

**NORTHERN NEW MEXICO COLLEGE
BOARD OF REGENTS REGULAR MEETING
NOVEMBER 3, 2017**

I. CALL TO ORDER

A regular meeting of the Board of Regents of Northern New Mexico College was held on Friday, November 3, 2017, in the Boardroom of Northern New Mexico College, Espanola Campus. Regents present: Kevin F. Powers (Via Conference Call), Rosario (Chayo) Garcia (Via Conference Call), Damian L. Martinez (Via Conference Call), Dr. Robert Rhodes (Via Conference Call) and Joshua Martinez. Board President Powers called the meeting to order at 8:33AM.

Northern New Mexico College staff present: President Richard J. Bailey, Jr.; Ricky Bejarano, Interim Vice President for Finance & Administration; Dr. Ivan Lopez Hurtado, Provost & Vice President for Academic Affairs, Chris Trujillo, IT, Alex Williams, Business Office, Senior Financial Analyst, Mohammad Ali Musawi, Staff Writer/Reporter, Jimi Montoya, Director, IT, Sandy Krolick, Creative Director, Communications & Marketing, Evette Abeyta, Budget Analyst, Ryan Cordova, Athletic Director/Men's Basketball Coach, Carmella Sanchez, Director of Institutional Research, Donna Castro, Director of Human Resources, Jacob Pacheco, Director of Financial Aid, and Amy Pena, Executive Assistant to the President/Board Secretary.

Faculty Present: Dr. David Torres and Charles Knight

Others present: Barron Jones, Rio Grande Sun, Tim Crone, Jake Arnold, Dr. Hugh Prather (Via Conference Call).

II. APPROVAL OF AGENDA

Regent Garcia moved to approve the Agenda as published. Second – Regent Damian Martinez. Motion passed unanimously. Board President Powers stated the Agenda as published is approved.

Regent Garcia asked if the Board of Regents needed to do a roll call vote. Board President Powers stated for those physically present, everyone has to identify himself or herself so those on site can tell who is actually on the call. Board President Powers introduced himself, Regent Garcia introduced herself, Regent Rhodes introduced himself, Regent Damian Martinez introduced himself, Dr. Hugh Prather introduced himself, and Regent Joshua Martinez introduced himself.

Board President Powers welcomed the two newest regents, Regent Rhodes and Student Regent Joshua Martinez. Board President Powers stated this is really a momentous meeting; it is the first time the Board of Regents has had five Regents in 2 ½ years. Unfortunately, the Board of Regents had a couple of instances where people could not make it to the meeting in person. The meeting was actually scheduled to coincide with the Foundation Gala and by doing so that actually prohibited Board President Powers from being here in person as he had travel scheduled. Regent Rhodes had surgery he had planned and he also received a jury notice. Unfortunately, all the Board of Regents cannot all be at the meeting in person but are all on board and will make this electronic communication work and get through the agenda as planned. Board President Powers stated there is an approved agenda and everyone has identified themselves on the call and Board President Powers moved to the next item.

III. COMMENTS FROM THE BOARD

A. Discussion with Dr. Hugh Prather regarding the policy and process of evaluation of the President

Board President Powers stated the Board of Regents visited with Dr. Prather and he is back with new information. Dr. Prather thanked the Board of Regents for the opportunity to work with the Board of Regents again in this capacity and the opportunity to participate telephonically rather than drive up. Dr. Prather stated he sent to Regent Joshua Martinez and Regent Rhodes the materials that were discussed and presented in September. When the Board of Regents looked at the Association of Governing Boards, University of Colleges Presidential Assessment Overview that they had developed and offered, the Board of Regents and Dr. Prather were in a position where at that point they were not conducting any type of evaluation of the President but were simply looking at the proper process and procedures to follow and to put in place for the Board of Regents to then be able to systematically take care of this very important function. Dr. Prather requested the Board of Regents turn to page three of the packet that had been prepared. Dr. Prather summarized the rationale for what was presented and then worked the Board of Regents through the attachments, which were part of the packet and based on the Board of Regent feedback he would either make modifications or let it stand for adoption. This would then put the Board of Regents in a position where they would be off and running with this process. Dr. Prather asked if the Board of Regents had any questions, he suggested the protocol Board President Powers suggest by introducing themselves first prior to asking questions. By doing this Dr. Prather would then know whom he would be responding to and he would then properly respond.

Dr. Prather stated what the Board of Regents currently has is on page 3 (attached) and Dr. Prather has had several sessions with President Bailey who has been most forthcoming and very gracious in working with Dr. Prather to put these documents together. Dr. Prather stated this item on page 3 is way better than nothing but is not compliant with best practices as that which has been proposed. With that said, Dr. Prather asked the Board of Regents to review the post policy which would replace what is currently on that page and then become the policy of the Board of Regents. The first paragraph specifies a timetable that annually on June 30th of each year which will correspond with the fiscal year and at this point provide the Board of Regents a formal date by which they need to act as a Board. It basically has three components that reflect in most ways the Presidential assessment material provided by the Association of Governing Boards. What is has and they are not in chronological order in terms of a calendar year but in terms of a process year, it would really start in January. The main issues deals with the opportunity that the President would have to obtain 360 feedback, that is why the process would have a component of inviting staff, providing an honest feedback of the President using a leadership skills assessment instrument. Dr. Prather provided President Bailey a review draft of the instrument that has been developed by a pair of researchers on leadership, all the leadership practices inventory and although this is not formally included in the policy, it is the type of instrument he would be able then to send out to obtain anonymous feedback. Dr. Prather stated he is not recommending the Board of Regents specify a specific amount, 25% random sample or anything like that, this is something the President in good faith can conduct so he has feedback. When Dr. Prather and President Bailey discussed this he was very interested in getting perceptions of those with whom he works on how his performance is functioning and how he might enhance and improve the performance. President Bailey has had a chance to look at this; it is a highly regarded leadership skills assessment instrument. He may wish to make modifications but the instrument itself would not be reflected in policy because the Board of Regents would not be doing this, President Bailey would be doing it.

Dr. Prather stated the whole process would come together in June. The Board of Regents would hold an Executive Session and this would be a formal evaluation. The formal evaluation would consist of written feedback and would be compiled by using what the Board of Regents would see, that Dr. Prather is recommending the Board of Regents adopt, Amendment A to the policy. This has a whole series of related, appropriated presidential functions assessed by the Board of Regents along with the President's goals. At that same meeting, the policy contemplates the Board of Regents would then approve recommended goals for the following year. For example in June of 2018, the Board of Regents would approve Presidential goals for 2018 and 2019 and some might continue, the strategic work President Bailey is engaged in cannot be cutoff at the end of the year, it would be ongoing. Once the goals were approved they would be included in the modified Agenda A so each year when the Board of Regents is evaluating the President, they are evaluating the President on the goals he has been working on for that 12-month period.

Dr. Prather stated another feature that is not customary but is highly recommended from experience is Item C, during the November meeting; the Board of Regents would conduct an informal formative review of the President's performance. This provides opportunities for correction and would then be a place where in Executive Session, strictly on a dialogue session, the Board of Regent would engage President Bailey in terms of they were impressed with this or they have questions or they like how you are handling this or request less of that. It is that type of interaction that lets the President understand how the Regents perceive his performance. There is a draft document that the Board of Regents does not need to adopt but it is a template for the kind of thing the Board of Regents might want to do.

Dr. Prather paused for questions from the Board of Regents. Board President Powers stated he had no comment. Regent Garcia had no comment. Regent Damian Martinez had no comment but thanked Dr. Prather for putting this together. Regent Rhodes stated he likes the document and the process, the comment he had and he discussed this with President Bailey, the timing of May/June, simply because of the budget requirements from the State, the College has to have everything put together and finalized and approved earlier in the year, prior to the fiscal year. Regent Rhodes wondered if the Board of Regents might want to look at this and say rather than May and June it might be a March and April thing. He stated this based on institution work at other places, not at the College, so he is really now quite aware if it all fits in there. Outside of this, Regent Rhodes likes the process; his only concern is making sure the timing is put where it would fit with the logistics of the institution. President Bailey stated he does not have comment and he understands Regent Rhodes concerns and they spoke about it briefly and this is a decision for the Board of Regents. At the College, it is currently working on how it changes policy. Any decision from the Board of Regents on this would be in terms of the substantive approach and they could iron out the timing of this before actually changing and implementing the policy so there is time to discuss this before it becomes official policy. Regent Joshua Martinez asked if the evaluation of President Bailey at the moment, if it is an official evaluation or if it needs to be approved.

Board President Powers stated at this point there is no formal form for his evaluation and the Board of Regents is guided by page 3 (attached) which calls for an annual review and talks about objectives and timetables and the Board shall set up a schedule and evaluation instrument for review and shall allow the President time. In other words, what the current policy provides for is not as specific as what is being proposed. Dr. Prather stated if he is understanding President Bailey correctly if this was approved today, President Bailey would have the ability at a point to look at the specific timing, the May/June timing that is proposed and work to amend based upon Regent Rhodes observations and his best sense of the sequence of events related to other issues at the campus that would possibly move it to a March/April. President Bailey stated the goal and obviously it is up to Board President Powers and the Board of Regents but President Bailey stated he thinks the goal for Board action at this meeting would be to agree with the substantive content of this new guidance and guidelines for Presidential review and subject to a discussion about the specific timeline and once the dialogue is continued and the timeline is continued by the time the Board of

Regents is ready to change the policy so that it is consistent with the Board's action, the Board of Regents can finalize the timeline and the policy can be implemented. Dr. Prather stated then the work would be to approve the three component evaluation process, the process of a formative evaluation midway between the summative evaluation and the calendar and the opportunity prior to the summative evaluation, formal evaluation for President Bailey to obtain feedback from faculty and staff using an instrument that President Bailey finds appropriate to provide him guidance on helping him to improve practice. This provides the Board of Regents a formal process that will then be in place and can be modified in accordance with what President Bailey shared.

