

NORTHERN NEW MEXICO COLLEGE

BOARD OF REGENTS MEETING

SEPTEMBER 22, 2014

I. CALL TO ORDER

A regular meeting of the Board of Regents of Northern New Mexico College was held on Monday, September 22, 2014 in the Boardroom of the Montoya Administration Building on the Espanola Campus. Regents present: Rosario (Chayo) Garcia, Alfred Herrera, Kevin F. Powers, Michael P. Branch and Michelle Montes, Co-Student Representative. Board President Rosario (Chayo) Garcia called the meeting to order at 8:28 a.m.

Northern New Mexico College staff present: Nancy “Rusty Barceló, President; Domingo Sanchez, Vice President for Finance and Administration; Ricky Serna, Vice President for Institutional Advancement; Pedro Martinez, Provost/Vice President for Academic Affairs; Bernie Padilla, Director of Human Resources; Chris Trujillo, IT; Alex Williams, Senior Financial Analyst; Ryan Cordova, Athletic Director and Men’s Basketball Coach, Brandi Cordova, Executive Assistant to Vice President for Finance and Administration, Sally Martinez, Executive Assistant to Provost and VPAA, Dr. Ivan Lopez, Dean, Engineering, Deborah Torres, Foundation and Legislative Liaison, Carmella Sanchez, Director of Institutional Research and Amy Pena, Recording Secretary. Others present: Mark Woods, Zach Castro, Audrey Martinez, Melany Rodriguez, Mike Nolan, Hasan Tucker, Travanna Johnson, Lynn Weikel, Clarence Sandjon, Cara Lopez, Bree Madory, Shania Harry, Dachell McBride, Christian Barraza, Quincy Gauso, Krishia Artieda, Alyssa Carrozo, Miclae Higg, Sarai Ware, Thomas Bullock, Angelo Cigarroa, Eric Garcia, Marcus Ellis, Adrianna Carrillo, Demetria Clichee, Codiee Myles, Francine Clark, Adrian Infante Solis, Eric Morales, and Arantxa Curley

II. APPROVAL OF AGENDA

Regent Branch moved for approval of Agenda as presented with amendment by Regent Powers. Regent Powers asked that Item X – Old Business be moved prior to Public Input. Regent Branch amended his motion for approval of Agenda with amendment. **Motion passed unanimously.**

III. INTRODUCTIONS

President Barceló introduced:

Dr. Jee Hwang, Assistant Professor of Business Administration

Dr. Maria Suarez, Northern Rio Grande STEM Collaborative Director

IV. PRESIDENT’S REPORT

President Barcelo stated this past summer the Board of Regents approved a trip Dr. Ivan Lopez Hurtado took to Israel and the Board of Regents asked that Dr. Lopez Hurtado make a brief presentation to the Board. Dr. Lopez Hurtado gave his presentation to the Board of Regents (attached). Regent Garcia thanked Dr. Lopez Hurtado for his presentation.

President Barcelo stated the College will be asking the Board of Regents for tenure for Dr. Vila. President Barcelo introduced the Board of Regents to Dr. Vila at the last meeting. Dr. Vila had to attend a meeting in Albuquerque and was not able to attend the Board of Regents Meeting. President Barcelo shared information regarding Dr. Vila's background (attached). President Barcelo stated she has been very pleased since Dr. Vila's arrival in August. He is not only making a difference in the College of Education, but is being recognized as a valued colleague throughout the campus. Dr. Pedro Martinez, Provost and Vice President for Academic Affairs stated a remarkable thing about Dr. Vila is as soon as he got to the campus he has been working on two proposals that will enhance opportunities both for the College and students. Dr.

Martinez stated he wants to be sure Dr. Vila is recognized by the energy that he has and the manner of work and dedication that he brings to the College.

President Barcelo stated based on this information, she would like to recommend Dr. Vila be granted tenure at the rank of full professor.

Regent Branch moved that Dr. Vila be granted tenure at the rank of full professor. Motion passed unanimously.

V. APPROVAL OF MINUTES

Regent Branch moved for approval of the minutes as presented. Motion passed unanimously

Regent Branch requested the full detailed report from Kathleen Sena, Registrar, regarding the results of the inquiry that had been done with the students that had not reenrolled or come back to the College. Dr. Martinez stated there is a survey being done specifically to identify those students who applied and were accepted but did not come to the campus. The College is reaching out personally to those students to get a sense as to why they did not come. The other is an analysis based on the statistics and using the Banner system to be able to determine a number of things, the College knows basically that a lot of students who are sophomores do not necessarily come back. There is also another analysis the College is doing in terms of those students who are not able to pass the remedial math and usually do not come back because of that. Regent Branch stated that he would also like the information included that was gathered at the time of the calls that were made that Ms. Sena indicated that she just needed to detail that information.

Dr. Martinez has asked David Torres and a group of other faculty to look at the possibility of creating a course that is not necessarily Algebra based and that is an acceptable way to allow the students to continue at the College. The College does not have all the information yet but when he does, Dr. Martinez will provide the Board of Regents with the information.

President Barcelo stated there was another part to the question Regent Branch asked, which was how does the College follow up on the Board of Regents requests? President Barcelo stated at the Senior Executive Meeting the requests of the Board of Regents are reviewed and the Senior Executive Staff ensures they are on track.

