

NORTHERN NEW MEXICO COLLEGE

BOARD OF REGENTS MEETING

DECEMBER 1, 2016

I. CALL TO ORDER

A regular meeting of the Board of Regents of Northern New Mexico College was held on Thursday, December 1, 2016, 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 8:07AM.

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; Alex Williams, Business Office/Senior Financial Analyst; Henrietta Trujillo, Director of Financial Services/Temp HR Director; Sandy Krollick, Creative Director Communications & Marketing; Jacob Pacheco, Director of Financial Aid; Sally Martinez, Executive Assistant to the Provost and Vice President for Academic Affairs. Faculty Present: Dr. David Torres; Others present: Barron Jones, Rio Grande Sun; and Ted Koetter, Student Senate Vice President.

II. APPROVAL OF AGENDA

Regent DeHerrera moved to approve the Agenda as presented. Motion passed unanimously.

Domingo Sanchez, Vice President for Finance and Administration asked Regent Garcia if it is at this point an item would be removed. Mr. Sanchez asked that item number four under Staff Reports, Vice President for Finance & Administration, Holiday Policy Change be removed. Regent Garcia asked for approval as amended. Motion passed unanimously.

III. COMMENTS FROM THE BOARD

A. Board Committees

Regent DeHerrera stated the Academic and Student Affairs Committee discussed the Faculty Handbook. The Committee will be reviewing the Handbook and making changes and adjustments before it is voted on. The last time this was updated was 2008. Regent DeHerrera stated housing is also kept on the Academic and Student Affairs Agenda because it is something that needs to be discussed for every meeting because the Committee knows this is needed for the College. The Committee discussed the fulfillment of the positions that are posted and the College has not been able to fill or they have not been filled. The Committee also talked about a tuition tier which has been a topic for years but it is hard to do because the adjustment on the 100 and 200 level passes for being less tuition and the 400 and 500 level classes a higher tuition. Regent DeHerrera stated she knows everyone is in support of it but she knows it will have a big impact on the school and the financial situation. The Committee would like to see if it could pursue any kinds of numbers to see if it would be feasible and an option later down the line. The Committee also discussed the Winter Gala and the parade and the topic of who knows when Northern Day is, this must be figured out.

Mr. Sanchez asked if Regent DeHerrera was referring to Northern Day during the Legislative Session. Mr. Sanchez will follow up and find out. These discussions are held and the College asks in advance for open dates so he will follow up on this. Regent Garcia stated she mentioned during the meeting that it is normally done with Espanola - the City. Mr. Sanchez stated he would follow up in the same way the College has done it historically. Regent Garcia stated she does know it is around Senator Martinez Birthday in March.

Regent Martinez stated the Audit/Finance/Facilities Committee met and had a lively discussion about Holiday Policy and Mr. Sanchez will fill the Board of Regents in on the financial reports.

IV. PRESIDENT'S REPORT AND ANNOUNCEMENTS

A. Celebrate Northern

President Richard Bailey, Jr. stated he wanted to talk about the recent partnerships and recent accomplishments that the College has enjoyed.

1. Through a generous contribution from Los Alamos National Laboratories, the College will be engaging in a program where the fund will pay for the College's students to work in small businesses in Rio Arriba. The funding will pay for their employment and the students will end up working on projects for these small businesses. This is not just labor, they are doing projects that serve an educational need for the students and the community benefits because all these small businesses that need help with projects that they have not been able to accomplish are now going to get these smart, bright, energetic students to help them. It is going to be the Rio Arriba Internship Program. Joaquin Gallegos, Professor will be the point of contact for this and the College is excited about where this is going to go. The College will have between 50-60 internships in one year. This is a positive thing for the College and the community. The College needs to engage in more programs like this. Regent DeHerrera asked if this is a summer internship. President Bailey stated the plan is to start after the spring break. Ideally, this is not going to be a one semester thing, the idea is that the College will continue to do it.

2. The College signed an agreement with the Northern New Mexico Regional Arts Council and this is to work with a Grant through the US Department of Agricultural so that the College will offer courses in Art Business. For artists who want to spend a lifetime devoted to their art, the College will be able to provide classes, the first 15 students can take these classes for free, artists can come in and learn how to create a business plan and how to market their products and other things they need to make a living to support them and their families.

3. There was a release of Trickster, the College's literary journal, second edition and it is an impressive multidisciplinary, multimedia journal. It celebrates the College and everyone who is associated with it.

