

RECORD OF PROCEEDINGS

Golden, Colorado
January 13, 2006

The Board of Trustees met in special session on January 13, 2006 at 7:00 a.m. at the Brown Palace Hotel in Denver, Colorado.

Present: Trustees Coors, Craig, DeFilippo, Hutson, Nyikos, Tschatschula, and Wagner, and Student Trustee Cornell

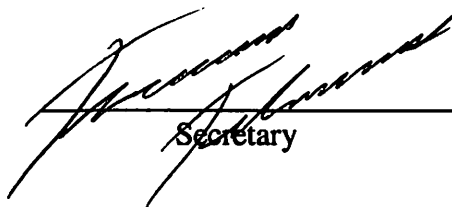
Also in attendance: Carol Chapman, Susan Potter

Trustee Nyikos presided.

Trustee Hutson made a motion, seconded by Trustee Wagner, to go into Executive Session to discuss the Presidential Search as authorized by §24-6-402 (3)(b) (I), C.R.S. (2004) Motion carried.

Following the Executive Session, the Trustees reconvened in special session at 5:30 p.m. There being no further business, Trustee Tschatschula made a motion, seconded by Trustee DeFilippo, that the meeting be adjourned. Motion carried.

Meeting adjourned at 5:30 p.m. on January 13, 2006.


Secretary

Colorado School of Mines
Executive Session Notes
January 13, 2006
7:00 a.m.
Brown Palace Hotel

Present: Trustee Coors and Student Trustee Cornell. Present via teleconference:
Trustees Craig, DeFilippo, Hutson, Nyikos, Tschatschula and Wagner

Staff Present: Carol Chapman and Susan Potter

Trustee Nyikos presided.

The Trustees convened in executive session to discuss the presidential search in accordance with § 24-6-402(3)(b)(I), C.R.S.

The Trustees conducted interviews with Dr. Scott W. Tinker, Dr. R. Larry Grayson, and Dr. Myles W. Scoggins. Following each interview, the Trustees discussed the relative strengths and weaknesses of each candidate.

Trustee DeFilippo made a motion, seconded by Trustee Hutson, to adjourn the executive session. Motion carried.

The meeting adjourned at 5:30 p.m.

RECORD OF PROCEEDINGS

Golden, Colorado
January 14, 2006

The Board of Trustees met in special session on January 14, 2006 at 7:00 a.m. at the Brown Palace Hotel in Denver, Colorado.

Present: Trustees Coors, Craig, DeFilippo, Hutson, Nyikos, Tschatschula, and Wagner, and Student Trustee Cornell

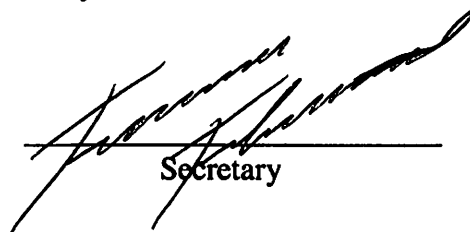
Also in attendance: Carol Chapman, Susan Potter

Trustee Nyikos presided.

Trustee Craig made a motion, seconded by Trustee DeFilippo, to go into Executive Session to discuss the Presidential Search as authorized by §24-6-402 (3)(b) (I), C.R.S. (2004) Motion carried.

Following the Executive Session, the Trustees reconvened in special session at 5:00 p.m. There being no further business, Trustee Coors made a motion, seconded by Trustee Tschatschula, that the meeting be adjourned. Motion carried.

Meeting adjourned at 5:00 p.m. on January 14, 2006.


Secretary

Colorado School of Mines
Executive Session Notes
January 14, 2006
7:00 a.m.
Brown Palace Hotel

Present: Trustee Coors and Student Trustee Cornell. Present via teleconference:
Trustees Craig, DeFilippo, Hutson, Nyikos, Tschatschula and Wagner

Staff Present: Carol Chapman and Susan Potter

Trustee Nyikos presided.

The Trustees convened in executive session to discuss the presidential search in accordance with § 24-6-402(3)(b)(I), C.R.S.

The Trustees conducted interviews with Dr. William Carroll, Dr. Murray Hitzman, Dr. James Taranik, and Mr. Greg Schnacke. Following each interview, the Trustees discussed the relative strengths and weaknesses of each candidate.

Trustee DeFilippo made a motion, seconded by Trustee Hutson, to adjourn the executive session. Motion carried.

The meeting adjourned at 5:00 p.m.

RECORD OF PROCEEDINGS

Golden, Colorado
January 24, 2006

The Board of Trustees met in special session on January 24, 2006 at 10:30 a.m. in the Coors Board Room.

Present: Trustee Coors and Student Trustee Cornell. Present via telephone: Trustees Craig, DeFilippo, Hutson, Nyikos, Tschatschula, and Wagner.

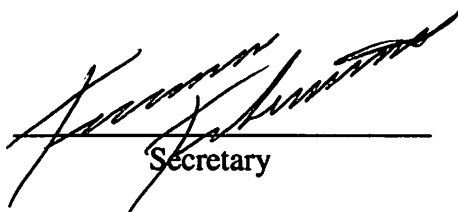
Also in attendance: Carol Chapman, Susan Potter

Trustee Nyikos presided.

Trustee DeFilippo made a motion, seconded by Trustee Wagner, to go into Executive Session to discuss the Presidential Search as authorized by §24-6-402 (3)(b) (I), C.R.S. (2004) Motion carried.

The Trustees reconvened in special session at 11:30 a.m. Trustee Tschatschula made a motion, seconded by Trustee DeFilippo, that the meeting be adjourned. Motion carried.

Meeting adjourned at 11:30 a.m.



Secretary

Certification of Executive Session


TO: Terrance Tschatschula, Secretary
Board of Trustees, Colorado School of Mines

FROM: Michael S. Nyikos, President
Colorado School of Mines Board of Trustees

DATE: February 10, 2006

RE: Colorado School of Mines Board of Trustees Regular Meeting on
January 24, 2006 – Executive Session

This statement is made in compliance with Colorado Revised Statutes §§ 24-6-402(2)(d.5)(I)(A) and 24-6-402(2)(d.5)(I)(B), for inclusion in the minutes of the above-referenced meeting. At the above meeting, the Board voted to hold an executive session for the publicly announced purpose of discussing the presidential search. The executive session was convened pursuant to § 24-6-402(3)(b)(I), C.R.S. I was the chair of the executive session and hereby attest that the entire executive session was confined to the publicly announced topic. I have reviewed the minutes taken during the executive session and attest that the minutes substantially reflect the substance of the discussions during the executive session.



President of the Board of Trustees,
Colorado School of Mines

RECORD OF PROCEEDINGS

Golden, Colorado
January 27, 2006

The Board of Trustees met in regular session on January 27, 2006 in the Coors Board Room.

Present: Trustees Coors, Craig, DeFilippo, Hutson, Nyikos, Tschatschula, and Wagner and Student Trustee Cornell.

Also in attendance: President Trefny, Executive Vice President Middleton, Vice Presidents Chevront, Han, and Poate; Associate Vice Presidents Montez, Sacks, Volpi, and Young; and other staff members and visitors.

Trustee Nyikos presided.

Approval of Minutes. Trustee Hutson made a motion, seconded by Trustee DeFilippo that the minutes of the December 15, 2005 regular meeting be approved as submitted. Motion carried.

Board Committee Reports. Trustee Hutson reported that the Budget and Finance committee met on January 17, 2006 to review the status of the audit and the tuition recommendations. Trustee Hutson indicated that Associate Vice President Volpi and her staff have made many operational improvements and are to be commended.

Trustee Craig reported that the Presidential Compensation and Evaluation Committee has been continuing to collect data for the Board's review.

President's Report. President Trefny reported that the December commencement and the associated events were very successful. The School was honored to have Dr. Raymond Orbach, Director of the Office of Science at the Department of Energy and nominee for the position of Under Secretary for Science, Department of Energy, as the commencement speaker. While in Golden, Dr. Orbach toured the National Renewable Energy Laboratory. President and Mrs. Trefny also hosted a dinner for Dr. Orbach at their home.

President Trefny introduced Dr. John Poate, who started his service as Mines' Vice President for Research and Technology Transfer on January 3. President Trefny remarked that the School was fortunate that Dr. Poate was able to attend the various December commencement activities.

President Trefny reported that he attended a breakfast hosted by the National Renewable Energy Laboratory for Representative Beauprez on January 10. President Trefny was invited to sit at Representative Beauprez's table; Representative Beauprez spoke very highly of Mines during his remarks.

President Trefny reported that he met with the president of the Daniels Fund, Ms. Linda Childears, and other members of her staff on January 10.

President Trefny reported on his trip to Arizona from January 15 – 22. He was accompanied by Mr. Peter Han, Mr. Chris Wenger, and Ms. Anita Pariseau. President Trefny reported on a number of successful alumni receptions and meetings with alumni and friends of the School.

President Trefny reported that Mr. Rick O'Donnell has resigned as Executive Director of the Colorado Commission on Higher Education, effective March 10, in order to pursue his congressional bid.

President Trefny announced that this year's Young Symposium will be held on April 4 and will feature a presentation by Dr. Jared Diamond, author of *Guns, Germs and Steel* and *Collapse*.

President Trefny reported that the School has had a number of positive interactions with the National Center for Atmospheric Research (NCAR) and the University Corporation for Atmospheric Research (UCAR). UCAR was very impressed with the Mines Strategic Plan and have indicated they wish to model their own strategic plan after it.

President Trefny asked Executive Vice President Middleton to provide an update on the Petroleum Institute. Dr. Middleton reported that Dr. John Golden will be retiring on February 20; his exemplary service to the Petroleum Institute will be greatly missed. Dr. Middleton will travel to the Petroleum Institute in February.

Financial Report. Associate Vice President Montez reviewed the *Monthly Report on State Appropriated Funds*. Trustee Coors indicated that it is very helpful if these reports compare the current year actuals to previous year actuals. Vice President Montez indicated that the quarterly reports typically contain this information and they will try to make sure it is included in the monthly reports as well. On the expense side of the report, Mr. Montez reported that research expenditures appear lower than expected, but it is expected this will change once the second quarter "returns to centers" are posted. He further reported that scholarship and fellowship expenditures are approximately \$400,000 above the approved budget amount. The campus Budget Committee will be reviewing this issue once the spring tuition revenues are known. Mr. Montez remarked that the large cut in the amount of state financial aid was a complicating factor in this regard. Vice President Chevront remarked that these funds are needed for the students who have already been admitted. While there is a reserve fund that could be accessed to address this problem for one year, this amount needs to be added to the base. President Trefny remarked that the higher than anticipated enrollment numbers should also lead to higher than normal tuition revenues to help address this problem. He also noted that the \$3.9M the School should receive from the State for previously unfunded enrollments will be base-building. President Trefny also indicated that more than \$22M was raised for scholarships during the *Transforming Resources* campaign. He anticipates that the need for an additional \$400,000 in funding for scholarships can be addressed through some combination of these mechanisms. Trustee Wagner indicated that a budget variance of six figures is a cause for concern and that the Board will want to continue to be informed on this issue.

Trustee DeFilippo inquired as to how the enrollment growth targets were set as part of the strategic planning process. Vice President Chevront responded that the plan calls for an undergraduate student body of 4000 by 2012, which will require an entering class size of 1000 by 2008. This year's target was set at 850 students; however, a higher than normal percentage of accepted students enrolled this year, leading to an unusually large entering class of 930 students. Trustee DeFilippo indicated that he would like the Board to have additional discussion regarding the target of 850 students. Trustee Hutson remarked that the Board needs to be sensitive as to where the stress points are for students given the enrollment growth anticipated as part of the strategic plan implementation. Trustee DeFilippo remarked that he wanted to be sure that any related safety issues have been addressed and that there is adequate infrastructure investment to support the enrollment growth. He emphasized the need to maintain quality throughout the strategic plan implementation. Executive Vice President Middleton remarked that the initial models used during the development of the strategic plan should be revisited since some of the underlying assumptions may now be out of date due to such changes as the level of state funding and modified tuition structures.

Associate Vice President Volpi remarked that the audit continues to move forward and that she anticipates it will be concluded successfully in February.

In regard to the Trustees' request for an all-funds budget, Mr. Montez reported that templates are being drafted and that he anticipates this project will be completed by June 2006. Mr. Montez distributed the most recent edition of the CCHE publication *Trendlines*, which focused on the issue of financial aid. He also distributed an analysis of Mines' financial aid program as a point of comparison. Mr. Montez reported that the Banner conversion project continues to move forward. The payroll conversion went well and a great deal of progress has been made on the student and financial aid modules. Representatives from the Banner conversion project team are scheduled to meet with the Faculty Senate in February.

Sabbatical Report. Dr. Mark Eberhart, Associate Professor of Chemistry and Geochemistry, presented a report on his recent sabbatical to the Board of Trustees. Dr. Eberhart encouraged the School to foster faculty participation in programs such as the Science and Technology Policy Fellowships offered by the American Association for the Advancement of Science (AAAS). He also gave a preview of his upcoming book on energy policy and distributed autographed copies of his book, *Why Things Break* to the Trustees.

Tuition Rate Recommendations. Associate Vice President Montez presented the recommendations of the Campus Budget Committee regarding tuition rate increases and changes to the tuition structure for the 2006-07 academic year. Mr. Montez remarked that these recommendations take into account the School's desire to begin to align tuition pricemore closely with the actual cost of education. Three years ago the School began implementing a long-term tuition plan to increase the full-time status from 10 credit hours to 15 credit hours for resident undergraduate students. This year's proposal would increase the number of credit hours required for full-time status from 12 to 13 credit hours. The proposal also recommended a 2.5% across-the-board increase in tuition rates. The Trustees discussed whether or not this rate should be 2.5% or whether it should be listed as twice the CPI and decided in favor of the 2.5% figure. The Trustees also discussed the disproportionate impact

of the current tuition structure on students taking more than 19 hours. Student Trustee Cornell asked that the Trustees be mindful of this issue as the School moves forward with tuition planning. The Campus Budget Committee suggested that this issue be addressed by establishing a mechanism to allow financial assistance to students with exceptional financial circumstances or who, due to an administrative action, have to take a credit hour load in excess of the full-time tuition window. Trustee Hutson made a motion, seconded by Trustee Wagner, that the following resolution be approved:

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

A. A general intent to increase tuition rates up to 2.5% across-the-board for resident and nonresident tuition for FY07.

B. The specific FY07 tuition rate increase and structural changes for resident undergraduate students as proposed by the Campus Budget Committee and outlined in section I of this agenda item.

C. The specific FY07 structural changes for graduate students as proposed by the Campus Budget Committee and outlined in section II of this agenda item.

D. Direct staff to communicate the board resolution to the appropriate legislative and executive branch entities as outlined in the School's performance agreement.

Motion carried.

Performance Contract Report. Director of Institutional Research Sharon Hart presented a draft of the Performance Contract Report the School is required to submit to the House and Senate Education Committees and CCHE on or before February 15, 2006. The report shows progress with the goals specified in the performance contract. Ms. Hart pointed out that the current performance contract was established for five years (FY2002-FY2007) and is scheduled for renegotiation next year. In general, the School has been very successful on all of the access-related measures. There were also many accomplishments to report under the quality-related measures. The resource-related measures include some areas of potential concern, largely due to external forces. Trustee Hutson remarked that this was an excellent report. He suggested adding an Executive Summary and including some possible solutions under any areas of possible concern. He also suggested that the section on the Advisory Board be modified to include a reference to the fact that the Advisory Board has been selected and has been meeting periodically. Trustee DeFilippo indicated that he would like the Trustees to further discuss the issues of student quality and tuition. Trustee Hutson made a motion, seconded by Trustee Craig, authorizing the submission of the report with the addition of an Executive Summary and the other suggested changes. Motion carried.

Commencement Awards. President Trefny presented the recommendations of the Awards Committee for a number of honorary awards. The Committee recommended six individuals for consideration as the May 2006 commencement speaker and honorary degree

recipient, in the following order of preference: Dr. Steven Chu, Director of the Lawrence Berkeley National Laboratory and Nobel Laureate in Physics; Mr. William Swanson, CEO of Raytheon Company; Dr. Lee Raymond, retired CEO and Chairman of ExxonMobil; Ms. Linda Cook, Executive Director Gas and Power for Shell Oil Company; Dr. Siegfried Hecker, emeritus director of Los Alamos National Laboratory and visiting professor at Stanford University's Center for International Security and Cooperation; and Mr. Riley Bechtel, chairman, CEO and director of Bechtel Group, Inc. In addition, the Committee recommended an honorary degree for Mr. Stan Dempsey, Chairman, CEO and President of Royal Gold. The Committee also recommended a George R. Brown Medal be awarded jointly to Dr. John and Mrs. Lynne Golden in recognition of their contributions to the success of the Petroleum Institute. It was further recommended that Dr. and Mrs. Golden be given the option of receiving their medal at either the May or December 2006 commencement ceremony. Trustee DeFilippo made a motion, seconded by Trustee Hutson, that the recommendations of the Awards Committee be approved as submitted. Motion carried.

Emergency Action Item. Trustee DeFilippo indicated that the sophomore class had expressed an interest in hosting a welcome reception for the new President. With the Board's permission, they would like to budget funds for this activity. The Trustees offered their congratulations to the sophomore class for their thoughtful idea.

Extended Studies Policy. Executive Vice President Middleton reported that the Colorado Commission on Higher Education (CCHE) adopted a new Statewide Extended Studies Policy at its January 2006 meeting. This policy has implications for off-campus and cash-funded programs such as those organized through Mines' office of Special Programs and Continuing Education (SPACE). Until 1986, the Board of Trustees specifically authorized each extended study offering. Since that time, those decisions were delegated to the (Executive) Vice President for Academic Affairs. The Trustees discussed whether they would like to approve all extended studies programs or continue with the current practice. The Trustees decided to continue with the current practice of delegating this responsibility to the Executive Vice President for Academic Affairs, but requested that they receive a list of such offerings once each semester as an informational item.

