

Stretch Goal: Expand Fundraising and Marketing  
Strategic Initiative: #31 Yearly Giving

MATTERS FOR ACTION:

CSU: Approval of Naming Opportunity

RECOMMENDED ACTION:

MOVED, that the Board of Governors approve the naming opportunity for the Glenn Morris Field House in honor of CSU alumnus and Olympic gold medal winner Glenn Morris.


EXPLANATION:

Presented by Tony Frank, President.

The University allows the naming of specified facilities under its policy outlining the specific qualifications and procedures. The procedures require approval by the President of the University. Once the naming opportunity has been endorsed by the President, the President submits it to the Board of Governors for final approval.

There are no monetary gifts associated with this naming at this time since it is an honorary naming for a deceased alumnus of CSU.

The announcement of the naming will be made by the appropriate unit.

  
Approved

Denied

  
Board Secretary

  
Date

Department of Athletics  
0120 Campus Delivery  
Fort Collins, Colorado 80523-0120  
(970) 491-5300  
Fax: (970) 491-1348  
<http://www.csurams.com>

TO: Dr. Tony Frank, President

FROM: Paul Kowalczyk, Director of Athletics PK

DATE: October 14, 2010

RE: Glenn Morris Field House Naming

The most decorated former student-athlete in the history of Colorado State University is arguably Glenn Morris, a Gold Medal winner in decathlon at the 1936 Berlin Olympics.

Morris' major accomplishments include:

- Setting the decathlon world record of 7,990 points in the 1936 Olympic Games in Berlin.
- Following the games, turning down Hitler's lucrative offer to remain in Germany to appear in sports films.
- Winning the 1936 James E. Sullivan Award as the nation's top amateur athlete.
- Starring as Tarzan in *Tarzan's Revenge* in 1938.
- Playing for the 1940 Detroit Lions of the National Football League.
- Twice earning all-conference honors in football and leading the 1933 CSU team to the conference championship.
- Becoming president of the CSU student body and earning degrees in economics and sociology.

Morris' story is one of the most unique and intriguing in CSU and Olympics history. His influence on the CSU campus went much further than the football field or running track.

With this in mind, I recommend changing the name of the South College Field House to the Glenn Morris Field House in honor of Glenn Morris. Thank you for your consideration.

cc: Mark Gill

Stretch Goal: N/A      Strategic Initiative: N/A

**MATTERS FOR ACTION:**

The Board of Governors of the Colorado State University System (Board): Action pertaining to Colorado State University's obsolete minimum standards for the academic progress of student athletes.

**RECOMMENDED ACTION:**

**THE BOARD ACKNOWLEDGES** that its policy creating certain minimum standards for academic progress for student athletes, as approved in October 1980, is now unnecessary because the NCAA has established rigorous standards tracking the academic progress of student-athletes.

**MOVED**, that the Board rescind its policy from October 1980 that defines satisfactory academic progress for student athletes at Colorado State University as the completion of twenty four (24) semester credits with passing grades during a school year. Colorado State University is directed to comply with all applicable NCAA rules governing the academic requirements of student athletes.

**EXPLANATION:**

Presented by Rick Miranda, Provost and Executive Vice President, Colorado State University.

By policy dated October 1980 (Policy), the Board defined satisfactory academic progress for student athletes as the completion of twenty four (24) semester credits with passing grades at Colorado State University (CSU) during a school year (fall, spring, summer). At that time, the NCAA had few scholastic requirements for student athletes, thus the Board adopted the Policy to insure the integrity of CSU's athletic programs.

Over the past three decades, the NCAA has established rigorous standards for tracking the academic progress of student athletes. CSU must strictly follow NCAA rules governing academic requirements, which makes the Policy unnecessary. In addition, complying with the Policy and NCAA rules consumes a significant amount of staff time and resources. CSU is also required to fund summer school tuition in order for student

athletes to comply with the Policy, even though such credit hours are not needed for degree completion.

The NCAA does not require student athletes to complete at least 24 credit hours each academic year. As a result, a number of student athletes are required by the Policy to attend summer classes in order to comply with the 24 credit hour annual requirement, even though taking that many credit hours is not necessary to obtain a degree because of prior progress or the total number of credits already earned. Also, the Policy does not allow student athletes to enjoy the benefits of college credits earned in high school, such as AP courses or IB programs, because they must take 24 credits each academic year.


Rescinding the Policy, which is unneeded to insure the academic integrity of CSU's athletic programs in light of NCAA rules, avoids unnecessary expenses and provides increased flexibility for student athletes to use previously earned credits.

✓  
Approved

\_\_\_\_\_  
Denied

*Bonifacio A. Cosyleon*  
Bonifacio A. Cosyleon, Board Secretary

*8 Dec 2010*  
Date

  
Approved

Stretch Goal: Achieve five-year enrollment and revenue goals.  
Strategic Initiative: Responsive Academic Programming.