4. The College's basketball team was awarded the 2016 Best Sports Team from the Espanola Awards Program.

5. Dr. Lopez and President Bailey went to Albuquerque and are involved in a project with the Air Force Research Laboratory. This is going provide opportunities for students to engage in curriculum development and training for technology transfer. This is going to open some doors. President Bailey also thanked New Mexico Tech in helping the College in a partnership with this initiative.

6. Two weeks ago the College received a \$300,000 Grant from the National Science Foundation for Ensuring Diversity and Undergraduate Completion and Retention in Engineering. President Bailey acknowledge Ashish Nandy, Steve Cox and Stephanie Amadeo Marquez for their leadership in the project which is going to encourage more STEM participation in the community and career pathways.

7. On December 5, 2016, the College celebrated the annual Gala, the Northern Foundation is providing scholarships to 52 students this year and the event broke last year's record breaking efforts in terms of funding and fundraising. President Bailey thanked Terry Mulert and the rest of the Foundation for their efforts. Also, it is not enough, the College is going to continue to move forward and raise even more.

8. Victory Media announced the College with a bronze medal as a military friendly organization. This is based on the outreach that is done to Veterans and the College is very proud of it. President Bailey thanked Frank Orona who led the effort before Rudy C'de Baca arrived and to Rudy C'de Baca who is now the coordinator for the Veterans Resource Center and he has been tirelessly working to provide more outreach to our Veterans.

9. The College held a retreat on November 15th and follow up retreat on November 30, 2016 to start the strategic planning process. President Bailey thought there would be 20-25 people, it was open to all faculty and staff to contribute to the mission of crafting a strategic plan. There were 95 people in attendance. Everyone had an input. President Bailey collated all the results over the Thanksgiving Holiday and the College is now set in the spring to start looking at and has defined a good idea of here is our desired future environment, now the College is going to start flushing out the work it needs to do to get from here to there. In future meetings, President Bailey will keep the Board of Regents abreast of what the plans are and what the priorities are for the College in articulating that plan.

10. Dr. Lopez and President Bailey went to Albuquerque to receive a \$15,000 scholarship Grant from the Mexican Consulate in Albuquerque. President Bailey thanked Mario Izaguirre Sierra for assisting in facilitating this. This money will go to provide scholarships to our most needy members of our community and it is a very good step forward to reaching out to members who previously have seemed disenfranchised in our community and this College should provide opportunities for everybody.

11. The National Council for Accreditation of Teacher Education just gave accreditation to the College of Education. This is the first national accreditation for that program in the school's history. The College is very proud of this. President Bailey thanked Dr. Joaquin Vila who did a lot of the work in helping the College get the accreditation.

Regent DeHerrera stated the Grants are awesome and the College is going to have to figure out how to advertise them a little bit better because there are a lot of students who could use them but they do not look because they don't think they can afford it. If you can advertise more, they will come. Regent Garcia asked

how the College can advertise it. President Bailey stated the College could be more aggressive on social media, in other words, make sure that people in the community have a viable pathway that if they are interested they will know who to talk to and what they need to do. Regent DeHerrera suggested speaking to the high school counselors. President Bailey stated this is a goal for the spring, to host a workshop for high school counselors. Regent DeHerrera stated sometimes you do not get too many students coming to the College but if you outreach there, if possible, to go out and speak to the counselors and leave information for them, then they have the options to show students.

The Board of Regents recessed at 8:22am and returned to order at 8:26am.

V. FACULTY SENATE PRESIDENT'S REPORT

David Torres, Faculty Senate President stated:

1. Faculty Senate Meeting was held on November 4, 2016.
2. Dr. Lopez presented the new credentials that are being imposed that will take effect in September of 2017. These are new requirements for faculty.
3. Dr. Lopez presented changes to the LOAs that will be used so the adjuncts will need to sign off on the requirements they will need to meet.
4. Dr. Lopez presented changes to the indirect costs on Grants so some of the funds from indirect costs can now go to the College. Some of the money can be filtered to the departments which is nice because it gives more incentive to write more grants.
5. Dr. Lopez discussed changes to the 2017 calendar.
6. Dr. Lopez discussed general education reforms that are being proposed by the Higher Education Department.
7. Curriculum changes were approved by Faculty Senate in regards to beginning Algebra.
8. Personnel Committee: Faculty Senate passed the new director and chair evaluations. In past meetings, they passed a new faculty evaluation and now the director and chair evaluation has been passed for directors, chairs and supervisors.
9. Educational Policy Committee: There was a discussion regarding the moratorium on the arts. There was discussion why the previous Provost did not involve the Educational Policy Committee in the decision for the moratorium for the arts.
10. There was a special session on November 18th in which the Faculty Handbook changes were passed with the exception of tenure. There will be a meeting with the Chair of the Tenure Committee, open session to all faculty for comments on the new changes to tenure and then they will go to regular session for a vote on the changes to tenure. Those changes will be forwarded to the Provost and Board of Regents for review.