CDOT Dark Fiber Project Recommendation. Executive Vice President Middleton presented a proposal from the Academic and Computing Network unit to pursue an opportunity to acquire a dedicated optic connection to the Front Range GigaPOP in downtown Denver in order to improve networking capacity and reduce operating costs. The plan consists of an Inter-Agency agreement with the Colorado Department of Transportation (CDOT), a fiber agreement with Level3, and an agreement with other higher education institutions in order to pursue this opportunity. Approximately \$600,000 to \$900,000 is needed in front-end funding. One viable source of this funding is the proceeds from the sale of the Colorado Supernet in 1999. These funds are currently held by the Colorado School of Mines Foundation and are valued at \$3.3M. The Trustees endorsed the concept of pursuing this opportunity.

Facilities Use Policy. President Trefny introduced a draft of a University Facilities Use Policy, which is a consolidation and revision of existing campus policies. This draft policy was prepared by General Counsel Anne Stark Walker and has been reviewed by the

Faculty Handbook Committee. This policy will be on the agenda for the February board meeting as an action item.

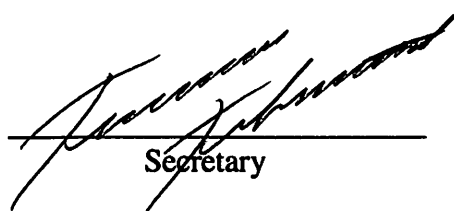
Placement Report. Mr. Ron Brummett presented the Placement Report and thanked the Career Center staff for their hard work during the past year. The most recent Career Day was the largest in its history, with a significant number of small to medium size Colorado firms participating in Career Day for the first time this year. Student Trustee Cornell remarked that the students particularly appreciate the inclusion of these smaller companies. Mr. Brummett also reported that placement rates for recent graduates are at an all-time high, with excellent starting salaries. He further reported on additional outreach efforts by the Career Center staff to students on campus to ensure they are familiar with the services offered by the Career Center.

Student Life Auxiliaries Financing Report. Vice President Chevront gave a presentation on the student life auxiliary programs. Dr. Chevront emphasized that, as a self-funded and self-supported operation, no institutional funds may be utilized for its operation. When the Student Recreation Center is finished, \$66.5M in student life construction projects will have been completed. Approximately \$3.36M per year in bond payments are made from Student Life auxiliary revenues. Dr. Chevront highlighted a number of instances where operations formerly funded by the Education and General (E & G) budget are now funded by Student Life, as well as a number of supply, equipment and operational contributions made for the benefit of the campus by Student Life.

Regular Reports. There were no questions on the regular written reports.

Trustee DeFilippo made a motion, seconded by Trustee Wagner, to go into Executive Session at 12:45 p.m. to discuss the Presidential Search as authorized by §24-6-402 (3)(b) (I), C.R.S. (2004). Motion carried.

Following the Executive Session, the Trustees reconvened in regular session at 3:00 p.m. There being no further business, Trustee Hutson made a motion, seconded by Trustee Craig, to adjourn the meeting. Motion carried. Meeting adjourned at 3:00 p.m.


Secretary

Certification of Executive Session

TO: Terrance Tschatschula, Secretary
Board of Trustees, Colorado School of Mines

FROM: Michael S. Nyikos, President
Colorado School of Mines Board of Trustees

DATE: February 10, 2006

RE: Colorado School of Mines Board of Trustees Regular Meeting on
January 27, 2006 – Executive Session

This statement is made in compliance with Colorado Revised Statutes §§ 24-6-402(2)(d.5)(I)(A) and 24-6-402(2)(d.5)(I)(B), for inclusion in the minutes of the above-referenced meeting. At the above meeting, the Board voted to hold an executive session for the publicly announced purpose of discussing the presidential search. The executive session was convened pursuant to § 24-6-402(3)(b)(I), C.R.S. I was the chair of the executive session and hereby attest that the entire executive session was confined to the publicly announced topic. I have reviewed the minutes taken during the executive session and attest that the minutes substantially reflect the substance of the discussions during the executive session. A portion of this executive session was not recorded and is not reflected in the minutes because it constituted a confidential and privileged communication with the Board's counsel.



President of the Board of Trustees,
Colorado School of Mines

Certification by Attorney

TO: Terrance Tschatschula, Secretary
Board of Trustees, Colorado School of Mines

FROM: Anne Stark Walker
General Counsel, Colorado School of Mines

DATE: February 10, 2006

RE: Colorado School of Mines Board of Trustees Regular Meeting on
January 27, 2006 – Executive Session

This statement is made in compliance with § 24-6-402(2)(d.5)(I)(B), C.R.S., for inclusion in the minutes of the above-referenced meeting. At the above meeting, the Board voted to hold an executive session for the publicly announced purpose of conferring with its attorney, Anne Stark Walker, concerning the presidential search. In my opinion, the entire unrecorded discussion in that executive session constituted a privileged attorney-client communication.


General Counsel, Colorado School of Mines

RECORD OF PROCEEDINGS

Golden, Colorado
February 24, 2006

The Board of Trustees met in regular session on February 24, 2006 in the Coors Board Room.

Present: Trustees Coors, Craig, DeFilippo, Hutson, and Wagner and Student Trustee Cornell. Absent: Trustees Nyikos and Tschatschula.

Also in attendance: President Trefny, Executive Vice President Middleton, Vice Presidents Chevront, Dais, Han, and Poate; Associate Vice Presidents Montez, Sacks, Volpi, and Young; and other staff members and visitors.

Trustee Wagner presided.

Approval of Minutes. Trustee Coors made a motion, seconded by Trustee DeFilippo that the minutes of the January 13, 2006 special session, January 14, 2006 special session, January 24, 2006 special session, and January 27, 2006 regular meeting be approved as submitted. Motion carried.

Report of the President of the Board. Trustee Wagner remarked that Trustee Nyikos' wife Doris underwent emergency surgery yesterday, and that he was very pleased to report that she is doing well. The Trustees conveyed their best wishes to Dr. and Mrs. Nyikos.

Trustee Wagner reported that Senate Bill 06-009 was passed and signed. This bill requires audio taping of executive sessions, except in cases where attorney-client privilege applies, effective in August 2006. The Trustees asked General Counsel Anne Walker to clarify the length of time the audiotapes need to be retained and directed staff to be prepared to implement this requirement.

Board Committee Reports. Trustee Hutson reported that the Board's Budget and Finance committee met on February 22, 2006 to review the status of the audit and discuss the "all-in" budget. Trustee DeFilippo inquired as to when the full Board will receive copies of the completed internal auditor reports. It was agreed that all Trustees should receive copies of these reports, which are initially reviewed by the Budget and Finance Committee. Trustee DeFilippo indicated that he prefers to receive reports electronically.

The Trustees discussed the formation of a new Board committee related to new buildings, capital assets, and construction, to be called the Capital Planning Committee. Trustees DeFilippo and Hutson will serve on the committee and will work to establish appropriate policies and procedures. The Board approved the formation of the Capital Planning Committee by acclamation.

Trustee Coors reported that he met with the Association of Classified Employees to update them on the presidential search. The classified staff have expressed their interest in helping as the process moves forward.

President's Report. President Trefny reported on his meeting with the CEO of Shell Unconventional Reserves on January 30.

President Trefny reported that Mr. Steve Whisler was in Colorado for the recent National Western Mining Conference where he took the opportunity to speak to a group of Mines students.

President Trefny reported on his recent trip to San Francisco, where he attended an alumni reception and had a number of meetings with alumni and friends of the School. He reported on very positive meetings with Dr. Don Paul of Chevron and with representatives of HP. The HP meeting was held in response to the success of Mines students in developing software for HP's technology in the classroom efforts. The Trustees indicated they might like a presentation on this project at a future date.

President Trefny remarked that he was able to participate in President Bush's visit to the National Renewable Energy Laboratory, thanks to the efforts of Mr. Jim Sims.

President Trefny reported that he testified to the House and Senate Joint Education Committees on February 22 in regard to the School's performance agreement report and tuition plans. Both items were very well-received.

President Trefny reported that the Integrated Marketing Communications Committee has hired an external consultant, PURE Brand Communications, to assist with the broad issues of branding and marketing the School.

President Trefny remarked on the progress being made on Phase II of the construction of the Center for Technology and Learning Media (CTLM) building.

NCAR Presentation. Dr. Tim Killeen, Director of the National Center for Atmospheric Research (NCAR) and his colleagues made a presentation about NCAR and its efforts to provide high-end computing resources. NCAR, which is known for its emphasis on applied multi-disciplinary work on climate, the biosphere, and earth system sciences, has undertaken an intensive process to develop next generation computing capabilities. Because this effort will be very power-intensive, a new facility will need to be developed in the Front Range. NCAR has been involved in discussions with a number of potential partners throughout the Front Range area, including the Colorado School of Mines. Dr. Killeen indicated that there was a natural affinity between Mines and NCAR and that preliminary discussions had been promising. Trustee Wagner thanked Dr. Killeen for his informative presentation. Trustee Craig made a motion, seconded by Trustee Hutson, to offer a resolution of enthusiastic support for this project. Motion carried.

Financial Report. Vice President Dais reviewed the *Monthly Report on State Appropriated Funds*. She indicated that the "all-funds" budgeting process continues to move forward and that this has offered an exciting opportunity to re-think the budgeting process.

The template that has been developed will be shared with the Department Heads/Division Directors next week and will also be shared with other campus groups. Once the template has been thoroughly reviewed, it will be populated with data. The goal is to have it ready for full implementation for FY07. Trustee Wagner thanked Vice President Dais and Associate Vice Presidents Montez and Volpi for their work on moving the all-funds budget forward.

Vice President Dais also indicated that the financial audit is close to being finalized. It is expected that the School will receive an unqualified opinion, but with a number of audit comments. Many of these comments have already been addressed. Ms. Dais indicated that the meeting with the Legislative Audit Committee will be March 7 at 7:45 a.m. The Board's Budget and Finance Committee members will be in attendance.

Ms. Dais indicated that the unfunded enrollment issue is still not resolved. The unfunded enrollment money and the implementation of the five year tuition strategy will help Mines' financial position tremendously.

Ms. Dais reported that a campus committee on capital issues has been looking at the potential use of the space in Berthoud Hall vacated by the Geology Museum. A conceptual plan has been proposed to add two large classrooms in the space, at an approximate cost of \$850K.

Facilities Use Policy. President Trefny presented the draft Facilities Use Policy, which was originally distributed to the Trustees at the January Board meeting. This policy was prepared by General Counsel Anne Walker and has been vetted with the campus, including the Faculty Handbook Committee. Trustee DeFilippo expressed concern that the policy as written might be too broad, since there have been limited problems in this regard. Trustee Wagner remarked that two Trustees were absent from the meeting and that this should be discussed by the full Board. Ms. Walker suggested that this issue may need to be discussed in executive session.

Distinguished Achievement Medal Criteria. President Trefny presented a proposal from the Awards Committee to change the criteria for the Distinguished Achievement Medal. There are currently two different sets of criteria published in different venues. President Trefny indicated that research had been done in the archived minutes of the Board, but that they provided no clear direction on the original intent. He indicated that the new description prepared by the Awards Committee would provide a consistent description and would also enable the Trustees to give the award to former students who did not graduate from the school. He indicated that the Alumni Association is currently grappling with the issue of how to treat former students. The proposed new description is as follows:

“Awarded by the Colorado School of Mines Board of Trustees to alumni or former students for significant career achievements that enhance the reputation and mission of Colorado School of Mines.”

Trustee Craig recommended the wording be amended to say “. . .reputation **and/or** mission of Colorado School of Mines.” Trustee Craig made a motion, seconded by Trustee Hutson, that the new description be adopted as amended. Motion carried.

Commencement Awards. President Trefny presented the recommendations of the Awards Committee for three alumni to receive the Distinguished Achievement Medal at the

May 12, 2006 commencement ceremony: Mr. James R. Daniels, Geol E 1951; Dr. O. Akin Oduolowu, MSc Geop 1972, PhD Min Ec 1978; Mr. Donald D. Schwemmer, MSc Met 1978. Trustee DeFilippo made a motion, seconded by Trustee Craig, that the following resolution be approved:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines authorizes the President to issue invitations to Mr. James R. Daniels, Dr. O. Akin Oduolowu, and Mr. Donald D. Schwemmer to receive Distinguished Achievement Medals at the May 2006 commencement.

Motion carried.

Sabbatical Requests. Executive Vice President Middleton introduced the requests of fourteen faculty members to take sabbaticals. Each request went through a thorough review process by the appropriate Department Head/Division Director and by the Academic Affairs Office before being submitted to the President. Dr. Middleton indicated that the number of requests was consistent with previous years. He pointed out that Economics and Business had three meritorious requests from faculty for full year sabbaticals, and that given the small size of the division this would potentially create difficulties. The Division Director has proposed granting all three requests, but allowing one of the three faculty members to defer taking their sabbatical for one year without penalty (that is, CSM service in 2006-07 would count as the first of six required years toward the next sabbatical). Dr. Middleton also pointed out that there are four requests from the Engineering Division, but this is a larger Division which has more capacity to absorb the workload. Trustee DeFilippo inquired as to whether the Trustees could ask for a presentation on a particular sabbatical request before granting approval, and Dr. Middleton indicated in the affirmative. Trustee Craig requested a three year projection in terms of eligibility for sabbaticals. She commented that sabbaticals can be very nourishing for the faculty, but that the first commitment must always be to students. Trustee DeFilippo also expressed his support for the philosophy behind sabbaticals; he indicated that it would be helpful when receiving a report on a completed sabbatical to compare it to the planned use originally presented to the Board. Trustee DeFilippo made a motion, seconded by Trustee Hutson, that the following resolution be adopted, with the understanding that the deferral of one of the Economics and Business sabbaticals for one year without penalty is being done as an exception rather than as a policy change:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the sabbatical requests for Academic Year 2006-2007.

Motion carried.

Emeritus Requests. Executive Vice President Middleton submitted two candidates for emeritus status. This is an honorary designation which provides for continuing access to some campus resources and provides a continuing connection to the campus community following retirement. Trustee Coors made a motion, seconded by Trustee Hutson, that the following resolution be approved:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves Dr. Robert Frost, Associate Professor of Metallurgical and Materials Engineering, to receive Associate Professor Emeritus status; and Dr. Dennis Readey, Herman F. Coors Distinguished Professor of Ceramic Engineering and Metallurgical and Materials Engineering, to receive Professor Emeritus status, effective on their retirement dates.

Motion carried.

Emergency Action Item. President Trefny remarked that John and Erica Lockridge have made a very generous offer to donate a sculpture by George Carlson for the entrance to the Student Recreation Center. He distributed photographs of the eleven foot tall bronze sculpture entitled, “*The Greeting*” and featuring a Native American in a gesture of welcome. President Trefny indicated that the proposed sculpture has been reviewed by the campus planners and building architects. If approved, it would be installed at the corner of 16th and Maple Streets. Trustee DeFilippo made a motion, seconded by Trustee Hutson, to approve this gift. Motion carried. The Trustees asked President Trefny to convey their appreciation to the Lockridges for this thoughtful and generous donation.

Admissions and Financial Aid Presentation. Vice President Chevront and Associate Vice President Young presented an overview of the admissions and financial aid process. Mr. Young remarked that the admissions office is charged with accepting the best group of students possible within the number of budgeted students. Mr. Young provided background information on how index scores are calculated; he also remarked that index scores are not a material part of the admissions process at Mines since the admissions office uses a much more sophisticated process. Index scores can be useful in the aggregate but have serious limitations in assessing individual students. Mr. Young reported that for the last ten years all indicators of quality have been quite stable. He presented a graph of index scores that had been normalized to account for changes in how the index score is calculated. Trustee DeFilippo raised concerns about both quality and safety issues related to the large number of students admitted in fall 2005. Mr. Young indicated that enrollment is driven by a number of internal and external factors, including the budget and other institutional goals. He indicated that 71% of the School’s E & G budget is related to undergraduate tuition and enrollment. Trustee DeFilippo inquired as to the budgetary impact of resident as compared with non-resident students. Mr. Young remarked that this is a complex issue and varies tremendously based on the extent to which the non-resident student is funded from external versus internal resources. He indicated that the Strategic Plan called for an aggressive effort to enroll more non-resident students and that the admissions office hopes to see progress in this regard this year. Mr. Young remarked that the financial aid office works in tandem with the admissions office to maximize new student enrollment and presented a chart illustrating how financial aid is targeted. Trustee Craig remarked that much of this is suitable for an econometric model. Mr. Young indicated that the Financial Aid Office uses such a model. Trustee DeFilippo commented that he had concerns with the target of 850 students for the fall 2006 class. He indicated he wanted the target to be a number that fits with the School’s resources, both in terms of physical plant and personnel. President Trefny remarked that it was through such an analysis that the 850 number was determined last fall, based on input from all of the Vice Presidents. Trustee Wagner remarked that there are serious policy discussions needed around these issues and that the Trustees need more time to thoroughly consider them. He suggested continuing the discussion in a different venue.

Physics Visiting Committee Report. Executive Vice President Middleton introduced the report of the Visiting Committee for the Physics Department. He indicated that Dr. McNeil, head of the Physics Department, was present to address any questions. Dr. Middleton indicated he expects to introduce a draft response from the Board to this Committee as part of the agenda for the March 31 board meeting. Trustee Craig inquired as to whether there were any outstanding issues from the previous Physics Visiting Committee

report. Dr. Middleton indicated that he will be sure to include this information for the next board meeting.

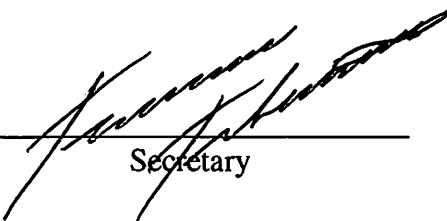
Retention Report. Registrar Lara Medley introduced the 2005 *Graduation and Persistence Report*. Ms. Medley reported that the 67% graduation rate goal set by the Board several years ago has been exceeded. In a response to a question on how Mines compares with other institutions, she indicated that there is a great deal of variance. Most public institutions are closer to 50% with private institutions being much higher. Trustee Craig inquired as to national statistics for each ethnic group. Ms. Medley indicated she did not have this information at hand but would be sure to include it in the next report.

