

**NORTHERN NEW MEXICO COLLEGE
BOARD OF REGENTS MEETING
BOARD OF REGENTS WORK STUDY SESSION
JANUARY 26, 2017**

I. CALL TO ORDER

A regular meeting of the Board of Regents of Northern New Mexico College was held on Thursday, January 26, 2017, in the Boardroom of Northern New Mexico College, Espanola Campus. Regents present: Rosario (Chayo) Garcia, Damian L. Martinez, Esq., Kevin F. Powers and Melinda DeHerrera. Board President Rosario (Chayo) Garcia called the meeting to order at 8:37AM. President Garcia invited Joshua Martinez to join the Board of Regents at the table for the meeting.

Northern New Mexico College staff present: President Richard J. Bailey, Jr. Dr. Ivan Lopez Hurtado, Provost & Vice President for Academic Affairs; Domingo Sanchez, Vice President for Finance & Administration; Chris Trujillo, IT; Brandi Cordova, Executive Assistant to the Vice President for Finance & Administration; Ryan Cordova, Athletic Director/Men's Head Basketball Coach; Alex Williams, Business Office/Senior Financial Analyst; Sandy Krolick, Creative Director Communications & Marketing; Kathleen Sena, Registrar/Dean of Students; Terry Mulert, Foundation Director; Jimi Montoya, Director of IT; David Lindblom, Creative Director, Canal Seis and Amy Pena, Executive Assistant to the President/Board Secretary. Faculty Present: Dr. Lori Baca and Dr. David Torres; Others present: Joshua Martinez, Student; Barron Jones, Rio Grande Sun; Tony Ortiz, Northern New Mexico College Legal Counsel.

II. APPROVAL OF AGENDA

Regent Martinez moved to approve the Agenda as presented. Second – Regent Powers. Motion passed unanimously.

III. COMMENTS FROM THE BOARD

A. Board Committees

Regent DeHerrera stated the Academic Affairs/Student Affairs Committee discussed the following:

1. Housing: This item is kept on the Agenda because it is a topic that needs to be discussed and continually brought up. Regent DeHerrera is hopeful this will continue to be a topic of interest to move forward with. The Committee also discussed a few more housing options.
2. Enrollment and the budgeting process.
3. Northern Day at the Legislature. Student Senate would like to know the day of Northern Day. Regent Garcia asked Domingo Sanchez, Vice President for Finance & Administration. Mr. Sanchez stated it is sometime in February. Mr. Sanchez will check on this and let the Regents know. Regent DeHerrera stated Student Senate is hoping to take a bus with students to the Legislature. Mr. Sanchez stated the College has plenty of table space so he is not worried about it. Mr. Sanchez will follow up. Regent Garcia stated Student Senate was also discussing about taking a student or two from Cosmetology and having them do manicures.

Regent Powers stated the Audit/Finance/Facilities Committee met and most of what was discussed will be covered in the report from the Vice President for Finance & Administration. The Committee reviewed the financial statements and discussed a little bit about what kind of impact the College may see from the solvency and budget proposals that have been presented in Santa Fe. There is nothing that has been fully determined yet and there are a lot of scenarios. The College must see it all play out before it will know the impact. The College can be confident in saying that it will see some sort of cut in funding, it is just a matter of how much.

Regent Martinez congratulated Regent Garcia as she is the longest serving Regent ever. Regent Martinez also thanked Mr. Sanchez for his tireless efforts in putting together the financial reports and keeping the Board of Regents informed on the what ifs and what may happen and how it can be fixed.

Regent Garcia congratulated Joshua Martinez who will be the new Student Regent. Regent Garcia also gave a special thanks to Regent DeHerrera. Regent Garcia stated she is an inspiration and is her super hero and anybody that can be an Engineering Student full time, full time mom, full time wife and work full time, her hat is off to Regent DeHerrera. Regent Garcia presented Regent DeHerrera with a gift. Regent DeHerrera stated it was fun, it was interesting and thanked Regent Garcia. Regent DeHerrera stated it was a challenge in the beginning with the ins and outs that were dealt with. With Regent Martinez coming on board and Regent Powers a legacy on the Board, it was interesting and the Board of Regents has come a long way. Right now, Regent DeHerrera sees that the morale throughout the campus is positive and everyone is more energetic and not walking on pins and needles anymore. They are able to express what they need to express and talk to the people they need to talk to and not feel worried about anything. Regent DeHerrera stated she believes the College has come a long way and hopes it continues to be more positive and grows. Regent DeHerrera stated she hopes enrollment picks up and hopes housing eventually happens because that will help the enrollment boost and she hopes to see it excel and progress with all the different schools. Regent DeHerrera stated she knows the Board of Regents is strong and will do well and with Mr. Martinez on board with the positive smile, this is all the College can hope for. It is going in the right direction and she hopes it continues.

IV. PRESIDENT'S REPORT AND ANNOUNCEMENTS

- A. Celebrate Northern**
- B. Celebrate Northern**
- C. Legislative Update**

President Bailey stated he is going to combine three things on the Agenda.

1. The College Board came out with a list of the most affordable four year programs in the Southwest. When the College compares its tuition and fees to that list, the College is hands down, the single most affordable program in the Southwest. The other thing nice for the College is all seven of the four-year institutions in New Mexico are in the top 26. This is something the State should be proud of. The College should be at the top of the list because of the people that the College serves, because of this community. There is no question the College is going to do everything it can to stay on top of that list and make sure the College is providing a quality affordable education.

2. President Bailey stated he wants to plant a seed because he hopes it is an issue he hopes he can bring to the Board of Regents soon. The College has been working with Kit Carson Cooperative in Northern New Mexico. They control a region that includes the El Rito Campus and they are considering spots to put 35 one megawatt solar arrays all over Northern New Mexico. President Bailey has expressed an interest in them considering the El Rito Campus as one of those sites. In order for them to put a one megawatt array they need about 6 acres. The College has 6 acres that it does not use but President Bailey stated he is convinced not

only will this solar array help the community of El Rito but it will give the College a lot of opportunities. It can drive electricity costs on the campus as much as 70%. This along with some other green technology initiatives that the College is considering, not just in El Rito but in Espanola will give the College more flexibility in terms of programmatic decisions that are made in the future. President Bailey stated the College needs to be moving forward in that direction to give the College more options. President Bailey thanked Luis Reyes and the rest of Kit Carson for this willingness to consider the College as a partner with them. President Bailey is looking forward for some good news for the College soon.

