 52 percent increase over the previous four-year period. In the FY08 budget, CSU will receive directed funding of \$7.7M to help purchase the PET/CT Scanner; of \$2M for the Center for Geo Sciences; for the study of the Russian wheat aphid; for sustainable bio-fuels; for a program to improve the economic capacity of the cattle industry; for beef genetic studies; for the study of forest issues in Colorado; and for the study of radiation relative to soils and crops. Chancellor Penley visited the *Chronicle of Higher Education* and *Inside Higher Education* and provided background for several articles on the CSU System and CSU-Ft. Collins' enterprise and market-based solutions.

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The CSU System will sponsor the next and last Allard Capitol Conference on June 11 – 13, 2008 in Washington. Dr. Penley will be the keynote speaker at Sun Microsystems International Conference and will speak about green issues CSU-System efforts in with environmental sustainability and clean energy and environmentally related IT issues. He will also be speaking at the Universidad Autonoma de Yucatán with which CSU Ft. Collins has a close relationship on infectious diseases.

Legislative Report

Chancellor Penley said the Joint Legislative reception with the University of Colorado and the University of Northern Colorado will be on March 5, 2008, at the University Club and Board members are invited and encouraged to attend. He said the internal legislative processes are working well and there has been success on our legislative Agenda. The Treasury and Colorado Water Resources Research Institute legislation are progressing and Mr. Schweigert is working with the Joint Budget and Capital Development Committees. Mr. White provides resources and assists with lobbying assignments.

CSU-Ft. Collins: Report on Athletic Program's stretch goal on success

Athletic Director Kowalczyk said they will not reach any of their stretch goals this year and that their goal for next year is to improve as a program. The Volleyball team won the conference championship and was in the NCAA playoffs. Women's Cross Country team won the championship and placed 15th in the Nation. Academically, CSU-Ft. Collins athletes rank 67 in academic performance, which is at the top of the conference, but improvement is needed.

He said the football program is expensive, the athletic department is not in a position to generate income, and tickets sales are expected to be flat. The costs of scholarships are increasing and more money is needed for recruiting, travel and equipment. Their fundraising section has been reorganized and is building a base. Sponsorships generate income but their distributions are incremental. A marketing plan is being developed and Coach Fairchild will bring new direction and vision to the football program. It is important to continue CSU/CU game in Denver to connect with alumni.

They are working with the Office of General Counsel on the State's plan to tax autos every time the plates are changed on courtesy cars received from dealers and to be able to test for drugs, which is a health, safety and welfare issue. The NCAA is preparing a settlement in White vs. NCAA that may have cost implications and CSU-Ft. Collins may need to add another sport to meet Title IX requirements. Mr. Kowalczyk thanked the Board for its continued financial support.

Chair Jones urged the department to raise matching funds through fundraising and alumni support to augment the Board's contribution. Mr. Kowalczyk noted that, historically, CSU-Fort Collins alumni has not contributed. Mr. Kowalczyk was asked to provide the Board with fundraising goals for next year.

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CSU-Pueblo: Report on Athletic Program's stretch goal regarding RMAC Rankings

Athletic Director Joe Folda said CSU-Pueblo wants to compete at the highest levels possible and that will require them to raise their goals. Great staff has been hired for three new programs and six football coaches were hired during the year. Coaches have been recruiting everywhere and there are 250 reservations for the football signing lunch on February 7th. Wrestling and track have generated tremendous excitement and recruitment goals outlined in their business plan will be met. He described the progress of the new facilities construction and said they will allow coaches to recruit a higher caliber of athlete.

Mr. Folda referred to their stretch goals and said they would like to get to and stay at 5 percent above the NCAA Division 2 National average for graduation rates and with a retention rate that is 20 percent above the University's retention rate. They want to place first in the RMAC All-Sports Competition Cup and to be in the top five in the US Director's Cup. To achieve these expected, viable and attainable goals, they will need to increase scholarship funding with an ultimate goal of being fully funded at the NCAA Division 2 level in all sports offered. They will need to improve overall fundraising and generate more revenue through gate and concessions.

Mr. Folda feels strongly that it is "their time" at CSU-Pueblo with the leadership of President Garcia, the new projects, facility improvements and the interest in the University, which is at an all-time high. Mr. Folda was commended on his enthusiasm and passion and for putting these measurable goals on paper.

Marketing Initiatives Update

Ms. Klimczak said the media campaign will extend through summer to be in the market place during the Democratic National Convention. Our message will be disseminated through Northern Colorado. Their presence at DIA is very good and the placements in the Business Journal, Time and Newsweek have been positive. CSU-Pueblo is working on its recruiting and admissions website and two design options are being tested right and launch is scheduled for April. Feedback on the wind turbine ad has been very good. The Wind Farm advertisement has received good comments and enforces CSU's environmental position.

CSU-Global Campus update

Ms. Klimczak that the CSU-Colorado name was changed to CSU-Global campus based on focus group research of target markets. The name will provide flexibility for regional and national access. We have trademark registered this name.

Mr. Schweigert said \$478K has been spent and, with the addition of IT resources and other high cost components, CSU-GC will spend the budgeted \$4.5M for the first year. Three nationally and internationally renowned IT vendors have been hired to manage student, educational and financial IT systems. We will use their best practices rather than preparing all new processes.

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

**MINUTES OF THE REGULAR BOARD MEETING
FEBRUARY 6, 2008**

The Human Resources Director is facilitating hiring, there are three finalists for the CEO position, and the hiring process is moving rapidly. CCHE has given initial approval of degrees to be offered. The Office of General Counsel and an outside law firm are researching the ramifications the viability of CSU-GC being a statutorily authorized non-profit wholly owned subsidiary of the Board and anticipates bringing recommendations on the matter to the Board for direction. They may need legislative clarification regarding the non-profit component. Both the soft and full launches are on schedule, they will remain within their budget and, hopefully, the new CEO will be hired by mid-March or early April. Federal Financial Aid cannot be offered until CSU-GC is accredited and it will take three to six months after accreditation before financial aid will be offered. In the interim, they may offer scholarships. Marketing efforts are moving forward on marketing. The new CEO may wish to revisit and modify the Business Plan. We will not house the IT components.

Dr. Swanson reported that they have begun the application process for accreditation with the Higher Learning Commission with the assistance of an accreditation team and a consultant familiar with on-line universities. There are negotiations with CSU-Ft. Collins and with CSU-Pueblo on courses and course conversions and MOU's should be signed within a week.

Proposed members of the Academic Council are Dr. Lamborn, Chief Academic Officer for the CSU System; Peter Dorhout, Provost and Academic Vice-President; Tom Gorrell, Vice Provost for Faculty Affairs; Tim Davis, Executive Director of the School of Education in Ft. Collins; Roy Sonnema, Interim Dean at CSU Pueblo along with Dr. Russ Meyer; and an unnamed Community College will constitute the Academic Council and Dr. Swanson, Dr. Simpson, Dr. Kraiger and Dr. Bob Jones will be ex officio members. The Council is a vital in the accreditation process as it will be assess the CSU-GC curriculum. A faculty manual is being prepared.

Chancellor Penley will ask Board members to interview the CEO candidates.