

Approved at the 9/10/2021 meeting
BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES
MINUTES OF THE BOARD MEETING
Friday, May 28, 2021
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.; Property acquisition per CRS 24-6-402 (3) (a) (I); administrative actions and investigative reports involving students pursuant to §24-6-402(3)(b)(I), C.R.S.; 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 Salazar. Motion approved 5-0.

Trustees present virtually: Chairman Jorden, Trustee’s Grewcock, Salazar, Sanders, and Starzer.

Mines executives present virtually: President Johnson, Provost Holz, EVP Volpi, VP Fox, VP Bradford, VP Han, VPGC Walker and Mines Foundation President Winkelbauer.

9:05 a.m. Executive Session concluded.

II. Regular Meeting – 9:00 a.m. Virtual

9:08 a.m. Regular session called to order by Chairman Jorden.

Trustees present virtually: Chairman Jorden, Trustee’s Grewcock, Salazar, Sanders, Starzer, Gardner, and Kleeman.

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

a. Consent Agenda

The minutes from the May 7, 2021 meeting were submitted for approval.

Trustee Grewcock motioned to approve the minutes as presented; seconded by Trustee Salazar. Approved 5-0.

b. Reports and Updates

President’s Report President Johnson provided a brief overview of the graduation ceremonies and thanked everyone for their participation and acknowledged distinguished speaker Chairman Jorden. Dr. Johnson acknowledged that it is the end of Trustee Kleeman’s term on the Board and thanked her for her service, noting Mines has a silver certificate of appreciation for her and wished her success on her career. Chairman Jorden requested she share her plans and Trustee Kleeman reported she will be attending Carnegie Melon in the Fall to obtain her PhD in energy policy. She thanked the Board and President Johnson noting she enjoyed working with everyone.

Board Committee Reports Trustee Salazar reported that the Finance and Audit Committee (FAC) met on May 18, 2021. At its meeting the committee reviewed financial statements as of March 31, 2021, and the FY2022 forecast and financial plan. He reported that the committee reviewed the balanced Fiscal Year 2022 budget proposal. He noted that the increases in revenue are due to increases in enrollment, state funding and research activity, and that these will be offset by increases in expenses, strategic initiative related costs and operational costs related to continue to manage the pandemic. Trustee Salazar reported the committee recommended approval for the FY2022 budget. The committee reviewed the Five-Year Capital Plan and

recommended approval by the Board of Trustees. He reported that the committee reviewed the campus facilities operations and maintenance report, noting the deferred maintenance is approximately \$33 million. He reported that there were no concerns. SpeakUp@mines was reviewed with no concerns. The committee also met with the Internal Auditors with no concerns. Trustee Salazar noted the Board members will be contacted again for an interview for the Enterprise Risk Management (ERM) annual process.

Financial Statements as of March 31, 2021 Ms. Volpi provided highlights of the March 31, 2021 financial statements reporting a projected \$1.6 million surplus at year end due to a significant increase in tuition revenue with continuing students and new grad programs, and increases in continuing education and research revenues. She reported an increase in operating expenses due to the pandemic and other operational matters. Ms. Volpi reported that the lease for the Private Public Partnership (PPP) at 1750 Jackson is now recorded on the balance sheet in non-capital liabilities. Responding to a Trustee question, Ms. Volpi noted that cash at the end of March is large due to the federal stimulus payment in 2020 that has yet to be fully expended, as well as the spring tuition revenue that is collected in February and expended throughout the remainder of the fiscal year.

c. Presentations and Discussion

Marketing update Mr. Hughes and Mr. Tandy updated the Trustees on current marketing strategies and outcomes of the implementation of those strategies. In particular, Mr. Hughes focused on graduate programs with the goal to build a durable, sustainable and efficient brand that promotes student recruitment. He highlighted the importance of hiring a digital specialist and establishing internal partnerships. He provided an overview of the impact of digital ads, noting web content, and internal design (print, web, ad) are consistent. He reported how well Mines is marketing in articles, podcasts, and media through a strategic national public relations plan building awareness around the graduate program. Mr. Hughes provided an overview of Mines' robust use of social media, videography and audio. He reported that Mines is engaged with Google, LinkedIn, Facebook, YouTube, Twitter, Snapchat, Spotify and TikTok and Pandora.