VI. PUBLIC INPUT

Christian Barraza, student stated the Residence Halls do not pertain to him because he is a senior this year, but he is speaking on behalf of some fellow classmates and friends. Mr. Barraza is from El Paso and obviously not from Espanola and has gone through the experience of living off campus and having to commute back and forth. Mr. Barraza stated the idea of the dorms is great because it is going to bring diversity to the College and it will expand as far as population. Mr. Barraza stated diversity is important anywhere you go. Mr. Barraza has spoken with a lot of people back home and he spoke about great instructors and the great people in Espanola. They are interested in coming to the College but there is no place to live and this hurts the College. The dorms would be a good investment in the future for the long run and it would help the College to grow in years to come and creates job security. Mr. Barraza hopes the College continues to go with the plan.

Regent Garcia asked the students how many would be willing to go to the Governor's Office with her to show there is a need and want for the residence halls.

Adrian Enfante, student stated he is part of the psychology program at the College and is interested in Criminal Justice. Mr. Enfante is also from El Paso, Texas. Mr. Enfante stated a lot of students when they don't have somewhere to live will have to leave. A lot of students are from out of town and they would not want to leave because they are trying to put Espanola on the map and trying to make it a bigger thing than just a Community College. Mr. Enfante stated the dorms would help the College out for students to keep staying and representing the way they have been.

Cora Lopez, student stated it is her first year at the College. Ms. Lopez is from California and it is really hard to commute because she lives in Los Alamos. Not having a car, it is hard to commute back and forth and Ms. Lopez lived in Espanola for a while and it was still difficult to commute. If the College does have housing, it will help those students who can't afford vehicles and don't have vehicles. Ms. Lopez stated she knows people who did not attend the College because it didn't offer housing.

Bridget Adore, student stated she chose to attend the College because it is a great school. She also chose to attend knowing it was one of the few schools that doesn't supply student housing and this is a big issue. As an athlete, housing could bring in so many students and could extend the Athletic program. She currently lives in Los Alamos and anyone who lives there, understands the difficulty in commuting back and forth. On any given day, it could take anywhere from 20 minutes to 45 minutes and that time is not going to improve with the winter months coming. The Board of Regents has the power to help the students with this. Along with the commute comes a lot of financial burden. Many students are filling up gas tanks between once and twice a week. This can cost between \$30 and \$50 which can be \$1,000 or more per year. By improving the measures needed for student housing, the Board of Regents has the power to take that financial burden off the student's shoulders.

Lynn Weikel, student stated she knows the Board of Regents already plans to do dorms, but time, at least for the students at the meeting, is a huge factor. Most of the students at the Board of Regents meeting are transfers, juniors and seniors and as far as freshman, they have friends who might want to attend the College next year. There are four or five girls from Shiprock and there are plenty of students there. Ms. Weikel has attended four colleges and at her first college, she had a roommate and she was from the town they were in. Because there was student housing meant she could be away from her parents and have the sense of responsibility. She was still close enough to home, if she needed something, her mom was there. Ms. Weikel has a friend at the University of Utah, she lives 20 minutes away from campus, she chooses to live on campus because not only is it a sense of responsibility it is 20-30 minutes extra sleep which can make a huge difference. It is 20-30 minutes to do homework and improve grades. At her third college, Ms. Weikel was four hours away from home; there was no way to commute. If there was student housing at the College, it is a way to get students from short distances. There are students that live 30 minutes away but would live in student housing because they don't have a car and they are not athletes. If more students are brought to the College, it is going to help the community. It brings in money, jobs and diversity. Ms. Weikel stated she receives a scholarship which is given out for tuition and housing. Right now the housing scholarship is being put into small towns around Espanola.

Hassan Tucker, student stated he is from Tucson, Arizona and it is hard being from out of town and you don't know anyone. If you don't have a car you have to find a ride. Mr. Tucker sees students walking to school. If there were dorms it would be a short walk instead of a long walk from the apartments. If there were dorms, students would not have to worry about asking parents for money.

Ryan Cordova, Athletic Director and Men's Basketball Coach stated he is speaking on behalf of the students who attend Northern New Mexico College. Coach Cordova, Coach Ballard and Coach Catano are the three people who have recruited each one of the student athletes to the institution. They are recruiters and most of them do not receive financial assistance and if they do it is very little. The students living in Los Alamos (40 of them) drive up and down that hill every day. Mr. Cordova knows the drive; he drives it three times a day as his kids go to school up there. The safety of it is a big concern to Coach Cordova as well as the safety of the students living at Las Lomas Apartments is a huge concern. While the College makes the decisions and Coach Cordova understands they have the Board of Regents support in terms of the need of dorms, the College has known it needs dorms since 2008 when it first came up to the Board of Regents.

