

VERBATIM MINUTES OF THE BOARD OF REGENTS

NEW MEXICO STATE UNIVERSITY

March 12, 2007

1. CALL TO ORDER

The Board of Regents of New Mexico State University met in the Regents Room of the Educational Services Center on the main campus of New Mexico State University, Las Cruces, New Mexico, on Monday, March 12, 2007. Chair Anaya called the meeting to order at 10:45 a.m.

Regents Present	Mr. M. Steven Anaya, Chair Ms. Laura M. Conniff, Vice Chair Mr. Ed Kellum, Member Mr. Bob Gallagher, Member Mr. Blake Curtis, Member
Ex-officio Regents Present	Dr. Larry Creider
President	Dr. Michael Martin
Executive Vice Pres./Provost	Dr. William Flores
Regents Chief of Staff	Dr. Pat Williams
Other Presenters Present	Senior Vice President Ben Woods Senior Vice President Jennifer Taylor Vice President Rebecca Dukes Associate Vice President Maureen Howard Associate Provost Gladys De Necochea Doña Ana Community College Campus Executive Officer Margie Huerta Director McKinley Boston Director Michael Rickenbaker Director Fred Ayers Director Tim Nesbitt General Counsel Bruce Kite Dean Garrey Carruthers Associate Dean Leroy Daugherty Ms. Socorro Saenz-Lobato

Regent Anaya stated, "How about them Aggies!" After we found out yesterday who we were playing, it is exciting to be a part of the 65. First, I would like to congratulate Mac, Coach Theus, and the whole staff. Mac tell us what is up and coming?"

Dr. McKinley Boston stated, "Thank you. First, I would like to congratulate Maria Roth. Maria was our point person in coordinating the WAC Tournament last week, and by any standards, it was a rousing success, although I might say that I got an e-mail this morning from someone complaining about the lack of a quality Halftime on Saturday. This is amazing, but anyway, Maria did an absolutely stellar job and the pressure is on now to raise the bar even higher next year. As we have said over and over again, the community, the university community, Las Cruces proper, City Hall, the Convention and Visitor's Bureau, and the level of cooperation in making the tournament happen the way it did was just absolutely marvelous. It could not have been better. Kudos to the community for coming together. The response that we got from the athletic directors and WAC officials has just been absolutely wonderful. As I've said to a number of people, when you look back, the real winners in this, other than us as a university and the community, were the women athletes. The women athletes in this tournament played in front of crowds that they have not experienced in WAC tournaments in the past. One of the things that you hope is that all the participants can have a quality experience. I think that that was just absolutely wonderful that our community supported the tournament and not just the men's tournament. We are extremely proud of that. As you know, we are representing the WAC Tournament into the field of 65. We are going to play the University of Texas on Friday at 4:35 p.m. Washington time, 5:35 p.m. local time and, obviously, the New Mexico State brand will be all over the country. We have east coast prime time so we will hopefully show up. The coaches like the way the team is playing and we are obviously excited. There is a charter; we are working with Short's Charter through the NCA. The charter will be leaving Wednesday at 3:00 p.m. We have some different e-mail opportunities going out announcing tickets. We will be sending out an e-mail to our students later on this morning providing for an opportunity and we are working with other priorities on our post season ticket policies. We are excited, the team is excited, and we are proud to be Aggies! Thank you."

Regent Anaya stated, "Thank you, Mac. Those of you that attended the WAC Tournament, kudos to the staff and the community. You did a tremendous job. The community really came together to participate and the state of New Mexico participated as well and I think it was a very well run tournament and the weather was gorgeous. Mac you got more attention upstairs than most."

2. INTRODUCTIONS

- (a) Associate Vice President Maureen Howard stated, "This morning we have one member from the press with us today, Jose Medina from the *Las Cruces Sun-News*."

Regent Anaya stated, "We also have with us former Regent Jim Manatt. Jim it is good to have you with us."

- (b) Introduction of NMSU-Alamogordo Campus Executive Officer Dr. Cheri A. Jimeno (Associate Provost Gladys De Necochea)

Associate Provost De Necochea stated, "It is my pleasure to introduce to you our incoming campus executive officer of the NMSU-Alamogordo campus, Dr. Cheri Jimeno. She will take office on May 10 after she has the opportunity to celebrate commencement on her home campus and will get here just in time to celebrate ours. Since 2003, Dr. Jimeno has served as provost and vice chancellor for academic affairs at Montana State University-Northern campus. From 1985 to 2003, Dr. Jimeno was at the University of Montana-Western. During 1985 to 2001, she served as an associate professor where she taught courses such as business information systems, systems analysis and design, and strategic management. It was a warm and sunny day when we persuaded Dr. Jimeno to leave Montana to join us in Las Cruces. Cheri earned a Ph.D. in education and business information systems at Utah State University in 2000; a master's degree in business education at Montana State University-Bozeman in 1985; and a bachelor's degree in business administration from the University of Montana-Missoula in 1972. In her position as provost and vice chancellor for academic affairs at Montana State University-Northern, she secured funding in excess of \$1 million for equipment for the Applied Technology building and co-authored a proposal that brought forth \$2 million in funding to build the structure that would house the nursing program. She has been distinguished with the receipt of various honors and awards, many of which are outlined in your summary, like the Fulbright Lectureship, the Distinguished Leadership as an Administrator, Who's Who in American Women, the International Directory of Distinguished Leadership, and the Montana Business Teacher of the Year award. We believe that Dr. Jimeno will be an excellent CEO and will revitalize the Alamogordo campus and community. Please join me in welcoming Dr. Jimeno (applause)."

Dr. Cheri Jimeno stated, "Thank you. It is a delight to be here and thank you very much Dr. De Necochea for the wonderful introduction. I do want to introduce my husband who is with me, Tom Yahraes. We are delighted to be here and I will say

that your interim CEO, Dr. Debra Teachman, has been very helpful in providing me with information. I am very much looking forward to working with her, Dr. De Necochea, Dr. Flores, and you as well.”

3. APPROVAL OF AGENDA

Regent Gallagher stated, “I would like to make a motion that we remove item 7(m) from the agenda please.”

The motion was seconded by Regent Kellum, to approve the agenda as amended. The motion carried unanimously.

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

The Board of Regents of New Mexico State University met in Executive Session at 1:30 p.m. on Monday, January 29, 2007, in Zia “C” Room of the El Dorado Hotel in Santa Fe, New Mexico to discuss personnel, real estate, and water rights matters. 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 this statement, upon being put to a vote, was passed and adopted on the following recorded vote: President Anaya, Vice President Conniff, Secretary/Treasurer Kamali, Regent Gallagher. Regent Curtis was not present for the roll call vote. Four Regents present having voted in favor of said motion, said motion carried and said statement was adopted.

The Board of Regents of New Mexico State University met in Executive Session at 9:30 a.m. on Monday, March 12, 2007, in Room Two of the Educational Services Center, Las Cruces, New Mexico to discuss personnel, real estate, and legal matters. 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 this statement, upon being put to a vote, was passed and adopted on the following recorded vote: President Anaya, Vice President Conniff, Regent Kellum, Regent Gallagher, and Regent Curtis. Five Regents present having voted in favor of said motion, said motion carried and said statement was adopted.

5. APPROVAL OF MINUTES

Regent Conniff stated, "On page 13 it says, 'Regent Gallagher asked, "Excuse me, limiting tuition to two percent or limiting the tuition credit the two percent?"' I assume we mean to 'two' percent."

Regent Conniff moved for approval of the January 29, 2007 minutes with the stated change, seconded by Regent Curtis. The motion carried unanimously.

6. **FUTURE BOARD MEETINGS**

Regent Anaya stated, "We have changed the April 20 meeting to Friday, April 13. The next meeting will be Friday, May 11 with commencement weekend."