President Bailey stated that the information Dr. Torres talked about in terms of the evaluations for chairs, the Provost and President Bailey have agreed that the next step of this is that they will have similar evaluation forms for the Provost and for the President so the faculty has a voice to give feedback to them as well.

President Bailey thanked Faculty Senate. As Regent DeHerrera pointed out, it has been about 8 years that this process of trying to revise the handbook has gone on and through his leadership and in concert with Dr. Lopez the College is at about a 95% solution on this and it is exciting that we are close and there is now agreement. President Bailey encourages the College to take advantage of this agreement and move forward to try to get an agreement on the last piece of tenure and post tenure and get something to the Board of Regents so it can be approved and the work on the Staff Handbook can start.

Regent Powers asked about the HLC and faculty credentials and asked for a brief outline of what it is. Dr. Torres stated the biggest change is the requirement that they have at least a Master's Degree but there are exceptions. For most programs, it is going to require a minimum of a Master's Degree. This is new requirement from HLC. The Provost did pass out additional sheets where the College could work with people who did not have a Master's in certain programs. Regent Powers asked if this impacts any of the programs or classes. Dr. Torres stated it depends on the class. In the developmental math people are teaching with Bachelor's Degrees. Dr. Ivan Lopez Hurtado stated developmental courses do not count, since they are developmental courses in this policy so those are not going to be affected. In terms of full time faculty, the College was already following the same guidelines that is now going to be mandatory. It may happen in part on a couple of adjuncts especially related to the arts because many times they do not have a Bachelor's Degrees, what they have is experience but it is not that they are not going to be ineligible. The HLC wants to see is that when the faculty does not have the Master's Degree credential then the College has an alternate path to evaluate the experience so what the College did through these forms is a series of criteria of how the College is going to accept or deny a faculty member according to their experience. As long as that process exists and is well documented the College will not be in trouble. This is why the College is doing all the processes right now because the College has until September 1, 2017 for this new regulation to be official and what the College is going to start doing in the spring is every course that is taught at the College is going to go through the process because the College needs to guarantee 100% of compliance on this regulation.

Regent Garcia stated regarding the Faculty Handbook that the Board of Regents discussed it in the Academic Affairs/Student Affairs Committee and the Board of Regents should be meeting and wants to meet in January to have a retreat with the full Board of Regents. Regent DeHerrera stated perhaps after the January meeting the Board of Regents could discuss changes in the Faculty Handbook and in February's meeting it could be approved. Regent Garcia stated it could be approved because the Board of Regents does not know what is going to happen with the new Board. Regent Powers asked if a date was discussed for the meeting in January. The Board of Regents was thinking the same day as the normal meeting. The regular meeting will begin at 8:30AM followed by the workshop.

VI. STUDENT SENATE

Ted Koetter, Student Senate Vice President stated:

1. The week of December 5th is the week before finals and as usual Student Senate will be hosting a meal for students as well as providing snacks for all students for the entire week. Student Life is also providing pizza in the Library Monday through Thursday from 5:00PM-8:00PM.
2. December 2, 2016 is the Winter Ball at 6:00PM in the Center for the Arts. As of November 30th, there have been 130 RSVPs. Student Senate will also be hosting a Royal Court.

3. For the legislative session in the spring there is a lot of talk over changing the Lottery Scholarship and it no longer being partially funded by the liquor excise tax. Currently the Lottery Scholarship is funded 54% from the excise tax and the remaining 46% goes to DUI Prevention Programs. The idea is to change it so the excise tax goes completely to DUI prevention. The average coverage of the Lottery Scholarship of 90% of tuition will be cut to 60% of tuition. On November 18, 2016, various student governments from across the State met at UNM and discussed various options. The main idea is to oppose this change but they are still in belief that this will happen. The other option is to introduce a gap year. Currently students must go immediately from high school to college to be eligible for the Lottery Scholarship. Student Senate would like to change this so they can take at least one calendar year away from school. Second, back loading, make it so the Lottery Scholarship funds less in your first two years and more in your last two years. Additionally, Student Senate would like an incremental deployment rather than going from one year covering 90% to the next year covering 60%, reduce it by 10% each year. This would make it easier for students on the Lottery. Additionally, they would like to re-introduce the 8th semester. Currently the Lottery Scholarship only covers 7 semesters.

