

Approved at the 8/29/14 meeting
BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES
MINUTES OF THE BOARD MEETING
May 19, 2014
COLORADO SCHOOL OF MINES
1500 ILLINOIS ST., COORS BOARD ROOM

Chairman Spaanstra called the Board of Trustees to order in regular session at 9:15am in the Coors Boardroom.

Trustees present: Truly, Vallejo, Jorden, Haddon, Bliss, Spaanstra, Faculty Trustee Illangasekare, Cowart.
Trustees absent: Student Trustee Rogers.

Select CSM executives and directors were also present including President Scoggins, Provost Parker, VP Fox, CSMF President and COO Winkelbauer, AVP Boyd, Assoc. Provost Boyd, EVP Volpi, Ms. Walker, Mr. Dougherty, VP Poate, VP Middleton.

A. Consent Agenda

A small adjustment was made to pg. 1- committee reports. Add "audit" to "2014 plan" to read "2014 audit plan.

Trustee Haddon moved to approve the Consent Agenda, seconded by Trustee Jorden. Approved 7-0.

B. Reports

Committee reports _____ Trustee Vallejo reported that the Investment Advisory committee met on May 7 to review the investment update for the 1st calendar quarter. The Finance and Audit committee met the same day to review several items including the March 31 financial statements, debt early retirement, AY15 tuition, and the FY15 budget. They also reviewed the 5-year capital construction plan and heard an update on the Welcome Center capital project.

President Scoggins noted that several visiting committees had visited campus this spring (Civil & Environmental Eng, Mining Eng, and Electrical Eng & Computer Sci) and that we will forward reports to the trustees in the next few weeks. Dr. Scoggins also highlighted several events on campus, including Alumni Weekend and the annual Celebration of Alumni dinner which had 500 attendees, and the Commencement ceremony, at which 944 degrees were conferred, making it the largest graduating class to date. On May 30 Senator Udall will host an energy forum with Secretary of Energy Moniz as the keynote. Dr. Scoggins asked that Ms. Boyd and Dr. Boyd provide updates of undergraduate and graduate admissions.

Ms. Boyd stated that undergraduate enrollments were up about 10% over last year with 1,256 committed students, and that she anticipated some attrition over the summer. The trustees discussed quality indicators comparing in-state to out-of-state enrollments, strategies to yield highest qualified students, and yield from community college transfer agreements.

Dr. Boyd stated that new graduate “intends to enroll” figures are up 11% over last year at 295 total masters and doctoral students.

Environmental Health and Safety Ms. Volpi provided an update on recent EH&S activity and events and noted that the department has implemented a new “lessons learned” communication for incidents that may serve as a learning opportunity.

Financial Report Ms. Volpi reviewed the 3rd quarter financial statements and highlighted the adjustments for the 4th quarter forecast.

Research activities Dr. Poate provided an update on recent research activity, and also noted that the mining murals in the Geology Museum were undergoing conservation. The trustees inquired as to how many faculty were members of national academies (three currently) and the procedure for nominating faculty. The trustees planned to discuss this further detail at an upcoming Strategy Committee meeting.

C. Action items

Action item 1: Board Quasi-Endowment Ms. Volpi stated that when donors give gifts for the benefit of the Colorado School of Mines, the majority of those gifts are given to the CSM Foundation for their investment and administration. The School, however, does have some gifts that were given directly to us which we administer but the Foundation invests.

- We have two gifts (Dobbins and Johnson) that were given to the School as unrestricted gifts. The donor did not stipulate purpose of use or how the funds were to be treated. Then in 1986, the CSM Board of Trustees voted to create an endowment for each of these funds. Given that these funds are not being used and that the annual spending of \$7,000 is immaterial, it was recommended that the Board of Trustees release the endowment classification so that the corpus of these funds can be commingled with other unrestricted funds and used more effectively.
- The Evan Eli Morse gift was given to the School for an award or scholarship for deserving Physics students, but the donor did not stipulate that this gift be endowed. Then in 1982, the Board of Trustees voted to create this gift as an endowment. Due to its small amount (current market value of \$8,760 and annual distributions of \$395) it was recommended that the Board of Trustees release the endowment classification so that the corpus of the funds can be used more effectively for the restricted purpose given.
- The Cecil Green gift was given to the School to support the department of Geophysics, but the donor did not stipulate that this gift be endowed. Since the inception of the gift however, the School has been treating this gift as an endowment and spending only the annual distributions. Given the market value of the gift of a little over \$1 million and that the functioning of the fund is that of a quasi-endowment, it was recommended that the