Dr. Prather stated he would like to point out three other features (page 5 attached). This lists what is proposed as the Board of Regents framework for that discussion that would take place in what is currently scheduled as the November formative session. It is given to each Regent and he or she can make their own personal notes about the things they wish to discuss in Executive Session. The caveat to this is that it is to be collected by the Regents President and at the end of the session and shredded. It is not to be placed in the President's personnel file. Formative evaluation is a form of evaluation that offers constructive feedback and is not a documented type of formal evaluation. Dr. Prather asked if there were questions on the form. The Board of Regents was not asked to approve this form; it is something that is made available to the Board of Regents in the session on formative evaluation.

Dr. Prather stated the final piece of work (page 6 attached), is also an Association of Governing Board's set of materials. There is no single way to do this but this has been modified to be a little more consistent and constant with the College's issues. It provides the Board of Regents an opportunity to rate the President on a four-point scale. This is preferred rather than an odd numbered scale because an odd numbered scale provides a midpoint but you will notice that each criterion, each question has the same set of response possibilities. The Board of Regents is given two opportunities to reflect a positive assessment of the President and two opportunities to reflect a somewhat negative or seriously negative assessment of the President's performance in that specific area. Dr. Prather stated he was not going to read each question but he highlighted the sections (1) Institutional Performance - general institutional nature for the President, they can be changed if the Board of Regents would like to; (2) Institutional Leadership - the same structure and this provides the Board of Regents opportunities to assess this area; (3) Accreditation - this is another area that the President has an important responsibility for oversight; (4) External Relations - this is effectively looking out at the partnerships and working relationships the President builds with the community and alike agencies; (5) Budgetary Fiscal Management; and (6) Relations with the Board of Regents; and (7) Personal Qualities. President Bailey provided the items on Page 19 to Dr. Prather and this is why they were included as they are in the documents. These would be the ones that would change for the coming year based on the Board of Regents approval for that next cycle of evaluation. Again, timing can be such as the Board of Regents chooses to. There is also a comment section at the end of the document. Dr. Prather stated this is Addendum A and asked for questions from the Board of Regents.

Board President Powers stated he liked the comment Regent Rhodes made about timing and he thinks one of the triggers on this particular process to change this policy and make it more promising to what the Board of Regents needs was the fact that the Board of Regents has reached the one year anniversary of President Bailey coming to the College. This is what triggered the work on the policy. As Regent Rhodes pointed out, making this (inaudible) in the fiscal year cycle for the College. Moving forward the Board of Regents might want to consider the fiscal year timing and adjust this and possibly adjust the President's contract to better mesh into the fiscal year and the budget year process. Dr. Prather thanked Board President Powers and the concept of linking, this is linked to the fiscal year in the sense that it terminates in June but the Board of Regents could effectively tie this to the budget year which is not exactly the same as the fiscal year where this receives final budget determination because then the Board of Regents could, through the evaluation process be in a position to say yes we do recommend salary increases or whatever and the Board of Regents would then have

this prior to budget finalization the Board of Regents could then include it in the final budget. This is a good point and this goes back to the point about adjusting the sequence of these three major events within this process. Dr. Prather asked Regent Garcia if she had any comments. Regent Garcia stated she thinks it really does not matter if the Board of Regents does it sooner than the June 30th deadline. As soon as the Board of Regents gets all the information and the Regents fills out the information, after the Regents have filled out the statement, Regent Garcia asked who would be doing the analyzing. Dr. Prather stated this would be something the Board of Regents would be able to do prior to the summative evaluation. The addendum would be given to the Board of Regents in plenty of time prior to meeting on the summative section. Regent Garcia asked if all the papers would be given to Dr. Prather and he would analyze what the Board of Regents has said. She asked who would be in charge of gathering the information and putting it all in one packet. Dr. Prather stated Regent Garcia broke up a little bit and he did not hear the entire question. President Bailey stated Regent Garcia asked the process for who would collate the individual responses from the Board of Regents and put a package together for use. Dr. Prather stated if the Board of Regents would like, Dr. Prather would be happy to do this at no cost for the first cycle. Dr. Prather stated he has this already setup on Survey Monkey and it is all available. The Regents would, if they choose to use this no cost service that Dr. Prather would provide, he would send to each Regent at a time that they determine in advance of the summative session, he would send the link, it would be confidential and secure. Each Regent would complete the link and with their completion Dr. Prather could compile, anonymously the five and they would be anonymous to President Bailey. They would be compiled and he could submit it to the President for his introduction at the meeting.

Dr. Prather asked Regent Damian Martinez if he had any observations. Regent Martinez did not have any comment. Dr. Prather asked Regent Rhodes if he had any comment. Regent Rhodes stated one comment is, he wanted to make is it goes back to, the piece where informally the Board of Regents lists strengths and weaknesses and Dr. Prather stated it would then be shredded. Regent Rhodes is curious if it is actually something you can do anymore. In today's world this idea if you write it down and shred it, he would like to make sure it is not going to come back and bite the Board of Regents. Dr. Prather thanked Regent Rhodes for asking the question. Dr. Prather always adds the caveat when responding to a question like this, he is not an attorney, what this is simply a structure for the Board of Regents to do pre-thinking on so they do not come in unprepared to that formative evaluation session. It is not formal documentation of his evaluation. The formative session is not a documented session. Since there is no documentation, that is simply a structure, the Board of Regents can make a note on their own notepad and bring it in. This is just the framework for the Board of Regents to think through in advance of that session. Dr. Prather stated he is not giving legal advice but his belief is since it is not formal documentation, it is informal feedback, it does not have to be, does not go anywhere.

Regent Damian Martinez stated he happens to be a lawyer and letters like that regarding to personnel files are not subject to IPRA. It is a record but not subject to disclosure. Dr. Prather thanked Regent Damian Martinez and asked Regent Rhodes if this answers his question. Regent Rhodes stated it did but we live in a little different world than we did when we started some of these things. Dr. Prather stated we do indeed.

Dr. Prather asked Regent Joshua Martinez if he had any questions. Regent Joshua Martinez stated on the cycle, the evaluation format looks really awesome but one component that he feels is missing is a student evaluation because President Bailey as can be agreed upon is the President of the College and being a President of a College he is also President of the students. The students should be able to provide a feedback on how he is doing in the evaluation process. Dr. Prather stated that is an exceptionally fine observation. Dr. Prather stated they were contemplating a more comprehensive evaluation at a point five years out that would be involving more stakeholders but there would be absolutely no reason to not modify the proposal. To say that in May of each year, the enrolled students, faculty and staff and modify the bracket on figure one, leadership to provide feedback to the President from enrolled students, faculty and staff. Dr. Prather stated

this makes sense and asked President Bailey if he has observations on this. President Bailey stated he totally agrees and Student Senate can help with carrying this out. Dr. Prather stated he would make this modification and that modification is now considered on any action the Board of Regents would contemplate later on this process. Dr. Prather has made that notation and that document would be modified accordingly. Dr. Prather thanked Regent Joshua Martinez for the observation.

Dr. Prather stated this would conclude his presentation, he has his sense that there will be adjustments to the cycle, there has been a change to the policy that will include at the component that the students will be added and that the evaluation form Addendum A as currently presented is sufficient for the first cycle. Also, in response to response to Regent Garcia's observation, if the Board of Regents chooses to, at no cost, Dr. Prather would be happy to do the compiling and pull it together and submit it to Board President Powers at the point the Board of Regents makes the determination it wants to have the formal summative evaluation.

Board President Powers thanked Dr. Prather and stated he would like to focus on the timing issue a little bit. It needs to work a little bit better with respect to the fiscal year and budgetary cycle. Currently, the problem is doing the initial work in November, which is fine, the problem was waiting until May or June to get the students, faculty and staff involved and have the final Executive Session to do the formal review. Moving the dates to January/February or February/March, the Board of Regents would be better served. Board President Powers opened the floor to discussion regarding this and perhaps hone in on better dates and have that in the proposal in that way. Board President Powers asked for feedback. Regent Rhodes thinks the Board of Regents probably needs to look at where the deadline dates are with the Higher Education Department (HED) for budget approval. Board President Powers stated he believes the preliminary budget is due in May. Board President Powers asked Mr. Bejarano when it would be due. Ricky Bejarano, Vice President for Finance & Administration stated the preliminary would be April and the final May 1. Board President Powers stated he believes March would be the appropriate month to replace June. Regent Rhodes stated he agrees. Board President Powers stated if you would back up a month it would be February. Board President Powers asked if there are any factors that would come into play that would make February not such a good time to do this. President Bailey stated the only thing, the legislative session is typically January and February but the College will work around that, it will be a challenge but it is something the College can handle. Dr. Prather stated what he is hearing is that the cycle now reflect that Item A on the second component hit in February and Item B shift to March. Dr. Prather would recommend that the formative piece move to October rather than November and that would then precede the initial budget work that the College is beginning to contemplate. October for Item C, March for Item B and February for Item A. Board President Powers stated this sounds good to him and asked if any other Regents has any comments. Regent Garcia stated it is a good idea. Regent Rhodes stated he thinks it is good timing, he would like to place a note on their base on legislative issues. Going back to this year, where the College did not know what the budget was going to be until past due dates. That would only affect the actual final evaluation, the information from faculty and staff that is fine that could stay the same. Making sure the Board of Regents does not get locked into something it may want to change, the Board of Regents should do this anyway, and it needs to be flexible. Regent Damian Martinez stated he is fine with what has been said thus far.

