

MINUTES OF THE BOARD OF REGENTS
NEW MEXICO STATE UNIVERSITY
April 8, 2011

1. CALL TO ORDER

The Board of Regents of New Mexico State University met in the Regents Room at the Educational Services Building on the main campus in Las Cruces, New Mexico, on Monday, April 8, 2011. Chair Conniff called the meeting to order at 10:12 a.m.

Regents	Ms. Laura M. Conniff, Chair Mr. Isaac J. Pino, Vice Chair Mr. Christopher Dulany, Sec./Treasurer
Present	Mr. Javier M. Gonzales, Member Mr. Mike Cheney, Member
Ex-officio Regents Present	Dr. Mark Anderson Mr. Travis Dulany
President	Dr. Barbara Couture
Exec. Vice Pres./ Provost	Dr. Wendy Wilkins
Chair, NMSU Employee Council	Dr. Steve Loring
Other Presenters	Associate Vice President Maureen Howard Senior Vice President Ben Woods Interim Senior Vice President Angela Throneberry Assistant Vice President Glen Haubold Deputy Director Enedina Vazquez

2. INTRODUCTIONS

(a) Introduction of Press, Elected Officials and Others by Maureen Howard, Associate Vice President for University Communications and Marketing Services

Vice President Howard introduced Chris Schurtz, *Las Cruces Sun-News*; Rene Romo, *Albuquerque Journal*; David Livingston, *Round-Up*; and Todd Dickson, *Las Cruces Bulletin*.

3. APPROVAL OF AGENDA

Regent Pino moved, seconded by Regent Dulany, to approve the agenda as presented. The motion carried unanimously.

4. PUBLIC COMMENT

Mr. Rodrigo Mora made comments on the plus/minus grading issue.
Ms. Joan Crowley made comments on the proposed tuition increase.
Ms. Brittney Moore voiced her concerns over the plus/minus grading issue.

5. RATIFICATION STATEMENT REGARDING PRIOR EXECUTIVE SESSION(S) (roll call vote)

The Board of Regents of New Mexico State University met in Executive Session at 9:00 a.m., on Monday, March 14, 2011, in Room Two of the Educational Services Building, in Las Cruces, New Mexico to discuss personnel matters in accordance with Section 10-15-1H; Paragraph (2) of the New Mexico Open Meetings Act. The Executive Session was recessed at 10:00 a.m. and reconvened at 12:00 p.m. Those Board members who were present hereby certify by roll call vote that only matters of that nature were discussed in the closed meeting.

The Board of Regents of New Mexico State University met in Executive Session at 7:45 a.m., on Thursday, April 7, 2011, in Hadley Hall, Room 130, in Las Cruces, New Mexico for the purpose of interviewing candidates for the NMDA Director/Secretary position and for the discussion of other limited personnel matters in accordance with Section 10-15-1H; Paragraph (2) 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 the closed meeting.

The Board of Regents of New Mexico State University met in Executive Session at 9:00 a.m., on Friday, April 8, 2011, in Room Two of the Educational Services Building, in Las Cruces, New Mexico to discuss limited personnel matters in accordance with Section 10-15-1H; Paragraph (2) 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 the closed meeting.

The motion to adopt these statements, upon being put to a vote, were passed and adopted on the following recorded vote: Chair Conniff, Vice Chair Pino, Sec./Treasurer Dulany Regent Gonzales, and Regent Cheney. Five Regents present having voted in favor of said motions, said motions carried, and said statements were adopted.

