

Approved at the 8/10/2020 meeting
BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES
MINUTES OF THE BOARD MEETING
Friday, June 26, 2020
Zoom Meeting

I. Executive Session – 8:00 a.m. Virtual

To discuss legal advice pursuant to §24-6-402 (3)(a)(II), C.R.S.; employee matters pursuant to §24-6-402(3)(b)(I), C.R.S.; administrative actions and investigative reports involving students pursuant to §24-6-402(3)(b)(I); and matters required to be kept confidential by federal law or statute statutes, pursuant to §24-6-402(3)(a)(III), C.R.S.

8:00 a.m. Motion to move into executive session by Trustee McNeil; seconded by Trustee Haddon. Motion approved 7-0.

Trustees present via virtual meeting room: Chairman Jorden, Trustee’s Burgess, Haddon, McNeil, Salazar, Sanders and Starzer.

Mines executives present via virtual meeting room: President Johnson, Provost Holz, EVP Volpi, VP Fox, VP Tompkins, VP Han, VPGC Walker, Mr. Winkelbauer and Title IX Coordinator Ms. Schmalzel

8:54 a.m. Executive Session concluded

II. Regular Meeting – 9:15 a.m. Virtual

9:03 a.m. Regular session called to order by Chairman Jorden.

Trustees present via virtual meeting room: Chairman Jorden, Trustee’s Burgess, Haddon, McNeil, Salazar, Sanders, Starzer, Battalora and Kleeman.

Mines executives and directors present: President Johnson, Provost Holz, EVP Volpi, VP Fox, VP Tompkins, VP Han, VPGC Walker and Mr. Winkelbauer.

a. Consent Agenda

The minutes from the May 29, 2020 meeting were submitted for approval.

Trustee Salazar motioned to approve the minutes as presented; seconded by Trustee Haddon. Motion approved 7-0.

b. Reports and Updates

President’s Report President Johnson reported that Mines received accreditation approval to offer online degrees and noted the hard work by the Provost’s office to obtain approval to offer multiple online degrees. Dr. Johnson asked Mr. Winkelbauer to provide the Board with recent good news. Mr. Winkelbauer reported that at the June CSM Foundation Executive Council meeting the Board of Governor’s approved a \$1.5 million appropriation to the university for strategic initiatives to continue momentum on the Mines@150 strategic plan and fundraising. The Executive Council expressed enthusiasm about the appropriation and Mr. Winkelbauer noted the funds would come out of the Board of Governor’s reserves.

Mr. Winkelbauer also informed the Board that on June 23, 2020 he met with President Johnson and Mr. Bill Zisch, Alumni Association President, at the President’s residence to sign the new Joint Operating Agreement (JOA) between the Foundation and the Alumni Association. He noted this further solidifies the organizations’ collaboration that has developed over the last several years. Mr. Winkelbauer expressed gratitude to Mr. Zisch for

leading the Alumni Association Board through this process. Under the terms of the JOA, the Alumni Association will move their assets to the Foundation to manage. Unrestricted funds will go to alumni outreach and the restricted funds will be used consistent with donor intent.

Mr. Winkelbauer reported the Foundation has a signed agreement to establish the new Bruce and Deborah Grewcock Scholarship, a prestigious endowed scholarship program and a result of the largest gift in Mines history. The Scholarship is a cohort-based scholarship that will focus on developing leadership skills. The first 10 recipients have been selected and will start at Mines this Fall. Mr. Winkelbauer noted the student cohort group will grow each year and eventually reach 44 students. He reported that the scholarship criteria are similar to that reflected in the Harvey Scholars program, however, the focus of the Grewcock program is experiential and learning leadership skills for on campus and in society. He noted that the fund was set up as a quasi-endowment with projections extending out 50-plus years.

Mr. Winkelbauer concluded his report by noting that this is the best fundraising year in the history of Mines despite the challenging pandemic circumstances. He acknowledged the team effort by the Foundation's campus partners.

President Johnson recognized the Foundation under Mr. Winkelbauer's leadership and thanked him for an amazing effort on behalf of Mines.