Dr. Prather stated he is hearing with those changes and including the students, the Board of Regents will have a replacement policy ready, Dr. Prather will make those changes, that is what the Board of Regents will be acting on at this point and as President Bailey has pointed out as the Board of Regents continues working on policy the Board of Regents can make adjustments to this as needed, as it moves along. Dr. Prather stated this would complete his work with the Board of Regents at this point. Dr. Prather left his offer on the table that Board President Powers can step up and access that at any point if he wishes at any point if he wishes to have Dr. Prather do at no cost the compilation, the generation and compilation of the summative feedback.

Board President Powers stated this would be great idea for this first go around. This would be of great benefit and Board President Powers would like to take Dr. Prather up on this. One question Board President Powers has is the comment on proposed policy. Board President Powers believes that under the current policy on policies that the Board of Regents cannot immediately adopt this policy and asked if he is correct on this. President Bailey stated he is correct. Board President Powers stated what is needed is action to indicate that the Board of Regents have heard this and are on board with the structure of it and would like to move forward utilizing the framework for the current year evaluation while this policy is being formally incorporated into policies. President Bailey stated he just spoke with Human Resources and the College's goal, if it is ok with Board President Powers, they will make sure they are in a position to make the formal policy change at the January Board Meeting so the leadership feedback can be implemented in February. By the January meeting the College will be ready to take to the Board of Regents this official policy change consistent with what the Board of Regents has agreed upon today so it could be implemented starting in February. Board President Powers asked for a motion to make the changes to the proposed policy, make those changes and prepare the policy for formal adoption in January. Board President Powers asked if this sounds like something that works.

Regent Garcia asked if Board President Powers is asking for a motion to move forward the policy and practices of evaluation of Northern New Mexico College suggested by Board President Powers. Board President Powers asked if everyone understands the motion that is being considered. Regent Rhodes stated he does.

Regent Garcia moved to move forward the policy and practices of evaluation of Northern New Mexico College suggested by Board President Powers. Second - Regent Rhodes. Board President Powers stated there is a motion made by Regent Garcia and seconded by Regent Rhodes to move the new policy forward for anticipated action in January. Board President Powers asked if there was any further discussion on the motion. Board President Powers asked for a vote from the Board of Regents. **Motion passed unanimously.** Board President Powers stated the motion passes 5-0 and thanked Dr. Prather for the work and the Board of Regents looks forward to seeing this through to completion and he looks forward to Dr. Prather compiling the first evaluation of the new President. Dr. Prather stated he thinks this is a wonderful thing to bring full cycle, the Board of Regents selected a outstanding leader and now the process of providing him ongoing feedback will continue to support his efforts of building a quality institution at the College. Dr. Prather thanked everyone for allowing him to participate in the process with the observation that a point in the future the Board of Regents may wish to consider Regents self evaluation which would put the Board of Regents in a position of being a Board of Regents in the State that is concerned and interested in improving its own performance as a governing board. Dr. Prather signed out of the Board of Regents meeting at this time.

B. Board of Regents Bylaws

Board President Powers stated the Board of Regents has in the packet 126 pages of Bylaws. Board President Powers stated he stands corrected on this; it begins on page 22, pages 22-31 of the package. This is informational, the College is in the process is in the process of updating and finalizing documentation and this is with the Presidential evaluation process. The College is going through and trying to update and be sure the College has proper policies and procedures and regarding the Bylaws, the College discovered it was not clear whether the Board of Regents had adopted Bylaws for the Regents and the enclosed Bylaws are proposed and the recommended action is to adopt the Bylaws as this meeting. Board President Powers asked President Bailey for comment to add to this. President Bailey stated that he would say looking at page 22 (attached), the Mission Statement and Vision Statement, these are things that as the College finalizes the strategic plan and implementation plan, the Strategic Direction is going to be presented to the Board of Regents at this meeting, the implementation plan will be a much deeper document and as it is developed, the College will use that process to do a review of its own institutional Mission Statement and Vision Statement and they will be

brought to the Board of Regents down the road. This may affect some of these Bylaws specifically where the purpose is discussed in Item II. Regent Rhodes stated the question he has is what the Board of Regents is saying is that they are not sure the Board of Regents had Bylaws in place like there should be and they are bringing these on, adopting them and as the College begins to do different things, whether it is the Mission Statement or the performance evaluation and so on and then the Board of Regents will begin to modify these. The Board of Regents needs to get something to modify first, is this why the Board of Regents is adopting these. President Bailey stated yes. Board President Bailey stated this is a very accurate description.

Regent Rhodes moved for adoption of the Bylaws. Second - Regent Damian Martinez. Board President Powers stated there is a motion by Regent Rhodes and a second by Regent Damian Martinez to adopt the Bylaws as presented. Board President Powers asked if there was any discussion on the motion. Board President Powers stated hearing no discussion he asked for a vote from the Board of Regents. **Regent Garcia - yes, Regent Damian Martinez - yes, Regent Rhodes - yes, Regent Joshua Martinez - yes. Motion passed unanimously.** Board President Powers stated on a vote of 5-0 and the Bylaws are adopted and the Board of Regents looks forward to the process of refining those Bylaws in the future as the Board of Regents works to better document goals, mission and operation.

C. Follow Up Discussion Regarding December Board of Regents Meeting

Board President Powers stated the Board of Regents may recall back in September when this meeting date was set, the Board of Regents also set a date of December 5 for the next Board of Regents Meeting. When this was done, there were three members on the Board of Regents and Board President Powers stated he thought it would be a good idea to reopen the discussion at this time to allow input from the new Board Members to arrive at a meeting that would satisfy all members. Board President Powers asked if there is anything that would prevent any member from attending the December 5, 2017 meeting. President Bailey stated just to clarify he thought the date that had been projected was Friday, December 8, 2017. Thursday, December 7, 2017 is the HEP Graduation and December 8, 2017 is the Fall Commencement. President Bailey stated the Board of Regents was considering Friday, December 8, 2017 as the next meeting. Board President Powers stated this is correct and it does coincide with Commencement and this would be convenient for those who would like to attend the two and eliminate travel costs. Regent Damian Martinez stated he is in Dallas December 6-8, 2017 on Depositions. Regent Garcia stated she is okay with that date; they are scheduling Manuel for surgery so right now that is what is going on. Regent Rhodes stated he is available. Board President Powers stated Regent Joshua Martinez has issues with Fridays because of his internships and asked him if this was correct. Regent Joshua Martinez stated he was able to discuss with his group leader, he could probably switch Friday and Tuesday to be a little more flexible. Regent Damian Martinez stated he thought the meetings would be moved to Mondays so people who are travelling would only miss one business day. Regent Garcia stated he is correct. Board President Powers stated this was discussed and it would be good if the Board of Regents could get December scheduled. The reason December is Friday is that it coincides with Commencement. Going forward at the December Meeting it should be discussed how to schedule meetings. Regent Damian Martinez stated he would not be able to attend the December meeting. Board President Powers stated he understands that. Regent Damian Martinez stated it could be on the 8th, he just wants the Board of Regents to know he cannot attend the meeting. Board President Powers asked if Commencement is on the 8th. Dr. Ivan Lopez, Provost & Vice President for Academic Affairs stated it is. Board President Powers stated if Commencement is in the evening, the Board of Regents could look at possibly having the Board Meeting Saturday. That will probably not make a difference because Regent Damian Martinez will be in Dallas. Regent Damian Martinez stated it will probably not make a difference and this is why he would prefer next year's meetings to be on a Monday rather than a Thursday or Friday because it puts him out of the office on Thursday and half day Friday. Board President Powers asked if they were on Friday would that work. Regent Damian Martinez stated if they were done Friday afternoon, that would be fine but he will do whatever the majority votes, he is just giving Board

President Powers his preference. Board President Powers asked Regent Damian Martinez if during the Friday meeting if there is a time he could join the meeting. Regent Damian Martinez stated he could not; he is in depositions and could not step out. Regent Damian Martinez stated at least there is a full Board of Regents now. Board President Powers stated that is good and asked President Bailey if he has any thoughts on options. President Bailey stated one of the things the College was talking about and in terms of Regent Damian Martinez talked about Friday afternoon meetings in the spring and one of the challenges for Regent Joshua Martinez is Monday mornings are always class days and this is something it is set up for December 8th as the December meeting and maybe offline in the next couple of weeks have a discussion or have each of the Board of Regents talk to Board President Powers about their schedules and what they prefer and during the December meeting this could be on the Agenda - a spring schedule. Regent Damian Martinez stated he could say he tells his staff not to ever schedule anything for him on Friday afternoons but that being said, this Friday he has something. Regent Damian Martinez stated he is generally open on Friday afternoons, he prefers Mondays but he is generally open on Friday afternoons.

