

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

I. CALL TO ORDER

A regular meeting of the Board of Regents of Northern New Mexico College was held on Saturday, June 3, 2017, in the Boardroom of Northern New Mexico College, Espanola Campus. Regents present: Rosario (Chayo) Garcia, Damian L. Martinez, Esq., and Kevin F. Powers. Board President Rosario (Chayo) Garcia called the meeting to order at 9:01AM.

Northern New Mexico College staff present: President Richard J. Bailey, Jr.; Ricky Bejarano, Interim Vice President for Finance & Administration; Sandy Krolick, Creative Director, Communications & Marketing, David Lindblom, Creative Director, Canal Seis; Evette Abeyta, Budget Analyst; Alex Williams, Business Office, Senior Financial Analyst; and Chris Trujillo, IT. Others present: Barron Jones, Rio Grande Sun, Tim Crone, and Jake Arnold

II. APPROVAL OF AGENDA

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

III. COMMENTS FROM THE BOARD

Regent Powers stated there were a couple of committee meetings since the last Board of Regents Meeting. The second meeting was primarily on the budget and Regent Powers believes there is a good budget to submit. The committee basically directed the staff to get it to Santa Fe before the June 1, 2017 deadline with the understanding that the committee would recommend approval to the Full Board of Regents of the budget as submitted.

Regent Powers stated the Statewide Board of Regents is having a meeting in Albuquerque on June 14, 2017 and Regent Powers will be out of town for the meeting and he was hoping that one of the other Regents could attend the meeting if possible. There is actually going to be a good workshop at that meeting on budgeting and finances done by Glen Walters. If somebody can make that meeting, it will be helpful. Regent Martinez stated he would be in trial that week. Regent Garcia stated she would attend. Regent Powers stated it would be a good experience and there will be Regents from all over the State in attendance. Regent Powers will let Dan Patterson, President of the group; know Regent Garcia will be attending. Regent Powers is President Elect for the group and will be taking over on July 1, 2017. They did a survey for this meeting and this was the only date everybody could make it and this worked the best for everyone.

Regent Martinez stated he would like to thank everybody for accommodating his schedule.

Regent Powers stated he apologizes the meeting could not be done in El Rito but perhaps it could be scheduled in late summer, early fall.

IV. APPROVAL OF THE MINUTES

Regent Martinez moved to approve the minutes as presented. Motion passed unanimously.

V. PRESIDENT'S REPORT AND ANNOUNCEMENTS

A. Celebrate Northern

President Bailey stated he would like to welcome the College's new Interim Vice President for Finance and Administration Ricky Bejarano. President Bailey has received more than a dozen calls telling him that it was the smartest thing he has done in this job so far.

President Bailey reported on the following:

1. Dr. Stephanie Amadeo Marquez - Dr. Amadeo Marquez was approved by the National Science Foundation to attend and participate in a review panel in Washington, DC paid by NSF.
2. Dr. Patricia Trujillo - Dr. Trujillo received an \$8,000 Grant from newmexicowomen.org. Dr. Trujillo is hosting a women's council in the fall or spring.
3. New Mexico Higher Education Department (HED) - HED just approved the College's Adult Education Program under the AEFLA Grant for 2017 and 2018. The College does not know the exact figures on the size of the Grant but the College will have that within a week and will let the Board of Regents know.
4. Grant - The College has been awarded a \$1.3M Upward Bound Grant. It is a five-year grant, approximately \$259,000 per year. This will help the College foster partnerships and pathways for local high school students into higher education. President Bailey stated there are a lot of people to thank for this and a lot of legacy figures, Hilario Romero, Walter Lane, Carman Melendres, Toby Bott-Lyons and Dr. Ivan Lopez. Regent Garcia asked exactly what this will do. President Bailey stated it allows the College to focus on a cohort of high students and provide them pathways to higher education. It is a targeted educational program. Regent Martinez asked if it is generally students who do not have college graduates in their immediate family. President Bailey stated it is, for students who otherwise might be intimidated by college to instill confidence in them and to show them they will have a home in higher education.
5. Upward Bound Grant - There is another Upward Bound Grant the College should hear about in the next month or two and that is similar to the one the College just received, same dollar figure and it will focus on STEM. The
6. Title V Grant - The College is looking forward to hearing about a Title V Grant it applied for. This should take place around September.

B. Legislative Update

President Bailey stated the College attended the Legislative Session and the good news is that higher education was not cut any further than it was from the original House Bill II figures. The College has already budgeted for this and for the College it meant \$186,000 cut from the previous year. The Legislature is well aware that higher education has given at the office even though higher education is 12%-13%; higher education has taken and shouldered 44% of the State's cuts over the last three fiscal years. President Bailey believes they understand higher education has tightened the belt as much as it can and there was a unified effort in the legislature not to allow that to happen anymore.

C. Audit Update

President Bailey stated Ricky Bejarano and his team have already been looking at the 37 audit findings. Every 15th of the month the Board of Regents has seen the updates from President Bailey. There are some things, low hanging fruit, that have already been handled, Presidential Travel and a couple of other things. The College is also aggressively looking at some other low hanging fruit like the credit card machines and things like this that can be taken care of quickly. Some of the things are going to take longer, many of them the College is hoping to take care of during Convocation week because some of it involves training for staff and faculty. President Bailey wanted to give a special thanks to Donna Castro, Human Resources Director who has been intimately involved in this as well.