3. President Bailey congratulated the Facilities Department because the City of Espanola Downtown Action Team awarded the College with the Best in Show Award at the 2016 Light Parade. There is a trophy the College gets to keep for next year. It is something that the College is used to seeing because they do such a good job each year.

4. President Bailey gave a special thanks to the Nursing Students who put a float together for the parade that was also very impressive.

5. President Bailey recognized Dr. Marcos Calvacante, Professor of Music. Dr. Calvacante is originally from Brazil and has recently passed his test to become an American Citizen. There is going to be a ceremony February 17th in Santa Fe to recognize him.

6. On December 19th the College hosted Congressman Ben Ray Lujan. He visited the El Rito Campus and the community was invited to join in for a community conversation. The College was closed at the time; it was the best he could do but the College did not say no to the offer. It was a wonderful discussion and he was a gracious guest. The College looks forward to more interaction with the Congressman moving forward.

7. Matthew Martinez, Faculty Members was recently appointed to be the First Lieutenant Governor of Ohkay Owingeh Pueblo. This is a position of high honor in the Pueblo and it is good for the College to have a representative in such a high office in the Pueblo. This also leads to opportunities for the College to have an even more robust relationship with its neighbors.

8. President Bailey met with the Executive Director of the Regional Coalition of LANL Communities. They are working on bids for the support contract that goes on with the labs. One of the opportunities for the College includes a portion of that bid goes to community involvement and giving back to the community. Now there is a real interest from the labs in making that community aspect more tied to education which is good for the College. President Bailey believes no matter who wins that contract there is going to be an expectation that they partner with our local educational institutions, particularly the College. This is going to bring opportunities for students and much needed funding for the College.

9. President Bailey thanked the Santa Fe Community Foundation who is an organization that collects funds from donors for specific projects, like NNMC Foundation. They do focus primarily in Santa Fe and have about a \$73M base but there are more and more people who come to them saying they want to give money to invest in education in Northern New Mexico. President Bailey made it very clear that the College is happy to partner with them for any gifts they would consider giving to students.

President Bailey stated he wanted to give a quarterly update. When President Bailey applied for the job once of the questions he had to answer was what he would do in his first 100 days in office – January 26th is 102. President Bailey stated he was very reflective, went back to the question and saw how he answered it and there were some things he thought the College has done well. There are some things the President thought he would do that he has not done and he would like to be able to confess some of that. President Bailey reviewed the following:

1. During the first week at the College he would host separate gatherings at his house with the Student and Faculty Senate - epic fail. Clearly this was not something President Bailey was able to do. President Bailey did engage with the Student Senate his first day and Faculty Senate very shortly thereafter. There has been good engagement.

2. President Bailey spoke about setting up two town hall style meetings - one with students and the other with faculty. President Bailey did not do either of these, instead, he created a State of the College Address because he thought it was important to be inclusive and invite the community and this is a tradition that will help the College move forward as a community. President Bailey is very happy with the way this worked out.

3. Work together with the Faculty Senate and the governance of the College. President Bailey gave special thanks to Provost Lopez Hurtado and Dr. David Torres, President of Student Senate who have a draft of a faculty handbook. President Bailey stated there is still work that must be done but the fact that the College has come this far is a testament to Dr. Torres and Dr. Lopez leadership. The faculty has come together to move it forward and with some hard work, the College will get to a point where it can be brought to the Board of Regents for a vote very soon.

4. President Bailey stated he planned on visiting each academic department. One thing President Bailey has done is set up biweekly meetings with the Deans which has proven to be successful. President Bailey credited Mr. Sanchez because this was an initiative he started as the interim President. In exploring the departments, the President would also like to lay the groundwork for expanding potential partnerships outside the College that will bring much needed external funding. President Bailey credited Amy Pena, he asked Amy when he got to the College to please fill his calendar. President Bailey wants to see the biggest employers in the State, the people who might be interested in supporting the College and all government officials. Amy has not let President Bailey down. She has put so many things on the calendar that President Bailey has been kept busy. For example, the strategy is to focus on things that can target opportunities for sets of students. For nursing students, for example, Amy set up a meeting with Presbyterian Health Care, Rio Arriba Health Counsel, Veterans Administration, and New Mexico Secretary of Health. In all incidents, there were opportunities that the College had not recognized before. The Veterans Administration stated they had never heard from the College and have always wanted to work with the College. If nursing students have family in Albuquerque, they will give them internships. If graduates want to work with the Veterans, they will put \$38,000 into an escrow account for their education. These are the type of opportunities the College should be looking for.

5. President Bailey met with LANL and Sandia National Labs who would like to have the College's students involved in internships. The College needs to explore these untapped resources that the College has not been as aggressive in reaching out to.

6. President Bailey said he would request office calls with the County Commissioners, Governor, Mayor and Stat Legislators. President Bailey has done a pretty good job of that so far. They know who the College is and they know the College is moving in the right direction. There are still reputation issues that the College has to overcome and in President's Bailey's opinion at this point where the College is are unfair because of how wonderful people are working and have come together. This is the reality of politics in New Mexico and the College must continue to show them who the College is and President Bailey is convinced the College can do that.

7. President Bailey spoke about meeting with the Governors of all the Pueblos. President Bailey has met with 6 of the 8 Governors.

8. The College is going to have a workshop for all the Directors of Education of all Eight Northern Pueblos. Eventually, the President would like expand that out. President Bailey has an invitation now to go out to Windowrock to meet with the Navajo Nation.

9. President Bailey stated he is going to meet with the biggest employers in the state and Amy has set President Bailey on that path.

10. President Bailey talked about meeting with New Mexico's other schools. President Bailey thanks Mr. Sanchez because his leading President Bailey into CUP.

President Bailey stated it has been a busy 102 days and he believes the College is on the right track. There are some things he would do that he has not done and he is still working on but the College is moving in the right direction.