April 13, 2007, Las Cruces, NM

May 11, 2007 (Commencement Weekend)

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

- (a) Approval of Farm Lease Agreement between New Mexico American Water Company, a New Mexico Corporation ("NMA") and the Regents of New Mexico State University ("NMSU"), on behalf of the Agricultural Science Center for Lease of Real Property Located at 1025 Curry Road 4, Clovis, Curry County, New Mexico (Director Fred Ayers)
- (b) Approval of Right of Entry, by and between the Regents of New Mexico State University ("NMSU"), and KDBC-TV, Pappas Telecasting of El Paso/Juarez ("KDBC-TV"), Granting Entry to and Upon New Mexico State University Property for Installation, Operation, and Maintenance of a Weather Station and Related Equipment at New Mexico State University Golf Course Clubhouse Located at 3500 Herb Wimberly Drive, Doña Ana County, New Mexico (Director Fred Ayers)
- (c) Approval of First Amendment to the Occupancy Agreement by and between the Regents of New Mexico State University a Body Corporate of the State of New Mexico as Landlord and the New Mexico State Land Office as Occupant at 1130 E. University, Room B, O'Loughlin House, Las Cruces, Doña Ana County, New Mexico (Director Fred Ayers)
- (d) Reserved
- (e) Approval of NMSU-Grants Small Business Development Center (Director Michael Rickenbaker)
- (f) Approval of NMSU-Grants Fidel Building Elevator and Renovations (Director Michael Rickenbaker)
- (g) Approval of NMSU-Grants McClure Building Renovations Budget and Scope Increase

- (Director Michael Rickenbaker)
- (h) Reserved
 - (i) Reserved
 - (j) Approval of Property Disposition (Senior Vice President Ben Woods)
 - (k) Reserved
 - (l) Approval to Name the New Apartment Complex at the Corner of Locust and Stewart Streets "Chamisa Village" (Vice President Rebecca Dukes)
 - (m) Approval of Honorary Degree Recipient (Vice President Rebecca Dukes)
 - (n) Approval of Financial Status Report as of December 31, 2006
(Senior Vice President Jennifer Taylor)
 - (o) Ratification of Amendments to Employment Agreements for Jonathan Johnson, Diving Coach, Swimming, and Matthew Walter, Assistant Strength and Conditioning Coach, Football (General Counsel Bruce Kite)
 - (p) Ratification of Offer of Judgement - Ratification of Action Taken on Behalf of the Board of Regents to Accept the Offer of Judgement from the Office of the State Engineer Pertaining to NMSU Water Rights in the Lower Rio Grande Basin (Senior Vice President Ben Woods)

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

8. ACTION ITEMS

- (a) Executive Vice President/Provost William Flores

- 1- Approval of Major in Agriculture and Community Development in the Department of Agricultural and Extension Education (Dean Lowell Catlett)

Dr. Leroy Daugherty stated, "My name is Leroy Daugherty and I am the associate dean in the College of Agriculture and Home Economics representing Dean Lowell Catlett. We forwarded a request for the addition of a new major in agriculture and community development in the Department of Agricultural and Extension Education. The request for this major has been through the appropriate channels. I have with me today the head of the department, Tom Dormody, and also one of the authors on the senate bills as it went through and one of the faculty members in that department, Carlos Rosencrans. So, if there are any questions, they are present to answer any detailed questions."

Regent Gallagher moved, seconded by Regent Curtis, to approve the Major in Agriculture and Community Development in the Department of

Agricultural and Extension Education. The motion carried unanimously.

- 2- Approval of Geographic Areas of Responsibility for NMSU Two-Year Campuses (Associate Provost Gladys De Necochea and DACC Campus Executive Officer Margie Huerta)

Dr. De Necochea stated, "I am joined today by a woman who needs no introduction, Dr. Margie Huerta, who currently serves as the campus executive officer of the Doña Ana campus of NMSU. Today, we will present to you a proposal for the adoption of the geographic areas of responsibility for each of the community college campuses."

Campus Executive Officer Margie Huerta stated, "Good morning. It is great to see everyone especially after a great weekend for NMSU. We are bringing forward to you on behalf of the New Mexico Association of Community Colleges, a request for your approval of our geographic areas of responsibilities map. Secretary McClure put together a task force to look at post-secondary two-year institutions-serving service areas of responsibilities. In so doing, she wanted us to look at key things, including the current taxing district of each of the community college's service areas outside of the taxing districts in which community colleges or post-secondary institutions that had been offering courses in certain areas out of the district would be grandfathered in. She also asked us to consider that small business development center areas of assignment. What you see before you (pointing to slide) is the current map as it stands with the Higher Education Department. I am speaking to you specifically about the four branch community colleges of New Mexico State University and I will give you more detail on each of the areas in just a few minutes. You can see that the areas that are colored, are the areas of service or areas of responsibilities for the respective community colleges. The white areas are spaces that, really, we used to call 'no man's land,' and previously, I had a long conversation with Dr. Gerald Burke about those areas. It used to be the thinking of the Commission on Higher Education that, really, anyone could offer anything outside of their districts, providing that we followed those areas I mentioned previously. So there has been a lot of discussion and debate amongst the community colleges and even around some of the other colleges that perhaps we need to put a little form to this. So that is what the map currently is like with the Higher Education Department. As I mentioned, Secretary McClure's purpose was for us to give input into the system and that is what we are asking you to do here today. What she is asking all of the community

colleges in the state is to come to our governing boards, have input from you, in other words, approve what we come forward with to you, and then she, and along with others in the department, will make and render a decision by May 1 on those areas of responsibility. Beginning with Alamogordo, you can see that the taxing district of Alamogordo is the Alamogordo Public Schools and the services that they are providing outside of their taxing district, which by the way, they charge out of district tuition for, is Tularosa and Cloudcroft. I would also like to mention that they also serve the Mescalero Reservation at their request and in this policy, by the way, the Higher Education Department, this does not include the tribal or Native colleges and schools, because they are sovereign nations and that they can broker with any post-secondary institution for services. So, as such, Alamogordo is providing services at the request of the Mescalero Reservation. You can see that their community college advisory board approved this particular map to serve not only the Alamogordo Public Schools taxing district, but also Cloudcroft and Tularosa. Moving right along with Carlsbad, the Carlsbad taxing district, is the Carlsbad Municipal Schools that has been in creation since 1950 and they have been serving Eddy County since 1974. They do serve areas outside of their taxing district, which includes areas in Artesia. They have two centers there, the WIA One-Stop Center and a vocational technical center. Their advisory board also recommended to you that they be allowed to continue to serve those areas. Doña Ana Community College, of course our taxing district is Doña Ana County. We have three school districts: the Gadsden, Hatch, and Las Cruces Public Schools. Outside of our taxing area, we serve Deming and Truth or Consequences at their request, of course, and our advisory board also recommended that you approve this. NMSU Grants, their taxing district is Cibola County with Grants Cibola County Schools, they are not serving outside of their taxing district and their advisory board as well, has recommended to you approval of this map. If you look now at the entire map, the colored areas include, for example, if you look at Alamogordo, it shows the areas that I showed you on the map respective to their requests and you see Carlsbad, Grants, and Doña Ana. That has been the request of the New Mexico Association of Community Colleges that, although Hatch, Gadsden, and Las Cruces are in our taxing district, that we be allowed to serve, at the request of the communities of course, charging them out of district fees, the other areas that you see there, and our board, as I said, approved that. So that is what the map would look like going forward for our areas and throughout the state. I thought you would be interested in seeing what is happening throughout the state as

well. So our request this morning is that we respectfully request approval of the map for the four community colleges of NMSU to go forward to Secretary McClure in the Higher Education Department.”

Regent Conniff stated, “On the geographic areas, I notice every time we drive to Albuquerque, the Western New Mexico sign at T or C. What does this do to any of those kinds of operations?”

Executive Vice President/Provost Flores stated, “Just to add before she answers. The HED has had a committee that has been looking at all of these different areas. There has been a lot of duplication and there has been some conflict between learning centers. Communities are allowed to establish learning centers and then invite in different college providers to offer courses. We were basically, and with the Spaceport, with our offerings in Hatch, we have been approached by the community of T or C, to provide at their learning center, courses from Doña Ana Community College. Ultimate authority would reside at HED if there was a conflict as to whether or not . . . usually an agreement has to be reached. The other thing, too, is that the current statute allows for, once a geographic area is determined, the branch campus can request from new service areas, extension of the taxing district with two provisions. It must be approved by their Board of Regents, it must be approved by the local government in the area, and it must be approved by the HED. It would be possible, for example, if we began providing in T or C and T or C approved to be a part of the taxing district. Then it would be formally a part of our branch system.”