Spring Registrar's Report. Registrar Lara Medley introduced the Spring 2006 *Registrar's Report*. She also reported on the conversion of student records into the Banner system and indicated the process was going well. There will be several mock registrations during the month of March with a goal of going live with the Banner system on April 1.

Regular Reports. There were no questions on the regular written reports.

Trustee DeFilippo made a motion, seconded by Trustee Craig, to adjourn the meeting. Motion carried.

Meeting adjourned at 12:05 p.m.


Secretary

RECORD OF PROCEEDINGS

Golden, Colorado
March 9, 2006

The Board of Trustees met in special session on March 9, 2006 at 8:00 a.m. in the Coors Board Room.

Present: Student Trustee Cornell. Present via telephone: Trustees Coors, Craig, DeFilippo, Hutson, Nyikos, Tschatschula, and Wagner.

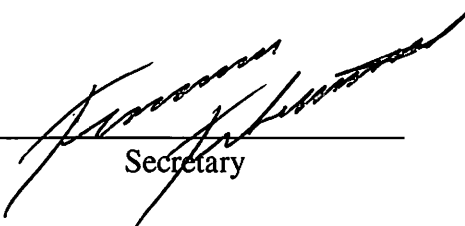
Also in attendance: Carol Chapman, Susan Potter, Anne Walker

Trustee Nyikos presided.

Trustee DeFilippo made a motion, seconded by Trustee Craig, to go into Executive Session to discuss the Presidential Search as authorized by §24-6-402 (3)(b) (I), C.R.S. (2005) Motion carried.

The Trustees reconvened in special session at 9:00 a.m. Trustee Craig made a motion, seconded by Trustee DeFilippo, that the meeting be adjourned. Motion carried.

Meeting adjourned at 9:00 a.m.


Secretary

Certification of Executive Session


TO: Terrance Tschatschula, Secretary
Board of Trustees, Colorado School of Mines

FROM: Michael S. Nyikos, President
Colorado School of Mines Board of Trustees

DATE: March 14, 2006

RE: Colorado School of Mines Board of Trustees Special Meeting on
March 9, 2006 – Executive Session

This statement is made in compliance with Colorado Revised Statutes §§ 24-6-402(2)(d.5)(I)(A) and 24-6-402(2)(d.5)(I)(B), for inclusion in the minutes of the above-referenced meeting. At the above meeting, the Board voted to hold an executive session for the publicly announced purpose of discussing the presidential search. The executive session was convened pursuant to § 24-6-402(3)(b)(I), C.R.S. I was the chair of the executive session and hereby attest that the entire executive session was confined to the publicly announced topic. I have reviewed the minutes taken during the executive session and attest that the minutes substantially reflect the substance of the discussions during the executive session. A portion of this executive session was not recorded and is not reflected in the minutes because it constituted a confidential and privileged communication with the Board's counsel.



President of the Board of Trustees,
Colorado School of Mines

Certification by Attorney

TO: Terrance Tschatschula, Secretary
Board of Trustees, Colorado School of Mines

FROM: Anne Stark Walker
General Counsel, Colorado School of Mines

DATE: March 14, 2006

RE: Colorado School of Mines Board of Trustees Special Meeting on
March 9, 2006 – Executive Session

This statement is made in compliance with § 24-6-402(2)(d.5)(I)(B), C.R.S., for inclusion in the minutes of the above-referenced meeting. At the above meeting, the Board voted to hold an executive session for the publicly announced purpose of conferring with its attorney, Anne Stark Walker, concerning the presidential search. In my opinion, the entire unrecorded discussion in that executive session constituted a privileged attorney-client communication.


General Counsel, Colorado School of Mines

RECORD OF PROCEEDINGS

Golden, Colorado
March 31, 2006

The Board of Trustees met in regular session on March 31, 2006 in the Coors Board Room.

Present: Trustees Craig, DeFilippo, Hutson, Nyikos, Tschatschula, Wagner and Student Trustee Cornell. Absent: Trustees Coors

Also in attendance: President Trefny, Executive Vice President Middleton, Vice Presidents Chevront, Dais, Han, and Poate; Associate Vice Presidents Montez, Sacks, Volpi, and Young; and other staff members and visitors.

Trustee Nyikos presided.

Approval of Minutes. Trustee DeFilippo made a motion, seconded by Trustee Wagner, that the minutes of the February 24, 2006 regular session and the March 9, 2006 special session be approved as submitted. Motion carried.

Report of the President of the Board. Trustee Nyikos remarked on an energy exposition held on the western slope that was co-sponsored by the School. He indicated it was a very successful event and expressed his hope that it will be an ongoing activity.

Trustee Nyikos remarked that the presidential search continues to move forward in accordance with the original timeline. He indicated that the Trustees had been very favorably impressed with the quality of the applications. After meeting with a number of candidates, the Trustees currently have four active applications under consideration. The Trustees will report further to the campus as the process moves to the next stage.

Board Committee Reports. Trustee Hutson reported that the Board's Budget and Finance committee met on March 29, 2006 to review potential tuition changes. Trustee Hutson also reported that the committee reviewed the status of the all-funds budget project and is pleased with the progress being made. The committee is also reviewing the cost estimates for the development of additional classrooms in Berthoud Hall.

Trustee Craig reported that the Presidential Compensation and Evaluation Committee has developed a spreadsheet with information on presidential compensation at peer institutions.

Trustee DeFilippo reported that the Capital Planning Committee has started preliminary work on developing a charter statement for the committee.

The Trustees remarked on a number of upcoming events, including the Graduate Research Fair, E-Days, the Society of Petroleum Engineers Joint Industry dinner, and the

Minority Engineering Program banquet. Student Trustee Cornell also reported that the students were hosting an event with legislators on April 11.

President's Report. President Trefny reported on his meeting with Baker Hughes executives on March 1.

President Trefny reported on a campus visit arranged by the British Consul for a number of members of the Welsh Parliament, who are particularly interested in the coal industry.

President Trefny reported on his meeting with representatives of Encana to discuss increasing that company's visibility on campus.

President Trefny remarked on a successful campus visit by twenty-five Humphrey Fellows.

President Trefny congratulated the Steel Center for a successful dinner, which was attended by Vice President Poate as well as President and Mrs. Trefny.

President Trefny reported on a meeting with the Board of the Daniels Fund to discuss their interest in extending their support to include graduate students. The discussions are being framed around initially supporting students in the various five year programs.

President Trefny reported on a meeting organized by Senator Salazar with the presidents of the University of Colorado, Colorado State University, Mines, and the director of the National Renewable Energy Laboratory to discuss a renewable energy initiative.

President Trefny reported that he attended the Legislative Audit Committee meeting on March 7 with Vice President Dais and members of her staff. He indicated the meeting went well and the School is moving in a positive direction in this regard.

President Trefny received the Entrepreneur of the Year Award, on behalf of the School, from the Jefferson Economic Council.

President Trefny thanked the Administrative Faculty Council for recognizing him and Mrs. Trefny for their service to Mines at the Council's spring meeting.

President Trefny reported that he was invited to a gala organized by the local M.I.T. alumni for President Susan Hockfield.

President Trefny reported that Dr. Jared Diamond will be this year's Youngs' Symposium speaker. He anticipates this event will be very well-attended and indicated that Mr. and Mrs. Young plan to travel to Golden for the event.

Financial Report. Vice President Dais reviewed the *Monthly Report on State Appropriated Funds*. She reported that there is strong interest in the legislature to provide as much support for higher education as possible. Ms. Dais also reported that Jenna Langer was recently appointed as Executive Director of the Colorado Commission on Higher Education.

Ms. Dais reported that as a follow-up to the financial audit, her staff are reviewing policies and procedures related to the use of procurement cards, including a review of current cardholders. She also reported that the outside auditors and the State's Legislative Audit Committee were impressed with the actions already taken by the School to address some of the issues raised during the audit.

Facilities Use Policy. President Trefny distributed an updated draft of the Facilities Use Policy prepared by General Counsel Anne Walker. The proposed policy is intended to give better guidance to staff dealing with this issue. Trustee DeFilippo remarked that he still has strong objections to the policy as written. Trustee Wagner made a motion, seconded by Trustee Hutson, to approve the policy as distributed. Motion carried, with Trustee DeFilippo opposed.

FY06 Budget Adjustments. Vice President Dais presented a series of revenue and expenditure adjustments for FY06. These were reviewed and recommended by the Campus Budget Committee, as well as the Board's Budget and Finance Committee. Trustee Hutson made a motion, seconded by Trustee Craig, that the following resolution be approved:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines hereby approves of the mid-year adjustments to the campus FY2005-06 Revenue and Expenditure Budget, as presented in this agenda item.

Motion carried.

Physics Visiting Committee. Executive Vice President Middleton introduced a draft response from the Board to the Report of the Visiting Committee for the Department of Physics. Dr. Middleton indicated that Professor Jim McNeil, head of the Physics Department, was present to respond to any questions. The Trustees remarked that they were very pleased with the report and indicated that the Physics Department has been extremely successful. President Trefny remarked that the Physics Department is a model for how growth can be managed successfully. The Trustees commended Professor McNeil for his outstanding work. The Trustees suggested that Admiral Richard Truly might be an excellent addition to this committee; there was additional discussion regarding the potential of having other advisory committee members serve on Visiting Committees. Trustee DeFilippo made a motion, seconded by Trustee Wagner, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the letter response to the Report of the Visiting Committee for the Department of Physics and commends Dr. McNeil and the Physics Department for their outstanding work.

Motion carried.

Energy Minor Executive Vice President Middleton introduced a proposal to approve an undergraduate minor program of study in Energy. He indicated that Professor John Fanchi of the Department of Petroleum Engineering, together with many faculty participants from across campus, collaborated in the conceptualization and development of this minor. The program description for this minor has been reviewed and recommended for approval by the Undergraduate Council and the Faculty Senate. The Trustees commended Professor Fanchi and the other faculty members involved for their initiative. Trustee Hutson made a motion, seconded by Trustee DeFilippo, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees authorizes the Colorado School of Mines to offer an undergraduate Minor in Energy.

Motion carried.

CTLM Artwork. Executive Vice President Middleton presented a request by the Creative Arts Club to create a mural on an interior wall in the Center for Technology and Learning Media. The proposed mural, entitled “La Luz de Minas”, will symbolize Mines’ graduates going out into the world. Ms. Lydia Muwanga, Vice President of the Creative Arts Club, reported that they have raised the funds needed to implement this project. The Trustees thanked the Creative Arts Club for their efforts to beautify the campus. Trustee DeFilippo made a motion, seconded by Trustee Tschatschula, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees authorizes the Creative Arts Club to create a mural (as described in the attached memorandum) on an interior wall in the Center for Technology and Learning Media.

Motion carried.

All-Funds Budget Update. Vice President Dais presented an update on the project to develop an All-Funds Budget for the School. Several templates were distributed for review. Vice President Dais indicated that the FY07 budget will be presented at the Retreat in this new format. The Trustees indicated that this new format will allow everyone to have a better view of revenues and expenditures. Vice President Dais asked the Trustees to provide her with any specific ideas on reports that might be helpful.

Alumni Association Report. Ms. Anita Pariseau, Director of the Office of Alumni Relations and Executive Director of the Colorado School of Mines Alumni Association, provided an overview of current programs for alumni, including E-Days Around the World and the Reunion schedule. She also discussed efforts to expand the mentorship program. Ms. Pariseau introduced Mr. Richard Hewitt, BSc Geop 1982, MSc Min Ec 1989, MSc Math 1992, PhD Min Ec 1992. The Alumni Association has contracted with Mr. Hewitt’s company to provide a career services program for Mines’ alumni.

Regular Reports. There were no questions on the regular written reports.

Other Business. Trustee Tschatschula requested a future Information Item on the feasibility of offering on-site daycare.

Trustee DeFilippo made a motion, seconded by Trustee Craig, to adjourn the regular meeting and go into executive session to discuss Promotion and Tenure Recommendations, as authorized by §24-6-402 (3)(b)(I), C.R.S. (2005), an Honorary Award as authorized by §24-6-402 (3)(a)(VIII), C.R.S. (2005), and the Presidential Search as authorized by §24-6-402 (3)(b) (I), C.R.S. (2005). Motion carried.

Meeting adjourned at 12:15 p.m. The Trustees re-convened in regular session at 1:30 p.m. Trustee Craig made a motion, seconded by Trustee DeFilippo, to approve the following resolution:

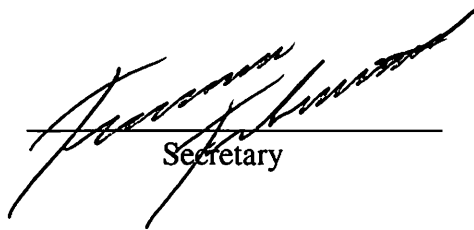
*BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the following recommendations of promotion and/or tenure:
David Marr (Chemical Engineering) – promotion to Professor*

Daniel Knauss (Chemistry and Geochemistry) –promotion to Professor
Graham Davis (Economics and Business) – promotion to Professor
Alexandra Newman (Economics and Business) - tenure and promotion to Associate Professor
Michael Walls (Economics and Business) – promotion to Professor
Jorg Drewes (Environmental Science and Engineering) –tenure and promotion to Associate Professor
Junko Munakata-Marr (Environmental Science and Engineering) – tenure and promotion to Associate Professor
John Curtis (Geology and Geological Engineering) – promotion to Professor
Juan Lucena (Liberal Arts and International Studies) – tenure
Sandy Woodson (Liberal Arts and International Studies) – promotion to Senior Lecturer
Masami Nakagawa (Mining Engineering) – tenure
Todd Ruskell (Physics) – promotion to Senior Lecturer

Motion carried.

Trustee DeFilippo made a motion, seconded by Trustee Wagner, that the meeting be adjourned. Motion carried.

Meeting adjourned at 1:35p.m.



Secretary

RECORD OF PROCEEDINGS

Golden, Colorado
April 7, 2006

The Board of Trustees met in special session on April 7, 2006 at 3:00 p.m. in the Coors Board Room.

Present: Student Trustee Cornell. Present via telephone: Trustees Coors, Craig, DeFilippo, Hutson, Nyikos, Tschatschula, and Wagner.

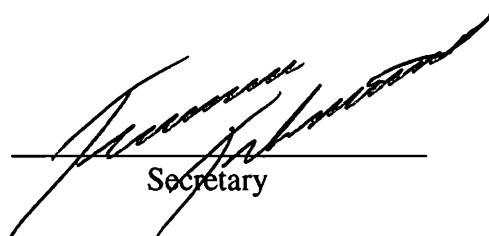
Also in attendance: Carol Chapman, Anne Walker

Trustee Nyikos presided.

Trustee DeFilippo made a motion, seconded by Trustee Craig, to go into Executive Session to discuss the Presidential Search as authorized by §24-6-402 (3)(b) (I), C.R.S. (2005) Motion carried.

The Trustees reconvened in special session at 4:15 p.m. Trustee Craig made a motion, seconded by Trustee DeFilippo, that the meeting be adjourned. Motion carried.

Meeting adjourned at 4:15 p.m.


Secretary

RECORD OF PROCEEDINGS

Golden, Colorado
April 28, 2006

The Board of Trustees met in regular session on April 28, 2006 in the Coors Board Room.

Present: Trustees Coors, Craig, DeFilippo, Nyikos, Tschatschula, Wagner and Student Trustee Cornell. Absent: Trustee Hutson.

Also in attendance: President Trefny, Executive Vice President Middleton, Vice Presidents Chevront, Dais, Han, and Poate; Associate Vice Presidents Montez, Sacks, Volpi, and Young; and other staff members and visitors.

Trustee Nyikos presided.

Approval of Minutes. The following corrections will be made to the draft of the March 31, 2006 minutes: on page 1 it will be noted that Trustee Nyikos presided at the meeting; on page 3 the resolution related to the Physics Visiting Committee will be amended to include a commendation of the Physics Department. Trustee DeFilippo made a motion, seconded by Trustee Wagner, that the minutes of the March 31, 2006 regular session be approved as amended, and that the minutes of the April 7, 2006 and April 13, 2006 special sessions be approved as submitted. Motion carried.

Report of the President of the Board. Trustee Nyikos remarked that his appearance before the Senate Education Committee regarding his re-appointment went well and thanked everyone who attended for their support.

Board Committee Reports. A question was raised regarding a grant recently received by the School, in particular whether the School accepts grants that fall outside the School's focus areas. Vice President Han indicated he and Linda Landrum would provide background information on the grant acceptance policy and additional information on this specific grant to the Trustees. The Trustees agreed that there was a broader policy issue involved that is suitable for future discussion, possibly at the Retreat.

Trustee DeFilippo raised questions about plans for campus parking lot expansion, particularly whether alternatives have been considered. Vice President Chevront indicated that there are both short-term and long-term plans that have looked at a number of alternatives. Parking consultants have recommended the construction of a parking garage, as well as future expansion of parking at Mines Park. Trustee DeFilippo indicated that he wants to ensure that parking is considered as part of the comprehensive master plan and to make sure it goes through the Board's new Capital Planning Committee.

Trustee Wagner reported in Trustee Hutson's absence for the Board's Budget and Finance Committee. Trustee Wagner reported that the committee is doing more in-depth review of a number of reports and making recommendations to staff on how to improve their

usefulness. The Committee also reviewed the FY07 draft budget, the tuition agenda item, and the progress of the All-Funds Budget development. Trustee DeFilippo expressed concern that the FY07 budget is being built on an incoming class size of 850 and suggested modeling the budget using a smaller number. President Trefny indicated that the decision to pursue a class size of 850 was made last fall, and that this much lead-time is needed to manage the admissions process. He remarked that the 850 number was chosen after much analysis, that it will lead to relatively flat enrollment, and that he believes it is a workable number. Trustee DeFilippo indicated he is concerned about enrollment growth in regard to the stressors it creates on facilities, staffing, and ultimately, quality. Trustee Coors indicated that much of the input regarding the stressors has been anecdotal, and that additional data may be needed to help inform these decisions. Trustee Wagner remarked that it is the Board's role to provide oversight and not to second-guess decisions made by the administration. Trustee DeFilippo indicated he would like additional information on how much the School loses financially on every student, and questioned whether the School may be accepting too high a percentage of the students who apply.