6. FUTURE BOARD MEETINGS

Proposed meeting dates:

- May 6, 2011, Las Cruces; in conjunction with Commencement
- June 22, 2011, Las Cruces; Board of Regents Retreat
- June 23, 2011, Las Cruces

7. **CONSENT CALENDAR** (voted on by one motion, or moved to Action or Informational Items)

(a) Administrative

1. Approval of NMSU - Doña Ana Community College Hatch Center Budget Increase (Interim Senior Vice President Angela Throneberry and Assistant Vice President Glen Haubold)
2. Approval of Resolution Identifying Key Security Management Personnel Group; Approval of Accompanying Resolution for Exclusion of Certain Directors or Officers; and Approval of Corresponding Revision to Policy 4.65, Security Clearance (PSL Deputy Director, Dr. Enedina Vazquez)

Regent Pino moved, seconded by Regent Cheney, to approve the Consent Calendar as presented. The motion carried unanimously.

8. **ACTION ITEMS**

- (a) Approval of Tuition and Fee Changes and Budget Guidelines (Interim Senior Vice President Angela Throneberry)

President Couture reviewed the budgetary challenges faced by NMSU since fiscal year 2009 and the state budget process. She commented on what the university faced during the state budget process this year, how much the budget was reduced overall, how it affected the operations of the university, and what has been done to save money and reduce costs for the students.

President Couture indicated that during these very difficult economic times New Mexico's leaders and students are very hard pressed. The budget recommendations reflect the challenging situations faced by all and are made in full recognition of these challenges and economic hardships.

The administration appreciates all of the support that higher education has received from the state leaders during the budget and appropriation process. State leaders did not have any good choices this year. The overall state budget deficit was projected to be anywhere from \$250 million to \$410 million depending on different scenarios when the session started.

The range itself demonstrated the complex nature of the situation and the economic uncertainty faced by the state. In the end, governmental leaders determined that the higher education budget, as a whole, needed to be reduced by approximately four percent, but these reductions were taken differently across institutions.

As New Mexico's legislators looked for possible areas to cut, NMSU, unfortunately took a hard hit, both in its instructional budgets and the research and public service project budgets. The decision by the legislature to reduce funding related to tuition waivers hit NMSU particularly hard. As a percentage, NMSU was cut more than any other four-year institution this year. The reduction of 4.9 percent to the overall

budget at the end of the legislative session, added to the agency-wide reduction of 3.2 percent last fall, represented an extraordinary cut to a major research and land-grant institution.

NMSU's Research and Public Service projects have been cut \$13.2 million since fiscal year 2009. Instruction and general budgets across all of the campuses suffered a \$22 million reduction since fiscal year 2009. In total, the NMSU system has endured a \$35 million reduction in state appropriations since fiscal year 2009. Doña Ana Community College suffered more than a 5.5 percent reduction in state funding while experiencing a period of enrollment growth. The Las Cruces campus had the most severe cut with a reduction of almost 17 percent in state appropriations during the same period. While a few of the other campuses did better in terms of state funding, the increases were limited in terms of the budget needed to manage enrollment growth and other operating increases.

Many specific budgets critical to the teaching, research and the service missions of NMSU are separately appropriated in the Research and Public Service Budget. These budgets have been hit hard since 2009 by specific legislative action: a 17 percent cut to the Agricultural Experiment Stations; a 20 percent to the Cooperative Extension Service; a 40 percent cut to the budget appropriated to expand nursing; and a 20 percent cut to Athletics. It is very challenging to deliver quality work and meet the needs of constituents in this environment.

The most significant effect of the reduction in the instruction and general budget on the NMSU campus since 2010 was the need to eliminate 110 positions, 68 staff, and 42 faculty positions. NMSU cannot continue to reduce positions in administrative or academic departments and still provide the quality programs promised to students and key constituents.

Everything possible was done this year to insure that a full program was offered while enduring the reductions. More is being done with less. Campus-wide the student/faculty ratio has increased from 28.5 to 1 in fall 2008 to 30.1 to 1 in fall of 2010. NMSU's faculty ratio is currently 7.2 percent higher than average for the peer category of high research institutions, and yet, an increase in student enrollment is expected for fall 2011; estimated at two percent.

