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 December 14, 2012.

Chair Cheney called the meeting to order at 9:03 a.m.

Regents Present
Mike Cheney, Chair
Isaac J. Pino, Vice Chair
Christopher Dulany, Secretary / Treasurer
Javier M. Gonzales, Member
Kari Mitchell, 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
Dr. Fred Lillibridge

Other Presenters
Dr. Bernadette Montoya, Vice President for Student Affairs and Enrollment Management
Dr. Dennis Prescott, Vice President for University Advancement
Ms. Angela Throneberry, Senior Vice President for Administration and Finance
Dr. Vimal Chaitanya, Vice President of Research
Mr. Glen Haubold, Assistant Vice President for Facilities and Services
Mr. Greg Walke, University Architect
Mr. Shaun Cooper, Associate Vice President of Information Technology
Ms. Tammy Anthony, Assistant Vice President for Auxiliary Services

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 from KVIA Tom Scott and Vanessa De La Vina, from the Las Cruces Bulletin Todd Dixon and from the Las Cruces Sun News Lindsay Anderson were present.

b. Introduction of Regent Kari Mitchell by Regent Mike Cheney, Chair.
Regent Mike Cheney introduced Kari Mitchell as our new Regent.

c. Introduction of Interim Executive Vice President and Provost, Dr. Jay Jordan by Interim President Manuel Pacheco.

Dr. Pacheco introduced Dr. Jay Jordan as the Interim Executive Vice President and Provost.

d. Introduction of Dean of Students, Dr. Michael Jasek, by Dr. Bernadette Montoya, Vice President Student Affairs and Enrollment Management.

Dr. Bernadette Montoya introduced Dr. Michael Jasek as the Dean of Students.

e. Introduction of Assistant Vice President for Advancement, Ken Ferrone by Dr. Dennis Prescott, Vice President for University Advancement.

Dr. Dennis Prescott introduced Ken Ferrone as the Assistant Vice President for Advancement.

3. APPROVAL OF AGENDA

Regent Gonzales proposed the following amendments to the agenda. Request to move Agenda Item 6.a (Regents Medal) to Agenda Item 14 (Presentation of Resolutions) and Agenda Item 11 (New Mexico State University President’s Report) to follow Agenda Item 12.a (Research Update).

Regent Dulany moved and Regent Pino seconded to approve the agenda with proposed amendments. The motion carried unanimously.

4. PUBLIC COMMENT

Dr. Earl Nissen spoke about the DACC nursing accreditation. He mentioned there were only two graduates for fall when there should have been 25 and spring appears to have none. Dr. Nissen said it would have a devastating effect on the nursing supply for our hospitals. DACC Nursing Accreditation appears to be a long way into the future. An application was made by the program with NLNAC in September, but there has been no word on DACC being a candidate for accreditation. A visit to the program by NLNAC for a review for accreditation cannot be scheduled until the program is a candidate. He mentioned that DACC may not have a visit until fall of 2013, which means that DACC may not get accredited until 2014. He wants the students to be informed and mentioned that there are only 12 students taking classes in the spring. This means that classes of 1, 3 or 6 will prevail. In other departments, if 10 students are not enrolled in a course that course will be cancelled. Can NMSU afford to maintain classes of this size? He wants the administration of DACC to be held accountable for what has happened and doesn’t feel it is right to allow the DACC President to work another year until her retirement. Dr. Nissen is asking the regents to seek transparency and honesty about the accreditation process of DACC and would like to have a public report at the meetings to inform the community as to what has happened.
Brittany Barham, a nursing student who has since transferred to the NMSU Nursing program. She thanked the Regents for the opportunity to transfer to NMSU after the DACC Nursing program lost their accreditation. She mentioned that both DACC nursing students and NMSU nursing students are plagued by the lack of accountability for the loss of the accreditation. Ms. Barham mentioned that today would have been her graduation day along with 24 of her friends and colleagues. She also mentioned that she earned a degree from NMSU previously and loves this school, but doesn't like what is going on at her alma mater. One colleague transferred to Santa Fe and completed her degree there, several other colleagues dropped out of college altogether, and one is living in her car. Ms. Barham mentioned that trust has been lost in the administration that should have been able to take care of the accreditation before it was lost. She understands that the university put together a group of people to investigate the loss of accreditation, but there has not been any request for student input. She feels someone needs to be held accountable.

Hillary Avitia, a full time faculty member at DACC, spoke in support of Dr. Huerta. She mentioned that Dr. Huerta was supportive to both faculty and students. Ms. Avitia feels that Dr. Huerta is a dynamic leader and the community has benefited from her leadership and enthusiasm and deserves our support and appreciation.

Hilda Chappell, instructor at DACC, spoke in support of Dr. Huerta. Ms. Chappell mentioned that DACC is at a place that would not have occurred without Dr. Huerta's leadership. Ms. Chappell is also a representative of Faculty Council of DACC and stated that many of the faculty were saddened by the news of Dr. Huerta's retirement. She pointed out that DACC has had phenomenal growth during Dr. Huerta's tenure. Ms. Chappell also noted that Dr. Huerta was invited by President Obama to the White House Initiative on Educational Excellence for Hispanics. She stated that when Dr. Huerta and DACC is being badgered so are the rest of the staff and students at DACC.

Jose Aranda, Assistant Professor at DACC, expressed his sorrow for the nursing students and for what has transpired. He thanked Dr. Huerta for her leadership and for his opportunity to work at DACC. Mr. Aranda stated that the recognition and innovation that has come from DACC is because of Dr. Huerta's leadership and especially the staff at DACC.