Board President Powers asked moving forward in the spring, if Regent Joshua Martinez has any idea of what his class schedule would look like. Regent Joshua Martinez stated in the spring he is pretty sure the classes will be mainly in the morning, Monday 9:30AM-12:00PM or sometimes 3:00PM, so Monday and Wednesday are usually bad but Friday and maybe Tuesday, Regent Joshua Martinez will look at his class schedule and let Board President Powers know. Board President Powers stated the Board of Regents will try to do some work between now and December to come up with a plan for the spring schedule trying to keep in mind that the Board of Regents wants to minimize travel and try to have minimum impact on the Regents who have jobs and students as well. The Board of Regents will try to figure out a day and time and also understand four of the five Regents have to travel. At this point December 8, 2017 makes a lot of sense in Regents attending the meeting and attending the Commencement ceremony that will take place that day as well. Board President Powers assumed at this point that all Regents with the exception of Regent Damian Martinez would attend the Commencement Ceremony. Regent Rhodes stated he would, Regent Garcia stated she is planning on attending as well. Board President Powers stated the meeting will be left on the 8th and unfortunately if something comes up and changes in Regent Damian Martinez schedule allows him to attend and if not, the Board of Regents will make sure if he has any input or anything he would like to provide information on that he has the opportunity to provide that information.

IV. APPROVAL OF THE MINUTES

Regent Damian Martinez moved to approve the minutes as presented. Regent Garcia - Second. Board President Powers stated there is a motion and second to approve the minutes. Board President Powers-yes, Regent Damian Martinez - yes, Regent Garcia - yes, Regent Rhodes - abstain. Regent Joshua Martinez asked if Board President Powers could explain a little bit more about the minutes. Board President Powers stated these are the minutes of the Regular Meeting held on September 25, 2017 and that Regents Powers, Garcia and Martinez attended meeting. They minutes appear in the packet on pages 33-48. Board President Powers stated this is an item that the Board of Regents will have at each meeting and typically the Board of Regents will approve the minutes from the previous meeting at the next meeting. There will be minutes for this meeting that will be considered for approval at the next meeting. Board President Powers stated he would not tell Regent Joshua Martinez what to do but he could choose to, as Regent Rhodes did abstain from this vote since he was not at the meeting in September. Regent Joshua Martinez apologized because he was a little confused and did not know too much about it. Board President Powers stated the Regents who attended the meeting would typically review the minutes and if they believe that the minutes reflect accurately what they said and what was said at the meeting, then the Board of Regents would vote to approve them. Sometimes somebody might have a change to the minutes that they believe more accurately reflects what they said at the meeting and offer that up as an amendment or change to the minutes. Typically that is the process. Board President Powers stated he would like to add that Amy Pena does an excellent job of providing the Board of Regents with accurate minutes from the Regent Meetings; she does a wonderful

job. Board President Powers stated it is up to Regent Joshua Martinez as to what he would like to do. Regent Joshua Martinez asked if he could abstain from it. Board President Powers stated he could. **Regent Joshua Martinez stated he would do that - abstain.** Board President Powers stated the minutes are approved on a vote of 3 in favor and 2 abstentions and Board President Powers would like to note that the abstentions of Regent Rhodes and Regent Joshua Martinez are based upon the fact that they were not on the Board of Regents at the time. President Bailey asked for a quick break at this time and the Faculty Senate President is ready to give his presentation at that time.

The Board of Regents recessed at 9:53AM and returned to session at 10:00AM. Board President Powers stated for the purposes of making sure the Regents are still on they should say their names. Regents stated as follows: Board President Powers, Regent Garcia, Regent Rhodes, Regent Damian Martinez, Regent Joshua Martinez.

V. FACULTY SENATE PRESIDENT'S REPORT

Faculty Senate President Dr. David Torres presented the following:

1. The Faculty Senate and specifically the General Education Committee is grappling with the New Mexico HED Requirements. The General Education requirements are now moving from 35 to 31 credit hours, this may be implemented as early as fall 2019. Specifically, a college is forced to choose 22 of the credit hours and they come from six different content areas as opposed to five. They are very similar to the content areas the College has now, communications, mathematics, science, social behaviors but then fine arts is pulled out of this. Each institution is also allowed to choose 9 credit hours, 22 are fixed and 9 are chosen by each institution. The College is looking at how it will look at the College and have discussed this in the General Education Committee. The Committee has two options and is trying to get more feedback from faculty in December and maybe during Convocation.
2. Dr. Patricia Trujillo is leading the Education Policy Committee in drafting a proposal for the addition, suspension or deletion of new programs at the College. Hopefully she will come up with a draft for Faculty Senate to review as far as how new programs at the College could be created or deleted.
3. There was a reduction in certificate degree credit hours from 60-72 to 50-59 at the September meeting. There were also changes in other degree hours.

VI. STUDENT SENATE PRESIDENT REPORT

None.

VII. PRESIDENT'S REPORT AND ANNOUNCEMENTS

- A. Celebrate Northern; and
- B. El Rito Campus Update

President Bailey stated he would make his report fairly brief. He stated he would start out by echoing Board President Powers comments and giving a heartfelt welcome to Regent Rhodes and Regent Joshua Martinez. President Bailey stated it is rare for someone to celebrate having more bosses but in this case it is justified and the College is very excited to have these two gentlemen on board. In terms of celebrations since the last month:

1. There has been a lot of momentum in the media about Dr. Jorge Crichigno and the National Science Foundation Grant. The College has had a lot of really good coverage Statewide for the Cyber Security Grant that the College got through NSF and there are a lot of partners who are excited to collaborate as the College develops that program.
2. The Historias Conference was hosted by the College in partnership with the National Rio Grande Heritage Area in Alcalde. It was a three-day event and there was participation from all over the State. It celebrated the local contributors, Hispanic and Native American to the Manhattan Project. It is somewhat controversial when you talk about the Manhattan Project but the conference did a very good job of capturing contributions, stories, debates and it was a wonderful event. The College gives a lot of thanks to Dr. Patricia Trujillo for organizing that three-day event.
3. President Bailey gave a special thanks to the efforts that the Communication Team, Student Services Team and Academic Team have done in terms of partnerships with LANL. In the past the Labs have done a really good job of talking about their need for more personnel and their fears that they are not going to replace their leaving workforce. The College has done a good job of how it has all these great students and that we are excited about sending them over but what has not been done effectively in the past is go beyond those statements and do the hard work of what has to be done to get the students ready for a pipeline to a pathway to working at the Labs. Obviously, the College's new Student Regent understands that role and there are opportunities at the Lab and as the biggest economic engine in the valley, the College has to do a better job of creating robust partnerships. The College has started pulsing up the Radiological Control Technician pipeline. The College has done a series of workshops with students helping to build resumes, getting them ready for interviews, retweaking some of the Labs job ads so they accurately reflect what the Lab actually needs. President Bailey stated he is excited because the College is going to see some better more vibrant pipelines between the College and the Labs. President Bailey thanked all staff and faculty for participating in that and to Carole Rutten, Toby Vigil and others at the Labs who have been champions for the College.
4. The Legislative Finance Committee Report came out on October 24 and the two biggest issues for the College, the targets, were cost drivers for education and whether or not the College is right sized as an institution in terms of facilities. The El Rito Campus specifically was called out in that report. President Bailey was personally called out in the report for trying to find options to revitalize that campus but President Bailey is convinced that the way forward for the College is to continue to look for fiscally sound self sustaining programs on the El Rito Campus and he is confident the College will get there and it will be a better smarter use of the facilities.
5. President Bailey would like to celebrate Dr. Sushmita Nandy; she is one of the new faculty members in the Department of Biology, Chemistry and Environmental Science. She published an article recently in the British Journal of Cancer. This is a very well respected journal and the College is proud of Dr. Nandy.
6. The HEP/CAMP Association Scholarship Committee recently announced winners of the 2017 scholarship competition. There were seven winners announced nationwide and two of the seven are College HEP Graduates. This speaks to the quality of the program.

7. The College heard from the State Public Education Department that the College has been given funding for a planning year for an Early College High School. This would involve Espanola Public Schools and Pojoaque Valley School students engaged in an Early College High School that would be housed at the College. There will be more forthcoming and the College is waiting for the formal letter from PED but it is going to help the College reinvigorate public education in the valley.
8. Schools.com published their best schools in the US and ranked New Mexico's four year schools and the College was listed on their website as the top four year school in the State of New Mexico. This is based on thirteen different factors. Included in them are graduation rates, student loan default rates, average student debt, affordability of tuition and fees, etc. and all of those factors specifically are student debt. The College's average student debt after graduation is about \$7,000 and is by far the lowest in the State. President Bailey called out the Financial Aid team as they have worked very hard to lower the student loan default rate.
9. The College was informed that the College of Nursing was awarded the Rapid Workforce Development Grant. This will help the College to pulse up the Certified Nurse Aid Program. There were seven proposals from the Grant all over the state and the College was the only College who received funding.
10. The College participated for the first time in several years in the El Rito Studio Tour and student work was on display and the Mercado was hosted in El Rito as well.
11. The College now has a tentative date for the Ribbon Cutting Ceremony for the Solar Array and it is at 3:00PM on December 15th. This will be the same day the College celebrates the Holiday Fiesta.

President Bailey asked if the Board of Regents had any questions. Regent Rhodes stated he had none. Regent Garcia stated she did not have a question but has a comment. Regent Garcia stated it would be nice to have this good news sent to the State Legislature. President Bailey stated this would be shared with the legislators and LFC. Regent Garcia thanked President Bailey. Regent Garcia stated this needs to be done via radio, email, whatever it takes to get it to the legislators. President Bailey stated he would do this for sure.

