



**NEW MEXICO STATE UNIVERSITY BOARD OF REGENTS
SPECIAL MEETING MINUTES
January 6, 2021 at 9:00am**

Regents of New Mexico State University

Chair Dina Chacón-Reitzel, Vice Chair Ammu Devasthali, Secretary/Treasurer Luke Sanchez, Debra Hicks, Arsenio Romero

Non-Voting Advisory Members - ASNMSU President Mathew Madrid, Faculty Senate Chair Julia Parra, Employee Council Chair Letty Gallegos

University Officials - Chancellor Dan E. Arvizu, Ph.D., President John D. Floros, Ph.D., Provost Carol Parker, J.D., Vice Chancellor Ruth A. Johnston, Ph.D., Senior Vice President Andrew Burke, Ed.D., General Counsel Roy Collins III, J.D.

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

MINUTES

A. Call to Order, Chairwoman Dina Chacón-Reitzel

1. Confirmation of Quorum and Roll Call

Chairwoman Chacón-Reitzel called the meeting to order at 9:01am.

The Chief of Staff proceeded with taking roll.

Regent Romero – Present

Regent Hicks – Present

Regents Sanchez – Present

Regent Devasthali – Present

Regent Chacón-Reitzel – Present

Chancellor Arvizu – Present

President Floros – Present

Provost Parker – Present

Vice Chancellor Johnston – Present

Vice President Burke – Present

General Counsel Collins – Present

Secretary Witte – Present

The Chief of Staff confirmed all members of the Board and university officials were present and the quorum was confirmed.

B. Approval of Agenda, Chairwoman Dina Chacón-Reitzel

Chairwoman Chacón-Reitzel entertained a motion to approve the agenda. Regent Devasthali motioned to approve the agenda. Regent Romero seconded the motion.

The Chief of Staff took a roll call vote.
Regent Romero – Yes
Regent Hicks – Yes
Regent Sanchez – Yes
Regent Devasthali – Yes
Regent Chacón-Reitzel – Yes
The Chief of Staff confirmed the motion passed.

C. Consent Items

1. Appointment of Vice President of Research Luis Cifuentes to the Board of Directors of the New Mexico Consortium Incorporated, Vice President Luis Cifuentes

Chairwoman Chacón-Reitzel entertained a motion to approve the consent agenda as presented. Regent Devasthali motioned to approve the agenda. Regent Sanchez seconded the motion.

The Chief of Staff took the roll call vote.
Regent Romero - Yes
Regent Hicks - Yes
Regent Sanchez - Yes
Regent Devasthali - Yes
Regent Chacón-Reitzel – Yes
The Chief of Staff confirmed the motion passed.

D. Action Items

1. Agricultural Modernization and Educational Facilities Phase 1, President John D. Floros

President Floros reported that the overall project of modernizing their agricultural facilities began 10 to 15 years ago with a plan to rebuild most, if not all, of their agricultural facilities. It has been reduced in scope since then, mostly because it was a lot of money and the realization was that they couldn't achieve that kind of large amount of investment. It has been reduced from \$100+ million to what is being presented today. What will be covered today is several buildings on the 70 acres in the south part of campus in Phase 1. It will address different facilities including classrooms, research laboratories, and areas where they interact with the public in terms of outreach and extension as well as areas that they interact with the industry. The buildings shown in the presentation address student, teaching, and outreach needs. There are a lot of places where students will be able to have hands on experiential learning from laboratories to places where they can interact with plants, animals and other agricultural related commodities. It will provide faculty, staff, and students areas educating, learning, interacting with the public, industry, leaders and support their research enterprise in terms of agricultural and food related projects. Phase one of this project includes primarily three buildings. One of the three buildings is a biomedical research building. The second is a feed mill. The third is the Food Science Learning and Safety Center, which includes a meat science and meat processing facility. With these three new buildings that they will be building, they will demolish five existing buildings. It's part of their attempt to build new things and take out of commission of old buildings that are not very functional. This is in Phase 1 of the Geo Bond 2018 that was voted on in November of 2018. Hopefully they will have final approval to move forward on January 13 of this year. Dates for Phase 2 will be conveyed as they move forward. In the second phase, the Geo Bond that was voted on last year, supports funding that was passed in November 2020. They're moving forward with the design phase. Historically, they've changed a lot of things because they couldn't cover all the needs that they have, so they had to reduce the overall project in terms of scope. Recently, they realized that because of COVID and some other issues, they've had to

put additional reductions in scope for their Phase 1 buildings.

What is shown in the presentation is the fundamental changes from what they had as part of the design before and what they're moving forward with in construction. The Biomedical Research Building will be reduced slightly by approximately 2600 square feet. The other two buildings will grow a little. They thought that the need is as justifiable. Approximately 650 square feet for each one of them. The other change that they're making, compared to what they had in their plan before, is instead of constructing the full Biomedical building, they will build the exterior and infrastructure in Phase 1. They will complete the interior in Phase 2. The overall net is approximately 1322 square feet less than what they had before. The Biomedical Research Building is part of the Ag modernization project, but also reaches out to other colleges beyond their ACES. It reaches out to Arts and Sciences, with biology, chemistry and biochemistry faculty and hopefully to additional faculty from the colleges of Health and Social Services and Engineering, depending on the work that they do in that building. It will support scientific discovery testing, and clinical trials for agriculturally very important commodities, animals as well as human health, including cancer, viruses such as the virus that they're going through right now. It's a building that NMSU has needed for a long time. Phase 1 of Ag modernization provides the opportunity to put that building together, although in a reduced scope. It's state of the art research capabilities, conventional animal housing, surgery suites and behavioral types of spaces. The bottom line is that it will help their agriculture industry in terms of animal health and New Mexico in terms of human health. In the presentation the blue space is the site for the Biomedical Research Building. It's on Espina and Frenger. Their hope is that Phase 1 and Phase 2 will be so close together that it will not be noticeable that this building will be empty on the inside for any appreciable time. They're going to start with Phase 2 as soon as they're finished with Phase 1. This was a result of what their experts called Value Engineering, which means cost cutting in many respects. The COVID-19 virus and a lot of other issues that they've faced this past year have brought about the need to value engineering of this project as well as the rest of them. That's one of the reasons that they are where they are today.

Phase 1 is \$25 million and Phase 2 was designed to also be \$25 million with some additional monies that they were going to raise. However, Phase 2 has been reduced to \$18 million and they still have to fundraise for the remaining \$6 million, if not more than that. That has had some impact on how they design the remaining of the buildings. In Phase 1, they have now over \$25 million and they have the plan and the design ready. They're going to move into construction soon. They're going to bring the five buildings down and start construction of the three new buildings. They will reconfigure some of the animal pens, new as well as some of the old ones. There'll be some site work, drainage work and remaining infrastructure around those buildings. The parts that they are scheduling for demolition is the livestock judging pavilion, and the remaining units, which some of those will be replaced during Phase 2. The buildings scheduled for demolition are very old and not very functioning. The total space that they will remove is about 13 and a half thousand square feet. What is shown are the sites of the three new buildings: Biomedical Facility, Feed Mill, and Food Science and Safety Facility. The completion of the design is very close and is going to be done by next month. They project that they can start construction by April 2021 and complete all three buildings by May of next year. That is assuming they get the approval that's coming up on January 13.

Regent Romero commented that it's important that they are on top of the square footage across of all properties within the university. This is a great opportunity to be able to make all property in square footage usable. It's also important to delete any square footage that they have that's not being used. This is a good project and it sounds like some great plans.