To maintain a quality learning environment, this trend must be turned around for NMSU's students. Graduation is goal one for our university and NMSU's graduation rates need to be improved. There are many factors that contribute to that, but NMSU must always insure that classes critical for graduation can be provided to students. At present, course sections on the Las Cruces campus are at very full rates. General Education courses, required for all students, are at 95 percent capacity. This leaves very little flexibility for students to schedule their courses and it hinders their progress toward graduation.

NMSU is running at full tilt, because of the significant reduction of courses offerings and the number from fall 2008 to fall 2011. NMSU saw significant salary savings through the utilization of part-time faculty in place of those full-time faculty who elected to take advantage of the early retirement plan. This is a one-time saving.

The opportunity for salary savings are gone and there will be little flexibility in the coming year for adding the sections that students need.

It is important for all to know how hard our faculty are working in this environment. Student credit hours increased by 8.5 percent from fall 2008, to fall 2010 while faculty FTE declined. Though faculty are teaching more students, they have continued to be productive in their research. Faculty are exceeding the average annual research productivity, as measured by research grant expenditures for tenured faculty at comparable high research institutions. They are doing more with less year after year.

NMSU has worked hard to save funds to keep academic programs strong and to ensure that students are not forced to shoulder the full burden of the financial cuts. To that end we have labored to produce significant cost savings in several areas. NMSU's Position Management Program, initiated this year, resulted in significant savings. 81 employees accepted an incentive to retire and the overall impact was a permanent cost savings of \$1 million. There were also significant savings at the community colleges as a result of this program.

The facilities office reduced expenses in two areas. Ground maintenance expenses have been reduced by 27 percent since fiscal year 2007. Custodial operating expenses have been reduced by eight percent during the same time period. Each department was asked to carefully look at ways to reduce expenses and some savings were made in travel, supplies, and services. These costs were reduced by 33 percent since fiscal year 2008. NMSU leads the state with its vehicle reduction program. Overall, NMSU's fleet will be reduced from 1045 in fiscal year 2009 to 605 by fiscal year 2012. \$270,000 have been saved on an annual basis as of December 31 and the total plan savings will be more than \$720,000.

Efficiencies can be seen in the use of space. The ratio of square feet of space to student FTE on the Las Cruces campus is 218:1. The average for a four-year institution in New Mexico is 314:1.

Since July 1, 2010 the Las Cruces instruction and general budget has been reduced by \$8.1 million. If NMSU went to a maximum tuition increase of 9.1 percent as allowed by the agreement with students, the increased revenue would just cover the reduction, leaving no room to expand faculty, meet increased operating expenses, and no coverage to face a potential additional reduction this fall as has been the trend over the last few years.

The proposed tuition increase has to address these realities. It must also keep faith with the student agreements and while maintaining the quality program that the public expects of us. The tuition reduction and budget framework that will be reviewed focuses on the priorities that have been recommended by the Living the Vision Committee last year and endorsed by the University Budget Committee this year.

The priorities that NMSU remains challenged to meet in the year ahead are: 1) direct funding to increase student retention, 2) increase funding for faculty, and 3)

allocate funding to insure that students have the necessary technology to fulfill class obligations.

Regent Gonzales asked President Couture if her presentation on the tuition increase had been seen by the students, faculty, and members of the public prior to her presentation to the Board. His concern, if she had not, was that as the university would be going forward without participation from the constituencies who are going to receive the most impact by a tuition increase.

President Couture responded that there have been communications with faculty and staff regarding the overall state budget reductions. Over the last few weeks, during preparation for this recommendation, meetings have been held with the ASNMSU President, the student Regent, and with the University Budget Committee about the budget priorities. In an initial presentation and convocation to the faculty in January, the vital need to maintain NMSU's excellent faculty and have the opportunity to add to the faculty need was presented. The tuition presentation will be discussed with the faculty on April 14 at which time there will be an opportunity for questions and answers. The University Budget Committee endorsed the priorities cited and are aware of the challenges facing the university. In terms of the efficiency and effectiveness of the university, presentations have been made to a variety of campus groups, that highlighted the points made to the House Appropriation Committee and the Senate Finance Committee.

