



**NEW MEXICO STATE UNIVERSITY BOARD OF REGENTS
SPECIAL MEETING NOTICE AND AGENDA
October 4, 2019 at 1:00pm**

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

NOTICE

The New Mexico State University Board of Regents will hold a special meeting at 1:00pm on Friday, October 4, 2019 at the Regents Room of the Educational Services Building, 1780 East University Avenue Las Cruces, New Mexico. In accordance with the New Mexico Open Meetings Act, this meeting is open to the public.

AGENDA

- A. **Call to Order**, *Chairwoman Chacón-Reitzel*
 - 1. **Confirmation of Quorum**, *Chairwoman Chacón-Reitzel*
 - 2. **Approval of the Agenda**, *Chairwoman Chacón-Reitzel*
- B. **Confirmation of Prior Executive Session on September 4, 2019**, *Chairwoman Chacón-Reitzel*
- C. **Consent Items**, *Chairwoman Chacón-Reitzel*
 - 1. **Las Cruces: DACC Workforce Development Center Reroof and Parking Lot Project**, *University Architect Heather Watenpaugh*
 - 2. **Amendment to Article IV of the employment contracts for each of Chancellor Arvizu and President Floros, to extend the review period for the Objective Statement in each contract**, *Chairwoman Chacón-Reitzel*
- D. **Action Items**
 - 1. **None**
- E. **Adjournment**, *Chairwoman Chacón-Reitzel*

Please contact the Office of the Board of Regents at 575-646-5997 if you need additional information.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the Board of Regents Office at 575-646-5997 at least three days prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, may also be provided in various accessible formats. Please contact the Office of the Regents' Special Advisor at (575) 646-5997 if a summary or other type of accessible format is needed.



**NEW MEXICO STATE UNIVERSITY BOARD OF REGENTS
SPECIAL MEETING
October 4, 2019**

Item B

Confirmation of Prior Executive Session – September 4, 2019

The Board of Regents met in a closed executive session at 3:00 PM on Wednesday, September 4, 2019 in Gerald Thomas Hall, Room 297 on the Las Cruces Campus, 940 College Drive, Las Cruces, New Mexico. The closed executive session meeting was held to discuss limited personnel matters and pending litigation, in accordance with NMSA Section 10-15-1 H(2) and (7) of the New Mexico Open Meetings Act.

Those board members who were present please certify that only matters of that nature were discussed.

Regent Hicks ____

Regent Chacón-Reitzel ____

Regent Devasthali ____

Regent Sanchez ____



Board of Regents Meeting
Meeting Date: October 4, 2019
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Agenda Item # C-1

- Action Item
- Consent Item
- Informational Item

Presented By: Heather Watenpaugh
University Architect

Agenda Item: Las Cruces: DACC Workforce Development Center Reroof and Parking Lot Project

Requested Action of the Board of Regents: Amend approval of funding for DACC Workforce Development Center

Executive Summary: The proposed scope of work includes the complete reroof of entire Workforce Center Building, reconstruction of south parking lot and improvements to address drainage and code issues in south parking lot. The amended project budget is \$1,900,000 to include DACC's \$200,000 commitment from local/BRR for both the Workforce Central Roof and Workforce Center Parking Lot drainage (total \$400,000).

References:
N/A

Prior Approvals:
September 4, 2019

Agenda Item Approved By:



 Alton Looney
 Interim Associate Vice President of Facilities and Services

9-23-19

 Date



 Andrew J. Burke
 Senior Vice President

9.24.19

 Date



Board of Regents Meeting
Meeting Date: October 4, 2019
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Agenda Item # C2

Action Item

Consent Item

Informational Item

Presented By: Dina Chacón-Reitzel,
Chairwoman, Board of Regents

Agenda Item: Amendment to Article IV of the employment contracts for each of Chancellor Arvizu and President Floros, to extend the review period for the Objective Statement in each contract.