Mr. Cordova stated the College it is now 2014, going into 2015 and the College still does not have anything to offer them. Coach Cordova, himself, specifically takes full responsibility when somebody gets shot at Las Lomas or somebody drives off the hill because he is the one that is going to have to explain that to their parents, not the Board of Regents and not the Administration. Coach Cordova has put his family in jeopardy and his reputation at stake to bring students here to attend this fine institution that the Board of Regents makes decisions for. While the Board of Regents has backed it in taking it to the State level, Coach Cordova wants to express the urgency of the matter and the fact that these students, come December and January when there is three feet of snow in Los Alamos driving down the hill, Coach Cordova or Coach Ballard are the ones that have to go meet the ambulance or the wrecker or whatever it is. This is specifically why they were moved out of El Rito because there were students driving to the College the first semester in 2010 and a student drove off the road. Coach Cordova's concern was what in the world just happened and his second concern was the fact that he hoped that they were alive and his third concern was he had to get them out of there and get them closer to the institution. While everyone understands there is a need, it is time to make that decision. This is 2008 that the institution started Athletics, 2010 the Board of Regents decided to give Coach Cordova an opportunity to lead them and his biggest concern right now is the safety of the 50 students that Coach Ballard and Coach Cordova have to answer to every single day. Coach Cordova stated it is his responsibility to speak on their behalf as the Athletic Director and as the Housing Director since they are the ones that come with the housing. Additional housing off campus is not going to help the College. Until there is student housing at the College, Coach Cordova will go to bed every night hoping that everyone got safely to their bed and will wake up every morning hoping that everyone gets to school safely. Coach Cordova and Coach Ballard are the only two people in the room who worry about this every single day. Right before the last Board of Regents meeting two people drove off the cliff in Los Alamos, a red car, the first thing Coach Cordova and Coach Ballard thought was please don't let it be a golfer or girls basketball player. Please don't let it be them because Coach Cordova failed to speak up on their behalf to get them the housing. Coach Cordova stated he knows he has become rhetorical at times but this is an urgent matter, it is a matter the Governor needs to hear. These students will definitely go see her, we are not helping this institution and we are not keeping the concern of these students. It is an urgent matter that needs to be taken care of now, not make a decision by the next Board meeting or the next board meeting.

Regent Garcia expressed her support for the need for residence halls. She further suggested that the College coordinate a meeting with the Governor where students may have an opportunity to express their concerns. Regent Garcia thanked Coach Cordova for his passionate presentation and expressed that the Board of Regents share his concerns and are supportive of the project.

VIII. STUDENT SENATE PRESIDENT REPORT

Dr. Martinez stated the Student Senate had the election and the representative will be at the next meeting. That chapter of having representatives is here for the Board of Regents.

Regent Powers asked if there was a newly constituted Student Senate. Dr. Martinez stated there was only one candidate and the election had to be extended for two weeks in order to get more participation. Dr. Martinez stated the College needs to make greater effort in order to be able to identify a space where students are able to come in besides the dining room. Ms. Montes asked where voting took place and stated she did not receive an email regarding the voting. President Barcelo stated the nominations were due on Friday so the election itself has not taken place. Ms. Montes stated in previous years everything was done electronically.

VIII. FACULTY REPORT

Dr. Martinez stated the Faculty Senate has been reconstituted. They have voted and the College has Senators representing and all the standing committees have members working. One which is extremely important, the Curriculum Committee met to address part of the efforts in which they will be included is for the accreditation process. This Committee is looking at things the College does in order to engage students in a more intentional way.

IX. STAFF REPORTS

A. Provost and Vice President Report by Dr. Pedro Martinez

1. AQIP

Dr. Martinez introduced Carmella Sanchez and Patricia Trujillo who presented a poster they are working on for AQIP. In a week, five participants will be going to Chicago for a work session. It is the type of training the Higher Learning Commission (HLC) does for the accreditation process. The Board of Regents knows accreditation is premium and is extremely important for any institution. It is what validates whether or not the College does the things it claims it does and it evaluates the College's performance in terms of many specific goals and objectives.

Carmella Sanchez stated preparing the poster is part of the pre-work assignment which was to assign an action project the College had done in the past that was most successful. The team met and gathered the input from the President's Cabinet and Dean's Council and decided the Safety and Security action project that the College had taken on in 2011 would be the project that would be used. What the strategy form asked the College to do was to create a poster that could be presented at the meeting and Dr. Patricia Trujillo took all the information and assisted in creating the poster (presented to the Board of Regents).

President Barcelo stated what important, not to lose the academic focus. Part of the responsibility is to create an environment so people feel safe and free to learn and work. This is one of the accreditation issues they have raised with institutions. The College needs to be really clear about this because they might say this is a safe thing to do. President Barcelo stated as a result of this, the College is seeing less theft on campus, less violence on campus, etc., because everything is now captured on video. This definitely has an academic focus which needs to be emphasized.

Patricia Trujillo stated on the poster there was highlighting about increased lighting improving the quality of campus for students and faculty that were better able to support socialization and events. There was an overall improvement of the presence on the campus and greater community. Dr. Trujillo stated based on the guidelines, the poster is supposed to tell a story and they used the sense of shining a light on the issues.

Ms. Montes stated she would like thank the College on behalf of the students for the security changes that have been made.

Regent Branch asked if there would be a report given out as far as a Report to the Board of Regents. President Barcelo stated there would be a report at the next Board of Regents Meeting.

Dr. Martinez asked Ms. Sanchez to give the Board of Regents the questions and assignment submitted to AQIP. President Barcelo stated the questions were the work of the Academic Planning Committee and meetings the Provost has had with his academic leadership.

B. Vice President for Finance & Administration

1. Approval of Fiscal Watch
2. Approval of Budget Adjustment Requests (BARs)
3. Approval of Report of Actuals

The Board of Regents took a break from 9:50AM and returned from the break at 10:00AM.