Regents Hicks appreciated the update. They have revised the scope significantly based on funding.

Regent Hicks asked what approvals have been received based on the revised scope.

President Floros stated that the reduced scope he was referring to happened a long time ago. When the project began 10 or 15 years ago it was very large and broad. Back then, they were talking about \$100 million dollars. They had to reduce it to roughly 75 and even that was very large to be able to go out because the maximum they can request for Geo Bonds is \$25 to \$30 million every time they come round. Eventually the scope was reduced down to two Geo Bonds, roughly \$50 million. That happened before they came on board. Two and a half years ago when President Floros and Chancellor Arvizu came on board the scope had been already reduced about \$50 million, which was \$25 million for the 2018 Geo Bond and another \$25 million for the 2020 Geo Bond. They knew that even for that reduced scope, they would need more money and they were planning to have additional fundraising for Phase 2. When they requested the \$25 million for Geo Bond 2 their plan was to add on top of that another \$5 or \$6 million from fundraising to bring it up to \$31 or \$32 million. However, LFC took that to mean that they were going to raise that money as part of the \$25 million. That's why they approved only \$18 million. Therefore, they had to readjust their scope based on that approval. As they move forward, Phase 1 hasn't changed much, except that the cost is not exactly what it used to be two or three years ago when they first planned. They had to adjust for that. Also, in Phase 2 they have less money than what they anticipated.

Regent Hicks asked if the scope that was reflected on the Geo Bond in Phase 1 and that the citizens of New Mexico voted on is what is being built now.

President Floros answered that that is correct, but with the noted changes: a slight increase in two buildings and a slight decrease in one building. Also, the Biomedical building will be built as the exterior in Phase 1 and the interior in Phase 2.

Regent Hicks also asked what body of approval will they get on January 13. University Architect, Heather Watenpaugh, answered by saying that it is on the HED agenda for approval on January 13.

Regent Hicks asked if given that it has been on the agenda for LFC with much discussion, some noted shortfalls, and missed deadlines, do they expect any difficulty in getting it approved. University Architect Watenpaugh answered that they have held a briefing with HED and have answered the questions that they are looking for for the submittal approval process. It will move to the State Board Finance following approval on January 13.

Regent Hicks asked if the architect engineer schedule with construction notes were presented. University Architect Watenpaugh stated that they have and that they have a recovery schedule to make up some time that they've missed in the last couple months and the completion date has not changed from May 2022.

Regent Hicks asked if they have gone out for bids. University Architect Watenpaugh stated that they have not gone out for bids, but will be advertising for bids in February and expect construction to start in April. They do not have a construction kit scheduled with a contractor.

Regent Hicks asked what the date of reversion of the funds are. University Architect Watenpaugh answered that it is June 2023 and that is for total project closeout. They do not expect to exceed that reversion date. The actual construction time for all three buildings that will be built at the same time is 13 months.

Regent Hicks added that she is thrilled that the demolition of buildings is included in the project. That was something that was brought up in the Real Estate Committee several years ago that they have several buildings that need to be taken care of in regard to demolishing them. Regent Hicks greatly appreciates that it is a part of the project as they continue to move forward with regard to preservation of their university. Chairwoman Chacón-Reitzel agreed with the appreciation of demolishing those buildings.

Regent Romero asked if there might be any potential savings when it comes to utilities and maintenance of the square footage is demolished. President Floros stated that there are several reasons why demolition saves money for them. They don't have to maintain, take care of, put energy into those buildings. There are other reasons that they can have savings in particular, energy. They're having conversations as to how they move forward with that. As they bring buildings out of circulation, particularly as they take them down, they don't have the responsibility of maintaining heating, cooling, and cleaning. It saves operational funds and money in general. The interesting part is that when one looks at the amount of space that New Mexico State University Las Cruces campus has, they have reduced their space over time, even though they've built quite a few new buildings. The guidance that the Regents were given for many years from the former administrations as well as this administration is paying off at this point.

Luis Campos added that they are undertaking a space utilization study currently so that they can look at their space throughout campus and they're starting with I&G. They are also updating their Facility Condition Assessment throughout campus, which is going to help set the stage which buildings need demolition, which will give them a much better view of what buildings should be taken down. They plan to have that process mostly complete by April or May of this year. Their goal this year is to be able to collect that data so that they can make informed decisions as they move forward. Along with what President Floros said and collecting some of the data, they hope to be able to bring some of that information back to everyone.

Regent Hicks stated that she appreciates Luis Campos' effort and encourages him to take it to the Real Estate Committee. Regent Hicks looks forward to seeing the data.

Regent Sanchez asked in regard to Phase 2, if there is a fundraising campaign plan to raise these additional funds, the \$6 million. Also, if they fail to raise these funds are there any implications that would hinder their Phase 2 process or hinder getting the Biomedical Research Building operational and if that affects the Geo Bond at all.

Derek Dictson stated that they have been working with the college and administration for several months to develop a fundraising plan. They have spaces identified with minimum threshold gift amounts for each of those spaces as well as target gift amounts. What they've been holding on to is certainty around what exactly they're going to build so that they don't have donors committing to names and faces that get changed significantly later. They've got some quarter million dollars in commitment for the project as well as a couple of other million-dollar solicitations out, which would be larger facility naming commitments if those go through.

Chancellor Arvizu stated that the project is one of the most important topics that they have had since President Floros and he had been there. They have had a lot of internal discussions about planning and strategizing regarding the new environment that they're in, which has highlighted some of the challenges going forward. They are a land grant Ag school and it is important that they recognize

that agriculture, mechanical arts and engineering is their core foundational competency and one that defines who they are and who they will be. They have a birthright for agriculture in the state of New Mexico based on their mission and charter. They recognize how important this project is in today's environment, which they know that they're going to be financially constrained in many different ways given the pandemic and the financial crisis that it has precipitated. What's exciting about this is that the voters of New Mexico and now government obligation bond voting opportunities have given them a strong message that this is an important part. They recognize how much of an important part of it is of their institution. It is a rare condition to have \$43 million already approved by the voters for something that is so important to their core. This will raise their profile and give them extremely important strategic opportunities for the future. The value chains that they are adamantly focused on to improve New Mexico, which is agriculture, livestock, and other things that farmers and ranchers in New Mexico care about, provide the opportunity to go to the next level. Their roots, heritage, and agriculture benefit to this. The biomedical piece, which is leveraged off of animal, medical and health sciences has implications for human health and gives them opportunities to expand their competencies. These projects are strategically important to their institution. This will be one of their highest priorities for the coming year.

They recognize the challenges that they've had coming into this. There was a lot of uncertainty as to what was going to be built, how it was going to be labeled and what were the commitments from 10 years ago, 5 years ago, and 2 years ago. There was some confusion with the LFC and themselves on how this project is going to roll out, when those costs are going to become available, and other questions. It has been part of this checkered past and somewhat secure this route that they've taken to get to where they are today. They've more or less hit the reset button. They are on a path that gets them to the next level. This is going to take a heroic effort. It's going to take an effort by internal and external people. One of the major issues they've discussed, which the Chair and Vice Chair had been adamant with them about, regarding what is important is that this is going to be a high priority for them. They believe that it's important for them to engage the stakeholder community to make sure that they understand what they're doing and have them help create the vision, momentum and where this potentially can go, beyond phase two. The fundraising is a piece of that and has already been established. It will need to be refined in the post COVID world. That gives them the opportunity, as well as challenges. They know that there's a broader community looking at them for what is important for their livelihood and how the state of New Mexico can continue to progress forward in the agricultural areas and ranching. They recognize how important it is and it will be one of their highest priorities. Making sure the buildings stay on budget, on time and provide them that opportunity to do the kinds of things that they have put into their strategic plan, Leads 2025, and the objectives that they need to achieve them are going to be dependent on them doing well on the project. What President Floros has laid out in terms of the objective.

