

# NORTHERN NEW MEXICO COLLEGE

## BOARD OF REGENTS MEETING

April 18, 2016

### **I. CALL TO ORDER**

A special meeting of the Board of Regents of Northern New Mexico College was held on Monday, April 18, 2016, in the Boardroom of Northern New Mexico College, Espanola Campus. Regents present: Rosario (Chayo) Garcia, Damian L. Martinez, Esq. (Via Conference Call), Kevin F. Powers and Melinda DeHerrera. Board President Rosario (Chayo) Garcia called the meeting to order at 2:03pm.

Northern New Mexico College staff present: Interim President Domingo Sanchez, III; Chris Trujillo, IT; Brandi Cordova, Executive Assistant to the Vice President for Finance and Administration; Kathleen Sena, Registrar; Ryan Cordova, Athletic Director and Men's Basketball Coach; Nanette De La Torre, Administrative Assistant to Director of Financial Services; Jacob Pacheco, Director of Financial Aid; Henrietta Trujillo, Director of Financial Services; Alex Williams Business Office/Senior Financial Analyst; Evette Abeyta, Budget Analyst; and Amy Pena, Executive Assistant to the President and Recording Secretary. Others present: Ariel Carmona, Rio Grande Sun, Ted Koetter, NNMC Student Senate Vice President; Ariadne Bito, Student Senate President.

### **II. APPROVAL OF AGENDA**

**Regent Martinez moved for approval of the Agenda. Motion passed unanimously.**

### **III. FY17 OPERATING BUDGET**

Interim President Sanchez stated when the Operating Budget is developed every year, the College goes to the Legislative Session and at the Legislature issues such as Capital Outlay Requests the Funding Formula are discussed. Even though there is a Funding Formula that is used to determine the amount of funding the College will get, the Legislative Finance Committee (LFC), the Department of Higher Education (HED) and the State Budget Division have a copy of it. The State Budget Division is the executive for the Governor's technical staff on the budgets. It is really the LFC and the Executive Budget Analyst that develop it based on the criteria that they need to follow so they might tweak the amounts. When the College goes to the session then it is usually arguing for one of those recommendations. The College goes through that process, House Bill 2 gets amended and signed and the College then has the numbers that it knows that the College has to live within when building the Operating Budget. The College goes through the process and then develops an outline of all the different departments under each of the Deans, puts a schedule together and everyone is invited to come in to talk about the Operating Budgets and it give them a sense of what the College is dealing with and it also gives both sides an opportunity to ask questions. Just because the College is sitting down and working with folks on the budget does not mean necessarily it has all the answers of what they might be dealing with or what they are hearing from, especially grants. What the College does is usually say to everybody is that they reserve the right to bring them back if some of the changes need to be discussed. This year, the College said that and there were only a couple of people that had to be brought back in for clarification.

Interim President Sanchez stated some of the challenges the College had in terms of working with the budget were:

1. Reduction of \$65,000 in FY 16 State General Fund Appropriations in the current year. This is a big deal because this means the College has to take money away that the College would have had left over at the end of the year to start the budget.
2. Reduction of \$355,000 in FY 17 State General Fund Appropriations.
3. Expiration of \$235,681 in Title V Funding - Advance Program - September 30, 2016
4. Expiration of \$344,187 in Title V Funding - EXITO Program - September 30, 2016

Between the two of these, the College is at approximately \$580,000. The reason Interim President Sanchez pointed out the Grants as being an important issue is because this funded quite a few positions in the hallways, especially in the areas of Advisement and Recruitment. The College had to work these into building the Operating Budget. There are a lot of challenges, they are cutting the College over \$400,000, and there is \$500,000 plus of other funding that is going away.

5. Increase of \$200,000 in Liability Insurance Premiums
6. Increase of 8% in Employer Medical Insurance Premiums
7. Increased Accreditation Costs for College of Education and College of Nursing

Interim President Sanchez stated when you are a four year institution and if your colleges are not accredited, they do not carry the same clout, they do not have the same respect in the hallways of the academic institutions out there and in many cases if your college is not accredited at the bachelor level you cannot go to graduate school because they will not honor it. This is a big deal for the institution and the College has been through the process now of getting the budgets aligned so the College can get those costs into the operating costs. The College will get a little relief for the next few years going forward on accreditation costs because the College has gone through quite a lot of the colleges being accredited now. Other than the Associate's Program for Nursing and the Institutional Accreditation, the College will finally get some breathing room on it. This was a big issue for the College as an institution in order for the College to have the credibility that it wants with other academic institutions, the College needed to go through that process.

Interim President Sanchez stated in his opinion all these items were challenging in building the Operating Budget because the College does not want to cut if it does not have to, you do not want to lose positions if you do not have to. The College worked really hard to try to address this. The other issue is, the College does not want to raise tuition because the students are going to be saying how much it is going to be raised and this will be discussed. The College is trying to challenge all of this and it is going to become a challenge.

Regent DeHerrera asked regarding the Grants that are expiring if the College did not have a possibility of renewing them. Interim President Sanchez stated the College generally has an opportunity to renew Grants, in some cases it ends on Friday and you can apply on Monday. In other cases they say you have a one or two year waiting period and in some cases it expires and it is gone. In the case of these two, the College has a two-year waiting period on one and the other is a one-year waiting period. The College has to sit out, wait and reapply. Regent DeHerrera asked if it is as soon as the waiting period expires. Interim President Sanchez stated this is correct.



Interim President Sanchez shared with the Board of Regents what the College wanted to do with the Budget.

1. Estimated Flat Enrollment for FY 17 (2016-2017)

Interim President Sanchez stated historically what has gone on at the College, and everyone is aware of it, is there have been some pretty good reductions in enrollment. It is up to the College to work on that issue of bringing people back to the College and at least try to maintain a flat level budget. That is a big issue in terms of a commitment. Interim President Sanchez stated there is no room for the College to be below that. The College is going to work hard to make it flat and the College has been meeting for weeks with the different individuals involved and they are working on it. Interim President Sanchez stated in times when the College has guessed on an enrollment for the fall and if it comes in too low, the College will be looking at all those numbers in the August timeframe and the College always pulls back to make sure it lives within the budget. This is not a difficult thing to do, it is not a fun thing to do but it is doable and the College has plenty of notice to hit it on the front end rather than during the school year.