Mr. Tandy reviewed highlights of Mines' digital advertisements, campaigns and platforms. He reported Mines is utilizing 7 primary advertising platforms with 187 campaigns and has placed over 600 digital ads over the internet. Mr. Tandy provided samples of ads and described the journey the user takes with the goal of keeping Mines top of mind. He reviewed the platforms being used and the statistics for click-through rates to Mines. He reported on Mines' engagement with Pandora Advertising, which will expand Mines' reach into digital radio with a low cost and high reach and exposure. Mr. Tandy reviewed graduate programs traffic, noting a 68% increase year over year and a 17% unique page view increase. He reported that the team has built a lot of content the past year for the online.mines.edu portal which has generated 180,000 unique page views.

Mr. Hughes provided highlights of what Mines has achieved, reporting the marketing team is mature, efficient and engaged, and has met its goals, promoted transparency and trust, and fostered strong partnerships and positive enrollment trends. He reported an increase of 18% in graduate admissions applications. Mr. Hughes reported the focus for Fall is online recruitment, and new channels and approaches. He reviewed the Handshake recruiting tool and reported that Mines was invited to participate in Amazon Prime College tour, which will be filming in the Fall. He reported that the Mines.edu website is due for redesign and redevelopment. Brand review and repositioning will be completed by Spring 2022, in line with the strategic goals of Mines@150 for Mines to be more top of mind and top choice.

The Board would like to see more information on how Mines can analyze different demographics and the diversity of students being reached. Mr. Hughes noted he would provide this information.

d. Action Items

FY2022 Budget approval Ms. Volpi provided an overview of the FY2022 Budget and reported Mines is anticipating a revenue increase as the result of tuition, housing, State funding and endowment performance with total revenue projected at \$253 million. Expenses are projected to increase due to costs for

online delivery, financial aid, operational mandates and strategic initiatives with total expenses projected at \$250 million. She reviewed enrollment history and the projection for fall 2021 reporting that the incoming class enrollment is likely to be higher than anticipated; incoming students are budgeted at 1,350 with total enrollment projected at almost 7,000. Mines proposes a tuition increase of 3% for resident, non-resident and online students. Ms. Volpi noted there has not been an increase in two years for resident students and no increase for one year for non-resident students. Ms. Volpi provided a review of State funding over time, including the 14.3% increase for Fiscal Year 2022 and Federal stimulus funding received to date. She then reviewed other revenue sources, including projected increases in indirect costs from research grants; increases in housing and dining (although not at full capacity – budgeted at 82% capacity); increase in continuing education; and one-time funding from Federal Higher Education Emergency Relief Funding (HEERF).

Ms. Volpi provided an overview of Financial Aid and Net Tuition, reporting growth in financial aid over the last five years. She noted that through this time we have had higher enrollment and have achieved enrollment of students from a broader demographic perspective. Ms. Kester reported the uptick in freshman and senior financial aid was due primarily to larger class sizes, and disruptions due to the pandemic. Ms. Volpi reported no increases in mandatory fees (which will go down due to the one-year removal of the intermodal fee), and a proposed Room and Board increase of 4.5%. She reviewed other fees and charges, including a new application fee of \$25 and an approximate 6% increase in the Student Health Insurance Plan rates, which are back up to the 2020 rates. Ms. Volpi provided an overview of the cost of attendance and reported an increase of 2.1% and 2.4% for residents and non-resident students, respectively.

Ms. Volpi reviewed of the FY2022 Operating expenses, highlighting the 3% salary pool, a decrease in benefits costs due to lower rates in the benefits trust, a placeholder for anticipated equity adjustments pursuant to the Colorado Equal Pay for Equal Work Act, increases for the online program, mandatory increases, and operational and strategic initiatives. Trustee Jorden requested that a presentation be made at the next meeting on the Equal Pay for Equal Work Act and its impact on the university. Ms. Volpi then reviewed the FY2022 proposed budget as indicated below:

FY2022 Proposed Budget

	FY2019 Actual	FY2020 Actual	FY2021 Forecast	FY2022 Proposed Budget	FY2023 Preliminary Budget	FY2024 Preliminary Budget
Revenues						
Tuition (UG, GR, Online)	\$ 146.56	\$ 159.19	\$ 159.66	\$ 168.34	177.61	185.65
Continuing Education	1.98	1.03	0.46	1.50	2.00	2.50
Grants and Contracts	13.91	16.05	16.50	17.00	18.00	19.00
Investment Income	2.82	2.82	1.45	1.45	1.45	1.45
State Support (COF and FFS)	22.87	25.37	24.08	27.58	27.58	27.58
Auxiliaries	22.37	22.51	25.30	28.31	32.80	34.90
Other	5.17	4.84	4.48	3.85	4.00	4.00
Gift Revenue from the Mines Fund	1.34	1.42	0.90	0.90	1.00	1.00
One-Time Funds From Savings/HEERF	-	-	2.22	4.42	-	-
Total Revenues	\$ 217.03	\$ 233.23	\$ 235.05	\$ 253.33	\$ 264.43	\$ 276.07
Expenses						
Expenses - General Fund Total	183.75	193.14	202.92	219.29	229.69	241.09
Expenses - Auxiliaries Total	20.77	20.29	25.64	28.85	31.05	32.58
Capital Renovations and Controlled Maintenance	2.72	1.95	2.61	2.64	2.75	2.86
Total Expenses	\$ 207.24	\$ 215.39	\$ 231.15	\$ 250.78	263.49	276.54
Net Activity Before Reserves	\$ 9.78	\$ 17.84	\$ 3.90	\$ 2.55	0.95	(0.47)
Reserves/Innovation Fund	4.88	5.00	2.32	0.80	4.30	4.30
Net Activity	\$ 4.91	\$ 12.84	\$ 1.58	\$ 1.75	(3.35)	(4.77)

Revenue Assumptions

- Annual tuition rate increase of 2% in FY23 and FY24.
- Enrollment growth in FY23 (6.7%) and FY24 (4.6%), mostly attributed to online programs.
- Estimating flat state support FY23 and FY24.
- IC annual increase of \$1M in FY23 and FY24.
- Housing capacity at 92% in FY23 and FY24.

Expense Assumptions

- Labor increases based on a 2.15% estimated CPI.
- Financial aid increasing by 9.2% (FY23) and 8.2% (FY24).
- Online growth anticipated expenses of \$1.7M (FY23) and \$1.1M (FY24).
- Adding 10 total faculty FTE over FY23 and FY24 at a cost of \$1.1M.
- Adding 20 total staff FTE over FY23 and FY24 at a cost of \$1.7M.
- Anticipated operating increases in debt, utilities, and contracts \$3.7M (FY23) and \$2.0M (FY24)

Dollars in Millions

Trustee Starzer motioned to approve the FY2022 Budget as presented; seconded by Trustee Salazar. Approved 5-0.

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.

BE IT RESOLVED that the Finance and Audit Committee has reviewed the proposed budget for the Fiscal Year 2022 and recommends to the Board of Trustees the Fiscal Year 2022 budget consisting of:

- – Total operating revenue of \$253.3m
- – Total operating expenses of \$250.8m
- – 3.0% increase for resident and nonresident residential undergraduate and graduate tuition rates;
- – 3.0% increase for online tuition rates;
- – 3.0% increase to administrative and academic faculty salaries;
- – Increases to room and board rates;
- – Decrease to mandatory fees; and
- – Changes in other fees and charges

Five-Year Capital Plan Ms. Volpi provided an overview of the proposed five-year capital plan. She noted that this is a plan required by the State on an annual basis and is the vehicle to request State funding. State funding requests in this plan are \$18.2 million for the Subsurface Frontiers building and \$12 million for Library renovations. Also included in the plan are: an Early Childhood Education building renovation project; a new High Bay dirty lab similar to the GRL Annex for research in water and underground construction; Subsurface Discovery Lab for rock-based teaching; a multi-purpose research facility laboratory that is needed due to the growth in research activity; Student Center improvements; a Softball building with locker rooms and training rooms; and Solar Collectors to increase use of solar with monetary return in 10 to 11 years.

Mines 5 year Capital Construcion Plan (in millions)							State Budget Cycle					
Priority	Project Title	Total Project Cost	State Requests	General Fund	Donations	Special Financing	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27
1	Subsurface Frontiers Building	\$ 156.4	\$ 18.2			\$ 138.2	\$ 20.0	\$ 100.0	\$ 30.0	\$ 6.4		
2	Early Childhood Education Center	\$ 3.7		\$ 3.7			\$ 1.0	\$ 2.7				
3	High Bay Laboratory (future warehouse)	\$ 4.3		\$ 4.3			\$ 1.0	\$ 3.3				
4	Library	\$ 15.0	\$ 12.0		\$ 3.0			\$ 2.0	\$ 13.0			
5	Subsurface Discovery Laboratory	\$ 15.0			\$ 15.0				\$ 2.0	\$ 13.0		
6	New multi-purpose laboratory	\$ 150.0				\$ 150.0	\$ 0.02	\$ 30.0	\$ 100.0	\$ 19.98		
7	Student Center Improvements	\$ 11.7				\$ 11.7			\$ 2.3	\$ 9.4		
8	Softball Building	\$ 3.0			\$ 3.0				\$ 0.5	\$ 2.5		
9	Solar Collectors	\$ 3.7		\$ 3.7			\$ 3.0	0.7				
		\$ 362.8	\$ 30.2	\$ 11.7	\$ 21.0	\$ 299.9	\$ 25.0	\$ 138.7	\$ 147.8	\$ 51.3	\$ -	\$ -