President Bailey stated that the members of the Council of University Presidents (CUP) are united in opposition to this change. They are going to make that known. Chancellor Carruthers is going to say that to the LFC. The other is what came up in the committee is for the College to consider advocating for a flat rate to the Lottery Scholarship instead of a percentage. Obviously, there are some schools in the State that will oppose that kind of a rule but it is something that would be of great benefit to the College's students and it is something that should be explored.

Regent Powers stated that the Board of the Association of Regents met and they are opposed to the change as well. There were some ideas that were floated around in that meeting by the Regents and by the Secretary of Higher Education. There are a lot of things being discussed to this point. This would be very devastating to the College as well as other higher education institutions around the State. Just a complete shutting off of the liquor excise tax revenue. There has also been some legislation that has been proposed over the last two years to change some of the requirements of the Lottery itself so the Lottery could potentially provide more money for scholarships and those efforts have not been successful. Senator Smith has proposed this legislation for the last two years to change the way the Lottery must pay out and it is very complicated but the Lottery Board itself believes if it could have some of these changes it might allow them to generate more revenue for student scholarships. It is a very complicated situation and there is a lot of moving parts. If everybody gets behind this effort and exerts enough pressure at the Legislature, they can come up with some solution that is beneficial to everyone.

Regent Garcia stated she is wondering if the Board of Regents could do some sort of Resolution as an individual Board and have the other Boards have a resolution saying that it opposes the change. Regent Powers stated it would not hurt anything. Regent Powers would like this on the Agenda for the next meeting. Regent Garcia stated it may be a resolution from every entity in the State. Regent Powers stated through the CUP and Regents Association could reach out. Regent Garcia stated perhaps the College could do the resolution and everybody else could follow suit.

President Bailey stated CUP has a meeting next week and President Bailey will bring this up to get the ball rolling.

Regent Garcia asked Mr. Koetter to re-explain the situation with the Lottery Scholarship. Regent Garcia stated this is what the Board of Regents is opposing.

President Bailey stated for the record that everyone is united in opposition to this but at the same time we recognize how important DUI prevention is so we recognize that it is important but the counterargument is

that education is also a DUI prevention mechanism. The Lottery Scholarship and the ability to fund students in higher education helps in those efforts and it is not just DUI prevention but a lot of other community beneficial factors. Mr. Koetter stated what was discussed in Student Senate was how effective are the DUI prevention programs. Is there any method to gauge their activity? Regent Garcia stated it prevents drinking and drugs.

Regent Martinez asked who wants to sponsor this in the legislature. Mr. Koetter stated he does not recall the name. Regent Martinez stated they should be contacted.

Regent Powers stated history is needed on this. He is not sure the DUI funding source was necessarily a source that was there in the beginning. It was put in place to plug a hole that occurred when the amount of needs far outstrips the amount of revenue that the Lottery was generating. Initially that was a temporary solution than it was a permanent solution. There is a lot of different arguments in both directions. One of the things that might be helpful is to look at the way the Lottery Scholarship money is distributed. We happen to have a lower cost of attendance than other institutions and right now there is an average that you cannot exceed so some students are not getting their entire tuition covered where others may be getting more of it covered. There are some proposals and some ideas that are being floated around that might change the way the money is distributed. They might look at need, they might look at performance, there are a number of things. The solution might be a combination of things that might include trying to shore up the funding for the program as well as to alter slightly the way the money is distributed which would minimize the impact to people who really need that funding. There is a lot of things on the table being discussed. The message needs to be do not cut funding.