Regent Hicks appreciated Chancellor Arvizu confirming mechanical arts and the agricultural history of New Mexico State University and they realize that all of your Regents are fully supportive of that, comments, and endeavors in making this a successful project. Regent Hicks said that she would assume that there's still going to be an opportunity presented to this successful contractor for value engineering as well and asked if that is an accurate statement. University Architect Watenpaugh reported that it is an accurate statement and there will absolutely be some ability to value engineer further if that's necessary once the bits are received.

Chairwoman Regent Chacón-Reitzel appreciated the presentations from President Floros and Chancellor Arvizu. It is the most exciting thing that's happened in many years, to have \$43 million to update the Ag enterprise, flagship college on the university, and the foundation of the land grant mission. As a constituent and stakeholder and as an agriculturalist it sends a big message to Ag

stakeholders as well as to the student body that something exciting is happening that they're investing in their education. The Food Science Center is something that has become common at other universities that they've been behind in. There're partnerships can be done with private industry that can be done and student involvement in research. There is potential for students to do research with border on food safety as well as for all stakeholders and taxpayers of NMSU. The research being done on animal health and human health is beneficial and the research on animal health relates to human health. Having a facility to be able to do that is exciting. The Board of Regents makes this high priority. The hard work in the presentation is appreciated.

WHEREAS, New Mexico voters approved General Obligation Bond D in 2018 to fund Phase 1 of the construction of the Agricultural Modernization and Education Facilities project on the campus of New Mexico State University in the amount of \$25 million; and

WHEREAS, New Mexico voters approved Phase 2 of the same project through General Obligation Bond C in 2020 in the amount of an additional \$18 million; and

WHEREAS, these facilities are essential for the NMSU College of Agricultural, Consumer, and Environmental Sciences to fulfill the educational, research, extension and outreach mission of NMSU; and

WHEREAS, the College of Agricultural, Consumer, and Environmental Sciences' programs positively affect the health, economy, and environment of New Mexicans; and

WHEREAS, the activities in these facilities support the agriculture and food processing industry, which accounts for about \$10.6 billion of New Mexico's gross domestic product; and

WHEREAS, agriculture and food processing industries also generated over 50,000 jobs for the New Mexico economy; and

WHEREAS, the global Coronavirus pandemic has served to highlight the importance of agriculture, food processing and cross-disciplinary biomedical research and teaching as drivers of the New Mexico economy and jobs, but also in feeding and caring for New Mexicans, Americans, and citizens from countries around the world,

NOW THEREFORE, BE IT RESOLVED in official session that the Board of Regents of New Mexico State University directs the Chancellor to establish an Agricultural Modernization and Educational Facilities advisory board to expressly and summarily support and advise the completion of the necessary planning, timely reporting, and stakeholder advocacy, engagement, and communication, and identify the funding required for completing the design and construction of Phase 1 and the launch of Phase 2 of the Agricultural Modernization and Educational Facilities project as approved by the New Mexico Legislature.

RESOLVED, this 6th day of January 2021, in Las Cruces, New Mexico

Regent Hicks made a motion to approve the resolution. Regent Devasthali seconded the motion.

Regent Sanchez asked to have it confirmed to review membership of the advisory board that's to be established through this resolution. Regent Chacón-Reitzel confirmed that and that Chancellor Arvizu would appoint them. Chancellor Arvizu confirmed and stated that he welcomes Regent

Sanchez' input as to how to go about that process. They will need stakeholders and representations that represent the outcomes that they are trying to achieve. Regent Hicks added that a good start is the working list they had when they had an open house for each of the colleges. Regent Hicks is happy to share that and defers to Chairwoman Chacón-Reitzel for her thoughts. Chairwoman Chacón-Reitzel agreed that that is a good place to start and stated that she has asked Secretary of Agriculture Jeff Witte to make recommendations for that. The vision for the Advisory Board is relative to everyone. All Regents as well as others can recommend people to this Advisory Board. Included in this Advisory Board will be a fundraising component. It isn't specific to agriculture and they could go to food companies or larger.

The Chief of Staff took the roll call vote.

Regent Romero – Yes

Regent Hicks – Yes

Regent Sanchez – Yes

Regent Devasthali – Yes

Regent Chacón-Reitzel – Yes

The Chief of Staff confirmed the motion passed.

2. NMSU Carlsbad Campus, Chancellor Dan E. Arvizu

Chancellor Arvizu stated that no one has escaped the consequences of what the pandemic and the financial crisis has provided. In the context of that, they are facing some fairly significant challenges relative to both their financial status as well as the support that they can get from the state going forward and who they are and how they will eventually recover from what has been a very challenging year with the associated crisis that has been precipitated by the pandemic. Their plan and strategy is in the Leads 2025 Program, which has four primary goals. Those goals are front of mind in terms of how they will both position themselves and make decisions. Strategies, targets, metrics, and goals are the toolset that they use to help them make decisions in a very challenging environment. Enrollments as they've known for the last decade have been declining in the state of New Mexico for a variety of reasons, some of which are under their control and some of which are not. Every institution is faced with those major challenges. HED has been looking at ways in which they can reimagine higher education in the state of New Mexico. That's going on across the country and isn't unique to New Mexico, but New Mexico suffers from unique challenges. They have a relatively poor state in the sense of their gross domestic product per capita. They've got some challenges and education is one of those big ones, including public education and higher education.

As they look to what does the future hold, they have not given up or retreated from the goals that they want to achieve, which is to improve enrollments, retention, completion of their students, research capacity, extension, outreach, service to their communities, and to become more efficient as a system and as an educational powerhouse that can drive economic development. There are a number of ways in which these things can be done. One of those is to start looking at how can they provide a better outcome because they have a system rather than looking at their various campuses as having different campus entities that work independently. They started looking at what are the opportunities that this pandemic has brought, facing the headwinds of reduced revenues and not giving up on the goals that they need to be focused on for growth in providing better opportunities, higher impact to their students and citizens. One of those things that they're focused on in Goal 4 is their Efficiency as a System. As they look at the various components of where they are with each one of their campuses it became apparent that one of the concerns is that their branch campuses have not been performing, at least to the expectations that they wanted to have going forward relative to

the citizens that they serve. Each campus has its own personality and set of drivers. Much of those things are unique to that campus in other cases that are common. They look for the commonalities, as well as ways in which they can address some of these challenges going forward. For the three smaller branch campuses it became clear that the roles that they have been serving were ill-defined from the past or maybe have changed or evolved significantly, but it was particularly alarming that from 10 years ago the on-campus student population of their three smaller campuses has declined precipitously. Now that's true of many of the two-year branch colleges and independence across the state, so that's not unique to NMSU. But they have control of their system and that's where the attention was focused. Part of this is looking at what are the roles of those campuses and how do they serve the citizens of New Mexico, specifically the students in those communities.