Trustee Grewcock motioned to approve the Five-Year Capital Plan as presented; seconded by Trustee Starzer. Approved 5-0.

The Finance and Audit Committee considered and recommends to the Board of Trustees the Capital Construction Five-Year Plan with a total project costs of \$362.5M.

BE IT RESOLVED that the Finance and Audit Committee recommends to the Board of Trustees of the Colorado School of Mines approval of the Capital Construction Five-Year Plan with a total project cost of \$362.5M.

NASA Indemnification approval Ms. Volpi provided background for the NASA Indemnification agreement term for equipment donated to Mines by NASA. She reviewed the agreement in which NASA is asking for indemnification for claims arising from use of the donated equipment from the time of shipping to use by the Additive Manufacturing team. Ms. Volpi noted the equipment would be inventoried and maintained as Mines-owned equipment.

Trustee Grewcock motioned to approve the NASA Indemnification as presented; seconded by Trustee Salazar. 5 Approved 6-0.

***BE IT RESOLVED** that the Board of Trustees of the Colorado School of Mines approves the indemnification language in the NASA Statement and the donation Agreement and authorizes the President or his appropriate delegee to execute this Statement.*

Student Health Insurance Contract approval Ms. Volpi provided an overview of the one-year extension request to the student health insurance provider contract with American HealthPlans. This will extend the term to August 2022. The extension will be an additional annual amount of \$4.2 million for a total contract value of \$19.4 million. There will be no financial impact to Mines as student fees fund the insurance.

Trustee Grewcock motioned to approve the Student Health Insurance Contract as presented; seconded by Trustee Sanders. Approved 5-0.

***BE IT RESOLVED** that the Board of Trustees of the Colorado School of Mines approves the contract extension with Academic HealthPlans for a period from August 2021 to August 2022 at an estimated total amount of \$4.2 million for a contract value of \$19.4 million.*

Faculty Handbook Amendments Dr. Holz provided an overview of the Faculty Handbook amendments, noting overall changes this year were not substantial. Dr. Holz reported that Sections 4 and 5 had the most substantive revisions due to new requirements under the Equal Pay for Equal Work Act. Dr. Holz will provide more information to the Board regarding the Equal Pay for Equal Work Act at a future meeting.

Dr. Mehta provided a brief review of Sections 4, 5, 7 and 11. Ms. Walker addressed a query regarding sick leave, noting that it is paid out at 25% when employee faculty member retires. Dr. Holz reported that a complete review and revision of the Faculty Handbook will take place over the next couple of years.

Trustee Salazar motioned to approve the Faculty Handbook amendments as presented; seconded by Trustee Grewcock. Approved 5-0.

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

e. Emergency Action Item

Five-Year Capital Information Technology Plan Ms. Volpi provided an overview of the five-year capital information technology plan that the State requires for any project in excess of \$5 million. She reported the Enterprise Resource Planning (ERP) project cost has increased from the date the Board approved the original project in fiscal-year 2020. The cost increase is due to the licensing costs of the selected provider, Workday, as well as additional external resources needed to implement the project. Ms. Volpi noted that Workday is being

utilized by many Colorado universities in addition to the State of Colorado. Ms. Volpi reported the State is funding \$11.5 million of the costs and Mines is paying for the remainder at \$1.7 million. She provided a brief overview of the system, which includes finance, Human Resources and student systems. Ms. Volpi noted that Workday has a sophisticated workflow system that streamlines processes for students and employees.

Trustee Salazar motioned to approve the Five-year Capital Information Technology Plan as presented; seconded by Trustee Grewcock. Approved 5-0.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the Five-Year Capital IT Plan with a total project cost of \$12,737,708 million.