Regent DeHerrera asked what was the hole that they decided to change, what was the reasoning. Regent Powers stated if you look at historical numbers, when the program started, the revenue that was generated was expected to grow faster than it actually has. Regent Garcia stated enough Lottery tickets were not purchased. Regent Martinez stated there has been an increase in student enrollment. Regent Powers stated there has been an increase in enrollment, eligibility and in the amount of money that needs to be distributed per student. If you look at it over time, that is what has caused this problem. The Lottery Board has attempted to do some things to try to increase the amount of money they can generate for the program; it has not been successful. There is a lot of things going on and the HED Cabinet Secretary described in a meeting some of the things they were looking at to stretch those dollars further. We need to ultimately what they are and what impact they have on the College's students.

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

Domingo Sanchez, Vice President for Finance & Administration presented the Fiscal Watch Reports (attached). These documents are reviewed in detail in the Audit/Finance/Facilities Committee Meeting. Mr. Sanchez stated at the end of October cash is at \$2.1M on the balance sheet. The unrestricted fund balance is at \$3.1M. As the year goes on this will start to drop but will pick up again in December because students are registering. There is a BAR which Mr. Sanchez will present, the cut that the College received because of the

State's financial adjustments that needed to be made resulted in the College losing \$250,000 in just I&G alone. Collectively with all the pieces of funding that the College gets for Veteran's Center, Athletics, STEM, Nursing Enhancement and the General Fund, the total amount lost was about \$560,000. Mr. Sanchez stated the reason he is pointing this out is the fund balance will be noticed more in the second half of the year because they will start reducing allotments. The College has already planned for this. Mr. Sanchez stated on the BAR, Mr. Sanchez does not generally hand things out on the day of the meeting because the Board of Regents does not like to receive items on the day of the meeting but he will explain this.

Mr. Sanchez stated revenue is \$9.4M as of the end of October, the College is up about \$400,000 from last year. Expenditures were at \$7.6 last year and currently at \$7.9 because expenditures have gone up a little. The College had an ending fund balance last year at this time of \$1M and it is at \$3M at this point in time.

Mr. Sanchez stated capital expenditures are also increasing and there is going to be another big round of expenditures. Compared to last year the College had \$35,000 in revenue at the end of October and now the College is at \$642,000. Expenditures last year were at \$125,000 and now they are at \$671,000. That number is going to exceed \$1M because what is going to be done with the other half of construction. Almost \$500,000 is heating and cooling. The College is getting the money spent. There is another \$500,000 for labs and bathrooms and Mr. Sanchez will discuss this further.

Mr. Sanchez stated unrestricted funds last year were at \$5.7M and \$5.8M this year. Expenditures were at \$4.1M last year and \$4M this year. Looking at fund balances last year, the College was at \$1M and this year \$3.2M in unrestricted this year,

Mr. Sanchez stated the College is doing a good job at managing its resources and he believes the College has positioned itself in a good way to absorb this tough punch because \$500,000 is not chump change. Regent Powers stated this was a 5% cut for the entire year. The College had already received five months of revenue at the old rate so now the adjustment being made going forward is almost 10% because the College got almost half a year of funding at the old rate so the College has to fix the problem in less than one year. This is important to point out. When you get a funding cut like that midyear it is worse than it would have been had the College received it at the front. Mr. Sanchez stated the College knew something was going to happen, it was likely to get hit and Mr. Sanchez will explain this further in the BAR discussion.

Regent Garcia stated what she is hearing in the rumor line is there is going to be another 5% cut. Mr. Sanchez stated he heard it could be from 2%-4% for next year's appropriation. The College is going to get cut unless something miraculous happens with oil and gas. There are so many variables. The College's best course of action is to be conservative.

Mr. Sanchez stated regarding auxiliaries last year the College was at \$426,000 in revenue, this year at \$428,000. Expenditures are up by about \$100,000. The College needs to watch the auxiliaries because what the College does not cover with the auxiliaries holding their own must be taken out of the \$3M in fund balance.

Mr. Sanchez explained that Grants are money in and money out. The revenue and expenditures in Grants is up by about \$200,000.

Mr. Sanchez stated regarding student aid, it is up, this is also money in and money out. On this one, because enrollment went up, financial aid went up.

Mr. Sanchez stated the fiscal watch report is a financial picture of all the funds of the College not just unrestricted.