Domingo Sanchez, Vice President for Finance and Administration reviewed the Fiscal Watch Reports. The Fiscal Watch Report in the packet is for the month ending August 31, 2014. On page 25, cash is \$100,000 deposit, liabilities are up a little but that is because the College is waiting for tuition to come in before checks are released. There are two items at the bottom of the balance sheet - Capital Projects - -\$900,000 and one that is Unrestricted Fund Balance at \$1.5M, the net of two are the total of the unrestricted fund balance, approximately \$600,000.

Mr. Sanchez stated on page 26, the standard report that is submitted which compares the original budget to the revised budget and then the actuals. The first two columns are going to be the same because it is so early in the year; the budgets have not been changed. Overall revenue at the end of August is \$4.9M, a beginning fund balance of -\$424,000; expenses are \$2.9M with an ending fund balance of \$1.5M which was in the balance sheet. In the last fiscal year, now that the report of actuals was done, the College was fortunate enough to make up approximately \$800,000 of the \$1.2M. The College is dealing with the issues of the housing.

Mr. Sanchez stated on page 27, it will show a comparison of this year versus last year. When you look at the revenue last year, the College had \$5.8M and this year \$4.9M, there was a reduction of enrollment of approximately 17%. It has resulted in a decline in revenues but if you look at expenses this year compared to last year, \$3.2M last year and this year \$2.9M. When you net the transfers and look at the ending balance you get back to that \$1.5M fund balance.

Mr. Sanchez stated the fiscal watch reports are everything in the College. Mr. Sanchez stated page 29 shows the little pieces that make up everything. The 11's are those that the College worries most about because they have to pick up any losses; end of August \$3.9M in overall revenue compared to \$4.6M last year. Expenditures are slightly down and there is a net increase of net assets of \$1.8M compared to last year \$1.7M. There is an ending fund balance of approximately \$1.4M. The College always starts out the fiscal year healthy (tuitions come in) and it starts going down as you get to the end of the year.

Mr. Sanchez stated on the auxiliaries, the Colleges clamps down on those. Last year the College had \$651,000 in revenues and this year the College is at \$358,000, expenditures last year were at \$339,000 and this year they are down to \$312,000. Ending fund balance for this year is slightly up \$50,000 versus \$45,000. The College is cleaning up a lot of things and the financials are getting tighter and tighter because there is almost nothing to clean up.

Mr. Sanchez stated on page 31 the Grants are listed. One of the things worth mentioning is last year, the College had \$687,000 in revenue from grants and this year it is \$591,000. Expenditures last year were at \$700,000 and this year they are at \$568,000. The College has talked a fair amount about how it has to be on top of the Grants and spending the money. The College has pulled back on a lot of the expenditures because of the decline in enrollment. Now that the College is getting started for the year, the College has frozen positions. One thing the College has made clear is that it doesn't want to see anyone pulling back on any of the federal grant activity. The College has let everyone know on positions that are frozen, even if it has 50% match of I&G, the College wants it filled, it wants the money spent. It is down and it is an area the College is looking at and making sure the message is out that the College wants people to spend this money. Mr. Sanchez stated the net increase in fund balance or net assets is about \$8,500 which is down slightly from last year.

Mr. Sanchez stated on page 42, student aid is down slightly, enrollment is down. Last year there was \$80,000 in revenues and this year \$62,000; expenditures are up \$51,000 compared to \$11,000 last year. This could have been a timing issue depending on when semesters or financial aid is getting out to students. Overall ending fund balance of student aid last year \$283,000 and this year it is \$150,000.

Mr. Sanchez stated on page 33, the unexpended funds, the College has revenues of \$427,000 and expenditures of \$451,000. Overall there is a slight reduction in net assets of \$23,000. The \$899,000 again, a lot of that is attributable to the capital projects for the year that just ended and the activity that was going on in the housing.

Mr. Sanchez stated BARs begin on page 34 and end on page 67 of the Board packet. On the BARs, when the College is doing regular maintenance, cleaning up negative numbers and fixing things on the day to day operational stuff, the College signs the BARs internally. If it is an increase, a decrease, a transfer between functions or departments, the College will bring it to the Board of Regents. In the packet, the College has included 13 transfer BARs, 3 increase BARs and two initial budgets. In general on the increases, there is a slight increase in there for Athletics. Mr. Sanchez reviewed all the BARs (attached).

Regent Branch asked Mr. Sanchez to review page 33 with the Board of Regents. Mr. Sanchez stated when the College was going forward it was expending on the dorm project items and had the Board of Finance approved it or had the College gone forward with public/private, the College would have rolled those costs into the costs of the project. What the College is doing right now is booking them and the College will see whether or not in the pursuit to try to complete the dorm, the College will see if it can still roll those in. This is included in the fund balance.

Mr. Sanchez stated the last item on the financial report starts on page 68 and ends on page 74. This is called the Report of Actuals. Every September, the College is required to submit a report of actuals to the Higher Education Department and required to submit it in the form that they receive the College's Operating Budget. They want to see what the College's original Operating Budget was for last year and what the Colleges estimated actuals were when the College built the operating budget. Now they want the College to replace the budget for FY15 with what the College really thinks the numbers are now at the end of the fiscal year. Mr. Sanchez stated in this report the College only includes Exhibit 1 which like the fiscal watch report which is a picture of everything at the College.