MATTERS FOR ACTION:

Bachelor of Science in Accounting degree program

RECOMMENDED ACTION:

Moved, that the Board of Governors approve the request from Colorado State University-Global Campus to approve the Bachelor of Science in Accounting degree program.

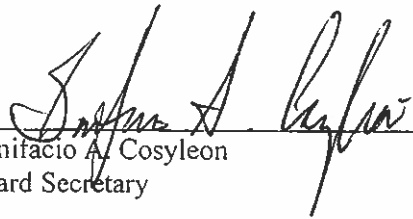
EXPLANATION:

Presented by Dr. Becky Takeda-Tinker, President of CSU-Global Campus

CSU-Global Campus is proposing a B.S. in Accounting degree program for its non-traditional adult learners. Faculty and administration have evaluated the competitive positioning in the System and the marketplace and have determined that there is a market to be served by CSU-Global Campus.


The B.S. in Accounting provides students with the basics of accounting frameworks and principles needed for entrance and growth in the accounting field. U.S. job growth of accounting positions is expected to grow 22% over the decade to 1,570,000 positions (BLS, 2008), and Colorado's job growth in this area is projected at 10% over the decade to 33,749 positions (CDLE, 2008). CSU-Global Campus is prepared to begin the process of meeting this growing demand with its degree program of 20 courses in accounting, analysis, and decision-making. Students will acquire the knowledge and skills needed to successfully contribute to an organization from an accounting perspective as they gain accounting fundamentals, and a holistic view of organization management including legal compliance and ethics, finance, marketing, leadership, economics, and quantitative decision-making. Additionally, upon completion of the B.S. Degree in Accounting, students in the State of Colorado will have obtained approximately 54 credit hours in accounting and business courses towards the 150 credit hours needed for CPA exam candidacy.

Approved  Denied

  
Bonifacio A. Cosyleon  
Board Secretary

  
Date



  
Approved

Stretch Goal: Achieve five-year enrollment and revenue goals.  
Strategic Initiative: Responsive Academic Programming.

**MATTERS FOR ACTION:**

Bachelor of Science Degree in Criminal Justice degree program

**RECOMMENDED ACTION:**

Moved, that the Board of Governors approve the request from Colorado State University-Global Campus to approve the Bachelor of Science Degree in Criminal Justice degree program.

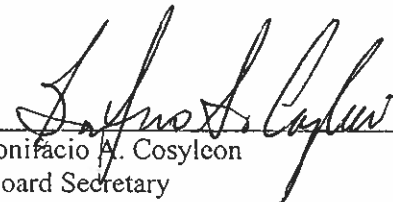
**EXPLANATION:**

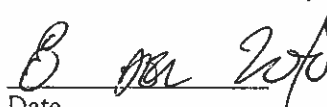
Presented by Dr. Becky Takeda-Tinker, President of CSU-Global Campus

CSU-Global Campus is proposing a Bachelors of Science Criminal Justice (BSCJ) program for its non-traditional adult learners. Faculty and administration have evaluated the competitive positioning in the System and marketplace and have determined that there is a niche market to be served by CSU-Global Campus.

The CSU-Global Campus BSCJ program is designed to equip students with the knowledge and tools that they need to advance professionally into leadership and management roles in criminal justice organizations. According to the U.S. Bureau of Labor, the overwhelming majority of law enforcement positions in the U.S. are at the state and local level (79%) and are expected to grow by approximately 10% by 2018 to approximately 85,000 positions nationwide. Students in the program will gain an advanced understanding and knowledge of trends and best practices in the management of criminal justice organizations including law enforcement, corrections, court, and community-based justice delivery systems. The B.S. in Criminal Justice program is a practice-oriented, professional degree. People with degrees in criminal justice typically work in law enforcement, corrections, private security, and social work occupations. CSU-Global Campus criminal justice students are likely already employed in entry-or mid- level positions in criminal justice organizations, and require the flexibility an online program can offer. Currently, this particular segment of the market is being served by other proprietary, online institutions.

Approved  Denied

  
\_\_\_\_\_  
Bonifacio A. Cosylcon  
Board Secretary

  
\_\_\_\_\_  
Date

Stretch Goal: Achieve five-year enrollment and revenue goals.  
Strategic Initiative: Responsive Academic Programming.

**MATTERS FOR ACTION:**

Bachelor of Science in Healthcare Administration and Management degree program

**RECOMMENDED ACTION:**

Moved, that the Board of Governors approve the request from Colorado State University-Global Campus to approve the Bachelor of Science in Healthcare Administration and Management degree program.