C. Energy Audit

President Bailey stated regarding the Energy Audit, the College has received five different responses to the questionnaire that was sent to the energy service companies. These are companies already approved by the State to conduct the Energy Audit. There is a three-person committee, President Bailey, Mr. Bejarano and Andy Romero, Director of Facilities and they have been reviewing those answers and will be meeting to make a recommendation on a company as they move forward. President Bailey will share this with the Board of Regents and the goal is to get an investment grade audit scheduled for early spring to actually bring to the Board of Regents a menu of options of infrastructure improvements that will not cost the College a penny but will embrace renewable energy on both campuses.

D. Prosperity Works

President Bailey stated this is a proposal that the College brought forward as a partnership with Prosperity Works and the College to provide an optional program for faculty and staff that work at the College. This is designed for employees who are at the lower end of the pay scale who might be subject to payday loans or a spiral debt problem. This would provide for a 24.9% APR to allow them to buy out of payday loan debt which could be in the 200%-300% range. This was discussed in the subcommittee and the Board of Regents

is interested in adoption and President Bailey stated what needs to do is a final legal review. President Bailey stated the College is asking for n acceptance of the MOU prerequisite on a thorough legal review.

Board President Powers stated it was reviewed in the Audit, and Facilities Committee and asked Regent Damian Martinez for recommendation. Regent Martinez stated the recommendation was to move forward with this program but a few things need to be covered (stop automatic deductions what the duty on the school would be with respect to this). Other than that, the Audit, Finance and Facilities Committee thought it would be a program that would assist employees and prevent them from if they needed loans for any reason prevent them from going to predatory lenders.

Board President Powers stated he would entertain a motion for approval of this program.

Regent Martinez moved to approve Prosperity Works/True Connect loan program pending termination if there were any outstanding obligations the school would have regarding notification of employees having automatic deductions suspended. Regent Garcia – second.

Board President Powers stated this has been reviewed at the committee level and at the August meeting in El Rito the Board of Regents had a presentation and the Board of Regents has been talking to them upwards of 6 months to better understand this program and the benefit for employees. Board President Powers asked for comments or issues from the Board of Regents. Board President Powers stated hearing no further discussion; he would as for a vote from the Board of Regents. **The vote was as follows: Board President Powers - yes, Regent Garcia – yes, Regent Damian Martinez – yes, Regent Rhodes – yes, Regent Joshua Martinez – yes. Motion passed unanimously (5-0).** President Bailey will forward the legal review to the Board of Regents and will take this, as it is contingent upon legal review.

E. Strategic Direction

President Bailey stated this is the result of the better part of a year now with two very big workshops, 145-150 participants; most of the faculty and staff were involved. Where we are, where we are going and how we get there. The College has identified four big lines of effort: (1) Enrollment; (2) Student Success; (3) Communication; and (4) Team Spirit. Faculty and staff have identified and articulated objectives for each of those. President Bailey asked approval of the Board of Regents agreeing basically with this strategic direction. Once the College gets that decision it will move forward in the next twelve months to create an implementation plan for this strategic direction and that is where the College will identify tasks, milestones and metrics associated with each objective so this does not just sit on the shelf but becomes a recipe book for how the College gets from where it is now to where it wants to go.

Board President Powers thanked President Bailey and he knows he has been working hard on this and many people have been working hard on this and it is a great step in the process of moving the College forward and Board President Powers opened this up for input and discussion by the Board of Regents. Board President Powers stated since there is no discussion. Regent Damian Martinez stated Board President Powers broke up on his phone. Board President Powers stated this is a strong process of the strategic direction and he knows a lot of people, the President and a lot of people at the College have worked hard to do this and opened this up for the Board of Regents to provide any comments or input at this time. Regent Damian Martinez stated he does not have any other comments. Regent Garcia stated it is an ambitious goal she thinks that the College can accomplish and thanked everyone for working on it. Board President Powers asked Regent Rhodes for comments. Regent Rhodes stated he likes it because it is ambitious including the Statewide Higher Education things and sometimes we make goals we know we can make instead of reaching out there and Regent Rhodes likes the idea that the College is reaching out farther. Board President Powers asked if Regent Joshua Martinez had any feeling on this and he knows he is new and asked how this resonates in his mind. Regent Joshua Martinez stated he was just looking over it and it is a really good direction for the students and the

College to get enrollment increased and increase the students life experiences and making it a better overall environment for the faculty, students and staff, everybody. Regent Joshua Martinez stated he thinks it is good, he agrees on it. Board President Powers stated President Bailey has done a great job on this, orchestrating this and a lot of people have been working hard at it and he believes it is a great thing to aim for as an institution.

Board President Powers entertained a motion to adopt the Strategic Direction. **Regent Garcia moved to adopt the Strategic Direction. Second – Regent Damian Martinez.** Board President Powers stated there is a motion from Regent Garcia and Second from Regent Damian Martinez to adopt this direction as submitted and asked if there was any further discussion. **Regents voted as follows: Board President Powers– yes, Regent Garcia – yes, Regent Rhodes – yes, Regent Joshua Martinez – yes, Regent Damian Martinez – yes. Motion carries 5-0.** Board President Powers congratulated President Bailey and good work and he can continue on with his good work. President Bailey stated he wanted to make it very clear this was not his strategic direction; this was a comprehensive group effort. President Bailey gave special thanks to Ricky Bejarano, Dr. Ivan Lopez, Jimi Montoya, Sandy Krolick and Mohammad Ali Musawi and they helped to craft this as a whole.

F. Award of Legal Services Contract pursuant to Request for Proposals

President Bailey stated he would turn this over to Board President Powers. Each Board member had access to the bids pursuant to the RFP. Board President Powers and President Bailey were together in person when they opened the packets to make sure they met the requirements but they purposely left it to the Board of Regents after that to make its own decisions. President Bailey turned this over to Board President Powers.

Board President Powers thanked President Bailey and stated due to his close proximity to the College he met with President Bailey and opened the packets received in response to the RFP that was circulated. The College received proposals from three law firms and the Board of Reviews reviewed, the Audit, Finance, and Facilities Committee reviewed the proposals with the President and Board President Powers turned it over to Regent Damian Martinez who is the chair of the committee for a quick synopsis regarding discussion and recommendation.

Regent Damian Martinez thanked Board President Powers and he stated he wanted to make a correction he did not know if he was formally appointed as Chairman of the Audit, Finance, and Facilities Committee. Regent Damian Martinez stated the other thing he received and the rest of the Board of Regents received other than the three RFPs were three letters from the community, one from Mr. Jake Arnold, one from Andy Lopez who is a Mesa Vista School District Board Member and one from Donald Martinez and Juan Garcia. All three letters recommended the Board of Regents should move to hire Cuddy and McCarthy. That being said, three entities responded to RFP, the first one was Basham, the second one was Ortiz & Zamora and the third one was Cuddy & McCarthy. Based on review of the submissions, the top two points recipients were Ortiz & Zamora and Cuddy & McCarthy. The committee talked about how to get the best legal services for the school keeping in mind that oftentimes using one law firm creates conflicts of interest just because the College is in a small community. With this being said, they came up with a recommendation that the Board of Regents award legal services contract to both Cuddy & McCarthy and Ortiz and Zamora subject to negotiation.

Board President Powers thanked Regent Damian Martinez and stated this was a great synopsis of what was done and the recommendation. Board President Powers believes this arrangement will allow the Board of Regents to decide which law firm would provide the best option for the Board of Regents to move forward on a case by case basis for different types of legal services. Subject to the final negotiation, the Board of Regents would then have two law firms that would be procured and able to provide services to the Board of Regents as

needed. Board President Powers agreed with the analysis that Regent Martinez provided. Regent Martinez also added it is no uncommon for government entities and universities in the State of New Mexico to retain more than one outside counsel for their legal services, NMSU has more than one outside counsel and many of the counties also do the same. Board President Powers stated this is a good observation. Board President Powers opened it up to the Board of Regents for comments and questions.

Regent Garcia asked if the Board of Regents would hire a primary and secondary or hire both law firms. Board President Powers stated there would be no primary or secondary, it would strictly be, the firms would be utilized on the basis of what the administration would deem to be the most appropriate resource to address the situation.

Regent Rhodes asked if there is going to be issues with the firms being that they are basically sharing the pie. Will there be change in the billing? Regent Damian Martinez stated one of the things the Board of Regents would want President Bailey to do is make sure in negotiating the contracts that the billable rates be the same. There is a small difference in the hourly rate between the two firms as it relates to partners but there is also a discrepancy in associates. When you weigh them both it is really a wash. It is the goal to make sure it is the same exact rate for both firms. With respect to the firms to bumping heads regarding cutting up the pie, Regent Damian Martinez does not see issues with this because he would assume if the College was going to use one firm for instance on a hypothetical human resources matter, the College would stay with that one firm. If the firms have issues on how the pie is being split, they can choose not to represent the College but the College would look at assignments based on how each firm can best assist based on their talents that they bring to the table.