President Bailey stated regarding the Legislature, there are still 6 1/2 weeks to go and there are several bills that can affect the College. The biggest one is the issue of budget. To start with there was a solvency package, the Legislature is trying to find another \$70M give or take to help with FY17. Both the House and the Senate have passed bills that President Bailey is hopeful that Higher Education is going to be spared from that, which helps the College at least until June 30th. FY18 is coming down and they need to start looking at more cuts there as well. When the College looked at initial projections both from the LFC and from the Executive, there was a discussion of no new money and everyone is clear about that and a 4% redistribution. This was brought up to CUP, President Bailey, Mr. Sanchez and Mr. Cordova met with CUP, they expressed concern that when there is no new money and the Funding Formula is run for redistribution, what is being done is punishing smaller schools. President Bailey agrees with the Funding Formula and the College should be held accountable for certain standards and graduations and other things and he would say apply that when there is new money. When there is new money and you are giving that out, give it to the schools that are doing well, President Bailey is comfortable with that. When there is no new money and looking at taking money from one College and putting it in another, then even a College like Northern in every single metric over the last year has improved and in some ways improved better than any College in the State, it is still going to be punished because of that redistribution and President Bailey thinks that that is improper. CUP is considering asking to change that from a 4% redistribution to a 2% redistribution. President Bailey would like it to be a 0% redistribution but he does not think the politics are going to allow for that. A lessening to 2% is something that will certainly make it easier than the 4%. President Bailey gave a special thanks to CUP, they were pretty much in agreement that this is the right thing to do even though they personally may not have gained as much by doing that.

President Bailey stated the second has to do with cuts to Athletic Programs. Athletic Programs is an issue that is below the line and this is part of the LFC proposal, it proposed a 2.6% cut to all programs except for Northern and Luna where they recommended a 50% cut. They are based on the fact that the College charges lower Athletic Fees than other colleges. What was brought up to CUP was another dollar of athletic fees at Northern is different than another dollar of athletic fees for a student at UNM and President Bailey believes they understood that. Every dollar matters to the Valley and the College has reasons for charging what it does. President Bailey stated he is not going to say that the College might not need to raise tuition and fees someday. He is not saying the College is going to hold firm but it needs to be understood that tuition and fees mean slightly different to this community than they do to others. President Bailey is convinced that if the College raises tuition and fees by 10%, the College has a chance of losing 20% of its students. The College can hurt itself by doing this. Dr. Lopez has been very clear about the Colleges need to be smart and data driven in terms about how it raises tuition and fees. CUP was very gracious and they are considering a statement where they are going to be united, it needs to be equitable.

President Bailey stated there is a Bill regarding Dual Credit, General Education and Common Course Numbering. This is big on the Secretary of Higher Education's agenda. The College's Faculty and Provost have been very active in making sure the College has input in this process.

President Bailey asked Mr. Sanchez and Dr. Lopez if there was anything else that should be brought up. Mr. Sanchez stated President Bailey covered it all. President Bailey stated even with the issues in the Legislature and even with the challenges moving forward, the College will get through it and will continue to move in the right direction. If the College can weather the storm until summer of 2018, the College can be in a real position to now not just stop the bleeding but to move strongly in the right direction.

Regent Powers stated to the point the President made about improvements the College is making and the College is showing signs of turning things around. Regent Powers stated the College is doing much better relative to what it has been doing and relative to others. To see that redistribution or performance based piece of the budget harm the College so badly and it appears that when you look at the other schools that it hurts it is all smaller schools. Regent Powers is wondering if there is some problem with how Higher Education is measuring the metrics piece of that. Early on in that discussion about performance based funding, there was an indication that there was going to be some sort of an institutional metric for each institution that took into account the uniqueness of those institutions and to the best of Regent Powers knowledge they have not been introduced yet. Consequently, places like the College, Luna and UNM Grants and Gallup and the smaller schools that tend to serve populations that maybe are not as robust as UNM or NMSU or CNM are being hurt at the expense of some of those larger institutions.

President Bailey stated that he completely agrees with Regent Powers and if he could waive the wand, in situations where there is new money, run the formula and reward schools that have hit these metrics when there is no new money and all you are doing is redistributing then there is a challenge. What is harmful is even a school like the College that is now clearly moving in the right direction and clearly improved on every single metric, now you are punishing and taking a bite out of that momentum.

Regent Powers asked if going forward if there is something the College can do to suggest changes to the metric that would somehow balance this out so that the small schools are not being unduly punished. President Bailey stated this is a tough question, he does not believe from his vantage point it does not look like there is an appetite to revisit the funding formula and how it is established. The College's strategy for the short term is to try and look at how the College can weather this in such a way so the College is lessening the effects of it in a low no money environment.

Dr. Ivan Lopez Hurtado, Provost and Vice President for Academic Affairs stated he finds it difficult to change the formula. There was a lot of debate for several years, finally they came forward with this model and they would have to run an assessment on a formula. Provost Hurtado Lopez does not believe it will happen anytime soon. The College must do the best it can and the College can start by challenging its own programs to make sure the College articulates its own programs so that the College can maximize what it gets from the formula. By saying this, Provost Lopez is saying that every certificate offered at the College should be articulated with an Associate and the Associate with the Bachelor. Measures like the one that was passed last month, waiving the graduation fee, those things are going to help because the College is going to be able to be rewarded two or three times on the funding formula. The College needs to improve student services because ultimately the funding formula is based on the College's ability to retain students and to recruit more. The College must do its part because Dr. Lopez does not believe this formula is going to change for a couple of years. The College needs to make the effort to bring these issues forward because ultimately the problem with the formula is that it is based on the headcounts in absolute numbers. It is not a measure on the performance of the institution compared to itself. The College can be graduating at the level of 90% and still the College's numbers are very low because the population is low compared to the larger institutions. This is the problem Dr. Lopez sees with the formula. When the formula was started, the College was already at a disadvantage because everyone started with their previous base and the College was the one with the lowest base at that point in time because the College didn't have graduate programs. The College was competing with Eastern, Western and Highlands who through the old funding formula were getting much more money because of graduate programs. The moment the formula started the College was already at disadvantage. It is going to be hard to reverse it through the model and this is why the College must bring it up.

Mr. Sanchez stated he does not think there is an appetite to change the formula but the other point not mentioned is that when it was developed it was a growth model and we are in times of no new money and have been for a couple of years. The concern Mr. Sanchez has is that no one is going to want to jump to the table to try to change it. Mr. Sanchez stated that the College needs to be putting forth some of the policy changes about in the event that it was a growth model, there is no new money and can we agree on how we redistribute the base or can we come up with some other things, in times the criteria that you would apply when there is no new money. The College will be in the no new money picture for at least a couple of years.