D. El Rito Campus Update

President Bailey stated the Planet Athlete deal that would have started a College Preparatory at the El Rito Campus fell through. There was an eleventh hour surprise in terms of expectations in terms of rent. This brought the College into further negotiations and in the end it was just too big of a gap. There were other issues and concerns regarding things the Board of Regents had asked for from the organization. The documentation that showed them as a non-profit, their financial statements that the College still has never seen. In some ways, President Bailey is disappointed that it has not happened but he also knows that the fact that the College was able to get this close this fast means that the strategy that the College is using is sound and that the College is going to continue to look for entities for whom focus of students in a protected setting is ideal and President Bailey knows the College can find that.

Regent Martinez asked if there are any classes or programs currently that would be good fits to just have in El Rito. Regent Martinez knows there is a concern that there is an empty or almost empty campus out there and sitting out there it is just a liability on the books that the College does not use. Regent Martinez asked if there is anything the College is developing or anything that can be housed out in El Rito whether it be summer sessions in El Rito or anything of that nature to try. Regent Martinez stated he is pretty sure the College will never be focused out there as it once was when it was originally built, but asked if there is there anything the College can do program wise that would be a great fit for the campus that is fiscally sound also. President Bailey stated this is the question and he thinks it is a very good question. President Bailey stated he has been very careful with the community in El Rito not to make any promises anything long term. Little steps that the College is taking are beginning to show that there is going to be some life there. Continuing Education offers a really interesting opportunity for that. Quinten Wilson, a renowned expert in adobe making and he held an adobe making class in El Rito in April and May. That got a lot of buzz and excitement. In Continuing Education there are a lot of opportunities. Summer Programs are definitely a possibility. The challenge for the College is putting heat and water to the residence halls. Regent Martinez asked President Bailey what he meant by heat and water. President Bailey stated the water is turned off right now and as the College turns some of those things on it is going to start to show, the College is going to test all the piping, there is a lot of infrastructure things that the College has to do.

Regent Martinez stated with the Upward Bound Grant, thinking outside the box, Regent Martinez knew people who were in upward bound and they spent a summer semester living on campus in the dorms. Regent Martinez asked if the College could do some aspect of Upward Bound to give these students a dorm experience in a college type setting and educational experience and use that facility. The College was going to try to do that with Planet Athlete, could it be done with Upward Bound. Perhaps not necessarily the whole summer but part of the summer in Espanola and a two or three week long program in El Rito so students can see what school is about, living away from mom and dad and getting that experience. President Bailey stated he would take that for action and talk to Dr. Lopez to incorporate this. The College has five years for this grant and the College has money for the Grant, it is a possibility. Regent Martinez stated the Science Department or the Engineering Department for just two weeks; just teach out there, using the facilities out there and how it applies to the every day work. Regent Garcia stated astronomy could be taught in El Rito.

President Bailey stated the College did get funding from Los Alamos Community Partnerships Office. They are giving the College money in the next two weeks that will allow the College to bring the observatory in El Rito back online. The plan is to connect it to the Internet and then to give that access to that observatory for free to every local high school, middle school and elementary school who wants it.

President Bailey stated the College had volunteers from the Espanola Campus, especially Dr. Sadia Amed; she took some students out and completely redid the greenhouse in El Rito. The College is already doing experiments on organic farming in the greenhouse. The community is very excited about. Regent Martinez stated this is the type of thing he is thinking the College can do. Mini-programs and use the facility for the class and students can stay in the dorm.

President Bailey stated the College has just been invited to participate in the art studio tour - September 30 and October 1st in El Rito. This is the first time this has happened in a long time.

President Bailey stated the College is in development of a film lecture series in El Rito. There are some amazing experts in the area and the concept would be to have a lecture series where there is a professor or subject matter expert to either talk about the background of the movie or making of the movie itself, potluck involved.

President Bailey stated the College has been identified by Kit Carson Electric Coop as one of the sites for the one-megawatt solar array. They should have a contract to the College soon; it will be taken to the Board of Finance and shared with the Board of Regents. This will bring about \$200,000 in lease money to the College over the span. More importantly, it is going to lower the energy footprint long term not only the campus but for the entire community. This had unanimous support from the El Rito Community.

President Bailey stated he will continue to work at long-term sustainable solutions but he will take the Board of Regents advice to heart and look for programs, even less ambitious programs, that can start to bring some educational components to the campus.

President Bailey stated on June 3, 2017 - 1:00PM-8:00PM there will be a Matanza on the Plaza. The College has lent our grill for the event and several staff members have contributed. On June 13, 2017, President Bailey, Ricky Bejarano and Dr. Lopez will travel to Farmington to do some background research on an opportunity that the College may have to partner with the City of Farmington and the airport on an aviation program. It is only a fact finding trip, there are definitely some concerns to explore and details will be brought to the Board of Regents soon. On June 28, 2017, President Bailey will be holding the State of the College address in Espanola and on the El Rito Campus. On July 1, 2017, President Bailey will be helping out with the Garlic Festival. The follow up to the Renewable Energy Festival will be held September 3, 4, and 5, 2017 and the theme is Renewable Energy and Sustainable Agriculture so the concept is a Harvest Festival.

