



**NEW MEXICO STATE UNIVERSITY BOARD OF
REGENTS SPECIAL MEETING
September 5, 2018 at 8:00am**

Regents Room of the Educational Services Building
NMSU Las Cruces Campus, 1780 East University
Avenue Las Cruces, New Mexico

Regents of New Mexico State University

Chair Debra Hicks, Vice Chair Kari Mitchell, Secretary/Treasurer Jerean Hutchinson, Chris Saucedo, Margie Vela

Non-Voting Advisory Members - Faculty Senate Chair Becky Corran, Employee Council Chair Monica Dunivan, ASNMSU President Emerson Morrow

University Officials - Chancellor Dan Arvizu, Ph.D., President John Floros, Ph.D., Senior Vice President Andrew Burke, Ed.D., General Counsel Lizbeth Ellis, J.D.

MINUTES

The Board of Regents meeting is available by webcast through the link at <http://panopto.nmsu.edu/bor/>

A. Call to Order, Chair Debra Hicks

Chair Hicks called the meeting to order at 8:03 AM

1. Confirmation of Quorum, Chair Debra Hicks

Quorum confirmed. All regents were present in the chamber.

2. Approval of the Agenda, Chair Debra Hicks

Motion to approve by Regent Hutchinson, second by Regent Saucedo. Motion passed unanimously.

B. Approval of the Minutes, Chair Debra Hicks

1. Special Meeting of July 31, 2018

Motion to approve by Regent Hutchinson, second by Regent Vela. Motion passed unanimously.

2. Special Meeting of June 29, 2018

Motion to approve by Regent Hutchinson, second by Regent Saucedo. Motion passed unanimously.

3. Regular Meeting of May 11, 2018

Motion to approve by Regent Hutchinson, second by Regent Saucedo. Motion passed unanimously.

4. Special Meeting of April 9, 2018

Motion to approve by Regent Vela, second by Regent Hutchinson. Motion passed unanimously.

5. Special Meeting of April 6, 2018

Motion to approve by Regent Hutchinson, second by Regent Saucedo. Motion passed unanimously.

C. Awards and Recognition

1. Proclamation for NMSU Grants 50th Anniversary, Chair Debra Hicks

Motion to approve by Regent Hutchison, second by Regent Saucedo. Motion passed unanimously.

A proclamation was presented to NMSU Grants and received by Vice President for Academic Affairs at NMSU Grants, Dr. Harry Sheski.

Dr. Sheski said it was an honor and privilege to accept the proclamation as President Best could not be here due to other obligations.

Regent Mitchell noted that her most favorite graduation ceremony moments were at NMSU Grants, great community and passionate about what they do.

Regent Hutchinson congratulated the NMSU Grants campus and it is awesome part of the NMSU system.

Chair Hicks noted that NMSU Grants is a critical part of our career training for the State of New Mexico and the Hispanic and Native American people that they serve.

D. Consent Items, Chair Debra Hicks

Motion to approve by Regent Saucedo, second by Regent Hutchinson. Motion passed unanimously.

1. **NMSU Las Cruces-Gerald Thomas Hall, Room 322 Renovation**, Associate Vice President Glen Haubold; University Architect Heather Watenpaugh
2. **Disposition/Deletion of Property**, Senior Vice President Andrew Burke, Ed.D.
3. **El Paso Electric Company Easement for Hotel Site**, President & CEO Scott Eschenbrenner
4. **City of Las Cruces Talavera Natural Gas Line - Easement**, Scott Eschenbrenner, Special Assistant to the President
5. **Amendment to ADI Bylaws**, Scott Eschenbrenner, President, Aggie Development Incorporated
6. **Revision to RPM 15.65, Security Clearance (Department of Defense)**, Chris J. Scott, Facility Security Officer
7. **Approval to name space in the ECIII Foreman Complex, Learning Communities in Engineering Suite 300**, Interim Vice President University Advancement, Tina Byford
8. **Approval to name the Engineering Technology Student Lounge Rm 392, ECIII**, Interim Vice President University Advancement, Tina Byford
9. **Approval to name new facility at NMSU Grants (Lucy Belle Ma Hall)**, Interim Vice President University Advancement, Tina Byford
10. **21.19.2 NMAC – Pecan Buyers Licensure**, Cabinet Secretary & Director Jeff Witte
11. **21.17.37 NMAC Pecan Weevil Interior Quarantine**, Cabinet Secretary & Director Jeff Witte
12. **21.1.1 NMAC – NMDA Rule Making Procedures**, Cabinet Secretary & Director Jeff Witte
13. **19.15.108 NMAC – Bonding and Registration of Service Technicians and Service Establishments for Commercial Weighing or Measuring Devices**, Cabinet Secretary & Director Jeff Witte
14. **19.15.110 NMAC - Biodiesel fuel specification, dispensers, and dispenser labeling requirements**, Cabinet Secretary & Director Jeff Witte
15. **19.15.111 NMAC - E85 Fuel specification, dispensers, and dispenser labeling requirements**, Cabinet Secretary & Director Jeff Witte
16. **19.15.112 NMAC - Retail natural gas (CNG/LNG) regulations**, Cabinet Secretary & Director Jeff Witte
17. **Resolution for General Obligation Bonds D and B**, Assistant Vice President Ricardo Rel
18. **Approval to name classroom 259 in Jett Hall, Building 189 as the Bob & Gwen Watkins Connected Learning Center**, Interim Vice President University Advancement, Tina Byford
19. **Non-Instruction and General Research and Public Service Projects**, Associate Vice President Ricardo Rel