Regent Martinez asked how the College is going to address another cut in the budget from the State. Mr. Sanchez stated when the College does the budgeting process, the College will continue, like it did this year, to aggressively pursue retention and recruitment. Those are really the College's saving grace. The College had an increase higher than any other higher education in the State (7% in headcount and 11% in growth in the credit hours). This was really one of the biggest reasons the College was able to take this hit and not really wobble. The College cannot take its foot off the gas pedal in terms of this and the College is discussing this a lot now and exploring a number of different areas to ensure that the College stays on track. The numbers are going to be what they are going to be as the College gets down the road and the Board of Regents will be kept informed of this. Another thing the College is looking at is it is really looking at and it did last year and the year before are what are the opportunities the College has in building the operating budget to reallocate resources. Because you are spending money in this position, hallway, etc., does not necessarily mean you need to use those monies there, you may want to repurpose them in other areas and the College gives managers the opportunity to do this. In some cases, money is shifted into another hallway, in some cases what the College does is takes that position or most of that money but they will let the department reclassify positions for those individuals that are assuming more responsibility. It is not fair, to say to someone they are going to be doing additional duties but not getting any more money. The College tries to account for this in the reclassification of the positions and in some cases, those are probably some of the issues the Board of Regents hears, some people got raises and we didn't. They got raises but they got reclassified and they had to assume more duties and the managers had to agree that they would give up the position to do that. The College will do all that within the context of the Operating Budget. Dr. Lopez is already talking to his staff about priorities and a lot of the discussions are happening regarding budget reduction or flat budget way ahead of time.

Regent Powers stated another thing to consider is trying to find ways to generate additional revenue away from the State. If you look at the comparison of all the institutions in the State, higher education institutions, the College has one of the highest reliance's on state funding and some of that the College cannot help because it is small and size makes a difference in that. To the extent the College can generate more grant funding, research funding, whatever it is, other types of funding that would supplement the budget away from the state revenue stream, the College will be much better off going into the future.

President Bailey stated two things come to mind. One is what Dr. Torres mentioned in his Faculty Senate report and that is that the College has adjusted the indirect funding so that there is now an incentive for faculty members to write more grants, to bring more money into the College. In some ways, the College has already seen a more aggressive stance in this and it will continue to pay off. The other is, it is on President Bailey, it is his job as the President to be a fundraiser for the College. With the VP and Provost, the College

has already aggressively looking at ways to find alternate revenue streams into the College so it is not as dependent on state funding. This will be taken on head on.

Regent Powers stated something that is positive in all this is the College does have infrastructure to support more activity, more enrollment so the College has the ability to add programs, add students without having to find a place to put them. Other institutions may be already at capacity or near capacity so the College has the ability to grow and that puts the College in a good position as well. Regent Powers feels confident that the College will be able to maneuver through this rough time.

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

2. Monthly and Mid-Year Budget Adjustment Requests (BARs)

Mr. Sanchez presented the Budget Adjustment Requests (BARs) to the Board of Regents. This year at mid-year, the College is required to submit to the HED a mid-year BAR. The College actually does two major BARs that affect the institutional budget. The College always brings to the Board of Regents a number of BARs in the packet every month of what is done internally but from the big picture side of the house, they require the College to look at it at mid-year and during the budgeting process. Every December the College does a mid-year BAR and every May 1 the College submits the end of year BAR with the best estimate of how it is going to end the big picture. The BAR is like a credit card limit; it is really saying I need to spend money and can I have authorization from this Board of Regents and HED to spend the money. This is all that is being done with the BAR. Whether or not you expend it or if you over expend it they will say you need to find money. If you stay under, then you are find. Just because you have a budget of money does not mean you should spend the money because the money has to come in to cover that debt if you expend the whole amount. The College talks a lot about this in terms of operations and this is really part of the culture in terms of discussions at the College. The College has a good culture of everybody embracing this.

Mr. Sanchez stated regarding the mid-year BAR, there are two BARs that were passed out and they were not included in the packet because the College has still not been officially been given the numbers from HED. They want things approved by the Board of Regents, they want the College to do it by the date they say they want it done but sometimes you are sitting there waiting for the information. The College can do the math and this is what was done, they did it based on what they told the College. If these numbers change at all because they surprise the College with something, the College would have to adjust the budget up or down a little but Mr. Sanchez feels that if it changes at all it will be minimal because the math is the math. The College has had some draft numbers it has been looking at for some time so this is what was done. There are two pieces, the unrestricted which reflects the \$500,000 cuts. This is where the chunk of all the change takes place. Mr. Sanchez stated the College knew it was going to take a hit and the College said since the start of the fiscal year that the College wanted everyone to drag their feet on new hires for at least two or three months. By the end of November, the College had achieved enough savings and did not use it all between increase in tuition revenue and dragging feet on hires to cover the amount (\$550,000-\$560,000). These two items alone allowed the College to do this. There is still savings that will accrue on salaries in the month of November and December and now the College will start filling some of these positions as the College goes into the new year because it feels comfortable that it can. The College still has to its benefit, assuming of course the College can bring back a fair percentage of the enrollment from the fall and in the spring, some additional buffer that the College is going to get during that. If the College had close to \$250,000 in additional in the fall, the College will not see that high a level in the spring, if it were \$180,000 or \$200,000 it