Regent Garcia asked what the Board of Regents is going to do regarding the Audit/Finance/Facilities Committee and the Academic/Student Affairs Committee as there will be a quorum with two on the committees. Regent Martinez stated that assumes the Board of Regents does not blindly follow the email they all read. Regent Martinez stated the Board of Regents needs to get an Attorney General opinion and the College needs to get Senator Martinez to ask for it. Regent Garcia asked President Bailey to reach out to Senator Martinez. President Bailey asked if Regent DeHerrera stepped down yet. Regent Martinez stated she has not and the way the statute is written is Student Regent shall be part of the student body, which would imply that you need to be a student. If she not taking any classes, next semester, the fall semester, then the Board of Regents has a Constitution crisis. President Bailey stated that is the issue, because there cannot be committees. Regent Garcia stated the staff could be on the committee and one Regent. Regent Martinez stated it could be announced that there is a possible quorum for each meeting or that there will be a quorum

and if anybody wants to show up to it they can show up to it. The Audit/Finance/Facilities Committee meeting is a telephone conference. President Bailey stated the other possibility, and President Bailey knows he has to stay out of it, if the Governor reappoints either, or appoints someone for the open seat, or reappoints the Student Regent Candidate, but actually Regent DeHerrera would have to resign before that happened, that individual could start serving immediately until confirmation. Regent Garcia stated she does not think she has to resign. Regent Martinez stated he believes she has to appoint a student regent because of the language. Regent Powers stated the other thing is if the Board of Regents got an AG's opinion and it was contrary to the email the Board of Regents received, then theoretically, Regent DeHerrera would not be a Regent and there would be a vacancy. In Regent Powers opinion, everything turns on whether she is a Regent or she is not a Regent. It appears she is not in a position to serve, she would prefer not to be on the Board of Regents, Regent Powers is hopeful the Board of Regents will get some action out of the Governor's Office now that they are past everything. Regent Martinez asked if a call could be made to the Governor's Office to ask if they could appoint a Student Regent and whatever they want to do with the other one fine. The Board of Regents either needs an Interim appointment on the full regency or a Student Regent appointed. Regent Powers stated he would call. Regent Garcia would also still like President Bailey to call Senator Martinez. Regent Martinez stated the way the Bylaws are written is that the Board of Regents has to have a quorum of people physically present and then people could attend by telephone. Regent Powers asked if these are the Bylaws. Regent Martinez stated it changed about two years ago and there was an issue of whether or not people could all in telephonically if they were on vacation or something. The way it was written, you had to have, they did not speak to it and it was changed to a physical quorum and then the other Regents could phone in. Regent Powers would like to revisit this because he knows the other Board of Regents can have 100% telephone. An example of this is if HED would have required the budget to be approved before it was submitted prior to June 1, 2017, the Board of Regents could have had a conference call to approve it. Eastern New Mexico did just that and there may have been one Regent present in in Portales but he knows two others that were not there. Regent Martinez stated his concern now is every Regent lives out of town. In a pinch probably the fastest way to do it would be to have a meeting in Albuquerque. Regent Powers stated in the standpoint of being transparent to this community, it would be better to have a telephone conference call where the telephone would be in the Board Room as opposed to having the entire meeting in Albuquerque where if you were interested in what was happening you would have to go to Albuquerque to find out. This way you can come to a room at the College and hear exactly what is going on. Those requirements for telephonic participation are pretty clear, you have to acknowledge you can hear what is going on at the meeting and the meeting can hear you. It is designed to make sure that people who want to know what is going on have the ability to hear what is going on. Regent Garcia stated this should be discussed at the next meeting. Regent Martinez stated if President Bailey can send it to him, he can look at it and send it back to President to circulate it so it is not a "rolling quorum." Regent Martinez should be able to work on the language. Regent Martinez asked if the Board of Regents would like to say that any meeting could be done by telephone or only emergency meetings, where the majority of people are on telephones. Regent Powers stated it should say and there was some language to that effect, this is really a last resort and it is not intended to be the norm, however, given the circumstances of people's domicile it is sometimes necessary. It should be avoided when it can be but there will be times when schedules are not compatible. Regent Powers would not be opposed to limiting it to special meetings or meetings other than regular meetings. There again, there may be a regular meeting when something comes up and a Regent would not be able to make it. Regent Garcia stated there could be special circumstances. Regent Martinez stated it could probably be modeled after the Open Meetings Act, which allows you in emergency situations to do away with the 72-hour notice. Regent Powers stated the Open Meetings Resolution that was adopted allows for telephonic meetings. It is the Bylaws that are holding the Board of Regents back; perhaps the Bylaws could be confirmed to the Open Meetings Resolution so they are both consistent. Regent Powers stated there could also be a policy that the Board of Regent will do everything in its power to have meetings with physical presence but in the event they are unable to do so they could go to a telephonic meeting.

Regent Powers asked if the student who was recommended and not confirmed, if he is a local student. President Bailey stated he is.

Regent Garcia stated Faculty Senate and Student Senate do not have reports.

V. STAFF REPORTS

1. Audited FY 2016 College Financial Statements

Regent Powers stated this item was discussed in the Audit/Finance/Facilities Committee. A number of questions were raised in that Committee about the Audited Financial Statements and the Board of Regents has to approve them by law - accept them. They are what they are. What came out of the discussion about this was they are what they are, now the College has to work to address the shortcomings in the report, the findings and the College asked for a high level report on where it is in addressing those, an overview of this was given earlier in the meeting and what the Committee would like to do is get a standing item on the Agenda for each meeting going forward where there will be a report on the audit findings and the progress that the College is making on addressing the audit findings. Just as there is Fiscal Watch Report and BARs, the Board of Regents will have an item modifying the update and will hear from staff on what they are doing to address them and what the progress is. President Bailey asked if Regent Powers is comfortable if staff posts the matrix it does each month. Regent Powers stated he is and given the magnitude and the number, it would be easier to see the update. Obviously, there are some low hanging fruit that can be eliminated quickly and some are long term in nature, developing policy and training that cannot be done overnight. Regent Powers stated as long as the College is making progress. President Bailey stated there is urgency to it and just for the timeline; they have moved the annual audit deadline to November 1, 2017. What this means is the annual auditors will be at the College as early as late summer and the more that is done earlier, the better.