Campus Executive Officer Huerta added, “Two of the four-year institutions, aside from those who have branch community colleges, have also been given authority to give out two-year community college programs and that is Western University and Northern New Mexico College. So that is why you will see their branch signs along the road surfacing, because they are allowed to offer two-year programs as well.”

Regent Anaya asked, “What happens if we approve this and later on we find that there is another area we want to go into? Do we have to come back to the Board and we have to go back to the HED? And the second

part of that is this is for two-year institutions. There is a different map that looks different for four-year institutions? Is that correct?”

Campus Executive Officer Huerta replied, "Yes there is."

Executive Vice President/Provost Flores stated, "When they addressed the idea of geographic areas they specifically said, 'this is for two-year institutions.' And is so far as it may include Western and Eastern, it only includes that for their offering two-year programs. The four-year programs are covered by the ability to offer distance education, and HED, at this point, is saying, 'distance education can be offered anywhere.' However, if there is a conflict, for example, in Santa Fe, (there are teacher education programs being offered by Highlands University, by the University of New Mexico, and the College of Santa Fe) they will determine which institution will be the prime sponsor of that program and they would get the first opportunity to offer the four-year degree there."

Campus Executive Officer Huerta stated, "President Anaya, to answer your first question, and that is if we want to go back and request services to areas outside of our district, it would take this Board of Regents' recommendation to HED for their final approval to allow us to offer those courses. So, yes, there is an avenue for us to request, but this is something that has been needed in the state for a long time, because there is duplication of effort throughout those mapped areas that were whited out where there seems to be more than one institution, sometimes three or four institutions, offering courses and programs. So, the answer would be 'yes.'"

Regent Anaya asked, "How does the distant learning work?"

Campus Executive Officer Huerta stated, "It is not factored in here. Distance education is not a part of it."

Regent Anaya stated, "Okay."

Regent Gallagher stated, "Tell me a little bit about the enabling legislation that allows the Secretary of Higher Education to make this policy? Is there a specific mandate from the legislature or is it a recommendation and now higher education is going to do this?"

Campus Executive Officer Huerta stated, "The request originally came from the governor's office to put some form into the fact that many community colleges were offering courses and duplicating the effort in those whited

out areas, the areas outside of the service areas of the community colleges. It came from the Governor's office to LFC to LESC and it is now under Title V, Chapter II, Part Four of the establishment of geographic areas of responsibilities. I have the respective pages here if you would like a copy of that."

Regent Gallagher asked, "So did that come as an executive order from the governor and not from the legislature?"

Campus Executive Officer Huerta responded, "Yes sir."

Regent Gallagher stated, "My concern is--and I share your concern about duplication--that the same people who put us into the problem of duplication are now the same people who are attempting to say, 'Now we are going to start dividing this up and telling you all what you can do and what you can't do.' I think the constitution is pretty clear that the Board of Regents can make decisions in what is in the best interest of the university and I don't think through somebody who happens to be a Secretary of Higher Education telling us that we can or we can't do this is where we want to get to. I have a couple of specific problems. As I understand, Artesia is in play and Eastern New Mexico University is making a pitch to the Secretary of Higher Education that they are the ones that are going to be there and not us. I have a real problem with taking Artesia out of our geographic area. Carlsbad, obviously, did the same way and I want to make sure that all of Otero County, Cloudcroft and all of the others--I think we all got letters from theirs--and so I want to make sure that we pass this and the way I read it, the Secretary of Higher Education can do what ever she wants anyway."

Campus Executive Officer Huerta stated, "That is correct."

Regent Gallagher continued, "So why are we passing this?"

Associate Provost De Necochea stated, "There is a provision in Title V that permits the previously served areas to be grandfathered in as part of the geographic area of responsibility to any given two-year campus. So in our preparation for this presentation and in the petition that gets submitted to HED, we will include the documentation to demonstrate service to the broader county in specific regions where they may currently be found on the HED map in one of those unassigned white areas. The track record is something that the HED needs to be aware of and recognize in their

assignment of geographic areas of responsibility.”

Regent Gallagher stated, “My concern is we should be doing this amongst the universities and amongst the community colleges and not be dictated to. I think we did that in Rio Rancho and we all got together and New Mexico State University would love to be in Rio Rancho, but we said it doesn’t make sense. UNM is going to be there, they are going to partner up with TVI or CNM and then we said we would just be there for support. And so, I know what they are attempting to do, but they are the ones that made the problem.”

Campus Executive Officer Huerta stated, “I think nothing would surprise Beverlee McClure, but we just don’t know. She is asking for Board approval of the request that we are making on behalf of the community colleges for NMSU. She is asking that for all of the community colleges in the state. I can forward your wishes as you like.”

Regent Curtis moved, seconded by Regent Conniff, to approve the Geographic Areas of Responsibility for NMSU Two-Year Campuses. Regent Gallagher voted “no.” The motion carried four to one.

- (b) Senior Vice President Ben Woods, Planning, Physical Resources, and University Relations

- 1- Approval of Resolution in Support of Spaceport America - Approval of Attached Resolution Indicating the Support of the Regents for the Proposed Spaceport America to be Located in Sierra County

Senior Vice President Ben Woods stated, “Briefly stated, the attached resolution is presented to afford the Regents the opportunity to proclaim their support for Spaceport America. New Mexico State University has for many years been intimately engaged in the planning and the study of the proposed Spaceport. Those studies document the benefits that are accrued to our state, our region, our community, and the university from the construction and operation of the Spaceport. Approval of the attached resolution allows the Regents to express their appreciation to Governor Richardson and the New Mexico Legislature for their leadership and support in moving the port forward. It further indicates the Regents support for the continuing actions needed to complete the development of Spaceport America and bring it to operational status.”

Regent Anaya stated, "I think the resolution is pretty well spelled out and just supports the Spaceport and the kind of economic boom that it would have for southern New Mexico, as well as to New Mexico State."

Regent Kellum moved, seconded by Regent Gallagher, to approve the Resolution in Support of Spaceport America - Approval of Attached Resolution Indicating the Support of the Regents for the Proposed Spaceport America to be Located in Sierra County. The motion carried unanimously.

- 2- Approval of Ground Lease Agreement by and between the Regents of New Mexico State University and the City of Las Cruces, a Municipal Corporation of the State of New Mexico, Lease Property is an 8-acre Parcel on the Las Cruces Campus of New Mexico State University, Parcel Located at the Southwest Corner of University Avenue and Union Avenue aka El Paseo Road, Doña Ana County, New Mexico

Senior Vice President Ben Woods stated, "This is an item that we have talked about for a long time and I want to begin by recognizing a few people that have been instrumental as we have worked through extensive negotiations with the city. To my left is Mr. Fred Ayers, our Director of Real Estate, who has been point on this throughout this process and I truly appreciate what he has done for New Mexico State University. I would also like to mention Bruce Kite, our General Counsel, Jennifer Taylor, our Senior Vice President for Business and Human Resources, who were both instrumental in pointing out to us things we needed to consider. I would be negligent if I did not say that if it weren't for President Martin and his leadership and vision of what this institution should be, we would not be here with you today. This item comes forward after extensive negotiations between the university and the city. The Board has been briefed on components of the agreement during public sessions, such as the joint meeting between this Board and the City Council in November of last year. The agreement being presented for your consideration today has been previously approved by the City Council. In that action, the Council gave City Manager Terrence Moore authority to continue negotiations and act to execute the agreement on their behalf if approved by the Regents. Mr. Moore has indicated to us that he is prepared to sign the agreement on behalf of the city immediately upon your approval. In addition, City Council recently voted to implement the room night surcharge as the funding mechanism for accomplishment of the center. The proposed city center has been much