Dr. Tim Chappell, Professor in Computer Information and Technology, and has served as President of Faculty Council and is currently the Treasurer. He expressed his concern about the negative light that has been cast on DACC and how so many positive aspects are being forgotten. He is associated with the Lerdo Student Exchange, which is an opportunity to exchange faculty, students and staff with Lerdo. This exchange was started thirty years by Dr. Patricio Quintana and David Valdez, and could not have continued without the support of Dr. Huerta. He asked the Board to help DACC let the community know of the good things that DACC does and not focus on the negative.

Dr. Bill Glen, Dean of Continuing Education and Workforce Development, expressed his support of Dr. Huerta. He has been associated with NMSU since 1977 and been at DACC for the past 18 years. He mentioned that he has seen many leaders come and go at NMSU. He sees Dr. Huerta as an outstanding and dynamic leader and noted the growth of DACC from Chaparral, Sunland Park, Gadsden, and Las Cruces and all the way
to Hatch which provide opportunities for education and further growth and development by members of the community. Since Dr. Huerta’s presidency, there has been a lot of support for Continuing Education and Workforce Development. He shared the nursing students concern for the problems that are occurring at this time in nursing, but expressed that DACC is seeing outstanding growth in the other areas of the college and that it is due to the leadership of Dr. Huerta.

Rodrigo Mora, student who just returned from Spain, wanted to know more about the grading scale that was passed a few months ago. He thanked everyone and is glad to be back.

Dr. Patricio Quintana, former President of DACC from 1978 – 1988, talked about the phenomenal growth of DACC from 5,000 students to about 13,000 students today. He mentioned that this has required a great deal of leadership and that the only one that has lasted and guided DACC is Dr. Huerta. Not only has it grown in student development and growth but in the campuses from Chaparral to Hatch. One program has had problems, a bump in the road, something that will be corrected that the community college and the university will be better for that bump. However, needless to say we have had very negative feedback from the community from few people who speak in generalities without ever communicating with those students or that faculty. The media is very powerful and does that very well, not because they chose to speak to certain individuals but it just happened to be that is what occurred. We see it on the national media. DACC does not need bad press but needs positive aggressive support. We ask our BOR to allow for that support for DACC.

5. **APPROVAL OF MINUTES**

Minutes of October 15, 2012

Regent Gonzales moved and Regent Dulany seconded the approval of the minutes of October 15, 2012. The motion carried unanimously.

6. **REGENTS AWARDS**

a. Regent’s Medal – *Moved to Agenda Item 14*

b. Regents “Above and Beyond” Award

President Manuel Pacheco introduced Dr. Terry Cook, Assistant Vice President of Student Engagement, as the December 2012 recipient of the Regents Above and Beyond Award.

Let the record show that Regent Gonzales stepped out of the room at this time.

7. **FUTURE BOARD MEETINGS**

Approved Meeting Dates

- Monday, January 28, 2013, Santa Fe, New Mexico
- Monday, March 11, 2013, Las Cruces, New Mexico
• April, 2013, Las Cruces, New Mexico (date dependent upon legislative session)
• 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

Proposed Meeting Dates

• 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

Regent Cheney mentioned that an executive session did occur on December 13, 2012 at 1:00 pm, which recessed then reconvened on December 14, 2012 at 7:30 am, and again recessed and reconvened again on December 14, 2012 at 2:00 pm.

9. CONSENT CALENDAR

a. Policy

1. No policy items at this time.

b. Administrative

1. Confirm Approval of Candidates for Degrees – (Dr. Manuel Pacheco, President)

2. Approval of Disposition/Deletion of Property. University property being recommended for disposition/deletion – (Ms. Angela Throneberry, Senior Vice President for Administration and Finance)

3. Approval of Budget Adjustment Requests (BAR) for Fiscal Year 2012-2013 – (Ms. Angela Throneberry, Senior Vice President for Administration and Finance)

4. Approval of NMSU-Las Cruces: Revision of Water Transmission Line Improvements, Phase 2 (originally approved August 20, 2012) to include new I&G building square footage – (Ms. Angela Throneberry, Senior Vice President for Administration and Finance)

5. Approval of NMSU-Las Cruces: Revision of NMDOT LGRF Grant Resolution (originally approved October 15, 2012) to change the dollar amount – (Ms. Angela Throneberry, Senior Vice President for Administration and Finance)
6. Approval of NMSU: Demolition of existing residence at Farmington Agricultural Science Center and addition of new I&G square footage – (Ms. Angela Throneberry, Senior Vice President for Administration and Finance)

7. Approval of NMSU-Las Cruces: Pan American Center Re Roof – (Ms. Angela Throneberry, Senior Vice President for Administration and Finance)

8. Approval of NMSU-Grants: Infrastructure and improvements on multiple buildings – (Ms. Angela Throneberry, Senior Vice President for Administration and Finance)

9. Approval of Temporary Investment Report for Quarter ended 9/30/12 – (Ms. Angela Throneberry, Senior Vice President for Administration and Finance)

10. Approval of Dona Ana County Head Start Self-Assessment Reports from a few years past to take care of a non-compliance from the Federal Review – (Ms. Amanda Gibson-Smith, MPA, Dona Ana County Head Start)

11. Naming of the Hershel Zohn Theater to “Pete V. Domenici Hall” – (Dr. Dennis Prescott, Vice President for University Advancement)

12. Resolution amending bylaws to provide for rotating chair and two year appointments for other officers for the New Mexico Consortium – (Dr. Vimal Chaitanya, Vice President of Research)

13. Approval of Resolution for Exclusions of Certain Directors or Officers as required by the Department of Defense – (Mr. Bruce Kite, General Counsel)

c. Real Estate

1. Lease between The Regents of New Mexico State University and Arrowhead Center, Inc. Arrowhead Center, Inc., leases four (4) buildings from NMSU for a combined square footage of 32,511 on the southeast corner of Research Road and Standley Drive on the NMSU Campus commonly known as Genesis A, B, C and D – (Mr. Bruce Kite, General Counsel)

Regent Pino moved and Regent Mitchell seconded to approve the Consent Calendar as presented. The motion passed unanimously.

