

**NORTHERN NEW MEXICO COLLEGE
BOARD OF REGENTS MEETING
APRIL 27, 2009**

I. CALL TO ORDER

A **special meeting** of the Board of Regents of Northern New Mexico College was held on Monday, April 27, 2009 in the Boardroom of the Montoya Administration Building on the Espanola Campus. Regents present: Michael P. Branch, Alfred Herrera, Feliberto Martinez, and Theresa M. Martinez. Regent Cecille Martinez did not attend the meeting. Board President Michael Branch called the meeting to order at 1:09 p.m.

Northern New Mexico College staff present: Dr. Jose Griego, President; Loretto Garcia, Vice President for Finance; Dr. Anthony Sena, Provost; Bernadette Chavira-Merriman, Director of Developmental Studies; Alfredo Montoya, Dean of Student Services/Director of Finance Aid; Frank Orona, Director of Admissions/Recruitment; Isabel Rodarte, Director of the Library; Carlos Martinez, Director of the El Rito Heritage Retreat Center; Anne Quinn, Director of Facilities and Capital Projects; Carmella Sanchez, Director of Institutional Effectiveness; Guido Gellis, Director of SOL/SSS; and Josephine Aguilar, Assistant to the President and Recording Secretary. Faculty present: Ivan Lopez, Chair of Engineering Programs and Tim Crone, President of the Northern Federation of Educational Employees. Others present: Tony Hernandez, Reporter for the Rio Grande Sun.

II. APPROVAL OF AGENDA

Board President Michael Branch stated that an executive session will need to take place to discuss personnel matters and the union contract that affects the budget. President Griego suggested that Agenda IX(A) be moved up on the agenda before going into executive session. This item, however, was addressed and acted upon at the end of the meeting after a required questionnaire was filled out by staff.

Regent Theresa Martinez moved to approve the final agenda as amended. Motion carried unanimously.

III. FINANCIAL REPORT

Regent Branch stated three issues will be discussed in executive session: the budget and possible contract regarding the budget, and personnel matters. President Griego invited members of the Effective Resource Management Committee (ERMC) to make their report to the Regents in executive session. **Regent Theresa Martinez, Regent Alfred Herrera, Regent Feliberto Martinez, and Regent Branch voted in the affirmative to adjourn into executive session at 1:16 p.m.**

President Griego clarified that there was no intention to discuss the operating budget in executive session. An executive session was on the agenda because the Board will need to discuss contracts with the union that affect the budget as well as other contractual matters. The Regents will go back into executive session to discuss these issues.

Regent Alfred Herrera made a motion to enter back into open session. The open meeting reconvened at 1:49 p.m. Board President Branch stated no action was taken in executive session.

The ERMC presented their report to the Regents. (Attached hereto and incorporated herein is the 2009-2010 Proposed Operating Budget and handouts of summaries of Current and Plant funds and a Instruction & General reflecting unrestricted and restricted budget amounts for 2007-08, the estimate of actual for 2008-09, and the proposed budget for 2009-2010.) The presentation is summarized as follows:

Ms. Loretto Garcia, Vice President for Finance, stated the ERMC met Monday and Wednesday mornings from January 26 to April 27, 2009 to develop plans for addressing the FY 2008-09 budget (deauthorized by the legislature by 2.5%) and to develop recommendations for the FY 2009-2010 budget. Faculty and staff provided input to the ERMC on how they could help contribute towards the need for immediate cost-saving measures. Each department was provided an opportunity to be heard regarding its cost savings and its priority needs. Further cuts were necessary due to the cut in the FY 2010 budget by \$1.2M. As a result of this budget process, the travel, supplies, and professional development budgets for all departments at the College have been reduced to the "bare bones." The options available to balance the budget were to cut programs, personnel, mandate furloughs, or increase tuition and fees.

The recommendation of the ERMC is to increase tuition and fees. By increasing tuition and fees the ERMC was able to come up with a fund balance of \$468,775 (3.5%); a fund balance of 3%-5% is required by law. The ERMC ensured there was enough funding for programs and part-time faculty, which are essential in generating revenues and continue with the mission and vision of the College. The ERMC also allocated 40% of BR&R to Operational Costs (\$288K of \$721K budget for BR&R).