discussed. The dates before you indicate the numerous public meetings the city held in researching the possibility of the center, the feasibility as an enterprise, and leading to the action that they took in December of 2006 to approve the draft lease document. Since that date, the two parties have continued to refine the agreement. In addition, the university has held numerous public meetings to discuss the assimilation of the center into the campus master plan and its programmatic benefits to New Mexico State University. The center, as proposed, will consist of approximately 82,000 gross square feet of space. Major areas will consist of exhibit hall, ballroom, and meeting space. It is important to point out that no other facility currently exists in our community that can accommodate these types of space needs. The center, therefore, would provide to the university and a broader community, capability to host larger meetings than has ever existed in our region. The initial land lease consists of approximately eight acres of land that is outlined in yellow. The proposed site for the university related hotel will be across the street on the southeastern corner of the intersection of University and Union. There is provision in the lease document for the possible expansion of the city center site to the west. That site will be defined by the relocation and rebuild of College Drive between University Avenue and Union. This (pointing to slide) depicts the adopted master plan for the development of the west campus district. On it you can see a potential massing and site study for the center, the hotel, and the eventual build out of the art complex along University Avenue. It also depicts the possible realignment of College Avenue as a major entry point for both the center and the campus. This model depicts the potential massing of the proposed center and hotel as conceived in discussions between the city and the university. The center is a logical facility to be located on the campus for several reasons. First, the site selection and synergy between the city and university. This is a project that has been worked on for nearly six years in the City of Las Cruces, but it was not until the university became an active partner that it has been able to move forward. Second, the center provides the campus an asset that otherwise would not be available. New Mexico State University has not been capable of adequately hosting large conferences. The availability of this asset located on our campus opens up new opportunities for our institution. Third, the development of the center at this site supports the hotel being sought by New Mexico State University to provide the living/learning experience for our HRTM program, as well as other student and faculty activities. The hotel in turn supports the center. And fourth, the site supports the vision of a redeveloped University Avenue. One of the key

themes of Michael Rickenbaker's efforts in the recently adopted master plan, was the vision of University Avenue as the front door to New Mexico State University. The terms of the grounds lease are outlined above. The use is defined in the ground lease for our convention/civic/event center. The premises consist of approximately eight acres. The additional land is available on a 25-year option. The term is for 45 years commencing on the date of the lease and terminating on the last day of the last month, unless sooner terminated. There is opportunity for renewal for a 25-year period. The annual rent in terms of cash outlay is \$3,500 CPI (Consumer Price Index) adjusted every fifth anniversary. There are additional considerations which are far more important than the cash outlay that I bring to your attention and to everybody in the room. First, the employment opportunities for New Mexico State University are outlined, as well as five specific paid internships for our HRTM students in the operations center; there is a 20 percent discounted rate for facility rental charges and fees; consideration of additional rate discount for NMSU events that generate a large community and are economic development benefits, such as the WAC tournament; seven events per year at no cost to New Mexico State University; NMSU has access to the scheduling system for coordination between the two entities; NMSU has right of first refusal to accommodate event requests the city cannot accommodate; we are stock piling the top soil for reuse at the university; the road relocation at College Avenue would be paid at the city's expense; the NMSU master plan by this agreement is integrated into the future of the University Avenue overlay zone, which is an important aspect as we look to the implementation of the master plan; the city's agreement to collaborate on the University Avenue development and seek funding for roadway and pedestrian system enhancements that are important to both entities. The city shall make their best effort to allow use of city's parking lots for overload parking needs, conversely, we agree that we will make use of own overflow parking lots for their needs. The city agrees to purchase water primarily supplied from NMSU's Well 14 and to pay half of the cost to upgrade the well. The final plans and designs for all improvements are subject to approval by the university and at the lease termination, the city shall at our election to remove or convey title for all improvements. Mr. President, my last comment is that, as we all know, our region is rich in many things. Those include our history, our culture, our people, and our natural beauty, and while we celebrate those gifts, we recognize that for great things to happen in our community it requires a spirit of cooperation. It requires that the city, the university, the county, and the state each contribute and work together for us to achieve those

things that we aspire to be, and that is the basis for our recommendation to you today. The project has mutual benefits to the university and to the city of Las Cruces. It enables both of us to be better tomorrow than we are today.”

Regent Anaya asked, “On the option that you mentioned there, how does that work, as far as what needs to happen?”

Senior Vice President Woods stated, “I want to confirm that by the option, you are referring to the option for the 25-year extension?”

Regent Anaya responded, “Yes.”

Senior Vice President Ben Woods stated, “I am going to ask Mr. Fred Ayers to answer that question as he dealt with the specific language. Fred, did you understand the question?”

Regent Anaya said, “On the additional land, if they need additional land, how will that option be negotiated, or is there a price that is set now?”

Director Ayers responded, “If the city elects to expand their facility, they have the option of sitting down with us and identifying additional acreage to accommodate that facility. At that point in time, we would calculate the acreage and the rent would be adjusted proportionate with that increase. The option also has another provision in it. In the event that the university chose not to go ahead with our hotel, the city also has the option on that additional land to build a hotel facility. The integration of a quality hotel in close proximity to the convention center is very important to their project. In answer to your question, the option land would be for expansion and if it is triggered, we will identify the actual acreage and then adjust the rent proportionately.”

Senior Vice President Woods stated, “I would add that the rate that it would be adjusted at would be negotiated at that time with the city so that we would establish a market value on the land and that is the intent.”

Regent Gallagher stated, “I hear conversation about, ‘well, the university is only charging the city \$3,500 a year,’ and that is ridiculous. The cost of that land is so much more. You hear all of the boo-birds, well, maybe

I shouldn't say 'boo-birds,' maybe it is just a 'boo-bird,' because I am not sure that there is a whole bunch of them out there. But, I think what needs to be considered is that the city of Las Cruces is a public entity as New Mexico State University is. It makes no sense to me whatsoever, to charge the city of Las Cruces \$25,000 a month for that land or \$25,000 a year for that land, because what is going to happen is the city of Las Cruces is going to take out their tax payer funded checkbook and they are going to write a tax payer funded check and they are going to give it to us, and we are going to put it in our tax payer funded savings account. Therein lies the problem with the government and that is why people don't believe that the government properly functions. We are just playing with money. What we are doing here is not playing with money, but improving on the vision of our university, improving on our stated mission to help our educational process, and I think we are moving into a new era, quite frankly, of mutual agreement and synergy with the city. I don't think there is anyone that doubts that the city needs this facility. I don't think there is anybody that doubts that this will be a great addition to the facility. I am just tickled to death, to be honest with you, that we have the opportunity to put it on our campus and we have a lot of institutional control and the ability for our Hotel, Restaurant, and Tourism Management students to be able to further their education by having some hands-on experience. So, I think it has taken a long time to get here, but I think this is an outstanding opportunity, maybe one that we will never have again in our term as Regents to reach out and to be a part of a development project that will truly change the face of New Mexico State University. I applaud Ben and his entire staff, and Bruce as well, for negotiating this, and for those people who think this was a document that was produced and then just delivered, they don't know the process. This document that is in front of us is probably the 25th or 30th draft of a contract. I think it is a wonderful opportunity for us. I think we ought to seize the opportunity and do this and tell the city we will be there to help them along the way."

Regent Anaya stated, "I would also like to say that in order to make economic development work, most of the time you need more than one partner unless you have deep pockets and particularly with two governmental entities working together. I think this could be a big plus for southern New Mexico as we have seen with the potential Spaceport and other areas, and, again, I think New Mexico State has been at the forefront. One of the charges that we got early on from the governor was to get involved in economic development and wherever we can

participate. That is where you need to add. And, if you can add educational value and any other activity while you are doing it, you can really make a big difference there. I, too, would like to commend Ben, Fred, and all of the rest of the team that has been working with the city on this particular proposal. It will change the face of what the campus looks like at that end, but also add future value to New Mexico State University, and, again, work within that master plan. I think that master plan that we approved in December did lay out a plan. I think for the first time, we actually have a plan of what potentially it could look like. Boy, it would be nice to see that University Avenue develop as Michael has written out.”

Regent Conniff stated, “As a Las Cruces member, I wholeheartedly endorse this project as well. I think this will be a great synergy between the city and the university. It is one that we have had for a long time and I think one of the things people say is, that we haven’t ever done anything like this before and that is not entirely true, because we have had the land that the hospital is on; that was university land. I think people sometimes forget that we have had this working relationship with the city for a number of years and would like to continue it wholeheartedly. I think the WAC Tournament was just a small part of what we can all do when we work together.”

Executive Vice President/Provost Flores stated, “And the Farm and Ranch Heritage Museum.”

Regent Conniff stated, “The Farm and Ranch Museum is on university land. I think we forget how much we are intertwined and need to be intertwined for economic development and for our student programs across the board. So, again, thank you all for all your hard work.”