Let the record show that Regent Gonzales has returned.

10. **ACTION ITEMS**
a. Approval of NMSU: Revised Capital Outlay Plan – (Ms. Angela Throneberry, Senior Vice President for Administration and Finance)

Angela Throneberry introduced Glen Haubold, Assistant Vice President for Facilities and Services, Greg Walke, University Architect, and Shaun Cooper, Associate Vice President of Information Technology to present the Capital Outlay Play for 2013-2014.

Glen Haubold is requesting approval for the revised Capital Outlay Request for NMSU – Las Cruces that will be going forward to the legislative process. Greg Walke mentioned that from the Original Capital Outlay Request for NMSU – Las Cruces are the following changes:

Remove Item #2 - Library Complex Space Analysis

Under Item #3 - Infrastructure upgrades and replacement remove the following:
- Replace Cooling tower at central plant
- Chilled water demand reduction through controls upgrade
- Reconfigure electric transmission system

Add to Infrastructure upgrades and replacement the following:
- Southwest Center for Rangeland Sustainability, Corona: new cabins
- ICT Infrastructure Upgrades Project
- College of Education: Rentfrow Gym Renovations
- Total amount changed to $12,425,000

Add the following new items:
Renovations and Additions to Hardman & Jacobs Halls  $5,000,000
Artificial Turf at Aggie Memorial Stadium  $ 750,000

The next big project is still the renovation and additions at Hardman and Jacobs Halls to create an undergraduate learning center.

The College of Education Rentfrow Gym renovations were on the Capital Outlay Plan for 2014 – 2015, which has moved up. The other items on the Capital Outlay Plan remain the same.

Regent Gonzales wanted to know how the ranking of the projects are determined.

Greg Walke responded that there is a capital outlay process that involves running all the projects through the President’s Council and Administrative Council. Facilities are laid out over a five to ten year list of items. An agreement on what the current year priorities is made and the rest will fall into place. As priorities change, items move up the list, but the order doesn’t usually change.

Regent Gonzales stated that there must be some critical need for the Animal Care Facility to be above the replacement of the aging gas transmission lines.

Greg Walke replied that the Animal Care Facility has to meet federal regulations.
Regent Gonzales asked if the state requires that NMSU use green materials and bring the buildings up to an energy rated level.

Greg Walke responded that there are a number of requirements that need to be met. NMSU needs to show how they are going to make this building energy efficient and sustainable.

Shaun Cooper is requesting the Board for approval for IT Capital Investment. The State of New Mexico has asked NMSU to not request any IT capital planning since the economic forecasting is not good. In October, Shaun Cooper found out there may be an opportunity to add IT into the Capital Outlay Plan. The focus is on expansion and upgrades in all campuses.

- NMSU Alamogordo – Network and Wireless Infrastructure $130,000
- NMSU Carlsbad – Network, Data Center and Voice Upgrades $82,000
- NMSU Dona Ana – Network and Wireless Infrastructure $235,000
- NMSU Grants – Network and Wireless Infrastructure $300,000
- NMSU Las Cruces – Network and Wireless Infrastructure $1,200,000
- NMSU Las Cruces – Voice System upgrade to VoIP $1,800,000

Total Cost $3,747,000

Students, faculty and staff require more network and wireless access. This year we have seen over 140,000 devices. Similarly the bandwidth is growing with Netflix, You Tube, and On Demand. The projected need is 100% increase in 2 years.

Additionally, NMSU is requesting a Phone Upgrade to VoIP. The current telephone system was purchased in 1992. This system consists of approximately 7,450 telephone lines and 300,000 – 475,000 monthly calls are routed through the system.

Regent Cheney asked about bandwidth capacity and asked exactly where NMSU is in regards to this.

Shaun Cooper responded that NMSU will have to move from 100mb to 1g for the wall connections. The outside connections are better than the internal connections.

Regent Gonzales moved and Regent Pino seconded to approve the NMSU: Revised Capital Outlay Plan as presented. The motion passed unanimously.

b. Intentionally Left Blank
Approval of Financial Report for Fiscal Year Ended June 30, 2012 – (Ms. Angela Throneberry, Senior Vice President for Administration and Finance)

Angela Throneberry introduced Ms. Lorin Gobble, Assistant Vice President/Controller, and thanked her for her contributions. Ms. Throneberry is seeking approval for the audited financial statements. The financial statements, including the report of the independent audit firm of Moss Adams have been reviewed with the Board’s Audit committee, and have also been approved for release by the state auditor. Presented is a copy of the independent auditor’s report, which reflects an unqualified opinion. This is a clean opinion meaning that the external auditors believe that the financial statements present fairly in all material respects the financial position of the university and its discretely component unit at June 30, 2012 and 2011.

The Condensed Financial Statements provide a high level snapshot of the university’s financial position for the last three fiscal years.

Condensed Statement of Net Assets
Total assets increased by $31 million from $772 million at June 30, 2010 to $803 million at June 30, 2012. For the same period of time, the Total Liabilities decreased from $250 million to $238 million for a total decrease of $12 million. The University’s net assets increased by $44 million from $522 million at June 30, 2010 to $56 million at June 30, 2012.

