

*Approved at the 6/2/2017 meeting*  
**BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES**  
**MINUTES OF THE BOARD MEETING**  
Friday, May 5, 2017  
**COLORADO SCHOOL OF MINES**  
**1500 ILLINOIS STREET, COORS BOARDROOM**

**Trustee Breakfast - 8:00am, Ballroom C, Student Center**

President Paul Johnson provided his Spring campus presentation to the Board.

**II. Regular Meeting**

9:40am Trustee Jordan called the regular meeting to order.

Trustees present: Chairman Jordan, Trustees Bliss, Haddon, Truly, Starzar, Salazar, McNeil, Steers.

CSM executives and directors were also present including: President Johnson, EVP Volpi, Interim Provost Boyd, GC Walker, VP Fox, VP Han, SVP Dean, AVP Boyd, Dean's Moore, Kaufman and Graves, and Dr. Mehta.

**a. Recognition of Student Trustee**

Chairman Jordan recognized Trustee Steers service as student trustee and presented her with a certificate of appreciation.

**b. Consent Agenda**

The minutes from the April 7, 2017 meeting were submitted and approved.

Trustee Haddon motioned to approve; seconded by Trustee Truly. Motion approved 7-0.

**c. Reports and Updates**

Board Committee Reports Trustee Haddon reported that the Finance and Audit Committee (FAC) met April 24, 2017. At that meeting the committee reviewed the financial statements as of March 2017. He noted the revenue increase of 3.2%. Also reviewed at the meeting was the 2018 budget that will be presented at today's meeting by Ms. Volpi. Trustee Haddon noted that the FAC reviewed the external audit engagement letter, as well as the report from the internal auditor which found no major issues. The Charter was reviewed, amended slightly and approved. Trustee Haddon noted that a new assistant was hired in the internal audit department.

President's Report Since President Johnson presented at the Board breakfast, he stated that he had nothing further to add and requested that his time be given to Ms. Volpi to discuss the FY18 budget.

Financial Report Ms. Volpi provided information on the balance sheet noting that total assets are up little over \$22 million primarily due to unspent cash, and total liabilities are down a little over \$27 million due to timing of accruals. Ms. Volpi provided information on revenue, expenses and changes in net position on a GAAP basis and noted that operating revenue is up 2.3% year over year and that there is an increase in all revenue areas. Ms. Volpi reported that operating expenses increased 4.2% due to increases in staff wages and benefits, auxiliary enterprises and depreciation. Total operating income is down 17% year over year. Ms. Volpi anticipates end of year net revenue to be a little under \$6 million. She also noted that the revenue is at \$173.4 million, and is on target to achieve \$188.7 million forecast for the year, and expenditures year to date are at \$139 million, which is on track to meet the forecast of \$180 million. There was brief discussion regarding the IT cell service and that there was an upgrade that was cancelled. Ms. Volpi noted she would provide more information to the Board on

cell service. Ms. Volpi provided photos and a review of the bridge project at the 6<sup>th</sup> Avenue and 19<sup>th</sup> Street intersection.

Research Activities Dr. Dean provided an overview of research activity highlights and noted that Mines is at approximately \$44 mil for the year in research. He reviewed a breakdown between federal versus industrial funding as requested by the Board. He noted that Federal funds have been more constant over the past 3 years, but that industrial funding has dropped significantly. Trustee Haddon asked how the total of federal and industrial funding in the chart reconciled with the total awards in a previous chart. Dr. Dean noted that subcontracts with other universities made up the other revenue, and was excluded in the federal versus industrial funding chart for illustrative purposes. He noted that the Department of Energy (DOE), National Lab and NREL are the biggest source of federal funding for Mines. Trustee Salazar asked about what was included in the other industry dollars and who is Mines' biggest industrial funding source. Dr. Dean said he would get this information to the Board. A brief discussion followed regarding steel and manufacturing projects, the MME consortium funding, and growth in the ADAPT Center. Dr. Dean also reviewed the representative awards and Tech Transfer update.

Faculty Senate Report Dr. Mehta noted the Senate is winding down operations for the year and that there is a new Senate nearly in place. He said there is one more meeting next week, which will include remarks from President Johnson. Dr. Mehta reviewed what the Senate has done this past year, which included working more constructively with the Administration and bringing faculty issues to the Administration's attention. Chairman Jorden asked about the climate survey and if it was still an active subject. There was brief discussion regarding the faculty survey and areas that could use more investigation. Chairman Jorden asked Dr. Mehta if he had feedback for the Board. Dr. Mehta noted that it is useful for the Faculty Senate to interact with the Board and get a better sense of business activity. He would definitely recommend more interactions between the Board and Senate in the future. He also noted there will be another leadership survey. Chairman Jorden continues to promote the Board's engagement with the faculty.