Regent Gonzales asked if the recommended tuition increase had been announced publicly to faculty or students. President Couture responded it had not.

Regent Gonzales asked what the benefit of the meeting on April 14 would be if action from the Board was taken at the present meeting. President Couture responded that she felt it had been made abundantly clear to the NMSU students and faculty that NMSU had to propose a tuition increase this year given the sheer size of the reduction to the university budget. The key priority of maintaining faculty strength and the ability to meet its academic program obligation was discussed in January. At that time, the president indicated that this was the direction she felt the university needed to head in regard to a tuition increase. With the budget completed by the legislature in late March, the discussion regarding the exact amount of a tuition increase could only begin in April. At that point, communications were sent to the faculty about where the reductions needed to be taken. Even then, the specific tuition recommendation was not yet finalized. Over the last few days the administration has worked to get to the final recommendation developed. Meetings have been held with members of the Governor's cabinet to request that the Governor not make additional adjustments to NMSU's budget that might affect research and public service projects.

Regent Gonzales indicated that he wanted to make clear that the president had gone above and beyond in terms of being full-time committed to doing the absolute best in preparing for this, but that he felt a tuition increase was being proposed that had not been heard publicly and yet the Regents would be asked to act up on the proposal at this meeting. He indicated that his preference would be to allow time for public input regarding the tuition increase. He asked if there was a reason or

requirement or some urgent need that the Board was required to act at this meeting on a tuition increase as opposed to some point in the future that would students, faculty, and members of the public an opportunity to review the president's proposal. President Couture asked Interim Senior Vice President Angela Throneberry to discuss the timing constraints with regard to NMSU's obligations to the state. Regent Conniff asked that Interim Senior Vice President Throneberry to proceed with her presentation.

Senior Vice President Angela Throneberry indicated that the Regents would be asked for approval of the university's budget guidelines for the Las Cruces campus for fiscal year 2011-2012, which included a request for the Board's approval of proposed tuition and fee rates for the Las Cruces campus and community colleges. The direction received from the Regents would guide the administration in the collective development of the proposed operating budget for fiscal year 2012 for all campuses which would be presented to the Regents for approval at the May 6 Board meeting. In addition, the registration process for next year has begun, but billing has been delayed until actual tuition rates are known. She noted that the tuition and fee proposal had been reviewed in advance with the student body leadership.

For the NMSU Las Cruces campus students, a \$213.60 or 7.9 percent increase in tuition and fee rates per semester was recommended for full-time resident undergraduate students, and a \$749.40 or 9.5 percent increase in tuition and fee rates per semester was recommended for full-time non-resident undergraduate students. The requested proposed tuition and fee changes for community college campuses were as follows. For Alamogordo a 10.1 percent increase, for Carlsbad a 7.5 percent increase, for Doña Ana students an 8.8 percent increase, and for Grants a 14.5 percent increase. The state imposed a 9.5 percent tuition credit for resident students and 15 percent for non-residents.

Regent Pino moved, seconded by Regent Cheney, to approve the Tuition and Fee Changes and Budget Guidelines.

Regent Pino indicated that with respect to the number of comments made, there were things going on over the last two and three years that have to be acknowledged. This is the third year in a row where NMSU has been challenged to come up with very significant cuts and he understands that the processes is designed such that NMSU must wait until the legislature is over to understand what the budget impact will be and then try to create something that can be sent back to the state by May 1. Perhaps in the future, if cuts need to be considered year after year, then maybe there needs to be a consideration in Santa Fe for how much time is given to deal with that. NMSU is running out of places to cut. It needs to be understood that once NMSU becomes a servant of public money, when that public money dries up, other sources need to be found. For the third year in a row, NMSU has been able to have discussions about this budget without words like "lay-off," "furlough," "pay cut," or "reduction in benefits." NMSU is fortunate to have had the opportunity to have some prudent budgeting, but the thing to remember is when the legislature is in session, they are dealing with public money. Higher education has the opportunity for revenues that other branches of government do

not, so it is easy for a legislator who is looking to balance the budget, look to higher education to look to raise more of its own money. If this trend continues, a modification to the entire mission of the university may be needed.