V. FACULTY SENATE PRESIDENT'S REPORT

Dr. David Torres, Faculty Senate President presented sections of the Faculty Senate Meeting of December 2, 2016:

1. President Bailey presented and thanked the Faculty for their participation in the Strategic Planning Retreat.
2. Provost Lopez presented on four items: (a) budget retreat; (b) faculty increases would require union participation and input; (c) item on the calendar; and (d) changes to the faculty handbook that were made.
3. Changes were presented by the undergraduate curriculum committee regarding nursing and inaccuracies in the calendar.
4. Faculty Senate passed a resolution to become a sanctuary college.

President Bailey stated regarding sanctuary campuses and he wanted to credit the faculty for having a voice. Institutionally the College is going to be a little bit cautious only because there is still a little uncertainty about what institutionally declaring the College a sanctuary campus might do to the students federal funding and Pell Grants. The concern is the College also wants to protect all students no matter what

their immigration status is. The key is to allow the faculty and anyone on the campus to express their opinions and to support all community members while at the same time making sure institutionally the College is protecting a very delicate fiscal environment and making sure the College is keeping all that funding secure.

VI. STUDENT SENATE

None.

VII. APPROVAL OF THE MINUTES

Regent Martinez moved for approval of the minutes as presented. Second - Regent Powers. Motion passed unanimously.

VIII. STAFF REPORTS

A. Vice President for Finance & Administration

1. Fiscal Watch

Mr. Sanchez stated the Fiscal Watch Reports were reviewed in the Audit/Finance/Facilities Meeting. Mr. Sanchez stated the Board of Regents received two months of fiscal watch reports and he would be reviewing December for this meeting. Mr. Sanchez stated in terms of cash, the College is at \$2.3M as of the end of December. The reason Mr. Sanchez pointed this out is that in years past, the College has had a number of issues with cash as the College was coming out of the more difficult financial position that it was in in years past. Regarding fund balance, the College had \$3.7M in fund balance. In years past, the College was seen as negative on the radar with the Governor, HED, the State Auditor and anyone who looked at the financial position of all institutions in the State and that number was negative. One of the things Mr. Sanchez will always say in general is there are a lot of students who register at the beginning of the semester so the fund balances and cash go up and the College starts spending them as they are going down because the College is not getting money in year round because there are peak periods.

Mr. Sanchez stated regarding the Fiscal Watch Report that compares last year to this year, even though there are some reports that show the budget, if there were issues where Mr. Sanchez was concerned the College was not living within the Operating Budget he would indicate this as well but it would also be discussed in the Audit/Finance/Facilities Meeting. The College is not in a position like this right now. In terms of revenues at the end of December this year compared to last year, the College's revenues are up slightly. The College was at \$13.1M last year and this year at \$13.3. Looking at the beginning fund balances, the College was at negative \$113,000 in the fund balance and this year \$1.4M positive at the beginning of the year. Expenditures last year were at \$10.5M and this year at \$10.9. This is for everything (grant, auxiliaries, operational fund). Ending fund balance last year was \$2.1M and this year it is at \$3.7. Regarding fund balances as it relates to the Legislature, it is a good thing but now they are looking and the College has been having discussions with the Legislative Finance Committee (LFC) staff and legislators. Now they are looking at taking some money. Here the College worked very hard to get into a financially sound position and now it is so bad at the State level that they are entertaining the possibility of taking some of those dollars. This is not a good thing at all. There is a lot of discussion, because the financial position of the State is bad and now there is something to look at.

Mr. Sanchez stated in the Fiscal Watch Reports the College has to break out the plant funds (BR&R and appropriations for severance tax and GO Bonds). Mr. Sanchez stated ER&R is Equipment Renewal and Replacement, the College gets no funds for this but it must budget it. BR&R is Budget Renewal and Replacement; the College gets no funds for this but it must budget it. This money is used exclusively for fixing the buildings and for replacing equipment. These are huge dollars for the College. Last year, at this time, the College had revenue of \$45,000. As the College is getting reimbursed it runs in tandem with expenditures. This year the College has \$1.5M in revenue. Looking at the expenditures, last year the College was at \$158,000, this year the College is at \$1.6M. By the time this year ends, the College would have spent close to \$2M and the reason is, last year the College had appropriations it was getting estimates for and getting on the runway and this year the College is building. A lot of this money the College gets, some is from the Legislature through severance tax, some of it is through GO Bonds that the voters vote on and if they vote yes, the College gets its share. Right now, the College is spending its share.

Incoming Student Regent Martinez had to leave the meeting. Mr. Sanchez asked Mr. Martinez if he had time to come to the office Mr. Sanchez could share more information with him. Regent Garcia stated if Mr. Martinez has any questions or concerns, the Regents will give him their phone numbers for him to contact them. Regent DeHerrera stated she will also meet with Mr. Martinez.

Mr. Sanchez stated regarding unrestricted funds, this year compared to last year, the College is down by \$94,000. Total expenditures last year were at about \$2.6M and this year they are at about \$2.4M.

Mr. Sanchez stated regarding auxiliaries, these are the ones that are watched closely because to the extent that they are not holding their own, Bookstore and Food Services are the primary two that are watched, if there are issues, the College must take out of the other fund balances to make them whole. They are doing better but the numbers do not currently reflect it because transfers have not yet been done. The College is waiting to see how things are looking. At some point in time the College looks to see if it can pull back on transfers and it will be done if possible. The revenues are almost the same amount as last year. They are down by approximately \$8,000. Expenditures are up this year in the Bookstore and Athletics. Last year the College was at a negative \$105,000, this year the College is at a negative \$221,000 on fund balance. Last year the College had transfers that are not in there yet and the College drags its feet on those a little to make sure that they are not giving a false sense that there is a lot of money.

Mr. Sanchez stated regarding Grants, last year the College was at \$1.7M and this year \$1.8, the expenditures are up as well. These are money in and money out as the College gives Grants they get reimbursed for them. Mr. Sanchez stated these are now on the up and Mr. Sanchez thanked Provost Lopez because these are mostly under his area of responsibility. Fund balance is a negative \$1,400 which are sometimes changes in dollar differences in terms of reimbursements.