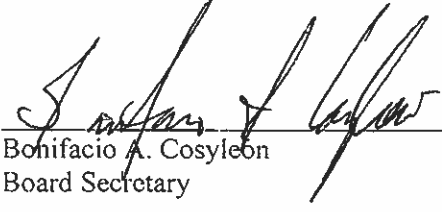
**EXPLANATION:**

Presented by Dr. Becky Takeda-Tinker, President of CSU-Global Campus

CSU-Global Campus is proposing a Bachelor of Science Healthcare Administration and Management program (BSHCAM) for its non-traditional adult learners. Faculty and administration have evaluated the competitive positioning in the System and marketplace and have determined that there is a niche market to be served by CSU-Global Campus.

The CSU-Global Campus BSHAM provides students with an increased understanding and knowledge of healthcare systems in areas of quality assurance, risk management, managed care, insurance, health care laws and regulations, ethics, and other information and practices important to managing within a healthcare environment. Additionally, the program equips students with the knowledge and tools that they need to effectively and efficiently build foundational business skills in management, marketing, human resources, communication, decision-making, and finance. Employment of medical and health services managers is expected to grow 16% from 2008 to 2018, faster than the average for all occupations. In Colorado, the U.S. Bureau of Labor Statistics (2010) projects a 28% growth in the number of management positions within Colorado through 2016. The healthcare industry will continue to expand and diversify, requiring managers to help ensure smooth business operations. As the population continues to get older and as becomes more available and affordable, the management of resources, and the quality of care will continue to be major factors impacting professionals.

Approved  Denied

  
\_\_\_\_\_  
Bonifacio A. Cosyleon  
Board Secretary

  
\_\_\_\_\_  
Date



Stretch Goal: Achieve five-year enrollment and revenue goals.  
Strategic Initiative: Responsive Academic Programming.

MATTERS FOR ACTION:

Master of Criminal Justice degree program

RECOMMENDED ACTION:

Moved, that the Board of Governors approve the request from Colorado State University-Global Campus to approve the Master of Criminal Justice degree program.

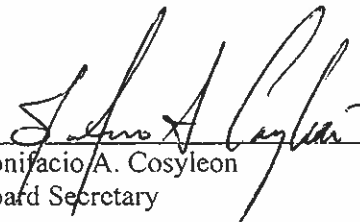
EXPLANATION:

Presented by Dr. Becky Takeda-Tinker, President of CSU-Global Campus

CSU-Global Campus is proposing a Master of Criminal Justice (MCJ) program for its non-traditional adult learners. Faculty and administration have evaluated the competitive positioning in the System and marketplace and have determined that there is a niche market to be served by CSU-Global Campus.

The CSU-Global Campus MCJ program is designed to equip students with the knowledge and tools needed to advance professionally into leadership and management roles in criminal justice organizations. Additionally, students gain an advanced understanding and knowledge of trends and best practices in the management of criminal justice organizations including law enforcement, corrections, court, and community-based justice delivery systems. According to the U.S. Bureau of Labor, the overwhelming majority of law enforcement positions in the U.S. are at the state and local level (79%) and are expected to grow by approximately 10% by 2018 to approximately 85,000 positions (BLS, 2010). It should also be noted that that it is industry practice, particularly at the federal level, preference is given to job candidates with graduate degrees. In correctional agencies, including probation and parole, a graduate degree may be required for advancement, depending upon the organization.

Approved  Denied

  
\_\_\_\_\_  
Bonifacio A. Cosyleon  
Board Secretary

  
\_\_\_\_\_  
Date

Stretch Goal: Achieve five-year enrollment and revenue goals.  
Strategic Initiative: Responsive Academic Programming.

**MATTERS FOR ACTION:**

Master of Healthcare Administration and Management degree program

**RECOMMENDED ACTION:**

Moved, that the Board of Governors approve the request from Colorado State University-Global Campus to approve the Masters of Healthcare Administration and Management

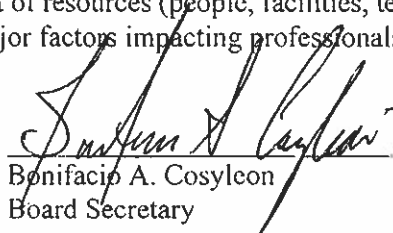
**EXPLANATION:**

Presented by Dr. Becky Takeda-Tinker, President of CSU-Global Campus

CSU-Global Campus is proposing a Master of Healthcare Administration and Management program (MHAM). This program is designed for its non-traditional adult learners. The degree program is provided by CSU-Global Campus (no assurances from CSU-Pueblo or CSU Ft. Collins). Faculty and administration have evaluated the competitive positioning in the System and the healthcare marketplace and have determined that there is a niche market to be served by CSU-Global Campus.