E. Informational Items, Chair Debra Hicks

1. Appointment of Labor Management Relations Board, Chair Debra Hicks

Pursuant to the provisions of the New Mexico State University Labor Management Relations Resolution, as amended March 14, 2005, the following individuals are hereby appointed by Board of Regents Chair (President) Debra Hicks to serve on the NMSU Labor Management Relations Board, commencing September 1, 2018.

Appointments were made approximately two weeks ago, and the following members were named.

Recommended by NMSU System Chancellor and Appointed by Chair of Board of Regents: Fermin Rubio

Recommended by AFSCME Local 2393 President, and Appointed by Chair of Board of Regents: Larry Patrick Martinez

Jointly Recommended by Martinez and Rubio and Appointed by Chair of Board of Regents: Peter Gregware

2. Enrollment Update, Chair Debra Hicks

Chancellor Arvizu welcomed President Floros and noted that President Floros has been with NMSU since July and briefly detailed his past experience.

Chair Hicks asked for an update regarding enrollment now that the census date has passed.

There will be a decline in enrollment of about 1% and the expectation is that we are at a point where we can begin to turn the enrollment around. Chancellor Arvizu noted that a work session will be held later today where some of these details will be discussed. First-time freshmen enrollment is up and are indicative of potential increases on the main campus. As this is examined more closely, some implications are a concern. Concerns are related to policy changes regarding the application of scholarships. In the FY 2017 Budget 9.5 million and in 2018 it was 14.8 million. A 5-million-dollar change, but only 2 million was anticipated. There is a 3.3-million-dollar shortfall. This is due primarily to a policy shift and Chancellor Arvizu cannot speak to the rationale for how this was determined two years ago. Administration will look at the issue more closely and make necessary adjustment, such as attrition, but this is a shortfall larger than anticipated.

President Floros distributed handouts to the Regents.

A slide depicting the NMSU Las Cruces Campus Net Tuition and Fees per Student FTE and Institutional Scholarship Discount Rate was displayed. The chart and graph show an increase of Dollars per FTE from Fiscal Year 2015 through Fiscal Year 2019 (Estimated) with a discount rate of 9% in FY 2015 to a 16.9% discount rate estimation in FY 19.

There has been an uptick in freshmen enrollment which is primarily due to scholarships and fairly high scholarships. This is a practice that other universities follow. The university has had input from a company that handles university enrollment and we are seeing the effect of these decisions today. We have attracted more students but retention hasn't improved and graduation rates have improved so the total enrollment is still lower than last year.

A slide depicting a chart of Instruction and General Expenditures and Net Tuition and Fees was displayed. This depicts similar data as the previous graph and shows graduate and undergraduate tuition and fees, scholarships awarded and net tuition and fees and the calculation of the Institutional scholarship discount rate for Fiscal Year 2015 – Fiscal Year 2019 (estimated).

Two-million additional dollars were budgeted for FY 2018, however calculations put the overage of

additional 3.3 million. We will need to wait until the end of the year to know the final numbers. There is no plan to change the policy for students that are already here. We made commitments to the students and we will keep our commitment. We will attempt to manage scholarships and finances and have already made moves to restructure organizations.

Chair Hicks stated that in summit in March 28 workshop the board was presented with information about projections and policy modification was noted. At that time 2 million was noted as the impact of the change. We were not accurately or adequately informed about the impact of this decision. Now we are looking at 5 million, which is more than twice of what was expected.

