

**MINUTES OF THE BOARD OF REGENTS
NEW MEXICO STATE UNIVERSITY**

1. CALL TO ORDER

The Board of Regents of New Mexico State University met in the Regents Room, Educational Services Center, Las Cruces, New Mexico on April 3, 2013.

Chair Cheney called the meeting to order at 9:08 a.m.

Regents Present	Mike Cheney, Chair Javier M. Gonzales, Vice Chair Isaac J. Pino, Secretary / Treasurer Kari Mitchell, Member Jordan Banegas, Member
Ex-officio Regents Present	Dr. Timothy Ketelaar, Faculty Senate Chair Breeana Sylvas, President ASNMSU
Officers of the University Present	Dr. Manuel Pacheco, President Dr. Jay Jordan, Executive Vice President / Provost
Chair NMSU Employee Council	Ms. Monica Dunivan
Other Presenters	Ms. Angela Throneberry, Senior Vice President for Administration and Finance Ms. Anna Price, Chief Budget Officer Ms. Tammy Anthony, Assistant VP of Auxiliary Services Ms. D'Anne Stuart, Associate Vice President for Administration and Finance Dr. McKinley Boston, Athletic Director

2. INTRODUCTIONS

- a. Introduction of Press, Elected Officials, and Others by Maureen Howard, Associate Vice President for University Communications and Marketing Service

Associate Vice President Maureen Howard announced that Jonathan Goeke from KRUX Radio, Nick Nagamere from the RoundUp and Lindsay Anderson from the Las Cruces Sun News were present.

3. APPROVAL OF AGENDA

Regent Mitchell moved and Regent Pino seconded to approve the agenda. The motion carried unanimously.

4. PUBLIC COMMENT

No one signed up for public comment.

5. APPROVAL OF MINUTES

Minutes of March 11, 2013

Regent Gonzales moved and Regent Mitchell seconded to table the approval of the minutes of March 11, 2013. The motion carried unanimously.

6. REGENTS "ABOVE AND BEYOND" AWARD

No award was given at this meeting.

7. FUTURE BOARD MEETINGS

Approved Meeting Dates

- Friday, May 10, 2013, Las Cruces, New Mexico
- Thursday, June 20, 2013, Las Cruces, New Mexico (Board of Regents Retreat)
- Friday, June 21, 2013, Las Cruces, New Mexico (Board of Regents Meeting)
- Monday, August 19, 2013, Las Cruces, New Mexico
- Monday, October 14, 2013, NMSU – Dona Ana, Las Cruces, New Mexico
- Friday, December 13, 2013, Las Cruces, New Mexico

8. CONFIRMATION OF PRIOR EXECUTIVE SESSIONS

The Board of Regents of New Mexico State University met in executive session at 7:30 am on Wednesday, April 3, 2013 in Room Two of the Educational Services Building in Las Cruces, New Mexico to discuss personnel, legal and real estate matters in accordance with Section 10-15-1H, paragraphs (2), (7), and (8) of the New Mexico Open Meetings Act. Those board members who were present hereby certify by roll call vote that only matters of that nature were discussed in closed meeting.

The motion to adopt this statement, upon being put to a vote, was passed and adopted on the following recorded vote: Chair Cheney, Vice Chair Gonzales, Secretary/Treasurer Pino, Regent Mitchell, and Regent Banegas. Five Regents present having voted in favor of said motion, said motion carried, and said statement was adopted.

9. CONSENT CALENDAR

- a. No consent items presented at this meeting

10. ACTION ITEMS

President Pacheco mentioned that this meeting is devoted to a lot of money issues, budget issues and things of that nature and he wanted to set a frame for the decision process used in making the recommendations that will be presented. Since 2009, the budgetary issue at NMSU has not been as positive as any of us would have liked. There have been negative effects that have occurred at the university because of that. NMSU has not been able to progress as an institution in terms of providing additional programs

that might be needed. NMSU has limited their ability to compensate employees in a way that an institution of higher education would want to. NMSU has not been able to move forward with some statewide and national initiatives that would normally be required. There have been some significant cutbacks in the funding of some of the programs here at NMSU. NMSU has done a good job at maintaining a status quo in some areas. This was a backdrop against which we were working to try to develop a budget for this next year.

Dr. Pacheco mentioned that Regent Cheney provided him with five items that needed to be addressed. He only spoke on two of these items. One item that was mentioned was the Regent Cheney wanted to keep tuition and fees for students on the low end if we weren't able to control completely and keep it completely even. The other item was that the faculty had embarked on a program for trying to improve the compensation that the faculty received at this university, noting that the median in the faculty salaries were low. This was on the heels on the Mercer Study in 2008 that outlined a path for bringing compensation to a level that was commensurate with the status and the importance of this institution.