Requested Action of the Board of Regents: Approval of amended language to paragraphs 2 and 3 of Article IV: 4.02 as presented in each contract, and authorization for the Chairwoman, Board of Regents or designee to counter-sign each corresponding amendment upon its respective signature by Chancellor Arvizu and President Floros.

Executive Summary: In order to assure adequate time to review and approve the annual quantitative performance targets and goals (Objective Statement) referenced in Article 4.02 of both the employment contract between the Regents of New Mexico State University and Chancellor Arvizu and the employment contract between the Regents of New Mexico State University and President Floros, each proposed amendment would provide for an additional two weeks for the Chancellor to propose the quantitative performance targets and goals (Objective Statement) and an additional two weeks for the regents to review the proposal before taking formal action.

References:

See attached original language of Article IV: 4.02 and amended language of the employment contracts between the Board of Regents and Chancellor Arvizu and between the Board of Regents and President Floros.

Prior Approvals:

N/A

Current Article IV: 4.02 Incentive Compensation (Chancellor Arvizu)

Incentive Compensation. During each full fiscal year (July 1 - June 30) through the Term of this Agreement, commencing July 1, 2018, Dr. Arvizu will have the opportunity to earn Incentive Compensation for the attainment of specific quantitative performance targets and revenue generating goals, as established by the Regents in accordance with the terms of this Section of this Agreement. The additional Incentive Compensation is provided to reward and incentivize the achievement of specified performance targets and goals related to growing enrollment, improving retention, improving graduation and placement rates, increasing research awards, grants and contracts, increasing real-estate and development related revenues, increases in gift receipts through fundraising and capital campaigns, and improved alumni giving rates. For the 2018-2019 fiscal year, the maximum Incentive Compensation that may be earned is 30% of the Annual Base Salary (the Performance Incentive Pool). Based on NMSU System performance improvement, and consequent increases in revenue generated through the Chancellor's achievement of the targets and goals, in future years the maximum amount available in the Performance Incentive Pool may be increased, by the Regents, to as much as 50% of the Chancellor's Annual Base Salary in effect at that time. The parties agree that their intent is for the performance incentives to be funded solely from a portion of the additional net revenue generated from the attainment of the identified performance metrics.

Each fiscal year, the specific quantitative performance targets and goals (Objective Statement) for that year will be approved by the Regents, no later than September 30, after consideration and discussion of a proposal brought forward by the Chancellor. The annual Objective Statement, as approved, will include the specific metrics for the minimum performance achievements (the Performance Floor) required as a condition of payment of Incentive Compensation from the Performance Incentive Pool, and may also include a graduated set of metrics providing Incentive Compensation in increasingly larger amounts for increasingly better performance, above and beyond the Performance Floor, up to the maximum amount of the Performance Incentive Pool. The annual Objective Statement will include specific metrics related to the following performance goals: growing enrollment; improving retention; improving graduation and placement rates; increasing research awards, grants and contracts; increasing real-estate and development related revenues; increases in gift receipts through fundraising and capital campaigns, and alumni giving rates. The parties agree to work collaboratively to establish the specific goals and targets in the Objective Statement, and the included performance metrics, possibly using an outside consultant, however, in the event that the parties do not reach mutual agreement, the Regents will have the right to define conditions under which the Incentive Compensation will be paid, subject to the parameters set forth in this Agreement.

Within 90 days after the end of each fiscal year, or as soon as relevant data becomes available, an assessment will be conducted and a determination made by the Regents regarding the attainment of the specific quantitative performance targets and revenue generating goals as set forth in the Objective Statement for that fiscal year. Based on that determination, the amount of Incentive Compensation earned for that prior fiscal year will be established. In the event that the Performance Floor, as established in the Objective Statement, is not achieved, then no Incentive Compensation will be due or paid under this Agreement. Any Incentive Compensation earned will be paid in four quarterly installments at the conclusion of each quarter following the determination, irrespective of whether Dr. Arvizu continues to be employed by NMSU. No Incentive Compensation will be due or payable for any fiscal year in which Dr. Arvizu does not continue to serve as Chancellor through the end of the fiscal year.