Regent Conniff echoed Regent Pino's sentiments and mentioned that the tuition credit back to the state is 3.1 percent and that percentage comes off the top of the 7.9 percent increase; truly, the actual increase is only 4.8 percent to NMSU.

Regent Gonzales indicated that he hoped the Board would table the agenda item on the tuition increase to allow some type of public input into the amount of tuition increase that needed to take place. This is a big decision that has impact on students, faculty, and community members and he did not feel, despite the enormous effort by the president of visiting with each Regent, that members of the public had the time to review the tuition increase and provide input. Regent Gonzales urged the Board to reconsider action and table the agenda item. The fact that NMSU's environment is much easier for legislators to pass the buck on to the students of the state by forcing large tuition increases on them to help address the state's problems is unfortunate. The reality at NMSU is that it has become very comfortable in how it is handling this type of behavior from the legislators. We propose the tuition increases year after year on the expectation that the legislature is going to do two things, 1) the executive is going to force a mid-year cut, and 2) a reduction during the legislative session. So what is done in anticipation of that type of behavior from the state is have tuition increases on the student's backs. NMSU builds contingency reserves in anticipation that the state is going to repeat the same behavior they have year after year. NMSU is a land-grant institution and the institution that provides the most affordable quality education to residents of New Mexico. With this tuition increase, NMSU may be close to becoming the most expensive institution in the state and this goes against the land-grant mission.

Regent Cheney indicated that he understood that input on this issue had been received from student and faculty representation as the budget was put together. He commended the president for trying to reduce the impact on NMSU's constituents. He asked that NMSU look forward to create a contingency plan so that increases can be minimized in the future. He indicated that the proposed increase was a very productive plan.

Regent Dulany commented that students have to pay more every year and there is a perception that students are just throwing away their money and not receiving a better education. He asked President Couture how NMSU is going to be better next year. If the students are being asked to pay more to come back to NMSU next year, what are they going to get out of it.

President Couture responded she was concerned with the current budget and making sure that the promise made to faculty, students, and the university community that the administration will make it possible for the students who come to NMSU succeed and graduate, was protected by this particular budget. She was extremely concerned about the ability to offer the programs that students need to graduate without the projected tuition increase. This fall programs will be implemented for freshmen that are going to assure that every freshmen that comes

to NMSU has individual attention to assure they are on the right path towards graduation. Students will receive all of the assistance needed for financial planning, they will receive opportunities to get academic support in areas where they may not be succeeding, and assure the personal attention and support for their classes so that they will succeed as freshmen and move on as sophomores and graduate. NMSU must also assure that it does not lose its very best faculty.

ASNMSU President Dulany said he met with President Couture and Regent Dulany to discuss a range of options. He also spoke to Interim Vice President Throneberry and made it very clear that three years ago, he heard the same arguments from the administration. The message the students heard was, "We do not want to raise tuition but we have to." President Dulany indicated that he bought into the argument and wanted to do something about it as a student leader so ASNMSU sent a group of their best and brightest students to Santa Fe to show the need for continued support for NMSU. The Student Fee Review Board worked diligently to provide a recommendation to the Board that over the last two years has held fees nearly flat. He stated that it seems these efforts have been in vain because sharp increases to tuition are still being seen. He said if this was going to be the same message every year, instead of saying, "We don't want to but we have to," students need to know that in three to four years they will see a 25-35 percent tuition increase. He indicated he understood the university needs to move forward, but was not sure it needed to be done by raising tuition. Other resources should be looked at before raising tuition.