CSU-Global Campus MHAM degree prepares students for a wide variety of leadership roles within the healthcare industry. The program incorporates leadership skills, knowledge, analytical abilities, global perspective, and management tools needed to effectively and efficiently lead and manage healthcare organizations. Students gain an increased understanding and awareness of the policies, laws, politics, problems, and issues facing the healthcare industry. Employment of medical and health services administrators and managers is expected to grow 16% between 2008 and 2018, faster than the average for all occupations. The Bureau of Labor Statistics (2010) also projects a 28% growth in the number of management positions within Colorado through 2016. As the population continues to get older and as becomes more available and affordable, the management of resources (people, facilities, technologies, costs, etc.) and the quality of care will continue to be major factors impacting professionals.

Approved  Denied

  
\_\_\_\_\_  
Bonifacio A. Cosyleon  
Board Secretary

  
\_\_\_\_\_  
Date

MATTERS FOR ACTION:

EQUIPMENT LEASING-COLORADO STATE UNIVERSITY  
SYSTEM/COLORADO STATE UNIVERSITY RESEARCH FOUNDATION  
LINE OF CREDIT PROGRAM Approval of resolution for Colorado State  
University Research Foundation to Undertake Certain Borrowing and Equipment  
Lease/Purchase Transactions on Behalf of the Board of Governors of the Colorado  
State University System to Acquire Equipment at Colorado State University and  
Colorado State University - Pueblo.

RECOMMENDED ACTION:

Approval of the attached resolution.

EXPLANATION:

Submitted by: Dr. Anthony A. Frank, President

For several years Colorado State University Research Foundation has held a Line of Credit (with a tax-exempt interest rate) with First National Bank of Fort Collins, for the purpose of providing a lease/purchase mechanism for the Board of Governor's to acquire much needed equipment for use in departments/programs at Colorado State University and Colorado State University - Pueblo. Colorado State University Research Foundation acquires the equipment (valued at \$50,000 or less) (specified by a particular department or program) and leases it to the Board of Governors on an annual appropriation basis for a term of not more than five (5) 1-year periods. The Board of Governors makes lease payments to Colorado State University Research Foundation which Colorado State University Research Foundation then uses to repay First National Bank. When the lease is retired, and the equipment amount has been fully paid, Colorado State University Research Foundation conveys title on the equipment to the Board of Governors. The Board of Governors has been provided a quarterly activity report on the Colorado State University Research Foundation leases since the program's inception. Such reporting will continue in the future.

Approval to continue the lease/purchase arrangements through the line of credit must be obtained from the Board of Governors yearly. The total amount of the line of credit permitted to be outstanding at any time is \$1,000,000. Amounts previously drawn under the Line and currently outstanding total approximately \$200,398. Therefore, moneys available under the Line for calendar year 2011 are approximately \$799,602. Colorado State University Research Foundation will consult with the respective representatives of each Institution to discuss needs and allocations of available amounts.

The total amount financed through the Leasing Program in thousands of dollars by year is as follows:

<u>YEAR</u>	<u>TOTAL AMOUNT</u>
1976-77	\$ 188
1977-78	198
1978-79	321
1979-80	75
1980-81	144
1981-82	342
1982-83	193
1983-84	161
1984-85	400
1985-86	200
1986-87	149
1987-88	38
1988-89	242
1989-90	300
1991	210
1992	566
1993	16
1994	584
1995	321
1996	215
1997	112
1998	97
1999	17
2000	0
2001	71
2002	196
2003	95
2004	171
2005	260
2006	87
2007	119
2008	50
2009	67
2010	125

Mr. Dave Scott of Hogan & Hartson will be providing the tax exempt opinion on the 2011 Line of Credit. In order to comply with the applicable federal tax requirements for an "on behalf of" financing in support of the tax exempt opinion, the attached resolution must be approved by the Board of Governors. The attached resolution and accompanying documents referenced in the resolution have been reviewed by the Board of Governors General Counsel.

Board of Governors of the  
Colorado State University System  
Meeting Date: December 8, 2010  
Consent Item

STATE OF COLORADO            )  
                                          ) ss.  
COUNTY OF LARIMER         )

The Board of Governors of the Colorado State University System (the "Board") of the State of Colorado met in regular open session, pursuant to due notice and call, at CSU System Office, in Denver, Colorado, on December 8, 2010.

The following members of the Board were present constituting a quorum:

Chairman:	Patrick McConathy
Voting Members:	Bonifacio A. Cosyleon Don Elliman Ed Haselden Dorothy Horrell John Ikard Scott C. Johnson Mary Lou Makepeace Patrick McConathy Joseph C. Zimlich
Non-Voting Members:	Cooper Anderson Jennifer Mullen Steven Titus Dan Turk

Absent:

Also present:

Secretary:                         Bonifacio A. Cosyleon

Thereupon the following proceedings, among others, were had and taken.