**Amendment
to
Chancellor Employment Agreement**

This Amendment between the Regents of New Mexico State University (“NMSU”) and Dan Arvizu, Ph.D. (“Dr. Arvizu”) (collectively, the “Parties”), takes effect upon the last signature below.

Background

- The Parties entered into a Chancellor Employment Agreement dated May 21, 2018 (the “Agreement”), to engage Dr. Arvizu as the NMSU System’s Chancellor.
- The Parties have decided to update the Agreement’s incentive compensation arrangement, to reflect changed circumstances.

Amendment

The Parties amend the Agreement as follows:

1. **Incentive Compensation.** In the Agreement, Sec 4.02, entitled “Incentive Compensation,” is MODIFIED to read as follows:

4.02 Incentive Compensation. During each full fiscal year (July 1 - June 30) through the Term of this Agreement, commencing July 1, 2018, Dr. Arvizu will have the opportunity to earn Incentive Compensation for the attainment of specific quantitative performance targets and revenue generating goals, as established by the Regents in accordance with the terms of this Section of this Agreement. The additional Incentive Compensation is provided to reward and incentivize the achievement of specified performance targets and goals related to growing enrollment, improving retention, improving graduation and placement rates, increasing research awards, grants and contracts, increasing real-estate and development related revenues, increases in gift receipts through fundraising and capital campaigns, and improved alumni giving rates. For the 2018-2019 fiscal year, the maximum Incentive Compensation that may be earned is 30% of the Annual Base Salary (the Performance Incentive Pool). Based on NMSU System performance improvement, and consequent increases in revenue generated through the Chancellor's achievement of the targets and goals, in future years the maximum amount available in the Performance Incentive Pool may be increased, by the Regents, to as much as 50% of the Chancellor's Annual Base Salary in effect at that time. The parties agree that their intent is for the performance incentives to be funded solely from a portion of the additional net revenue generated from the attainment of the identified performance metrics.

For each fiscal year under the Agreement, Dr. Arvizu must propose specific quantitative performance targets and goals (Objective Statement) for consideration and approval by the Regents. Dr. Arvizu must provide that Objective Statement to the Regents no later than the conclusion of the second week of October. The Regents during a period no less than two weeks must review that Objective Statement, before convening as a board to discuss and take formal action.

Dr. Arvizu must cause each Objective Statement to include specific metrics for the minimum performance achievements (the Performance Floor) required as a condition of payment of Incentive Compensation from the Performance Incentive Pool. Dr. Arvizu may include in that Objective Statement a graduated set of metrics providing Incentive Compensation in increasingly larger amounts for increasingly better performance, above and beyond the Performance Floor, up to the maximum amount of the Performance Incentive Pool. The parties must ensure that those specific metrics relate primarily to the following performance goals: growing enrollment; improving retention; improving graduation and placement rates; increasing research awards, grants and contracts; increasing real-estate and development related revenues; increases in gift receipts through fundraising and capital campaigns, and alumni giving rates.

The parties must work collaboratively each year to establish the Objective Statement, and the Regents have discretion to engage an outside consultant in support of that objective. If the parties do not reach mutual consensus regarding the Objective Statement, then the Regents have a right to define conditions under which the Incentive Compensation is to be paid, subject to the parameters set forth in this Agreement.

No later than ninety days after the end of each fiscal year, or as soon as relevant data becomes available, the Regents must conduct an assessment and make a determination regarding whether Dr. Arvizu has attained each specific quantitative performance target and revenue-generating goal as set forth in the Objective Statement for that prior fiscal year. Based on that determination, the Regents must establish the amount of Incentive Compensation earned for that prior fiscal year. If Dr. Arvizu has not achieved the Performance Floor, as established in the Objective Statement, then no Incentive Compensation is due or payable under this Agreement corresponding to that prior fiscal year. Any Incentive Compensation earned is to be paid in four quarterly installments at the end of each quarter after the determination, irrespective of whether Dr. Arvizu continues to be employed by NMSU. No Incentive Compensation is due or payable for any fiscal year in which Dr. Arvizu does not continue to serve as Chancellor through the end of the fiscal year.