Board of Trustees create a quasi- endowment. The restriction will be maintained to support the Department of Geophysics

The trustees inquired as to whether the donors' original intentions would still be honored, and Ms. Volpi confirmed that they would.

RESOLUTION

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves releasing the Board created quasi-endowment for the following funds: Dobbins, Johnson, and Morse; and create a Board quasi-endowment for the Green fund.

The Finance and Audit Committee recommended to the Board approval of the release and creation of the stated quasi-endowments. Approved 7-0.

Action item 2: Debt Early Retirement Ms. Volpi stated that Mines has been very active over the past seven to eight years enhancing and building up our capital infrastructure. To implement many of these projects, the School issued long term debt that is paid back over time (typically the life of the project) with the sources designated for those projects. The School's current total outstanding debt is \$219.73 million (\$212.29 million in bonds and \$7.4M premium) that consists of 12 bond issues.

The School's 2009A and 2009D bonds have the highest cost of capital of callable bonds at 4.96% and 4.93% respectively. Additionally, our 2004 and 2009D bond issues provide for an early call provision that would allow us to pay off the bonds on December 31, 2014. By placing \$9.38 million of available resources in an escrow account (called "defeasance"), we can reduce the balance of the 2009A outstanding debt by \$8.04 million which relieves us of the most expensive coupons (5.25% and 5.0%). By exercising the early call provisions on the 2004 and 2009D bond issues, the School can further reduce the outstanding debt by \$5.06 million. Through these two measures and regular debt service activity, the School's total outstanding debt can be reduced to \$199.8 million by the end of Fiscal Year 2015 and the School can realize significant present value savings.

RESOLUTION

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves to create an escrow to defease \$8,040,000 of the 2009A bonds and to pay off the 2004 and 2009D bonds at their next call date, December 2014. Total resources needed to retire the debt early is approximately \$14,440,000. This amount may vary slightly if fees to build the escrow change or additional gifts are received for the 2009D bonds.

The Finance and Audit Committee recommended to the Board approval of the Debt Early Retirement proposal. Approved 7-0.

Action item 3: Lookout Mountain Water District Easement _____ Ms. Volpi notified the trustees that Lookout Mountain Water District (LMWD) has requested an easement for the installation of and access to a Parshall flume in the south east drainage area of the survey field property directly west of 6th Avenue. This flume would be installed in what is referred to as the Kenny Run drainage area so that the LMWD can measure run off water that is released seasonally from the Lookout Mountain Reservoir. This easement will have little to no impact to the school. We have an interest in engaging in an easement negotiation with LMWD, subject to the Board of Trustees' approval, on the following conditions:

- 1) The easement terms will be negotiated and drafted in a format that is consistent with current Mines Fiscal Rules and State Buildings' easement template;
- 2) All installation and monitoring activities shall not interfere with Mines operations;
- 3) The term will be in five-year periods, subject to renewal upon both parties' written agreement; and
- 4) Lookout Mountain Water District shall take full maintenance responsibility for the equipment installed and restoration of landscape.

The LMWD representative has indicated that they are ready to negotiate this new easement.

RESOLUTION

BE IT RESOLVED, that the Board of Trustees of the Colorado School of Mines hereby approves of the School entering into an easement with Lookout Mountain Water District in connection with the installation and monitoring of a Parshall Flume on the School's Survey Field property, and authorizes the President or his appropriate delegate to negotiate the terms of this easement and execute it on the School's behalf.

Trustee Bliss moved to approve, seconded by Trustee Haddon. Approved 7-0.