Board Committee Reports Trustee Haddon reported that the Finance and Audit Committee was held on June 15, 2020. At its meeting the Committee reviewed the bond maturity schedules, which reflected that there are \$269 million in bonds outstanding with an average weighted interest of 3.44%. Trustee Haddon reported that the financial statements ending May 2020 were also reviewed. It was noted that it is anticipated ending the year stronger than projected. The Fiscal Year 2021 Budget was reviewed and discussed. Trustee Haddon reported on the work of Internal Audit, which included review of the incident response plan. He noted that the Internal Auditors are recommending we combine the incident and privacy response plans.

c. Action Items

Faculty Handbook Recommendations Dr. Holz reviewed the proposed modifications to the Faculty Handbook noting that most are minor changes in language. He reported that he was not recommending Section 12.17 to establish an Ethics Across Campus Committee, noting that is a significant change and there are questions about the current number of University Committees. He will engage the Handbook Committee further on this issue during the next academic year. Dr. Holz provided an overview of the intent of the proposed new Ethics Committee, which is to provide campus a resource for reviewing student code of conduct concerns as well as other ethical issues. The Humanities and Social Sciences department currently has a committee doing some of this work. Dr. Holz reported his reservation stems from the uncertainty that it needs to be a university committee, especially during the current COVID situation. Trustee Haddon asked that in the future a red-lined document be provided so the Trustees can see more clearly and assess what changes are being proposed. Chairman Jorden questioned the process of continual changes given the importance of the document. Dr. Holz reviewed the process noting that once the committee has discussed the proposed changes, it then solicits feedback from faculty and administration by posting the red-lined document online for a month. Ms. Walker, who advises the Handbook Committee, noted that the substantive changes typically go through a year-long vetting process by Committee members who represent various constituent groups on campus. Dr. Holz noted that the faculty needed more clarification regarding the service component in 6.1.3.

Trustee McNeil motioned to approve the Faculty Handbook changes as presented without Section 12.17; seconded by Trustee Salazar. Approved 7-0.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines hereby approves the above listed modifications to the Faculty Handbook, not including Section 12.17.

Property Transfer Ms. Volpi reviewed and recommended that the Board of Trustees approve the conveyance of ownership of the land located at 1623 Washington Avenue from CSM Foundation to Mines. She reported the property lease is terminating and the Foundation is ready to transfer the 1/3 acre of land to Mines. She provided an overview of where the property is located in relation to other properties purchased by Mines. Ms. Volpi reviewed the terms of the previous agreement noting the property was purchased by the Foundation for \$750,000 and Mines paid 3% per year over ten years and she reviewed administrative fees.

Trustee Sanders motioned to approve the conveyance of ownership of land as presented; seconded by Trustee Starzer. Approved 7-0.

***BE IT RESOLVED** that the Board of Trustees of the Colorado School of Mines approves the conveyance of ownership in the land located at 1623 Washington Avenue, Golden, Colorado from CSMF to Mines.*

Property License Agreement Ms. Volpi provided an overview of the limited property license agreement proposed with Jefferson County Open Space (JCOS). The license agreement is for JCOS to maintain the public use sections of the Chimney Gulch and Welch Ditch trails with Mines retaining full ownership of the land. JCOS has been doing the repairs and maintenance for over 30 years pursuant to an agreement which has expired. Ms. Walker reported that JCOS is in a better position to maintain the space and the agreement does not heighten Mines' liability risk with respect to this property. She noted that Mines does have other, similar land use agreements, primarily easements with the City of Golden.

Ms. Volpi reviewed the flexibility of the proposed 25-year agreement that would allow for a 25-year renewal. However, either party will have the right to terminate at any time with proper notice. Ms. Volpi reported that a recreational trail is a great way to utilize the property and the agreement is specifically for the maintenance of Chimney gulch and Welch Ditch trail. She noted that on Mines' Master Plan there is a future plan for a Mines building.

1. The Limited License Agreement terms will be negotiated and drafted in a format that is consistent with current State Real Estate and Fiscal rules; and
2. The term will be limited to preserve Mines full property ownership rights for any Mines use and development of the property.

Trustee Haddon motioned to approve the property license agreement as presented; seconded by Trustee Starzer. Approved 7-0.