Regent Powers moved pursuant to State Law that the Board of Regents accept the Audited Financial Statements as submitted to the Board of Regents. Motion passed unanimously.

2. Fiscal Watch

President Bailey asked Alexandra Williams, Senior Financial Analyst to review the Fiscal Watch Reports. Ms. Williams stated regarding the Fiscal Watch, this report is for the end of April and later on she will talk about the budget, which will be end of projected fiscal years. On the statement of net assets, the things that are significant to mention are the cash and the unrestricted operating profit, where it says net position. At the moment, cash is at \$2.6M. These are going to go down drastically because the College is two months out and there is regular spending, partly because at the end of the year everybody spends more. The College is already feeling this in terms of the number of purchase orders coming in. The other thing is that this does not yet represent are Capital Outlay overages of \$128,000 and the settlement, the recent settlement, the College had some in estimate which was pulled into 2016 and when it hit the paper it was a lot more than anticipated and it is not yet in the report because it was not known. Regent Martinez asked if Ms. Williams if she was talking about a settlement or the judgment in the trial. President Bailey stated the judgment in the trial. Regent Martinez stated settlement is - you do not go to trial. President Bailey stated Ms. Williams was talking about the recent judgment.

Regent Powers asked if Ms. Williams had the cash number compared to the same month last year. Ms. Williams stated it is considerably higher, there was a while when the cash was negative and the College had to manage which checks it let go, the College is in in a much better position overall right now than it had been for several months. What is hitting the College this year is not exactly a one time because the College has had other judgments and they are hopefully not going to be recurring even though some have but they are the types of things that should not be ongoing into the future. This is good to know but it is a hit that has to be

addressed. President Bailey stated he thinks there has to be a culture change at the College when it comes to end of year spending and the Federal Government is terrible about this, every September, everyone starts buying paper, pens, etc. that no one is going to use. President Bailey believes the reason it is done is because if you do not use it, you loose it and this is going to change. The College is not going to punish departments for not spending all their annual income. The College should be doing the opposite; the College should be rewarding people who are contributing to the General Fund. When the College takes cuts, this is what buffers it. As an institution, the College has to be more sensitive to this and the College will have a discussion during Convocation. Regent Garcia stated Grants have to be spent.

Ms. Williams stated regarding the Operating and Plant Funds and this compares the budget amounts to the revised budget and what the actual spending were at that time. The budgeted amounts were \$23M and so far the College has received \$20M. Expenditures, it was \$24M and the College only spent \$18M. The College had an original budget with very little fund balance and got excited because the College got tuition and fees higher than expected and at this point it shows an ending fund balance of \$2.5M. Regarding Plant Funds, the College has almost all but spent the revenues for the activity for the project. President Bailey stated the project is 99% finished.

Ms. William reviewed the comparison to the prior year. The College is pretty close in terms of revenue \$20M last year and current year, the expenditures are \$18M last year and this year. The College has been working to try to build out this fund balance. Regent Powers stated he would like to recognize the fact that the finance staff has been able to build a fund balance during a time of cuts from the State. The College received a cut for this coming year, last year and the year before. The College has been continually cut at the State level and been able to do some pretty significant work on fixing the cash position. Regent Powers commended the staff for getting this done in a difficult environment.

Ms. Williams asked if there were any questions.

Regent Garcia asked for action on the Fiscal Watch Reports.

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

3. Monthly Budget Adjustment Requests (BARs)

Evette Abeyta, Budget Analyst stated for the month of April there is a total of 8 BARs. Six BARs are increases, one is an increase and one is a budget transfer. These are the routine BARs that are reviewed each month. Departments are basically increasing their budgets by revenue received and they want to spend it before the end of the fiscal year. For the year, the College is at 265 BARs for the year. Compared to three years ago this is about half the number of BARs. The College has done well in managing budgets and is watching budgets. Regent Garcia stated the College could do better. Ms. Abeyta agreed. Regent Powers stated during the last audit, this fact was overshadowed by the total number of findings the College had, but the audit finding for overspending budget was removed this last year for the first time since Regent Powers has been on the Board of Regents. This was significant and Regent Powers would like to continue this trend into the next audit and finish the year in such a way that there is no over-expenditure.

Ms. Abeyta stated in the estimate of actuals, the College does its best estimates for the fiscal year and that is what the Higher Education Department (HED) will hold the College accountable for on that final BAR. Regent Powers stated if there is anything that needs to be done, this is Regent Powers concerns if there is not another meeting until July, if the Board of Regents needs to approve any kind of BARs prior to the end of the year to make sure the finding is avoided, the Board of Regents needs to find a way to accommodate this. Ms. Williams stated it is too late. The College tries to do the estimated actuals such that it will not be

exceeded. What the Board of Regent is conducting now is internal BARs, they are not acknowledged by HED, HED only acknowledges the reports the College sends them. The College is refining the process to determine estimated actuals every year. The College needs to be better and the spending at the last minute makes it hard to project. The College knows there are certain contracts that renew at the end of the year so they are added. When the departments hold back and then there is a surge it is hard to determine.

Regent Garcia asked if a meeting is needed in June. Ms. Williams and Ms. Abeyta stated it will not matter. Ms. Abeyta stated as Ms. Williams mentioned the BARs that are in the packet, the College has done its best estimate to accommodate these BARs that will roll up into the final BAR.