The motion carried four to one. Regent Gonzales voted against.

Regent Gonzales asked for the opportunity to explain his "no" vote on the tuition increase. He commented that he had hoped that the Board would have tabled the motion to allow for more public input to take place and to emphasize what Regent Pino stated that this behavior and model by the legislature to shift the burden of the state shortfalls onto the backs of the students needs to stop and other creative methods used as the university and state determines how to manage the cost of higher education.

- (b) Approval of Proposed Housing and Meal Plan Rates
(Interim Senior Vice President Angela Throneberry)

Interim Senior Vice President Throneberry requested the approval of the Housing and Meal Plan Rates for the 2011-2012 academic year as follows:

An increase to housing rates by 2.5 percent for all campus housing facilities. NMSU's proposed housing rate structure remains competitive with both regional universities and the local market. Funds generated through the housing rate increase would be used to offset increased operating costs for housing and residential. The proposed housing rates presented would generate approximately \$360,000 in additional revenue and these have been discussed with the student leadership, student government for campus residents, and representatives of student family housing. The revenues would be used to offset projected expense increases of utilities in excess of

\$150,000; institutional support of \$70,000; plant operations/maintenance/telephone of \$65,000 with a residual applied toward an increase in debt service.

No increase was proposed to the meal plan for this year. NMSU is in the final year of an eight-year contract with ARAMARK Higher Education. A request for Proposal for the food service contract was issued during November 2010. A selection committee has been established to review the proposals and provide a food service provider recommendation.

Regent Cheney moved, seconded by Regent Pino, to approve the Proposed Housing and Meal Plan Rates. The motion carried unanimously.

- (c) Approval of Proposed Parking Permit Rates
(Interim Senior Vice President Angela Throneberry)

Interim Senior Vice President Throneberry requested the approval of the Proposed Parking Permit Rates for the Las Cruces campus for academic year 2011-2012. The proposed increase would be \$.17 per month (\$2 per year) for student lots; \$.33 (\$4 per year) per month for the majority of employees (faculty/staff lots); a \$1 increase for motorcycle permits, and a \$7 increase for special permits. The proposed increase would generate an estimated \$37,000 in additional revenue for the Department of Transportation and Parking Services. Funds generated through the proposed rate increase would be used to support operating costs associated with parking lot maintenance including addressing deferred maintenance issues. The proposed rates were discussed with the student leadership, the chair of the Faculty Senate, and the chair of the Employee Council. The NMSU proposed parking permit rates are competitive with regional and peer universities.

Regent Pino moved, seconded by Regent Cheney, to approve the Proposed Parking Permit Rates. The motion carried unanimously.

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

- (a) One Representative to the New Mexico Educational Assistance Foundation (NMEAF)
Regent Christopher Dulany was appointed.
- (b) Two Representatives to the Audit Committee
Regent Cheney and Regent Gonzales were appointed.
- (c) Two Representatives to the Regents Budget Committee
Regent Conniff appointed herself and Regent Pino.

(d) One Representative to the NMSU Foundation, Inc.

Regent Conniff appointed herself.

(e) Two Representatives to the Arrowhead Center, Inc. Board of Directors

Regent Dulany and Regent Gonzales were appointed.

(f) Two Representatives to the Real Estate Committee (ad hoc)

Regent Cheney and Regent Pino were appointed.

10. OTHER/COMMENTS

Regent Conniff said the Regents do not make the decisions on these important issues lightly. She commended the administration for their tireless efforts under the time constraints mandated by the state and noted her confidence that the administration would continue to do what is in the best interest of the university, faculty, staff, and students.

11. ADJOURNMENT

Regent Conniff adjourned the meeting at 11:43 a.m.

Minutes recorded by Socorro Saenz-Lobato.

Laura M. Conniff, Chair
Board of Regents

Isaac J. Pino, Secretary/Treasurer
Board of Regents