When putting the budget together these two items were kept in mind and he is pleased to report that the employees who put this budget together have also kept these two items in mind. As they had gone forward to the legislature, they spoke with sister institutions about the need for focusing on compensation on all of NMSU's employees. They also recognized that tuition and fees had been on a rapid increase over the last few years and it was important to control that as much as they could.

- a. Approval of Sales Resolution for Revenue Bonds, Series 2013 – (Ms. Angela Throneberry, Senior Vice President for Administration and Finance)

Senior Vice President Throneberry requested the approval of the Resolution relating to the issuance of New Mexico State University Refunding and Improvement Bonds, Series 2013. The final proposed bond issue size is \$56.2 million.

SVP Throneberry stated that the university was able to lock in excellent rates with our underwriters on this bond issue. As presented at the January 28, 2013 meeting earlier this year, the bond proceeds will be used to refund the series 2002 bonds, series 2003 bonds, and series 2004B bonds and will provide additional funding for two capital projects; 15 million for the Corbett Center Student Union Renovation and 1.5 million for replacement of the Golf Course irrigation system.

SVP Throneberry thanked the key members of the Business Affairs team that contributed to this major effort. The knowledge and hardwork from Lori Gobble, Jean Carsey, Jake Lucero and Anna Price allowed us to take advantage of the current market conditions to not only fund the capital needs but also capture a significant savings for the university's benefit.

SVP Throneberry introduced Eric Harrigan, Vice President of RBC Capital Markets to present the overview of the bond pricing.

Mr. Harrigan presented the sale results of the bonds. Access to market with favorable interest rates, all-inclusive cost of 2.49% for all projects and refunding. Within two hours of the order period, 90% of the bonds had been sold. This provided a 20 year fixed rate with 10 year callable funding for identified projects. The refunding of outstanding bonds was accomplished with a present value savings of \$6,236,036 or 13.70% of refunded par amount (\$7,185,849 actual cash flow savings).

Mr. Harrigan stated that the total all inclusive cost for the new money and the refunding combined was a little less than 2.5% on a total combined basis. The Series 2002 bonds generated over 14% in present value savings, the Series 2003 bonds generated under 13% in present value savings, and the Series 2004B bonds generated a little over 14% in present value savings.

Regent Gonzales asked what the source of revenue was to pay for this debt.

SVP Throneberry responded that the new projects for the Corbett Center funding for the debt service will be from student fees. The debt was structured to take advantage of the existing required student fee that goes toward debt service.

Regent Gonzales wanted to know where the \$600,000 dollars is going to.

SVP Throneberry stated that this is being looked at at this time.

Regent Gonzales asked what the factors are that are taken into account when they assign a rating for universities.

Mr. Harrigan responded that several factors are taken into consideration. Since NMSU relies heavily on state appropriations as well as federal grants and contracts, this is looked at quite a bit. They look at enrollment trends as well as operating margin trends. They also take a look at local and regional economies.

Regent Gonzales asked if these factors were outside of the university's control.

Mr. Harrigan responded that a large portion of the ratings do come from outside the university's control such as state appropriations and grants and contracts. From an expenditure basis, the university does have control over items such as tuition and fees.

Regent Gonzales mentioned that since the outlook is negative if there is some concern in the decline of state appropriations and student enrollment.

Mr. Harrigan mentioned that the negative outlook is tied to the trend to the declining operating margin results, the decline in state appropriations, as well as the projected decline in student enrollment. From a debt standpoint, all three rating agencies look at the university's debt program as a positive, because of a rapid pay down debt and a very short debt compared to other universities around the country.

Regent Cheney stated that we had just recently underwent a reaffirmation of our ratings.

SVP Throneberry responded that we did have a reaffirmation of our ratings from Moody and SNP and an adjustment down from Fitch.

Regent Gonzales moved, seconded by Regent Pino, to approve the Sales Resolution for Revenue Bonds, Series 2013. The motion carried unanimously.

- b. Approval of Tuition and Fee Changes and Budget Guidelines for FY2013-2014 – (Ms. Angela Throneberry, Senior Vice President for Administration and Finance) Senior Vice President Throneberry requested the approval of the Tuition and Fee Changes and Budget Guidelines for the 2013-2014 academic year as follows. Reporting is Senior Vice President Throneberry and Anna Price, Chief Budget Officer.