Board President Powers stated the Board of Regents has had instances in the last two years where the current firm has had to waive accepting a case because they had a conflict and having another firm that is on board would really make things better for the Board of Regents and cases like that. It is a small state and it is inevitable that some of these larger firms will have situations where their partner firms to a party that is either opposing or related to and it really makes sense to set these up and Board President Powers stated he is of the same opinion as Regent Martinez that the firms split the pie. They need to recognize that the institution must do what is best for the institution. Regent Rhodes stated he likes the idea and the Board of Regents will see as it gets into the negotiations. Board President Powers stated he thinks what Regent Damian Martinez mentioned about the billing rate if there is some minor differences, there are pluses and minuses in both cases, the Board of Regents will anticipate successfully being able to negotiate something for both and allow the Board of Regents to make decisions solely on who we will represent the College best and without any kind of cost. Regent Rhodes thanked the Board President Powers for the work on this.

Board President Powers entertained a motion for approval. **Regent Damian Martinez moved that the Board of Regents approve or give authority award the RFPs for legal services 2018-002 to both Ortiz & Zamora and Cuddy and McCarthy pending negotiations by President Bailey on fees for each law firm. Second – Regent Garcia. The Board of Regents voted as follows: Board President Powers– yes, Regent Damian Martinez –yes, Regent Joshua Martinez – yes, Regent Rhodes – yes.** Board President Powers stated he heard a yes from all five Board of Regents so the motion carries on 5-0 vote.

Regent Garcia stated she is hoping the negotiations go to a lower price rather than a higher one. Regent Damian Martinez stated in the discussion in the Audit, Finance and Facilities Committee the goal is to bring everyone down to the lower price. Regent Garcia thanked Regent Damian Martinez.

G. IRS 218

President Bailey stated back in April the Board of Regents was given, action required, a choice on a majority vote or divided vote. What this means is, after last years IRS Audit, the College did not have a Section 218 Agreement in place which means because the College's employees are covered by the ERB there is a question about contributions to Social Security. This is for existing employees. All future employees it will be mandatory that they contribute to Social Security but the College needs an agreement in place to cover existing employees. Back in April there was a recommendation made to the Board of Regents that the College do a majority vote, meaning that the College canvas all of those eligible, ask whether or not they want to continue to contribute to Social Security. The majority vote would rule and everyone would be bound by this and the Board of Regents did approve this measure back in April. The reasoning for that recommendation was that there was a fear that there would be an administrative burden if the College went with a divided vote. A divided vote means that every employee would be able to make an individual choice about whether or not to continue to contribute to Social Security.

The reason this is brought up today is primarily today is that the College has a team in place that administratively can handle the burden of a divided vote and this was not in place before. Secondly, there are several employees, seasoned employees, who are concerned that a majority vote might lead into everyone pulling out of contributing to Social Security which could actually harm some of the College's more senior, in seniority, faculty and staff. The College is bringing to the Board of Regents today a request for a reconsideration of this issue based on this new information. The College is now recommending a divided vote, the College has not had this vote yet, and so the College is still in a position to make this course direction. The College is recommending a divided vote. There are two things the College is requesting action from the vote on:

1. Rescind the decision for a majority vote from the April, 2017 meeting; and
2. A new action to reconsider the issue and the recommendation of the College is to conduct a divided vote to get individual choices to eligible faculty and staff members.

President Bailey stated Donna Castro, Director of Human Resources is at the Board of Regents Meeting should the Board have any questions.

Board President Powers stated the was discussed at length in Audit, Finance and Facilities Committee and asked Regent Damian Martinez to recap on this. Regent Martinez stated the discussion that came about is what the Board of Regents needs to do is have an opportunity to employees to have an education about what would happen if they voted a certain way and if they chose not to pay Social Security, what it means. The Committee felt by pumping the breaks a little bit before a re-vote occurs employees would know what would exactly happen if they didn't pay into Social Security so they could have information to make. Regent Damian Martinez thanked Donna Castro for her work on this and efforts to educate people on the issue.

Board President Powers stated the Committee also felt given this new information when it was originally discussed the Board of Regents made the decision based on the fact that the Board of Regents were told the College could not administer the situation properly and it had some employees in Social Security and some out. Now the Board of Regents has been told and is comfortable with the fact that the College can hand administer the program with some employees in and some out and given that combined with the fact the Board of Regents does not want to endanger some seasoned employees, the Board of Regents would not want to inadvertently subject them to not being able to continue in that route. Reconsidering the path taken before with requiring the one vote all up or all down and reconsidering that stance and going to an individual vote would make a lot of sense. Board President Powers asked for comments from the BOR on this issue.

Board President Powers stated there would be two separate actions and he would entertain a motion to rescind the action taken in April to provide for a majority vote.

Regent Garcia moved to rescind the action taken in April to provide for a majority vote referendum. Second – Regent Damian Martinez. Board President Powers stated there is a motion on the table to rescind the action taken in April by Regent Garcia and Second by Regent Damian Martinez. Board President Powers asked for discussion and hearing none asked for a vote. **Board President Powers– yes, Regent Garcia – yes, Regent Joshua Martinez – yes, Regent Garcia – yes, Regent Damian Martinez – yes.** Board President Powers stated there is a vote of 5-0 to rescind the majority vote provision approved in April.

Board President Powers stated the recommendation action would be to adopt a divided vote for Section 218 and would entertain a motion for that.

Regent Garcia moved to adopt a divided vote for Section 218. Second - Regent Rhodes. Board President Powers stated there is a motion on floor to utilize a divided vote referendum process to adopt Section 218 Agreement for social security purposes for NNMC employees. Board President Powers asked for further discussion on this. Regent Rhodes stated he has a comment. Regent Rhodes has been through this at another institution and it worked well, it benefitted not only those who needed Social Security but also those who opted out who had all their quarters to go to another plan. It worked out well and was relatively smooth. Board President Powers stated that is good to hear. This is good to hear the College can provide the flexibility to employees. The College is not as a Board of Regent fully aware of everybody's situation. Board President Powers appreciates the work of staff working towards this change. With the motion to second, Board President Powers asked for a vote. **Board President Powers– yes, Regent Damian Martinez – yes, Regent Garcia – yes, Regent Rhodes – yes, Regent Joshua Martinez – yes.** Board President Powers stated with a vote of 5-0 the motion carries and the agreement will be voted on with a divided referendum.

Board President Powers thanked President Bailey for the report and it was a good list of action items for today. President Bailey thanked Board President Powers and thanked Donna Castro as this would not have been, it would have not been brought to the Board of Regents without her leadership, insight and care about the College's employees. She deserves a lot of credit for bringing this to the Board of Regents. President Bailey stated before the employees are going to be given the choice, the Social Security Administrator from Albuquerque who has already offered to the campus and make a presentation and really educate people so they know what they are choosing before they vote. Board President Powers stated this is very helpful.

VIII. STAFF REPORTS

A. Vice President for Finance & Administration

1. Audit(s) Update

Ricky Bejarano, Vice President For Finance & Administration stated the College has two components for the presentation. The first is REDW, the new auditors for the regular audit has begun requesting information that the College will be providing. The College received a status update from McHard that was discussed in the Audit, Finance and Facilities Committee. They are on track to be completed by mid to end of November and submit a report. At that time, REDW will be able to come in; they will probably start the first of December for two weeks and will resume on January 2, 2018. As a part of the audit report, the College had a request that was timely from Regent Damian Martinez to look at cost drivers, especially since the College has now finalized 2017 and the Committee reviewed them in depth and Alexandra Williams, Staff CPA was in attendance at the Board of Regents Meeting who gave a brief overview of the outcomes for the Board of

Regents to then review the information that was emailed. The Finance Committee did receive everything and as a result of that everything was emailed to the rest of the Board of Regents. Mr. Bejarano asked Ms. Williams to give a brief overview.

Ms. Williams stated the numbers are in front of the Board of Regents and she wanted to put it into context. The primary focus of what is being reviewed is to see how money is coming into the College and what non-I&G activities of the College need I&G funding to continue to be supported. With the reports, for each of the areas being looked at there are three different reports. One is the six-year period for fiscal 2011 through fiscal 2016. There is a separate page per area on fiscal 17 and a third on fiscal 18 to date which is three months in. Another thing Ms. Williams wanted to point out is these numbers are presented in accounting format so that anything with a parenthesis is revenue or transfer in or net income at the bottom. The third thing Ms. Williams wanted to mention was the grand total numbers at the bottom, this means current year net, this is not fund balance. It is for every particular years activity. Ms. Williams stated the other thing to acknowledge when looking at these is this information is often accumulated based on a particular fund. Sometimes the fund activity by itself does not give a full picture of what is going on. For instance on the El Rito which is the first being presented, there is revenue, expenditures and transfers but these things only are with regard to the activity center of El Rito and they do not report by themselves, the information about the utilities paid for El Rito. This has been provided on the lower level. There is a couple pieces of information that are provided on the lower that are hopefully helpful for this.

Mr. Williams stated another thing she wanted to address was the concept of fees. The College provides several fees charges to the student and then the Colleges receives them. Some of the fees go directly into I&G and are distributed from there. There are two incidences when the fees do not go into I&G and are distributed out but they go into the separate non-I&G area directly, and as Ms. Williams quickly goes through the areas she would like to point this out because they are irregular. For El Rito, the one that is anomalous about El Rito in 2011 there is a \$700,000 transfer in, Ms. Williams is not sure what it was about, she has not done the research for that far back but it does distort all of the information going forward. Ms. Williams encourages the Board of Regents to look year-by-year activity. What is significant about the El Rito numbers are that the information at the top is not inclusive of utilities and those are provided at the bottom. You could see there was a swell in activity and then the cost and then it is brought down a little bit throughout the years for that.