President's Report. President Trefny remarked that he had the pleasure of attending the Faculty Forum on April 26, where faculty were recognized for their many achievements. President Trefny distributed a copy of Executive Vice President Middleton's remarks from the Forum which highlight some of the more notable accomplishments of the faculty.

President Trefny also remarked on the success of the Graduate Student Research Fair, which featured an impressive array of student research.

President Trefny reported on his trip to Texas from April 1 – 8, including his and Mrs. Trefny's attendance at the successful golf tournament in Houston.

President Trefny reported on a number of international visitors during the month of April, including Dr. Michael Ohadi from the Petroleum Institute, Rector Wegscheider from the University of Leoben, and President Toescher from the University of Applied Science in New Brandenburg, Germany.

President Trefny also reported on positive meetings with representatives of Baker Hughes, Baosteel, and the Daniels Fund.

President Trefny reported that he participated in the Inaugural Ceremonies for Chancellor Coombe at the University of Denver.

President Trefny reported on a meeting with a representative of the Colorado Institute for Technology (CIT), which is closing.

President Trefny reported that he hosted a meeting on campus with the director of M.I.T.'s Open Courseware project for interested faculty and staff.

President Trefny reported that he and Mrs. Trefny hosted a reception for the Boettcher Scholars on campus at their home on April 26. President and Mrs. Trefny also hosted the Chemical Engineering Visiting Committee members at a dinner at their home on April 20.

President Trefny remarked on the success of the Society of Petroleum Engineers (SPE) dinner on April 19 and that he had enjoyed the opportunity to meet privately with the speaker, Dr. Mahdi Obeidi. Trustee DeFilippo joined Dr. Trefny in extending congratulations to the students who organized this event.

Financial Report. Vice President Dais introduced the monthly *Executive Summary of State Appropriated Funds* (through March 31, 2006) and reported that the Long Bill should be finalized soon. Vice President Dais thanked her staff for their outstanding efforts in regard to the All Funds Budget development and the implementation of Banner.

FY06 Campus Budget Adjustment-Addendum. Vice President Dais reported that the Board approved mid-year adjustments to the FY06 Campus Budget at the March 31, 2006 board meeting. Subsequent legislative actions have led to several positive changes. Staff recommends the Board approve the following revisions to the budget adjustments made on March 31, 2006 to:

- Increase the current COF stipend budget by \$153,600;
- Increase the board-adjusted fee-for-service budget by an additional \$1,267,140.

These developments should result in a decrease in the revenues expected from utilizing institutional reserves. Trustee Coors made a motion, seconded by Trustee Wagner, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines hereby approves an addendum to the mid-year adjustments to the campus FY 2005-06 Revenue and Expenditure Budget approved on March 31, 2006, as presented in this agenda item.

Motion carried.

Tuition Structure for Resident Students. Vice President Dais indicated the Trustees will be asked to adopt tuition and fee rate increases for the 2006-07 academic year at the June meeting. The School's proposed 2.5% tuition rate increase is predicated on continuing with the five year structural tuition plan adopted by the Board and agreed to by the Colorado Commission on Higher Education to eventually close the full-time credit hour window to 15 credit hours. For 2006-07, the intent is to raise the full-time tuition status for resident, undergraduate students from 12 to 13 credit hours. Trustee DeFilippo made a motion, seconded by Trustee Tschatschula, to adopt the structural change to move the full-time tuition status for resident, undergraduate students from 12 to 13 credit hours, effective fall semester 2007. Motion carried. Trustee DeFilippo indicated that in the future he would like the Board to consider exercising its statutory authority to increase tuition by twice the CPI.

Naming Opportunities. Vice President Han introduced a resolution to name the baseball field after retired coach James Darden. Trustee Coors made a motion, seconded by Trustee Wagner, that the following resolution be approved:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines hereby approves naming the baseball field, James W. Darden Field, in honor of the former coach at Colorado School of Mines, and in recognition of the generous financial contributions made by family members and former players to renovate the baseball field.

Motion carried.

Clarification to FY-2006-07 Graduate Tuition Structure. Vice President Dais introduced an emergency action item to clarify the FY2006-07 Graduate Tuition Structure. The Board adopted structural changes for graduate tuition for FY 2006-07 at the January 27, 2006 Board meeting, including decreasing the tuition floor for graduate students from 4 to 3 credit hours. At that time, no effective date was included in the resolution. Trustee Craig made a motion, seconded by Trustee DeFilippo, to clarify that the intended effective date of the graduate tuition changes adopted at the January 27, 2006 meeting is the beginning of the summer 2006 academic term. Motion carried.

Facilities Use Policy. President Trefny introduced an emergency action item related to the campus Facilities Use Policy and asked General Counsel Anne Walker to comment. Ms. Walker indicated that she had prepared several amendments to the Facilities Use Policy, which was approved by the Board at its March 31, 2006 meeting. Ms. Walker indicated that these refinements to the policy were made due to recent case law and campus feedback. Trustee DeFilippo made a motion, seconded by Trustee Wagner, to approve the amendments to the Facilities Use Policy as presented. Motion carried.

Report on Physics Department's Classroom Technology Project. Drs. Susan and Frank Kowalski, along with several of their students, presented a demonstration of their classroom technology project, funded by HP. The Trustees commended everyone involved in this exciting project.

Geophysics Visiting Committee Report. Executive Vice President Middleton introduced the Report of the Visiting Committee for the Geophysics Department, for the Board's consideration. Dr. Middleton will prepare a draft response for the Board's review at an upcoming Board meeting.

Faculty Handbook Changes. Executive Vice President Middleton introduced the proposed changes to the Faculty Handbook arising from the work of the Handbook Committee in the 2005-06 review cycle. The proposed changes were approved by the Handbook Committee and are currently undergoing an open thirty day review period by the campus community. These changes are presented to the Board as an information item and will be on the agenda at the June meeting as an action item.

Day Care Report. Vice President Chevront gave a report on the issue of child care on the campus. Dr. Chevront indicated this issue has been examined several times, most recently in 1999. Dr. Chevront shared the results of the 1999 needs assessment and report. In summary, the task force looking at this issue found that it would be very expensive to offer on-site day care. Another alternative to providing on-site day care is to use subsidies to assist students with day care costs. The Trustees thanked Dr. Chevront for his thorough report.

Regular Reports. Trustee Tschatschula inquired as to whether the admissions requirements had changed as compared to last year. Associate Vice President Young indicated that there were no changes and that the quality of this year's class should be similar to last year.

Dr. Brajendra Mishra spoke on behalf of the Faculty Senate. Dr. Mishra was recently elected as the new Faculty Senate President. He indicated that the faculty continues to have

concerns about the presidential search process. He also remarked that he hopes to bring the faculty into the strategic planning process. Trustee Coors remarked that the Board looks forward to working with the faculty on making ongoing adjustments to the strategic plan, which is intended to be a dynamic plan. Dr. Mishra also indicated that the faculty is concerned with class size and that this will be an issue needing faculty attention. Trustee Nyikos thanked Dr. Mishra for his comments, congratulated him on his election, and indicated the Trustees will look forward to working with him during his term as Faculty Senate President. Trustee Nyikos also thanked the members of the Mines community for the comments that were sent to the Trustees following Dr. Scoggins' campus visit. Trustee Nyikos also commented that there needs to be continual dialogue on campus and a mechanism to communicate constructive suggestions for change.

Other Business. Student Trustee Laurie Cornell indicated this would be her last Board meeting and thanked the Trustees for serving as wonderful mentors. The Trustees thanked Ms. Cornell for her exemplary service.

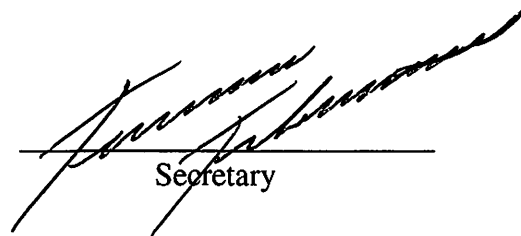
Trustee DeFilippo made a motion, seconded by Trustee Craig, to adjourn the regular meeting and go into executive session to discuss the Presidential Search as authorized by §24-6-402 (3)(b) (I), C.R.S. (2005). Motion carried.

Meeting adjourned at 12:05 p.m.

The Trustees re-convened in regular session at 1:30 p.m. Trustee Craig made a motion, seconded by Trustee DeFilippo, to authorize Trustee Nyikos to extend an offer to Dr. Myles W. Scoggins for the position of President of Colorado School of Mines. Motion carried.

Trustee DeFilippo made a motion, seconded by Trustee Wagner, that the meeting be adjourned. Motion carried.

Meeting adjourned at 1:35 p.m.


Secretary

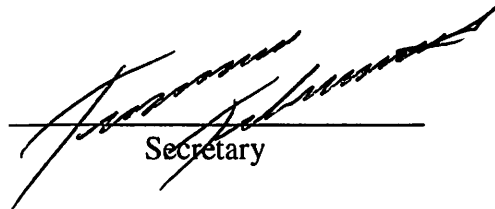
RECORD OF PROCEEDINGS

Golden, Colorado
May 11, 2006

Approval of Graduation Lists

On May 9, 2006 the graduation lists for the May 12, 2006 commencement ceremony were distributed electronically to the Trustees for their consideration. The lists were provided by the Registrar, with the approval of the Executive Vice President for Academic Affairs and Dean of Faculty, and the Faculty Senate.

By the voting deadline of May 11, 2006 at noon, Trustees Coors, DeFilippo, Hutson, Nyikos, Tschatschula, and Wagner voted to approve the graduation lists as presented. Trustee Craig abstained.



Secretary

RECORD OF PROCEEDINGS

Golden, Colorado
June 8, 2006

The Board of Trustees met in regular session on June 8, 2006 in the Coors Board Room.

Present: Trustees Coors, Craig, DeFilippo, Hutson, Nyikos, Tschatschula, and Wagner. Absent: Student Trustee Cornell.

Also in attendance: President Trefny, Executive Vice President Middleton, Vice Presidents Chevront, Dais, Han, and Poate; President Designate M. W. Scoggins, and other staff members and visitors.

Trustee Nyikos presided.

Approval of Minutes. The following correction was noted to the draft minutes of the April 28, 2006 meeting: Associate Vice President Sacks will be deleted from the list of attendees. Trustee Craig made a motion, seconded by Trustee Hutson, that the minutes of the April 28, 2006 regular session be approved as amended, and that the minutes of the May 11 electronic meeting be approved as submitted. Motion carried.

Board Committee Reports. Trustee Hutson reported that the Budget and Finance Committee had met twice in preparation for the Retreat. He thanked Vice President Dais and her staff for all their hard work on the All-Funds Budget, which will be reviewed at the Retreat. Trustee DeFilippo reported that the Capital Planning Committee met and discussed the President's Residence, which is in poor condition. Trustee DeFilippo remarked that the Committee will investigate the cost of repairs as well as look at other alternatives. Trustee Nyikos remarked that the Capital Planning Committee is the newest Board committee. Like all Board committees, it will be developing a charter and will be working with the existing campus Capital Planning Committee. Trustee Nyikos indicated he expected this committee will have a role in monitoring major capital gifts and donors and that it will have input into the campus master plan, as well as advise the President on legislative issues related to capital construction. Trustee DeFilippo indicated he will work with the committee to develop a charter. He also remarked that the Capital Development Committee will be on campus on June 16.

President's Report. President Trefny reported that he testified on HB1322 on May 1.

President Trefny reported that the Colorado Commission on Higher Education had their May 4, 2006 meeting on the Colorado School of Mines campus.

President Trefny reported that he and Mrs. Trefny attended the Colorado Association of Black Professional Engineers and Scientists (CABPES) dinner on May 6 as a guest of Mr. Ralph Peterson. CH2MHill is a major sponsor of CABPES.

President Trefny reported that a delegation from the China Petroleum University was on campus the second week of May. President Trefny and Trustee DeFilippo attended a dinner for the delegation on May 8.

President Trefny reported on the May 9 ribbon-cutting event for the Fuel Cell Center.

President Trefny remarked on the many successful commencement activities.

President Trefny reported on his trip to Calgary and Greybull, Wyoming from May 15 to May 23.

President Trefny reported that he attended a meeting of the Chief Financial Officers of Colorado's billion dollar companies on May 24 to discuss the School.

President Trefny reported that on May 31 he attended the signing ceremony for SB229, which will provide \$20 million over five years to cover the state's share of the costs related to the construction and operation of a Deep Underground Science and Engineering Laboratory (DUSEL) facility.

President Trefny reported on a reception organized by the Colorado Oil and Gas Association on June 6 to introduce the campaign for Marquez Hall.

President Trefny reported that he will be working with Vice President Dais to put together an agenda for the June 16 visit to the campus by the Capital Development Committee.

President Trefny remarked on the success of the 4th annual fundraising dinner and auction for the athletics program. Vice President Chevront reported that over \$125K was raised and thanked Trustees Coors, Hutson, Tschatschula, and Wagner for their support. Approximately half of the funds raised each year have been put into an endowment for the benefit of the athletics program.

President Trefny announced that Vice President Dais' last day will be June 16. He expressed his sincere appreciation to Ms. Dais for all her efforts on behalf of the School. President Trefny reported that he had been working with President Designate Scoggins to temporarily re-structure the reporting structure in Finance and Operations, with Associate Vice Presidents Montez and Volpi each assuming additional responsibilities. The Trustees expressed their appreciation to Ms. Dais, who has led the Finance and Operations unit during a challenging time and made tremendous progress. The Trustees asked Carol Chapman to prepare a Board Resolution of appreciation for Ms. Dais.

President Trefny provided an update on the status of the DUSEL project.

Financial Report. Vice President Dais introduced the monthly *Executive Summary of State Appropriated Funds* (through April 30, 2006) and reported that this should be the last time the Trustees receive the report in this format. Future reports will use the new All Funds Budget format. Vice President Dais also provided an update on the status of the Banner project.

Presidential Appointment. Trustee Nyikos remarked that the Board has been on a long journey to find a new President since President Trefny announced his retirement last June. Trustee Nyikos indicated that, per the Board's direction, he tendered an offer to Dr. M. W. Scoggins, and that Dr. Scoggins has accepted the offer. Trustee Wagner made a motion, seconded by Trustee Hutson, to approve the appointment. Motion carried. Trustee DeFilippo thanked the staff involved in the search -- Ms. Susan Potter, Ms. Anne Walker and Ms. Carol Chapman. The other Trustees expressed their appreciation as well, and indicated that they were proud to welcome Dr. Scoggins as Mines' 16th President.

Election of Officers. Trustee Tschatschula made a motion, seconded by Trustee DeFilippo, to re-elect Dr. Michael S. Nyikos for a two year term as Chairman. Motion carried.

Trustee Craig made a motion, seconded by Trustee Hutson, to re-elect Mr. David Wagner for a two year term as Vice Chairman. Motion carried.

Trustee Wagner made a motion, seconded by Trustee Hutson, to re-elect Mr. Terrance Tschatschula for a two year term as Secretary. Motion carried.

Trustee DeFilippo made a motion, seconded by Trustee Tschatschula, that Associate Vice President Dan Montez serve as interim Treasurer. Motion carried.

Board of Trustees By-Law Changes. Trustee Nyikos introduced the following resolution:

WHEREAS, Sections II and III of the Colorado School of Mines Board of Trustees Bylaws ("Bylaws") currently identify the officers of the Board as President, Vice President, Secretary and Treasurer; and

WHEREAS, the Trustees unanimously support changing the Board's President and Vice President officer titles to Chairman and Vice Chairman; and

WHEREAS, the Trustees were timely notified of the Board's intention to consider amending the Bylaws to reflect the new officer titles in advance of the Board's meeting on June 8, 2006, pursuant to and in compliance with Section XII of the Bylaws;

NOW, THEREFORE, BE IT HEREBY RESOLVED THAT:

The Bylaws shall be amended to change all references to the Board President and Board Vice President to Chairman and Vice Chairman, respectively. The amended Bylaws shall be effective on the date this resolution is executed below.

Trustee Wagner made a motion, seconded by Trustee Craig, to approve the resolution. Motion carried.

Faculty Handbook Changes. Executive Vice President Middleton originally introduced the proposed changes to the Faculty Handbook arising from the work of the

Handbook Committee in the 2005-06 review cycle at the April 28, 2006 Board of Trustees meeting. Dr. Middleton distributed a Fiscal Note related to the proposed change in the parental leave policy. Trustee Wagner inquired as to whether there is a mechanism in place to track non-remuneration appointments, and Dr. Middleton responded that the Human Resources Office maintains a list. Trustee Coors indicated that the language should be made more explicit regarding which benefits non-remunerative faculty may receive. Specifically, it was suggested that the last sentence in section 4.1.9 be changed to read as follows: “non-remunerative faculty are ineligible to receive benefits with the exception of provisions set forth in section 5.2 of this *Handbook*.” It was also suggested that the word “normally” be deleted from the start of the third paragraph in section 4.1.9. Trustee Tschatschula made a motion, seconded by Trustee Craig, that the following resolution be approved, with the two wording changes outlined above:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the following Faculty Handbook changes:

- Section 4: Section 4.1.5: Add sentence that makes it clear that emeritus status does not confer tenure.
 Section 4.1.9: add a section on non-remunerative faculty appointments
 Section 4.7.1.G: Add research and library faculty to the types of possible temporary faculty.
- Section 5: Section 5.2: add a sentence to clarify benefits for non-remunerative faculty appointments. Add “temporary Research Faculty” to list of temporary faculty in this paragraph.
 Section 5.5.13: change Parental Leave policy (A Fiscal Note is appended).
 Section 5.6: clarify language in first paragraph and add a new second paragraph that deals with Research Faculty.
- Section 6: Section 6.1.3: update list of faculty responsibilities and change term, “duties” to “responsibilities.”
 Add verbiage to Sections 6.1 and 6.1.3 to clarify that certain duties are required of academic faculty.
 Add 6.1.3.M, “Other duties as assigned,” to list of academic faculty duties.
 Add Section 6.2.1 “Oath or Affirmation of Allegiance.”
- Section 7: Change all references to “third year review” to “preliminary tenure review.” (PTR)
 Section 7.1.1: clarify language for goal setting in the faculty evaluation process. Change the evaluation system from a 3-point system to a 5-point one. Additions were made to reflect the current process, which include the EVPAA.
 Section 7.2: change due date for new faculty Professional Growth Plans (PGP) from “Early in the first semester...” to “During the first semester...” and specify that the PGP should cover the period, at a minimum, up to the PTR.
 Section 7.3: clarify the language regarding Performance Improvement Plans.
- Section 8: Clarify language in Section 8.1.1 so that it is consistent with and refers to Section 9.1.1.