***BE IT RESOLVED** that the Board of Trustees of the Colorado School of Mines hereby approves of the university entering into a limited license agreement with Jefferson County Open Space, and authorizes the President or his appropriate delegee to negotiate the terms of this agreement and execute it on the university's behalf.*

Five-Year Capital IT Plan Ms. Volpi provided an overview of the five-year capital information technology (IT) plan that is required by the State of Colorado for any IT project requesting state funds over \$500,000. The project in the five-year plan is a new Enterprise Resource Planning (ERP). Ms. Volpi noted that Mines' current ERP has been in place since 2005. She noted the system is not meeting current needs of campus users so the administration is now doing a feasibility study in order to determine whether it is better to renovate the current system or install a new system. Ms. Volpi reported that State universities are looking at new systems and it would be beneficial to go to the State with one big request. The universities that Mines is collaborating with are University of Northern Colorado, Metro State, Mesa State, Fort Lewis and Adams State, exploring a new system with a total cost of \$40 to \$60 million for all universities.

Ms. Volpi noted that this is not an approval for the project, but that the approval is requested for the plan. Should Mines decide to implement the plan, the administration would then bring the proposal before the Board for formal approval.

There was discussion regarding the subscription-based and cloud-based trends in IT and how the State looks at that. Ms. Volpi reported that currently it is uncertain how the State would handle those requests. She reported that the administration is currently doing a study to determine what is best for Mines. Ms. Volpi noted that the Governor is interested in agencies collaborating on projects. There was discussion regarding the benefit to universities working together and Ms. Volpi noted there is a large cost advantage to doing this as well as synergies.

The Five-Year Plan below represents a possible new ERP system, for current consideration with a total cost of \$10 million.

Funding Source	Total Project Cost	Total Prior Appropriation	FY22 Request	FY23 Request	FY24 Request	FY25 Request	FY26 Request
Capital Construction Funds (CCF)	\$9,036,000	\$0	\$789,000	\$2,304,000	\$2,790,000	\$3,153,000	\$0
Cash Funds (CF)	\$964,000	\$0	\$122,000	\$239,000	\$288,000	\$315,000	\$0
Total Funds (TF)	\$10,000,000	\$0	\$911,000	\$2,543,000	\$3,078,000	\$3,468,000	\$0

Trustee Starzer motioned to approve the five-year capital IT plan as presented; seconded by Trustee Salazar. Approved 7-0.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines hereby approves the Five-Year Capital IT Plan with a total project cost of \$10 million.

Fiscal Year 2020 Overview Ms. Volpi reviewed the financial highlights for fiscal year 2020 (FY20) noting it is projected to end stronger than anticipated at a little over \$14.7 million due to Summer session enrollment, federal stimulus funding, higher gift and investment income, and no state cuts. Ms. Volpi noted that since the administration does not know what Fall will bring, the university will keep funds in reserves.

Summer II Field and Course Fee approval Ms. Volpi provided an overview of the Summer II Field and Course Fee recommendations shown below. The Finance and Audit Committee has reviewed and recommends the Board of Trustees approve the proposed fees for Academic Year 2020 Summer II consisting of Field and Course fee waivers and changes.

Field Session	Approved Rate	Recommendation	Notes
CBEN 312/313	\$150.00	\$37.50	Extensive remote use of programming software
CHGN 490	\$60.00	\$60.00	Course held in person
PHGN 384	\$100.00	\$100.00	Course held in person
PEGN 316	\$400.00	\$0.00	Fee would pay for travel costs of field session, Session held remotely

Course Fees	Approved Rate	Recommendation	Notes
CHGN 111	\$60.00	\$0.00	Lab will be remote
PHGN 100	\$10.00	\$0.00	Lab will be remote
PHGN 200	\$20.00	\$20.00	Course held in person
MEGN 201	\$20.00	\$20.00	Lecture will be remote, lab will be in-person
MEGN 300	\$12.00	\$12.00	Lecture will be remote, lab will be in-person

Pursuant to authority conferred by §23-41-104(1), C.R.S. (2012) and as required by §23-5-119.5(1), C.R.S. (2012), the Board of Trustees has the responsibility and authority for the financial management of the School including the setting of tuition and fees and the approval of the budget.