Ms. Williams stated the next area is the Espanola Food Service and it is showing numbers primarily from FY15 going forward through this method of capturing the information. You can see there are credits for transfers meaning it did need transfers in, in the six year period or the two year period, primarily in 15 and 16 it was \$110,000 and in FY17 it was \$72,000 and in 18 it is only \$30,000 but the College is only partially through the year. The Finance Committee discussed different cost components and the use of work studies for some of the auxiliaries may bring down some of the costs.

Ms. Williams stated the Bookstore is the next area and it shows ongoing from 2011 both revenue and expenditures have decreased since this is largely a component of how many students the College has it is natural to expect both revenues and expenditures to decrease from that. The average in the 6 year period from 2011-2016 was requiring \$100,000 of transfers in and in 2017 alone there was \$100,00 required transfers in and that has to do with management of a certain type of thing that the Bookstore has and the College has discussed different ways to try and manage that better. In FY17 the College has received more than expended and that is partly because the Bookstore gets their money up front when students are ordering books for the semester and there is still a couple of months left of the semester for the expenditures. The College will see where this ends up at the end of 2018.

Ms. Williams stated regarding Athletics, one of the things she wanted to point out is that they are one of the two areas that do receive their fees directly; it does not go to I&G first. At the bottom of the reports on the Athletics are the type of revenue they receive, they receive a healthy amount from the appropriations, which is RPSP and the Athletic (inaudible) amount which for the six-year period was \$400,000. In addition to the appropriations and the fees received directly, over the six-year period they received almost \$2M in I&G transfers. For FY17 the amount was \$300,000 received in excess of revenues and for FY18 at the moment, they are showing expenditure overage of almost \$90,000 expenditures in excess of revenues received to date.

Mr. Williams stated regarding Internal Services, the numbers for Internal Services go up and down a little. It is a little wonky when you look at year-to-year revenues versus expenses and then transfers. A lot of this inconsistency has to do with the way in which the cost allocation of the Internal Services to the different areas of the College was being booked. In FY13 and FY14 you can both revenues and expenditures were quite high in those years compared to other years so the cost allocation was reported in revenue and then expenditures. In the subsequent year, FY15 and FY16 the College started using transfers so the transfer amounts are significantly higher and then in FY17 and FY18 the College did a contra account so there is a negative and plus and that process represents a little bit more fully what kinds of net costs there are. It can also look strange in that you can have a negative expenditure. Again, the Internal Services, as incurred, the budgeted amount of expenditures for the year are allocated according to the FTE in the different areas of the College whether they are I&G or non I&G areas. The other thing about the internal services to note is it is the second area in which the fees for those services are deposited directly into that area. Because the College does allocate the costs for Internal Services to the different areas, the net cost is zero and the College is able to take the IT fee back into I&G at the end of the year. The revenue looks like it exceeds the costs.

Ms. Williams stated the last area is the Building Renewal and Replacement. This also has a fee and that fee is not directed into BR&R but into I&G and then monies are spent out of Building and Renewal as they are incurred. You can see the expenditures to date in each of the years is less than the amount of fee collected. There was a discussion in the Finance Committee about a different way perhaps to start reporting the information when it comes in and keeping the dollars there rather than closing them out. Ms. Williams stated she did not mention the general protocol that has happened is that in these areas money is budgeted based on the intended need. The amounts in these areas are swept back into I&G year-by-year and spent out. One of the suggestions was that the BR&R funds be deposited into the BR&R fund and it not be swept back and forth but kept there to accumulate over the years to address needs that may come up.

Ms. Williams asked if there are any questions from the Board of Regents.

Board President Powers thanked Ms. Williams. Board President Powers stated this is preliminary information needed moving forward. There is nothing that can be done about FY18 but moving forward as the College heads toward the budget year 2019, Board President Powers believes some of this information is very important and the Board of Regents making adjustments to the budget and approaching spending habits the Board of regents supports getting this information out to everybody and as it gets closer to initiating the budget discussion for 2019, the Board of Regents may want to implement some policy, procedures, thought process on how to approach budgeting for instance BR&R and how the College looks at the various funds in terms of how the actual revenue going into those funds matches the expenditures coming out of the funds and whether the College is subsidizing certain funds with monies from other funds. Board President Powers appreciates the work Ms. Williams and Mr. Bejarano are doing and will be helpful for the Board of Regents going forward. Board President Powers opened this up for discussion.

Regent Damian Martinez stated the Finance Committee spent a lot of time on this and he has real big concerns as to how stuff is being spent at the College. His concerns and he is not going to say anything different than what he did in the Committee, his concerns are with the use of I&G money to subsidize programs across the school. In discussions with President Bailey, Northern and two other colleges were essentially called out for using I&G for subsidizing Athletics. When you look at the Athletics Budget and the amount of money that is spent in I&G over any given year and you weigh with Academics, the College has not given professors a raise since dinosaurs walked the earth and I&G money can be used for that. It concerns Regent Damian Martinez that the College is running an Athletic Program that can't be run without using money that should not be used in Athletics. Regent Damian Martinez proposes that the school come together and bring the departments involved and people need to be living within their budget. The College should not be using I&G money to subsidize the Athletic Program by \$300,000 a year. This is any program, Regent Damian Martinez was using Athletics because it was the page he was on, and any program should not do this.

Regent Garcia stated she would like to thank Ms. Williams and Mr. Bejarano for providing these numbers. Regent Garcia has not absorbed them yet but if she has any questions, she asked if she could call Ms. Williams. Ms. Williams stated absolutely.

President Bailey stated two other issues just to piggyback on comments from the Board of Regents. One is that the El Rito Campus and the Athletic Program were two issues that were really singled out in the LFC Report. On the El Rito side, the strategy the College is employing is how to lower the utility costs. The Solar Array is going to help, the Energy Audit is going to help tremendously because now the College is talking about insulation and geothermal and solar arrays on roofs and take the dependents off propane. All of those things are going to help drive that bottom line that Ms. Williams talked about down. President Bailey is confident those numbers are going to decrease.

President Bailey stated on the Athletics side, the message from the LFC was very clear, the College cannot use I&G money for Athletics. They singled Northern, UNM and NMSU and it was directed, it was very clear. While the ship has sailed in some ways for the FY18 budget, the line in the sand is that the College will not be able to do this for the FY19 budget. That means the College and President Bailey likes Regent Damian Martinez suggestion to look at other options and have some really serious discussions about a way forward. The College is ready to start having that dialogue.

Board President Powers would propose in the interim between now and next meeting, the Audit, Finance & Facilities Committee spearhead the effort of working on obtaining more detailed information. Board President Powers would like to propose this be brought back at the December meeting with another item on the Agenda for the Vice President of Finance and Administration doing a bit more in terms of presenting the information and the Board of Regents might want to look at some options of identifying to use to mitigate these issues and working on potential solutions to use going forward.

Regent Damian Martinez would like to use December to collect data and he would like to be at the College in person for this discussion. Board President Powers stated he thinks this could be done. Board President Powers is most interested in elevating this to a high priority level because the Board of Regents does not want to get to the 2019 budget process and not have really tried to pull back the layers and figure it out. It has to be identified and figured out and basically research the numbers and have a discussion of how to address issues sooner rather than later. Board President Powers would like to have more data gathering and schedule a meeting before the session starts in January to discuss this, even if it is a primary item on the Agenda for the meeting to get it adjusted and get some Board of Regents direction on it before the legislature in January.

Regent Damian Martinez suggested in the data compilation to get the department reports and an even closer shot on a line item as to where the expenditures and why does it cost x amount of dollars to cost to run program. The College needs to sit down and massage their budgets so they get what their need. Ricky Bejarano stated the College will give the Board of Regents the line item detail and, it would go item by item and they will have it for the meeting. Regent Damian Martinez stated would also like to ask those involved with those departments look and see where they can cut, if they can't look at it, at some point they will have to chop the whole leg off. Ricky Bejarano stated each department head sees the line item detail that is why BARs are done. Because at the College budgets at the line item level. Pretty much the whole world budgets at the line item level. The heads of the program have the detail and it will be provided to the Board of Regents as well and whatever is sent to the Board of Regents will be sent to the heads of the departments as well. Regent Martinez stated the heads need to figure out where they can tighten the belt by sharpening their pencils in those line items. Mr. Bejarano stated this is the first year the College has been really strict with the budget. If they are over budget, they are over budget and Mr. Bejarano does not approve movement unless they show where they are going to take it from. Another way the College got into this situation is that it would wait until the end of the year and pull from I&G. Some of these programs have budgeted I&G money which the College knows is inappropriate but the budget was there and that is what they had to work with. There are some instances where it has gone beyond for some line item categories and the College is not allowing them to move forward from somewhere else. The College has to live within the budget, it has no choice.

Regent Rhodes stated back to Athletics, the note about housing costs, the Athletic Budget itself is showing the Athletic Housing Cost as part of their budget. Ms. Williams stated the housing costs are primarily if not exclusively for Athletics or individuals who choose to live with the Athletics individuals because of their relationships. It was like the utilities for El Rito being in another location. The College felt it was important to include that that is a cost that is incurred by virtue of having an athletic team and not having housing on campus. Mr. Bejarano stated he would also like to clarify that cost is for if the College had situations with students that left or bailed on the apartment complex or Eagle Village and did not pay the tab. The College has guaranteed to those locations because they allocate so many apartments that the College will make it good. The \$16,000 in FY17 was a result of students leaving without paying. Otherwise, the cost should be at zero. Regent Rhodes thanked Mr. Bejarano.