Condensed Statement of Revenues, Expenses and Changes in Net Assets
Total operating revenues decreased by $14 million from $355 million at June 30, 2010 to $341 million at June 30, 2012. For the same period, Total Operating Expenses decreased by $5 million from $551 million to $546 million. This resulted in a change in Net Operating Loss from $196 million at June 30, 2010 to $205 million at June 30, 2012. Adjusting for the non-operating revenues and expenses plus other revenues, expenses, gains or losses the university’s Net Assets at end of year increased from $522 million at June 30, 2010 to a balance of $566 million as of June 30, 2012.

Three Year Comparison of Net Assets by Category
The Invested in Capital Assets increased by $31.6 million from $282.2 million at June 30, 2012 to $313.8 million at June 30, 2012. The Unrestricted Net Assets reflects a net increase of $8.4 million from $125.8 million at June 30, 2010 to $134.2 million at June 30, 2012. The Restricted Net Assets show an increase of $3.9 million from $113.9 million at June 30, 2010 to $117.8 million at June 30, 2012.

Three Year Comparison of Operating Revenues
Gross Tuition and Fees is the largest operating revenue increase which is held to offset the impact of reductions. A combination of enrollment and rate increases contribute to about $15.3 million increase from $96.2 million in FY 10 to $111.5 million in FY 12. After several years of increases in Federal Appropriation Grants and Contracts, the university experienced a decrease in this operating revenue category. From FY 10 to FY 12 these revenues declined $17.9 million. The
remaining categories provide a combined net decrease in operating revenues of approximately $2.4 million from FY 10 to FY 12.

**Three Year Comparison of Operating Expenses**
For the last three years, Public Service Expenditures represent the largest dollar decrease at $19.6 million from $62.8 million to $43.2 million. This is followed by Research Expenditures which declined from $125.8 to $116.1 million for a total decrease of $9.7 million. Both of these expense reductions are a result of decreased funding. Plant operations and maintenance reflects the largest dollar increase at $14.9 million from $23.7 million to $38.6 million. The change from FY 10 to FY 11 was due to an expense classification change which was offset with a corresponding change in the other non-operating expense line item. The increase from FY 11 to FY 12 of approximately $4 million is related to a change in net utilities. As in the prior two fiscal years, utilities were subsidized by State American Recovery and Reinvestment Act funding for all campuses. In addition, the university experienced an increase of $2.1 million in instruction expenditures from $133.3 to $135.4 million. Academic Support increased by $1.6 million due to expenditures in the areas of Education Advising Center, DACC Library and Media Center, rental payments for the Albuquerque Center. The slight reduction in Student Services of 500 thousand is related to expenditures in the areas of Student Affairs and Enrollment Management, DACC Adult Basic Education, DACC Student Development and International Programs. The remaining functions provide a combined net increase in operating expenses of approximately $3.9 million from FY 10 to FY 12 with the largest amount from Auxiliary Services.

**Total Operating and Non-operating Revenues**
For FY 12 Operating revenues represent 65% of the total. Non-operating revenues represent 35% of the total. The three primary revenue sources from the university are Grants, Contracts and Appropriations, which represent 40.1% of the total; Net Tuition and Fees represent 12.8% of the total; and State Appropriations represent about 33.8% of the total Operating and Non-operating Revenues. This percentage related to State Appropriations is consistent with FY 11 at 33.6% but down significantly from 41% at FY 10.

**Statement of New Assets**
Total Assets as of June 30, 2012 were 803.3 million. This reflects an increase of 7.1 million from prior year which includes a decrease in cash and cash equivalents in the amount of 40.9 million which is due to the use of cash equivalent balances related to the 2010 revenue bonds for construction projects. Continued reduction in cash and cash equivalents is expected during FY 13 as we continue for the bonded funded projects are completed. The increase of 4.9 million in accounts receivable is due to receivables for student tuition and fees plus grant and contract receivables. These amounts are offset by an increase in allowance for doubtful accounts. The decrease of 13.3 million in other long-term investments is due to the redemption of US Government Agency Securities related to the 2010 revenue bond funding construction. As with cash and cash equivalents, long term investment balances will continue to decrease as we use the invested bond funds to complete their intended purposes. The increase of 58.6 million in capital assets net is due to the continuation and completion of major construction and infrastructure projects during the FY 12. This includes
Chamisa II Apartments, DACC East Mesa Phases 6 & 7, and the Satellite Chilled Water Plant.

The Total Liabilities as of June 30, 2012 were $237.7 million. This balance remains relatively unchanged from the prior fiscal year primarily due to three off setting fluctuations. Increase of 4.1 million in Accounts Payable due to construction related accruals for the Center for the Arts Facility that were outstanding as of the end of the fiscal year. An increase of 2.6 million in unearned revenue due to the receipt of additional funding in FY End before it was earned. Specifically, we recorded an over recovery of fringe rates due to a lower than anticipated cost for health care and the employer portion of ERB contributions. These increases are offset by a decrease of 7.4 million in other long term liabilities related to reduction of revenue bonds payable from debt service payments offset by an increase in the other post employment benefits. Total Net Assets as of June 30, 2012 were 565.6 million, which is an increase of approximately 7 million from the prior FY end. The increase of 29.9 million in net assets invested in capital assets is a result of the completion and capitalization of major construction and infrastructure projects. This increase is offset by declines in restricted and unrestricted assets. The largest decline was 13 million in net assets restricted to capital projects which is due to the completion and subsequent capitalization of construction projects which are funded by General Obligation Bond Funds. This is followed by a decline in net assets restricted for endowments in the amount of 4.7 million due to market devaluations on the pulled endowments held in trust at the foundation.