Sources and Uses of New I & G Funds – Las Cruces Campus Fiscal Year 2013-2014

Sources:

State General Fund Appropriations – I & G Funding Formula	
Redistribution of FY 2013 Performance (28%)	\$ (1,279,500)
Student Credit Hour Workload	701,400
Statewide Outcomes	548,600
Subtotal before Institutional Share	(29,500)
Institutional Share (Land and Permanent Fund Adj)	105,500
Net I & G Funding Formula	75,500
ERB 1.5% swap from Employee to Employer plus ,75% ERB Employer Increase	2,378,000
Compensation – 1%	891,100
State General Fund Appropriation for I & G	3,344,600
Tuition and Fees Increase (3.0% Blended)	2,949,400
Increased Internal Charges to Non – I & G Units	150,000
Remaining from Compensation Pool	600,000
Total Sources	\$ 7,044,000

Uses

1% Compensation Adjustment, plus fringe benefits	\$ 1,547,800
Student Fee Supported Units	516,400
Fringe Changes Associated with ERB	2,071,400
Faculty Promotion and Tenure Fund, plus fringe benefits	241,200
Faculty Salary Enhancement Plan Fund, Phase 1 Plus fringe benefits	1,317,200
Enrollment Management Plan Fund	800,000
Set-aside for Minimum Wage Increase	300,000
Graduate Assistantships	250,000
Total Uses	\$ 7,044,000

Las Cruces Campus Proposed Increases

Undergraduate Rates

Resident Students

Hourly Rate	3.0% increase
Full Time Rate	3.0% increase
135 Mile Texas Rate	3.0% increase

Non-Resident Students

Hourly Rate	3.0% increase
Full Time Rate	3.0% increase

Graduate Rates

Resident Students:

Hourly Rate	3.0% increase
Full Time Rate	3.0% increase
135 Mile Texas Rate	3.0% increase

Non-Resident Students

Hourly Rate	3.0% increase
Full Time Rate	3.0% increase

Funding Requests for Fee Support Activities

The Student Fee Board's recommendations regarding the FY2014 required student fees presented to President Pacheco have been incorporated into this proposal. As listed under the column entitled SFRB Approvals, fee increases are proposed for:

- Fixed Fee Units in the amount of \$270,000
- Master of Social Work Position in the amount of \$8,725
- Sexual and Gender Diversity Center in the amount of \$4,700
- Sponsored Programs in the total amount of \$20,000
- Student Media (The Roundup-Krux) in the amount of \$218,750
- WAVE (Peer Counseling) in the amount of \$10,725

The Compensation Adjustments shown in the next column represent the fee amount necessary to support the proposed 1% compensation pool. The full increase amount of \$516,200 is covered through a base adjustment for enrollment growth.

Community College Proposed Increases

Alamogordo Community College

Resident In-District	1.3% increase
Resident Out-District	1.1% increase
Non-resident	1.4% increase

Carlsbad Community College

Resident In-District	2.3% increase
Resident Out-District	4.2% increase
Non-resident	4.8% increase

Dona Ana Community College

Resident In-District	1.6% increase
Resident Out-District	1.3% increase
Non-resident	2.0% increase

Grants Community College

Resident In-District	0.0% increase
Resident Out-District	0.0% increase
Non-resident	0.0% increase

NMSU and Peer Institution Rate Comparison

The final slide provides a comparison of NMSU's tuition and fees for academic year 2013-2014 to our peer institutions and New Mexico Institute of Mining & Technology. NMSU remains competitively priced on a regional and national basis. Even at tuition and fee rates proposed for FY2014, NMSU remains in the lower half of the FY2014 schedule and moves from 11th to the 10th spot out of the 17 institutions presented.

Regent Mitchell asked if we knew what amount or percentage our peer institutions would be increasing their rates by.

SVP Throneberry responded that the other institutions have not stated or listed any rate increased as of today.

Dr. Tim Ketelaar asked SVP Throneberry to clarify what was being proposed for faculty increases.

SVP Throneberry responded that a 1% increase is being proposed.

Regent Pino moved, seconded by Regent Gonzales, to approve the Proposed Tuition and Fee Changes and Budget Guidelines for FY 2013-2014. All Regents except Banegas voted yes. The motion passed.

- c. Approval of Housing and Meal Plan Rates for 2013-2014 Academic Year -- (Ms. Angela Throneberry, Senior Vice President for Administration and Finance)

Senior Vice President Throneberry requested the approval of the Housing and Meal Plan Rates for the 2013-2014 academic year, as follows. Reporting is Tammy Anthony, Assistant VP of Auxiliary Services and D'Anne Stewart, Associate Vice President for Administration and Finance.