Regent Gallagher moved, seconded by Regent Curtis, to approve the Ground Lease Agreement by and between the Regents of New Mexico State University and the City of Las Cruces, a Municipal Corporation of the State of New Mexico, Lease Property is an 8-acre Parcel on the Las Cruces Campus of New Mexico State University, Parcel Located at the Southwest Corner of University Avenue and Union Avenue aka El Paseo Road, Doña Ana County, New Mexico. The motion carried unanimously.

Executive Vice President/Provost Flores stated, “I just wanted to say that this is a historic moment, really, because it has been six years or longer

that people have been talking about having a conference center here in Las Cruces and we are now moving forward and I am ready for a ground breaking.”

- 3- Approval of Supplemental Agreement Concerning the Delivery and Sale of Water by New Mexico State University to the City of Las Cruces for Emergency, Short Term, and Peaking Purposes, Doña Ana County, New Mexico (Director Fred Ayers)

Senior Vice President Ben Woods stated, “If you look at our history, New Mexico State University has been providing water to lands off of the campus since about 1908 and it continues to this day. In fact, just to make a point, this morning I pulled out some of the records that we keep in our office and this happens to be the record for March 11, 1955, which shows the tap numbers for all of the houses that we were serving that were north of University Avenue on into an area around the university. Because of that, the state engineer agrees with us, as in our Offer of Judgement, that the university has the legal right to move water off of its lands to the city of Las Cruces for municipal and industrial purposes. We formalized that in the 1960s with an interconnect agreement with the city of Las Cruces that continues to this day. That agreement was redrafted in the early 1980s, and again in 2004 it was amended and was brought forward for this supplemental to that original water interconnect agreement of the 1980s today. The city has a need for water for peaking and emergency use. That need is the result of several events. First, the city currently has several wells off line due to the enactment of new regulations of acceptable levels of naturally occurring minerals and groundwater. Arsenic regulations have been much discussed. There are a few wells in the city that don’t meet the current arsenic requirements. They are off line, and the city needs time to deal with that. In addition, the city has the need to relocate several existing wells because of some groundwater plumes associated with the super fund site located in the city of Las Cruces. This supplemental agreement allows the city time to accomplish this much needed work for the citizens of our community. The city has installed the necessary connections at their own expense to utilize one of our existing wells and that is Well Number 14. The agreement further provides opportunities for the city to take, on a short-term basis, additional water as they may be in need for emergency short-term or peaking demands. The supplemental agreement has a ten-year term to it. It will initially be accomplished, as I mentioned, by a tie to Well Number 14. It has the potential for us to make ties further up the hill at

some point in time if that is necessary to meet the city's needs. The university will be compensated for all of its costs, plus a ten cent administrative fee per 1000 gallons of water taken, and due to the nature of the agreement and a commitment of Well Number 14 to the city, there is provision in the agreement as to the failure to take water by the city. Should they fail to take the agreed-to amount, the city would be required to compensate the university per the terms of the agreement. The agreement is mutually beneficial to the parties, builds upon what is a long history of interconnect agreements, and is recommended for your approval."

Regent Anaya asked, "So, Ben, this is an ongoing agreement that we have signed into three or four times and the last time was about in 2004, but since the 1950s and 1960s is an ongoing agreement. So all we are doing is adding to that?"

Executive Vice President Woods responded, "In that agreement which is existing, it is not that it starts and it stops. It has been ongoing since the 1960s. The agreement that we are operating under now is under terms established in 1984, I believe, and in the terms of that agreement, it makes specific provisions for supplemental agreements when unique opportunities arise that would benefit both parties for more than just interconnect on a short term basis and we think that this quantity of water that we are talking about here, and the nature of why it will be used, and how it will be used for the city, require the need for this supplemental agreement. It has been negotiated with the city and they are in agreement with it."

Regent Curtis moved, seconded by Regent Conniff, to approve the Supplemental Agreement Concerning the Delivery and Sale of Water by New Mexico State University to the City of Las Cruces for Emergency, Short Term, and Peaking Purposes, Doña Ana County, New Mexico. The motion carried unanimously.

9. NMSU PRESIDENT'S REPORT (President Michael Martin)

President Martin stated, "I think Athletic Director Mac Boston has a presentation for each of the Regents that I will let him do right now during this time."

Director Boston stated, "The WAC Tournament Committee, the WAC Commissioner, as part of our overall WAC budget that floated on its own bottom, the total budget for the

tournament was a little over \$1.1 million, which was generated through ticket sales, corporate support, and cooperation with the City of Las Cruces. There are 27 members that received the official WAC gift, which we think it is symbolic of the state of New Mexico, is a Nambe piece (wine bottle holder) and each of the Regents has been authorized to receive one on behalf of the WAC.”

Regents Anaya, Conniff, Gallagher, Curtis, and Kellum all thanked Dr. Boston for the gift.

President Martin stated, “Let me make one introduction in case some people did not catch it. I think you know we have been working to find a new CEO for Carlsbad and that has been an extended process, so we have asked a long time friend and Aggie to come back and help us out, and Martin Parks in here as the interim CEO from Carlsbad. It is good to have you back Martin Parks, it really is. Martin spent many years serving us at Grants and we have managed to bring him back to help us out yet again. Let me very quickly go through a couple of items. First, let me tell you that our principle budget from the legislature is now on the desk of the governor. We got through earlier than is typically the case. The conference committee worked over the weekend and I believe the governor has, constitutionally, till about Tuesday to sign it. It includes a five percent pay increase for all university faculty and staff, zero tuition credit this year, a number of items that help us catch up, at least a little bit, on some of the inflationary costs that we have had to eat in the last several years, including the cost of group insurance, risk management, library acquisitions, and utilities costs. So, we will be able, in the formula, to at least re-collect a little bit of what we have had to pull out of I&G funding over the last several years, and this applies to all of our campuses. So there is good news in that for the first time in a long time, we have cracked the formula and it looks it bit more like what the public schools have. That is, it recognizes that just starting the academic year every year costs additional money through inflation. That has been a great outcome and I want to congratulate Jennifer Taylor who took the leadership on behalf of all of the presidents and all of the institutions to provide an analysis to the legislature, which was compelling enough to include it in this year’s budget. Thank you Jennifer. We also have a number of other individual items. I won’t go through them all, but we have specific funding for a number of initiatives, including our aerospace program, some expansion of nursing, and variety of other things that will help us continue to grow excellent programs here at NMSU. This will never be a prosperous state, nor will this ever be a prosperous university, but I do think people continue to make important strategic investments in its land grant university and I am confident that we can use those investments to show the people of New Mexico. We will know soon what the governor decides to do. We also have before the governor a proposal for \$12 million dollars of endowment match. I believe we will get to the governor yet this week a bill that would modify the Research Park Act to give us a little more latitude. There is a bill before the legislature that would relieve us on an experimental basis for three years from gross

receipts tax on non-athletic events at the Pan American Center, which will allow us to more effectively compete with El Paso for entertainment. So there is a whole series of other things going on in the legislature, but this was sort of a record year in that the legislature got the budget to the governor before the last day, and that means we should know before the end of the session where we stand. So, thanks to a very good team of people, Patricia Quintana, Ricardo Rel, Paul Gutierrez, and others, who came to Santa Fe to help us make the case. Let me congratulate, again, Mac, Maria, and the staff for an absolutely stellar job on the WAC event. Just by way of background, we had barely been into the WAC when we made a decision a year and a half ago to bid on this tournament. It was a risk, we knew that, and we knew it was a risk, because we were going to have to display ourselves against what had been the traditional site in Reno, Nevada, and demonstrate that this community is vibrant, energetic, entertaining, and welcoming, and to do that in a very short period of time, with a very limited budget. We did it for a couple of reasons. One is to prove that we were a full member of the WAC, but another was less to do with basketball and more to do with demonstrating that this university and this community can come together and do something big, whatever it is. We knew they would play 16 basketball games. One way or the other, that was going to happen, but the real question was, could we make the rest of it the kind of event that people would remember. I have been a cheerleader and that is it for this exercise. Others have stepped up. Maria's team was absolutely outstanding, but we had people from the community step up and do all kinds of things to make this event successful and you only had to walk around the Pan Am or the community and talk to the visitors to hear the number of compliments we got about the way this was done. I think it demonstrates that as this university continues to grow and as this partnership with the community continues to prosper, we can do some very remarkable things together on this site, in this town, and in this community, whether it is basketball or something else. The WAC people were incredibly complimentary. Retiring long-term coach of Hawaii, Riley Wallace, went out of his way three different times to tell me how much they enjoyed being here. They were the team that came in first--they came in on Sunday--because they didn't know when they booked their tickets if they were going to have to play on Tuesday, so they got here early. They didn't have to play on Tuesday, but they and their fans were amazed at how this community received them and took care of them. So, I think we did a great job for Las Cruces and we certainly did a great job for New Mexico State. Finally, let me say to both of our teams that played, the competition was absolutely terrific. Anybody who had a chance to watch some real great basketball, saw it here. The women fought to the end coming from a seventh seed. If two more baskets would have fallen, we would have had two teams in the NCAAs, but win or lose, they were wonderful. The guys came through in sort of a heart stopping fashion. I told Ted Nauber yesterday, that the steal that he made pretty much guaranteed that he would graduate from NMSU, because a number of us almost passed out with that amount of time left. But it was absolutely thrilling and this isn't about winning or losing, it is about