2. Prioritized Preservation and Enhancement of Academic Programs.

Interim President Sanchez stated from the College's prospective this was one of the main goals. There is a point where you need to start investing in those areas. The College has taken the time over the past five years to work on the administrative structure because that was important to address the financial issues and this will probably be the first year in many years, the College has a positive fund balance. That being said, this is a good thing but the College is not at the point it needs to be at but it is on a good path.

3. Addressed Accreditation Driven Staffing Requirements

Interim President Sanchez stated one of the issues that comes up a lot is it is cheaper to send my kids to the Community College instead of Northern because your tuition has gone up so much. Interim President Sanchez stated the answer to this is that it is absolutely true; the reason is that the College is not a Community College anymore. Statutorily the charge is when you get accredited at the four year institution level, there are certain criteria in terms of staffing levels, your full time faculty per program in terms of the number of Ph.D.'s you have to have on staff, there are a lot of things that are driven and they cost more. The College has the lowest paid faculty in the state on average so if the math is done, it costs the College 6 1/2 times more with professors that are full time with the right credentials than it does with an adjunct. That is not to say that adjuncts are not important because we rely on them. In a two-year institution, Community College, for the most part they rely on adjuncts. The College cannot do this because the College has other criteria, a lot of it driven by accreditation that the College needs to be sensitive to.

4. Shifted Operational Expenses to Available Fund Balances, if Available and Allowable

5. Repurposed or Eliminated Existing Positions to Address Operational Needs

The College moved dollars different places to meet the accreditation needs and to enhance some of the academic programs that the College felt it needed to start addressing. If the College is going to be moving forward, if it has all the accreditation, it needs to start getting with the investment in the academic side of the house and this is what the College is turning to now. The College is in a position financially where it can now start going in that direction.

## 6. Created a Continued Education Business Model for Community Outreach

Interim President Sanchez stated there are 11,000 students that have come through the College who have 90 hours and no Associate's Degree. This tells Interim President Sanchez that there is a lot of opportunity for the College to be offering continuing education courses. The College is going to be flushing those out and pursuing those and the College is going to try to grow that program. The other issue is, where the College has now a small program, the College is putting it in its own fund and opening it up to all the Deans and encouraging them to offer courses under continuing education that do two things: (1) do not conflict with the academic programs they have; and (2) with the continuing education programs the College has waiting lists for programs (weaving and woodworking). There are things the College will continue to pursue for El Rito. In terms of the viability of the continuing education courses there is an opportunity, the College needs to tap into it and will be going down the path to do it.

Interim President Sanchez stated he wanted to address the tuition promise, which has been discussed for a year. If the students came in the fall of 2015 or spring of 2016 the College is saying it is going to hold tuition flat for the next four years or 120 credit hours. The reason behind this is was the College wanted to make sure that the College gave students an opportunity to try to accelerate their in and out of the institution. A lot of institutions within the State of New Mexico, they are really trying to squeeze that down and the College has gone to 60/120 curriculums because nationally we have done so poorly as a state in terms of getting people in and out. Nationally, it has cost students lots of money, lots of student debt and this is one of the big policy issues the State is pushing for the College to try to make this a more economical and beneficial outcome for the students, especially if you get student loans in the process.

Interim President Sanchez stated this is the recommendation but he wanted to share issues with the Board of Regents so they are aware of:

### 1. FY 2016 Tuition Promise Cohort is Approximately 400 students.

Interim President Sanchez stated if you take an average of 1047 and the tuition promise applies to 40% of those people, that means if the College does an increase, those people do not contribute anything because they are receiving a zero cost increase for the next four years and that has a cost to other students.

What the college is proposing is:

1. Proposed Increase of 4.25% of Tuition and Fees
2. Proposed Changes in Course Specific Nursing Fees (Flow Through)
3. FY16 Tuition Promise Student 40%
4. FY17 Incoming/Ineligible Students 60%
5. Net Tuition and Fees Increase =  $0.60 \times 4.25\% = 2.55\%$

Revenue calculations are:

FY16 Tuition and General Fees \$3,000,000



Potential Net Revenue =  $\$3,000,000 \times 4.25\% = \$127,500$

Tuition Promise Revenue =  $\$3,000,000 \times 2.55\% = \$76,500$

Interim Sanchez stated if the College was to propose 5% but in this budget the College is proposing 4.25%, the College will only get 3.2% of whatever the increase is on the \$3,000,000 so the College will get \$90,000 rather than the \$76,500 but in year two it becomes compounded and it would be 2.3% of the 5%, in year 3 1.9% and by FY20 it balances to 1.6% which is all the College will get for every 5% tuition increase the College recommends. That is not necessarily received with open arms. This is a lot for such a small gain on it; this is if 36% of the recipients receive it. If only 30% of the recipients get it, and if Interim President Sanchez stated he is assuming that the number of people that started drops off by half the following year, if it works the way it is supposed to, the College is going to keep students longer because they are going to want to take advantage of that cost savings. Interim President Sanchez is making assumptions because there is no data and without data is hard to quantify how good or bad it would be for the institution. This is an attempt to give an envelope of what it can do to the College.

Regent Powers stated this is a static model and Interim President Sanchez is looking at revenue from the same student base but if you actually saw some enrollment increases due to the program, then those enrollment increases would somewhat offset the loss of the revenue per student with more student revenue. Interim President Sanchez stated the answer to this is yes and no, the reason is yes in that if a lot of people are falling off or a lot of these people coming in do not meet the criteria of at least 12 hours per semester which gives you 24 per year or 120 in four years but if they do not that number could get worse. The hope is that the College is going to make it grow but it could cut both ways. This is the bad thing without data is that you do not know which way it is going to cut and you are making so many assumptions. Regent Garcia stated even with data you are making assumptions anyway because every year is different. It is all around assumptions. Interim President Sanchez at 20%, finally the College will stabilize at 3% so every 5% the College asks the Board of Regents for it is only going to get 3%. There are pros and cons to it and on an administrative perspective, you have to weigh it and it is a tough one to call.