Regent Powers moved to approved the BARs as submitted. Second - Regent Martinez. Motion passed unanimously.

Ms. Williams stated when talking about whether or not to have another meeting at the end of June, the College is now on a monthly reporting requirement for the Enhanced Fiscal Watch Program, which means if there is not a meeting to approve the last months financials, the College will not be in compliance and will ask for a waiver. Ms. Williams asked if President Bailey had approached HED regarding this. President Bailey stated he has not done so but the College can ask for this. Regent Martinez asked when the next meeting would need to take place. Ms. Williams stated in order to have the approved financials to HED it would need to be by July 15. Regent Martinez stated the meeting could be moved up. The Board of Regents agreed to July 14th. Regent Powers stated this would constitute the regular meeting.

4. FY18 Operating Budget

Ms. Abeyta stated she was going to give a brief overview of the FY18 Operating Budget and it was discussed in detail in the Audit/Finance/Facilities Committee meeting. The sheets given to the Board of Regents for the Operating Budget are Exhibit 1 and Exhibit 2, which are summaries to the detail behind the Operating Budget, which amounts to about 110 pages. This is the FY17 approved Operating Budget. The middle column Estimated FY17 is the best estimate for the fiscal year for the revenues. The second column is the Estimated Actuals and this is where Ms. Williams talked about the College being conservative in this area. There is a little more room this year because there is a fund balance available so the College wanted to get as close as possible in the estimates. The third column is Proposed Budget for FY18; this is a combined effort between Ms. Abeyta and Ms. Williams and the VP of Finance. In this budget, a few things included in the FY18 proposed budget. Much of it was based upon FY17 actuals. The College did its best to submit a flat budget. The College did include tuition and fees at a flat budget compared to the current year. The College did include for the 4.5% increase which when you factor in all of the tuition promise students, it comes out to about 3.1% (\$81,000) in addition to the revenue. The FY18 proposed budget was also reduced by 3 FTE, which were part of the administrative side. Those positions were vacant positions. One was an Executive Administrative Assistant, the other a Receptionist and the third was a .25 part time employee, which had never been filled since it was created.

Ms. Williams stated instruction costs were up \$200,000 in FY18 over FY17. There is an amount budgeted in for the accounting concerns to come, some of which are being negotiated and who is going to carry those costs. Other than that, the budget is flat.

Regent Powers stated he could add a few items. The enrollment numbers that were used in the budget, the College is using the same enrollment - flat to flat, the same fall enrollment and the same spring enrollment. The College is including a vacancy adjustment in there for the naturally occurring vacancy rate that has been experienced in past years. It is significant to reiterate that those positions that were cut were non-instructional positions and they are administrative and this is important. Instructional expenditures are up this year and the College is putting money back into the instructional programs. Regent Powers stated the

Committee has carefully looked over this budget over the last few weeks and Regent Powers feels comfortable with it to be submitted. Information is still flowing in but it appears that most other higher education institutions in the State have raised tuition in different ways. On average it appears that tuition has gone up by 4% to 5% out there and the College raised tuition 4.5% effective on the incoming students and the College has the Tuition Promise Program that holds tuition constant for those who have been in for the previous two years. The College did everything it could, Regent Powers appreciates the work done on this and asked for additional comments.

Ms. Williams stated it is significant to mention that given that the College has not increased the tuition and fees higher, the way that the College has funded this budget which ends up with a zero fund balance is to deplete the fund balance built up. These are recurring costs and have to be addressed in subsequent years, whether it is tuition and fees or moving more to grants or whatever the College does. The College will not be in compliance in terms of having the reserves required by HED. This gets the College to this point but it is not sustainable.

Regent Martinez stated the whole issue of cost savings and tuition increases; the College is going to have this issue again next year. Rather than having one meeting and the Board of Regents deals and negotiate, nothing is wrong with negotiating because you generally get to a point where everybody is just as unhappy, then it is probably a good deal. Regent Martinez asked if there is a way the finance department, where the Board of Regents can have, whether in finance meetings or briefing at quarterly or bi-monthly to let the Board of Regents know what the money is going to be like this year and based on this projection, this is the tuition increase projections or this is what will have to be cut in order to save students from having their tuition increased and more importantly the tuition guarantee if there is a way the Board of Regents could amend that in that is equally distasteful for everybody that would maybe for students coming in, if they are given a tuition increase, the Board of Regents can say if the Board of Regents has to raise tuition you will never be raised higher than a certain percentage. Then in April next year, the College is not working frantically to figure it out and the Board of Regents is not working frantically in their minds to do the right thing, this way no one is blindsided and the College can give projections and the Board of Regents will have a better understanding of it. Ms. Williams stated she believes the Board of Regents will find that what the College is going to request is going to be a lot higher than the Board of Regents is going to be willing to do, just like the last meeting. This is a big amount; this is a big uncovered recurring expense. Getting other people, other entities to absorb our costs by the creative strategies is really going to be necessary. The College can work with the Board of Regents in order to determine what kind of reports the Board of Regents would want and how often the Board of Regents would want the reporting, it is complex, on the fees portion, on the different cohorts and what ifs and even the portion of what the expenditures are going to be. The College can do worst estimate, best estimate and somewhere in the middle.

Regent Martinez stated it would seem to him if the Board of Regents at least had an understanding and know this is the part of the sandwich you are going to have to eat early on, it is a lot easier than ripping the Band-Aid off. If the College comes to the Board of Regents saying it needs a 15% increase, probably most people will throw up a little bit in their mouth. If you tell the Board of Regents early on this is what it is looking like and the Board of Regents has to realize this is what it is looking like, the College might be able to convince the Board of Regents in March that instead of 15% it is 10% because the Board of Regents has been hearing the numbers all year rather than in one meeting.