Regent Powers stated the Audit/Finance/Facilities Committee met and reviewed this information and would like to report to the full Board and recommend approval of the Fiscal Watch Report, the BARs and the Report of Actuals. Regent Powers also stated the Report of Actuals is another step the College goes through each year and the College has a budget it submits to the Higher Education Department and it was approved. This Report of Actuals was on time and there is also an Audit Entry Conference scheduled which is on time. If everything goes well and the auditors stay on schedule, the College should have an audit on time. Regent Powers reported to the full Board that the Vice President for Finance and Administration reported to the Committee that this year's audit will cost less than previous audits because the College has everything on time and in place and well organized. This is all a pattern of behavior that is good news. Regent Powers is very pleased that things are moving forward.

Regent Powers moved for approval of the Fiscal Watch Report as presented. Motion passed unanimously.

Regent Powers moved for approval of the Budget Adjustment Requests (BARs) as submitted. Motion passed unanimously.

Regent Powers moved that the Board of Regents accept the Report of Actuals as was submitted to the Higher Education as required by regulation. Motion passed unanimously.

C. Vice President for Advancement

1. Legislative Affairs – 2015 Session
2. RPSP Approval
3. Presentation of Single Rate Tuition
4. Presentation of Tuition Guarantee

Ricky Serna, Vice President for Institutional Advancement presented the Office of Institutional Advancement Report (attached) which includes Research and Public Service Project (RPSP) Requests, Analysis Summary Fall 13-14, AY 14 Tuition/Fees Adjustments, Concerns Raised with Fees Increase, goals for AY15, Proposed Strategies, Tuition Increase on Current Model, "Single Rate" Concept, "Single Rate" Goals for AY16, AY14 Revenue: Est. v. Actual, FY 15 Tuition Revenue Projections, Calculating FY15 Fees Revenue, Differential Rate: Cost per Credit Hour, "Single Rate" Outputs for AY 17, Single rate Cost Comparison, Next Steps and Good News.

Mr. Serna stated the RPSPs need approval from the Board of Regents before they are given Higher Education Department (HED) consideration. Once they receive the signed RPSPs from the Board of Regents and the Administration, HED coordinates hearings with the College. The College will then take representatives from the various departments where HED will listen to the College talk about the metrics for measuring the effectiveness of these programs for the new ones and of course the College's performance with the past ones.

Regent Branch moved for approval of the RPSP requests. Motion passed unanimously.

Mr. Sena gave the Board of Regents a summary of the Enrollment analysis between the Fall 13 and 14. These are things that have been discussed before, specifically in the budget process. The College did see increases to out of state transfer students. There were also increases in returning students. These are students who came, stopped for a year and came back. Areas where the College saw declines in is first time any college students, continuing students and full time freshman. This resulted in a 17% decline in student credit hours which was reported to the Board of Regents last month. More importantly, what the College paid attention to what the projected decrease in tuition and fees revenue is which is approximately \$700,000 and this is something the College is working through and this is split through two semesters. The College spoke about what might have prompted some of the declines in enrollment. In 2014, there was the increases to fees, increase to tuition; even though the dollar amount was insignificant the percent increase was more what was paid attention to. Those were some of the things that took place a year ago this August in terms of tuition and fees.

Mr. Serna stated some of the concerns of students were the fees were excessive, fee structure is difficult to understand, why should I pay a fee for a resource I do not access, overall costs of attendance is too high and course specific fees for Dual credit students is a barrier. Regent Powers asked if Mr. Serna is talking about tuition, fees and adjustments that were made last year. Mr. Serna stated that is correct. They were for Academic 14. Regent Powers asked if the College is still getting some fallout from that. Mr. Serna state absolutely and this is a recap of why the College saw declines last year. Regent Powers stated based on some of that feedback earlier this year is why it was decided the College would not increase fees or tuition on this year. Mr. Sena stated that is correct; there was no tuition and fees increase for the current year.

Dr. Martinez stated as part of this effort, President Barcelo also suggested that once a student comes in that the College guarantee that particular tuition for the next four years. This was one of the proposals. This is another way to look at addressing those issues. Mr. Serna stated he will speak about some of the strategies the Board of Regents has asked the College to explore.

Mr. Serna stated goals for AY15 include:

1. Strengthen stakeholder relationships
2. Sustain/enhance affordability
3. Develop strategy for SCH growth
4. Simplify fees structure

5. Increase tuition revenues

6. Increase funding formula revenues

Regent Branch asked Mr. Serna about the discussion of possibly changing the Senior Rate down to age 55 and in addition, a so-called family rate, if the College had multiple members within an immediate family that the College might look at a rate decrease. Mr. Serna stated he did not recall the family rate but it could be added. Discussion was held regarding reducing the rate. Mr. Serna stated he will review the single rate concept this month and next month, what it would mean if the College would lock them in for ten semesters and the following month the presentation would be what would it mean if the College decreased the CTE courses. The goal is to present these to the Board of Regents at a time when they can review them, possibly approve some of them before the College starts moving into the budget planning process so the College knows what strategy the College should approach the budget planning process.

Ms. Montes asked that Mr. Serna elaborate on the family rate. Regent Branch stated he does not recall if it was at the Board of Regents Meeting it was discussed or at the Finance Committee but it was multiple members of a family (brother and sister, mother and daughter) who went to school at the same time. Ms. Montes asked if this would give students a reduced rate. Mr. Serna stated a lot of private high schools practice this and so do private colleges. Regent Powers stated the idea is that if you have multiple kids in College, you need every break you can get. It is designed where you have simultaneously more than one child in College. Regent Garcia stated it could also help if a parent decides he or she would like to get a degree. Ms. Montes stated there are students like this on campus. President Barcelo stated the College also has entire families who graduate.