Regent Garcia stated she is worried about the different cohorts coming in every year and every year there is a different tuition depending on what year you come in. Interim President Sanchez stated that is what would happen. Regent Powers stated that is exactly what would happen. Interim President Sanchez stated they would each have a different group of rates and it becomes from an administrative perspective, the way the Banner System is set up, the College would have to have a group of tables and it is a tremendous amount of work, each year as long as the College maintains tuition promise there would be a huge group.

Regent Powers asked if he recalls correctly, the College is not the only institution in the State is doing this. Regent Garcia asked if Regent Powers meant doing the promise tuition, she believes the College is. Regent Powers stated New Mexico State University has a similar program. Interim President Sanchez stated the College's parameters may be different. Regent Powers asked to hear from recruiting to see if this has been helpful to them in their recruiting efforts.

Jacob Pacheco, Director of Financial Aid stated from a Student Services Prospective and from the billing side the Tuition Promise Program adds a layer of complexity to the tuition that is difficult to explain. We know the tuition structure the way it stands is already complex. If you try to explain to a student how much tuition would cost if they were to enroll in the fall, you would not be able to unless you sat down with paper, pencil, a calculator and the catalog. This adds another layer of complexity to it. When you are out there on the road and add it to the mix it makes it difficult to explain tuition in general when it is already difficult enough for a student to understand what they owe right now. Mr. Pacheco stated he has students who go into his office all the time and they want to know what they owe, you really have to sit down and calculate it for them. That

should not be the case and this adds another layer to that complexity. From the administrative standpoint with Banner, we are worried about how things are going to be kept straight. It is going to require expertise from outside the College. Mr. Pacheco has already met with Joe from the IT Department who does the majority of the Banner work and the he is reaching outside of the College trying to figure out how the College is going to build these different budgets within financial aid to be able to award students who have different tuition rates. Currently, the College only deals with one set of budgets to award financial aid. Once the College starts billing with the tuition promise, it will need to be able to have different budgets for the different tiers of tuition being charged. It is a complexity that was not touched upon when the College first came across this. The College was looking at it from the point of recruitment but did not think about all the pieces of the puzzle. Mr. Pacheco doesn't necessarily like it, but without the data, it is tough to say what the long-term benefits of it would be. Mr. Pacheco's gut instinct would say, because he has done a lot of recruitment, he does not see that it would have that much impact for the amount of work the College is going to have to put into this and to the complexity that it ads.

Regent Powers stated that is contrary to the original concept. Regent Powers believed the original concept was if you tell a student coming in that we are going to keep his/her tuition at the same level that it would make it easier for them to figure out what their costs was going to be for their education, they would not have to worry if the tuition was going to be raised 5% this year, 6% this year and 4% this year and by the time they got done and they were seniors, the tuition had gone up 20%. Regent Powers believed the idea was that if the College promised it would keep it at a certain level it would make it easier for them to plan the financing of their education. Regent Powers stated what he just heard is it is not making it easier, it is making it harder.

Kathleen Sena, Registrar stated in regards to the Tuition Promise Program, Ms. Sena agrees with everyone that what the College believed was when the College went out there, it would be able to tell the students that tuition was going to remain flat for them for their 120 credit hours. Ms. Sena stated one of the places the College may have dropped the ball is the marketing side of it. What did the College put out there? By the time the tuition came to be in the spring of 2015, students were already making decisions, beginning freshman, who this would apply to, about where they would be going to school. The College had a very short period of time to move into the schools to be able to say this is what the College has going for the students in the fall. The timing may have been off some in order for the College to push it forward. Additionally, whatever kind of advertisement, marketing the College could do from the end of the spring semester to the beginning of the fall semester for the College to be able to discuss it with the students. Ms. Sena stated she does not know what the College did at orientation to remind the students that they were part of this cohort. The potential is that the College missed the opportunity that may be an opportunity now down the road if the tuition promise program continues. The College will then have a better idea of how to market it or that it can market it. It appears in the schedule of classes and in the front pages, it is not going to print until after the Board of Regents Meeting is concluded and the College knows what the tuition rate is so that when the College does put out the printed schedule to the community it is put out with the right information.

Ms. Sena stated in regards to the complexity of it, she agrees with the complexity of it when someone walks in the front door to whoever they meet and the complexity of the questions that you have to ask the student are: (1) what kind of student; (2) what year they are coming in at and there are a series of questions that whomever that student may come in contact with on the campus would have to know the questions to ask in order not to be able to send the student in the wrong direction. If the right questions are not asked then the administrative side of the house is going to get with "nobody told me" or "why didn't they tell me the whole truth."

Regent Garcia stated another thing is where the College would be dropping the ball is that the students want to sign up for those 12 hours for that semester and the College does not offer those classes. Regent Garcia asked what happens to them.



Regent Powers stated if they do not get to the 12 but it is not their fault. Regent Garcia stated it is our fault as an institution and it opens up another can of worms. Ms. Sena stated the complexity that adds to that and there are ways to manage on the back side of this as well, if you have a student that gets to their 120 hours, technically that tuition promise says 120 hours well they still have maybe 15 hours to go for their degree because they have to pick up the remedial courses on the front end of this which count in their hours, they may have another semester or two that the College would need to make accommodations. When you try to build a structure in a computer you try to be black and white because that is how the rules work. Then all of the sudden you have this cohort of students that the College is going to be able to negotiate and work with them to finish out in one or two more semesters after they finish their 120 and you have to take the Banner rules and redesign the Banner rules. On the front end of this, the marketing piece of it may not have been as robust as the College thought it should have in order for the College to explain it to students.

Ms. Sena asked what the College does at midterms, what does the College do with the potential of a number of students still eligible because they met the criteria but they did not come back in the spring. What on the student services side should have been the College's outreach to be able to communicate with those students and encourage them to come back? At least then there may have been some data to say why they didn't come back, what we did to try to encourage them to come back. Now they will not come into a new cohort because they are no longer considered a beginning freshman.