Also, how do they work better as a system. In the context of that, that gave rise to the fact that it was appropriate to have a restructuring. A restructuring, not to eliminate positions, but in fact, to make their focus on what role they play and how can they best serve those communities. In the context of that, the decision was that they would move toward an Executive Director, that would be in the policy of the individual in control of the three smaller campuses providing both efficiencies at each of those campuses and a direct link to the Chancellor that could allow them to be more effective in serving those communities. That has always been the role and the goal. The goal is, how can we be better at doing what the mission objective is in the context of that to more swiftly get those objectives done now, given the fact that they've had the pandemic and a variety of other things that was the precipitating event that allowed them to think about this differently than they would have. Their Strategic plan is still their guiding light. In order for them to achieve the objectives that they want to get to they have to do that more quickly than what they had originally planned prior to the pandemic. The pandemic has changed their world. The world that they knew before is gone. It's a new norm. They've had to pivot in a way that was so dramatic that they had to explore the art of 'what is possible.' They did a lot more than they thought they could do. There is an opportunity to go back to a reasonable level of normalcy. It won't be the same, but it will be something hopefully that'll give them the opportunity to do things in a more traditional way in terms of face to face engagements. The pandemic is as bad as it has ever been, despite the fact that there's vaccines on the horizon, more tools, and they've learned a lot more. They know how to do things differently. Those things are still alive and they're still in a very challenging place both economically as well as health wise. Higher education has a very important role to play in helping New Mexico recover. Their focus has been to pivot and to work on how can they make each of their branch campuses more effective for creating jobs and meeting the needs of the traditional and non-traditional students.

Much of what's happened in terms of the decline in enrollments is the fact that people need to have jobs. They need to have an opportunity to actually make a living. The financial crisis has created an incredible strain on the economy and higher education can be a part of that solution. They've rethought what they're going to do at the three smaller campuses. Much of the student credit hours that they have served has come in the form of early college high school or dual credit. That is not necessarily what has been the focus and mission of those institutions. On-campus students in those communities has continued to decline and in the pandemic it's even more declined precipitously than even before. It's clear that they need to reset and they need to think about it very differently. Their colleagues in Carlsbad have looked at this and originally they were concerned, but they didn't have as much of a voice in terms of what that future needs to look like as they as they would like to have. They have not served the needs of those communities to the degree that they feel they should have and there is some merit and some truth to that argument. This is not something that just happened in the last six months. This is not something that happened due to the pandemic. This is something that has been ongoing for more than a decade. These new conversations and dialogues have

exposed is this notion of what do they want out of those facilities and out of those branches. How can they serve the communities in New Mexico? How can they as a university system provide greater impact, even in the face of these headwinds of lower financial support from the state, changing demographics, and recovering from a pandemic. All of these are challenges that need to be evaluated in a different way. It's in that context that they made decisions that are focused on trying to get at those answers to those very important questions. This has given rise to a re-evaluation on the part of the community of Carlsbad.

Community College President Van Winkle stated that the simple way to look at this is as the announcement was made that the three smaller campuses would be under the supervision of an executive director, the Carlsbad community became upset in feeling that without a local person running the campus there wouldn't be the communication and the necessary local input into the degree programs and workforce programs that the community would need. The mayor set up an executive higher education committee in Carlsbad to discuss their concerns about not having a campus president. In early September the Chancellor and Community College President Van Winkle had a face to face meeting with approximately 25 members of the community in the business community, even the campus was represented at that point. That started the discussion about their concerns and how they might address those concerns. The result of the first meeting was that the straw that broke the camel's back for Carlsbad was the decision to not have these campus presidents at each of the small campuses. What they discovered was that there was built up frustration over years and years of what they felt like was neglect from the main campus in decision making that they participated in for their own campus as they began to discuss how they could be helpful. Part of what has happened is over the years the branch campus has sort of been on their own, even in trying to find their own budgets because they go to Santa Fe and fight for their own budgets, just like the main campus does. From experience as a President at Almagordo, oftentimes you did what you thought was best for your community and there wasn't the interaction with the main campus that you might think a system would have. Through this process over years and years, Carlsbad has built up to the point where they became so frustrated. The decision to change the administrative structure was the straw that broke the camel's back. They got the business community, political community, and campus community together and decided that they would like to become an independent community college. Their position has always been that they want what's best for the students in the state of New Mexico, in particular Carlsbad. However, we feel that the best position for those students and the best education that those students would be through the NMSU system. Community College President Van Winkle met with their higher education committee leadership team in three face to face visits this fall. In each visit he took documents to the conversation that outlined ways that the main campus could help. The communication between Carlsbad and NMSU Las Cruces over this last fall semester is the most there has been in 30 years. They have had 4 zoom meetings and on November 24 he presented how the main campus in the system could help Carlsbad, even concerning their local issues to the point where because it seemed to be that the main concern was they just didn't have leadership from Carlsbad. They designed a plan in which they would help them search for a campus director. By the way, the campus director is in the state statutes for branch campuses. They have presidents, but they're supposed to be campus directors. They put a plan together, which would allow them to have a campus director with all of the authority and responsibility that John Gratton had as President of the campus produced some economic and workforce development ideas through Arrowhead. They talked about all the services that the main campus would help with. They may not understand how difficult it is to do it on your own. There are so many things that go into establishing your own institution. They had a really good meeting held via zoom with approximately 45 participants. The end result was a few days of silence and then a phone call from the mayor, in which they said they voted unanimously to continue the process to become an independent Community College. They had been communicating almost on a daily basis with the folks in Carlsbad and he meets with the leadership team every week by zoom. They have a

team on the main campus, an integration team, in which they talk about ways and strategies to help these smaller branch campuses. This is the first time in the history of the school in which so much attention has been paid to the branch campuses in which we're trying to help them. Community College President Van Winkle said that he feels that the Carlsbad campus should stay in NMSU system and they know that. He's been the communication outlet for them and the liaison between the main campus and Carlsbad. They're wonderful people, but they're misled to a certain degree. They feel like what he's offered is the same old thing. In fact, they've told him that. Community College President Van Winkle contends that they haven't heard this before, but understands where they're coming from.

Regent Hicks stated that one of the statements that has been made fairly recently is that NMSU main campus has changed the way that they treat registration and fees at the campus in Carlsbad. They somehow enveloped enrollment at NMSU C into our main campus enrollment and we've taken registration fees for them. Regent Hicks asked to address the changes that were made with regard to those types of things, not just the loss of a president in Carlsbad.

Community College President Van Winkle said that there's some confusion and lack of communication in a certain degree. The main campus did make the decision to not allow a student who was a main campus student to take a branch campus course. There are a lot of good reasons for that. There was some confusion that if a student is going to take courses on the main campus, then they had to transfer to the main campus, pay the tuition that the main campus charges takes those courses. Wendy Austin's daughter experienced trying to take one course at the main campus. Wendy Austin is on the committee. She was told that she had to transfer to the main campus to take that course, which is not true. They've gotten that cleared up through VP Scott's office. A student on the branch campus can take an upper division course from the main campus and still be a branch campus student, if they qualify. These are the kinds of things that are confusing if one mistake is made and then the rumor gets out. There hasn't been a change in registering for courses and paying your tuition based upon which campus that you're located in.

Regent Hicks stated that they need to be very definitive about this. These conversations are coming from leadership, not just from a citizen. They need to clarify in this meeting.