Mr. Serna stated most institutions, when they want to see an increase to tuition revenue; the simple thing is to raise tuition and hope that the same numbers of students come, if not more. That multiplier will help increase revenue. This methodology will not work if you see enrollment declines. If enrollment declines are motivated by affordability, then it hurts the College more. Mr. Serna stated the College believes as tuition increase then enrollment starts to go down because the College sees the students are saying the fees and tuition are too much to handle. Across the state and across the country there are students who are looking for an affordable institution to get a degree. They would likely come here but housing becomes a major issue for them to do that. Mr. Serna reviewed the Tuition Increase on Current Model (attached). Mr. Serna stated if the College does not raise tuition higher than what the College anticipates the decline in enrollment to be, the College will lose revenue. The higher the increase goes up, the lower the enrollment will be. This model shows if you want more money, charge people more for things won't work because you push people away.

Regent Branch asked if when Mr. Serna used these numbers, if they were actually what the Colleges did. Mr. Serna stated they were. Mr. Serna stated the single rate concept includes:

1. Collapse cost for fees and tuition.
2. Increase in fundable credit hours
 - a. Tuition funding
 - b. Funding formula funding

\$165.00 per credit hour for all courses minus eligible Community Rate Courses

4. Eliminate fees for dual credit courses.

The goals are, the College could reduce the amount of attending even further, and the College could create a model where if the Board of Regents or the Administration were to propose a different rate for lower division and upper division, it could be done. The College would eliminate all institutional fees (general and course specific). The College would increase student credit hours by 21% and by doing this the College would achieve 96% of the total revenue the College had last year. Mr. Serna reviewed the AY14 Revenue: Est. vs. Actual (attached), FY15 Tuition Revenue Projections (attached), Calculating FY15 Fees Revenue (attached) and Differential Rate: Cost Per Credit Hour (attached), "Single Rate" Outputs for AY17 (attached), and the Single Rate Cost Comparison (attached). Mr. Serna stated the next steps if this was implemented they would be:

1. Student focus groups/plan review and feedback
2. Design Marketing Strategy
3. Develop a Recruitment Plan
 - a. FTAC
 - b. Returning
 - c. Continuing

Regent Garcia asked how this would affect the Lottery Scholarship. Mr. Serna stated the Lottery Scholarship pays for tuition and this would be tuition. Last year, the College had this plan sent to HED and their legal counsel with our legal counsel and deemed the plan acceptable by all State Statute of law. HED does not have issue with the plan. If the Lottery Scholarship pays for tuition and everything we charge is tuition then it will pay everything against the tuition. The Lottery Scholarship goes up and down every single year they will decide how much is paid out which is outside of our control. Right now, if it pays \$1,500 per semester, it will continue to pay \$1,500 per semester towards the fees. It doesn't impact the students, it will pay as much as it can towards tuition and the rest it doesn't. That is how it is now. Regent Garcia asked if this would include the Bridge Scholarship. Mr. Serna stated the Bridge Scholarship isn't reliant on tuition. What the College does is it takes a fund and divides it by the total number of students. So it does not give everyone full tuition, it is a set amount. This semester it was \$775.00 per student. The College would continue to give it out as it always does.

Regent Powers stated the way the Lottery Scholarship worked this year was that they took the comprehensives and did an average. If you were below the average, you got the full tuition reimbursed by the Lottery. If you were above, you only got the average. This would put the College above the average and therefore, if they kept the same formula, the College would only be getting reimbursement of the average. Mr. Serna stated this is correct. The average would depend because every time an institution raises their tuition, which all the comprehensives did, that average changes. Next year, when all the institutions raise tuition, that average will change. It will not affect the dollar amounts that come to the College's students. If the average is \$1,800, then the College gets \$1,800. This plan would be more beneficial because right now the average is higher than the College's tuition. The College's students get below the average. If the College is above the average, then it will pay all of the average towards their tuition.

Regent Branch asked if any data regarding other institutions who have implemented this sort of plan and how has it affected their enrollment, tuition, etc. Mr. Serna stated there are two institutions that the College looked at that didn't necessarily implement the model to increase enrollment that was not their strategy behind it as much as it was to simplify things (University of Oklahoma). The College is not doing anything different in terms of the mechanics of implement it. The 21% is driven by the model meaning how the College gets to a rate of \$165 which is more affordable and then the College ramps up the student credit hours until the College can get to a breakeven point. The 21% takes the College back to next year. The increase in enrollment is set by how the College catches up to prior years. Regent Branch stated the

College needs to get to that but there is no assurance that this change in the structure itself is going to increase enrollment. Mr. Serna stated that is correct. On the other side of the equation there are more assurances that doing the same thing will result in more declines. Data is suggesting that the College will continue to see that. Looking over the last three or four years as tuition and fees increase, enrollment increases. There are more assurances that the College will see this decrease based on data then there are that doing this would not yield 21%.