Regent Mitchell noted that more information is needed. The first time the regents were aware of the degree of discounts was before budget approval. This scholarship change was happening for longer period of time than expected. There were three opportunities to discuss the matter in more detail: a joint work session of the Regents Student Success committee and Regents Financial Strategies Performance and Budget committee, followed by a discussion and approval of sources and uses, and finally budget approval in May. There were two years of touting increased freshmen enrollment without mention of the fiscal impact of the scholarship policy change in open meetings. It seems that you can't be off in estimates two times in a row. When budget was approved the marketing budget was reduced and the marketing budget should have had a reduction in billboards and there needs to be confirmation that this is what occurred. We assumed that we approved a budget that was not only balanced, but would include investment funds for us to grow the institutions. This shows us that we not only don't have the money to invest but we also have a deficit to address. In conclusion, Regent Mitchell thanked the Chancellor and President for bringing the matter forward.

Regent Hutchinson referenced the chart of Net Tuition and Fees and asked why weren't the funds for scholarships already budgeted and available for allocation? Why didn't we stop when we knew that funds were not available at the time the overage occurred? It's the right thing to do to keep commitments to students who have received these scholarships. Regent Hutchinson thanked the Chancellor and President for bringing the matter forward.

Chair Hicks asked if all scholarships come from the foundation? Some funds come from foundation, but the scholarships being discussed currently come from general operating funds. These are dollars from tuition. This is not a matter of policy, it's a practice. The practice has changed over the years and we change every year and we will model this an look at it closely. This is a very forward-looking process which were originally made in 2016. What we already have in place affect next year's students. This will take time to work out.

Regent Mitchell asked that given that 3-million-dollar deficit from last year, why wasn't something done about it then? The expectations of fiscal responsibility, reporting, and communication will be dramatically increased under new leadership.

Chancellor Arvizu noted that one of the challenges is that the budget is large and complex and difficult to predict. Administration will be totally transparent and determine where the baseline is and note the variances that may occur. We need to be judicious about how we budget and we will get back in stable financial footing, but it will take longer to address the budget and get to where we want to be fiscally.

Chair Hicks asked how the discount is backfilled under other circumstances? What is common is to adjust scholarship to create competitive advantage for different types of students. There were some incorrect assumptions, but it's difficult to be sure. What may work better is to look at past performance to adjust scholarships. We may keep or grow the amount of scholarships, but we need to do so in a maintainable way.

Regent Vela thanked the Chancellor and President for their commitment to students and student scholarships that have already been committed. Do we anticipate a plan to move students from internal scholarships to external or grant-funded scholarships? President Floros responded that there are possibilities, including involving undergraduates in research. These are the opportunities we can capitalize on if we had the funds for these strategic investments.

ASNMSU President Emerson Morrow thanked the Chancellor and President for reaffirming their commitment to students that have received scholarships.

Regent Mitchell noted that transparency includes noting problems when they occur but also includes how we tout our successes.

Chair Hicks noted that between 2017 and 2018 that the number of scholarships went down but the amount awarded was increased. Is that due to the increased number of freshman? It is the total student population and not the number of students receiving scholarships.

Regent Vela noted that this is indicative of the silos that we have at this institution.

Methodology for the 5-year projection for the first-year freshmen was provided on March 28 by Vice President Montoya and the Chancellor and President should look at this when evaluating the program and determine how we were so far off estimates.

F. Announcements, Chair Debra Hicks

Work session this afternoon where Wheless Partners will provide a presentation on findings

1. "Gun's Up" – Good News for NMSU!

Regent Vela praised the world-class faculty in teaching and research. Regent Vela noted that HSI Research Hub Award winner and Presidential Mentor in STEM, Dr. Elba Serrano was influential in her own studies and research at NMSU.

Regent Mitchell praised the new NMSU leadership team of Chancellor Arvizu and President Floros and the new tagline, "Be Bold. Shape the Future."

Chair Hicks noted that Secretary Jeff Witte had an excellent chile event and thanked him for his efforts to put forward the Pecan Weevil Quarantine regulations.

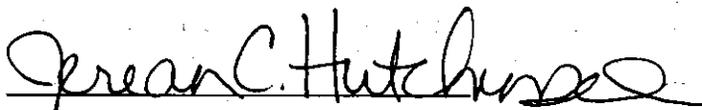
G. Adjournment, Chair Debra Hicks

Motion to adjourn entered by Regent Vela and seconded by Regent Hutchinson. Meeting adjourned at 9:05 AM.

Meeting Minutes Approved on October 3, 2018 by the New Mexico State University Board of Regents.



Debra P. Hicks
Board of Regents Chair



Jean C. Hutchinson
Board of Regents Secretary/Treasurer