Member Dorothy Horrell introduced and moved the adoption of the following resolution:

A RESOLUTION, FOR PURPOSES OF COMPLYING WITH REVENUE RULING 63-20, APPROVING THE PURPOSES AND ACTIVITIES OF THE COLORADO STATE UNIVERSITY RESEARCH FOUNDATION AND APPROVING CERTAIN BORROWING TRANSACTIONS BY SAID FOUNDATION ON BEHALF OF THE BOARD OF GOVERNORS OF THE COLORADO STATE UNIVERSITY SYSTEM FOR THE PURPOSE OF ACQUIRING EQUIPMENT TO BE USED BY AND FOR COLORADO STATE UNIVERSITY AND COLORADO STATE UNIVERSITY - PUEBLO (THE "INSTITUTIONS"); AUTHORIZING CERTAIN REPRESENTATIVES OF THE INSTITUTIONS TO EXECUTE AND DELIVER LEASE AGREEMENTS RELATING TO SUCH EQUIPMENT; AND AUTHORIZING, APPROVING AND PROVIDING FOR OTHER DETAILS RELATING TO THE FOREGOING.

WHEREAS, the Board of Governors of the Colorado State University System (the "Board") of the State of Colorado (the "State") is the body corporate under the Constitution and laws of the State, and pursuant to said Constitution and Article 30 of Title 23, Colorado Revised Statutes, as amended, the Board has the power to take, hold and sell personal property and to contract and be contracted with and cause to be done all things necessary to carry out the provisions of such statutes; and

WHEREAS, the Board has general control and supervision of Colorado State University ("CSU"), in Fort Collins, Colorado and Colorado State University – Pueblo ("CSU-Pueblo") in Pueblo, Colorado (together, CSU and CSU-Pueblo are herein referred to as the "Institutions"); and

WHEREAS, the Colorado State University Research Foundation (the "Foundation") is a non-profit corporation organized for charitable, educational and scientific purposes, including among other purposes, entering into agreements relating to the physical plants of the Institutions and for that purpose lending its credit and evidencing the same by such obligations or forms of indebtedness as may be approved by the Foundation's Board of Trustees (the "Trustees"); and

WHEREAS, The Trustees have authorized, or, prior to the making of any draw thereunder, will authorize, the Foundation to enter into a line of credit agreement with First National Bank of Fort Collins, N.A., Fort Collins, Colorado (the "Bank") to obtain a line of credit (the "Line of Credit") in order for the Foundation to finance the acquisition of equipment to be used by and for the Institutions; and

WHEREAS, there have been filed with the Secretary of the Board:

- (i) The articles of incorporation and bylaws of the Foundation;

(ii) Proposed forms of "Business Loan Agreement: Line of Credit" and "Revolving Loan Committal Agreement" (collectively, the "Line of Credit Agreements") between the Foundation and the Bank;

(iii) A proposed form of security agreement (the "Security Agreement") between the Foundation and the Bank;

(iv) A proposed form of Promissory Note (together with any extension or renewals thereof, the "Note") from the Foundation to the Bank; and

(v) A proposed form of lease agreement ("Lease Agreement") between the Board as lessee and the Foundation as lessor.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF GOVERNORS OF THE COLORADO STATE UNIVERSITY SYSTEM OF THE STATE OF COLORADO:

Section 1. The Board hereby approves the purposes and activities of the Foundation.

Section 2. For purposes of satisfying the requirements of Revenue Ruling 63-20, 1963-1 C.B. 24, the Board hereby approves the Line of Credit Agreements, the Security Agreement and the Note, in substantially the forms filed with the Secretary, and the Board hereby approves the execution and delivery by the Foundation of the Line of Credit Agreements, the Security Agreement and the Note and the issuance by the Foundation, on behalf of the Board, of the Note (provided, however, that the Board shall have no obligation to make any payment on the Note, which shall be solely the obligation of the Foundation, and the Board shall be obligated only to the extent provided under Lease Agreements entered into by the Board as provided in Section 3 hereof). The Foundation may make draws on the Line of Credit and thereby incur obligations to make payments on the Note from time to time, within one calendar year following the adoption of this resolution by the Board, but only for purposes of acquiring tangible personal property consisting of scientific, administrative support and research equipment to be used by and for the Institutions (the "Equipment"), and only with the written approval of the Vice President for Research or Associate Vice President for Research of CSU for Lease Agreements relating to CSU and the Vice President for Finance and Administration of CSU-Pueblo for Lease Agreements relating to CSU-Pueblo (together, referred to herein as the "Representatives" or, individually, a "Representative"), which written approval may be made by the execution of the corresponding Lease Agreement or in such other manner as the respective Representative may deem appropriate. Subject to the foregoing provision, the Note is hereby approved in a total principal amount not to exceed \$1,000,000 outstanding at any time (the unused loan commitment being increased by repayments on the Note as provided therein), bearing interest at a rate determined in accordance with the provisions of the Note and the Line of Credit Agreements but in no event to exceed eighteen percent (18%) per annum, and maturing on the calendar anniversary of the date on which it is executed and delivered by the Foundation (but no later than December 31, 2011).