Regent Branch stated within the last week he saw information that came out that Eastern New Mexico University is one of the Universities (14th) that has increase in enrollment. Regent Branch asked if the College has looked at what they have done that has made such a difference. Regent Garcia stated they are going up because of online classes. Mr. Serna stated this is an anomaly. Mr. Serna stated the College had a conversation with NM Tech who said they had 100 empty beds in their Resident Halls for the first time in years because of tuition increases and cost of enrollment. Also because the Lottery Scholarship is not paying what it is paying for their students. NM Highlands is looking at an enrollment decline as well. For those two institutions, one research and one comprehensive, they are looking at declines as well. They are all for different reasons, it varies depending on the institution. President Barcelo stated Regent Powers reminded her that institutions are also looking at International Students as the declines are beginning to happen. This also occurred at Eastern in terms of their enrollment. Regent Powers stated this was one of the major factors, they went after international students.

Regent Branch asked that if this increases in Distance Education what is it that the College has not done. Regent Garcia stated we have not had it. Dr. Martinez stated part of this is an infrastructure issue. The College assumes that it can just create courses online and it will be fine. This is not the way it goes. One of the first things you have to have is full time faculty to deliver a program with consistency; they need to be prepared for being able to provide the type of instruction that is needed in an online environment. Not every faculty member does this; the College would have to provide a full degree not just a series of courses. This would yield a student to stick to a particular program and be able to complete that program. These are three things that are extremely important. The College is in the beginning stages of a plan of looking at creating a total degree online for students that already have an Associate Degree because the College does not have the infrastructure to provide 120 credit hours through distance learning. It will be easier to narrow it down to 60 hours. Part of this to allow a customized aspect of the integrated studies. The College is trying to use those options, they are going to lower the number of hours that are required for the core but at the same time the College has the ability to increase, use the courses they can take as outside of the core that are 14 credit hours if the College turns them into 16 credit hours, then someone can customize a minor in addition to those. If someone wants to come in, take the degree, add 16 hours in business, they are able to do it. The College is trying to customize what it has right now because it will not require the College to necessarily go back to the Higher Learning Commission to get permission and wait for that, it also requires additional money to do that. The College has to work within the structure of what is has right now.

Mr. Serna stated the other issue is that of accreditation. The College does not have the ability to just decide, the College would have to go to the Higher Learning Commission for a change in the ability to that, the number of courses a program would offer. One of the other things Dr. Martinez has talked about in terms of a strategy is things that can happen more immediate. Affordability is an issue, for example, one of the highest fees the College has for courses is the online fee. Every institution that offers a degree online their tuition goes up because they have to pay for all those online fees for all those courses. The College has to get back to how it can offer courses that are more accessible and that might be evening and weekend classes. Regent Powers stated if you think about taking an online class, you might have a higher fee, but as one of the students pointed out, you wouldn't have some other costs (commuter, car, etc.). Some of these costs might offset. Regent Powers stated if online courses are popular with the fee; it must be cost effective in the long run when you take everything into account.

Dr. Martinez stated there are several other assumptions, the choice by students simply saying they would rather be on a face to face class rather than online. The assumption is that everyone wants to take courses online is not necessarily true. That type of experience depends on a personal choice. If the College is able to offer the courses online at the same rate, then the College has an additional way to pay the flat rate. The other thing is that maybe 80% of the College's students are on some sort of financial aid, that cost is not being passed directly to the student per se, but it is simply being provided by the resources they have. The impact that it has the student is double (1) you are still guaranteeing tuition that is affordable by the revenues that the student gets; and (2) you promise for the next four years, the student is going to pay the same rate regardless. This brings a little bit of better security rather than depending on what is going to happen next year. It creates a sense of confidence on the consumer that it is going to pay this rate for the next four years.

Regent Branch asked for his own edification, what the Pell Grant receipt is. President Barcelo stated it depends on need. Mr. Serna stated there is a full award based on expected contribution but the most a student can get is approximately \$5,000 and it is scaled down to any amount below that based on need and amount of money the family can give to the student.

Dr. Martinez there has been talk about a progressive Pell Grant and the idea is you give less to students in their first and second year and the idea is that as they move along, the Grant is increased.

Regent Branch asked what percentages of students receive the Pell Grant. Mr. Serna will get that information for Regent Branch. Regent Branch asked if the students receiving Pell Grants are in the numbers of students the College lost. Mr. Serna stated the College will be looking at the numbers of students and those decreases that were Lottery eligible that lost the lottery so the College can see if that was a deterring factor as well. This gives the College a better sense of how important financial aid is. If they lose the Pell and don't come back, the College understands this has to do with the resources. Also, the College needs to measure how the changes to the Lottery Scholarship are affecting the College's students now that they must take more credit hours per semester will undoubtedly have some implications for retention for the College.

Mr. Serna shared the "Good News" with the Board of Regents which included:

1. Northern New Mexico College Foundation - Board Reorganization and appointment of new members.
2. 6.7% gain on investments
3. INBRE Grant Award to Dr. Mario Izaguirre-Sierra: \$56,000
4. Discussion with Santa Clara Housing Authority for interim housing
5. Bookstore at Northern made money. For the first time the Bookstore is making money at the College.
6. Proposal Submission: American Indian Education Training Grant for \$40,000. Only the Colleges of Education can apply for this grant.