Ryan Cordova, Athletic Director and Men's Basketball Coach stated he also does a lot of recruiting for the institution and he does see the advantages of the tuition promise. It is not necessarily to the incoming students, it is a promise to the students who are currently here and this is where you will see the number, the College had 98% retention rate between the fall and the spring. Ms. Sena stated it was in the lower 90's. Mr. Cordova stated it is significantly higher than the College had and it shows that the students that are here in the first semester feel a little more valued in a sense that they know their tuition is not going to go up. Mr. Cordova stated he can relate to Mr. Pacheco's side that it is a little bit harder to figure out Banner and a little bit harder to do, but it is doable. If the College values the students it currently has and wants to push forward for them, those are the students that need to be addressed. This is a promise that should the students get in a situation to get to 120 credit hours, maybe it could be amended so the College can work with them, perhaps a tuition waiver. This shows our commitment to students who have spent four years at the College. Mr. Cordova state that the retention rate is not the only thing, first year experience has a lot to do with it and in Mr. Cordova's opinion and from discussing things with students they can appreciate that their tuition was not going to be increased over the next four years. When Mr. Cordova stated when he recruits students, like last year, the tuition was \$4,366.00 and it is not necessarily the tuition and fees that make it difficult, it is the additional fees (Blackboard, credit hours, etc.). Each student is special in that case and this is where Financial Aid has to refigure this out with a calculator because they fall under a different category. However, that number they start with, next year's group can be sold on that amount. Mr. Cordova stated could see where it does have an advantage and these are some of the things coming back from the students the College currently has. This is designed to retain students not to make them feel every time they turn around tuition and fees are going up and it is more and more unaffordable.

Regent Powers stated if the College does keep this in place, it will need to determine if it will be kept in place in future years sooner than the budget timing. What the College is saying is this decision needs to be made far enough ahead that you can actually go out and talk about it when recruiting and know that it is going to be in place for those students coming in the fall, much earlier in the cycle than today.

Regent Martinez asked what the effect would be if the College just suspended for incoming students, not current students. Interim President Sanchez stated if you were to suspend it going forward, the way the College built the Operating Budget, it is not an issue this year because they have already been accounted for. It does not affect the budget, as it has been prepared. The good thing about it would be the collection of data and better preparation as the College went forward if the College was to pull it back on the table. It would not hurt in terms of the way the budget was prepared because the College was already planning for it for the cohort of FY16 coming back in FY17.

Regent Martinez stated his concern is with flat funding and the money coming from the Legislature and continuing for more students, would the College be shooting itself in the foot. Regent Martinez understanding it is the College is running it pretty thin everywhere else and it is not spending extra money. To make up for the amounts the College would lose, 2.5% every year until who knows when, Regent Powers does not if the College could meet its budget.

Regent Powers stated his thought is if the College suspends it and discontinues it going forward, the College is obviously going to honor the promise made to the students who came in this year and it does not have any impact on the budget this year or going forward. To suspend it, you are not going to get any data because the program is not going to be in place. Regent Powers does not know if the College could collect any data on it. If it is suspended, if the College goes in a different direction then to try to double back and try to put it back in to place year after, so the College has students that came in with it and then some who came in with out it, it is not going to work. Regent Garcia stated it is either or. Regent Powers stated if the College has any interest in keeping this in place and having it in place in the future, the College needs to keep it in place again this year. If it is discontinued it is gone forever. It sounds like there are some mixed impacts, obviously there are some downside on the revenue and some upside to the retention and maybe some upside on recruiting if the College had the right information out there and was using it to the best of the College's ability. Regent Powers stated if it is suspended, the College might as well kill it, it will not come back.

Interim President Sanchez if the College continues going forward, he would like to make sure that the Board of Regents knows that essentially then the College will be doing increases each year that will be higher than what the College is going to be getting. Regent Garcia asked for clarification. Interim President Sanchez stated if the College continues going forward and Interim President Sanchez says he needs 2.3%, the College will be telling everybody the College needs a 5% increase to get 2.3%. If the College continues at only 36%, not the 38% and loses half of those each year, by the time the College gets to year 4, the College is only getting 1.6% of that 5% increase. It presents a conundrum. It is not a good problem, it presents the problem that the College is painting itself into a corner in terms of future increases because there is no way the College can even skip a year without giving that whole group another four years with no contribution to inflation or increased costs in spite of the fact that the College might be losing money from the State. It is a risk.

Regent Powers stated there is no doubt it is a risk in terms of future revenue. The one thing this model does not take into account is increased revenue from each incremental student that the College keeps or adds. There is no credit given for that and one of the things the College has heard in the past is that it has plenty of capacity. Regent Powers was talking to a College President and asking how his enrollment was doing and he said he does not have to worry about it because he is capped. We have as many applications each year as we have capacity total. He does not have any issue with enrollment. Here, the College has plenty of capacity and needs to attract more students and if this can attract more students or keep more students, we need to certainly at least give it another year where the College would try to take advantage of it a little better. If it had some impact this year and the College was not really utilizing it effectively, Regent Powers is not sure what kind of impact it would have if the College actually utilized it effectively. As Interim President Sanchez stated it is the data, the College really does not have any data and it has not been focused on it as well as it should have been. Regent Powers stated he does not know how much harm another year



would do but he does understand the longer it is kept there is a cumulative impact. Interim President Sanchez stated if you do it for year it will be built up by FY18. The College will see on a 5% increase, 2.3% that year, which is assuming the College, looses half, if it looses half. Regent Powers stated then the College drops to 1.9% and then to 1/6% at flat. That is the full implementation. That would be a four-year cycle.

Regent DeHerrera stated the Board of Regents has to decide and she knows a tuition increase is going to hurt the College; it is going to pretty much kill the College because the College is barely floating as it is and to throw that out there, the College is going to suffer. This is not even the option of what the Board of Regents is discussing. The College has already done it for a year but it will not know numbers until you see numbers. If the Board of Regents can't even look at that to decide yes or now, the College needs to give it a little more time to see what the outcome will be.