- Clarify language in Section 8.1.2.A and B to show time lines for promotion and tenure for faculty that start mid-year.
- Section 9: Delete Section 9.8.3.D, which stated that transitional faculty retain tenure, which is incorrect and contradicts Section 4.1.4.
- Section 10: Change verbiage of Sections 10.9.G and 10.9.H to clarify faculty compensation during sabbaticals.
New Section 10.17, "Facilities Use Policy" added. Note: this was passed by the BOT on 3/31/06.
- Section 11: Change "annual salary" to "academic year salary" in Sections 11.1.7 and 11.2.7.
Delete transitional faculty contracts 11.6 and 11.7, since they are obsolete and renumber Section 11.
Change "an annual salary supplement" to "a salary supplement" in Section 11.11, 11.12, and 11.13 (now renumbered as 11.9 through 11.11), paragraph 3.
- Sections 10 & 12: Change all references to "Vice President for Research" to full title of "Vice President for Research and Technology Transfer."

Motion carried.

Tuition and Fees Approval. Vice President Dais introduced the tuition and fee rate changes for FY07. After extensive discussion, Trustee Hutson made a motion, seconded by Trustee Wagner, to approve the following resolution:

BE IT RESOLVED, that the Board of Trustees of the Colorado School of Mines hereby approves the FY2006-07 Tuition Rates, Student Fees, and Other Charges as presented by Staff on June 8, 2006.

Motion carried.

Emergency Action Item. Executive Vice President Middleton introduced the draft response to the Geophysics Visiting Committee report and indicated that Department Head Terry Young was present to respond to any questions. Dr. Middleton and the Trustees also congratulated Dr. Young for his service this year as President of the Society of Exploration Geophysicists. The Trustees decided to defer adoption of the response to a future meeting to enable them to more fully review the draft letter.

Undergraduate Admissions Report. Vice President Chevront presented the undergraduate admissions report. In regard to fall 2006, Dr. Chevront indicated that he anticipates increased numbers of women and minority students. It would also appear that there will be higher levels of non-resident students, including international students. He also indicated that the quality of the incoming class is comparable to other recent classes.

There was discussion related to the fact that the fall 2005 class was too large. The question was raised as to whether the 850 target for fall 2006 is appropriate. President Trefny indicated that this number had been thoroughly discussed and that he is comfortable with it. Trustee Coors inquired as to whether there has been growth in the size of the faculty comparable to the growth in the student body. Dr. Middleton responded that the number of tenure and tenure/track faculty has been relatively flat but there has been a significant increase in instructors and lecturers. He also indicated that there were 25 faculty searches during the current year.

FY07 General Fund Update. Vice President Dais presented a discussion of the issues associated with the FY07 budget. She indicated that the goal is to not need to use Petroleum Institute reserve funds in FY08, but that some reserve funds will still be needed in FY07. Ms. Dais also presented a prioritized list of funding needs.

Petroleum Institute Update. Executive Vice President Middleton provided the Trustees with an update on the Petroleum Institute. He reported on the retirement of Dr. John Golden, and that Dr. Michael Ohadi is currently serving as the acting Chief Academic Officer. Dr. Ohadi is also serving in the role of Executive Director. Dr. Middleton also reported on the upcoming graduation of the first students from the Petroleum Institute. He further reported that the Petroleum Institute is making good progress toward accreditation. Dr. Middleton also remarked that the relationship between Mines and the Petroleum Institute continues to evolve and in the future may have less emphasis on curriculum matters and more emphasis on best practices in administration, continuing education and research.

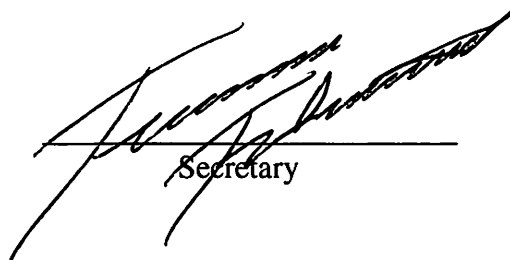
Chemical Engineering Visiting Committee Report. Executive Vice President Middleton introduced the report of the Chemical Engineering Visiting Committee.

Library Visiting Committee Report. Executive Vice President Middleton introduced the report of the Library Visiting Committee

Regular Reports. There were no questions on the regular written reports.

Trustee DeFilippo made a motion, seconded by Trustee Wagner, that the meeting be adjourned. Motion carried.

Meeting adjourned at 12:15 p.m.



Secretary

RECORD OF PROCEEDINGS

Golden, Colorado
June 29, 2006

The Board of Trustees met in special session on June 29, 2006 at 4:00 p.m. in the Coors Boardroom, Guggenheim Hall.

Present: Trustee Coors. Present (via telephone): Trustees Craig, DeFilippo, Hutson, Nyikos, Tschatschula, and Wagner. Absent: Student Trustee Cornell

Also in attendance: President Scoggins, Executive Vice President Middleton, Vice President Chevront; Associate Vice Presidents Volpi and Sacks, Dean Boyd and other staff members and guests.

Trustee Nyikos presided.

FY07 Budget. President Scoggins reported that the draft budget was reviewed with the Board's Budget and Finance Committee on June 26, 2006. He also gave an update on the current status of the discussions with the Colorado Commission on Higher Education regarding tuition. Until the tuition issue is settled, staff have identified twelve budget items that can be deferred.

President Scoggins reported that the recommended budget will have a maximum reliance of \$1.2M on the Petroleum Institute funds. Trustee Coors inquired as to the balance in the Petroleum Institute reserve account. Associate Vice President Volpi responded that the current balance is approximately \$15M. In response to a question, Executive Vice President Middleton indicated that the initial goal for the Petroleum Institute funds was to accumulate the \$31M and spend the interest to fund special initiatives. President Scoggins indicated that the School will do everything possible to minimize the use of the Petroleum Institute funds, but further indicated that there is no payback of prior year funds budgeted at this point.

Regarding the tuition discussions with CCHE, President Scoggins reported that should the discussions on the previously initiated tuition restructuring plan not be successful, the School has developed an alternative strategy using a 5% tuition increase and a tuition surcharge. Trustee Wagner remarked that it is important not to abandon the long-term tuition restructuring plan.

In response to a question on the net zero shown for the auxiliary funds in the new all-funds format, Associate Vice President Volpi remarked that all the non-general fund items will need further refinement.

Trustee Hutson remarked that the proposed budget, shown in the new all-funds format, is the product of excellent work by the staff.

Trustee Hutson made a motion, seconded by Trustee Wagner, to approve the following resolution:

BE IT RESOLVED, that the Board of Trustees of the Colorado School of Mines hereby approves the FY2006-07 All Funds Operating Budget, including:

- *The general fund budget; and*
- *The Colorado School of Mines Foundation unrestricted budget.*

The Board further grants the President of the School the ability to negotiate the final FY 2006-07 tuition rates with CCHE within the following parameters:

- *The School's revenue from tuition and fees will fully utilize the spending authority approved by the General Assembly in HB06-1385 (the Long Bill); and*
- *The School's Fee-For-Service contract is not drafted in a fashion detrimental to the School's financial position.*

Motion carried.

Geophysics Visiting Committee Response. Executive Vice President Middleton reported that the draft response to the Geophysics Visiting Committee report was first shared with the Trustees at the June 8, 2006 meeting. Trustee Nyikos provided some revised language for the third paragraph of the response. Trustee DeFilippo made a motion, seconded by Trustee Wagner, that the following resolution be approved, incorporating the revised language provided by Trustee Nyikos:

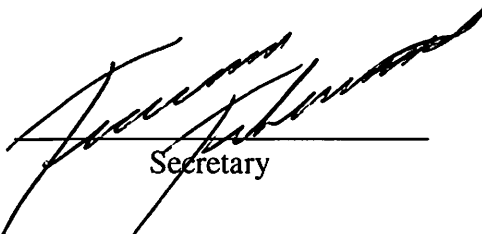
BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the letter response to the Report of the Visiting Committee for the Department of Geophysics.

Motion carried.

Other Business. Trustee Coors made a motion, seconded by Trustee DeFilippo, to re-appoint Trustee Nyikos to the CSM Foundation Board. Motion carried.

Trustee Craig made a motion, seconded by Trustee DeFilippo, that the meeting be adjourned. Motion carried.

Meeting adjourned at 4:55 p.m.


Secretary

The Board of Trustee's Budget and Finance Committee met on August 22, 2006 at 12:00pm.

Present: Trustees Hutson and Wagner

Absent: Trustee Craig

Also attending the meeting were: President Scoggins, and Associate Vice Presidents Montez and Volpi

Trustee Hutson presided.

State Budget and Legislative Update

Staff reported that the School had implemented the Board approved academic year tuition and fee schedule which incorporated the change in full time credit hours for undergraduate resident students, a per credit hour tuition surcharge and a \$0 increase in the per credit hour rate.

An update was provided on the School's negotiations with CCHE of the fiscal year 2007 Fee for Service amendment. Both the School and CCHE are working towards execution of the amendment.

June 30, 2006 Board of Trustee's Finance Report

The year end financial report was distributed and reviewed. Highlights indicated a 1.8% positive variance to budget in revenue which included a \$1.5 million reduction in reliance on Petroleum Institute funds primarily due to the receipt of the first one third of the unfunded enrollment. Expenses reflected a negative variance to budget of 2.3% primarily due to the academic expenses which were 5% over budget. This level of overage has been the trend for the past few fiscal years.

FY07 Budget Revision and Status of All Funds Budget

Staff has been working with administrative and academic department heads on incorporating into the fiscal year 2007 budget expenditures anticipated to be spent from roll forward budgets. A communication has gone out to campus outlining the transitional process of developing the budget which was provided to the committee. Staff is in the process of accumulating the budget requests in relation to the roll forward budgets.

Staff will bring to the committee no later than the end of the first quarter a comprehensive ("All Funds") analysis of the fiscal year 2007 budget with any necessary recommended budget adjustments. The analysis will include a forecast of revenue and expenses

reflective of any surpluses or shortfalls; some shortfalls are likely to be a result of unbudgeted spending from roll forwards.

The roll forward component of the analysis will take into account expenditure commitments, an analysis of the nature and resolution of negative roll forwards, and recommended sources of funding to support the anticipated spending from roll forwards. It was requested of the committee that certain committed expenditures be released from the roll forwards in order to maintain and continue ongoing operations. Trustees Hutson and Wagner authorized staff to begin to release budgets with the expectation that a full analysis will be provided at the October Budget and Finance Committee meeting with any budget revision resolution to the Board.

Internal Audit

An update was provided on the status of the current internal audit; cash receipts. Internal Auditor Marilyn North anticipates having her report on the audit finalized in September.

The report on the resolution of findings of previous audits indicated satisfactory response and resolution to the findings.

External Audit

The report on the resolution of the fiscal year 2005 management letter comments and findings indicated satisfactory resolution to the findings.

Interim audit work on the fiscal year 2006 audit took place in late June and field work is scheduled to begin the week of September 4th.

City of Golden Sales Tax Audit

It was reported that the School received from the City of Golden a letter of sales tax deficiency for not collecting and remitting sales tax on meal plans offered through Aramark. General Counsel is working with the Attorney General's office in determining the order of precedence in terms of tax exemption. Initial assessment is that the State statutes of exemption take precedence over Golden Municipal Code.

Capital Submission to the State

The five-year capital construction plan was reviewed. The plan includes five requests of the state for funding and three cash funded projects. The requested projects impacting fiscal year 2007 is the Hall of Justice demolition and classroom improvements, Brown Hall addition, and Marquez Hall.

Budget and Finance Committee governing guidelines and charter

It was reported that staff is developing comprehensive governing guidelines which will be effective for all Board's committees such as the Budget and Finance committee. Staff will review and revise the committee's charter as appropriate to take into account the governing guidelines and finance and audit best practices. A draft of the revised policies will be brought to the next committee meeting for review and action.

Administrative versus Board approved policies

Staff is in the process of developing a guiding framework for policy development and approval which will set the parameters around which policies are to be Board approved and which are more administrative in nature and can be approved by management. It is anticipated that this framework be shared with the committee at its September meeting. The travel policies were recently redrafted and approved by management and have been implemented.

There being no further business, the meeting was adjourned at 1:45pm.


Secretary

RECORD OF PROCEEDINGS

Golden, Colorado
August 25, 2006

The Board of Trustees met in regular session on August 25, 2006 in the Coors Board Room.

Present: Trustees Coors, Craig, DeFilippo, Hutson, Nyikos, Tschatschula, Wagner and Student Trustee Chichester.

Also in attendance: President Scoggins, Executive Vice President Middleton, Vice Presidents Chevront and Han; Associate Vice Presidents Montez and Volpi; and other staff members and visitors.

Trustee Nyikos presided.

Oath of Office. Trustee Nyikos administered the Oath of Office to incoming Student Trustee Justin Chichester.

Executive Session. At 9:10 a.m. Trustee Hutson made a motion, seconded by Trustee Craig, to go into Executive Session as authorized by §24-6-402 (3)(b) (VIII), C.R.S. (2005) to discuss honorary awards. Motion carried.

Regular Session. At 9:35 a.m. Trustee DeFilippo made a motion, seconded by Trustee Wagner, to reconvene in regular session. Motion carried.

Approval of Minutes. Trustee Wagner made a motion, seconded by Trustee Tschatschula, that the minutes of the June 8, 2006 regular session and June 29, 2006 special session be approved as submitted. Motion carried.

Chairman's Report. Trustee Nyikos remarked that Trustee Craig has accepted employment in Houston, Texas; however, she will retain her Colorado residency and can continue her service as a Colorado School of Mines Trustee. Trustee Nyikos thanked General Counsel Anne Walker for her work in researching the statutes on this issue. Trustee DeFilippo remarked that at some point the Board may want to consider pursuing a change to the statutes to allow non-Colorado residents to serve on the Board. President Scoggins remarked that the Advisory Board members can also help provide broader national and international representation.

Trustee Nyikos welcomed the new Student Trustee, Mr. Justin Chichester.

Trustee Nyikos reported that this coming February Mines will once again co-sponsor an energy conference on the Western Slope.

Board Committee Reports. Trustee Hutson reported that the Budget and Finance Committee met on August 22 to review the evolution of the All-Funds Budget, discuss tuition issues, review the status of previous audit recommendations, and discuss the upcoming audit.

Trustee Nyikos reported that Trustee Craig will be stepping down from the Presidential Compensation and Evaluation Committee. Trustee Tschatschula will oversee expansion of this committee.

Trustee Nyikos remarked that he has asked Dr. Scoggins to help look at the committee structure as part of the larger issue of Board governance. He indicated that as the committee structure continues to evolve, it is important that the Board is in compliance with all pertinent statutes and that the role of each committee be clearly defined and coordinated with any related campus committee.

The Capital Planning Committee deferred its report to the action item on the State Capital Construction Plan later on the agenda.

President's Report. President Scoggins gave an update on the School's external affairs program. He reported that Jim Cole arranged meetings with a number of legislators as well as both gubernatorial candidates. President Scoggins also reported on a number of interactions with Senator Salazar. He also remarked that the School has additional work to do in terms of its federal relations program.

President Scoggins remarked that the School is working to resolve the tuition issue with the Colorado Commission on Higher Education. The School has proposed deferring the planned 2.5% tuition increase in favor of \$6.50 per credit hour surcharge. This approach will be revenue neutral and has the advantage of maintaining the structural adjustments to the tuition schedule. He also reported that the Colorado Commission on Higher Education, with the assistance of outside consultants, is developing a cost of education model. As it is important to get all institutions using the same model, Mines is encouraging use of the NACUBO model on which the School based its cost of education calculations.

President Scoggins reported that it has been a wonderful first week of school and that he is excited to have the students back on campus. President Scoggins asked Dr. Chevront to make some comments. Dr. Chevront thanked President Scoggins for participating in so many student events this week, including the M-Climb. Dr. Chevront asked Mr. Bill Young to make a brief enrollment report. Mr. Young thanked his staff for their work. He reported that there are 875 – 880 new students on campus. He also reported on increases in the number of non-resident, women, and minority students. He further reported that the class was strong academically with an average (normalized) index score of 119-120, average SAT score of 1250, average composite ACT score of 27, and average unweighted GPA of 3.7. The class also has relatively strong international enrollment, including a large contingent from Saudi Arabia. President Scoggins asked Graduate Dean Tom Boyd to comment on graduate enrollments. Dean Boyd indicated that the numbers look very good, although firm numbers for graduate student enrollment typically are not available until after September 6 (census date). Dr. Boyd remarked that he is anticipating total enrollment of 750 – 780 students. He indicated that the improvement in graduate enrollment is likely due to the increase in research

volume, as well as the School's commitment to increased financial assistance for graduate students.

President Scoggins reported that space issues are at the top of his list of priority concerns. Approximately 165 freshmen are living in Mines Park, which is intended for upperclassmen and graduate students. Due to health and safety concerns, the School is vacating the Hall of Justice. Parking remains a serious problem. Plans are underway to pave the vacant lot near the credit union and to add additional temporary parking behind the President's Residence.

President Scoggins reported on a number of upcoming events and activities, including Homecoming and the ABET visit. He also indicated he is moving forward with holding his inauguration as part of the December commencement ceremony.

President Scoggins further reported that he is following up on all of the major issues raised at the Retreat, including: 1) a working paper to outline a biology-related strategy for the School; 2) the development of a charter for the Advisory Board; 3) a review of the Board's governance structure; 4) a white paper on the development of an energy policy institute at Mines; 5) an analysis of the concept of Mines as a state-assisted as opposed to a state-supported institution; 6) ongoing implementation of the all-funds budget structure and associated financial issues.