Chancellor Arvizu stated that there has been a number of changes that they have instituted as a consequence of processes that have been inherited from the past that don't meet the basic needs of their institution in the system the way they intended them to. There's a lot of unintended things that have gone on that they are trying to correct. One of those has to do with this idea of a 'swirl.' It's a local term that is used internally. What it means is a student from one campus can take courses at other campuses, which they have let evolve in a way that has been unhealthy for their institution. It was not intended that these conditions would occur, but it put them in a position where they had issues with their federal aid and a variety of other things that needed to be corrected. All these things are nuances that have some degrees of complexity to them. As a consequence, what happens is those who are affected by the correction or change in policy, then they leap to the conclusions of a number of ideas that were not what was intended. In looking at what each of the campuses have in terms of their student credit hours, they have three components. One component is the 'face to face' component, which the number of credit hours that they teach on that campus for students that are resident there. Another component is early college high school or dual credit, which is where they're teaching student credit hours, which they don't get paid for those. In the case of Carlsbad, that's a large number and a bigger number than the other ones. It has grown dramatically. It's not a bad thing for the community, but is something that is paid for by the legislature. The PED is responsible for those high school students and NMSU spends extra money to teach those courses. At

DACC they spend a million dollars and get back something like \$40,000 from the state. It's not a bad thing for the community, but not something that is supported by the state. They need to correct that at the state level. The third component is the 'swirl.' There are a number of students on the main campus that are taking courses at each of the campuses. There are two bad things about that. One is that those students on the main campus get counted when they take a course on the main campus and again on each of the branch campuses. One student taking four courses at other institutions can be counted four times. This makes the headcount incorrect. The other is that there were a number of main campus students who had no courses on the main campus and they weren't counted on the main campus. This issue was addressed by VP Scott and leadership in the community to figure out how to best address it in the best interest of the institution and the students and not get in trouble with accreditation and federal aid, which they could do because there are different tuition rates at each of the campuses. That needed to be corrected. Last year they made the decision to reset and do the proper accounting for how that's supposed to be done and put the onus on the main campus. If they've got gen ed courses or other courses that they need for a four year program, then they ought to be teaching them on the main campus or contracting with the other institutions to have them teach it on their behalf. This is something that has affected the branch campuses. Reducing the swirl reduces the amount of student credit hours that they teach, which seems like a loss to that particular community. They've made the adjustments to correct those and it has affected the student credit hours that each of those campuses teach. Leadership is looking at 'what is the role of the institution?' It's not that they are prohibited from taking classes at other institutions, but they need to have a strategy for why they should. Looking through the lens of the student, university, and compliance requirements this condition needed to be corrected.

Regent Hicks stated that they want to have solid numbers in enrollment, but don't want to be in competition with the other campuses. They know that students will go home and take a course because it's less expensive and because they need to be home to earn income. Those are the types of things that create the swirl.

Regent Romero stated that Chancellor Arvizu started to talk about how enrollment is down, especially at the branch campuses, and about how the school in these environments are forever going to be changed. Regent Romero asked that Chancellor Arvizu expand on this because as they get back to their new normal and there are some opportunities out there that within the state that they're looking at, such as the Opportunity Scholarship at the federal level, multiple programs to be able to expand to programs, and community colleges. How this is going to transpire and whether this campus is going to be part of NMSU versus an independent campus? Are they going to be structured and have the support and resources to be able to get into this next evolution of what community colleges will look like.

Chancellor Arvizu stated that each community is quite different. They all have their different personalities and aspirations. In the southeast part of the state they are oil and gas rich and that's a focus as a primary industry. There are other extractive industries that could be flourishing there. Each campus needs to be attentive to those factors to serve the communities that they reside. They need to be understanding to 'what is it that this community needs for workforce development and economic development?' They haven't paid attention to those kinds of things to the degree that the new environment now requires. In that context, there needs to be more regional strategies that have implications for those communities. The curricula and how they serve either traditional or non-traditional students needs to accommodate that. In the beginning what the intent of community colleges was focused on Associate Degrees. These were feeder pools for a transition and a transfer to the main campus for a four-year degree. You can get your two-year degree at your local campus and then go to the main campus to get your four-year degree. The dollars expended per award, per

credential, or in this case associate degrees, at their three branch campuses were the highest in the state. The reason they are the highest in the state is because they don't offer many certificates. They don't offer vocational or CTE. They don't offer as many of those as their other two-year branches of independence across the state do. If you normalize the credentials that a CNM or another institution provides per unit of taxpayer dollars invested through HED what you will find is that they are a lot lower and the reason is that they do a lot of credentials. NMSU doesn't offer a lot of credentials, other than associate degrees. That speaks to the strategy of the past that needs to pivot and change for the strategy of the future. They need to look at what does that community need and how can they provide them what they are needing to service their community. When they do the mill levies, they are investing them to on their own. Those benefits need to accrue to those institutions. NMSU needs to rethink that and part of that is 'how do we support economic recovery in each of those communities?' That was the intent when they started Arrowhead and the extension service from Ag, and all of those pieces to help with entrepreneurial services. How does NMSU create new jobs in those communities because training people to have jobs that are not resident there doesn't help those communities and you hear it across the nation. Retraining is not the secret to how they recover, but creating new jobs are. That can't happen until the community environment knows what their strategy is and where they need to go. That is what NMSU intends to pivot toward. In discussion about what is in the best interest of the community and the institution that's their new strategy for how they support branch campuses. In the context of that, the community may not fully understand that leveraging off of a system where all of those administrative costs are shared being covered for that community college allows them to take the money that they do have and put it on the mission of what they want to accomplish at that institution. That's where the disconnect lies. It's not fully understood that all of the details of what is the comparison of an independent college versus a system branch college when they look at the cost and opportunities for putting revenues on mission. Until the due diligence has been done, a conclusion that one is better than the other cannot be drawn. They've made it clear to the community that if they are convinced that if it is in the best interest of the NMSU students in Carlsbad, their system, higher education, and the community that this a better way to go then NMSU won't stand in their way. They haven't done the due diligence that's necessary to get to that point. They need to be more rigorous and deliberate about what that trade off is.

Regent Romero wants to be very clear what they're asking in the resolution and inquired to the Chancellor what the recommendation is from him.

Chancellor Arvizu said that there's a lot of entanglements in terms of having a branch campus. In addition to shared resources that leverage of centralized administration, there are additional things for New Mexico State employees. They self-insure in some cases and there are costs associated with that. Their colleagues in Carlsbad may not have understood or accounted for that. There are ways in which they have accreditation issues. They have to have a teach out. In other words, NMSU is responsible for all those that signed registered as New Mexico State University students and they are obligated to make sure that they meet the obligations and commitments that they've made to those students over time. That part of the process will take time. How long that takes is going to be something they will have to discuss. There are legal entanglements about how money flows and who makes decisions about what. There's a large reserve that is the money that they own and they have. That is under the auspices of the Regents of New Mexico State University and that transfer would have to occur under certain conditions. There are a number of additional things that are implications for which the due diligence has not been done. The resolution's intent is that they would get an independent party to help think through what are all those entanglements. There's been some presidents of things in the past where institutions have gone independent that they can draw from, but it's a new normal. There's a new set of conditions in today's environment that may change the

calculus of what has been done in the past and a variety of other things that allow them to move forward. It is the community's interest that they have it both ways. That they have all the amenities and the things that the leveraging of the larger system allows, but to have independent control. Some combination of how that might work is part of the discussion on how they would disentangle and what that means for that institution and those students. It's good to look at it through the lens of the student and what it means to higher ed as a practical matter. The expectation is that it will cost more to go independent, but they have that prerogative if that's the choice they want to make. They don't want to suggest that it will cost more or less until they do the due diligence. The intent is to understand that situation.