Regent Powers stated he would like to propose something and a number of institutions that he has worked with over the years does it this way, and that would be a mid-year budget review where the Board of Regents has a Board Work Session where it looks at the actuals at the mid-year level and if the Board of Regents has to make some adjustments. If the Board of Regents sees where it is headed is not where it wants to be and it has to make some adjustments mid-year, it can do that and also get that information for the budget process, get the budget process rolling so to speak. This last year was especially difficult given the fact that the Board

of Regents and the College did not know what the funding was going to be until after the original budget deadline. The funding agreement did not occur until after when the College was supposed to submit the budget. This was an anomaly, especially bad. Regent Garcia stated hopefully. Regent Powers would propose a mid-year budget review where the Board of Regents dedicates a portion of a regular meeting or a workshop added on to a regular meeting to go through and analyze where the College is, where it thinks it will be and whether it needs to make any mid-year on the fly adjustments and then get the Board of Regents prepped. Regent Martinez stated there should be a full on work session for this because it is too important to breeze over in 15 minutes or half an hour.

President Bailey stated he would like to point out institutionally; the College does not want to put the Board of Regents in a position to do this. The College knows and everyone knows that the College had to go into fund balance to create this budget for FY18. If nothing is done, there is a freight train coming. President Bailey stated what the College will not do and what the College owes to the Board of Regents are some innovative ideas that do not put the College in that position. Regent Powers stated he likes the idea of the mid-year; it gives the College the fall to try to get enough of these innovative ideas out there. The College is trying a lot of different things to bring alternate sources of revenue. President Bailey is confident the College is going to eat into this sandwich for the Board of Regents so they do not have to do it. It is ambitious but it is the goal.

Ms. Williams stated the College has to file with HED a December BAR which is at that time our estimate of what the College thinks is true. To address this issue in the January meeting would be a great time. Regent Powers asked if this is done after the College submits the BAR. Ms. Williams stated this is when the College will have numbers and the Board of Regents can decide based on what has happened not what the College hopes will happen, but what has happened in the works, what might be appropriate going into the spring. Regent Powers stated this would be added to the January meeting. Regent Powers would suggest the workshop ahead of the meeting and that way some of these items if action were needed would be put on the Agenda.

Ricky Bejarano, Interim Vice President for Finance & Administration stated this is not unique, this is every agency, every state controller, how do you corral 129 agencies and what not. The thing that pops up in accounting is standards of relevance. The faster and more accurately you can get the information the better the position the Board of Regents and the President are going to be in. This is what Mr. Bejarano sees here, the College really has to work on it, people are overwhelmed and doing more with less but the College cannot accept learning to function in dysfunction. The College cannot accept the dysfunction. The College has to get better, faster and more accurate, that is the underlying theme in the audit. This is why these things have happened. Mr. Bejarano's commitment to the Board of Regents and especially to the President is the College is going to get faster, better and more accurate. There are some things that cannot be controlled, the battles between the legislature and governor, economic environment, but one thing the College can control is how accurate and how quickly the College gets the information to the Board of Regents. This is one of the things the College needs to do. The other with regards to the budget, the College is always in reactive mode, this is every organization Mr. Bejarano has worked at. The College has to get proactive and stop; it is a forest trees thing. The College has to focus on what is important and what is costing the College real dollars and depleting revenues and address it as quickly as possible. This is Mr. Bejarano's commitment to the President and to the Board of Regents.

Regent Powers moved for approval of the budget as submitted. Second - Regent Martinez. Motion passed unanimously.

The Board of Regents recessed for a break at 10:14AM and readjourned at 10:20AM.

B. Provost and Vice President for Academic Affairs

1. Out of Country Travel

President Bailey stated he is presenting an out of country travel request for Dr. Jorge Chrichigno, Interim Chair of the College of Engineering and Technology. He is requesting permission to attend the IEEE International Conference on Telecommunications and Signal Processing in July in Barcelona, Spain. He is going to present a research paper titled "A Routing and Placement Scheme for Network Function Virtualization." Dr. Crichigno will pay for airfare; the rest of the expenses will come out of a Grant that Dr. Crichigno did get for the College. President Bailey stated Dr. Crichigno is doing some great work for the College and he has been asked and is already looking at potential cyber security programs and other things that are other things that the College thinks are opportunities for students for a good pathway for jobs that may be available for jobs in Espanola. This is along the lines for that research and it is a great move for the College.

Regent Garcia asked when he was leaving. Regent Powers stated the number is \$850.00 but that is not coming out of I&G but is coming out of the Grant. This is basically a no cost to the College. Regent Martinez asked when the College knew about this trip and how long has been in the works. President Bailey stated he did not know. Regent Martinez stated the only reason he asked is that this trip is July 3rd, coming up. Regent Martinez is concerned that maybe the College needs to get earlier approval on this in case something comes up that the Board of Regents hopefully never has to do this, but it cannot approve this travel, like January for travel in July. President Bailey stated he completely agrees and in fact when the College was debating on, when the May 22nd meeting cancelled there was a panic on this trip and the College put itself in that situation. President Bailey stated the College would make sure it would give the Board of Regents several months' notice. Regent Martinez stated maybe it is one agenda item early on in the year that says this is all the travel that is anticipated for the year. He would like to approve it early so the College and Board of Regents do not have to worry about it.

Regent Powers moved for approval of the out of country travel. Motion passed unanimously.

