

**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 a Special Joint Meeting with the University of New Mexico Board of Regents at the McDavid Lounge in the Pit at the University of New Mexico in Albuquerque, NM on October 5, 2013 at 2:00 p.m.

UNM Regent President Fortner called the meeting to order at 2:04 p.m.

NMSU Regents Present	Mike Cheney, Chair Javier M. Gonzales, Vice Chair Isaac J. Pino, Secretary / Treasurer Kari Mitchell, Member Jordan Banegas, Member
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Officers of NMSU Present	Garrey Carruthers, Ph.D., President Dan Howard, Ph.D., Executive Vice President /Provost
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UNM Regents Present	Jack L. Forner, President Suzanne Quillen Bradley C. Hosmer Conrad D. James James H. Koch Heidi Overton
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Officers of UNM Present	Robert Frank, Ph.D., President Chaouki Abdallah, Ph.D., Provost
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2. INTRODUCTIONS

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

3. APPROVAL OF AGENDA

UNM Regent James moved and UNM Regent Overton seconded to approve the agenda. The motion carried unanimously.

4. DISCUSSION OF 2014 LEGISLATIVE ISSUES

- a. Funding Formula

NMSU President Garrey Carruthers presented a Mission Based Performance Funding Model in a powerpoint presentation, he began with the Funding Formula General Principles, 1) Simplicity and clarity, 2) Differentiation, so funding formulas reflect institutional missions, 3) Scale, to make performance based funding large enough to make a policy difference, and 4) Stability, which is important because Universities have high fixed costs. There was discussion about 5% at risk and whether it refers to old money or new money. NMSU President Carruthers said the formula he presents is based on distributing 5% of new money, because performance funding should provide incentives to change policy, and he presented 3 example formulas, one each for the following; Research Institutions, Comprehensive Institutions and Community Colleges. He said research has never been a part of Formula Funding but there is no pushback from government. NMSU Regent Kari Mitchell said it is a worthy step to go to performance based funding; it would lead to the need to redirect assets to drive performance and that fixed costs would have to change to variable costs. UNM Regent Fortner said the Governor is strong with 5% at risk. UNM Regent Hosmer said the Governor is talking about 5% old money, not new, and he said there is difficulty in predicting outcomes and the need for freezing so there is predictability. UNM Regent James said the formula contains only positives and no negatives. He said, these are all carrots, and we want a balance and need a counter balance in the formula. NMSU Regent Cheney said, if the approach looks good for new money then the question needs to be, how do we keep moving to a model of outcomes? UNM Regent Quillen said, at risk metrics need to be found, for example retention rates and 4-year graduation rates. UNM Regent Overton said the needs of each of these institutions needs to be defined and that she doesn't agree with institutions getting extra money for doing what they already do, and if risk is involved, how do we set the risk. Our discussion should be, what can be at risk here? UNM Regent Fortner said the Governor says Dr. Garcia has to be a part of the discussion, so we should go to him and ask what he wants. NMSU Regent Mitchell said HED has to be part of the discussion, but how do we work with HED and get serious and where are we motivated? That is, what are the motivators and what are the non-motivators? UNM Regent James said we need to answer the question, where is it we are failing our students? If we are not being proactive on how to help out our students then we should face money that is at risk for that. UNM President Frank said we have to have a process where we start with a formula and then overlay it with risk factors, not do both simultaneously. UNM Regent Koch said the Governor and NM Legislatures have to take the lead.

b. Capital Outlay

UNM Director of Government Affairs Marc Saavedra spoke to his August Forecast Report, the forecast being marked by significant uncertainty where Federal fiscal sequestration and indecision on long-term solutions form a significant drag on New Mexico's economy. The state's tax receipts are dragging due to slow growth in gross receipts tax, contracting dollars are

down due to the federal sequester, and a decrease in professional, scientific and technical services leads to further reduced taxable gross receipts. NMSU President Carruthers responded to the report by saying that NMSU will focus on upkeep and refurbish of existing buildings rather than ask for funds to build new buildings. He said, in times past, it was not fashionable to renovate, but moving forward NMSU will look primarily to improving existing spaces.