Section 3. Requests for Equipment to be financed through the Line of Credit shall be submitted to the respective Representative of the Institution requesting the Equipment. Upon approval of any such request, such Representative is authorized and directed to cause a Lease Agreement to be entered into for such Equipment on behalf of the respective Institution. Upon execution and delivery of such Lease Agreement to the Foundation, the Foundation shall draw on the Line of Credit for the amount necessary to acquire such Equipment, which moneys shall be used to acquire such Equipment as soon as practicable; and the Board shall pay to the Foundation, from legally available moneys of the Board (but not from moneys drawn under the Line of Credit) an amount equal to the greater of \$800 or 4% of the amount so drawn, as compensation for the Foundation's administrative expenses and services in connection with the Line of Credit. Payments under a Lease Agreement shall be made from the Board to the Foundation either quarterly or semiannually, as negotiated between the Representative of the Institution on behalf of which the Lease Agreement has been entered and the Foundation, over a term to be negotiated between such Representative and the Foundation, but not exceeding the useful life of the Equipment (as determined by such Representative), and in no event to exceed five (5) years (subject, however, to the provisions of Section 7 of the Lease Agreement), and in such amounts as to provide for repayment of the principal amount drawn under the Line of Credit for such equipment, plus interest at rates to be determined as follows:

(a) The initial rate of interest for Lease Agreements to be entered into during calendar year 2011, which rate shall be effective for each such Lease Agreement from the date of delivery thereof through December 31, 2011, shall be 5.5% per annum (subject to increase as provided in paragraphs (b), (c) and (d) below).

(b) During the month of December in 2011 and in each subsequent year while any Lease Agreements are in effect, the Foundation shall, based upon information furnished to it by the Bank and such other information as the Foundation may deem relevant, estimate the Average Rate of interest expected to accrue on the Note, in accordance with the current or anticipated terms of the Line of Credit Agreements, during the following calendar year. The Foundation shall notify the Board of such estimated average rate of interest on the Note, and the rate of interest for Lease Agreements to be effective during the following calendar year shall be such estimated average rate of interest on the Note plus .5% per annum (the .5% increment being added to provide for the possibility that interest on the Note will be higher than estimated).

(c) Notwithstanding the provisions of (b) above, the increment which is to be added to the estimated average interest on the Note to determine the rate of interest on Lease Agreements may be higher than .5% per annum to the extent that the Foundation certifies to the Board that such higher increment is necessary to make up, over the course of the following calendar year or such longer period as the Foundation may agree to, any excess of interest actually paid by the Foundation on the Note over the total interest received by the Foundation on the Lease Agreements; provided, however, that the higher increment certified to the Board shall not exceed 1.5% per annum.

(d) In the event that the rate of interest on the Note is increased as the result of a determination that such interest has lost its exclusion from gross income for federal income tax purposes under the Code (as defined in Section 7 hereof), or is treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations (except with respect to corporations, as such interest is required to be taken into account in determining "adjusted current earnings" for the purpose of computing the alternative minimum tax imposed on such corporations), the rate of interest on the Lease Agreements shall immediately be further increased to the average rate of interest expected to accrue on the Note for the remainder of such calendar year on such "taxable" basis, as estimated by the Foundation in substantially the same manner as provided in paragraph (a) above, plus the increment in effect immediately prior to such increase as determined pursuant to paragraphs (b) and (c) above, plus any additional increment necessary to make up, over the course of the remaining calendar year or such longer period as the Foundation may agree to, any retroactive additional interest owed or paid by the Foundation to the Bank pursuant to the Note as a result of such determination.

(e) Notwithstanding any other provision hereof, the rate of interest on the Lease Agreement shall not exceed eighteen percent (18%) per annum.

Notwithstanding any other provision thereof, all payment obligations of the Board under any Lease Agreement shall be subject to renewal and appropriation or availability of funds as provided in Sections 7 and 10 of the Lease Agreement. The Lease Agreements shall be in substantially the form filed with the Secretary, and the appropriate officers of the Board, the Institutions and the State are hereby authorized to execute and deliver such Lease Agreements as may be approved by the Representatives or any one thereof. Any other obligations issued by the Foundation either to make improvements to the Equipment or to pay principal or interest on the Note will be discharged no later than the latest maturity date of the Note (including renewals).