2. Out of State Tuition Scholarship

President Bailey presented the In-State Scholarship Program. President Bailey gave the Board of Regents a handout because there were some changes that came out of one of the Subcommittee meetings. The concept behind this is every other four year institution in the State has some kind of competitive academic scholarship and what that scholarship does is allows out of state residents to be counted for in-state tuition costs. President Bailey wants to make it very clear to everyone that the purpose of this scholarship is not to transform the institution into one that strictly caters to students out of state or out of country. The goal of this is to bring revenue to the valley that helps the College to support the College's students better. President also thinks he can speak for the College's colleagues at other institutions who do this for the same reason. The College has done a little bit of research and this is a proxy because the College did not have access to the College's own incoming students high school GPAs, instead what President Bailey has given the Board of Regents is what the College's students for the last several years have done in terms of cumulative GPA to give an idea of a bell curve. If you look at the data that given (attached) on the standards that Tech, State, Eastern, Western and UNM have been doing, the College has carved this out to look similar to a hybrid of what Eastern and Western use as their standards. The difference is with the Colleges and this is something President Bailey would be willing to explore down the road, some institutions have two different tears so if you meet a certain requirement, you will pay in state tuition, if you meet a lesser requirement, you can get a 1.5 factor in that. The other is because there are a lot of nontraditional students at the College, to be consistent with this, rather than saying here is your GPA plus you have to have this test requirement, for the College it is one of the standards, a GPA of 3.0, 23 or higher on an ACT exam, 1070 on an SAT

exam. President Bailey pointed out the College gets a lot of high school equivalency students and the College wants to give them an opportunity for success just as much as anyone else. For those who have come off the path for any reason and down the road want to pursue higher education then President Bailey wants the College to welcome them as well. They will be held to the same standards.

President Bailey stated once the students are in, if they maintain a 2.5% or higher GPA they can continue that program. This is going to do a couple of things for the College. The College is hands down the most affordable four-year institution in all of the Southwest US. When that word gets out and it will because the College is going to be at the top of the list this fall, this is going to draw students to the College this fall. It will also open the door, President Bailey discussed with an organization that serves as a conduit with international students, and it will bring international students to the College. The goal of this is not to change the College to something else; the goal is to bring students to the campus, to bring revenue that helps take care of local students.

Regent Martinez asked if it was 80 scholarships. President Bailey stated it is unlimited. Regent Martinez stated it says the high school equivalency programs must meet one of the above requirements 23 or 1070 and asked if an ACT or SAT is required to get into the College. Regent Martinez stated if he is a high school equivalency person, now you are going to make me take an ACT and asked if it is possible to figure out something for them. It seems like a burden on somebody who dropped out of school but is trying to get back on board and now we are putting another barrier on them where other students would not have to do. President Bailey stated he thinks Regent Martinez is right and what he would suggest is no other school has Accuplacer test as a requirement; however, the College has an Accuplacer test that helps the academic team build a schedule for the students. President Bailey would have to do some homework to see because he thinks that is the path. HEP/GED graduates still have to take an Accuplacer test for placement at the College. The College can look to see what a benchmark Accuplacer test is. Regent Martinez asked if it could be if you are a GED student, we are going to give you the benefit of the doubt. If you are coming straight out or you just got your high school equivalency and now want to go to school and the College is the place for you, does the College still have the requirement that they have to have a 2.5%. President Bailey stated only once they are in. Regent Martinez stated this is what he means and asked if the College could give those at risk students the benefit of the doubt, you are going to give them this tuition, which it is really not a scholarship of giving money, it is a break on tuition and after the first semester if they do not carry a certain GPA, they have to pay full tuition. President Bailey stated according to NMAC, Section I, which speaks about competitive scholarships and the question, is whether or not it meets the spirit of this. President Bailey would like to open it up completely but in order to meet the spirit of the Statute what qualifies as an academic competitive scholarship.

Regent Powers asked if when a person goes through a GED program, they have to take tests. President Bailey stated they do. Regent Powers asked why not tie it to the tests they take and what the curve is on the test and limit it to some competitive group that took that test. Regent Powers assumes this is the same test, if you have a local student who goes through the program or a student who goes through another program or no program, they still have to take a test. Perhaps it could be tied to this and add a component that says for GED students. President Bailey stated he loves this and it is a great idea. President Bailey will meet with the HEP program staff to get a similar bell curve from the last couple of years and will ask the question about whether those tests are standardized universal tests, whether or not they are State run. Regent Garcia stated it sounded like it was national because the College's students scored high. President Bailey stated he thinks there are five tests. Regent Powers stated he thinks this is an excellent idea.

Regent Martinez asked if this allows current students who are out of state tuition paying students, that currently go here to apply for this scholarship to get in-state tuition. For example, if you have an athlete, and Regent Martinez understanding is that most of the athletes have good GPAs. President Bailey stated they are already covered. President Bailey stated student athletes are covered through Section H. Regent Powers stated there are only three students that pay out of state tuition. Regent Martinez asked if they would be eligible. President Bailey stated they will but they will have to meet the requirements. President Bailey stated he does not know the College will retroactively refund but they will be able to moving forward. Regent Martinez stated that would throw off the budget too much. President Bailey stated the question for the Board is to get some data, resubmit this to the Board of Regents and get it in place to help recruitment in the fall.

Regent Martinez asked if it could be approved now pending the changes. Regent Powers stated the parts of this that are here are fine; this would be in addition to. Regent Powers asked if it could be approved with the understanding that a GED Benchmark is coming soon to the Recruiters. Regent Martinez stated once President Bailey figures out the Benchmark then the addendum would be approved.