Mr. Sanchez stated regarding Student Aid because enrollment went up, the College would have expected this to go up. Last year the College was at \$1.8M and it is now almost at \$2M. Expenditures are going to follow that number because it is essentially money in and money out. Fund balance last year was \$8.9M and this year \$18.5M.

Mr. Sanchez stated regarding unexpended plant funds, last year the College was at \$276,000, this year there is no revenue yet, expenditures of \$42,000 probably reimbursements need to be requested before those numbers net out to zero. This is also money in and money out.

Mr. Sanchez stated regarding Capital Projects, these are the same numbers he spoke about that have gone up from \$33,000 to \$1.6M and it will probably be over \$2M by the end of the fiscal year. Almost all the construction will be done in the April and May time frame. The College will have exhausted all its appropriation. The only one that the College still needs to get authorization for is the GO Bond that was voted in November. The College is still looking at this and will take it forward (\$1M) to the Higher Education Department (HED) closer to the summer. Regent Garcia asked where the College is planning on spending this money. Mr. Sanchez stated there are a number of different items and he will get Regent Garcia a list (roofs, labs, things that have to be fixed).

Mr. Sanchez stated the College took a request to HED for \$500,000 for the bathrooms. This was approved and does not need to go to Board of Finance. Construction will start on those as soon as classrooms start clearing out.

Mr. Powers stated the Committee had a thorough discussion about the financials and everything seems to be on target with what was expected.

Regent Powers moved for approval of the Fiscal Watch Reports as presented. Second - Regent Martinez. Motion passed unanimously.

2. Monthly Budget Adjustment Requests (BARs)

Mr. Sanchez stated regarding the BARs the Board of Regents has been presented a summary memo. At this point in time, at midyear, the College has issued 160 BARs. Regent Powers asked how it compares to prior (3-4 years ago). Mr. Sanchez stated there was a point where the College was up in the 400's. The College is probably going to be under this this year. In the past as the College got better at budgeting the number came down because the departments are better at guesstimating. The College is still having activity because there are Grants that come in and out, there are fees that people were not aware of or in some cases not enough fees came in and the College had to reduce budgets. In this packet, there are 11 BARs, 8 of them are restricted funds and they are increases, primarily grants, two of them are unrestricted and then there is 1 budget transfer. It is just the general things the College has to do, nothing stands out.

Regent Powers stated there was a thorough review and discussion in the Committee Meeting.

Regent Powers moved for approval of the BARs as presented. Second - Regent Martinez. Motion passed unanimously.

3. Disposition of College Property

Mr. Sanchez stated there are no items for Disposition of College Property.

4. Audit Update

Regarding the audit, Mr. Sanchez cannot talk about the Audit as much as he can say all the documents, all the work that needed to be completed by the College, has been completed. The College did get behind, a lot had to do with the start of school and staff is spread thin. All the documents were uploaded into the portal that were outstanding and there are a few that are being reloaded because they did not look good. Mr. Sanchez cannot speak about anything specifically because the College will get another finding. The College's work is pretty much done except for anything they might ask as the College gets ready to conclude. Regent Garcia asked for the estimated time. Mr. Sanchez stated he was hoping for the end of January but he stated it may be sometime in February. Regent Garcia asked if Mr. Sanchez has spoken with the auditors to give him a

timeframe. Mr. Sanchez stated they originally wanted end of January based on the College pushing them so hard but the College was slow on getting things because there were so many things the College was trying to do. This is partly the College's fault and Mr. Sanchez will accept the blame for this. It will be sometime in February and Mr. Sanchez spoke with the LFC to let them know the audit was late. They were not asking the College but Mr. Sanchez wanted to make sure people knew so they know why and it was primarily driven by the State Auditor's interest in addressing years of complaints people have and his words were to try to clear the slate as the new President was coming in.

Mr. Powers stated this was discussed in the Committee meeting. It is what it is, it is late and a lot of this was out of the College's control and given the extra work that has been done and as a Board of Regents when then audit is complete and released, the Board of Regents should feel good that it has been given a thorough scrub and they looked in a few extra corners and under a few carpets so Regent Powers thinks what the Board of Regents gets there is going to be very thorough and this is what the Board of Regents wants. The Board of Regents wants to know the College has done everything it can to make sure that those statements accurately reflect the financial position of the College.

B. Provost & Vice President for Academic Affairs

1. Faculty Handbook

Provost Lopez presented the Faculty Handbook to the Board of Regents. Regent Martinez asked if this could be discussed later because that is going to take a long conversation. Regent Garcia stated Regent Powers has to leave the meeting (in 30 minutes) and Regent Garcia stated it sounds like the Board of Regents is going to have reconvene for this. Regent Martinez stated the Board of Regents could then talk about it fast if the Board of Regents does not mind. Regent Martinez stated he has a concern with the Faculty Handbook that was presented to the Board of Regents on several levels. The first, he does not know what was in the old Faculty Handbook, he was just given a new Faculty Handbook with tons and tons of new stuff. The second is that it is Regent Martinez understanding that the Faculty operates under a Collective Bargaining Agreement (CBA) and absent looking at that Collective Bargaining Agreement, the Board of Regents really cannot do anything with that Faculty Handbook without buying it a lawsuit because the Board of Regents need to compare the Collective Bargaining Handbook with what is proposed under the Faculty Handbook. If the Board of Regents agrees to something that violates the Collective Bargaining, the College is going to get sued. To do this, Regent Martinez stated the College's attorney needs to be involved. Regent Martinez stated he would suggest that with respect to the Faculty Handbook, he reviewed the changes, he believes the Board of Regents needs to schedule a joint work session with the Faculty Representatives so they could go through line by line and ask questions about why, for example, there is a section in the Faculty Handbook that says if the schools policy contradicts the Faculty Handbook, the Faculty Handbook controls. Regent Martinez has never seen a policy that would be like that. In the CBA, there is probably a clause that says anything not negotiated under the CBA, the Administration gets to set policy for that but Regent Martinez has not seen the CBA. Regent Martinez stated he thinks the best way to deal with the Faculty Handbook is to have a joint meeting with the Faculty representatives and the Board of Regents so they are all on the same page, they can all have parameters and they are not engaged in this redlining documents back and forth and never getting anything done.