gives the College a little relief. Gaining to the point on the budget, the College will have flexibility to work on the budget when preparing things. There are so many moving parts in the Operating Budget. Building the Operating Budget is more an art than a science. There are so many things you are assuming, so many things that may or may not happen or that you are hoping are your worst case. There is a lot that is considered in the budgeting process.

Mr. Sanchez stated the best bet in preparing the Operating Budget for next year is to go flat. Flat is still, compared to last year, is going to be higher because of the increase in revenues. This means the College needs to make sure that it at least holds flat in terms of revenue. The College took a gamble last year but everybody involved did a good job of bringing students back to the College. The second part of part of it is the restricted is the Grants area. The Grants are going up close to \$1M. What happens is the College gets the award letters for the Federal Grants in September. Because faculty and staff have been very good about going out and getting additional Grants, the budget is going up. The expenditures in the area of Grants is going up. This was an area the College raised concerns about in past years because the College had Grant activity going on in terms of awards and not much spending going on.

Regent Powers stated there was a detailed discussion about this in the Audit/Finance/Facilities Meeting and this is one of those things where the College is between a rock and hard spot. The Board of Regents needs to approve this BAR to be submitted to HED but the College is not quite sure these numbers are going to be exactly what they are in this BAR. Regent Powers recommended the Board of Regents approve the BAR as is if something comes up in the next few weeks that indicate that it would need to be altered, the Board of Regents, depending on the degree of the altering of it, there may need to be a special meeting just to approve it. It is important that the Board of Regents approves what is submitted to the State. Regent Powers stated he feels confident that this BAR represents what it is going to look like. There may be some minor adjustment and Regent Powers is hopeful this is what it is but it may have to be tweaked.

Mr. Sanchez stated when the College submits a BAR it is subject to change. They will sometimes bounce it back to the College to change. This is what will happen with this BAR but as Regent Powers says if it is a significant amount, the College would tell the Board of Regents so the Board of Regents feels comfortable that what they are approving is not materially off in terms of the numbers. Regent Powers stated if there is some need to adjust the BAR it could be done in a subsequent BAR later on down the road which there will be additional BARs submitted to the State as well before the fiscal year is over. Regent Powers stated it is important that the Board of Regents take action on this BAR as it has been submitted so it can be submitted to the State on time. The deadline is December 30, 2016. Mr. Sanchez stated the College would not hear anything until January if they have changes to the BAR. The College might get some correspondence between now and the break that these are the numbers. They have not given the College the official list. The College has a draft, these are draft numbers of what the College thinks they are but the College has not received the official list, the final numbers. Mr. Sanchez stated they are busy and we will get it when we get it.

Regent DeHerrera asked if it could be approved within a certain range. Regent Powers stated this was discussed and his opinion that it is approved as is and maybe provide some guidance to staff that if there were changes to it that exceeded a certain percentage that it be brought back to the Board of Regents at a special meeting for approval.

Regent Powers moved to approve the BAR as submitted with some instruction to the staff that if the College was given numbers from the State that altered this in some substantive way that the Board of Regents be notified and have the ability to call a special meeting to amend the BAR. Second - Regent Martinez. Motion passed.

President Bailey asked Mr. Sanchez if he is comfortable what that trip wire would be. Mr. Sanchez stated he is. Regent DeHerrera asked if it comes back extreme can the Board of Regents not approve it. Regent Garcia stated the Board of Regents could. Regent Powers stated the fact is that the State wants something that the Board of Regents has seen and approves and Regents Powers stated that as a Board of Regents, they have a charge under the State Constitution to do these kinds of things. The State Department of Higher Education wants to be comfortable wants to know what the revenue picture is for the institution. This gives the Board of Regents a very good idea of what it is. If the State comes back and says no, we have this little tweak that is going to result in a \$5,000 change in this, to Regent Powers that is not significant. That is almost a ministerial change. If it turned out to be something like 5%, the Board of Regents needs to be notified. Regent Powers does not expect this and this will be close.