President Scoggins remarked that he had also undertaken three other administrative initiatives.

- 1) President Scoggins has asked Executive Vice President Middleton to lead a recalibration effort for the Strategic Plan to make recommendations on any needed mid-course adjustments. This task force will also look at space issues as well as whether the pacing of the implementation strategy is correct. Trustee DeFilippo remarked that he would be interested in seeing Gant charts of the implementation strategies.
- 2) President Scoggins has asked Dr. Arthur Sacks to chair a small team to look at the School's organizational structure. It is likely that the work of this team will proceed in two phases. The first phase will consider the School's administrative structure and it is hoped that this phase could be completed by the end of 2006. The second phase will consider the academic structure and it is anticipated that this will take significantly longer.
- 3) President Scoggins also reported that he will be examining innovative financing options for the School's growth plans.

President Scoggins reported that Vice President Han and Alumni Association Director Anita Pariseau have arranged an ambitious schedule for him for the fall. President Scoggins will travel to Houston in mid-September and has already attended several alumni events, including a major reception for Denver area alumni and friends on August 24.

In conclusion, President Scoggins remarked that he is developing two alternative calendars for the Board's consideration for 2007, a traditional schedule and an abbreviated schedule with only six formal Board meetings. These draft schedules will be sent to the Board for their review and consideration.

Financial Report. Trustee Nyikos remarked favorably on the materials in the budget book. Ms. Volpi remarked that in FY06 only \$1.4M in reserve funds were used, instead of the projected \$3M. This was largely due to the \$1.3M the School received from the State for unfunded enrollment. Ms. Volpi also commented on the first major obstacle encountered by the Banner project. A problem during the conversion of student accounts receivable necessitated a three day shut-down of the system. The problem has now been resolved and the staff is undertaking an extensive analysis of the problem. Trustee Hutson remarked that the budget notebook represents a tremendous evolution in the accounting practices at the School. Trustee Hutson asked for clarification of the status of the roll-forward budgets. President Scoggins remarked that the roll-forward accounts started the year with \$12M in positive roll-forwards and less than \$4M in negative roll-forwards. Each unit has been asked to submit information on any planned expenditures from roll-forwards in FY07. He remarked that there may be some flexibility in the timing of expenditures from some types of roll-forward accounts, while other accounts reflect contractual commitments. He reiterated that the School will honor its commitments, but that budgeting of roll-forward accounts needs to become part of a managed process so that people can have confidence in the School's financial systems. Trustee Coors remarked that he would like to be able to see a cash flow statement for the School. Ms. Volpi indicated that this should be possible starting with the first quarter of the new year.

Research Activities Report. President Scoggins presented a report on research activities, since Vice President Poate is traveling on School business. While research volume was up by almost 8% last year, the challenge going forward is to put more focus on larger-scale grants, particularly at the federal level. President Scoggins reported that the DUSEL project continues to move forward, with selection of a site anticipated later this fall. The Colorado Renewable Energy Collaboratory is undertaking a major solar proposal. Additionally, Mines contacted BP to urge them to consider locating their planned bio-fuels institute in Colorado. BP representatives will be here on August 29 and 30 to discuss this proposal. Trustee Hutson inquired as to the status of the NCAR proposal. President Scoggins responded that this decision has been delayed, possibly until October.

Election of Board of Trustees Representative to CSMAA. Trustee DeFilippo made a motion, seconded by Trustee Wagner, to re-appoint Trustee Tschatschula to a one year term, ending June 30, 2007, on the Colorado School of Mines Alumni Association Board. Motion carried.

Approval of the State Capital Construction Plan, FY08 Capital Construction Request, and Program Plans. Mr. Montez presented the five year capital construction plan and FY08 state capital construction funding request that was previously submitted to the Colorado Commission on Higher Education, subject to the review and approval of the Board of Trustees. Mr. Montez indicated that there was a significant controlled maintenance backlog on the campus and that plans are in place to start addressing it this year. Trustee Hutson indicated he would like to see a prioritized list of needs with information on any potential liabilities.

Trustee DeFilippo remarked that the Capital Planning Committee met on August 16, 2006 and distributed minutes of that meeting. He indicated that the Committee concurred with the decision to close the Hall of Justice and was pleased to see it implemented so quickly. Trustee DeFilippo indicated that the Committee also reviewed the five year capital plan and could not support the items related to new campus housing/dining and new parking garages. Trustee DeFilippo indicated that there was insufficient justification for these items and expressed concern about excess debt. He also remarked that the School should be focused on correcting deficiencies in the academic facilities before developing additional non-academic projects. President Scoggins remarked that the five year capital construction plan is truly a planning document and that it is important to get the scope of the needs on the table. It is not intended as a specific implementation plan. He further remarked that there are a number of financing mechanisms the School should investigate in this regard. In response to a question on other possible alternatives to building new parking garages, President Scoggins assured the Board that Vice President Chevront is looking at every possible option. Trustee Nyikos indicated that the Board, prior to Trustee DeFilippo's appointment, had received a bonding and debt analysis and they were comfortable with the direction of the School in that regard. President Scoggins remarked that the most urgent priorities are in the academic arena, but that it is important that the Student Life projects be appropriately synchronized as well. Historically, these two facets were too separate, but the strategic plan was the first step to solving that problem. Achieving enterprise status is another important tool in addressing the deficiencies in academic space since this will enable the use of more creative financing strategies. Dr. Scoggins remarked that the first phase of the student life projects is to expand the dining facilities and enable the School to house the entire freshman class on campus as opposed to utilizing Mines Park. Both of these are essential to the School's goal of being a residential campus. Student Trustee Chichester commented that the lack of parking is a major issue for the students. This five year plan is intended to provide an order of magnitude to implementing the goals laid out in the Campus Master Plan, which was previously approved by the Board of Trustees. Trustee DeFilippo reiterated that he can not support the student life components of the five year plan. Trustee Hutson made a motion, seconded by Trustee Craig, that the following resolution be approved:

BE IT RESOLVED, that the Board of Trustees of the Colorado School of Mines hereby:

Approves the School's five-year capital construction plan as presented in Table 1 of this agenda item;

Approves the capital construction budget request for 2007-08, wherein the first priority project is the Hall of Justice Demolition and Classroom Improvements project totaling \$7,157,842, of which \$800,000 will be self-funded, and the second priority for \$3,414,516 for Phase 1 of the proposed Brown Hall Addition;

Approve the School's five-year controlled maintenance plan as presented in Table 2 of this agenda item;

Approve four controlled maintenance projects for funding in 2007-08. In priority order these projects are: (1) Campus Fire Safety Improvements for \$496,910, (2)

Campus High Pressure Steam Improvements for \$278,575, (3) Campus Corroded Utilities Replacement for \$481,737 and (4) Brown HVAC Replacement for \$539,000.

Motion carried, with Trustee DeFilippo opposed.

Petroleum Institute Update. Executive Vice President Middleton provided an update on the Petroleum Institute. He reported that he and Trustee Tschatschula represented Colorado School of Mines at the Institute's first commencement ceremony, at which 44 students received degrees. Dr. Middleton reported that discussions are continuing regarding the development of new modalities for interaction between Mines and the Petroleum Institute, including new initiatives in joint research, continuing education, and best practices in university administration, as well as continued involvement at the undergraduate level. Dr. Middleton reported that the School sent a proposal regarding this new level of interactivity at the end of July. The proposal represents a revision to one of the exhibits in the original agreement. The Trustees discussed whether it would be possible, and desirable, to implement this model in other parts of the world. Dr. Middleton indicated the most likely target area might be in southeast Asia, possibly in Malaysia. Trustee Craig inquired as to whether there was adequate staffing for this initiative. Dr. Middleton responded that the School is very thinly staffed and additional staffing would be beneficial. Trustee Hutson remarked that the School should consider using some of the Petroleum Institute funds for this purpose. Trustee Tschatschula remarked that this fall will mark the admission of the first female students at the Petroleum Institute. He also indicated he would like to see more faculty exchange programs. Trustee Tschatschula also commented that Dr. Middleton is greatly esteemed at the Petroleum Institute.

Library Visiting Committee Response. Executive Vice President Middleton introduced a draft response to the report of the Library Visiting Committee and indicated that Ms. Joni Lerud-Heck, Director of the Arthur Lakes Library was present to answer any questions. The Trustees approved the draft response as submitted by acclamation.

Institutional Advancement Report. Vice President Han presented an overview of the development program, highlighting the activities of his staff in the areas of Major Gifts and Planned Giving, Donor Relations, Annual Giving, Corporate and Foundation Relations, Prospect Research, and Advancement Services. Mr. Han reported that in FY06, total contributions of \$23,500,000 were received. There were 685 President's Council donors, and 3,091 individual donors. Of these individual donors, 2490 were alumni, representing an alumni participation rate of 14%. Mr. Han indicated that for FY07 the major goals for the Office of Institutional Advancement will be to complete the Marquez Hall campaign, increase the prospect base, assess funding needs and priorities, and assess the organizational structure of the Office. Mr. Han also indicated his office was working to get the academic departments and divisions more involved in the development function and that they are moving away from the current model of a completely centralized process.

Legislative Requirements of HB06-1024 Concerning Underserved Students at Institutions of Higher Education. Mr. Dan Montez reported that HB06-1024 requires the School to submit a report, by September 1, 2006, to the Colorado Commission on Higher Education and the Education Committees of the Senate and House of Representatives regarding the programs and services that it provides to address the retention and success of

underserved students and to outline any additional programs or services for underserved student that it proposes to provide. The bill also required each governing board of a state institution of higher education to consider implementing an on-line textbook library. Mr. Montez submitted the draft report on underserved students that was assembled by Vice President Chevront and his staff as an information item. Staff will research the question of an online textbook library and report to the Board later in the academic year.

Other Business. Trustee Nyikos introduced Faculty Senate President Brajendra Mishra. Dr. Mishra thanked the Trustees for their work in selecting Dr. Scoggins as the School's President and indicated that the faculty are happy to have him here. Dr. Mishra also indicated that the Faculty Senate is very interested in being involved in the Strategic Plan recalibration effort. He also commented that the faculty are interested in the evolution of the All-Funds Budget, particularly in regards to roll-forward budgets. Dr. Mishra remarked that Ms. Kirsten Volpi will be meeting with the faculty soon to discuss the roll-forward budget issue. He also indicated that the faculty want to see growth in the research arena. Faculty are also greatly concerned about the space issue, and want to make sure that the needs of the research programs are taken into consideration during the planning process. Dr. Nyikos thanked Dr. Mishra for his report.

Regular Reports. There were no questions on the regular written reports.

Trustee Craig made a motion, seconded by Trustee Hutson, that the meeting be adjourned. Motion carried.

Meeting adjourned at 12:15 p.m.



Secretary

The Board of Trustee's Budget and Finance Committee met on September 25, 2006 at 12:30pm.

Present: Trustees Hutson and Wagner

Absent: Trustee Craig

Also attending the meeting were: President Scoggins, and Associate Vice Presidents Montez and Volpi

Trustee Hutson presided.

Approval of August 22, 2006 meeting minutes

The minutes were approved as submitted.

State Budget and Legislative Update

Staff reported that the Fiscal Year 2007 Fee for Service amendment is anticipated to be executed within the next few days.

Draft June 30, 2006 Consolidated Financial Statements

The year end *draft* consolidated financial statements were reviewed. It was reported that the financial and compliance audit is almost complete. An increase of \$6 million in net assets was noted to be primarily due to an increase in gifts from the CSM Foundation of \$5 million in addition to the \$1.3 million received for unfunded enrollment. It was noted that the shift in higher education funding in Fiscal Year 2006 transitioning from appropriations to the Fee for Service agreement and COF resulted in a shift from non-operating revenue to operating revenue on the Statements of Revenues, Expenses and Changes in Net Assets.

Status of All Funds Budget

Staff has been working on developing new processes to accommodate the All Funds Budget. In addition, staff is in the process of performing a comprehensive analysis of the Fiscal Year 2007 budget with any necessary recommended budget adjustments. The analysis will include a forecast of revenue and expenses reflective of any surpluses or shortfalls; some shortfalls are likely to be a result of unbudgeted spending from roll forwards.

FY08 Budget decision items to CCHE

The School is required to submit to CCHE by October 10 certain items requested in the Fiscal Year 2008 budget that are above and beyond the standard requests, i.e. "decision items". For the School, these decision items will be the fourth year of the five year undergraduate restructuring plan as well as general fund base restoration.

Internal Audit

An update was provided on the status of the current internal audit, particularly the review of cash receipts. Internal Auditor Marilyn North anticipates having her report on the audit finalized in September.

Committee members inquired about the status of the Risk Inventory and what the next steps of the Internal Audit plan will be. Staff will provide an update of the Risk Inventory along with recommended next steps at the next Budget and Finance Committee meeting.

External Audit

Fieldwork on the fiscal year 2006 audit is projected to end September 29th.

City of Golden Sales Tax Audit

It was reported that the School received from the City of Golden a letter rescinding the sales tax deficiency notice for not collecting and remitting sales tax on meal plans offered through Aramark. General Counsel worked with the Attorney General's office to bring this matter to a positive resolution for the School.

Status of the Office of Federal Compliance Contract Programs (OFCCP) audit

The School is in the process of an audit from the OFCCP which is reviewing the School's affirmative action program. Requested information has been provided to the OFCCP. Staff will keep this committee updated of the progress and outcome.

Enterprise State Audit

Staff reported that the Legislative Audit Committee heard and approved the State Auditor's report approving Mines as an Enterprise for the Fiscal year 2006.

Fee for Service agreement Audit

The School has been notified that it will be one of the first institutions to have its Fee for Service agreement audited by the State Auditor. Staff will keep this committee updated of the progress and outcome.

Capital Submission to the State

The School had submitted its capital requests to the state. After review by CCHE, the School's top priority project for state funding, the Hall of Justice demolition and classroom improvements, is ranked number 16 on the list. This positioning is after the state pays for the Certificate's of Participation for Fitzsimons and provides for funding for continuing projects.

Possible Debt refinancing opportunities being reviewed

Staff will be meeting with Morgan Stanley (and upon committee request another financing firm) to explore refinancing opportunities for the School's current debt portfolio in light of the attractive interest rate environment. This review may provide some flexibility in debt capacity for future bond issues.

Funding requests to CSM Foundation

The School will be requesting of the CSM Foundation Board of Trustees at its next meeting on September 28th funding for two projects. The School is requesting \$800,000 to renovate Berthoud Hall to be utilized for needed classroom space. Additionally, the School is seeking federal matching funds to study the feasibility of creating a university led research park or complex focused on energy and earth sciences. The School is requesting of the Foundation, \$80,000 to provide this match.

Draft revised Budget and Finance Committee charter

A draft revised charter for this committee was reviewed. The new charter incorporates elements of audit oversight and attempts to clarify the committee's relationship to the full Board of Trustees. Trustees Craig, Hutson and Wagner will further review the revised charter and provide feedback to staff.

There being no further business, the meeting was adjourned at 2:00pm.


Secretary

RECORD OF PROCEEDINGS

Golden, Colorado
September 29, 2006

The Board of Trustees met in regular session on September 29, 2006 in the Coors Board Room.

Present: Trustees Coors, Craig (via teleconference), DeFilippo, Hutson, Nyikos, Tschatschula, Wagner and Student Trustee Chichester.

Also in attendance: President Scoggins, Executive Vice President Middleton, Vice Presidents Chevront and Han; Associate Vice Presidents Montez and Volpi; and other staff members and visitors.

Trustee Nyikos presided.

Approval of Minutes. Trustee Tschatschula made a motion, seconded by Trustee Hutson, that the minutes of the August 25, 2006 regular session be approved as submitted. Motion carried.

Chairman's Report. Trustee Nyikos acknowledged Ms. Joan Johnson on the occasion of her retirement from the Colorado Commission on Higher Education and read the following Resolution into the record:

WHEREAS Ms. Joan Johnson served with distinction in the Colorado State Senate from 1991- 1998, and

WHEREAS Ms. Johnson has served as the Director of Capital Assets & Governing Boards for the Colorado Commission on Higher Education since 2001, and

WHEREAS during that time Ms. Johnson gave unstintingly of her time, energy, and talent for the betterment of higher education in the State of Colorado, and

WHEREAS Ms. Johnson has been a valued friend and supporter of The Colorado School of Mines,

THEREFORE,

BE IT RESOLVED that The Board of Trustees of the Colorado School of Mines hereby unanimously commends Ms. Johnson for her many contributions to the advancement of higher education in the State of Colorado, and on the occasion of her retirement expresses its heartfelt congratulations and best wishes.

Trustee Nyikos reported that plans for the Western Slope energy conference for February of 2007 continue to progress.

Board Committee Reports. Trustee Wagner reported for the Budget and Finance Committee as Trustee Hutson had to depart the meeting at 9:40 a.m. Trustee Wagner reported that the Committee had reviewed the status of the audit and was continuing to monitor the status of the All-Funds Budget. He also remarked that the Committee was considering revising its charter to add some audit functions.

Trustee Nyikos reported that the Capital Planning Committee was currently in abeyance until its charter and functions are clarified.

Trustee Tschatschula reported that Mr. Sam Butler and Admiral Richard Truly will serve on the Presidential Review and Compensation Committee. The Committee will have its first meeting within the next few weeks.

Trustee DeFilippo remarked that he would like to receive an update on the internal audit function. Trustee DeFilippo also inquired as to the reporting structure for the internal auditor. Trustee Wagner indicated that the internal auditor reports to the Budget and Finance Committee of the Board, but that the information should be shared with the entire Board at some point. He indicated that the Budget and Finance Committee intends to modify its charter by December to include not only the internal audit function, but also its role in working with the outside auditor. In regard to the internal auditor, Trustee Wagner remarked that the internal audit function is intended to be a collaborative look at systems and how to improve them. Trustee DeFilippo asked that the full Board be appraised of the internal audit schedule. Upon the completion of internal audits, he would like the full board to receive a copy of the report and the administration's response plan. Trustee Nyikos requested that these reports include a clear executive summary.