Community College President Ken Van Winkle stated that it is important to be very clear as Regent Romero said. Finding the facts, discovering what's best for the system, and what's best for Carlsbad is the direction to go.

Chairwoman Chacón-Reitzel stated that in reading some of the issues and grievances that the Carlsbad community has and they mentioned there is \$36 million that basically they feel like they've not been able to use for their own needs. What is the bigger issue on that? What has the campus done or what can they do to fix that problem for them?

Community College President Ken Van Winkle said that he has asked Carlsbad 'why do they have \$36 million dollars in reserve?' Their response has been that they are saving for campus housing and possibly expanding the energy building on campus. There was a study that was conducted last spring investigating the potential for campus housing that eventually made it to the Board of Regents and was denied for several reasons, including the pandemic and the oil and gas crisis. Other than that large activity that was not approved there have been some small things along the way that probably make them feel like it's difficult to spend their own money. It's some of the same frustrations they have on the main campus and it's not unusual to a large system, but there is some red tape that you have to go through to make purchases and understandably, they get frustrated at times. One of the questions is about the interest accrued on such a large amount of money. Each of the branch campuses receive some interest, but it's on their I&G and operating cash balances. It's not on these large reserves. Those large reserves are pooled. There is a possibility to spend some of that interest, but it's through request of the main. Those kinds of rules and procedures are frustrating to them and that's part of the scenario here.

Vice President Burke stated that in the past the community of Carlsbad assessed an additional local mill levy. Branch community colleges are only required to assess one mill levy; whereas Carlsbad assess three. The difference between one mill and three is several million dollars per year. They're taking it and transferring it off to unexpended plant. What are their plans to utilize that money and how can it be spent? The housing project is one of those. In terms of the cash balance and interest allocation, it is pooled in an unexpended plant, renewal, and replacement. Although interest rates aren't very high right now, there are funds that are pooled. If Carlsbad or other entities across campus needed funds to complete a funding project that would be funds that they could access that would be discretionary to help support that activity. It would be a small percentage to the \$36 million they already have. Planning and utilizing those funds is the bigger issue.

Chairwoman Chacón-Reitzel said has heard the concern of being able to access those funds easily from the County Extension offices and AG Experiment Stations. Does NMSU have processes that are a problem for them to be able to access their funds? Why is it difficult for them to get that money? Everyone who has dealt with campus has experienced this. Does the interest that's earned on the

mill levy go back to the community campuses?

Vice President Burke stated that they do get an allocation for the mill levy funds if they stay within their current operational fund balance. If they move it off to unexpended plant and those are the funds which are pooled right now. That's been a process that has been in place for decades. They can look at that if they need to. Sometimes the bureaucracy does frustrate people. In terms of the larger sums of money and putting together projects that are capital in nature, the Carlsbad administration could propose a project and bring it forward. NMSU would work with them to hire architects and move forward on the project. The housing project is an example of that.

Community College President Ken Van Winkle stated that there are some frustrations, it's generally speed and all the approvals needed. As an example, he had an 8 yr old computer and needed to get a new one. Because it was over \$1,000 it took 2 weeks to get it approved from someone on the main campus. Those kinds of things they can fix. This is an opportunity to get better in those areas. Now that they have better communication they can make some progress.

Chairwoman Chacón-Reitzel stated that in the past the pathway for students to go from the branch campus to the main campus. It was a feeder program, but they may have changed. How many students do they get from the branch campus that are transfer students? Should NMSU be doing something different to be able to make it easier or encourage more students to make that leap from the branch campus to the main campus?

Chancellor Arvizu stated that they are quite thin in those numbers. There is a much smaller flow of students coming from those students. That number has been declining for the last decade. Their intent was an associate degree and going to a four year degree. Even at that, transfers have been thin.

Regent Hicks stated that community colleges as a whole are intended to be more nimble and react to what is prominent in what is necessary for Career Technology Education (CTE.) They want to be responsive to the regions and their industry. Carlsbad has been very responsive to the industry, forest service, GIS, and energy industry. The key is that NMSU hasn't pivoted to those credentials and certifications. NMSU hasn't furthered that as much as they could. The Common Core was one of where they were trying to facilitate or readily change in the advancement from the Carlsbad campus or Alamogordo campus to the main campus by having the Common Core numbering system. Those have only happened in the last five years. Prior to that it was very difficult to transfer to the main campus because a student would lose credits due to the Common Core and inability to transfer most if not all the credits. Establishing those certifications in CTE are key. A concern is that they have been nimble within those communities to respond to what they need it and that's where most of the facility changes come from. The word from the City Clerk's office is that within the Council meeting the proposal did not pass.

Chancellor Arvizu stated that Carlsbad has the least number of credentials compared to all two year branches and independent campuses across the state. They're associate degree focused. They have been responsive to the oil and gas industry. Some of the majors in the region would be supportive of them still being in the system. That is the way in which they understand the opportunities are best. These are discussions that need to go on. There is an opportunity to improve the relationship and it has been improving already. Due diligence process is a valuable thing to do. Chancellor Arvizu is confident in Dr. Van Winkle's focus and singular attention on making sure that the branches are not an afterthought and not in any way being disadvantaged by a system that is highly leveraged off the

main campus and DACCs large size.

Chairwoman Chacón-Reitzel stated that as the Board of Regents they have operating agreements with each of their branch community campuses. The Board of Regents at New Mexico State is directly responsible for those branch campuses. They have a huge responsibility to work with all of their branch campus communities to make sure that they are doing right by that relationship. This renewed effort to that campus and all of their branch campuses is overdue, but they're looking at it now. They take it very seriously. They need to do whatever they need to fix this situation. That's reason for this resolution. From the Board of Regents perspective, the importance of working with these communities and this campus to fix the issues, mend the relationship so that it is good for the community and branch community campuses, but as well as the main campus. They don't have all the answers they need to have. This resolution address that information that they need and exploration that's necessary for them to solve this issue and be better partners.

Whereas the New Mexico State University Carlsbad Branch Community College is a component institution under the governing authority of New Mexico State University.

And Whereas the New Mexico State University Carlsbad Branch Community College was founded in 1950 as the College Instructional Center at Carlsbad under the supervision of the New Mexico College of Agriculture and Mechanic Arts and was renamed Carlsbad Community College in 1957.

And Whereas the Board of Regents of New Mexico State University values the long standing commitment of the New Mexico State University Carlsbad Branch Community College faculty and staff in helping to fulfill the New Mexico State University system mission to serve the educational needs of New Mexico's diverse population through comprehensive programs of education, research, extension, outreach and public service.

And Whereas the Board of Regents, and the New Mexico State University system are invested in the workforce and economic development of all the communities served by our land grant mission.

Whereas the Board of Regents of New Mexico State University is responsible for the financial management of the entire New Mexico State University system.

And Whereas the governing board of the city of Carlsbad has resolved to support efforts to transition NMSU.

Whereas the governing body and the city of Carlsbad has resolved to support efforts to transition the NMSU Carlsbad Branch Community College into an independent college.

And Whereas the Board of Regents intends to maintain the long standing and successful collaboration in coordinating the operation of the New Mexico State University Carl's Branch Community College.

And Whereas the Board of Regents will take care to fully and expeditiously evaluate the proposed transition to determine if it is in the best interest of the students of New Mexico State University Carlsbad Campus and the New Mexico State University system.