c. Lottery

UNM President Frank addressed the issue of the Lottery Scholarship fund solvency. He mentioned the State made a one-time infusion of close to \$10 million from Tobacco Settlement funds to provide support to the fund for the current academic year, and out of the 2013 Legislative session, one of the five bills dealing with lottery solvency that was introduced, SM 101, was passed and signed by the Governor. SM 101 mandates a work group to come up with a solvency solution. An HED Task Force, made of legislators, students, institution representatives and other key stakeholders is in place with Terry Babbitt, VP of Enrollment Management, and Isaac Romero, President of ASUNM, on the task force representing UNM. A Legislative Lottery Scholarship Work Group met on 9/6/13 for discussion and will meet again on 10/11/13 to address the \$50 Million shortfall projected within the next 4 years. This year, the Lottery Fund overspent by \$20 Million, awarding \$60 Million in scholarships and bringing in only \$40 Million in revenues. UNM President Frank said that continuing to provide subsidies to the middle class remains the popular stance. Within the Task Force, Group A came up with a popular reduction strategy proposal that could save as much as \$27 Million with the additional aim of continuing to look for a recurring revenue source for the fund. The proposal includes increasing the GPA requirement to 2.75, increasing the per semester hours requirement to 15 and reducing total semester eligibility from 8 to 7 semesters. UNM President Frank said he did not like the reduction in total semesters, and would possibly support a 'gap year,' whereby a student can delay by one year, after high school graduation, entry into the scholarship program. NMSU President Carruthers said we should always require 15 credit hours for anyone getting a scholarship. It was reiterated that Senator Sanchez wants this to not be a needs-based scholarship, but remain open to the middle class. NMSU President Carruthers said, already the Spring 2014 funding could be cut to 60% if legislation does not take action.

d. Education reform

UNM Provost Chaouki Abdallah spoke about Education Reform, and referring to his report to the UNM and NMSU Regents, he put forth UNM's five guiding questions and implementing a 5-step approach to the process of answering these questions:

- 1) What are the key educational needs of New Mexico related to students, teachers, school leaders, and counselors?
- 2) What unique opportunities/challenges are available in New Mexico (e.g., dealing with culture, language, distance, support during the entire career, etc.) that might revolutionize teaching in New Mexico and provide a powerful model for the rest of the country?
- 3) What are the best practices and models from within UNM, around the State, the country, and the World that could inform the changes taking place at the University of New Mexico?
- 4) What changes have to occur within the College of Education, the College of Arts & Sciences, and the University to implement and sustain an outstanding teacher education and educational leadership program at UNM?
- 5) What kind of oversight and resources should be put into place to ensure that the recommendations from this planning grant are implemented and sustained?

UNM Provost's report outlines UNM's Plan, with the goal to train and graduate the best teachers and principals for New Mexico, as measured by their classroom effectiveness using metrics of student achievement, value-addition, peers evaluation, and national reputation. Beyond UNM's plan for training new teachers and school leaders, UNM will continue to monitor and implement the school turn-around programs such as the UVA model or the UNM-APS TLSS model and support programs that train and development existing teachers, involving identifying the spectacularly good teachers and modeling their best practices.

5. OTHER / COMMENTS

NMSU Regent Cheney said he would like for the Regents of UNM and NMSU to meet annually. He said the State of New Mexico has a unique dynamic with unique challenges, and he emphasized the need for both Universities to collaborate and move forward together.


6. ADJOURNMENT

There being no more business the Board of Regents of UNM and the Board of Regents of NMSU adjourned at 3:15 p.m.

Minutes recorded by Mallory Reviere (UNM). Transcribed by Carolyn Aragon (NMSU)



Mike Cheney, Chair
Board of Regents



Isaac Pino, Secretary / Treasurer
Board of Regents