Provost Lopez stated the intention for this meeting was never to get an approval. It was to start the discussion, precisely this discussion because from the very beginning and the faculty is aware as well as the Deans, President, and Mr. Sanchez when he was the Interim President, that ultimately, this is a policy document that belongs to the Board of Regents and everyone understands ultimately whatever the Board of Regents approves that is what is going to be approved. Also, that they understand that this document must go to the attorneys, to compare it with the CBA because they do not want to create any discrepancy between

these two documents and any other College policy. The intention for today was to present the main changes without any intention of getting this approved, just to start the discussion.

Regent Martinez stated he can't look at the main changes and consider the main changes without having a discussion and laying the foundation for the changes. Regent Martinez does not know what is in the CBA and there are five pages within the Faculty Handbook that says refer to CBA page 26, refer to CBA page 27. Regent Martinez does not want to say it was a waste of time to look at it but it was hard to deal with the subject when he is given the information in a vacuum without all the moving parts that you need to look at for the Board of Regents to make a logical and decision in the schools best interest. The Board of Regents wants to work with the faculty, that is why he wants to sit down with the faculty and the Board of Regents so there are no bad feelings so they can be heard and simultaneously hear from the Board of Regents and they are not spending a year and a half getting the document done. Regent Martinez stated without the attorney looking at it, he does not want to see it. Regent Martinez appreciates what has been done and he agrees this needs to be done but it should be attacked in a way that there are no hard feelings and everybody knows what is going on.

Regent Garcia asked if Regent Martinez is proposing to having a retreat with the Faculty, the Board of Regents or the partial Board of Regents. President Bailey also asked if the attorney should look at it now in comparison to the CBA and in preparation for it.

Tony Ortiz, Attorney for the College stated that he is concerned that the Board of Regents is headed down a path that puts the cart ahead of the horse. Essentially what the Board of Regents needs to be doing is to look at the CBA and say what does the CBA provide to the faculty in terms of its rights under collective bargaining. A handbook is supposed to reflect that substance in a simpler easy to digest fashion. It is not supposed to be a new document that provides all kinds of new rights and separate things and contradicts the CBA. Mr. Ortiz stated the Board of Regents is headed down a path where the Board of Regents has a document that potentially conflicts with the CBA. It should be the other way around; you should not even be generating a Faculty Handbook until you know what the CBA says are the rights of the respective parties. What Mr. Ortiz would say, even before a meeting, is we should be saying here is what the CBA gives to the faculty, here is what the CBA reserves to the College and then you would say what kind of a handbook can you design from there that accurately reflects the rights that have already been negotiated. This is not supposed to be some new generation or articulation of rights to the faculty, it is supposed to reflect what is already in the CBA, that is it. Mr. Ortiz stated he would suggest to the Board of Regents that it starts with an earlier phase before these meeting starts. Mr. Ortiz requested that he look at the CBA, compare it to what is being proposed and he will then tell the Board of Regents, and he strongly suspects that the proposed Faculty Handbook is a broad overreach, an extensive overstatement of things that are not in the CBA. Mr. Ortiz would like to do this comparison and then the Board of Regents would decide that it can sit down and talk about what can be done together productively.

President Bailey stated he completely agrees but he does want to defend the faculty a little bit from his vantage point, the faculty did look at the CBA. This was an eight-year project and they have worked on this for a long time. The goal, at least in this revision, was to try and look at places where the Faculty Handbook and the CBA were saying the same things and to take all of that out "refer to the CBA" to make sure it compliments rather than contradicts the CBA. President Bailey stated he agrees, the Board of Regents does need to go down this path. President Bailey wanted to reflect that the faculty did not go off renegade and try to create a document. President Bailey stated he thinks they were earnestly looking to do this.

Regent Martinez stated there is a section that is brand new to this that relates to a Sick Leave Bank Policy. Absent looking at the CBA, the Administration can't negotiate something that is outside the CBA. If that is not in the CBA, painting with a broad stroke, this is something to be negotiated with the new CBA, not the Faculty Handbook.

Mr. Ortiz stated he did not mean to in any way impugn the motive of faculty, what he is saying it is his job to make sure that the rights of the College and the rights of the Board of Regents are protected in the context of negotiation and that the College and Board of Regents does not generate a new document that somehow gives away management rights, the Board of Regents rights in the context of this discussion. Mr. Ortiz wants to make sure that any Faculty Handbook that is proposed accurately reflects the CBA and does not give away management rights that this Board of Regents rightfully has reserved to itself. This is what Mr. Ortiz wants to make sure and then they have this conversation.

Mr. Sanchez stated he wants to make a few comments. Number one, he thinks we need to defend not just the Faculty but also the Administrative/Academic team that sat down with this. This was not done blindly. There was a lot of discussion that went on about, we (Faculty, Administrative/Academic team) have never dismissed, never dismissed in any of the discussion the need to sit down with legal counsel so that the College can ensure there were no conflicts or that the College was not doing something that was going to get the College in trouble. Mr. Sanchez wants make sure that the College never dismissed this.

Regent Martinez stated he is not accusing or blaming or saying that the faculty or the administration or anybody involved with this College somehow is trying to hoodwink the Board of Regents. What Regents Martinez is saying that is in order for the College to have the best document that everybody can live with and that everybody agrees to and it deals with everybody's concerns. You can't build a house without a foundation, you need a foundation before all this stuff comes at us. If the College and the Board of Regents messes up in one little way, it buys a lawsuit and this is what Regent Martinez wants to prevent.

Mr. Sanchez stated the College always knew it was going to have to go through this step, it was not discounted, dismissed or put on the back burner. The College knew that they were going to have a sit-down. The CBA, in a nutshell, there were some changes that people wanted to make, that is why they needed to make sure they had the legal review. The other thing that the College wanted to do as well and it was done in discussion with the union representative and the faculty was pull out where there were references in there so there were two different documents. There was a lot of overlap and confusion and the College was trying to separate the two so that they each stood on their own. That was another part of the exercise that the College went through. Mr. Sanchez does not want everyone to leave the meeting thinking that the College threw all caution to the wind, they all sat down with faculty and administration and started banging away at this what we think we want. They knew there were legal implications, they knew they needed to sit down with the Board of Regents but they also knew they needed to get to work, get something on the table so they could start the dialogue.