Ms. Garcia provided a comparison report of tuition and fees among NM four-year higher education institutions (attached). Even with the modest increase being recommended, Northern's tuition and fees remain the lowest among its comparable sister institutions (Eastern NM University, Western NM University, and NM Highlands University). Ms. Garcia also provided a Tuition Rate Increase Analysis for FY 2009-2010 (attached) which takes the Student Credit Hours, based on full-time attendance, applied to the current and higher tuition rate scenarios in order to estimate revenues. A tuition rate of 2.5% has been mandated by the legislature; this percentage generates an extra \$62,081 for which the state takes credit. The College has to increase tuition over and above what the state takes credit for in order to keep the budget in the black.

President Griego stated a special legislative session is scheduled in the fall, 2009 to get a better handle on state revenues if they drop beyond the current projections. Should this occur, higher education institutional budgets for FY 10 may be cut further. The College will develop a Financial Master Plan based on the FY 2010 budget; however, there are many variables the College cannot control due to the uncertainty of the state's fiscal outlook.

A discussion also took place concerning the need to increase tuition for lower level gradually on a yearly basis. At some point in the future the College may have to charge the same tuition rate for both lower and upper division as other four-year institutions.

(At this time the Board recessed for a short break at 3:15 p.m. The open meeting reconvened at 3:20.)

Regent Branch reiterated that the intention of the Board to go into executive session is to discuss the union contract which will affect the budget and other contractual matters. **Regent Theresa Martinez, Regent Alfred Herrera, Regent Feliberto Martinez, and Regent Branch voted in the affirmative to adjourn into executive session at 3:20 p.m.** Regent Feliberto Martinez moved to enter back into open session. Motion carried unanimously. The open meeting reconvened at 5:52 p.m.

Regent Branch stated that Regent Theresa Martinez had to leave for a previous appointment but had given her consent for the actions to be taken by the Board below. Agenda items under III Financial Report were taken in the following order:

A. Approval to increase fees.

Regent Alfred Herrera moved to approve the proposed student fee structure as follows:

- **\$50.00 for students taking 1 to 6 credit hours**
 - **\$75.00 for students taking 7 to 11 credit hours**
 - **\$100.00 for students taking 12 and above credit hours**
- This fee is in addition to the fees already in existence, which average \$83.00 depending on the types of classes taken by students.**

B. Approval of 2009-10 Proposed Operating Budget.

Regent Alfred Herrera moved to approve the 2009-10 Proposed Operating Budget as presented by staff. This includes the tuition rate increase of \$8.67 per credit hour for upper division classes and \$4.41 increase per credit hour for lower division classes. Motion carried unanimously.

Increasing tuition and fees was not any easy decision for the ERM, the President, and the Board of Regents to make. Before Regent Theresa left the meeting she stated that it is crucial that the College educate the students and their families as to why the Board had to make this decision and stress the fact the NNMC still remains the least expensive institution of higher education in the state. Regent Branch stated he appreciated the openness and the shared governance approach taken in the budget process.

C. Approval of final Budget Adjustment Request for FY 2009 by Loretto Garcia.

Ms. Garcia presented the final Budget Adjustment Request (BAR) for FY 2009 (attached). The adjustments for unrestricted funds include additions or reductions taken from the original proposed operating budget in Instruction and General as well as other current unrestricted funds.

Ms. Garcia explained that BARs are prepared close to the end of each fiscal year in order to capture all revenues, etc., which will be the final budget adjustment. There may be other changes; however, these changes will not be accounted for until September when the College submits to HED a final Report of Actual, which compares the estimate of actual to the actual expenditures for the year.

Regent Feliberto Martinez moved to approve the Budget Adjustment Request for FY 2009 as presented. Motion carried unanimously.

IX. NEW BUSINESS

A. Approval of Severance Tax Bond Resolution to replace the sound and light system and remodel classrooms at the Nick L. Salazar Center for the Arts.

The attached correspondence and questionnaire relating to June/July Severance Tax Bond Sales in the amount of \$175,000 is for the purpose of replacing the sound and light system and remodel classrooms at the Nick L. Salazar Center for the Arts on the Espanola Campus. Ms. Loretto Garcia explained that the total amount appropriated for this project is \$339,000 (\$175,000 from STB and \$164,000 from the General Fund). The questionnaire was filled out and read out loud by Regent Branch.

Regent Alfredo Herrera moved to approve the Severance Tax Bond Resolution, Notification and Certification to replace the sound and light system and remodel classrooms at the Nick L. Salazar Center for the Arts. Motion carried unanimously.

X. ADJOURNMENT

Regent Martinez moved to adjourn the meeting. The meeting adjourned at 6:10 p.m.

Josephine Aguilar, Recording Secretary

APPROVED: May 21, 2009

/s/ _____
Michael P. Branch, Board President

/s/ _____
Cecille Martinez-Wechsler, Secretary-Treasurer