**Statement of Revenues, Expenses and Changes and Net Assets**

Operating revenues for FY 12 totaled 340.8 million which is a decrease of 19.5 million from prior year. The primary fluctuation in operating revenues was a decrease in federal appropriation, Grants and contracts of 26 million. This is due primarily to Federal Pell Grant Funding of 5.4 million, Department of Defense Funding of 7.1 million, USAID funding of 6.5 million, and Health and Human Services NM Works funding of 7 million.

Operating expenses for FY 12 totaled 545.6 million which is a decrease of 16.1 million from prior year. The largest dollar fluctuations in Operating Expenses are in the areas of Research Expenses which decreased 3.7 million due to restricted research expenditures as a result of the decreased funding received. The overall decrease was offset by an increase of unrestricted research primarily in the Agricultural Experiment Station. A decrease of 15.6 million was experienced in the Public Service expense area due to a reduction of expenses related to funding from Health and Human Services in USAID for the NM Works and Awok projects respectively. An increase of 4.2 million in operation and maintenance expenses due to increases in net utilities. As in the previous two years, utilities were subsidized by the State American Recovery and Reinvestment Act Funding for all of our campuses. The decrease of 6.7 million in scholarships and fellowships expenses mostly is a direct result of the available Pell Grant funding that is awarded. An increase in depreciation is related to the increase in our capital assets and specifically the additional capitalizable buildings that were added.
The largest amount in Non-operating Revenues and Expenses is State Appropriations. For FY 12, State Appropriations were 176.1 million, which is a reduction of 12.5 million from the prior year. Gifts and Non Exchange grants decreased by 9.7 million due to a reduction in restricted gift income and investment income decreased by 12 million due to a reduction in income earned on investments, permanent endowments and gifts due to market declines and declining cash equivalent balances as the invested revenue bond funds were used. These decreases were offset by an increase of 3.8 million in other non-operating revenues related to an increase in renewal and replacement revenues designated for the Taos Restaurant renovation. The other primary fluctuations noted include Capital Appropriations which increase by 10.2 million due to GOB Funding for construction for the Center for the Arts and continued work on the DACC East Mesa Classroom Labs. Decrease in capital grants, gifts and other income in the amount of 7.9 million due to the exhaustion of local GOB funding for the construction of DACC East Mesa in FY 11.

The University ended the year with an increase in Net Assets of 6.9 million for a total End of Year Balance of $565.6 million

**Statement of Cash Flows**
For FY 12 the primary sources of cash are from Tuition and Fees and other Student Payment Received in the amount of 65 million and 202 million from Grants and Contracts Received. Primary uses of cash are payments to employees and employee benefits in the amount of 337.7 million, and payments to suppliers totaling 107 million. The cash flows from non-capital financing activities result in net cash provided with a primary flow from State Appropriations in the amount of 176.1 million and the cash flows from capital and related financing activities result in net cash used in the amount of 73.6 million. The last action reflects cash flows from investing activities resulting in net cash provided in the amount of 23.4 million.

For FY 12 the Net Decrease in Cash and Cash Equivalents was 41.2 million for an end of year balance of 66.4 million.

Regent Gonzales mentioned the future challenges the university faces to reduce expenses to meet their needs.


Regent Cheney proposed that Item 6.a Regents Medal be presented at this time. Regent Dulany moved and Regent Pino seconded to move Agenda Item 6.a Regents Medal at this time. The motion carried unanimously.

6. **REGENTS AWARDS**

a. Regent’s Medal – *Moved to Agenda Item 14*

NMSU Policy 1.05.20 states:
“The Regents Medal shall be awarded on suitable occasions and with appropriate ceremonies to persons who have made outstanding contributions to the university, to the State of New Mexico, or to the United States.”

Since the inception of this medal 40 years ago there have been 8 (eight) individuals bestowed this honor by the Regents of New Mexico State University.

They include:

Former President Hugh Milton II,
Former President Roger Corbett,
Former Academic Vice President William O’Donnell
Las Cruces realtor and former regent Seaborn Collins,
Astronomy Professor Clyde Tombaugh,
Biology Professor Maude Tully Guthrie,
Presidential Spouse Jean Thomas,

And former NMSU student athlete, professional football player and Professor Charles Johnson

Today we as regents are honored to add the name of Ms. Laura Mathers Conniff to this distinguished list.

Laura epitomizes the very best that New Mexico State has to offer; Success in the classroom, success in business, success in life.

Laura Mathers Conniff was born in Illinois to LE “Gene” and Mary Mathers, moving to Las Cruces in 1965. A 1974 graduate of New Mexico State University, she earned a Bachelor of Business Administration degree with honors in just three years.

After a brief career in banking, Conniff joined the family-owned Mathers Real Estate. She is also active in agriculture in New Mexico and Illinois as co-owner of Leveledale farms and Cross X farms.

Laura’s husband, John, is a pediatric dentist. She has two children, one granddaughter and a grandson.

Laura was diagnosed with cancer in January 1997. Laura already had a role model in whose steps she would follow: Laura’s mother, Mary Mathers Welch, had been diagnosed with cancer several years before. Both strong women, Mary and Laura survived their illness, and their survival brings hope to all those who may face this same disease at some point in their own lives.
Her honors and service include:

Outstanding Young Women in America (1978)

President of the Mil Gracias Society

President of the NMSU Foundation Board

College of Business Outstanding Centennial Alumni (1988)


NMSU Foundation’s Branding Iron Award (1997)

College of Business Distinguished Alumna (1999)

Founding member of the Board of Directors for the Community Foundation of Southern New Mexico

College of Business Hall of Fame member (2004)

First American Bank Board of Directors

Dallas Federal Bank Board of Directors (2008)

And

Co Chair of Aggies are Tough Enough to Wear Pink Breast Cancer Awareness effort

Laura Mathers Conniff served honorably and with distinction as a member of the Board of Regents of New Mexico State University for 10 and 1/2 years, including three terms as chair of the Board, two terms as vice chair; and three terms as secretary/treasurer.