X. OLD BUSINESS

A. Residence Halls

Regent Powers stated there are a considerable number of students in attendance that are interested in the Residence Halls. Regent Powers stated the College is working on the Residence Halls in Audit/Finance/Facilities Committee and Regent Powers wanted to assure everyone that work on the housing project continues and it continues diligently. As everyone knows, the College had a project that the College worked through a number of State approval agencies only to

get to the last hurdle and the project was not approved. Regent Powers stated the College has taken the information gathered from that particular meeting and the College is working with a number of State agencies, State stakeholders in the project to some degree and are trying to work on an alternative project that the College would be able to gain approval from all State levels. Regent Powers stated the news that the College has is that it has been looking at some options, there are options, what the College wants to do is whatever option the College decides to move forward with is the best option, is most cost effective option and one that will in fact be finally approved by all parties that have approval over the building of a student housing project. The Committee continues to work on this project and Regent Powers stated there should be something to report out at the next Board of Regents meeting. Regent Powers hope is to have more input from some of the State Departments the College needs to gain approval from and also from some of the potential partners in the project itself. Work does continue and it may not be publicly noticeable but it is continuing.

Regent Herrera stated he would add the discussion what Regent Powers is talking about has also led the College to the conclusion that the College is not in a position to say that a Residence Hall would be up and running by 2015. This is important to mention because the College was running on a very tight schedule to begin with and with the bumps in the road the College has hit, the best the College can hope for is 2016 is to get something up and running. Regent Herrera stated part of the discussion also revolves around the fact that the College was looking at a fairly sizable Residence Hall but with the discussions the College is discussing it is probably going to be less than that, although it is not in concrete right now.

Regent Herrera stated in the Finance Committee, the Committee has the responsibility to look at the finances. The finances of the College from an outside perspective do in fact have an impact on where the discussion and ultimately the decision on the Residence Hall lead the College. The College, over the years, has been experiencing problems with fund balances in the various programs so the College continues to monitor this in order to shore up finances for future endeavors and this is one of them. The Board of Regents obviously makes tough decisions regarding budgetary matters and there is a reason behind some of those, part of which is showing the fund balances in the various programs. There are a lot of moving parts and a lot of discussion that needs to continue to take place. Sometimes there is incorrect or misleading information out there so the College sometimes needs to make the record straight on these areas.

Regent Powers stated the College wants to make sure whatever is built is affordable for the students. The College does not need to build a facility that would result in rents that would be too expensive. The College is also looking at ways to reduce the rental numbers, the cost for the students to rent the rooms and is very focused on this. The College wants to ensure the project is what the College needs and it is affordable at the same time. Regent Powers hope is to have something to report out at the next meeting.

Regent Garcia stated Regent Powers and Regent Garcia did go to the Governor's Office and had a discussion with the Governor's staff and they assured them they would help them and they would see other ways to get this project done. They are bringing a committee together and see how the College can do it.

XI. EXECUTIVE SESSION

Regent Herrera moved that the Board of Regents enter into Executive Session pursuant to 10-15-1 (H2) (H7) and (H5) to discuss union matters and personnel matters. Motion passed unanimously.

The Board of Regents entered into Executive Session at 11:30AM.

XII. POSSIBLE ACTION ON EXECUTIVE SESSION

Regent Herrera moved that the Board of Regents return from Executive Session. Motion passed unanimously. The Board of Regents returned from Executive Session at 12:18PM.

No decisions were made

XIII. COMMENTS FROM THE BOARD

Regent Powers stated he would like to see a record of attendance from the Board of Regents beginning January 1, 2014 to date. Regent Powers stated he would like to see who has been attending meetings and who hasn't been and he believes it would be helpful to see this information. If staff and the Board of Regents is having difficulty with the smooth conduct of business because of a lack of attendance, the Board of Regents may need to take some action at a future meeting to reorganize the Board of Regents so there are proper officers covering meetings for signature and oversight.

Regent Garcia stated the Board of Regents needs to determine the dates of the next meetings of the Board of Regents. The next meeting for October will be the same (October 23, 2014) and will be held in El Rito at 8:30AM. Regent Garcia stated with the redoing of the officers, the time will also need to be discussed. Regent Powers stated the morning is fine for him. Regent Garcia stated the November and December meeting would be on the holidays. Regent Garcia suggested doing the meeting the week before. President Barcelo suggested the meeting be held the first week in December; this would cover November and December. Regent Powers stated he would not have a problem with this so long as there is not anything that needs to be approved, anything that needs to go to the State. Regent Branch stated this meeting could work and if need be, there could be a special meeting. Regent Powers stated another thing that happens is there are a lot of committee hearings around that time. President Barcelo stated the first week is when the College has the HED Meetings (first week in December). Regent Garcia suggested December 4, 2014 for the November/December meeting in Espanola at 8:30AM. All Board members agreed.

Regent Power stated the Audit/Finance/Facilities Committee would be held a week before each meeting. In the event anything comes up, if there are any committee meetings, it could be moved. Regent Powers asked what time works best for the Audit/Finance/Committee meeting. Regent Powers stated the committee meeting would be held the week before at 8:30AM as well. Regent Powers suggested the 20th of November for the meeting.

XIV. ADJOURNMENT

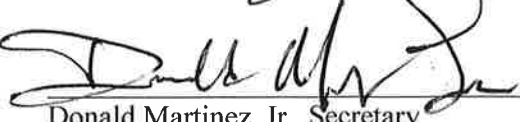
Regent Powers moved to adjourn. Motion passed unanimously. Meeting adjourned at 12:27PM.

Amy Pena, Recording Secretary

APPROVED:



Rosario (Chayo) Garcia, Board President



Donald Martinez, Jr., Secretary