Action item 4: Tuition and Fees for Academic Year 2014-15 _____ Ms. Volpi stated that since 2006, our annual tuition rate increases have ranged from 3% to 9%. Mines' statutory authority currently allows the Board to increase resident tuition by 6% without additional state approvals, per Colorado Revised Statute §23-41-104.6(5)(c) (SB14-001 amended the original tuition authority to a maximum increase of 6% in fiscal years 2015 and 2016, down from 9% in prior years). After fiscal year 2016, pursuant to SB10-003, our Board will have complete tuition authority.

Ms. Volpi stated that the discussion regarding the cost of higher education has increasingly focused on the total cost of attendance, which includes tuition and books, mandatory fees, room and board, and miscellaneous living expenses. Prior to recommending tuition and fee increases, total costs are considered in order to mitigate the total impact on students as much as possible.

Ms. Volpi stated that a tuition rate model was developed for the 2014-2015 academic year that takes into account any cost of living increase, real tuition revenue growth of 1%, the impact of state funding, and strategic investment needs. From this model, the proposed tuition rate increases for the 2014-2015

academic year were 2.75% for resident undergraduate and graduate and 3.75% for non-resident undergraduate and graduate.

Ms. Volpi discussed the proposed changes to fees and other charges. Mandatory fees were proposed to increase 2.05%; housing, room and board charges were proposed to increase an average of 3.77%; a new graduate fee of \$1,500 per student was proposed for the Program in Engineering and Technology Management; a fee was added for late graduation applications of \$250; and parking rates were proposed to increase an average of 2.75%, or CPI.

With the proposed increases, we anticipate total cost of attendance to increase between 1.8% for resident students living off campus and 3.4% for non-resident students living on campus.

RESOLUTION

BE IT RESOLVED that the Finance and Audit Committee recommends to the Board of Trustees for approval the proposed tuition and fees for academic year 2014 and 2015:

- *2.75% increase for resident undergraduate and graduate rates;*
- *3.75% increase for non-resident undergraduate and graduate rates;*
- *Increases in mandatory fees of 2.75% (CPI);*
 - *Athletic Fee*
 - *Health Service Fee*
 - *Recreation Center Fee*
 - *Student Services Fee*
- *Increase in Associated Student Fee of 6.27%; and*
- *Increases and new non-mandatory fees and charges.*

Finance and Audit Committee moved to approve. Approved 7-0.

Action item 5: FY15 Budget Ms. Volpi provided a summary of the proposed budget that represents all funds received and used by the school; \$286 million in revenue and \$283 million in expenses. This year's budget reflects an increase of our financial support from the state; stabilizing academic faculty headcount after years of aggressive academic faculty hires; a moderating of tuition revenue; and our continuing commitment of financial aid to students. With these outlooks and themes in mind, the budget was developed prioritizing our resource needs in relation to our revenue position and the related impacts.

Ms. Volpi stated that with the growth in research, student enrollment, and academic faculty that we have experienced in the recent years, this year's budget focuses largely on growth in the critical areas that directly support the academic, research and student core programs. The priority areas for increased funding in this budget include: 1) new positions to support the information technology infrastructure; website development and management; research administration; and student services, 2) salary increases, and 3) undergraduate grants and scholarships, and graduate student support.

The trustees engaged in a robust discussion of the budget that included the resource drivers and the needs for additional investments.

Ms. Volpi also presented a portion of the CSM Foundation's FY15 unrestricted budget that relates to their support of CSM in the amount of \$510,018.

RESOLUTION

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the

Fiscal Year 2015 Budget, including:

- *The Colorado School of Mines budget; and the*
- *Colorado School of Mines Foundation unrestricted support for the Colorado School of Mines.*

The Finance and Audit Committee moved to approve. Approved 7-0.