Regent Garcia stated what she is hearing from the Board of Regents is that they want to keep the tuition promise for the next year, whether the Board of Regents raises it or not for the next year. This is just if the Board of Regents is going to keep the tuition promise for the next incoming promise. Regent DeHerrera asked how many students are on the promise. Interim President Sanchez stated approximately 386. Regent DeHerrera stated in all reality the College made a promise that it is not going to keep it. Regent Garcia stated those would be kept. Regent Powers stated the Board of Regents is talking about moving this forward to next year, the same promise to next year's students. Regent Garcia stated whether the Board of Regents increases the tuition or not, they will have the same promise. Regent Powers stated that his contention is that if it is suspended this year, the College does not continue it. Regent DeHerrera stated either you do it or you don't. Regent Powers stated he is worried about making a decision to suspend it without really having enough information about whether it has been effective or not. Regent DeHerrera stated the Board of Regents needs to see it, it needs to see numbers to know if it is working or not. Regent Powers stated the numbers the Board of Regents has in terms of the impact on the tuition revenue, those are accurate for what they are but Regent Powers stated they do not take into account the impact the College needs to get a measurement and whether it is helping with enrollment, helping with retention, helping in other areas. Regent Powers stated he feels like he is making a decision with a blindfold on and he does not like to do that.

Regent DeHerrera asked of those 386 students when the tuition was started. Interim President Sanchez stated in the fall. Regent DeHerrera asked if the College retained all those students. Interim President Sanchez stated the College gave it to students in the spring that were eligible. Regent DeHerrera asked if the students in the fall to spring were retained. Interim President Sanchez stated he could not tell the Board of Regents that with 100% certainty. Regent Garcia stated the percentage was higher that the College retained. Interim President Sanchez stated if they did not take 12 hours in the spring, in the summer, as they are getting 24 a year, we would not want to hurt them or maybe they had to drop a class. Regent DeHerrera asked if in this sense are they able to jump on the plan again or is that it. Regent Powers stated if you do not get 12 a semester, you are off of it and your tuition reverts to the going rate. It is like the Lottery Scholarship, you fail to qualify, and it is gone. Regent DeHerrera asked what happens if a class does not make in the spring and pushes into the fall. Interim President Sanchez stated these are the issues the Registrar was talking about that the College could work out and would have to work out. Another example discussed was what if they had 6-9 hours of developmental courses, would the College want to penalize them for that, would the College want to entertain down the road an opportunity to take those out of the pickings and give the students the lower cost because the College said 120 hours toward the degree and even those are toward the degree, they have to have the prerequisites to get towards the other ones, these are things that could be entertained down the road.

Regent DeHerrera asked how many new students were put on the plan this spring. Henrietta Trujillo, Director of Financial Services stated the fall was approximately 380; the cohort for the spring, the College is building that data now. A lot of the questions coming up when trying to build these tables is if someone has 12 billed hours and they meet that criteria and in the spring they drop to 9 so then in the fall they drop to the 9

and go to the higher rate in the fall but they still have not met their 120 hour criteria so if they come up to 12 again, would the College count them in again? There are a lot of gray areas. Regent Garcia stated it really depends on if it is the College's fault. Ms. Trujillo stated it is a lot of manual intervention. Regent DeHerrera asked if there are a lot of people getting involved with the fact that they have to make sure and keep those 12 hours. Ms. Trujillo said they are.

Regent Powers stated if the Board of Regents decides to keep it in place for another year, the Board of Regents needs to get some study done and needs to set a date sometime in the fall where the Board of Regents will get that information and determine whether the Board of Regents is going to continue it the year beyond. It has to be done in October or November rather than in April. Regent Garcia agreed. Regent Powers stated if the Board of Regents is going to do it, they need to commit to looking at it very carefully between now and sometime in the fall and make a determination if it is kept any further. Regent Powers stated his personal opinion is the College needs to give it a little more of a chance and look at the benefits and costs in terms of administration.

Regent Powers asked Regent Martinez for his opinion on this and if he agrees if it is suspended it is probably dead. Regent Martinez stated he does not necessarily think if it is suspended, it is dead. He believes it is a good program his concern is when you crunch the numbers and deal with the reality that the College is not getting as much money and will probably not get as much next year from the Legislature, the College may fall into a shortfall the longer the program is going. Regent Martinez also agrees you cannot throw it away after the first year. Regent Garcia stated the College is not going to get as much, it is going to get cut again next year. Oil prices have not gone up, they are not going to go up, they are going to go lower. Regent Martinez stated you cannot expect costs to go up when we have already cut what we can cut and there is only one other program that can be cut at the College which is athletics and if you do not raise revenue along with cuts and the College has already done its cuts, then the College is not going to be able to have a budget that works, that is going to bring a quality education at a quality facility for the students. This is Regent Martinez concern. Regent Powers stated he thinks the big ace in the hole and the hope is enrollment. The other institutions in the State, their enrollments have not dropped like the College and Regent Powers believes the College has a better chance to add enrollment than the other schools do since it has dropped so dramatically. Regent Martinez stated if the enrollment stays flat or dips there is no way this program can work moving into the future. Regent Powers agreed. The College needs newer people showing up that are going to pay the higher number. Regent Garcia stated the College cannot because it does not have dorms. Regent Powers stated more new people. Regent DeHerrera stated if the College does a tuition increase she is certain it is not going to stay flat.

Regent Garcia asked that the Board of Regents vote on whether or not to keep the tuition promise for the fall and the spring. Regent DeHerrera asked if the College could just do the fall and measure at that point. Regent Powers stated if this is studied and the decision is made before the spring semester starts, the Board of Regents could terminate it effective then. Regent Martinez asked if it has to be for the fall and spring, could it not just be made for the regular spring, you show up at fall, you are locked in and if you start in the spring you are going to pay the higher rate until you come in the fall. Interim President Sanchez stated it is not exactly how it was applied and that was an issue of confusion. If that is the direction, only fall students coming in, those are the clarifications the College needs to know. It was not clear enough for the College to ignore the fact that the incoming spring people might be eligible. If that is the direction, then the College could clarify it.