Regent Martinez stated he does not think anybody is saying they threw caution to the wind. Regent Martinez wanted to make that point clear, he is not accusing anybody. He thinks the College needs to build a better mousetrap. Mr. Sanchez stated he understands.

Mr. Ortiz stated a very simple example of how this can bite the Board of Regents is that it is not uncommon where there is a personnel problem, a disciplinary issue and you go and look at Board Policy and the Board Policy says something different from the CBA or the handbook says something different from the CBA and you end up wondering where you are not quite sure which process you are supposed to follow and what makes it look like at the end of the day is it is weakness for this College in terms of managing situations such as that. Mr. Ortiz stated he just wants clarity that aligns with the rights that the Board of Regents reserves. Mr. Ortiz stated he is happy to go through what the College has, what has been proposed compared to the CBA and to make sure the Board of Regents has what is reserved for itself.

Dr. Lopez stated what he would like to recommend as an advocate of the academic administration and faculty is this document unfortunately has become a morale issue. Five years ago, they tried, almost the same document, tried to move it forward and basically it never came to the hands of the Board of Regents. In a time after 8 years where faculty have not received a salary increase, it has become an issue of morale. People feel they have not been heard by higher administration but on the other hand what the Board of Regents is going to discover when this is read carefully is that the College is building a lot of accountability in the system. They are finally proposing a post tenure review to make tenured faculty accountable. They are putting it in the hands of Deans and Chairs the power for them to make sure that faculty are physically present on campus when this becomes a ghost on campus. What Provost Lopez would like to advocate is that this becomes a high priority; we should not be delaying this anymore and it was always known that this has to be reviewed by legal counsel and that the Board of Regents has the ultimate authority to decide what they want. They are all in agreement but cannot afford more delay on this. This is something Provost Lopez would love to go back to faculty and tell them the retreat is not going to happen this afternoon but it is going to happen soon. Provost Lopez would like to tell them it is moving forward.

Regent Martinez stated he agrees this is the highest priority and this is why they want to get it right. The Board of Regents will have Mr. Ortiz look at it so when the Board of Regents comes back next month or during the month so all the stakeholders will be in a position to get together to talk about it. Regent Martinez wants the faculty input because it is not going to be a document that everybody can live with unless everybody exchanges ideas and exchanges their views on the document.

Regent Powers stated he was thinking about just what Regent Martinez stated, this is important, this is time sensitive and what needs to be done and Regent Powers would rather not wait, necessarily until the next meeting. If the necessary reviews could be done prior to this, Regent Powers would like to suggest that the work session be rescheduled and if need be done, revise the process of for the work session to make sure to get as much input as possible and do what needs to be done to protect the College and Board of Regents legally. Regent Powers stated this needs to be figured out immediately, what it is going to take to get everything reviewed, get the inputs and bring everybody together and make sure that what the College has is what is needed and what works for everybody and it needs to be done as quickly as possible. Regent Powers is excited to see something but it needs to make sure it is what is needed and works for everyone. Regent Powers stated it is going to be difficult for him to do it but he will try to make himself available.

Regent Garcia stated it could even be done on a Saturday and asked for suggestions from Regent Martinez and Mr. Ortiz. Mr. Ortiz stated his preference would be an opportunity to sit with the Board of Regents first to say here are his concerns and ask how the Board of Regents would like to proceed so the Board of Regents has a good sense of what the issues are and then have a sit down to say here is our position, here is the Board of Regents position and here is what we would like to do, here is what we think is good with what you proposed and here is what we cannot live with. Mr. Ortiz would like for the Board of Regents to have a chance, before there is a sit down with the Faculty Senate over it, he would like the Board of Regents to know what is in its best interest and what the options are. This is what Mr. Ortiz is looking for, a sit down. Regent Martinez stated this could be in a conference call. Regent Powers stated the Board of Regents needs to schedule a separate meeting with an Executive Session to do this.

Mr. Ortiz stated he could take the CBA and redline things, send them to the Board of Regents so they have a working document in front of them, if they can't all physically be together and go through each item line by line. Mr. Ortiz can then gauge from the Board of Regents what it can or cannot live with. Mr. Ortiz stated he can then schedule something with Provost Lopez saying this is what the Board of Regents can live with, is this okay with the Faculty Senate.

Regent Martinez asked if there could be a session where Mr. Ortiz advises the Board of Regents at the next Board of Regents Meeting is when the joint work session could be done. Mr. Ortiz is talking about the first meeting with the Board of Regents only and then a second session. Regent Martinez asked if this could be done in the timeframe to where they get to the next meeting. Mr. Ortiz stated the Board of Regents could be stepped up in the priority line. Regent Martinez asked Mr. Ortiz to circulate some dates that way the Board of Regents can look at their calendars. Regent Powers stated the next Board of Regents would be February 23rd. Regent Martinez stated it could possibly be done the 16th of February. Regent Garcia stated Regent Martinez would be conference called for this meeting. Mr. Ortiz stated he will circulate some other dates to find something that works. Mr. Ortiz thanked the Board of Regents and stated he hopes he did not lob any bombs, this was not his intention, he wants the process to be done perfectly. Regent Garcia stated the Board of Regents needs to be cautious.

2. Enrollment Report

Dr. Lopez gave the Board of Regents an update regarding Enrollment (attached). The total headcount was 1,041 as of January 25, 2017. Enrollment in 2016 was 1,127 so the College went down from the fall to the spring. It was expected and it is always expected for two reasons. The College graduates many students during the fall and the College does not have the high schools filling during the fall. Typically, the new students come from the GED program. Historically 10 years ago the difference between the fall and the spring is between 5% and 10%. This year it is an 8% decrease. The good news in terms of the budget, is the budget was planned on fall 2015. The budget was assembled in the spring of 2016 so it is based on the enrollment as fall 2015. From all these head counts, the dual credit students need to be taken away because they do not pay tuition. The College receives \$15.00 per student two years later through the funding formula if they do not drop the class. The big number is tuition. The College needs to take head counts, take out dual credit and the budget was planned. Headcounts eligible for tuition, fall has 918 students potentially, right now the number is 866 but because we know from the fall to the spring, it will go down. Mr. Sanchez was very conservative to use a 90% calculation. The good news is when you take the 90% of 918 that gives you 126. Right now, the College is 40 students above the projected enrollment. That is good for the budget. We feel very comfortable that this enrollment has helped to grow revenue in terms of tuition.