great competition and a great event that really entertained the community and the visitors. So I really want to thank, again, the whole staff. Maria and Mac, pass the word on and we will also pass it on to the city. Finally, just a couple of other quick notes. We are continuing to make progress as we approach reaccreditation of NMSU. Cynda Clary and company, under the direction of the provost and others, are working through that process and I want you to know how much work that is and how much time it is going to take. We are about a year from the site visit and in between there is a lot to do, but we will keep you and the Faculty Senate clearly involved in that. Finally, I know there has been the ongoing conversation, picnics, and other kinds of handouts about our relationship with the union. We are negotiating hard, we have given the union a draft of all 43 of our proposals for all of the articles. That negotiation continues and we will come out of this with a contract that advances NMSU and treats people well. I will just simply say that the one disappointment I have had in this process is that there has been a lot of emotion and a lot of energy and a lot of passion. What I fear, however, is that there has not been enough homework and I do think, as this process goes forward, everybody should take the time- -and it isn't that difficult- -to read the statutes in the constitution that frames this relationship. It is pretty clear, and a lot of what has been said has been a misunderstanding about what the rules are. So I would urge everyone to read the State Constitution, Article 12, Section 13, which clearly specifies the role of the Regents constitutionally in all of this. I would urge people to read Chapter 21, Article 8, items 1 through 40 of the state statute, which specifies what NMSU is and how it works. And then, I would urge everyone to read Chapter 10, Section 7-A1-26 of State Statute, which specifies how we deal with public employee unions. I think if everyone did that first, and had really understood what the parameters are, and at a university, homework is fairly important and reviewing the literature is very important. If everyone had started at that level, I think we would be farther along, but unfortunately, we keep bumping into issues which could have been addressed had people taken the time to read. Now, I know some have, and I will tell you that when this all started, I took the time to read the whole thing and sit down with Bruce and have him make sure that I understood it. So I hope that as this goes along and we have this relationship at a great university, all parties passion we accept and interest we accept, but we will also take the time to understand the rules of the game. It is well specified in the State Statute in the Constitution and it comes down to the bottom line that the Board of Regents ultimately has the final say about how all of this works out and we will deliver to the Board of Regents a proposal that will be in their camp. My assignment to everyone who hasn't done it is to just take the time. It is all on the Web and it is very easy to find and a little homework goes a long way. With that, I want to say we are looking forward to playing basketball in Spokane, Washington on Friday late afternoon. We have a tough challenge ahead of us, but this team has demonstrated that they will rise to whatever challenge is given them and I hope people will pull us through. And then we will look forward- -very soon- -to the best part of the year for all of us, and that is commencement in May, in

which we get to celebrate the academic success of a great group of students on this campus, some of whom will be athletes, but many of them will just be wonderful parts of the Aggie family. So, thank you and go Aggies!”

Regent Gallagher stated, “I know this may come as a surprise to some, but I did do my homework on this item and I want to make a couple of comments and then I want to make a challenge. The Constitution is very clear. The Board of Regents can approve or disapprove anything that is sent to them on a contractual basis for the union. It is also very clear that the Regents decision is not appealable. So let me go to the heart of what I think is holding up these negotiations and that is compensation. The compensation that is on the table, that has been delivered to us from the union, would cause us to raise tuition six percent on top of the five percent that we anticipate needing to raise just to keep up with the expenses. It would grant approximately an 18 percent increase over the next year to members of the union and given them a ten percent signing bonus. I don’t know about all of you, but I don’t think anybody in this room got a signing bonus anytime that they signed on to be an employee at New Mexico State University. Let me just say clearly, and this obviously is just one opinion of five. We are not going to allow 1,300 employees out of a total of 6,000 to force the university to lay off employees to satisfy the demands of approximately- -I didn’t do my homework enough- -1,300 into 6,000, I don’t know. We are not going to allow that to happen. And we are not going to put the desires of those 1,300 people on the backs of our students with a tuition increase. Now saying that, if you understand the law, then you should understand what the Regents are saying. If the legislature gives us a five percent compensation package, then we are going to give the employees a five percent compensation package within the compensation framework that the university has established many, many years ago. If the legislature gives us a five percent pay increase to give the employees, we are not going to give you a one percent and go use the money for other matters, because the law doesn’t allow that. The law says that if it is personnel money, it goes into salaries, so I think to move this along, you better take any proposal off of the table that doesn’t just say what the legislature gives, you are going to get. That’s, I believe, the entire sentiment of this Board. Now, a challenge. I want to challenge, because I keep hearing, ‘Now we want a fair contract, it has been three years since we campaigned.’ Bruce, we’ve been negotiating seven months?”

General Counsel Kite responded, “Less than seven.”

Regent Gallagher continued, “It took Doña Ana County a year-and-a-half. It took the state of New Mexico even longer than that, but let’s do this. Let’s not worry about Doña Ana County, let’s not worry about the state of New Mexico. I want to challenge the administration and I want to challenge the union to within 30 days to have a contract on our agenda on Friday, April 13 for us to sign. That is the challenge. Now, to do that,

understand if you bring a contract that will force us to lay off employees or to cut programs or to put it on the back of the students, expect rejection. To the administration I would say, there are a lot of things in there that we can give on and let's get going and start giving on the things that we can give on that will allow us to have a fair contract with the union that we all want and we are all working for, but understand the parameters that we are working in. I, for one, would never accept an agreement that suggests that we ought to deal with 1,300 employees different than we deal with 6,000. If there is a parking increase, then everybody ought to get a parking increase. I don't want to hear that this section of employees is going to get it and this section of employees are not going to get it. We don't need a tiered system of employees. We need one big family of employees and I think we are wrong if we are going to start taking a certain small percentage out here and dealing with them different. Again, I want to challenge both groups to come together and put on our agenda on April 13, a contract that we can sign, and if you can't do it by April 13, we will meet again in May and let's do it in May. If you do it before April 13 and you want this Board to meet in a special meeting, then we'll come down and meet in a special meeting, but let's get this thing done in 30 days, get it behind us, and let's get back to the mission of this university and that is to educate students."

Regent Conniff stated, "I think one area that we tend to not emphasize is on the salary increases. I think we are working toward the same goal. We would like everyone to be paid more, but to do that we need to all work together with the legislature to increase our salaries. If we can get together and go to them and get this thing put together that is how we do this. We don't need to be trying to work against each other, because if we do, it is not going to happen as Bob so eloquently said."

Regent Anaya asked, "President Martin, by Wednesday we will know whether the governor signs that bill and we already know what is in there. If for some reason he vetoes it or if something else happens, the legislature ends at the end of this week. So that 30-60 days is possible?"

President Martin responded, "Yes, I believe it is possible. I think we will know by Tuesday night or early Wednesday morning where we stand having had the governor go through the process. I am confident that the governor will sign this bill. As you know, we started this legislative session by a small group of us meeting with the governor before the session started to get a sense of what parameters he could live with if we could get them through the legislature and I think the legislature struck pretty close to that. So, my hope is that mid-week we will know where we stand on a whole variety of things and that will give us a great deal more information to complete negotiations and to do a variety of other things, including coming back to you with a budget for the university for next year, recommendation with regard to tuition and fees, and a whole

series of things that we will work very quickly to get done and to inform this community about.”