CCUS Graduate certificate Program approval Dr. Bradford provided an overview of the Carbon Capture, Utilization, and Storage (CCUS) graduate online certificate program. He reviewed the importance of the program noting it is specifically an online program. He provided outlines of the required courses. Dr. Bradford noted this is a rapidly growing sector with a significant marketing benefit to Mines as this program will be the first one to be implemented. Dr. Bradford provided information on the future revenue potential with research projects, background monitoring projects and entrepreneurship programs. He noted the potential to see this program growing into a full non-thesis Master's program with an entrepreneurial section. There was discussion regarding leveraging Mines' contacts and engaging existing relationships with industry connections. Dr. Bradford reported this program will be launched this Fall with the first class to be offered during the second 8-week term of the semester.

Trustee Starzer motioned to approve the CCUS graduate program as submit; seconded by Trustee Salazar. Approved 5-0

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves creation of the following new graduate degree programs:

- *Graduate Certificate in Carbon Capture, Utilization, and Storage*

f. Regular Written Reports

Admissions and Enrollment report Ms. Kester reported on current enrollment trends, noting Mines has strong summer enrollment due to students enrolling in field sessions and Admissions' marketing efforts to encourage incoming freshman to take summer courses. She reported Fall enrollment looks strong and 95% of continuing students are registered. Ms. Kester reported that currently there are 1524 freshman accepts, including international students, though she expects to lose some in summer melt. This number is larger than the original goal of 1200-1250. She is working with Student Life to accommodate the large incoming class. Ms. Kester highlighted Mines has 33% women and 27% diversity rates, an increase from last year. She reported that Graduate applications are also up. Ms. Kester reported on the Amazon Prime College Tour filming at Mines October 11-13, 2021 and to be aired on Amazon Prime and ROKU. This program will access more than 100 million on Prime and 3 million on ROKU. She reported the "test optional" policy is working well and Mines is seeing an increase in diversity due to it. Ms. Kester reported that Mines has waived the on-campus living requirement for incoming students due to COVID.

Research and Technology Transfer report Dr. Bradford reported that all three proof of concept proposals were awarded at full amount, Dr. Eberhart, Dr. Herring and Dr. Squire. He highlighted research awards are \$20 million, up from last year, and on track to hit another record. He reported that expenditures are down due to COVID. Dr. Bradford acknowledged that this good news is all attributable to Dr. Tompkins' support and the faculty members' efforts at getting proposals out. He noted at the next meeting he would report on the significant uptick of awards, and the reasons certain industry awards are down. Dr. Bradford reported the search for the new Vice

President for Research and Technology Transfer was going well, noting there were over 60 applicants that were recently narrowed down to three. Interviews start next week.

Faculty Senate Report _____ Dr. Herring provided an overview of Faculty Senate business and reported the Senate increased from 13 to 15 Senators with four Senators retiring. He noted they met for the last time yesterday though will be active over the summer months. The new faculty senate begins its work in the Fall. Dr. Sebnem Duzgun was elected the new Faculty Senate President. Dr. Herring reported that through the Mines@150 managed fund, several projects are now underway to enhance the Signature Student Experience (SSE). He reported the Core Curriculum Committee made progress on developing a new Core, and the Policies and Procedures committee will be working with the administration. Dr. Herring reported on a new committee for online degree program oversight. He reported the Research Council started back up and the Best practices Taskforce that was hampered by the pandemic will continue its work next year.

Indemnification Annual Report _____ Ms. Volpi noted that at a previous meeting, the Board approved a blanket indemnification authorization allowing management to accept NASA's indemnification terms for any grants or contracts through which Mines is using NASA-owned property. The Board requested an annual report be provided of any such accepted indemnification terms. That report was presented and reviewed.

CSM Foundation and Alumni Relations report _____ Mr. Winkelbauer had no further updates and reported that despite challenges of not being able to see people in person, it has been a productive year. He thanked all for getting Mines to this point.

Chairman Jorden thanked the Board and the Executive team for all the hard work, noting his pride on how well the academic year was navigated. He commented on how wonderful the May Commencement ceremony was, and noted that it was great to see the joy on the students faces in person.

11:15 a.m. Motion to go to executive session by Trustee Salazar. Approved 5-0

12:05 p.m. returned to open session.

Presidential Compensation _____

Chairman Jorden noted the Board has completed its annual performance and compensation review for President Johnson.

Trustee Salazar motioned to approve the recommended 3% increase in President Johnson's base salary.; seconded by Trustee Grewcock. Approved 5-0.

Trustee Salazar motioned to adjourn. Approved 5-0.

12:12 p.m. There being no further business the meeting was adjourned.



Anne Stark Walker, Secretary