Action Item 6: Street Vacations Ms. Volpi stated that over the last 10 years, efforts have been made to transform the Mines campus into a more pedestrian-friendly environment. One of the ways of accomplishing this is to reduce vehicular traffic through campus. The City of Golden controls many right of ways (ROW's) that run through campus. Over the years, the City has vacated some of these ROW's, at Mines' request, and the property has transferred to Mines. There are several capital construction projects that are in the planning or construction phase:

- Elm Residence Hall – to open fall semester 2014;
- Elm Dining Hall – to open spring semester 2015;
- Welcome Center – to open summer 2015; and
- Academic Cornerstone building – currently in the planning stage; construction likely to begin winter 2015/2016.

To further the pedestrian-focused campus and to address potential pedestrian, motorist, and cyclist conflicts, we are seeking the vacation of the streets adjacent to these major construction projects. The proposed street vacations are:

- 18th Street – Elm to Illinois Street;
- Maple St. – 18th to 17th Street; and
- 16th Street – Illinois to Arapahoe Street.

The vacations require the Golden City Council's approval. The formal process to obtain this approval began May 7, and we anticipate the Council will approve the vacation request at its meeting on June 12, 2014.

As a condition of the street vacations, Mines will want to ensure that access to all impacted private residences is maintained. If the subject streets are vacated, there are two residents who will need to pass through our property to access one of two entry points to their property. We are prepared to offer

both easements, subject to the Board of Trustees' approval, and the approval of the street vacations by the Golden City Council on the following conditions:

- 1) The easement terms will be negotiated and drafted in a format that is consistent with current Mines Fiscal Rules and the State-approved easement template;
- 2) A negotiable term, subject to renewal upon both parties' written agreement; and
- 3) The residents are fully aware that the easement will be on a pedestrian thoroughfare and that appropriate caution must be maintained when operating a vehicle through such property.

RESOLUTION I

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves of Mines' application for and acceptance of the street vacations for 18th Street – Elm to Illinois Street, Maple Street – 18th to 17th Street, and 16th Street – Illinois to Arapahoe St.

Motion to approve made by Trustee Bliss, seconded by Trustee Vallejo. Approved 7-0.

RESOLUTION II

BE IT RESOLVED, that the Board of Trustees of the Colorado School of Mines hereby approves of the School entering into an easement agreement with the Golden residents located at 1704 Illinois Street, and 1219 17th Street, and authorizes the President or his appropriate delegee to negotiate the terms of this easement and execute it on the School's behalf, subject to the approval of the street vacations by the Golden City Council.

Motion to approve made by Trustee Bliss, seconded by Trustee Vallejo. Approved 7-0.

Action item 7: Faculty Handbook Changes Assoc. Provost Boyd stated that each year, a joint administration/faculty committee, known as the Faculty Handbook Committee, reviews revisions proposed by the faculty at large, members of the administration, or any other CSM-affiliated group, and recommends Handbook additions and changes to the President, who may approve non-material changes. During the course of the Committee's review and drafting of proposed Handbook changes, appropriate campus constituents provide review and commentary on the amendments. Specific feedback is also solicited from all campus constituencies through a 30-day public comment period.

Five material changes to the Handbook were proposed, requiring Board approval, and the trustees were provided with an annotated version of all Handbook sections containing proposed changes as well as a summary of changes.

RESOLUTION

New Section 4.7.4 – Change of Locus of Appointment. Addition to the current Handbook that defines how tenured and teaching faculty may request a change of home department assignment and the process by which these requests are reviewed and approved.

Modified Section 5.2 – PPACA Compliance. Modification to Section 5.2 of the Handbook that 1) defines the institutional obligation to comply with the Patient Protection and Affordable Care Act, and 2) more tightly defines the class of faculty eligible for benefits. The impact of second addition is to eliminate vacation benefits for a small group of faculty who are employed by the institution at less than half time. Many of these are PERA retirees. If approved, existing vacation balances will not be lost to the employee; rather no future vacation benefits will be accrued.

Modified Section 5.4.3 – Vacation Benefits for Postdoctoral Fellows. Proposed changes create a separate vacation accrual rate and roll forward policy for postdoctoral fellow appointees. Current postdoctoral fellows accrue vacation at four weeks per calendar year. These benefits are often paid out as unused vacation at the conclusion of the appointment period. Proposed policy limits accrual of vacation benefits to two weeks per calendar year. In addition, only a small amount of vacation benefit, one month's accrual, is allowed to roll forward from year to year.