Board President Powers asked for any additional comments, with no comments, the Board of Regents moved to the next item.

2. Fiscal Watch

Mr. Bejarano stated the next item and it is an action item. It is approval of the Fiscal Watch Report that was discussed in the Finance Committee. Mr. Bejarano stated the College stands for questions on the Fiscal Watch. Board President Powers stated this was discussed at the Audit, Finance & Facilities Committee and to summarize what Mr. Bejarano stated at the meeting, everything is on track, nothing is out of the ordinary. At this point the College is on track and there are no areas of concern. Mr. Bejarano stated this is correct.

Regent D. Martinez moved for approval of the Fiscal Watch Reports as presented. Second – Regent Rhodes. Board President Powers stated there is a motion on the Board to approve the Fiscal Watch Reports as presented at the Audit, Finance and Facilities Committee Meeting. **Board President Powers asked for a vote. Board President Powers– yes, Regent Damian Martinez, Regent Garcia – yes, Regent Rhodes – yes, Regent Joshua Martinez – yes.** Board President Powers stated the motion is approved.

3. Monthly Budget Adjustment Requests (BARs)

Mr. Bejarano stated the College budgets at the line item level at the College so the College ends up with a number of adjustments at the categories. There are no extraordinary items and asked if the Board of Regents has questions. Regent Damian Martinez asked where the College is with respect to BARs this time last year. Mr. Bejarano stated the College is doing very well, the College is at about half of last year, maybe a little more than half but the College has done a lot to reduce them. When the College moves to the category level, the detail will still be kept, to actually require a BAR, the College is moving towards a policy change to where the BARs would only be brought moving from one category to another. Board President Powers stated he would entertain a motion to approve the BARs.

Regent Martinez moved that the BARs approved as presented by the Vice President for Finance & Administration. Second – Board President Powers. Board President Powers stated there is a motion on the table to approve the BARs as presented by the Vice President for Finance & Administration and asked the Board of Regents if there was any discussion. Hearing no discussion, Board President Powers asked for a vote. **Board President Powers– yes, Regent Damian Martinez – yes, Regent Garcia – yes, Regent Rhodes – yes, Regent Joshua Martinez – yes. Motion passed unanimously. Board President Powers noted that the motion carries.**

4. Disposition of College Property

None.

B. Provost and Vice President for Academic Affairs

1. HLC Interim Report

Dr. Ivan Lopez Hurtado, Provost & Vice President for Academic Affairs stated he is going to give the Board of Regents a little bit of history. In April of 2016 the College had the reaccreditation visit, which was very successful, but for this visit there was a requirement of the College to submit an interim report to address three issues that were concerns at the time of the visit. Dr. Lopez stated discussing with the College's liaison at the HLC in Chicago he has let the College know several times the concerns are at the low level, these are not things that will jeopardize the College's accreditation. The College has been working for several months on the report (attached) and this is a draft and the College's plan is to submit on November 17. First of all one issue the College has to address is the faculty to program ratio. For several years, the College has been cutting faculty positions and this is something that was also highlighted in the LFC report in terms of institution support. The HLC wants to see the College is improving in this ratio. The College was requested to see a plan to address the faculty to program ratio and what Dr. Lopez has to report is that the College is doing well in making progress in this direction. Initially when the College submitted the first report to the HLC prior to the visit, the ratio was 1.27, right now the ratio is 1.52 and the College has 8 vacancies the College is currently hiring. If the College hires these vacancies the faculty ratio will be 1.84, which means the College, is doing really well. However, during interactions with the HLC they asked the College not to just review the faculty to program ratio but the faculty to program compared to the number of students which has been a good exercise because the College has to rethink programs and where does the College need to put new faculty lines. For FY18/19 during the budget process, the College is going to suggest to add two more faculty lines, one for the Business Administration Program and one for the Humanities Program, especially in Criminal Justice and Psychology. By the end of Academic Year 18/19, the ratio is going to be 1.92. The College is moving in the right direction in terms of faculty to program ratio. Dr. Lopez asked for questions from the Board of Regents. Board President Powers stated he is good on this. Regent Rhodes stated great work. Regent Joshua Martinez stated he had a question on faculty to program ratio. He asked if it this coincides with the students in the program and you want a lot of teachers in that program. Dr. Lopez stated

this is correct. So one of the concerns now the HLC has is that the College has enough faculty members for the number of students in the program. Ratios in general are really good and that is something students really like. Typically the classes are small in comparison to others and other hand this has an extra cost. The College does have programs where the College needs to improve and that is Business Administration and a couple of programs in Humanities. They are doing really well in terms of enrollment and short in terms of faculty members. Faculty members are always an investment. They bring money, they are not just teachers, they go for grants, and it is an investment to bring more faculty members.

Dr. Lopez stated the second item was assessment. They want to see, especially in what they are calling co-curricular assessment, they found that the College is not measuring the success and the teaching and learning experiences that happen in co-curricular activities. They asked the College to put a plan in place to address the co-curricular assessment. The College has a committee that has been training staff and faculty and they have already developed student-learning outcomes for co-curricular activities so the College is moving in the right direction.

Dr. Lopez stated the last item they wanted the College to show progress is the default rate. When the College submitted the report, the College was still showing a high rate in terms of default rate for students. By 2012 the College was at 26.3 and he is glad to report as of the last report, the default rate is 22.7. The College is hoping when the 2016 is available it is going to be lower. The College has submitted the interim report to the liaison for his opinion and he said the College should not have nightmares it looks good but he said it is not him it is an independent committee who reads it but he thinks the College will be in good shape. The College will finish this and submit it by November 17.

Board President Powers asked regarding the default rate, it as 22.7 right now and how does the College compare, is there a state average on default rate and see how it compares to the State average. Dr. Lopez introduced the College's expert, Jacob Pacheco, Director of Financial Aid and he will be able to respond. Mr. Pacheco stated in response to the question, there is a data that makes a comparison of the College's nationally and also within the State. Last year, the College was reported as on the top. The number one school with the highest default rate. This year the College fell to third place so there are two colleges that are higher than the College. Mr. Pacheco stated the fact when the College compares the dollar amount, the average dollar amount of debt of the students that was highlighted in the schools.com report, the College is very low in that regards. The College's students, although the College has a high default rate, the Colleges students are borrowing far less money than students at other Colleges. Board President Powers stated that this might be a mitigating factor when the HLC is evaluating this, this factor may help mitigate the fact that the rate is high but the amount is lower. Board President Powers asked if this is an accurate assumption. Mr. Pacheco stated it is and the College has to remember that one of the reasons that the College spiked and climbed the ladder in terms of a high default rate is that it can point back to the tuition increases over the course of time that really drove up the number of students who were borrowing. When there were lower tuition rates, Financial Aid would cover most of the tuition for students and when the College went through the time period when the tuition rates increased over 100%, Financial Aid saw an increase in students with student loans. Since there is a lag in student loan default rating, it is basically a cohort of three years that are taken into account and reported much later. It took a while to see those increases. When the tuition increased it really shot up the default rate. The College put in a lot of effort to bring down those default rates. The College has a committee and plan in place that has stopped the default rate from increasing and during the last several years, the College has seen decreases. In fact, projected rate for next year is 22% so it will be a significant decrease.

Board President Powers stated this answered his questions and asked if any other Board members had any questions regarding the report. Regent Damian Martinez stated he had none. Regent Martinez thanked Dr. Lopez, Regent Rhodes thanked Dr. Lopez.

IX. PUBLIC INPUT

None.

X. EXECUTIVE SESSION

Board President Powers stated there are items that require the Board of Regents to go into Executive Session and would entertain a motion to do so.

Regent Martinez moved to enter into Executive Session and discuss matters pursuant to NMSA Section 10-15-1(h) 2, 5, 7 and 8 of the New Mexico Statutes Annotated. Second – Regent Garcia.

A Roll Call vote was taken - Board President Powers– yes, Regent Garcia – yes, Regent Damian Martinez – yes, Regent Rhodes – yes, Regent Joshua Martinez – yes. The Board of Regents entered into Executive Session after a brief break at 11:46AM.

XI. POSSIBLE ACTION ON EXECUTIVE SESSION


Board President Powers entertained a motion to return from Executive Session.

Regent Garcia moved to return from Executive Session and only items on the Agenda were discussed and no action was taken. Second –Board President Powers. A roll call vote was taken – Board President Powers– yes, Regent Garcia – yes, Regent Rhodes – yes, Regent Joshua Martinez – yes, Regent Damian Martinez had a previous commitment and had to leave the meeting. Board President Powers stated the Board of Regents is back into regular session at 12:55PM

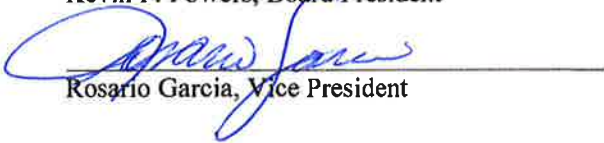
XII. ADJOURNMENT

Regent Garcia moved to adjourn. Second – Regent Rhodes. Motion carries unanimously. The Board of Regents Meeting adjourned at 12:55PM.

APPROVED:



Kevin F. Powers, Board President



Rosario Garcia, Vice President