Trustee Haddon motioned to approve the Summer II Field and Course Fees as presented; seconded by Trustee Sanders. Approved 7-0.

BE IT RESOLVED that the Board of Trustees has reviewed and approve the proposed fees for Academic Year 2020 Summer II consisting of Field and Course fee waivers and changes.

Fiscal Year 2021 Budget approval Ms. Volpi reviewed the fiscal year 2021 budget proposal noting the level of fluidity that was built into multiple scenarios in the planning process. She recognized and thanked Ms. Danielle Lowry and her team for developing the budget. Ms. Volpi reported that there are critical points in the academic year that could necessitate adjustment to the budget and those are the census date the first week of September and any resurgence of COVID-19 that might significantly impact operations. Ms. Volpi provided an overview of the best, middle and worst-case scenarios, noting that the budget projection is based on the best-case scenario. She reminded the Board that they had previously approved the tuition rates and course fee changes at the May 29 ,2020 meeting. Today's approval is for the budget in totality.

Ms. Volpi provided an overview of revenue and expenses noting that this is a balanced budget without adding to reserves.

Unrestricted Operating Budget

In millions

Operating	FY20 Ongoing	FY21 Adjustments	FY21 Budget	FY21 Original Plan
Revenue	\$ 229.1	\$ (11.0)	\$ 218.1	\$ 247.0
Expense	222.6	\$ (4.1)	218.5	239.5
Net Operations	\$ 6.6	\$ (6.9)	\$ (0.4)	\$ 7.5
Reserves	4.3	\$ (4.3)	-	4.3
Net After Reserves	\$ 2.3	\$ (2.6)	\$ (0.4)	\$ 3.2

Ms. Volpi reviewed the undergraduate enrollment projections noting a slight decline of approximately 4.6%. She reported that retention rates for non-resident students is the biggest concern, including international student enrollment. There was brief discussion regarding the enrollment of first generation and underrepresented this Fall. Ms. Volpi invited Ms. Kester to address enrollment questions. She noted that Saudi Aramco has given permission for international undergraduate students to start courses remotely while still abroad, though Graduate students are not allowed. Ms. Kester noted that the impact of COVID-19 for the first Summer session resulted in an increase in enrollment due to the lack of internships and jobs.

Ms. Volpi provided insights on the three scenarios and the opportunities that exist for families who prefer to have their student complete their course work online. She reported that all students will have the opportunity to participate in classes online as we are adding live recording capabilities to classrooms.

Ms. Volpi provided an overview of the unrestricted revenue summary. She reported that State support was cut 58%, or \$15 million, and the Federal CARES Act will provide a backfill of \$13.8 million. She noted that the State cuts will be seen in both the Fee for Service funding and the College Opportunity Fund (COF) with COF being reduced from \$94 per credit hour to \$40 per credit hour. Mines is making sure that this reduction in COF will not have a negative financial impact to students.

Ms. Volpi provided an overview on additional fees changes and reviewed the health insurance rate for fiscal year 2021. She reviewed the current housing situation and noted that Ms. Becca Flinthoft has worked with her team, health experts and higher education colleagues and is following physical distance measures so that Mines is able to accommodate all requests for housing from students. She reported that occupancy is planned for 78% which is down from the usual 90% primarily due to the social distancing and room availability requirements for quarantine that will be in place. Ms. Volpi also noted the live-on requirement for first-year students has been removed. She noted that the 1750 Jackson residence hall, Mines Park and Greek housing are all running normal occupancy.

Ms. Volpi provided an overview of other revenue and noted that Dr. Tompkins and the three Deans have done a great job managing research occupancy on campus. She noted that research awards are down but expenses are up year over year.

Unrestricted Operating: Revenue Summary

In millions

Source	FY20 Ongoing	FY21 Adjustments	FY21 Budget	FY21 Original Plan
Tuition	\$ 157.6	\$ (10.5)	\$ 147.1	\$ 164.5
Continuing Education	1.7	(0.8)	0.8	1.7
Indirect Cost Recovery	14.0	(0.1)	13.9	16.0
State Support	25.4	(1.3)	24.1	25.7
Housing/ Dining	23.6	2.1	25.7	32.2
Other Revenue	6.9	(0.4)	6.5	7.0
Total Revenue	\$ 229.1	\$ (11.0)	\$ 218.1	\$ 247.0

Ms. Volpi provided an overview of the unrestricted expense summary. She reviewed several new positions that have been in planned for the new residence halls, online education and expanded student services. She reported Mines is also expanding services in the Community of Scholars that is funded partially by the CSM Foundation gift. Ms. Volpi reported that 10 positions will be abolished.