2. **Remaining Provisions.** Unless set forth in this Amendment otherwise, the Agreement is unaffected and continues in full force and effect according to its provisions. This Amendment prevails upon any conflict between this amendment and the Agreement or any earlier amendment.

Signed:

Regents of New Mexico State University

Dan Arvizu, Ph.D.

Dina Chacón-Reitzel, Chair

Date:_____

Date:_____

Current Article IV: 4.02 Incentive Compensation (President Floros)

Incentive Compensation. During each full fiscal year (July 1 - June 30) through the Term of this Agreement, Dr. Floros will have the opportunity to earn Incentive Compensation for the attainment of specific quantitative performance targets and revenue generating goals, as established by the Regents in accordance with the terms of this Section of this Agreement. The additional Incentive Compensation opportunity is provided to reward and incentivize the achievement of specified performance targets and goals related to growing enrollment, improving retention, improving graduation and placement rates, increasing research awards, grants and contracts, increasing real-estate and development related revenues, increases in gift receipts through fundraising and capital campaigns, and improved alumni giving rates. For the 2018-2019 fiscal year, the maximum Incentive Compensation that may be earned is 25% of the Annual Base Salary (the Performance Incentive Pool). Based on NMSU System performance improvement, and consequent increases in revenue generated through the President's achievement of the targets and goals, in future years the maximum amount available in the Performance Incentive Pool may be increased, by the Regents, to as much as 40% of the President's annual base salary in effect at that time. The parties agree that their intent is for the performance incentives to be funded solely from a portion of the additional net revenue generated from the attainment of the identified performance metrics.

Each fiscal year, the specific performance incentive targets and goals (Objective Statement) for that year will be approved by the Regents, no later than September 30, after consideration and discussion of a proposal brought forward by the Chancellor. The annual Objective Statement, as approved, will include the specific metrics for the minimum performance achievements (the Performance Floor) required as a condition of payment of Incentive Compensation from the Performance Incentive Pool, and may also include a graduated set of metrics providing Incentive Compensation in increasingly larger amounts for increasingly better performance, above and beyond the Performance Floor, up to the maximum amount of the Performance Incentive Pool. The annual Objective Statement will include specific metrics related to the following performance goals: growing enrollment; improving retention; improving graduation and placement rates; increasing research awards; grants and contracts; increasing real-estate and development related revenues; increases in gift receipts through fundraising and capital campaigns, and alumni giving rates. The parties agree to work collaboratively to establish specific goals and targets, and related performance metrics, to be set forth in the Objective Statement, possibly using an outside consultant, however, in the event that the parties do not reach mutual agreement, the Regents will have the right to define conditions under which the performance based Incentive Compensation will be paid, subject to the parameters set forth in this Agreement.

Within 90 days after the end of each fiscal year, or as soon as relevant data becomes available, an assessment will be conducted and a determination made by the Regents regarding the attainment of the specific quantitative performance targets and revenue generating goals as set forth in the Objective Statement for that fiscal year. Based on that determination, the amount of the Incentive Compensation earned for that prior fiscal year will be established. In the event that the Performance Floor, as established in the Objective Statement, is not achieved, then no Incentive Compensation will be due or paid under this Agreement. Any Incentive Compensation earned will be paid in four quarterly installments at the conclusion of each quarter following the determination, irrespective of whether Dr. Floros continues to be employed by NMSU. No Incentive Compensation will be due or payable for any fiscal year in which Dr. Floros does not continue to serve as President through the end of the fiscal year.

**Amendment
to
University President Employment Agreement**

This Amendment between the Regents of New Mexico State University (“NMSU”) and Dr. John Floros (“Dr. Floros”) (collectively, the “Parties”), takes effect upon the last signature below.