#### **d. Action Items**

FY18 Budget including tuition and fees Ms. Volpi provided information on the FY18 budget including tuition and fees. She reviewed the budget considerations. Ms. Volpi provided information on the challenges and opportunities for growth, and noted tuition and fees are the biggest revenue stream and that Mines tuition rate is at market capacity. Chairman Jorden asked for more clarification and Ms. Volpi noted that Mines did a tuition elasticity study last summer that lead to that conclusion. Ms. Volpi provided information on expenditure challenges and opportunities, as well as a review of where Mines is now and the path to the next level. She reviewed projections in enrollment and revenue budget, noting that the All Funds budgets broke into three buckets: Unrestricted Operating, Designated and Restricted. She noted that the total revenue proposal for the All Funds budget for FY18 is \$312 million and provided a breakdown of that revenue. Trustee Haddon noted the unrestricted budget appeared tight. Ms. Volpi noted Mines was in a little better position in the past in that regard.

Ms. Volpi continued with a review of expenditures, noting there is an increase in salary and benefits, as well as an increase in faculty startup expenditures. She noted there is no change in financial aid strategy, but there is an increase in support of the Alumni Association and the Library. Chairman Jorden, Trustee's Haddon and Truly and President Johnson discussed the innovation reserve. Chairman Jorden inquired about the Mines Foundation and Alumni Association and what the breakdown is between the two. Ms. Volpi discussed that split with \$1.9 million going to CSM Foundation and the rest to the Alumni Association. Ms. Volpi discussed the tuition elasticity study conducted by Mines last fall. She noted that 90% of students surveyed (about 600 interested in Mines), believed they would receive a merit scholarship and 50% believed they would receive need-based aid, with 40% anticipate obtaining a loan. 41% currently do get a loan. Ms. Volpi reviewed the study in more depth and felt it was an exhaustive study that Mines used to determine where to position Mines from a marketing, tuition and programmatic perspective. She provided a review of the student fee structure. Chairman Jorden asked how Mines compares to other institutions. Ms. Volpi noted Mines is 3<sup>rd</sup> highest mandatory fees for public universities in the

state and that this is mostly a function of size. Smaller institutions have few students to spread out costs for fees such as the construction fee. She continued to review tuition revenue and cost of attendance and included in her summary a review of non-mandatory fees.

Ms. Volpi provided a review of total enrollment with a focus on undergraduates. She noted Mines typically sees a 7% to 8% melt in committed students over the summer. Trustee Salazar enquired about how many touch points Mines provides over the summer. Ms. Boyd provided information on all those points such as Launch, departmental contacts, contact by the Alumni Association, sendoff parties, etc. Undergraduates by residency was reviewed, as well as admit and yield rates, followed by brief discussion. It was noted that international enrollment is softening with 45 freshmen and 17 transfer international students intend to enroll. Admit and yield rate are comparable to peers reviewed as of 2015. Projected graduate enrollment reflects a slight decline.

Ms. Volpi provided information on State funding noting that the State is in a current year deficit and is shifting funds from reserves to cover the deficit. The Joint Budget Committee used more optimistic revenue projections to create the fiscal year 2018 budget. For 2018, there is a \$20 million increase for higher education and Mines will see \$850k of that.

Ms. Volpi provided a review of the expenses for the All Funds budget proposal, noting that most expenses are in the unrestricted category. Of those expenses the largest increase is labor, then financial aid including graduate support. Ms. Volpi provided an overview of expenses as a percent of total and as compared to peers. She noted the largest expense is labor and provided detailed information. There was a discussion about Mines' adjunct population started by Trustee Haddon, and Dr. Boyd provided an overview of the factors involved in using adjuncts. Ms. Volpi provided a brief review of health benefits and peer comparisons. She noted the second largest expense category is undergraduate financial aid and graduate TA labor. Ms. Volpi invited Mr. Winkelbauer to provide information on benchmarking and return on investments for the CSM Foundation. He noted fundraising production and productivity has been exceptional. He also noted that Advancement investment is a little lower and there are pressures on Advancement budgets. There was a brief discussion on funding the fundraising operations of the CSM Foundation. Ms. Volpi presented the resolution to approve the FY18.

Motion to approve FY18 budget by Trustee Bliss; seconded by Trustee Truly. Approved 7-0.

*BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines reviewed the proposed budget for the academic year 2017 – 2018 and approves the Fiscal Year 2018 Budget consisting of:*

- *Total revenue of \$312.10 million*
- *Total expenses of \$303.27 million*
- *Total addition of reserves of \$2.54 million*
- *3.0% increase for resident undergraduate and graduate rates;*
- *3.5% increase for non-resident undergraduate and graduate rates;*
- *Increase in Housing of and Room and Board charges; and*
- *Increases in fees and charges, two new lab fees and a freshmen orientation fee.*

Campus-wide generator Ms. Volpi provided information on the need for the campus-wide generator and noted that Mines will likely receive an Xcel ISOC program rebate. She reviewed the risks of operating without a campus wide generator. The cost of the project is \$6 million. Trustee Haddon enquired about how long the generators can operate without getting fuel and Mr. Bowersock provided information. Chairman Jorden began a discussion regarding taking funds from reserves if we couldn't issue debt. Ms. Volpi noted that a bond financing plan would be provided to the Board with a preview at the June 2 meeting.

Motion to approve the campus-wide generator by Trustee McNeil; seconded by Trustee Truly. Approved 7-0.

*BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the campus-wide generators.*

Graduation Lists \_\_\_\_\_ Dr. Boyd presents the 2017 undergraduate and graduate graduation lists for approval noting that all had completed the degree requirements and have been approved by the faculty senate.

Motion to approve the 2017 graduation lists by Trustee Haddon; seconded by Trustee Salazar. Approved 7-0.

*BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the 2017 graduation lists.*

**e. Emergency Action Item**

Posthumous Degree Request: Chad Young, BS in Mechanical Engineering Dr. Boyd presented an emergency action request to include Chad Young on the 2017 graduation list. He reviewed the type of person and student Mr. Young was and brief details of his passing.

Motion to approve the 2017 graduation lists by Trustee Haddon; seconded by Trustee Salazar. Approved 7-0.

*BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves awarding Chad Young the Bachelors of Science degree in Mechanical Engineering posthumously.*

**f. Regular Written Reports**

Undergraduate Admissions \_\_\_\_\_ Ms. H. Boyd provided an update on the status of undergraduate admissions in a summary from May 1 noting that the goal is to have 1220 students committed. As of May 1 Mines is at 1218. She discussed the cushion needed to address anticipated summer melt and to ensure we arrive at 1100 new freshman by census. She also noted that there were 206 transfer students committed against the goal of 200. Ms. Boyd highlighted that Mines is currently at 31% young women committed. She provided an overview of the gains and the overall percentages. She also noted of those committed the percent that toured campus at least once was 70%. She provided a summary of countries represented and provided information on difficulties presented with international students entering the country. 30 countries are represented. Chairman Jorden prompted discussion regarding the reasons for international student admissions challenges.

Graduate Admissions \_\_\_\_\_ Dr. Voelker provided an update to the summary in materials noting that admissions. Graduate admissions are looking good and will pick up some over summer. She noted larger number of students has been accepted and Mines is waiting on decisions. She notes Mines is expecting to pick up a dozen or so more students this summer.

Environmental Health and Safety Ms. Volpi provided an overview of the assessment of risks and best practices of CASE College. Chairman Jorden starts a brief discussion about the challenges with hazard being so dispersed and how to get people together and establish safety meetings. EHS continued work with faculty and deans and departments to support best practice, guidelines, training and doing post mortems. There is further discussion regarding safety in general and zero tolerance for people not wearing safety equipment.

CSM Foundation \_\_\_\_\_ Mr. Winkelbauer provided an overview of the Advancement and Alumni Relations report and notes the recent BOG meeting and the presentation by Johnson. Mr. Winkelbauer notes we are in the silent phase of the new campaign and the need for getting volunteers, establishing initiatives and goals and, invites a member of the Board of Trustees to be on the committee. Trustee Starzer agrees to participate in the committee. The Foundation is currently evaluating consultants, determining philosophy, and, looking at other governance models such as outsourcing chief investment officer offering. Mr. Winkelbauer notes he has been working with Alumni Association Board and planning for the future.

11:55am Trustee Truly motioned to go into second Executive Session; seconded by Trustee Haddon. Approved 7-0.

**III. Executive Session**

To discuss promotion & tenure recommendations and personnel matters per §24-6-402(3)(b)(I) C.R.S.  
To receive legal advice per §24-6-402(3)(a)(II) C.R.S.

12:55 pm Trustee McNeil motioned to adjourn Executive Session and move back into the open meeting; seconded by Trustee Haddon. Approved 7-0.

There being no further business the meeting was adjourned.



Anne Stark Walker, Secretary