Ms. Volpi provided an overview of expense assumptions and reviewed cost containment measures that result in cuts of \$10.3 million. She provided information on further actions and decision points highlighting low census numbers and mid-semester disruptions. She reviewed other actions such as selective furloughs and voluntary separation incentive plans.

Unrestricted Operating Expense Summary

In millions

Purpose	FY20 Ongoing	FY21 Adjustments	FY21 Budget	FY21 Original Plan
Academic (incl support)	\$ 102.2	\$ (4.3)	\$ 97.9	\$ 106.0
Research	6.3	0.0	6.3	7.0
Student	8.3	(0.1)	8.2	8.6
Institutional	29.2	(2.0)	27.2	30.4
Financial Aid	29.1	1.7	30.8	30.7
Housing/ Dining	14.0	(0.6)	13.5	17.2
Debt Service	10.4	3.2	13.7	15.2
O&M, Capital, & Other	23.0	(2.1)	20.9	24.5
Total Expense	\$ 222.6	\$ (4.1)	\$ 218.5	\$ 239.5
Reserves	4.3	(4.3)	-	4.3
Total Expense & Reserves	\$ 226.9	\$ (8.4)	\$ 218.5	\$ 243.8

Ms. Volpi provided for informational purposes only a brief overview of the CSM Foundation budget noting it is a balanced budget.

Chairman Jorden complimented Ms. Volpi and her team with all the scenarios presented and discipline in making tough decisions. Mr. Jorden asked if faculty shares a broad awareness of the budget needs and Trustee Battalora reported that faculty does understand but there are concerns regarding some of the proposed actions, those that primarily might impact personnel. Ms. Volpi noted the Mines is in better position than other universities and reported that the Campus Budget Committee was very engaged in supporting the development of the budget; the Committee membership includes Deans, Department Heads, academic faculty, and administrators.

Ms. Volpi reported that the Finance and Audit Committee has reviewed the proposed budget and recommends to the Board of Trustees the fiscal year 2021 Budget consisting of:

- Total operating revenue of \$218.1 million
- Total operating expenses of \$218.5 million
- Changes to fees and charges, including the elimination of select lab and course fees

Pursuant to authority conferred by §23-41-104(1), C.R.S. (2012) and as required by §23-5-119.5(1), C.R.S. (2012), the Board of Trustees has the responsibility and authority for the financial management of the School including the setting of tuition and fees and the approval of the budget.

Trustee Haddon motioned to approve the fiscal year 2021 Budget as presented; seconded by Trustee Salazar. Approved 7-0.

BE IT RESOLVED that the Board of Trustee approves the Fiscal Year 2021 budget consisting of:

- *Total operating revenue of \$218.1 million*
- *Total operating expenses of \$218.5 million*
- *Changes to fees and charges, including the elimination of select lab and course fees*

d. Regular Written Reports

CSM Foundation and Alumni Relations report Mr. Winkelbauer had no further updates.

Trustee McNeil thanked President Johnson and the leadership team for all that is being done during the COVID situation. He noted how well Mines has done to balance the budget and offered thanks to the entire team. Dr. Johnson also shared his appreciation and thanked Trustee McNeil for the recognition.

Chairman Jorden asked if dorm assignments had gone out and Dr. Fox noted that the date had moved to July 10 but, it is actively in the process. Chairman Jorden also asked if the Lookout Mountain residence had closed and Ms. Volpi reported it had and the funds will be used as the donor intended towards the President's residence either for repairs to the existing residence or for a new residence.

10:50 a.m. Motion to adjourn made by Trustee Salazar seconded by Trustee McNeil. Approved 7-0.

There being no further business the meeting was adjourned.



Anne Stark Walker, Secretary