Background

- The Parties entered into a University President Employment Agreement dated July 1, 2018 (the “Agreement”), to engage Dr. Floros as the President of the University component of the NMSU System.
- The Parties have decided to update the Agreement’s incentive compensation arrangement, to reflect changed circumstances.

Amendment

The Parties amend the Agreement as follows:

1. **Incentive Compensation.** In the Agreement, Sec 4.02, entitled “Incentive Compensation,” is MODIFIED to read as follows:

4.02 Incentive Compensation. During each full fiscal year (July 1 - June 30) through the Term of this Agreement, Dr. Floros will have the opportunity to earn Incentive Compensation for the attainment of specific quantitative performance targets and revenue generating goals, as established by the Regents in accordance with the terms of this Section of this Agreement. The additional Incentive Compensation opportunity is provided to reward and incentivize the achievement of specified performance targets and goals related to growing enrollment, improving retention, improving graduation and placement rates, increasing research awards, grants and contracts, increasing real estate and development related revenues, increases in gift receipts through fundraising and capital campaigns, and improved alumni giving rates. For the 2018-2019 fiscal year, the maximum Incentive Compensation that may be earned is 25% of the Annual Base Salary (the Performance Incentive Pool). Based on NMSU System performance improvement, and consequent increases in revenue generated through the President's achievement of the targets and goals, in future years the maximum amount available in the Performance Incentive Pool may be increased, by the Regents, to as much as 40% of the President's annual base salary in effect at that time. The parties agree that their intent is for the performance incentives to be funded solely from a portion of the additional net revenue generated from the attainment of the identified performance metrics.

For each fiscal year under the Agreement, the Chancellor must propose specific quantitative performance targets and goals (Objective Statement) for consideration and approval by the Regents. The Chancellor must provide that Objective Statement to the Regents no later than the conclusion of the second week of October. The Regents during a period no less than two weeks must review that Objective Statement, before convening as a board to discuss and take formal action.

The Chancellor must cause each Objective Statement to include specific metrics for the minimum performance achievements (the Performance Floor) required as a condition of payment of Incentive Compensation from the Performance Incentive Pool. The Chancellor may include in that Objective Statement a graduated set of metrics providing Incentive Compensation in increasingly larger amounts for increasingly better performance, above and beyond the Performance Floor, up to the maximum amount of the Performance Incentive Pool. The parties must ensure that those specific metrics relate primarily to the following performance goals: growing enrollment; improving retention; improving graduation and placement rates; increasing research awards, grants and contracts; increasing real-estate and development related revenues; increases in gift receipts through fundraising and capital campaigns, and alumni giving rates.

The parties must work collaboratively each year to establish the Objective Statement, and the Regents have discretion to engage an outside consultant in support of that objective. If the parties do not reach mutual consensus regarding the Objective Statement, then the Regents have a right to define conditions under which the Incentive Compensation is to be paid, subject to the parameters set forth in this Agreement.

No later than ninety days after the end of each fiscal year, or as soon as relevant data becomes available, the Regents must conduct an assessment and make a determination regarding whether Dr. Floros has attained each specific quantitative performance target and revenue-generating goal as set forth in the Objective Statement for that prior fiscal year. Based on that determination, the Regents must establish the amount of Incentive Compensation earned for that prior fiscal year. If Dr. Floros has not achieved the Performance Floor, as established in the Objective Statement, then no Incentive Compensation is due or payable under this Agreement corresponding to that prior fiscal year. Any Incentive Compensation earned is to be paid in four quarterly installments at the end of each quarter after the determination, irrespective of whether Dr. Floros continues to be employed by NMSU. No Incentive Compensation is due or payable for any fiscal year in which Dr. Floros does not continue to serve as President through the end of the fiscal year.

2. **Remaining Provisions.** Unless set forth in this Amendment otherwise, the Agreement is unaffected and continues in full force and effect according to its provisions. This Amendment prevails upon any conflict between this amendment and the Agreement or any earlier amendment.

Signed:

Regents of New Mexico State University

John Floros, Ph.D.

Dina Chacón-Reitzel, Chair

Date: _____

Date: _____