President's Report. President Scoggins introduced Dr. Jim Ely, Chemical Engineering Department Head, who will be attending Board meetings as a representative of the Department Heads/Division Directors. President Scoggins also introduced Ms. Serena Aernie who recently joined the staff of the CSM Alumni Association.

President Scoggins reported that the fee for service contract issue has been resolved with the Colorado Commission on Higher Education; the School should receive approximately \$4M within the next week.

President Scoggins reported that the City of Golden has rescinded its sales tax assessment and thanked Associate Vice President Dan Montez and General Counsel Anne Walker for their work on this issue.

President Scoggins discussed several space-related issues. In particular, he reported on two external groups who had been using space in the Hall of Justice. Interlink has been accommodated with other space on campus for the short-term; however, they may need to look at renting space off-campus for the longer-term. The International Center for Appropriate and Sustainable Technology (ICAST) has had to re-locate their offices to an off-campus location. Space is still being sought on-campus for the School's music program.

President Scoggins asked Vice President Harold Chevront to comment on the status of the Recreation Center. Dr. Chevront reported that he is working with Vice President Peter Han on plans for a Grand Opening, possibly on January 26 or 27.

President Scoggins provided an update on meetings with various legislators and candidates for public office.

President Scoggins reported on a number of campus events, as well as on trips to Houston and New Orleans. He remarked on the upcoming Homecoming celebration, and the Mines Century Society Dinner scheduled for October 6.

President Scoggins reported that the CSM Foundation recently approved funding for the development of two classrooms in Berthoud Hall, as well as funding for a study on the feasibility of developing a research park. President Scoggins expressed his appreciation to the Foundation for their ongoing support.

President Scoggins provided an update on the status of the Marquez Hall project. Encana has committed \$2M for the project, and the School has received a verbal commitment of \$125K from St. Mary Land and Exploration Company. Requests have also been submitted to several other oil and gas companies. In addition, the architectural firm of Bohlin Cywinski Jackson has been selected for the Marquez Hall project.

President Scoggins reported that he has created a Reorganization Task Force, under the leadership of Associate Vice President Arthur Sacks, to examine and make recommendations regarding the School's organizational structure. The Task Force will be seeking input from the campus community, as well as examining organizational structures at other universities.

Financial Report. Associate Vice President Volpi reported that staff will present the FY07 first-quarter financial statements which will incorporate a *Statement of Net Assets*, *All Funds Statement of Revenue and Expenses* and a *Statement of Cash Flows* at the October Board meeting. Ms. Volpi also presented draft unaudited consolidated financial statements for FY06 to the Board. These draft statements will be finalized in October. The Trustees discussed the issue of depreciation and the need to re-invest in capital assets. President Scoggins remarked that he is very interested in studying the School's financing capacity for a broad array of projects.

Associate Vice President Montez gave an update on enterprise status. The School received its initial designation of enterprise status in August of 2005 from the Legislative Audit Committee; however, the Committee noted that the final determination of enterprise status would be made at the end of each fiscal year. Mr. Montez reported that the School does not foresee any issues with its enterprise status.

Mr. Montez also gave an update on the State's capital construction funding. The two Mines projects are currently ranked 16th (Hall of Justice demolition) and 28th (Brown Hall addition) out of 43 projects. Mr. Montez remarked that any capital funding the School receives is included in the enterprise status calculation.

Research Activities Report. President Scoggins presented a report on research activities, since Vice President Poate is traveling. So far this fiscal year, Mines has received 48 new awards totaling \$5,654,000. In addition, the Colorado Collaboratory, which includes Mines, Colorado State University, the University of Colorado and the National Renewable Energy Laboratory, has four major research proposals under development. The Technology Transfer Advisory Board is in the process of being formed. A committee has been formed, under the direction of Vice President John Poate and Dr. Phil Ross, to develop a biosciences White Paper. The Colorado Energy Research Institute will host a major Oil Shale conference on campus from October 16 – 18, and a Mines Energy Council has been formed, under the leadership of Dr. Dag Nummedal and Dr. Tony Dean, to coordinate all energy research activities on campus. Finally, President Scoggins reported on efforts to develop a supercomputer facility on campus.

Emeritus Recommendations. Executive Vice President Middleton presented five recommendations for emeritus status:

Richard Christiansen, Emeritus Associate Professor of Petroleum Engineering

John DeSanto, Emeritus Professor of Mathematical and Computer Sciences

Neil Hurley, Emeritus Charles Boettcher Distinguished Chair in Petroleum Geology and Geology and Geological Engineering

Sam Romberger, Emeritus Professor of Geology and Geological Engineering

John Trefny, Emeritus Professor of Physics

Trustee Craig made a motion, seconded by Trustee Tschatschula, that emeritus status be awarded to each of the five candidates. Motion carried.

FY08 State Budget Decision Items. Associate Vice President Montez discussed several state budget decision items that need to be submitted to the Colorado Commission on Higher Education by October 10, 2006. He also provided background information on a study being conducted by the National Center for Higher Education Management Systems (NCHEMS) on higher education funding. Trustee Wagner made a motion, seconded by Trustee Craig, to approve the following resolution:

BE IT RESOLVED, that the Board of Trustees of the Colorado School of Mines hereby authorizes staff to prepare state budget decision items for FY 2007-08 to be submitted to CCHS by October 10, 2006. These decision items will include the fourth year of the five-year resident undergraduate tuition restructuring plan and may also include other appropriate tuition and fee restructuring as well as a conceptual decision item for increasing base state funding for the School.

Motion carried.

Chemical Engineering Visiting Committee Response. Executive Vice President Middleton introduced a draft response to the Visiting Committee for the Department of Chemical Engineering; the Visiting Committee was on campus in April of 2006. Trustee Nyikos asked the Trustees to provide any wording suggestions to Dr. Middleton by the end of the day. Trustee Wagner made a motion, seconded by Trustee Tschatschula, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the letter response to the Report of the Visiting Committee for the Department of Chemical Engineering.

Motion carried.

Faculty Senate Report. Faculty Senate President Brajendra Mishra provided an update on the work of the Faculty Senate. He indicated that one of the goals of the Senate was to strengthen its authority in terms of its advisory role on campus. Dr. Mishra thanked Associate Vice President Volpi for presenting a very informative Faculty Forum on the School's finances. Dr. Mishra indicated that he looked forward to improving the interaction between the Board of Trustees and the Faculty Senate. He expressed the interest of the Faculty Senate in participating in the strategic plan recalibration effort, as well as providing input to the Reorganization Task Force.

Banner Project Update. Associate Vice President Montez gave an update on the status of the Banner project. He presented a prioritized list of current issues and solutions, as well as a status report on the project budget. Mr. Montez indicated that the current state of implementation is not as far along as originally hoped, and remarked that the project team overestimated the support we would receive from Sungard HE as well as the maturity and efficiency of the Banner software. The Board suggested the project scope be kept to a minimum and to focus on the essentials.

CSM Foundation Report. CSM Foundation Executive Director Linda Landrum presented their *Statement of Financial Position, Statement of Activities, and Comparative Statement of Activities*, for the fiscal year ended June 30, 2006. She reported that the Foundation's net assets have increased to \$158,706,340 and that the Foundation enjoyed an annual investment return of 14.3%.

Regular Reports. There were no questions on the regular written reports. Executive Vice President Middleton pointed out that the Graduate Admissions Report was the strongest it had been in the past ten years.

Trustee Craig made a motion, seconded by Trustee Tschatschula, that the meeting be adjourned. Motion carried.

Meeting adjourned at 12:10 p.m.


Secretary

Colorado School of Mines
RECORD OF PROCEEDINGS
Budget and Finance Committee Meeting

The Board of Trustee's Budget and Finance Committee met on October 25, 2006 at 8:00am.

Present: Trustees Hutson and Wagner

Absent: Trustee Craig

Also attending the meeting were: President Scoggins (via phone), Associate Vice Presidents Montez and Volpi, and Internal Auditor North.

Trustee Hutson presided.

Approval of September 25, 2006 meeting minutes

The minutes were approved as submitted.

State Budget and Legislative Update

Staff updated the Committee on the status of state budget items and the upcoming calendar regarding the state budget. Staff submitted the School's FY2007-08 budget decision items on Oct 10. Staff will be preparing for the JBC's upcoming higher education budget briefing on November 29 and budget hearing on December 7.

Staff is expecting that the Governor will be submitting a budget request for higher education that could be as little as \$35M, but may go as high as \$50M. Staff believes CCHE will be submitting a budget request to the JBC for \$100M for higher education; funding at that level *could* represent an additional \$4.1 million for the School.

We expect CCHE to recommend tuition spending authority increases of 7-9% for the research universities.

We continue to work with CCHE on graduate stipend model. We are expecting release of the CCHE/NCHEMS higher education financing study. We continue to work with NCHEMS on our peer group.

September 30, 2006 Financial Statements

The quarter end September financial statements were reviewed. It was reported that the first fiscal quarter financial statements are not proportionately reflective of the full year's financial position due to timing. September usually represents higher student receivables and higher tuition revenue primarily due to the timing of the fall semester billing where instruction and research expenses typically lag. The net cash outflow was also representative of the quarter due to the timing of the fall tuition receipts, however, was

exacerbated by the late timing of the execution of the School's fee for service agreement in which payment was not received until October. It was noted that tuition revenue for the fall semester experienced a slight increase over what was budgeted primarily due to higher non-resident enrollment for both undergraduate and graduate students.

For future financial statement presentations, staff will provide them in a comparative format.

FY07 Budget

Staff reviewed the action taken at the June 2006 Board of Trustees meeting where the Board approved the fiscal year 2007 budget. The budget was approved however approximately \$500,000 of requested expenditures were placed on hold waiting for certain revenue clarity. The committee reviewed the items on hold and will present to the Board of Trustees at its next meeting these items to be released for spending taking into account the School's revenue position.

Additionally, in conjunction with the transition to the All Funds Budget, staff performed a more detailed review of all expenditure needs and revenue sources for fiscal year 2007 and developed a revised budget for committee review. The committee reviewed the revised increase to the expenditure base in the amount of \$2,500,000 along with corresponding revenue sources which primarily included a projected increase in tuition revenue. Remaining unchanged from the original budget is the \$1.2m budgeted draw from the Petroleum Institute.

Internal Audit

Marilyn North reviewed the cash receipts audit. She provided a background on the cash receipt process at the School, existing guidelines, the scope of her audit and the summary results. It was noted that management agreed with the results and has responded accordingly.

Staff provided a brief update on the risk inventory. The risk inventory will be reviewed by management to confirm the existence of the risk, its ranking and the responsible Vice President. Another update will be provided at the next meeting.

The committee reviewed a list of potential audit areas that was previously drafted by Internal Auditor North. The committee determined that the next audit areas would be in order as follows; Discretionary Accounts, Travel Expenses, Bond Compliance and Plant Facility charges. This list will be reviewed with the full Board of Trustees at its upcoming meeting.

External Audit

It was noted that fieldwork on the audit had been completed. Financial Statements have been drafted and management received verbal preliminary management letter comments and OMB Circular A-133 findings. It is anticipated that the audit will be finalized in the next few months.

Status of the Office of Federal Compliance Contract Programs (OFCCP) audit

The School is in the process of an audit from the OFCCP which is reviewing the School's affirmative action program. Requested information has been provided to the OFCCP. Staff will keep this committee updated of the progress and outcome.

Notification of Audit of Classified Hiring Process

The School has been notified that the State intends to audit the School's classified hiring process.

Capital Submission to the State

The program plans for the Hall of Justice (HOJ) and Brown Hall have been approved by CCHE. The School's state-funded capital requests held their positions at the CCHE meeting, with the Hall of Justice/Classroom Improvements at #6 in the list of new projects (\$7.2M) and #16 for Brown Hall (\$28.2M). It would take \$110M in available capital funding to get to the HOJ project.

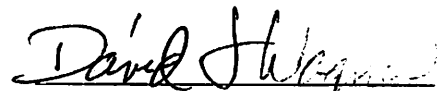
Possible Debt refinancing opportunities being reviewed

It was reported that staff met with both Morgan Stanley and Wells Fargo to explore refinancing opportunities for the School's current debt portfolio in light of the attractive interest rate environment. Staff will meet with additional Financing firms to further explore refinancing opportunities.

Draft revised Budget and Finance Committee charter

The second draft revised charter for this committee was reviewed. The revised charter will be reviewed with the full Board of Trustees for their approval at its next meeting.

There being no further business, the meeting was adjourned at 9:30 a.m.


Secretary

RECORD OF PROCEEDINGS

Golden, Colorado
October 27, 2006

The Board of Trustees met in regular session on October 27, 2006 in the Coors Board Room.

Present: Trustees Coors, Craig, DeFilippo, Hutson, Nyikos (via teleconference), Tschatschula, Wagner and Student Trustee Chichester.

Also in attendance: President Scoggins, Executive Vice President Middleton, Vice Presidents Poate, Chevront and Han; Associate Vice Presidents Montez and Volpi; and other staff members and visitors.

Trustee Nyikos convened the meeting and asked Trustee Wagner, Vice Chairman, to chair the meeting.

Approval of Minutes. Trustee DeFilippo made a motion, seconded by Trustee Tschatschula, that the minutes of the September 29, 2006 regular session be approved as submitted. Motion carried.

Agenda. Trustee Tschatschula made a motion, seconded by Trustee DeFilippo, to amend the agenda to add an Executive Session for the purpose of seeking legal advice, per §24-6-402 (3)(a)(II), C.R.S. (2005). Motion carried.

Board Committee Reports. Trustee Hutson reported that the Budget and Finance Committee had met with the internal auditor, and he distributed a copy of the internal audit project plan for FY07. Questions were raised regarding the intersection between the work of the internal auditor and the external auditor. The external audit will be a discussion topic at the next Board meeting. Trustee Hutson further reported that the Committee had reviewed the budget, including the items that were deferred until the School's revenue situation was clarified. Trustee Hutson remarked that the Committee felt that its original charter should be revised and proposed revisions were distributed. The Trustees asked that the original charter be sent to them electronically, along with the proposed revisions; the revised charter will be considered at the December Board meeting.

Trustee Tschatschula reported for the Presidential Evaluation and Compensation Committee. This Committee is also considering revisions to its charter, specifically to allow participation by Advisory Board members. Trustee Tschatschula distributed a draft for the Trustees' review prior to consideration at the December Board meeting.

General Counsel Anne Walker will review the proposed charter revisions for the Budget and Finance Committee and the Presidential Evaluation and Compensation Committees prior to the December Board meeting.

President's Report. President Scoggins reported that the Mines chapter of the Society of Women Engineers (SWE) just received a 2nd place award at the national SWE conference. The Mines SWE chapter is currently the fourth largest in the nation.

President Scoggins reported that the School is putting together a four minute promotional video. He showed a 30 second version of the video which will be shown during the televised Mines v. Mesa State football game. Trustee DeFilippo inquired as to whether the video could be produced in other languages, which will be investigated.

President Scoggins reported that Mines did not make the short list for the BP biofuels project.

President Scoggins reported on recent trips to San Antonio and California to visit alumni and friends of the School.

President Scoggins reported on the October 21 groundbreaking ceremony for Darden Baseball field, which was followed by a reception at the President's Residence.

President Scoggins reported on a successful reception for alumni in the Colorado Springs area on October 25.

President Scoggins reported on a reception held on October 26 to recognize Encana's \$2M contribution for laboratories in Marquez Hall.

President Scoggins reported that he had sent an invitation to Daniel Yergin to speak at either the December 2007 or May 2008 commencement ceremony. He also remarked that he was delighted to announce that Dr. Shirley Ann Jackson, President of RPI, had accepted the invitation to serve as the December 2006 speaker.

President Scoggins asked Executive Vice President Middleton to report on the recent ABET visit. Dr. Middleton reported that the ABET team was on-site for three days to evaluate each of the School's eight ABET-accredited programs. Dr. Middleton remarked on the extensive preparation prior to the visit, including comprehensive self-study reports prepared by each of the affected departments/divisions. Dr. Middleton commented that he was pleased to report that the visit went very well. A written report will be sent following the visit, to which the School will have an opportunity to respond. He expects the School will receive high marks for the Strategic Plan, student quality, and the addition to the CTLM building; he also expects there will be some reference to the austere budget times that have confronted the School in recent years. Dr. Middleton also indicated that there were some minor issues with how some departments defined program objectives versus program outcomes, which will be addressed. Dr. Middleton thanked Dr. Tom Boyd for his efforts in coordinating the ABET visit and the academic departments for their work in preparing for the ABET review.

President Scoggins reported that the Mining Visiting Committee was on campus on October 12 and 13. He reported that the visit went well, and that the Visiting Committee would like to see an increase in enrollment in the department. They also remarked on the importance of maintaining the Edgar Mine and ensuring adequate safety procedures there.

The Petroleum Engineering Visiting Committee is scheduled to be on campus in mid-November. President Scoggins remarked on his interest in examining the membership on all the visiting committees to ensure the broadest possible perspective, including outside academic participation.

President Scoggins provided a brief update on issues at the State level. The Colorado Commission on Higher Education (CCHE) will shortly be releasing the results of the NCHEMS comparative financing study. The annual Joint Budget Committee testimony on the high education budget will be on December 7. President Scoggins reported that the School has submitted a \$5.4M request in base restoration funds which the CCHE will discuss on October 28.

President Scoggins asked Dr. Thomas Boyd to provide an update on the work of the Reorganization Task Force, since the Chair of the Task Force, Dr. Arthur Sacks, was unable to attend the meeting. Dr. Boyd reported that the Task Force sent a survey to all faculty and staff regarding the School's organizational structure, with a 54% response rate. The Task Force has also identified six peer institutions for a benchmarking exercise. The Task Force is meeting with each of the Vice Presidents in order to get their input into the process. Initially, the Task Force will focus on the School's administrative structure and will subsequently review the academic structure. The Task Force plans to submit a report to the President by January 1 regarding the administrative structure.

President Scoggins reported that he had been approached by Mr. Drew Bolin and Mr. Tom Clark to co-chair an Energy Coalition, which would function similarly to the Colorado Space Coalition.