Regent Martinez moved to approve the Bienvenido Nonresident Scholarship Program. Second - Regent Powers. Motion passed unanimously.

VI. PUBLIC INPUT

Regent Garcia asked Mr. Jake Arnold to address the Board of Regents and thanked him for attending the meeting on a Saturday morning. Mr. Arnold stated he is sure the Board of Regents will be relieved that he has nothing hostile or political to say. Mr. Arnold stated he was here purely complimentary for all the Board of Regents is doing and he apologized he got to the Board of Regents Meeting late and did not hear some of the comments about El Rito. Mr. Arnold understands that Regent Martinez was very supportive of some things. Mr. Arnold stated that he hopes more Board of Regents Meetings could be scheduled in El Rito and asked if the next meeting could be held in El Rito. Regent Powers stated it was discussed earlier. Mr. Arnold asked if the Board of Regents knew what day it was on the 14th. He said it was Bastille Day. President Bailey stated on that day there would also be an El Rito Watershed Conference on July 14th. Mr. Arnold stated he would like to ask that when holding the meeting in the venue they are in as opposed to the old Board Room that the Board of Regents does something about the ability of the people attending the meeting to hear. It is virtually impossible to hear all the voices and commentary if you are sitting on the side. It is not appropriate for people coming to the Board Room and sit at the Board table to try to hear better. The audio system set up for April was great. Regent Garcia stated it was in both rooms that were a problem. Mr. Arnold cannot hear everyone where he sits. Mr. Arnold also suggested that the Board of Regents take a look at the website for the Espanola Schools. When they post the Agenda, they list all the possible items, which are action items and which are not and have online the actual packets that are going to be presented to the Board of Regents so it would be proposals, resolutions, budgets online so people can see it and read it. Mr. Arnold realizes that it is a lot of work but he is amazed that they do it, the City does it and the County does it to some degree. It is a very nice thing. One other thing and one of the reasons Mr. Arnold did not get to the meeting on time is that he was talking to Larry Calloway who lives in Colorado. Larry was the UPI reporter who was kidnapped on the occasion of the Tierra Amarilla Courthouse Raid 50 years ago; this is the 50th Anniversary of the raid. There is a major event going on that might be of great interest to people at the Center for Contemporary Arts in Santa Fe at 3:00PM Sunday, a panel discussion which Larry is included. The reason Mr. Arnold is mentioning this is because in his research, which is extensive, it is prime document research in talking to people a lot of whom have passed away. The beginning of the erosion as the site of the College really follows the TA Courthouse Raid and it is not just a strange coincidence. Baltimar Martinez who was the kidnapper of Larry and a law enforcement officer, who did release them, hid out from the National Guard and Police for a number of days in El Rito. He happens to have been murdered in El Rito about six years ago in a domestic triangle dispute. It was Emilio Naranjo who was very upset about how folks in El Rito were supportive of the writers. Emilio as the sitting US Marshall was totally opposed to the

raid, totally opposed to Fiorina and there was a thread and to punish El Rito he started the movement to get the College to Espanola for its major facilities. That is in dispute but Mr. Arnold has research to support that theory. There is a connection between the College and so on and what happened is the aftermath of the TA Courthouse raid. It was actually the 6th of June, same day as the major conflict of the Arabs and the Israeli's happened and Tijorina felt that there was something symbolic about them occurring the same day. Regent Garcia thanked Mr. Arnold for the suggestions. Mr. Arnold stated he appreciates the Board of Regents hard work and attention to El Rito. If there is a meeting in El Rito, the Board of Regents could stay in the dorms. Regent Garcia stated they are nice dorms.

Barron Jones, Rio Grande Sun stated during this meeting he has sent Brandi Cordova six IPRA requests so if there is any conversation about it being more difficult Ms. Cordova will be getting into her inbox Monday and get inundated with financial watch and operating budgets and all that stuff.

VII. EXECUTIVE SESSION

Regent Martinez moved to enter into Executive Session to discuss limited personnel matters pursuant to NMSA Section 10-15-1(h) specifically pending litigation and personnel matters. Second - Regent Powers.

A Roll Call vote was taken (Regent Garcia – yes, Regent Powers – yes, Regent Martinez - yes). The Board of Regents entered into Executive Session 10:51AM.

IV. POSSIBLE ACTION ON EXECUTIVE SESSION

Regent Martinez moved to return from Executive Session and to enter into Regular Session. Second – Regent Powers. Roll Call Vote: Regent Martinez - yes, Regent Powers - yes, Regent - Martinez - yes. Motion passed unanimously. The Board of Regents returned from Executive Session at 11:34AM.

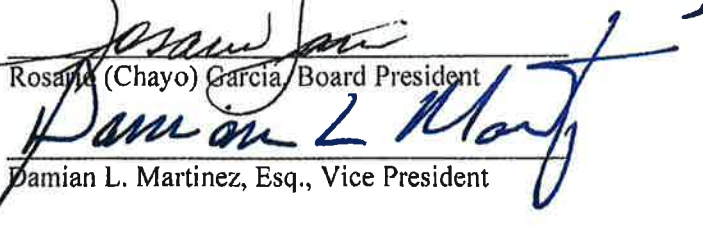
Regent Garcia stated no action or decisions were made during Executive Session.

X. ADJOURNMENT

Regent Powers moved to adjourn. Second – Regent Powers. The Board of Regents Meeting adjourned at 11:35AM.

APPROVED:


Rosalia (Chayo) Garcia, Board President


Damian L. Martinez, Esq., Vice President