Provost Lopez stated the other indicator is the next table. When you see the student credit hours, the College exceeded the fall. The absolute number, spring 2017 is 10,800 compared to 10,765. This is because headcount is only an indirect way to predict tuition. When you take this difference in student credit hours, you are talking about 1,100 student credit hours. The College knows from all the student credit hours that are generated, we know that only 80% produce tuition. Two reasons for this (1) removal of dual credit students; and (2) students pay the same amount when they take any number of credit hours between 12 and 18. By doing this, the College ended up with an estimate of 70 students above the planned budget. If we consider headcounts, the College is above 40 students. The College feels very comfortable it is moving in the right direction. Dr. Lopez stated the bleeding has stopped.

Dr. Lopez stated the College is trying to understand why the students are not coming back. In the future, the College wants to implement the strategies that are database driven so the College knows what is happening when one student decides not to come back the following semester. This type of analysis has never been done in a serious way and currently the College is going to be leading an effort on a scientific study as to why students are leaving the College. The College is going to go back about a year and a half to find out why they decided not to come back to the College and the first piece of information that has been collected was provided to the Board of Regents. The College went back to fall of 2013 and it is showing semester by semester the number of students who decided not to return. This number has considered graduates because obviously, they do not return. The College is almost losing the same number of students when comparing female to male. In terms of the financial need of the students it is almost the same. The College is losing as

many students that are Pell eligible compared to the students that are not in financial need. It is almost the same level. The College is finding out it is losing many more students in the Associate's degree compared to the Bachelor's Degree. In terms of GPA, the College is losing a lot of students who are not necessarily bad students. Many times, the College assumes it is losing the underprepared, non-college ready. The College is doing a data informed analysis and the College will now start going back and calling each one of these students to find out what is happening. The College is going to be very strategic on this data. It is important because Provost Lopez believes in the past the College has implemented measures that it has tried to apply a medicine without doing the diagnosis first. If the College is attacking the real illness, it is trying to be strategic because ultimately the College knows that it is only through retention and recruitment that the College will have a better institution.

Regent Martinez thanked Dr. Lopez for this information - actual numbers.

President Bailey stated he would like to give a special thanks to Kathleen Sena, Dean of Students/Registrar and the rest of the Student Services team because they have accepted the challenge of responding to this data and doing the things that the College needs to do get more clarity. President Bailey also wanted to put on the record, there is no question the College has a fierce advocate of this faculty, a selfless servant for the students. Dr. Lopez is a data driven thinker and that is going to help the College with the strategic vision for the College. The best thing President Bailey can say is that Dr. Lopez is clearly asking the right questions that we need to ask for the College to improve. After careful discussions and thoughtful considerations, discussions with the Deans, discussions with Faculty Senate, President Bailey asked Dr. Lopez to stay on with the College as Provost. He has accepted that challenge and President Bailey can say on behalf of the men and women of the College we are grateful for everything that Dr. Lopez is and everything that he does for the College.

Dr. Lopez stated he will continue trying his best to make this the best institution. When Dr. Lopez joined the College, he told the Provost he would make sure the College has the best undergraduate Engineering program and the College has the best IT program in the State. New Mexico Tech does not have an IT program that is accredited by ABEIT and compared to NMSU, the College has its faculty sitting on their advisory group. Dr. Lopez goal is one day that the College can offer the best undergraduate programs in the State of New Mexico and the College will try whatever it can to do so. Dr. Lopez thanked President Bailey for his confidence. President Bailey stated he would like to give credit to Mr. Sanchez for putting his trust in Dr. Lopez.

Regent DeHerrera stated being part of the Engineering Department, she was proud coming out of there and all the different surrounding colleges that New Mexico has, the College's Engineering program is awesome. All the faculty is eager and willing to work with students one on one. Regent DeHerrera congratulated Dr. Lopez.

The Board of Regents took brief recess at 10:12AM and returned to session at 10:33AM

VI. EXECUTIVE SESSION

Regent Garcia asked for a motion to enter into Executive Session.

Regent Martinez moved to enter into Executive Session pursuant to:

- (1) Limited personnel matters related to the hiring, promotion, demotion, dismissal, assignment, resignation, or investigation or consideration of complaints or charges against an employee;
- (2) Bargaining strategy preliminary to collective bargaining;

- (3) Threatened or pending litigation subject to the attorney-client privilege in which the College may be a participant; and
- (4) Real estate acquisition or disposal.

Pursuant to provisions of NMSA 1978, Section 10-15-1(H)(2)(5)(7) & (8), specifically issues related to administrative contracts and pending or threatened litigation.

A Roll Call vote was taken and all Regents voted unanimously to enter into Executive Session. (Regent DeHerrera – yes, Regent Garcia – yes, Regent Powers – yes, Regent Martinez - yes). The Board of Regents entered into Executive Session 10:33AM.

VIII. POSSIBLE ACTION ON EXECUTIVE SESSION


Regent Martinez moved to return from Executive Session and to enter into Regular Session. Second – Regent Powers. Roll Call Vote: Regent Martinez - yes, Regent Powers - yes, Regent - Martinez - yes, Regent DeHerrera - yes. Motion passed unanimously. The Board of Regents returned from Executive Session at 12:03PM and no decisions were made.

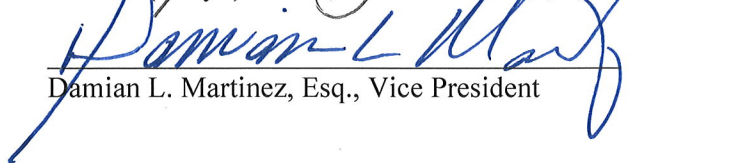
X. ADJOURNMENT

Regent Powers moved to adjourn. Second – Regent Powers. The Board of Regents Meeting adjourned at 12:04PM.

The Board of Regents Work Study Session on Thursday, January 26, 2017 did not take place due to lack of quorum and was cancelled until further notice.

APPROVED:


Rosario (Chayo) Garcia, Board President


Damian L. Martinez, Esq., Vice President