President Scoggins announced the first event as part of the President's Lecture Series. Mr. Peter Tertzakian will speak on campus on November 7, through a special arrangement with the Canadian Consul General. Following the lecture, President and Mrs. Scoggins will host a dinner for Mr. Tertzakian at the President's Residence.

Research Activities Report. Vice President Poate provided an update on the School's research highlights for the month of September. Dr. Poate reported on several improvements in the operations of the Office of Research Services under the leadership of Mr. Ralph Brown. Dr. Poate provided an overview of several research projects. He also remarked on the Oil Shale Conference organized by CERI, with over 320 attendees from throughout the world. Dr. Poate also commented on a number of proposals under development by the Colorado Renewable Energy Collaboratory. He also provided an update on the DUSEL project.

Financial Report. Ms. Volpi reviewed the *Statement of Net Assets*, *Statement of Revenue and Expenses* (in the All Funds Operating Budget format) and a *Statement of Cash Flows* for the fiscal quarter ending September 30, 2006. She noted that the decrease in cash and cash equivalents from fiscal year end was primarily due to the timing of the fall tuition receipts and the fee for service agreement receipts.

FY07 Budget Revisions. Ms. Volpi presented a staff recommendation to approve revisions to the campus FY07 All Funds Budget, originally approved by the Board on June 29, 2006. The recommendation included revisions to the expenditure categories to reflect

updated information, the approval of general fund operating expenditures held in abeyance in June 2006 pending the outcome of the fee for service negotiations, and the approval of certain base expenditures in excess of the current budget. President Scoggins noted that the School will be using surpluses on the auxiliary side to cover expenses on the general fund side, and remarked that the School's enterprise status has provided additional flexibility in this regard. Trustee Coors remarked that in general he prefers to see changes to forecasts than to budgets. There was discussion regarding the proposed changes constituting a re-statement of the budgets, in order to reflect changes made due to the all-funds approach. Trustee Coors made a motion, seconded by Trustee Craig, to approve the following resolution:

BE IT RESOLVED, that the Board of Trustees of the Colorado School of Mines hereby approves of the first quarter adjustments to the campus FY 2006-07 All Funds Budget, as presented in this agenda item.

Motion carried.

University Emeritus Recommendation. Executive Vice President Middleton presented a recommendation, endorsed by President Scoggins, to award University Emeritus status to Dr. Dennis W. Readey. Trustee Coors made a motion, seconded by Trustee DeFilippo, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines awards Dr. Dennis Readey the status of University Emeritus Professor of Metallurgical and Materials Engineering

Motion carried.

Sabbatical Reports. Executive Vice President Middleton presented written reports from the faculty members who completed sabbaticals during AY2005/06: Tracy Camp, John Fanchi, Linda Figueroa, Ramona Graves, Uwe Greife, Barbara Moskal, and Kent Voorhees. Dr. Middleton indicated he would be pleased to make arrangements should the Trustees want a verbal report from any of these faculty members,

Graduate Admissions Report. Graduate Dean Thomas Boyd presented the Graduate Admissions Report. He remarked that enrollment for this fall was remarkably successful at all levels. Dr. Boyd reported on the positive effects of the growth in the research enterprise on graduate enrollment, and on the School's decision to allocate increased funding for graduate student financial aid. He indicated that international enrollment had improved, and that he hopes for continued improvement in that area. Dr. Boyd also reported on the work of the Graduate Student Association in providing financial support for graduate students with children. Dr. Boyd reported that Mr. Jahi Simbai has joined the staff of the Graduate School to work on recruitment. Dr. Boyd indicated the Graduate School will focus on providing support for the academic departments and divisions, and will try to ensure they have as large and diverse an applicant pool as possible. One area of emphasis will be to bring admitted students to the campus to visit, since this doubles the likelihood they will enroll. His office is also developing recruitment materials targeted toward women and minorities. Dr. Boyd indicated another major focus area for the future will be increasing the School's cost competitiveness for graduate students. Emphasis will also be placed on increasing international student enrollment and increasing the yield on research contracts. By investing

funding for Teaching Assistants (TAs), the hope is that this will ultimately lead to increased research volume.

Registrar's Report. Registrar Lara Medley presented the *Fall 2006 Registrar's Report*. The total headcount enrollment is 4,056 students. The Trustees discussed the need to maintain quality and provide an appropriate infrastructure for students. President Scoggins remarked that the School can not continue to grow until the space issue is addressed. In terms of undergraduate enrollment, President Scoggins reported that the target undergraduate enrollment for next year is to remain stable at 850 - 875 students. Ms. Medley presented comparative data on retention rates at Colorado's public universities, particularly in regard to minority and women students.

Regular Written Reports. There were no questions on the regular written reports.

Other. President Scoggins reported that his inauguration will take place as part of the Midyear Degree Convocation. The inauguration will be relatively brief, but will include remarks by Dr. Brajendra Mishra, as President of the Faculty Senate, and by a student.

Trustee DeFilippo made a motion, seconded by Trustee Tschatschula, to adjourn the regular meeting and convene in Executive Session for the purpose of receiving legal advice as authorized per §24-6-402 (3)(a)(II), C.R.S. (2005). Motion carried.

Regular meeting adjourned at 12:05 p.m.

The Trustees reconvened in regular session at 1:00 p.m. There being no further business, Trustee DeFilippo made a motion, seconded by Trustee Tschatschula, to adjourn the regular meeting. Meeting adjourned at 1:00 p.m.


Secretary

Colorado School of Mines
RECORD OF PROCEEDINGS
Budget and Finance Committee Meeting

The Board of Trustee's Budget and Finance Committee met on December 11, 2006 at 3:30pm.

Present: Trustees Craig, Hutson and Wagner

Also attending the meeting were: President Scoggins and Associate Vice Presidents Montez and Volpi.

Trustee Hutson presided.

Approval of October 25, 2006 meeting minutes

The minutes were approved as submitted.

State Budget and Legislative Update

Staff provided a brief legislative update. Following some discussion on the School's December 7th budget hearing with the JBC, staff noted that the legislative Capital Development Committee would begin its hearings in January.

October 31, 2006 Financial Statements

The period ended October 2006 with 2005 comparative financial statements were reviewed. The statement of net assets was reviewed and it was noted that the decrease in short term investments along with the increase in capital assets was primarily due to the construction of the student recreation center. Other receivables in the current year included a receivable for the fall COF stipend, amounts due from the CSM Foundation and funds owed by private sponsors.

The All Funds Budget format of the statement of revenue and expenses was reviewed. Tuition and fees continues to reflect a slight increase over what was originally budgeted due to an increase in non resident tuition for both undergraduate and graduate students. Expenses appear to be tracking close to what was budgeted.

The net cash outflow through October was \$3.3 million. Net cash used in operating activities included payments to employees which represented only three months of payroll recorded through October 31, 2005 versus four months reflected in the October 31, 2006 payment to employees number.

Status of All Funds Budget Process changes

Staff provided a brief update on the status of the budget process changes. Staff is in the process of redrafting the charter to the Campus Budget Committee which is proposed to include an Executive Budget Committee. Additionally, staff is working on making changes to budget practices which will be socialized with campus prior to the fiscal year 2008 budget process.

Internal Audit

Staff noted that they will provide an update of the risk inventory at the next meeting.

External Audit

It was noted that the audit is soon to be finalized. The committee agreed that the contract audit firm should attend an upcoming committee meeting to review the audit with the committee.

Marquez Hall Program Plan

Staff will be bringing a resolution to the Board of Trustees requesting approval of the Marquez Hall program plan. The approval sought does not constitute final project approval or funding appropriation.

Parfet Property Purchase

The committee discussed a possible purchase of land in Golden from the City of Golden. It was determined that prior to any further discussion regarding the property, additional information is needed.

Status of debt refinancing opportunities

It was reported that a Request for Proposal had been sent for financial advisory and underwriting services in relation to the School's debt financing activities. Responses to the request were due December 15, 2006.

Attorney General's opinion on investment of Petroleum Institute funds

In light of the school gaining enterprise status effective July 1, 2005, the school requested that the Attorney General's office revisit their earlier opinion which required that all funds received under the agreement with the Petroleum Institute be invested with the State Treasurer. Staff reported that the Attorney General's office reviewed the issue and upheld their original opinion. It was noted that in the previous year, the school was included in a bill along with Mesa State College which would have provided more independence with investment dollars; the bill subsequently failed. The school is considering what the next steps are in investment options of these funds.

Set standing meeting time/date range for committee

The committee determined that a standard meeting early the week prior to the board meetings around 11:30a.m. would be favorable.

Banner Update

Staff reported that additional functionality for the campus users has increased since the Committee's last update on Banner. Departmental assistants now have access to additional student related data.

The Banner team is making progress on the core issues that were presented to the Board of Trustees last fall, including 1) reporting; 2) training and communications; and some organizational changes, including the addition of a faculty representative (Dr. Brajendra Mishra) to the Banner Steering Committee. It was noted that the addition of David Lee as the new Banner Project Manager has been very positive.

Graduate Tuition Proposal

An informational item was reviewed on a change to graduate tuition. Dr. Tom Boyd has developed a proposal which creates a financial aid program to provide the difference between non-resident and resident tuition for full-time students employed by the school as Research and Teaching Assistants. This proposal is anticipated to be cost neutral.

There being no further business, the meeting was adjourned at 5:00 p.m.

Secretary

RECORD OF PROCEEDINGS

Golden, Colorado
December 14, 2006

The Board of Trustees met in regular session on December 14, 2006 in the Coors Board Room.

Present: Trustees Coors, DeFilippo, Hutson, Nyikos, Tschatschula, Wagner and Student Trustee Chichester. Absent: Trustee Craig

Also in attendance: President Scoggins, Executive Vice President Middleton, Vice Presidents Poate and Han; Associate Vice Presidents Montez and Volpi; and other staff members and visitors.

Trustee Nyikos presided.

Approval of Minutes. Trustee Coors made a motion, seconded by Trustee Hutson, that the minutes of the October 27, 2006 regular session be approved as submitted. Motion carried.

Board Committee Reports. Trustee Hutson reported the Budget and Finance Committee met on December 11 to review the budget and monthly financial statements. Trustee Hutson also reported that the committee is recommending a modification to its charter, including renaming the committee the Finance and Audit Committee; the proposed revisions will be discussed as an action item at this meeting.

President's Report. President Scoggins reported that the Mining Visiting Committee was on campus on October 12 and 13; their written report has been received and a draft response will be prepared for an upcoming meeting.

President Scoggins also reported that the Petroleum Engineering Visiting Committee was on campus November 16 & 17; during their exit interview the Visiting Committee noted some issues with faculty recruitment and retention.

President Scoggins reported that Peter Tertzakian gave a lecture on campus on November 7, through special arrangement by the Canadian Consul. The lecture was very well-attended with good representation from students, faculty, industry and the Board of Trustees. This event was the inaugural lecture of the President's Lecture Series; in the spring semester, President Scoggins plans to invite a prominent speaker in conjunction with the American Physical Society meeting.

President Scoggins reported on his trip to Houston in early November, at which time he met with a number of industry executives to discuss the Marquez Hall project.

President Scoggins asked Executive Vice President Middleton to report on his trip to the Petroleum Institute the week of November 27. Dr. Middleton reported on the Petroleum

Institute Board meeting, as well as on discussions of the continuing development of the relationship between Mines and the Petroleum Institute. Dr. Middleton reported that the Petroleum Institute is particularly interested in the areas of joint research, the development of a Center for Teaching Excellence, and continuing oversight of ABET preparation. President Scoggins reported that he planned to visit the Petroleum Institute during the spring semester since legislative matters precluded his participation in the November visit.

President Scoggins reported on his testimony to the Joint Budget Committee on December 7, and remarked on the strong support Mines enjoys in the legislature. Trustee Nyikos complimented President Scoggins and the staff on the presentation. The Trustees remarked that they were proud of the reputation Colorado School of Mines enjoys at the legislature.

President Scoggins remarked that he had received a white paper on the role of the biosciences at Mines and that he plans to share it with the Trustees at the January Board meeting.

President Scoggins reported that he, along with other Colorado college and university presidents, had agreed to jointly sign an op-ed piece prepared by President Penley on the role of higher education in the State.

President Scoggins remarked that he was pleased to announce that Mr. Dan Ritchie, Chancellor Emeritus of the University of Denver, has agreed to serve as the May 2007 commencement speaker. President Scoggins also commented that he had extended an invitation to Governor-elect Ritter to come to the campus to make a major address.

President Scoggins reported that he has been asked to serve as the Co-Chair of the Colorado Energy Coalition, in conjunction with the Metro Denver Economic Development Corporation, in order to promote discussion of new business opportunities in the energy arena. President Scoggins has also been invited to serve on the Advisory Board for the National Renewable Energy Laboratory.

Research Activities Report. Vice President Poate presented a summary of research awards by departments and by sponsor. FY07 awards are currently significantly higher than last year at this time, with strong growth in the amount of industry support. Dr. Poate also remarked that he was at the Petroleum Institute recently in conjunction with the Energy 2030 conference, at which he spoke on photovoltaics. Dr. Poate reported that Dr. Dag Nummedal was recently in Chile at the invitation of the COPEC Foundation. The Chileans have invited Mines, in collaboration with the National Renewable Energy Laboratory, to help perform a feasibility study for a new, renewable national energy system. Dr. Poate also remarked that an advisory board has been established for the Office of Technology Transfer.

Financial Report. Ms. Volpi reviewed the *Statement of Net Assets*, *Statement of Revenue and Expenses* (in the All Funds Operating Budget format) and a *Statement of Cash Flows* for the period ending October 31, 2006. Ms. Volpi also reported that the audit is almost complete. Trustee Hutson commended Ms. Volpi and Mr. Montez for their professionalism and hard work on the All Funds Budget. Trustee Wagner added his commendation and remarked that the new budget process has created a level of transparency

not previously present. Trustee Tschatschula thanked the members of the Board's Budget and Finance Committee for their work in overseeing this change.

Approval of Honorary Award Recommendations. President Scoggins presented the following recommendations from the Awards Committee for honorary awards at the May 2007 commencement ceremony:

Honorary Degrees: Mr. Stephen Bechtel and Mr. Wayne Murdy.

Distinguished Achievement Medals: Mr. Harry Conger, IV; Mr. Timothy Marquez; Dr. Don Warner

Trustee Hutson made a motion, seconded by Trustee Wagner, to approve the recommendations as submitted. Motion carried.

Approval of Graduation Lists. Executive Vice President Middleton remarked that he was proud to submit the names of the candidates for degrees to be awarded at the December 15, 2006 commencement ceremony, in conjunction with Faculty Senate President Mishra and Dean Boyd. These candidates were approved by the Faculty Senate on November 28, 2006. Trustee Coors made a motion, seconded by Trustee DeFilippo, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the award of degrees to the candidates named in the attached graduation lists for December 2006.

Motion carried.

Approval of Marquez Hall Program Plan. Associate Vice President Montez reported that the Colorado Commission on Higher Education (CCHE) is required to approve program plans for any cash-funded capital construction projects requiring cash spending authority of at least \$500,000 at any state institution; CCHE policy also requires that the institution's governing board review and approve the program plans for such projects. Mr. Montez reported that the School submitted the program plan for the Marquez Hall Petroleum Engineering Building to CCHE this fall, subject to the review and approval of the Colorado School of Mines Board of Trustees. CCHE has given their approval, pending action by the Colorado School of Mines Board of Trustees. Trustee Hutson made a motion, seconded by Trustee Wagner, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines hereby approves the program plan for the Marquez Hall Petroleum Engineering Building.

Motion carried.

Acquisition of Parfet Property. Associate Vice President Montez indicated that this agenda item will be deferred to a future meeting.

Approval of Finance and Audit Committee Charter. Associate Vice President Volpi introduced a revised draft of the charter for the Finance and Audit Committee. Trustee Coors made a motion, seconded by Trustee Wagner, that the charter be approved as submitted. Trustee DeFilippo commented that he appreciated the inclusion of some of his suggested revisions. However, he commented that the statement regarding the qualifications of

members may be too limiting, and that he felt committee appointments should be at the discretion of the Chairperson. Trustee Wagner commented that while the Sarbanes-Oxley Act does not specifically apply to Colorado School of Mines, the accounting profession has generally decided to implement it broadly as “best practice”. As such, the proposed changes to the Charter are intended to provide more clarity regarding the committee’s role. Trustee Tschatschula made a motion, seconded by Trustee DeFilippo, to amend the original motion to modify the language of the charter to delete the sentence requiring one member to be a financial expert. Motion to amend the original motion fails, with Trustees Tschatschula and DeFilippo voting in favor. The Trustees then voted on the original motion to approve the charter revisions as presented. Motion carried.

Approval of Presidential Evaluation & Compensation Committee Charter. This item was deferred to a future meeting.

Graduate Tuition Proposal. Executive Vice President Middleton and Associate Vice President Volpi presented the results of a comprehensive study of graduate tuition rates conducted by Dean of Graduate Studies Tom Boyd. As a result of the study, Mines is proposing to provide internal tuition offsets for certain non-resident graduate students, resulting in their discounted tuition being the same as that for resident students. The net financial impact should be neutral. Trustee Coors congratulated Dean Boyd and the others who worked to develop this new funding approach, which should help Mines’ graduate program to be more competitive.

Faculty Senate Report. Faculty Senate President Brajendra Mishra presented the report of the Faculty Senate. He reported that the Senate had sponsored two Faculty Forums. Ms. Kirsten Volpi presented a Forum on CSM Finances and the Reorganization Task Force presented a Forum on its work. Dr. Mishra reported that Ms. Candace Sulzbach will present the Faculty Senate Distinguished Lecture on January 31, 2007. Dr. Mishra gave updates on a number of ongoing topics including: biosciences; nuclear engineering; and, chemical and biochemical engineering. He also provided an update on the work of the Undergraduate Council, Graduate Council, Handbook Committee, and the Banner Steering Committee.

Regular Written Reports. There were no questions on the regular written reports.

Trustee DeFilippo made a motion, seconded by Trustee Tschatschula, to adjourn the meeting. Meeting adjourned at 11:00 a.m.


Secretary