Chancellor in contracting with an independent consultant to conduct a due diligence assessment of the proposed transition and provide a report to be delivered as soon as practicable to the Board of Regents.

Resolved the sixth day of January 2021 in Las Cruces, New Mexico.

Regent Sanchez stated while bolstering the capacity of community college to do CTE needs to be continually explored, how many of these students are on a 4 year degree track or bachelor's degree track? Also, while not going to NMSU, going to somewhere else such as Texas Tech or surrounding colleges. Part of the issue that they can work on as a university is exploring ways to make something like a swirl work, but not affect their head counts. From a student perspective, one of the most immediate ways they see NMSU as a system is by being able to take college classes within the system. Regent Sanchez was able to take a community college class while a main campus student to be able to learn how to speak Spanish as an aspiring medical professional. There's many classes such as this where students want to get professional skills or work ready skills that they can use to go back and work in their communities. Maybe a swirl is something they should explore more.

Regent Romero requested to modify the resolution to read that Carlsbad has not passed their resolution.

Regent Hicks stated for clarification that not all members of the Council were able to attend. The intent is that it comes before the Council with a meeting that has more time. In other words, it isn't an emergency. It reads that the Chancellor will select the consultant. Regent Hicks suggested that they include Carlsbad in that selection process. Also, that this study provides them with what they need as well so that it is a wholesome approach. Also, because they are a land grant university the resolution should also read 'the best interest of New Mexico.'

Regent Devasthali seconded Regent Hicks in that they are the land grant institution for the state of New Mexico. They have to look at how best do they serve the students all across the state and beyond. Also, they are responsible to their taxpayers. Secondly, they need to pay more attention to the other campuses. Regents need to go to these campuses on a semi regular basis. They will plan to do this with two Regents at a time because more than that would create a quorum. They need to interact and understand what the needs are on these campuses. That is really important. It's also important to identify the needs of the communities where these campuses are located, because one size does not fit all. Doing this due diligence, regardless of what happens with the vote on Carlsbad, it's important for them to have a broader understanding of what it is they are responsible for as the Board of Regents towards these other campuses.

Chairwoman Chacón-Reitzel stated that providing this information to Carlsbad is important. This particular study should be owned by the Board of Regents at this point. Community leaders that have specific concerns can be involved as well.

Regent Hicks confirmed that it did not pass; however, there is the intention that there will be another meeting where more Council members will attend.

Chairwoman Chacón-Reitzel stated to amend the resolution. Instead of it reading, "Whereas the governing body and the city of Carlsbad has resolved to support efforts to transition the NMSU Carlsbad Branch Community College into an independent college." It would read, "whereas a segment of the Carlsbad community of Carlsbad has resolved to support efforts to transition the

NMSU Carlsbad Branch Community College into an independent college.”

Regent Hicks requested that in the last paragraph that reads, “Now, therefore, be it resolved in official session, the Board of Regents here by supports...” that the word ‘Chancellor’ be removed and leave it as, “and hereby support contracting with an independent consultant.”

The Chief of Staff read the resolution with both amendments included:

Whereas NMSU Carlsbad Branch Community College is a component institution under the governing authority of New Mexico State University.

And Whereas the NMSU Carlsbad Branch Community College was founded in 1950 as the College Instructional Center at Carlsbad under the supervision of the New Mexico College of Agriculture and Mechanic Arts and was renamed Carlsbad Community College in 1957.

And Whereas the Board of Regents of NMSU values the long standing commitment of NMSU Carlsbad Branch Community College faculty and staff and helping to fulfill the NMSU system mission to serve the educational needs of New Mexico's diverse population through comprehensive programs of education, research, extension, outreach and public service.

And Whereas the Board of Regents and the NMSU system are invested in the workforce and economic development of all the communities served by our land grant mission or as the Board of Regents of NMSU is responsible for the financial management of the entire NMSU system.

And Whereas, (amendment occurred here) a segment of the Community of Carlsbad has resolved to support efforts to transition the NMSU Carlsbad Branch Community College into an independent college.

And Whereas the Board of Regents intends to maintain the long standing and successful collaboration and coordinating the operation of the NMSU Carlsbad Branch Community College.

And Whereas the Board of Regents will take care to fully and expeditiously evaluate the proposed transition to determine if it is in the best interest of the students of the NMSU Carlsbad Campus and NMSU system.

Now, therefore, be it resolved and official session that the Board of Regents hereby supports contracting with an independent consultant to conduct a due diligence assessment of the proposed transition and provide a report delivered as practical to the Board of Regents resolved this sixth day of January 2021 in Las Cruces, New Mexico.

Regent Devasthali made a motion to approve the resolution. Regent Romero seconded the motion. The Chief of Staff took a roll call vote:

Regent Romero – Yes

Regent Hicks – Yes

Regent Sanchez – Yes

Regent Devasthali – Yes

Regent Chacón-Reitzel – Yes

The Chief of Staff confirmed the motion passed.

Regent Romero stated that as Board of Regents commit to be able to work with and listen to branch campuses that we think about some ideas in which we can on a regular basis be able to visit with those branch campuses and have them report out to us on what's going on in those communities, the wonderful things that are happening, and things that they need to be able to improve moving forward.

Regent Hicks stated that when she first came on and then started serving as chair they made a commitment to abide by the agreements that they have with each of the branch campuses. One of those is to make sure that they were meeting with them on a regular basis and actually going through the contract to make sure they were complying with the agreement. Regent Hicks stated that she has had an opportunity to meet with the Education Board in Carlsbad and they've had good exchanges over the past. That's something that needs to continue. It's been more challenging with COVID.

Chancellor Arvizu stated that the number of transfers from Carlsbad to the main campus in fall of 2020 was 14. They will continue the conversation on swirl, it's value and how they can make it more strategically valuable to the system.

E. Informational Items

1. NMDA Organic Program Update, Secretary Jeff Witte

Secretary Witte stated 2:28:39 announced that today is the birthday for the state of New Mexico. In 1912 Congress ratified our original Constitution and a special note to Article 15 in that original Constitution was a provision that created the New Mexico Department of Agriculture. Mr. Anthony Potter and Mr. Jason were recognized. They did the bulk of the work for the presentation. The following is an update of one of their programs are organic certification program that they've had in NMDA since 2011. Currently across the United States only 15 states' State Department of Agriculture conduct organic certification in inspection. It's one of the challenging programs that they've had. It's a program that's run through the National Organic Program at USDA. States can become certified just like private certification entities can do the same thing. One of the challenges that they've had since its inception of coming to NMDA from what used to be the State Organic Commodity Commission, which was disbanded when they move the program to NMDA was employee retention and running a program that was sound and consistent. Part of the reason for that is employee retention. They went to the legislature a couple years ago and changed the fee structure. When they did that, they went from 156 entities that they were inspecting across the state to 101. Because of the new fee structure most that they were expecting did not need organic certification. They had already maintained relationship with their clientele, which provided them with an issue. Employee retention has been a problem. They are in the middle of the transition for this program in New Mexico. Over the last nine years they've had to deal with eight vacancies. That have been an issue with their audit findings through the National Organic Program from the USDA. Whenever you lose employees and you have to rehire, you have to do the training and certification of those employees. Typically, as soon as they get them trained and certified they go into the private sector. Then they start all over. They have had a great issue with employee retention and it has to do with their salary structure. The private sector has much more leniency and benefits than they can offer as well as other operational matters that than what they can afford at the state level where the program has to be 100% self sufficient. When they instituted the new fee structure in 2018, 30% of their clients dropped. Now they are down to 101. They estimate that they need 120 to be revenue neutral. The legislature has refused to provide operational funds for this. When they inherited the program in