10. INFORMATIONAL ITEMS

Grade Report on Living the Vision (Dean Garrey Carruthers)

Dean Carruthers stated, “I told you a year or so ago, when we started this process, that we would come back and sum up and then talk about the future, what we are going to do with the ‘Living the Vision’ performance plan for New Mexico State University. So the nature of my business today is to discuss the 2006 report and I’ve given that to you goal by goal over time, but this is more or less in summing up. Let me call your attention to probably the more important aspect of the charts that I have given you and that is this one (pointing to slide). When we brought the ‘Living the Vision’ performance plan to the Regents 18 months ago, this chart was in there and demonstrates kind of the circular process over the year that we go through to develop goals and objectives, fund those goals and objectives, evaluate performance, rethink the goals and objectives and come back to the Regents. If you look at this, we are currently in the performance assessment and evaluation phase. You’ll see in the red, annual personnel evaluation is underway right now. We are in the March period and what we are going to recommend is, we will come to the Regents retreat in July with recommendations that have been generated as a result of evaluations from the ‘Living the Vision’ targets and performances that we’ve gone through. After your work in July, your recommendations go to strategic budgeting. Well if we can budget to meet those goals, then once that happens and funding allocations are made in May, then we start the circle all over again with performance measurement and analysis in September and December and then come back through evaluation of personnel and how we have achieved goals and objectives in the process. I should tell you I just finished the evaluation of department heads in the College of Business. I have asked each of them to align their goals and objectives in the departments with the ‘Living the Vision’ document. That is to say, we are asking them to do what you have asked us to do, so we are trying to move it to the department head level. Let me just summarize quickly some documents. This document indicates how we evaluated our performance. I happened to choose goal number five. If you take a look at 5.1, our alumni participation is in quartile four, that is we do it very, very poorly. For us to be in the top quartile, we need to increase alumni participation to 13.9 percent and that would require us to increase by 9.9 percent alumni participation. We know that the foundation is attempting to do this, but this is one of those areas that we are benched against all universities and this happens to be one of the national performance markers and we do this about as poorly as anything we do. If you look at allocation of resources for instruction, research, and service, we are in the top quartile in three and in terms of instructional expense we are in the third quartile. If we want to move to the

second quartile that would require a reallocation toward educational expenses and away from other expenses. All of the goals and objects have this kind of analysis that we will be going over before we approach you in July, but in each of the cases we have attempted to identify what it would take for New Mexico State to move to the next quartile. If you look at 5.3, Attract Endowed Funds to Achieve Parity with Peer Institutions, our endowment growth is in the first quartile and we are very proud of that. The endowment size is in the fourth quartile. Of our peers, only Utah State University has a smaller endowment, but what is interesting is for us to move a couple of quartiles and we merely need to double the size of our endowment. That is, to go from the current endowment to about \$250million-\$300 million. The upshot of it is we have goals to do that. We have already extended the target for the current campaign and as a consequence, we should be able to do that. Those are the kinds of things that we get out of this kind of analysis, to look for those opportunities for us to move forward. The next one is kind of an assessment of what we do well relative to our peers. We have a diverse student body, faculty, and staff. We seem to have a competitive proportion of graduate students, we attract a lot of faculty members with terminal degrees, the percentage of R & D expenditures received from the federal government is very high relative to our peers. Unfortunately, we are overly dependent upon federal expenditures and, as a consequence, it is both good and bad. R & D expenditures per employee is relatively high. We have, interestingly enough, a rather high funding for cooperative education. If you look at the second to the last bullet, the percentage of revenues obtained from tuition is relatively low as we look at our peers. That can be both good or bad. If you are a student paying it, you like it relatively low. If you are looking at revenue sources, you may have to raise it. State appropriations are relatively high. We are waiting for the governor to sign a budget, but fortunately in New Mexico, our government has been very steady in supporting higher education. Grants and federal contracts are relatively high. If you go to the next slide, relative to our peer institutions, our best opportunities for improvement are here. For example, increasing the number of Merit Scholars. Two years ago, to my knowledge, we had zero Merit Scholars on the campus. Now, I think we have 15 National Merit Scholars on the campus. We only need 41 Merit Finalists to be in the top quartile of our peers. Dr. Flores has asked us to price out what it would take to have an aggressive recruiting program to make sure that we get our share of Merit Scholars. You need to understand in New Mexico most National Merit finalists go out-of-state. In part, because we have not been very aggressive in our package that we offer them to come to New Mexico State; that is changing. Increasing the yield rate by 3.4 percent would move us to quartile two. That is a fairly easy accomplishment. In the last couple of years we have focused on that and I think that will happen. Increasing the proportion of international students by 6.7 percent would move us into quartile two. Dean Lacey has provided me with some information on how much this will cost and we will give this to Dr. Flores as we refine those numbers and we can tell what it would cost for us just to move up in terms of international students,

which we aspire to do. Reducing the student/faculty ratio 19:1 to 16:1 would put us in quartile one. The better schools have low student/faculty ratios. Ours is growing, however, and we need to at least stabilize it at 19:1 and hopefully reduce that. The last two have to deal with the Arrowhead Center. We believe that we can increase the number of startup companies by three and the number of companies in the park by 12 and there are many exciting things going on there. The last charts are our greatest challenges. These are the ones that we are really going to have to work hard at. Increasing the average ACT score for entering students. We are, if not the lowest, second to the lowest in ACT scores coming to the universities of our peers. There are a number of ways you can do this. It is a very slow process. The one that would work best is the one that I think you would have to think long and hard about, and that is to raise the ACT requirements to come to the university. We are at about 4.3 percent below the ACT score necessary to get us in the top quartile. So this will be a challenging one. If you decide you want to be in the top quartile of ACT students, then we are going to have to make some policy changes, I believe, to make that happen. The next challenge is developing and maintaining a comprehensive faculty compensation package, needing an average increase of about \$7,000 per faculty member to move to quartile two and \$12,000 to move to quartile one. We are very much behind in faculty salaries relative to our peers. Please keep in mind that these peers that were selected are some fine universities and some of them are very well funded. Texas A & M is one, and they have one, if not the largest, endowment of our peer groups, and as a consequence they have resources that we don't enjoy right now. The University of Arizona, Iowa State, and some of the other land-grant universities, we should be competitive with. Increasing state funding for research by 17.2 percent, I think is consistent with what Dr. Martin has argued that the three science universities in New Mexico should get a consideration for research. We are not well funded by the state. We are well funded by the federal government, but we need to be well funded by the state. We will always have to work on the effectiveness rating of all doctoral programs. We have two or three that do quite well. That has a lot to do with research grants, publications, and I think every department is aspiring to move up. Increasing patent disclosure by one per \$1 million of research would get us in the top quartile, and then the last one I mentioned already is increasing alumni donor participation by 9.7 percent. The last slides are the next steps with the 'Living the Vision' Performance Committee. We want to refine the performance indicators. Right now, I think we track too many things. I think we need to focus on our core business and track only those things. When I first came here, I lamented the strategic plan and we were tracking hundreds of these things. Now we are down to probably twenty to twenty-five. I would like to get down to about 15 that really represent the core business and I think in that process we need to better incorporate the national performance indicators. I just want to say on the conference center, that in many of these national performance indicators, part of it is a popularity contest, but many of the associations that we all affiliate in the academy,

are not allowed to come to Las Cruces because we don't have a conference center. If we had all of the southwestern or western economists come down here and then they are going to rate us a couple of times on economics, once they were here and looked at our facilities and listened to the papers, many of them would say, 'you know that is a really fine institution, but we have never had the opportunity to bring the various disciplines to our campus, show off our place, faculty, and students. So I think the conference center has a lot to do with that. We are going to have to discover some new data bases. We want to move the 'Living the Vision' to the colleges and other units of the university. I want to give Dean Castillo a lot of credit. He is the first dean to aggressively move this into his departments and I want to applaud his activities there. The College of Business is doing it and some of the others are working on it. Lastly, I refer you back to this circular chart (pointing to slide). We need to incorporate 'Living the Vision' and the overall goal setting and budget process of the university. We need to be prepared and come to you in July and say, 'this is how we have performed in the past, these are things we think we can do financially, we want to recommend them to the Board of Regents.' Then, it is your choice to establish the policy and direction of the university. Some of these things cost money and some of them cost a whole lot of money. For example, I think I may have skipped over increasing the R&D expenditures by \$135 million. That is going to take some focus on the part of the administration and the Board of Regents. I think it is going to take some focus on clusters, but those are policy decisions that Dr. Martin, Dr. Flores, and others who are in the leadership recommend to you. In July, a better analysis of where we stand performance-wise and any recommendation might assist you in directing this great university."