Ms. Sena stated when the College starts to do this it raises a concern because you see what happens in the Lottery Scholarship for so many years. You hear it every year when you go to the Legislature. When they talk about should we give a student a year to stay out of College and be able to be eligible for the Lottery? What if a student is eligible for the Lottery but something comes up and they are not able to attend



the fall semester? It is a circumstance beyond their control, they are not able to but they come back in the spring. Based on rules, regulations, etc., they are not eligible for the Lottery Scholarship if they have to come in the spring. Ms. Sena would hate to see the College add that complication to what the College could potentially market is for students coming in for the academic school year of 2016-2017 which includes fall of 2016 and spring of 2017 that would be much easier for the College and the College does not fall into the gray area that people fall in all the time and have to help people understand which is what happens with the Lottery Scholarship. The other complication that could come down the road because the College is going to work to increase enrollment on this campus, people are committed to doing this, it has not been taken into consideration but we have to be able to develop completely that strategy but if the College could go out and market it for 2015-2016, the spring of 2016 threw a hiccup in it for what the College was going to do but if the College says 16-17 because we are going to commit to trying it for one more year and have really good data, the College benefits itself better than getting into the turmoil the Lottery Scholarship does when students are not eligible for it then in the spring if they were not able to attend in the fall and sometimes the College has seen students come in in the fall in order to be eligible for the Lottery Scholarship, it is a disaster for them, they lose it anyway, they lose the incentive for wanting to be able to go to school, they have an academic record that is hard for them to be able to pull up from. If the College was going to be able to encourage students and be able to say we understand you just got out of high school and know that everything is not put together, however, we can help you establish that for the fall and get your financial aid done and you do what you need to do and be able to come in the spring. Ms. Sena stated her hope from a marketing standpoint would be if the Board of Regents continues the tuition promise program so it would be done for the fall of 16 including the spring of 17.

Mr. Pacheco stated now that the Lottery Scholarship was presented, students who come to the College who are eligible for the Bridge Scholarship for the first semester and bridges them to the Lottery Scholarship, the College has between 30% and 50% of those students who lose their eligibility to gain the Lottery Scholarship the second semester. This scholarship, \$750 in their first semester is an incentive in itself but down the road they know if they finish their 15 credits and keep a 2.5GPA they will gain the Lottery. The College has had semesters where 50% of these students lose their eligibility for the Lottery Scholarship and that is despite all efforts to educate them on the eligibility requirements. Regent DeHerrera asked if this is because of the credit hours they dropped. Mr. Pacheco stated credit hours, GPA, weak academically. Regent DeHerrera stated 15 hours is a lot, it is a big requirement to put on them, a brand new freshman and to keep that going is hard. Mr. Pacheco stated especially when you consider a majority of students come in at below college level math and English. This bit of data is relevant to this. The College should have 95% students gaining the Lottery but this past fall about 32% lost their eligibility.

Regent Powers stated the Board of Regents would keep it in place for one more year, study it, get data and review it in October. Regent Garcia stated this is correct. Regent DeHerrera stated there are not a lot of new students in the spring, so if there was only a trickle it would apply to students in the spring. Regent Powers stated what the Board of Regents needs to make sure that happens is whatever the Board of Regents decides in terms of tuition levels for next year, the story that gets out to the public that tuition is being raised whatever percent but that will not impact those students that are on the promise. This may actually be a good way to start the marketing for the next year. The College will be able to say there are a number of students who will not see an increase in tuition. This is one way to market it for next year. Regent Garcia asked for a motion to keep the tuition promise for the incoming students 2016 fall and spring of 2017. Regent Powers stated this is within the parameters of the budget.

**Regent Powers moved to keep the tuition promise for fall of 2016 and spring of 2017. Motion passed unanimously.**

Interim President Sanchez asked if he could present the Board of Regents a list of criteria at the next Board of Regents Meeting so the College is clear on the administrative side and it could be done in the form of a memo. Regent Powers stated it needs to be done and approved by the Board of Regents. There are at least 15 different perceived iterations. Interim President Sanchez stated this would ensure everyone is singing off the right sheet of music and this is where there was confusion.

Interim President Sanchez reviewed:

1. Exhibit 1 (attached) summary of Current Funds and Plant Funds, which will be submitted to HED. Interim President Sanchez stated on page 4 of Exhibit 1 (attached), when looking at the numbers in terms of the ending fund balance, the College is guesstimating the ending fund balance to be \$644,000. The College is ending the year positive but it is reinvesting some of these because the College was trying to retain as many of these positions because they were very important and that came out in quite a few discussions.
  2. Exhibit 2 (attached) Summary of Instruction and General that roll into Exhibit 1, which is for the whole institution. Interim Sanchez reviewed all pie charts (attached). Total revenues proposed \$25,444,242, \$18.5M is Unrestricted and \$6.9 Restricted. Total Expenditures are Unrestricted \$18.9M and Restricted \$6.9M.
  3. Expenditure Comparison (attached), which reflects how the College has increased the investment in terms of the budget (FY16 in blue, FY17 in red). This year the College is estimating \$4.6M in expenditures in Instruction and budgeting \$5.1M, again, talking a lot about focusing on the academic side of the house. This is why you see the increase and it also went to meet the requirements for staffing for accreditation. These were important that the College focus on the academic side of the house. Moving forward, the College will focus on the academic side. There is a lot now that is going to be fun because the College has to get the administrative house to be positioned to move forward and the College will see how it all starts coming together. Regent Powers stated this is basically bumped up \$500,000 in a year where the College has less money coming in than last year. Interim President Sanchez stated this is correct. Regent Powers asked Interim President Sanchez where he is getting the money. Interim President Sanchez stated it is primarily coming from two sources. The fund balance, the \$644,000, the College is taking a portion of that and is reinvesting it into the institution and it is in the areas if the College does not have those types of services to support, the College will loose more ground. The College has had a significant loss in those federal dollars that helped the College do it is in the grants. These are the two areas that are shifted, the College took some from fund balance and the College took some positions away from activities that the College felt this is a higher priority. Regent Powers asked what comprises Institutional Support. Interim President Sanchez stated Institutional Support will have things like administration, insurance costs, most of it is insurance, the President's Sabbatical, some things in there that the College needed to cover. This gets a little skewed. In terms of the instructional aspects of it, that is really where the lion's share of the investment comes. Next year, if the insurances stay flat, and the College is past the sabbatical cost, the College is on to a level unless there are bigger cuts at the State level and there will be more discussions.
- Regent DeHerrera asked what the turn around for the Grants that expire in September. Interim President Sanchez stated September 30th and the College has to wait one year for one and two years for the other.
4. Transfers In (attached) - the College transfers approximately \$1.6M out of revenues back and forth, Unrestricted \$1.580M and Restricted \$78,708.
  5. Tuition rates (attached) if approved by the Board of Regents, which includes a 4.25% proposed increase.