Tammy Anthony stated no increase in housing rates for all single student housing facilities was being proposed for academic year 2013-2014. NMSU's proposed housing rate structure remains competitive with both regional universities and the local market. Housing occupancy has seen a decline over the past 5 years.

The Housing rates for 5 year average increase for 2009-10 – 2013-14 is between 1.89% – 2.92%. The rates are compared to similar properties in the local

market. Although the occupancy overall has been trending down slightly over the last couple of semesters, there are several facilities that are “above market” and are the locations that are the first to fill each year in our housing population.

This indicates that this is an area we have to watch very carefully but it also represents to us that there is a value of living on campus that is perceived by our students. NMSU competes favorably with our university peers when students are comparing housing prices.

Tammy Anthony is proposing the following increases in Meal Plan Rates for 2013 – 14.

	Increase Percentage
Mandatory Meal Plans	
Aggie Unlimited	3.4%
Aggie Choice 230	3.37%
Voluntary Meal Plans	
Aggie 64	3.28%
Pistol 400	3.43%
Family Resident Optimum 350	0.00%
Family Resident Optimum 250	0.00%

Our two mandatory meal plans are extremely competitive with our peer institutions. Our average cost per meal is well below our NM average and our peer institutions. The Meal Plan rates for the 5 year average increase from 2009-10 – 2013-14 is between 5 – 6%.

Regent Gonzales asked if any of the meal plan rates go to debt service.

Ms. Anthony said that the rates go to the operations of the meal plan program. As part of our contract, capital improvements are provided by Sodexo and the university.

Regent Gonzales moved, seconded by Regent Mitchell, to approve the Proposed Housing and Meal Plan Rates for 2013-2014 Academic Year. All Regents except Banegas voted yes. The motion passed.

- d. Approval of Parking Permit Rates for 2013-2014 Academic year – (Ms. Angela Throneberry, Senior Vice President for Administration and Finance)

Senior Vice President Throneberry requested the approval of the Proposed Parking Permit Rates for the Las Cruces campus for academic year 2013-2014. Reporting is Tammy Anthony, Assistant VP of Auxiliary Services and D’Anne Stuart,.

Tammy Anthony stated no increase for Parking Permits is requested for 2013 -14

The comparison to peers reflects NMSU at the lowest for students across our peer institutions except for the motorcycle permit where two peers have a lower

rate than our \$22 rate. The NMSU proposed parking permit rates are very favorable with regional and peer universities.

The average parking permit rate increase for the past 5 years are less than 3.07 for all categories.

Regent Gonzales moved, seconded by Regent Pino, to approve the Proposed Parking Permit Rates for 2013-2014 Academic Year. The motion carried unanimously.

- e. Consideration of Offer from the Sun Belt Conference to Become a Football Member Beginning in July 2014 – (Dr. McKinley Boston, Athletic Director)

Dr. McKinley Boston is requesting the Board of Regents to act to confirm New Mexico State University's acceptance of the offer of a football only membership in the Sun Belt Conference beginning in the 2014 season.

Regent Pino moved, seconded by Regent Mitchell, to approve the Proposed Consideration of Offer from the Sun Belt Conference to become a Football Member beginning in July 2014. The motion carried unanimously.

11. APPOINTMENT OF REGENTS TO VARIOUS COMMITTEES AND BOARDS BY THE BOARD CHAIR

- a. Two Representatives to the Audit Committee
Regent Pino (Chair) and Regent Mitchell were appointed.
- b. Two Representatives to the Regents Budget Committee
Regent Gonzales (Chair) and Regent Mitchell were appointed.
- c. One Representative to the NMSU Foundation, Inc.
Regent Cheney was appointed.
- d. Two Representatives to the Arrowhead Center, Inc. Board of Directors
Regent Banegas and Regent Pino were appointed.
- e. Two Representatives to the Real Estate Committee
Regent Cheney (Chair) and Regent Gonzales were appointed.

12. NEW MEXICO STATE UNIVERSITY PRESIDENT'S REPORT

No report will be given at this meeting

13. INFORMATIONAL PRESENTATIONS

No informational presentations will be given at this meeting

14. RECURRING REPORTS

- a. Report from the Chair, Faculty Senate by Dr. Timothy Ketelaar

Dr. Ketelaar introduced the following legislation:

- Proposition 16 – A Proposition to change the timeline for evaluating of Academic Administrators, in the NMSU Policy Manual, section 5.06, from every five years to every three years
- Proposition 18 - Proposal to amend the Faculty Senate Constitution to specify the re-election policy for the Faculty Senate Chair.
- Proposition 19 - Proposal to amend the Faculty Senate Constitution to redefine the role of the Senate Committee on Committees and to change its name to the Senate Leadership Committee.
- Proposition 20 - A proposition to change section 5.25.A.2 of the NMSU Policy Manual, Compensation
- Proposition 21 - A Memorial In Support of Creating a Mechanism for Long Term Sustainability of the Library's Materials Budget

The Faculty Senate has also introduced the following legislation:

- A proposal to establish two sets of graduate certificates in Anthropology.
- Proposition 24 - A Resolution to Endorse the Dissolution of the College of Extended Learning and the Creation of the Department of Interdisciplinary Studies within the College of Arts & Sciences.
- Proposition 25 - A proposition to recognize and authorize the Associate Deans Academic Council as a standing university board within the framework of Policy 1.05.90 of NMSU Policy Manual.
- Proposition 26 - A memorial commending the New Mexico Legislature and Governor Martinez for adopting Senate Bill 115, modifying the state's educational retirement plan.
- Proposition 27 - A memorial in support of ASNMSU resolution to recommend the use of a single clicker.

Dr. Ketelaar thanked Dr. Pacheco and the administration for listening to faculty concerns regarding salaries and offering a response.

Regent Cheney would like the Faculty Senate to identify goals on how faculty can cooperate and collaborate with administration for the greater good of the university.

- b. Report from the President, Associated Students of New Mexico State University by Ms. Breeana Sylvas

Ms. Sylvas provided the following update:

- ASNMSU Scholarship Banquet on April 5, 2013 at 6:30. The Honorable Judge Fernando Macias, will be the guest speaker.
- The Big Event – ASNMSU Community Service Project to beautify Las Cruces. More than 1,000 students, faculty and staff volunteered for this event.
- ASNMSU Elections went very well. They voted for President Elect Mr. David Maestas and Vice President Elect Mr. Wesley Jackson.

Ms. Sylvas does not approve a Tuition Increase and believes that alternative funding sources should continue to be explored to insure students are not burdened with increased costs.

Regent Cheney stated that he recognizes that no one wants to have increases come out of their pocketbook. But he also acknowledges that there is a balance to try to meet the needs of faculty, staff, students and stakeholders.

Regent Gonzales thanked Breeana Sylvas for her leadership this year and knows that she will continue to be a leader in her future. He said that she was always looking out for the best interests of the students.

c. Report from the Chair, NMSU Employee Council by Ms. Monica Dunivan

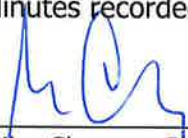
- Ms. Shawna Arroyo was elected to President Elect. She is an alumni of NMSU and a native of Las Cruces. She has been employed by ICT for 9 years and serves as the manager of Student Technology and Planning. She serves on EC and the Sustainability Committee.
- As part of their strategic plan, EC is working on a process to provide a timely review of future policies and procedures proposed by university administration. EC representatives have met several times with Ms. Lisa Warren and will be reviewing her policy as well including policy on awareness assessment and response to behavior concern and the new policy on security cameras on campus prior to the next Admin Council meeting.
- As part of their strategic plan, EC will be initiating a marketing plan which will consist of distributing more information on NMSU media outlets, flyers distributed to employees through their mail boxes, post forum on interests for employees, update website, distribute postcards, promote membership by working with individual departments, monthly newsletters and emails, work with employee engagement committee to create incentives or projects for competition.
- EC representatives met with Ms. Angela Throneberry, Senior Vice President for Administration and Finance, Mr. Andrew Pena, HR and Ms. Rene Yoder to insure EC maintains open lines of communication and a good working relationship. Ms. Yoder has been an excellent liaison between Human Resources and EC. She has kept them up to date on changes related to NM ERB, health insurance, and long term care.
- EC met with representatives from NM ERB and have reviewed and approved the expected changes that will get us to solvency. EC will continue to seek opportunities to lessen the impact for whom they represent.
- EC is actively encouraging those they represent to attend the Health Insurance Forums that are going on April 10, 11, and 12.
- EC will make sure that they participate on developing budget priorities for next fiscal year. EC will be accepting suggestions on what type of priorities are needed for those they represent.
- EC will be recognizing the Spring 2013 recipient of the "A" Mountain Award at the April NMSU Employee Service Awards to be held at Corbett Center.

15. OTHER / COMMENTS

16. ADJOURNMENT

There being no more business the Board of Regents adjourned at 10:28 a.m.

Minutes recorded by Carolyn Aragon.



Mike Cheney, Chair
Board of Regents



Isaac Pino, Secretary / Treasurer
Board of Regents