Section 4. The Board shall have the exclusive beneficial possession and use of any Equipment financed through the Line of Credit (except to the extent that the Bank may enforce its security interest in the Equipment in the event of a default by the Foundation under the Line of Credit Agreements, the Security Agreement, or the Note, and subject to the Bank's right to inspect the Equipment at any reasonable time as provided in the Line of Credit Agreements). When all payments due under a Lease Agreement have been made by the Board, or when payments on the Note allocable to the draw on the Line of Credit for the related Equipment have otherwise been made, full and unencumbered legal title to such Equipment shall be conveyed by the Foundation to the Board, without demand or further action on the part of the Board, and the Board shall then accept such title to any Equipment (including any additions thereto). This Section 4 shall operate independently of the Lease Agreements and notwithstanding any failure to enter validly into any Lease Agreement. Prior to making any draw under the Line of Credit, the Foundation shall furnish to the respective Representative an instrument of grant from the Foundation to the Board confirming the provisions of this Section 4.

Section 5. All proceeds of the Line of Credit, and investment income thereon (if any), shall be used to provide tangible personal property for use by the Board. If any excess proceeds of the Line of Credit or investment income thereon, if any, remain after full payment of the costs of acquiring the related Equipment, such excess proceeds shall be applied to make payments or prepayments on the Note as soon as practicable, and the schedule of rental payments under the corresponding Lease Agreement shall be adjusted accordingly. Prior to making any draw under the Line of Credit, the Foundation shall furnish to the respective Representative a certification confirming the provisions of this Section 5.

Section 6. The proceeds of any fire or other casualty insurance policies received in connection with damage to or destruction of any Equipment financed through the Line of Credit, including any additions thereto, will, subject to any claims of the Bank, at the direction of the respective Representative, either (a) be used to repair or replace the Equipment, regardless of whether the insurance proceeds are sufficient for such repair or replacement, or (b) be remitted to the Board.

Section 7. The Board acknowledges that one of the purposes of this resolution is to establish that interest paid by the Foundation on the Note is not included in gross income under present federal income tax laws pursuant to the Code (as defined below), subject to certain exceptions, conditions and limitations as further set forth below, thereby resulting in more favorable interest rates on the Note and more favorable payment terms to the Board under the Lease Agreements. Accordingly, the Board hereby covenants for the benefit of the Bank and its successor and assigns that it will not (i) make any use of the proceeds of the Line of Credit or any other funds of the Foundation; (ii) make any use of the Equipment; or (iii) take (or omit to take) any action with respect to the Note, the proceeds of the Line of Credit, any other funds of the Foundation, or the equipment, or otherwise, if such use, action or omission would, under the Code, cause the interest on the Note to be included in gross income for federal income tax purposes or be treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, trusts, estates and corporations (except, with respect to corporations as defined for federal alternative minimum tax purposes, as such interest is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on such corporations). The Board further covenants, represents and warrants that the procedures set forth in a Federal Tax Exemption certificate hereby authorized to be signed by an officer of the Board or Representative of the Institution implementing the above covenant shall be complied with to the extent necessary to maintain the above-described exclusions from gross income and alternative minimum taxable income or to avoid the application of any penalties under the Code (except to the extent noted in the foregoing provisions of this Section). The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of the Note until the date on which all obligations of the Board in fulfilling the above covenants under the Code and Colorado law have been met. References to the "Code" in the foregoing covenant and in Section 3(d) hereof shall mean the Internal Revenue Code of 1986, as amended, and all regulations and rulings promulgated or proposed thereunder or (to the extent the same remain applicable) under any

predecessor thereto. Notwithstanding any other provision hereof, this Section 7 shall be in all respects subject to the Board's right to decline to renew any Lease Agreement as provided in Sections 7 and 10 of the Lease Agreement. Prior to making any draw under the Line of Credit, the Foundation shall have received from the respective Representative a certification confirming the provisions of this Section 7.

Section 8. Appropriate officers of the Board, the Institutions, the State and the Foundation are hereby authorized and directed to execute such documents and instruments and generally to take such actions as may be necessary or appropriate to effectuate the transactions contemplated by this resolution. The officers of the Board, the Institutions and the Foundation with the advice of counsel executing the Line of Credit Agreements and the Lease Agreements hereby approved may make such necessary or appropriate variations, omissions and insertions in such documents as may be required or appropriate under the circumstances, so long as such variations, omissions and insertions are not inconsistent with this resolution. In the event of any inconsistency between this resolution and any document or instrument hereby approved, the provision of this resolution shall be controlling.

Section 9. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

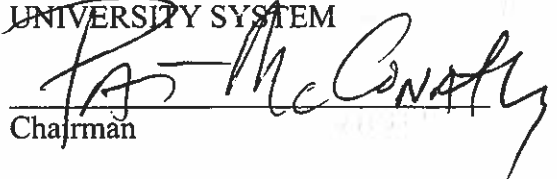
Section 10. All bylaws, orders and resolutions, or parts thereof, inconsistent with this resolution or with any of the documents hereby approved, are hereby repealed only to the extent of such inconsistency. This repealer shall not be construed as reviving any bylaw, order or resolution, or part thereof, heretofore repealed.