Her service to New Mexico State University and the citizens of our state has been distinguished by remarkable vision and a constant commitment to the highest standards of ethics and excellence in all that she undertakes.

It is with distinct pride in her long association with our university and for the many honors her actions have brought to us that we award the Regents Medal to Laura Mathers Conniff.

Ms. Laura Conniff thanked John for her service. She thanked the Board for their service and commitment and knows the amount of time and energy being a regent requires.

*Let the record show that Regent Pino stepped out of the room at this time.*
d. Approval for New Graduate Degree in Kinesiology – (Dr. Jay Jordan, Interim Executive Vice President / Provost)

Dr. Jordan is requesting approval of a Ph.D. in Program in Kinesiology. The department of Human Performance, Dance and Recreation (HPDR) is proposing the addition of a Ph.D. in Kinesiology. Kinesiology represents an area of growth in many respects, including the current need to Ph.D. prepared faculty members and the need for translational research in the areas of physical activity and health. The proposed program addresses critical public health issues such as prevention of obesity, childhood obesity, type 2 diabetes, and functional decline in older adults. This area of work also provides an opportunity to engage minority and underrepresented groups of individuals to pursue careers in biomedical research and allied health sciences.

The strong internal and external demand for a Ph.D. program in Kinesiology, the capacity of HPDR, given their faculty and resources provided by the College of Education and the university, and the research and land-grant mission of NMSU, clearly justify the need for the proposed program.

Funding for the program comes from reallocation of resources from within the College of Education, and the College of Education has provided a written letter of commitment.

Regent Gonzales moved and Regent Dulany seconded Approval of a Ph.D. Program in Kinesiology. The Motion passed unanimously.

Let the record show that Regent Pino has returned.

11. NEW MEXICO STATE UNIVERSITY PRESIDENT’S REPORT

Introduce Research focused Faculty presentation

12. INFORMATIONAL PRESENTATIONS

a. Research Update – (Dr. Vimal Chaitanya, Vice President of Research)

Dr. Vimal Chaitanya provided the following Research Update:

**Achievements**

- Individual Variation in Dispersal through a Social Landscape: Causes and Consequences (Karen Mabry, Biology)
  - Funding: $910,000 (NSF CAREER)
- Discovery of Modern Approaches for the Detection of Molecular Excited-State Kinetics and Fluorescence Decay by Flow Cytometry (Jessica Houston, Chemical Engineering)
  - Funding: $500,000 (NSF CAREER)
- Acquisition of a Scanning Probe Microscope System for the Core University Research Resources Laboratory (Hongmei Luo, Chemical Engineering)
  - Funding: $380,000 (NSF MRI)
• Towards Ubiquitous Adoption of Wireless Sensor Networks in Experimental Biology Research (Jay Misra, Computer Science)
  o Funding: $800,000 (NSF INSPIRE)
• College Assistance Migrant Program (NMSU CAMP) (Cynthia Bejarano, Criminal Justice)
  o Funding: $2 million (DoEd)
• Minority Access to Research Careers (MARC) Program (Michael Johnson, Chemistry/Biochemistry)
  o Funding: $800,000 (NIH/HHS)
• Title IV-E for NMSU’s Southwest Institute for Family and Child Advocacy (Shelly Bucher, School of Social Work)
  o Funding: $5.5 million (NIH/HHS)
• Improving the Long-Term Competitiveness of U. S. Pecans (Richard Heerema, Extension Plant Sciences; and Jay Lillywhite, Agricultural Economics)
  o Funding: $2.4 million (USDA)

**Intellectual Property**

• US patents awarded = 4
• US patents pending = 18
• US provision patents files = 1
• License agreements executed = 1
• License agreements in negotiation = 4
• Invention disclosures files = 15
• Material transfer agreements executed = 21
• US patents, patent applications abandoned = 10

**Expenditures from Sponsored Awards**

The year of 2010 was one of the best years due to stimulus package therefore more money was available and there more opportunities to apply for grants. In the years 2011 and 2012 it has continued to decrease.

**NMSU’s NSF Ranking**

Since 2005 NMSU has been ranked from 100 to 115 of all national research institutions. NMSU was ranked 30th of all national research institutions without a medical school.

**Opportunities**

• National Institutes of Health (NIH) Centers of Biomedical Research Excellence (COBRE)
• Department of Defense Multidisciplinary University Research Initiative (MURI)
• US Agency for International Development (USAID)’s Small-Scale Irrigation Technologies and Agricultural Water Management Practices Program
• USDA Agricultural and Food Research Initiative (AFRI)
• NASA Research Opportunities in Space and Earth Science (ROSES)
• NASA EPSCoR:
- National Science Foundation (NSF) Support Promoting Interdisciplinary Research and Education (INSPIRE)
- NSF Engineering Research Center
- NSF Science, Engineering and Education for Sustainability NSF-Wide Investment (SEES)
- NSF Science and Technology Centers (STC)
- NSF Emerging Frontiers in Research and Innovation (EFRI)
- NSF Integrative Graduate Education and Research Traineeship (IGERT)
- NSF Research Experiences for Undergraduates (REU) Site
- NSF Industry & University Cooperative Research Program (I/UCRC)
- Federal Aviation Administration (FAA) Solicitation for Unmanned Aircraft Systems (UAS) Test Site
- FAA Solicitation for Center of Excellence for Alternative Jet Fuel

**Major Federal Agency Funding Trends**

Dr. Chaitanya mentioned that NMSU should go after Department of Education funding since it has been the rise.