6. Tuition/Fee Comparison (attached). The College has a good value in terms of what it costs for a four-year education. The College has very good instructors, low faculty to student ratios, there are a lot of services the College provides students to help them be successful. From Interim President Sanchez perspective, it is a good economic value and people need to take that away when looking at this. The College's tuition per semester as of March is \$1,496.28. When comparing the College to what is being paid at other institutions, it is a good value. In terms of the increases some of the other institutions saw, NMSU did not give an increase but they had to cut \$10M in their Operating Budget, the College did not cut anything, in the Grants there are still a couple of positions the College is still trying to work on to absorb those bodies into the operating budget or they have been paired back a little. The College is not letting go of people but there are a couple of positions that had to be paired down and the College is going to look in the new year to see if it can do something. Interim President Sanchez does not want to see the College lay off anyone if it does not need to. UNM had a 2.1% increase and an increase on fees. Regent Powers stated they also raised a lot of their branch college tuitions except for Taos. Regent Powers stated it is hard to compare. Interim President Sanchez stated it is an apple and an orange; you can never compete a four-year institution with a community college. The College will always loose that argument hands down because the College has through the accreditation requirements a need to staff at the doctoral level or a certain number of full time faculty per program. Regent Powers stated CNM did raise their tuition even though they have the Mill Levy. Interim President Sanchez stated Eastern and Western raised theirs by approximately 5%. The College is pretty reasonable, the College was trying to be sensitive to the issue of the people that were going to be loosing jobs but the College needed those people that were going to loose their jobs and the College wanted to focus on the academic side. The College is a four-year institution and the College has to be going down the road. Regent DeHerrera stated the only way it would work is if you would give the tuition decrease for the Associate's Degrees that the College would offer. This has been thrown out as a topic and an item that could be considered if possible. Interim President Sanchez stated that this is an issue that he has already had discussions about. There are a lot of pros and cons to it and it is something that will need to be discussed. One of the biggest reasons for this is every four year institution has a feeder Community College, the College does not. It is because the College used to be a Community College. The College is going to need to come up with a way to start going down the path, for example, NMSU has Dona Ana branch on NMSU, and at some point the College will need to go down that path. It is easier said than done and you need to make sure you strategically look at that and that the College evaluates what the pros and cons are because there are pros and cons.

Regent DeHerrera stated she imagines there are more pros than cons in that area when you look at all the surrounding high schools that are around here because of that exact reason, eventually the College would have a higher enrollment if that were the case. Interim President Sanchez stated he thinks the College can absolutely grow the enrollment in that case but the trade off is if say the College is charging \$125.00 per credit hour more or less and the College has to drop it to \$80.00 to be competitive with the Community Colleges, that means, if that is a 40% drop and the College has to increase enrollment by 40% because it has to balance out. That is the risk and those are the things the College is exploring and asking questions about because you have to really lay out strategically how you might want to step in that direction and what the pros and cons are. This is a topic of discussion the College will be having down the road and internally the College is already discussing the pros and cons.

Regent Garcia stated Interim President Sanchez is proposing that the College have a 4.25% increase. Interim President Sanchez stated this is correct and it only generates \$76,000. Regent Garcia stated the rise in tuition for students coming in approximately \$29.00. The difference would be \$29.00 per semester. Interim President Sanchez stated actually if you take between 12 and 18 hours per semester, the 4.25% increase amounted to \$96.86 with tuition and fees. Regent Garcia asked if it would be less than \$100.00 more. Interim Sanchez stated less than \$100.00 per semester. The College was trying to keep it reasonable and the College has to be working toward a fund balance. The College left some in there for a fund balance,



it does not meet the 3% requirement but if the College watches the line going forward next year, hopefully the College gets closer. Regent Powers asked if this is based on a flat enrollment. This is another major assumption that it is based on a flat enrollment. Regent Powers asked when the last time was the enrollment was flat. Interim President Sanchez stated it has not been for the last five years; it has been in the double-digit reductions. Regent Powers stated any kind of drop in enrollment would have a corresponding negative effect and the College would have to figure out how mitigate it. Interim President Sanchez stated it would have to be done immediately in August. If the numbers come in lower, the College is being optimistic and all the College wants is flat. Regent DeHerrera stated if we do an increase they are going to come in lower anyway. The College is going to get thrown under by the Sun. Regent Garcia stated they will not put down that we are having the tuition promise. That is the problem of the media. They will not give the good side of the College saying the College has the tuition promise.

Regent Powers stated the College needs to make sure whomever we are talking to and whoever is talking to needs to make sure they drive that home. This is an increase in tuition, this is the state of tuition but they need to be reminded that the College has this tuition promise program. Regent Garcia stated her thought is that the College is only going to be bringing in \$76,000. The College is already getting cut \$1M for next year. The \$76,000 is not going to help. Regent DeHerrera asked then why do it. Regent Garcia stated this is her point. Regent Garcia asked if the College going to have is \$76,000. Regent Powers stated he knows what Regent Garcia is thinking and he has thought the same thing but if everything was kept the same and the College did not raise tuition, the College would only have \$100,000 fund balance at the end of the year. Then you look at the graph next year as of March 17 and you see the tuition and fees are much lower than the next one and if there is a revenue shortfall, what does the Board of Regents do, it raises tuition 8% or 9%. The College did this a few years ago and Regent Powers stated he could probably take the blame for it where the College did not raise tuition and the following year the Board of Regents raised it for both years. The bottom line is the College is being cut at the State level, the College has some Grants going away and costs are going up. Interim President Sanchez did a great job of outlining all those revenue adjustments the College has had and Regent Powers stated there needs to be some shared burden. The staff took a hit, got rid of some positions, asked people to do more in their position. The State cut funding and the Regent Powers stated he believes the tuition needs to be raised some amount to at least attempt to recover some of that lost revenue and increased costs. Regent DeHerrera stated if it were raised, the College would not get the enrollment it is looking for. Right off the bat, the College is loosing to other schools, but if you raise it right off the bat they are not going to consider it. Are you going to take into consideration if it is raised, people are not even going to look at the College or does the Board of Regents not raise it and take that chance that there are new degrees that are being offered that there are going to be more students that are going to be interested in coming to school at the College. If that's the case, they are raising their tuition so do I even want to consider it or am I going to go somewhere else and get a cheaper tuition rate, get my Associate's Degree and come back and spend the tuition at a four year college that I should be spending to receive my Bachelor's Degree. Regent DeHerrera believes the College is going to loose a lot, it is going to get out there. It is not much if you compensate a higher enrollment; hopefully that is where it will be. There are other degrees that are being offered and it is not a big slam in the College's facing stating they raised the tuition again, now it is really affordable.