Modified Section 10.3 – Research Misconduct Policy and Complaint Procedure. Existing research misconduct policy has been rewritten to bring institutional policy into compliance with federal regulations.

- *Updates policy statement to reflect contemporary (federal) definition of research misconduct, and emphasize standards expected of our research community for accuracy, validity and integrity in research.*
- *Updates the definitions of the various forms of research misconduct to ensure consistency with applicable federal regulations (fabrication, falsification, plagiarism or other significant departure from commonly accepted practices).*
- *Creates and defines the role of Research Integrity Officer (“RIO”), consistent with federal guidance and best practices.*
- *Updates and clarifies the roles and responsibilities of the RIO, VPRTT, Provost, Deans, Department Heads and Research Personnel in the context of promoting the responsible conduct of research and addressing alleged research misconduct.*
- *Clarifies the requirements for finding research misconduct has occurred:*
 - *Significant departure from accepted practices of relevant research community*
 - *Misconduct committed intentionally, knowingly, or recklessly, and*
 - *Allegation of misconduct proven by a preponderance of evidence*
- *Updates and clarifies requirements for notification of federal oversight and funding agencies, and interim administrative actions required in “special circumstances.”*
- *Adds preliminary assessment stage for initial evaluation of allegations of research misconduct (per current regulatory requirements).*
- *Updates the research misconduct inquiry and investigation procedures to ensure consistency with current regulatory requirements.*
- *Clarifies timetable for completing inquiry and investigation processes, consistent with current regulatory requirements.*

- *Specifies record retention requirements for all documentation related to allegations of research misconduct.*

Modified Section 8.2.4 and New Section 12.9 – Teaching Faculty Promotion Process. Changes include proposed modifications and additions to the existing Handbook that define the institutional process by which Teaching Faculty are promoted. Process mirrors that used for Tenure/Tenure Track faculty including the creation of a University Teaching Faculty Promotion Committee that mirrors the University Promotion and Tenure Committee.

BE IT RESOLVED, that the Board of Trustees of the Colorado School of Mines hereby approves the above listed modifications to the Faculty Handbook.

Motion to approve made by Trustee Bliss, seconded by Trustee Haddon. Approved 7-0.

Action item 8: Sabbatical request Dr. Parker noted that Board of Trustees has set forth a policy, in accordance with the requirements of §23-5-123, C.R.S., outlining the terms and conditions under which sabbatical leave shall be granted. Dr. Parker presented an additional Sabbatical request for the 2014-2015 academic years, which is being presented off-cycle due to Dr. Simões receiving the Fulbright Award after the spring Board of Trustees meeting.

RESOLUTION

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the following additional sabbatical for the term indicated.

College of Engineering and Computational Sciences (CECS): Marcelo Samos EECS Fall 2014

Motion to approve made by Trustee truly, seconded by Trustee Haddon. Approved 7-0.

D. Emergency Action Items

There were no emergency action items.

E. Information Items

Legislative Update Mr. Han gave a legislative update, focusing on total state appropriation, specialty education programs, general fund direct grants, role and mission, and performance funding.

Capital Projects Ms. Volpi provided an update on capital projects including the Elm Residence and Dining Hall, Clear Creek Athletics Complex, the cornerstone academic and research facility, the Moly building, the student center renovation, and the Welcome Center.

Assessment Dr. Parker provided an overview of this year's assessment activities including the annual senior survey and efforts related to ABET and HLC accreditation.

Trustee Bliss made a motion to go into executive session, seconded by Trustee Truly. Approved 7-0. Executive session began at 12:05pm. Trustee Bliss motioned to move back into regular session, seconded by Trustee Truly. Executive session ended at 1:05pm.

Trustee Bliss moved to approve the recommendation for tenure as proposed by Provost Parker, seconded by Trustee Jordan. Approved 7-0.

There being no other business, the regular session ended at 1:10pm.