3. Disposition of College Property

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

4. HED Severance Tax Project Submittal

Mr. Sanchez stated the Severance Tax Project needs to be taken to HED. Whenever the College gets monies from the State for Severance Tax or GO Bonds, the College must go through a process of approval at the HED Capital Outlay Committee level. If they approve the projects, the College then goes to the Board of Finance. In cases where it is a small amount (\$50,000, \$100,000) they can approve those for the College at the HED level and the College goes on with the project. The practice for the last few years is that they want to see all the appropriation that the College gets in one filing even though it could be made up of several projects. In the Board packet, the College identified the two areas that the College is going to be using those monies for (\$500,000) and it is for labs for chemistry and environmental science and bathroom renovations. If the College gets the project in by the 9th to HED, they have their meeting in January and if they approve (Mr. Sanchez stated this should not be very controversial) the College would then go to the Board of Finance at their next meeting. The Board of Finance does not meet during the session so if the College gets approval from HED in January the College may not see this approved by the Board of Finance until March.

Mr. Sanchez stated the College will also work on putting together a package and it might be brought to the Board of Regents in January is the \$1M GO Bond because there are a couple of high priority issues that need to be addressed that are low dollar costs. One must do with the electrical backup for the IT System because the College has had several issues with it and the auditors have discussed the importance of addressing that issue because it is an important part of running the institution. Mr. Sanchez will talk to HED to see again because as mentioned, they like to see the whole amount and in this case the College may not be ready to submit everything but the issue needs to be addressed. Regent DeHerrera asked if this was brought to the Board of Regents in January how soon does Mr. Sanchez think this would be approved. Mr. Sanchez stated because it is a small amount if they let the College pull it out, they may give the College a blessing and say go do it. They have the authority to do this for emergency type projects and this falls under that. They can make exceptions but the College would want to have discussions to make sure they are okay with it. Regent DeHerrera stated she knows the power outages affect everything in the campus. Mr. Sanchez stated and getting back up is getting harder to do. It causes problems for the College. President Bailey stated kudos to IT staff because in the interim they have been showing up at 2:00AM to do damage control.

Regent DeHerrera moved to approve the Severance Tax Project Submittal to HED for renovations of the labs and renovations of bathrooms. Second - Regent Powers. Motion passed unanimously.

The Board of Regents recessed from 9:22AM and returned to session at 9:31AM.

VI. 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.

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.

VIII. POSSIBLE ACTION ON EXECUTIVE SESSION

Regent Garcia moved to return from Executive Session and to enter into Regular Session. Roll Call Vote: Regent Martinez - yes, Regent Powers - yes, Regent - Martinez - yes, Regent DeHerrera - yes.

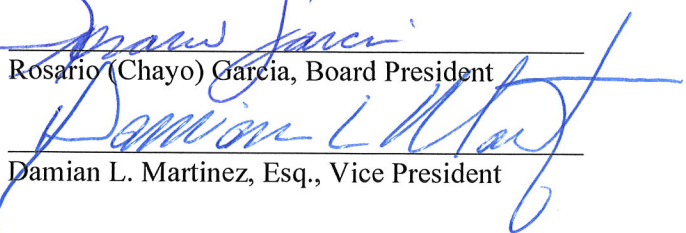
Regent Powers stated in Executive Session the Board of Regents discussed items pertaining to 10-15-1(H), Administrative Contracts and Regent Powers moved to approve Exhibits A & B to the President's Contract. Point of clarification: The President's Contract was voted on and approved by the Board of Regents. At the time, it was done the job description exhibit and the termination for just cause procedures were not ready for prime time. They have been worked on a committee of the Board of Regents and the staff attorney for the College and the Board of Regents has now added them to the contract. It would be considered technically an amendment to the contract adding Exhibits A and Exhibits B. Second - Regent DeHerrera. Motion passed unanimously.

X. ADJOURNMENT

Regent DeHerrera moved to adjourn. Second – Regent Powers. Roll Call Vote was taken: Regent Powers – yes, Regent Garcia – yes, Regent DeHerrera – yes, Regent Martinez – abstain. Motion passed unanimously. The Board of Regents Meeting adjourned at 10:04AM.

APPROVED:


Rosario (Chayo) Garcia, Board President


Damian L. Martinez, Esq., Vice President