2011 Senator John Arthur Smith in the LLC left them to figure out how to handle it and wouldn't give any more state money. Since then, they have run an average deficit of about \$60,000 a year in this program. They re-evaluate all of those programs on a continual basis. The latest budget cut that they took as a department was 4% last fiscal year. On the general fund side it caused them to re-evaluate any program that was not revenue neutral, any enterprise projects. Also, they were dealing with a USDA audit that gave them some negative findings. The primary concern in the finding was that they were not conducting timely inspections and certifications because of their staff turnover. When you add it all up they have been in discussions with the USDA and convened with the Organic Advisory Committee. They've got producers from across the state. They've discussed with them some of the solutions and options that they thought might be viable. The first option was to transition the program from an inspection and certification program with the department to turning over their clients, farms, ranches and dairies that are certified by an NMDA to the private sector. There are 11 private sector certifier companies operating in state of New Mexico. One of the questions they get is, 'if you can pick up this service, why is state government competing with private industry?' It's a valid question. If operating on a fee structure that is comparable, then it might be one thing. Their fee structure is below what industry is out there. Option two is to redo their fee structure and bring their fees up to what the competition was doing in the private sector. After a couple of meetings with the Organic Advisory Committee they recommended that they transition to a program where they do market development and training, which will help grow the organic industry in the state of New Mexico. Over the years they've worked closely with New Mexico State University Cooperative Extension Service to use their expertise. They have are some great agents across the state that have helped them and will continue to help them. Currently they have one staff member left and they're using a temporary contract employee to address certification issues. Under the NLP an inspector cannot be a certifier and a certifier cannot be an inspector. Neither one of those two titles under the NLP can be an information person. It is prohibited to share or give advice to organic producers. Just because an entity is organic doesn't mean they're not using pesticides. There are organic pesticides. Their inspectors are not allowed to give their clients a list of those pesticides. They had to do that through their pesticide group or extension can help them do that. There are some quirks in the NLP that really cause operational headaches for a small entity like what they are operating under. They're going to transition. They've worked with USDA and they see this as a model for other states that are having the same kind of operational issues. They're issuing an RFP, which is already out to have these private entities become preferred providers under the New Mexico Department of Agriculture. That will provide quick and efficient inspections and certification for their clients. As part of the transition they will refund a portion of the fees that will come into the department back to those who have to transition during the certification period. Their staff member can then spend their time developing organic programs and market development across the state. The USDA has a provision that will refund up to \$750, but it may just change the \$500. It is for the cost of getting an inspection certification. Some of their small producers don't participate with that because they don't want to deal with the paperwork. Their person can then help them work through that paperwork and get fee reimbursed. It will be a much better program and it will have a greater opportunity to impact growth. By moving to this model their staff can begin developing the organic industry, instead of keeping up with the regulatory process as well as letting those 11 private certifiers in the state do what they do best. They've initiated the transition discussion with the USDA and by the end of March they will have that implemented.

Chairwoman Chacón-Reitzel stated this whole change has come about because at the time that the state started the organic inspection program there were no third party organic verification programs or independent programs or not many of them. Is that correct? Now we don't have to have it because it's being done by someone else. Regent Chacón-Reitzel is concerned about the cost of the producers. They weren't able to charge enough to support the program at the NMDA and charge the proper fees. How much do they have to pay for third party verification?

Secretary Witte stated The program started in the state of New Mexico. It predated the USDA program. When it originally passed the state set up an Organic Commodity Commission and that commission was an independent state agency that was charged with establishing the program doing the certification inspection. They ran the program under the requirements of the State law that was passed. At the federal level, they passed the National Organic Program a couple of years later. When that Act came into play it made all of the state laws irrelevant because the state program had to be equivalent or more restrictive than the federal program. Therefore, most of the states adopted the federal standards and started doing all the certifications and inspections under the federal program. There are a lot of requirements associated with that. At the time, the USDA established that private entities do that certification and inspection. They would go through the USDA process of training and certification of their staff. It evolved over that and the USDA created that when they allowed the private sector to come into the inspection certification business.

Chairwoman Chacón-Reitzel stated that at the time the industry gave up the state meat inspection program they felt like it did need to happen again. They could go to federal inspection and be better off. Since then, they have found out differently, especially during COVID, how not having a state inspection system was an exacerbated issue. One of the issues when there isn't a state inspection program, they never know who is selling meat. There was no database or handle on that. It's information that they need as an industry. Will NMDA have a list of organic producers if third party verification programs are doing that verification? Is there a formal process where they're able to know how many organic producers are in New Mexico and they know who they are?

Secretary Witte stated that yes, the USDA has a database online under their marketing program and under organics. There is a list of all of the firms that are certified organic as well as a list of who the USDA has authorized to be inspectors and certifiers.

F. Announcements and Comments

No announcements nor comments.

G. Closed Session Closed (Executive) Session

- 1. Close meeting to discussion the performance evaluation and objective statement for the 2020 – 2021 Academic Year for Chancellor Arvizu and President Floros as permitted under the personnel matters exemption the New Mexico Open Meetings Act, NMSA Section 10-15-1, subsection (H)(2).**

Chairwoman Chacón-Reitzel moved that “the Board of Regents go into close meeting for the discussion of the performance evaluation Exhibit A: A performance evaluation instrument and Exhibit B: Objective statement for the 2020-2021 academic year for Chancellor Arvizu and the President as permitted under the personnel matters exemption of the New Mexico Open Meetings Act NMSA Section 10-15-1 subsection (H)(2).”

Regent Romero seconded the motion. The Chief of Staff took the roll call vote.

Regent Romero – Yes

Regent Hicks – Yes

Regent Sanchez – Yes

Regent Devasthali – Yes

Regent Chacón-Reitzel – Yes

The Chief of Staff confirmed the motion passed.

- 2. Reconvene in open session and take final action, if any, on such matters which shall be acted upon in open session following conclusion of the closed session.**

The Chief of Staff confirmed the closed session: "The Board of Regents met in closed executive session at 11:50am on Wednesday, January 6, 2021, which was held virtually via zoom. The closed session meeting was held to discuss the performance evaluation Exhibit A: Performance Evaluation instrument and Exhibit B: Objective Statement for the 2020-2021 academic year for Chancellor Arvizu and President Floros as permitted under the personnel matters exemption of the New Mexico Open Meetings Act and NMSA Section 10-15-1 subsection (H)(2).

The Chief of Staff proceeded to certify that only matters of that nature were discussed.

Regent Romero left.

Regent Hicks – Yes

Regent Sanchez – Yes

Regent Devasthali – Yes

Regent Chacón-Reitzel – Yes

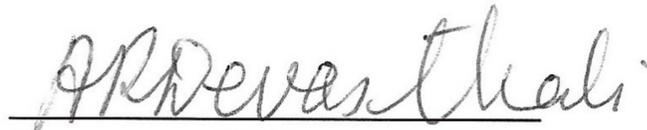
A. **Adjournment, Chairwoman Dina Chacón-Reitzel**

Chairwoman Chacón-Reitzel entertained a motion to adjourn the meeting.

Regent Devasthali made a motion to adjourn.

Regent Hicks seconded the motion.

Meeting adjourned at 1:01pm



Ammu Devasthali
Board of Regents Chair



Arsenio Romero
Board of Regents Secretary/Treasurer