Regent Anaya stated, "Thank you for continually tracking this. I know it is not a part of your job description, but I think you have done a great job in presenting this not only to us, but throughout the university. I think we need to be real strategic and maybe we have too many indicators and I like your idea of bringing those down to the core. I think we need to get involved. If it is three of these that we really need to look at, but if it is three or four, we really need to look at them. Hopefully through the higher education funding formula next year we can fund the three research universities differently. That is a major policy shift in New Mexico and I think those are the kinds of things that we can do from the Regents' standpoint to help further this along. I look forward in July to try to bring this even a little clearer to where we are really focused on a few items, and we do those well, not that we do not attack all of the other ones, but we really take two, three, or four items and really hone in on them."

Dean Carruthers stated, "I want to give credit to not only the committee. We have a very aggressive committee and we have two people in particular that have worked hard throughout this entire process. One is Jennifer Taylor. The original concept of building this into the budget came from Jennifer Taylor over two years ago and now in her new

position, she is reinforcing that. For this performance evaluation to work, it has to be affiliated with a budget. Also, Michael Hites is working on some strategic planning processes and he has been very much engaged through Institutional Research. Those two people, in addition to the committee, have been quite active in 'Living the Vision.' I want to express my support to not only the Regents, but to Dr. Martin and Dr. Flores for supporting this. If upper administration does not support performance plans and measurement, then it never works, and so I very much appreciate your attention to it as well."

Executive Vice President/Provost Flores stated, "In order to prepare for this meeting and also for the budget process, I pulled together a meeting of the vice presidents that report to me so that we could go through this document and also make some recommendations on budgetary impact. For example, regarding the 41 National Merit finalists. We have had a plan for the last three years to increase the number of National Merit finalists. We have been working together and the deans have been very involved in this and we have a plan over the next ten years to have 50 National Merit finalists on this campus. That would enhance the overall ACT scores because of entering freshmen, while still keeping access, which is an important part of the university. To do that we will need to raise an endowment to support the National Merit finalists of \$25 to \$30 million, minimum. I think as we are doing this we are going to identify not only our goals, but the costs to them and also our priorities for fund-raising."

11. REPORTS

(a) Faculty Senate Chairperson's Report (Dr. Larry Creider)

Dr. Larry Creider stated, "The Faculty Senate has met twice since the last Regents meeting. At the February meeting, the Senate approved the revision of the review cycle for department heads so that it matches that of other academic administrators. That is, department heads will also be reviewed on the third anniversary of their appointment and at least every fifth year thereafter. The Senate also approved a memorial supporting changes in the administration of the Lottery fund that has since passed both houses of the legislature. President Martin addressed the Senate at the February meeting on the issue of reallocation of faculty lines and answered questions. At the March meeting, Jennifer Taylor presented material on the new budgeting process, the reasons for the new allocation, and a model that will be followed in filling faculty vacancies. Afterward, she answered questions along with President Martin and Provost Flores. I appreciate all three of these people taking the time to meet with the Senate and allay a number of anxieties. I appreciate the administration's commitment to a more transparent budgeting process. The two

presentations did answer a number of questions, although everyone realizes that any formula that is based primarily on student credit hours will need some refinement to account for other factors. At the February meeting, the Senate also approved to change the name of the Physical Education, Recreation, and Dance Department better know as 'PERD' to the Department of Human Performance, Dance, and Recreation to better reflect changes. A proposition was also introduced for a new major, Information Engineering Technology in our Bachelor of Engineering Technology degree. The proposal received a recommendation in its committee session for a passage by the whole senate. The proposed Tenure and Promotion Policy was also introduced and signed to a committee that will meet next week. The plan for this bill is to have a full discussion at our April meeting and then a vote at our May meeting to sort of maximize input. The Academic Deans Council has already provided some good input. The policy is planned to come into effect with the 2000 date academic year so that there is time to bring everybody up to speed. The deadline for introducing bills, new programs, and changes to the policy manual is March 27 for the Committee on Committees. That is so we can have a full month of discussion and committee markup before the senate votes on them in the May session."

(b) ASNMSU Report (Mr. Ben Hardy)

ASNMSU President Ben Hardy was not present at the meeting to report.

(c) Advisory Council on Administrative Policy (ACAP) Report (Mr. Tim Nesbitt)

Mr. Tim Nesbitt stated, "I would like to report that the ACAP membership year begins each year on February 1, and we have had two meetings so far this ACAP year. The main subjects of business have basically been standing committee membership and filling those positions, etc. We have had other things to talk about, like an update on the NMSU and AFSCME contract negotiations, a presentation of an enhanced campus wide disaster plan by Katrina Doolittle and a presentation of a proposed civility policy by Dr. Dario Silva."

Regent Conniff stated, "Tim, I want to know why you have Katrina working on the disaster report."

Senior Vice President Woods stated, "Actually, what it is is a plan to deal with the potential of large scale flu outbreaks and so forth and Katrina has been working that issue as Director of the Environment Health and Safety Office. There has been a very large group around the university that has given us a great chance

to talk about the inner campus coordination that is required should we have large scaled events that have impact on a number of people.”

Dr. Creider asked, “Would it be possible, since ACAP keeps the information on the union and the negotiation and provides updates, if it would be possible for them to post sections of the state constitution and administrative code that President Martin referred to make it easier for people to figure them out?”

Mr. Nesbitt responded, “Those, I believe are posted on ‘news items’ on the ACAP website, but I will double check and make sure that they are.”

12. ELECTION OF OFFICERS

Regent Anaya stated, “The next item is the election of officers of the Board of Regents. We have three officers and this is actually chair, vice chair, and secretary treasurer of the Board. Our board deals a little bit different than some of the other Regents around the state. It has basically been more customary for us to rotate officers than we see with maybe some of our counterparts, and, frankly, that has been a very good idea for us to rotate our officers that bring different and new ideas, but still keep the continuity of the Board. It has been my pleasure this last year to serve as chair of the board. With that I will open it up to nominations.”

Regent Curtis stated, “I wanted to say to you, ‘Thank you’ for your leadership this past year. I have enjoyed serving under your leadership and look forward to working with the next slate of officers. I would like to make a nomination for the slate if it is amenable to the group. I would like to nominate for President of the Board Regent Laura M. Conniff, for Vice President of the Board Regent Robert M. Gallagher, and Secretary/Treasurer of the Board Regent M. Steven Anaya.”

Regent Kellum stated, “I would like to second that.”

Regent Anaya stated, “Are there any more nominations to go forward?”

Regent Gallagher stated, “I move that nominations cease and that the slate of officers be accepted by acclamation.”

Regent Anaya stated, “We have a motion, do we have a second?”

Regent Kellum stated, “Second.”

Regent Anaya stated, “We have a motion to nominate the slate of officers by

acclamation. All those in favor say 'aye,' all those opposed same sign. The motion carried unanimously.

President Martin stated, "Let me add to what Blake said. Regent Anaya, thanks for a great year. I don't know if everyone knows all of the things that Steve Anaya does along with being fully employed with Fannie Mae. He is involved in, I would guess, about 35 or 40 percent of the boards across the western part of the state. Yet he has been energetic in keeping the administration attuned with the Regents' directives and in being a great partner in bouncing ideas and conversations. So Steve, personally, thank you very much. I have really enjoyed it and we have really benefitted from your leadership."

Regent Conniff stated, "I would like to echo that as well. You had some great ideas this year and I hope to incorporate some of them into next year's term and I appreciate your confidence in me."

13. OTHER

14. ADJOURNMENT

Regent Anaya adjourned the meeting at 12:30 p.m.

Minutes recorded by Socorro Saenz-Lobato.

Laura M. Conniff, Chair
Board of Regents

M. Steven Anaya, Secretary/Treasurer
Board of Regents