**2012 Awards by Sponsoring Agency**

- Federal funding for 2012 = 87%
  - NASA = 24.2%
  - DoD = 20.3%
  - USDA = 5%
  - DoE = 5.7%
  - NSF = 6.9%
  - DoED = 5.6%
  - HHS = 12.6%
  - Other = 6.8%
- State funding = 3.8%
- Other = 9.2%

**Challenges**

- Building name recognition
- Improving quality of graduate students
- Addressing federal match requirements and F&A cap
- Dealing with federal funding insecurities
- Selecting winners for limited submissions
- Adapting to increased federal regulations
- Implementing a reward and incentive system for NMSU researchers
- Reducing complexities and barriers in award management for Principal Investigators
- Building state-of-the-art research instrumentation and facilities
- Hiring faculty strategically to enhance or build research capabilities

**Five grand challenges for NMSU Research Prosperity and Security**

- Promote the research enterprise as a collective, coordinated effort, with involvement of various university entities (including but not limited to University Advancement, Finance and Administration, Graduate School,
International and Border Programs, Student Success, University Communications, Arrowhead Center, Government Relations etc.) in addition to the researchers and their respective Colleges
  o Top-down and bottom-up approach
  o Provost/Deans: P&T criteria and other rewards, recognition
  o Advancement: Opportunity for strategic funding for research
  o Finance and Administration: Research supportive and promoting policies and procedures
  o Graduate School: Stronger graduate programs and student support
  o International and Border Programs: International collaborations in research and academics
  o Student Success: Quality of Graduate students
  o University Communications: Marketing, Visibility and Pride
  o Arrowhead: Promotion of entrepreneurship
  o Government Relations: Value to State and legislative support

- Incentivize researchers to work on large multi-investigator, multidisciplinary, and multi-institution proposals that are increasingly the priority among federal agencies and which can bring significant funding, visibility and pride to NMSU.
- Balance the research portfolio in terms of funding source by targeting agencies that have historically underfunded NMSU (such as NSF) and by vigorously pursuing private, industrial and foundation funding
- Promote the involvement of researchers from disciplines that have traditionally produced limited external funding, particularly in the areas of social, behavioral and economic sciences as well as humanities and health sciences to balance the overall research portfolio
- Increase promotion and support for researchers to create intellectual property and spin-offs while contributing to economic development through commercialization of their discoveries and inventions

Regent Gonzales stated revenues have reduced in Grants and Research by about $17 million dollars and expenses have only been reduced by $9 million dollars from 2010-2012. He felt that NMSU should look at eliminating more expenses and cut costs.

Regent Cheney wanted to know if there is a correlation between research dollars and the number of students.

Dr. Pacheco mentioned that Dr. Stochai (Agenda Item 11) has graciously agreed to postpone his presentation for another meeting.

Regent Cheney apologized to Dr. Stochai, but then presented him with a picture of Striking the Wonder Dog and thanked him for his service.

b. Auxiliary Services Update – (Ms. Angela Throneberry, Senior Vice President for Administration and Finance)

Angela Throneberry introduced Tammy Anthony, Assistant Vice President for Auxiliary Services to present the Auxiliary Services Update.
Ms. Anthony reported that Auxiliary Services is a self-supporting entity. They plan, develop, manage and maintain auxiliary operations and capital infrastructure with resources earned within their overall division.

**Auxiliary Services**
- Barnes & Noble Bookstore*
- Corbett Center Student Union
- Dining Services*
- Golf Course
- Housing and Residential Life
- Transportation and Parking Services
- Special Events and Athletic Facility Management
  *Contracted or Partially Contracted Services

Contracted Services represent approximately 44% of their overall budget for FY 2013 which includes Barnes and Noble, Sodexo and various other food service vendors. The self operated services make up about 56% of their overall budget for FY 2013. Auxiliary services employ over 280 regular employees and 680 temporary/student employees. The contracted services overall budget has decreased by $3.1 million from last year which is a reflection of the enrollment fluctuations and industry trends.

The fluctuation in enrollment and the economic downturn had an impact on housing occupancy and meal plan sales are down from fall 2012. Housing occupancy began decreasing in the fall of 2011. In fall of 2012, the Residence Halls/Greek housing was at 79.6%, Apartments at 88.8%, and Family Housing at 80.6%. Meal plan sales normally trend closely with freshman living on campus, but declining freshman enrollment of 8.9% in fall 2012 represents a significant contribution to the decrease in meal plan sales.

**Strategies involve the following:**
- Focusing and enhancing their marketing and outreach to student populations that can benefit from these services
- Working to increase retention efforts within housing and dining
- Partnering with the Vice President for Student Affairs and Enrollment Management Division to increase the campus engagement opportunities and programming support overall
- Developing and maintaining academic support opportunities for residents living on campus
- Reviewing and discussing the master plan and current housing stock to determine adjustments on facility demand
- Determine the best approach to achieving remaining facility needs.

**Future Facility Projects impacted if housing occupancy continues to decrease:**
- Replacement of Monagle Hall
- Implementation of the Greek and Affiliated Housing Task Force Recommendation
- Replacement of Family Housing
Barnes & Noble partnership is completing its 4th year of agreement. Bookstore operations have been impacted by enrollment and industry trends. The increase in textbooks for students has been a challenge. Barnes & Noble has focused on ways to reduce textbook costs by offering students more options to choose from; new, used, rentals and digital. The shift has moved from new and used to rentals and a slight increase in digital. The rental option has reduced the cost for students. There was a total calculated savings of $1.5 million to our students in FY 12. Barnes & Noble has experienced declines in the textbook category but is modifying their current business model to focus on other sales areas such as The Café, The Aggie Gear, and The Computer Store. This is a strength of Barnes & Noble to adapt to changing needs.