Regent Martinez asked if tuition is not raised, where the money would be made up. Interim President Sanchez stated positions would be cut. Regent Martinez stated you are going to put somebody out of their job on a hope that the College will get more students to make up \$75,000. Regent Martinez asked if this is what Interim President Sanchez is saying. Interim President Sanchez stated this is what he would have to do. Regent Garcia stated at least two positions. Regent Martinez stated he would totally be against putting somebody out of a job when you are talking about less than \$100. The only other thing that you could do if you do not want to raise tuition is to cut the Athletic Program. That is the only thing Regent Martinez sees that the ax has not been taken to. Regent Martinez is not for cutting the Athletic Program but he is 100%



against losing somebody's job. Regent Garcia stated if you cut the Athletic Department then that is a couple of people, that 11% of graduates. Regent Martinez stated except it costs the College almost \$500,000 to run Athletics at the school every year.

Interim President Sanchez stated that he does not believe Athletics is the place to go. There is no way to skirt around the issue of not addressing the issue of tuition increases or fees over time. It is not prudent to ignore that as an option. The long and short of it is if you look at historically what the College has received in General Fund Appropriations over the last year, the College has gone down over \$2M. If you do not read the writing on the wall it is going to be an ugly eye opener as the College gets down five more years down the road and maybe \$76,000 does not sound like a lot but those dollars are important. Interim President Sanchez has been at the College 5 1/2 years but it goes back longer, people have not seen increases at the College except for a 1.5% or a 1% that the State gave. There is a point in time in Interim President Sanchez view that there has to be some consideration to the fact that people have to make it from day to day. There are inflationary costs that come into play; it affects them just like it does a business like a College. Interim Sanchez gets real concern about tossing this issue of no increase out there. On this tuition promise whether the Board of Regents likes it or not, you paint yourself into a corner of having to have an increase every year or you get nothing going forward. Interim President Sanchez does not have a problem with collecting data; it is good for the College to have it. He is pointing things out because that is what his job is to do is to point these things out to the Board of Regents as decision makers. To ignore an increase just because it is \$76,000 in Interim President's Sanchez view is probably not a good thing.

Regent Powers stated the other thing is if you are not going to raise tuition and you are committed to not raising tuition at all then the College does not need the tuition promise because it is not going up. There is no value to promising you are not going to raise tuition because you are basically promising you are not going to raise it to anybody ever. To not raise tuition as costs go up and other revenue goes down is just ignoring the inevitable that you are going to have to do it at some point in time. Regent Garcia stated and double or triple it. Regent Garcia asked for a motion.

**Regent Powers moved to approved the budget as presented which raises tuition and fees by 4.25% for the next cohort and keeping in place the tuition promise for this coming budget year.**

Regent DeHerrera asked if the Board of Regents did not already vote on the Tuition Promise. Regent Garcia stated the Board of Regents did but the increase needs to be added. Regent DeHerrera asked if the Board of Regents could separate the two. Regent Powers stated the tuition promise was discussed and voted on and it is really part of the Budget as a whole. It was a major component.

**Roll Call Vote: Regent DeHerrera - No, Regent Powers - Yes, Regent Martinez - Yes, Regent Garcia - Yes. The motion passed 3-1.**

Regent Powers stated he is not absolutely blindly committed to the promise program but does believe that the College needs to study it a little further. If it is going to be killed in the future, the College needs to kill it for the right reasons and with the right supporting data. If the College is going to keep it, the College needs to keep it for the right reasons and right supporting data. Regent Powers believes it needs a fair hearing and it has not been given a fair hearing yet.

Interim President Sanchez reviewed the flow through charges for the Nursing Department. Every year they are adjusted and a lot is driven by regulatory requirements that Dean Trabka has to follow. In some cases some went down and some went up. They are essentially a flow through from the students. Ellen Trabka, Dean for College of Nursing and Health Sciences stated these few that are based on the clinical requirements that all students have criminal background checks, drugs screens, it used to be done once a year for students

and now it is required every year for the Associate Degree students and also added are Malpractice Liability to some clinical courses in the Baccalaureate Nursing Programs. These are the new fees, the capital challenge is a civic thing the students participate with the legislature every year and it went up \$5.00 and the student lab fee was lowered. It was flow through.

**Regent Powers moved for approval of the College of Nursing and Health Science fees, effective August 15, 2016. Motion passed unanimously.**

**The Board of Regents took a break at 3:50PM and returned for Executive Session at 4:00PM at which time they entered into Executive Session.**

#### **XI. 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
  - a. Claims from Former Employees
- (4) Real estate acquisition or disposal.

Pursuant to provisions of NMSA 1978, Section 10-15-1(H)(2)(5)(7)&(8).

**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). The Board of Regents entered into Executive Session at 4:00PM.**

#### **XII. POSSIBLE ACTION ON EXECUTIVE SESSION**


**Regent Garcia moved the Board of Regents return from Executive Session. Roll Call Vote was taken – Regent DeHerrera – yes, Regent Garcia – yes, Regent Martinez – yes. Regent Martinez stated the only items discussed were pursuant to Section 10-15-1(H)(5). No action was taken. The Board of Regents returned from Executive Session at 4:52PM.**

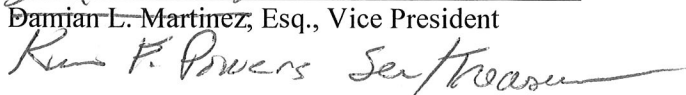
#### **XIV. ADJOURNMENT**

**Regent Garcia moved to adjourn. Motion passed unanimously. The Board of Regents Meeting adjourned at 4:52PM.**

APPROVED:

  
\_\_\_\_\_  
Rosario (Chayo) Garcia, Board President

  
\_\_\_\_\_  
Damian L. Martinez, Esq., Vice President

  
\_\_\_\_\_  
Regent Powers Secretary