Section 11. This resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED this December 8, 2010.

(SEAL)

THE BOARD OF GOVERNORS  
OF THE COLORADO STATE  
UNIVERSITY SYSTEM

  
Chairman

ATTEST:

  
Secretary

The motion was duly seconded by Member Abner and put to a vote, the members of the Board as follows:

Zumwalt = 2nd

Those voting YES:

Voting Members:

- Pat McConathy
- Mary Lou Makep
- Joe Zimlich
- Ed Haselden
- Scott Johnson
- Bonifacio Cosyleon
- Dorothy Horrell
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Those voting NO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ None

Thereupon the Chairman declared the motion carried and the resolution adopted, and the Secretary was directed to enter the foregoing proceedings and resolution upon the minutes of the Board.

After consideration of other unrelated matters, the meeting was adjourned.

(SEAL)

THE BOARD OF GOVERNORS  
OF THE COLORADO STATE  
UNIVERSITY SYSTEM

Pat McConathy  
Chairman

ATTEST:

Joseph A. Caplan  
Secretary *805C 200*



Board of Governors of the  
Colorado State University System  
Meeting Date: December 8, 2010  
Action Item

  
Approved

Stretch Goal or Strategic Initiative: Colorado State University System Goal Two: Financial Sustainability.

**MATTERS FOR ACTION:**

Policy: Faculty/Staff Colorado State University System Study Privilege; Revision of Policy

**RECOMMENDED ACTION:**

MOVED, that the Board of Governors of the Colorado State University System hereby adopts these modifications to the existing policy, adopted October 13, 1992, entitled "Faculty/Staff Colorado State University System Study Privilege" (the "1992 Resolution"), in order to extend and define the scope of the Study Privilege among Colorado State University, Colorado State University-Pueblo, and Colorado State University-Global Campus (the "institutions") and the CSU System Office:

1. In accordance with the 1992 Resolution, employees of any system institution may exercise their study privilege at any of the institutions under the control of the Board, in accordance with the policies and procedures adopted by the institution at which they are employed. The stated purpose of the 1992 Resolution is reaffirmed and the scope of the study privilege shall include employees of the System Office and CSU-Global Campus.
2. Each employer institution and the System Office may determine the maximum number of credit hours to be made available to its employees each year and the maximum dollar amount per credit hour that will be provided. Applicability and amount of general student fees will also be determined by each institution.
3. The employer institution or System Office shall pay the cost of the amount of tuition that is determined to be allocable to the study privilege exercised by its employees. The employee may be responsible for any amount by which the actual cost of tuition exceeds the amount of the study privilege reimbursement that is determined to be allocable by the employer institution in accordance with its own rules and procedures.
4. Pursuant to Colorado Senate Bill 10-003, and C.R.S. §24-30-202(13)(b) (as amended, 2010) and the resolution of this Board dated August 11, 2010, State Fiscal Rule 2-8, section .04 no longer applies to the employee study privilege for the CSU System. Each institution and the System Office shall account for the amounts reimbursed to its own employees in accordance with its own fiscal rules and procedures. Each institution may adopt its own rules, procedures and forms as reasonably necessary in furtherance of this policy.
5. This revised study privilege policy is to be implemented as soon as reasonably

practicable. The institutions and System Office will cooperate in developing policies and procedures for implementation and report their progress to the Chancellor within 90 days after the effective date of this Resolution.

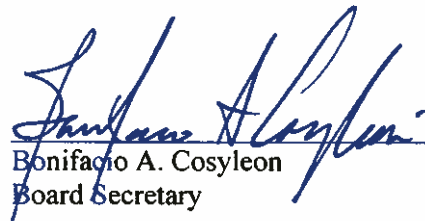
EXPLANATION:

Presented by Amy Parsons, Vice President for University Operations, Colorado State University.

On October 13, 1992, the Board adopted the Study Privilege policy by resolution (copy attached) to afford the opportunity of higher education to the employees of the respective institutions. Since that time, the study privilege has been a successful and beneficial program. Over 500 CSUS institutions' employees utilize some or all of their study privilege each year, and in so doing, advance their knowledge and opportunities, provide the System and its institutions a more educated work force, and help create a cohesive campus community in which students, educators, and staff all thrive.

The revisions to this policy will further clarify that all three System institutions are included within the scope of the study privilege, and will provide financial protections to the institutions so that the study privilege does not unduly impact their budgets.

Approved  Denied

  
\_\_\_\_\_  
Bonifacio A. Cosyleon  
Board Secretary

  
\_\_\_\_\_  
Date