Local economy and competing venues are a challenge for the Golf Course and Special Events. Student rounds have slightly increased, Faculty/Staff rounds have remained constant, and the General Public Rounds have decreased. The Golf Course will continue to focus on customer service and try to enhance and promote their services.

Ms. Anthony recognized Mr. Dan Koesters, Golf Course Director, who has recently been elected to the National Board of Directors of the PGA of America and will represent Texas and New Mexico on the national board. This is a great opportunity for NMSU to learn from others and to participate in current topics on the industry. Thank you to the support of the legislators and the Office of Government Relations for being successful in the legislative efforts of 2012 to secure a five year extension for the current gross receipts tax deduction for our entertainers for admission to non athletic special events. This keeps NMSU on a level playing field with El Paso which is part of the same market we compete for entertainment.

**Trends and Strategies – Renovations and Vacated Spaces**

**Dining Services**
- Panda Express “Coming Soon” to Auxiliary Services Building – February 2013
- Mix Pacific Rim “Coming Soon” to Frenger Food Court – January 2013
- Proposals being accepted through January 2013 for vacant Frenger space
- $3.7 million renovation of the Taos Dining Center completed in October

**Corbett Center Student Union**
- In design phase of the CCSU renovation

**Golf Course**
- Developing plan and timeline for replacement of 30 year old irrigation system

**Special Events**
- Roof replacement for the Pan American Center

**Highlights – Supporting Student Success**
- 14 PGM students currently employed by the Golf Course
- Over 600 students are employed within Auxiliary Services annually
• 10th Annual Warped Tour in June 2012 – highest gross sales of $308,500
  with total attendance of 85,000
• The Barbara Hubbard 85th Birthday celebration raised $20,000 for the
  Pelce and Barbara Hubbard Scholarship Fund
• Sodexo, Barnes & Noble and various ACTS Scholarships are awarded to
  NMSU Students annually

**Highlights – University and Community Connections**

**Barnes & Noble**
• 66 faculty and local author titles for sale
• Held 24 author events over the past 12 months
• Children reading events including “characters in costume”
• Donated over $3,000 to “2012 Tough Enough to Wear Pink”

**Dining Services Campus Enhancements**
• Blake’s Lotaburger at Gerald Thomas Hall – Done!
• Gila Grill at Corbett Center Food Court – Done!
• Jazzman’s at the Zuhl Library
• Simply to Go options in other areas of campus

Ms. Anthony commented on the strength of the Auxiliary staff and great comments from the Auxiliary Directors.

13. **RECURRING REPORTS**

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

Dr. Ketelaar provided the following updates:

• Legislation that passed:
  ▪ Proposition 07 – Regularization of temporary faculty.
  ▪ Proposition 08 – A Memorial Requesting a Change in Policy
    Regarding Graduate Assistant Pay Schedule.
  ▪ Proposition 09 – A Resolution Changing the Number of Credit
    Hours Required or Full Time Status of Graduate Students.
  ▪ Proposition 10 – A Memorial to Support NMSU’s Application to the
    Bicycle Friendly University Program.

• A formal presentation was made to the Faculty, on Monday, November 26, 2012, by the Faculty Senate Working Group on Compensation. Faculty were able to provide input and complete an online survey regarding this presentation and voice their concerns.
  ▪ The results were that 99% of faculty place great importance to this year’s salaries and would like their pay equal to their peer institutions. The total amount needed to achieve this would be 12 million dollars. The Faculty Senate would like this to be presented to the NM legislature.

• Faculty Senate thanked Dr. Huerta for her service to NMSU.
• Faculty Senate extends their support for Dr. Jay Jordan for his commitment to leadership, transparency and shared governance.
• Regarding the upcoming Presidential Search, Faculty Senate trusts that the Board of Regents is capable of selecting an excellent President for NMSU, since they hired an excellent Interim President, Dr. Manuel Pacheco.
• Faculty Senate would like President Pacheco and Chair Mike Cheney to acknowledge our Military Graduates at graduation for their service.

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

Activity update:
• Resolutions passed
  o Recommendations on what attributes and qualities students would like to see in the next President.
  o Recommendation for student representation on the Presidential Search Committee.
• ASNMSU thanked Regent Dulany for his service in representing the students and wish him success in the years ahead.

c. Report from the Chair, NMSU Employee Council by Dr. Fred Lillibridge

Dr. Lillibridge shared the following:
• Employee Council recommended representation on upcoming Presidential Search and also the Provost Search.
• Employee Council thanked everyone involved for making employee compensation the number one priority in the upcoming legislative session and offered assistance in making this a reality.

14. PRESENTATION OF RESOLUTIONS

a. Regent Christopher Dulany

Regent Dulany wanted to express his appreciation and experience for being a part of the Board of Regents and wishes the Board luck in the future. He appreciates everyone who puts forth their effort to further the lives of New Mexicans.

Regent Cheney commented that Regent Dulany represented the students in a capacity that was for the greater good and thanked him for his leadership.

15. UPDATE AND ACTION PERTAINING TO THE PRESIDENTIAL SEARCH

• Search committee will be announced by the first of the year.
• Regents will determine if a search firm will be used and if so, in what capacity the firm would be used.

16. OTHER / COMMENTS

Regent Dulany's tree planting ceremony has been postponed due to the weather.
17. **ADJOURNMENT**

There being no more business the Board of Regents adjourned at 11:27 a.m.

Minutes recorded by Carolyn Aragon.

Mike Cheney, Chair  
Board of Regents  

Christopher Dulany, Secretary / Treasurer  
Board of Regents