

**NORTHERN NEW MEXICO COLLEGE
BOARD OF REGENTS MEETING
MAY 2, 2011**

I. CALL TO ORDER

A **special meeting** of the Board of Regents of Northern New Mexico College was held on Monday, May 2, 2011 at 9:00 a.m. in the Boardroom of the Montoya Administration Building on the Española Campus. Regents present: Michael P. Branch, Rosario (Chayo) Garcia, Alfred Herrera, Feliberto Martinez, and Cecille Martinez-Wechsler. Board President Michael Branch called the meeting to order at 9:16 a.m.

Northern New Mexico College staff present: Dr. Nancy Barceló, President; Dr. Anthony Sena, Provost and VP of Academic Affairs; David Schutz, Interim VP of Administration; Domingo Sanchez, Interim Chief Financial Officer; Susan Pacheco, Chief of Staff; Connie Romero, (Title) and Josephine Aguilar, Assistant to the President and Recording Secretary. Faculty present: Tim Crone.

II. APPROVAL OF AGENDA

Regent Branch requested that Item A under New Business be moved up on the agenda. Financial Report will take place after approval of updated organizational charts. Approval of renewal of employment of staff for FY 2011-12 under Personnel Matters will be postponed and addressed at the next regularly scheduled meeting of the Board. **Regent Cecille Martinez moved to approve the modified final agenda as presented.**

III. NEW BUSINESS

A. Approval of updated organizational charts.

President Barcelo stated that after reviewing carefully the organizational structure of the College and its leadership when she came on board in 2010, she presented an organizational structure to the Board on September 16, 2010 as information that best defined the function of the College and placed this institution in line with other peer institutions. President Barcelo looked at the organizational structure the Board of Regents approved on March 19, 2009, but was not implemented for a number of reasons, financial reasons being one of them. The organizational structure she presented in September, 2010 was changed slightly from the one approved in March, 2009.

Dr. Anthony Sena reported that the original organizational structure presented and approved in March, 2009 was reviewed and discussed extensively by administration and faculty. Because the organizational structure presented in September, 2010 was heard but not approved, an updated organizational structure is being presented to the Board for review and approval.

In response to Regent Herrera's question concerning the Foundation, Ms. Susan Pacheco stated that Dr. Barcelo has discussed putting together an Advancement Office in the future, which would encompass the offices of marketing, public affairs, as well as the Foundation Office. Discussions are currently underway with the NNMC Foundation Board about the Foundation paying for the Director's salary, as well as for an administrative aide if there is one. The Foundation would also conduct its own financial reporting but work closely with the College. Regent Herrera questioned if the Foundation is properly identified in the organizational chart. Given that the College is currently paying for the Director's salary, President Barcelo stated that the Foundation is reflected in the organizational chart as a direct report at this time. President Barcelo stated in the future she may have the Advancement Office directly under her the same way the Chief of Staff is currently reflected in the chart because it is overarching the entire College. After discussion, it was decided to name the office Foundation/Advancement Office at the present time.

Regent Branch suggested that a discussion concerning the relationship between the College and the Foundation be one of the agenda topics at the Board Retreat planned in the near future.

Dr. Sena presented the second organizational chart reflecting direct reports to the Provost (attached). During discussion it was suggested that the title of the provost be spell out from Provost & VP-AA to Provost and Vice President of Academic Affairs in the organizational chart.

Regent Cecille Martinez moved to approve the updated and amended organizational charts as presented. Motion carried unanimously.

(At this time the Board recessed for a short break at 9:40 a.m. The open meeting reconvened at 10:00 a..m.)

IV. FINANCIAL REPORT

A. Approval of FY12 Proposed Operating Budget.

Mr. Domingo Sanchez, Interim Chief Financial Officer, presented a summary of the FY12 Proposed Operating Budget (attached). The format followed is the format prescribed by the Higher Education Department (HED). Exhibit 1 of the Summary of Current Funds and Plant Funds reflects three columns. The first column is the Original Budget for 2010-11 as initially approved last year, the second column is the Estimate of Actuals for 2010-11 which reflects the expenditures from now to the end of the year, and the third column is the Proposed Budget for the upcoming fiscal year 2011-12.

Mr. Sanchez stated that even though the estimated increase in annual tuition revenue generated approximately an additional \$1.85, there were several issues that resulted in preparing a flat budget:

- An unemployment adjustment assessment by the state resulted in a significant increase by \$166,000.
- Veto’s from the Governor resulted in \$104,000 taken out for NPI.
- The ERA contribution that employees have to pay increased by 1.75%, so the State reduced the allocation by approximately \$180,000.
- Made sure that the required reserve levels were maintained. (In addition, the fund balance will be built.)
- Program components were aligned appropriately in the different schedules based on HED instructions.
- Money was made available to address salary study.
- The Finance staff was conservative with regard to enrollment numbers (assumed that 75% of the students from last year will return).
- The preparation of this budget does not taken into consideration the need for additional furloughs.

The proposed total unrestricted FY2011-12 revenue budget is \$23,688,816 for current and plant funds. Total beginning balances amount to \$2,644,862, so the total available is \$26,333,678.

The FY12 Proposed Operating Budget submitted to CHE on May 1, 2011 is as follows:

| | Expenditures | | |
|----------------------|---------------------|---------------------|---------------------|
| | Unrestricted | Restricted | Total |
| Current Funds | \$16,626,222 | \$10,766,985 | \$27,393,207 |
| Plant Funds | \$7,490,098 | N/A | \$7,490,098 |
| TOTAL | \$24,116,320 | \$10,766,985 | \$34,883,305 |

Mr. Sanchez stated the preparation of the FY12 Proposed Operating Budget was rushed. The budget being presented today meets the needs going forward; however, over the next four to six weeks the following will take place:

- Seek more dialogue, input and feedback from the College community.

- Meet regularly to address concerns timely. Visit programmatic issues and make adjustments if needed.
- Make sure the College is aligned as a four-year institution.
- Monitor the budget on a quarterly basis and certainly at a minimum on a semi-annual basis.
- Submit Budget Adjustment Requests (BARs) semi-annually. Many federal programs begin October 1, so staff will have a better idea as to what the amounts will look like. More dialogue and information will determine the need for BARs.
- Be proactive as opposed to reactive.

The biggest uncertainty going into the next fiscal year is what enrollment will be like in the future and the “new” funding formula, which will be implemented by mid-October by HED. Regent Herrera agreed that the need for input is critical and monitoring the budget on a regular basis. Regent Herrera also pointed out the importance of maintaining a fund balance and a reserve to make sure the College is in a good financial position. The reserve and a responsible fund balance helps with the cash flow needs of the institution.

The HED Formula Task Force has been meeting to outline a process to construct a “new” funding formula. President Barcelo and staff will be attending these meetings to stay on top of things. The Task Force will be reviewing formula models from other states. These states will be reviewed because of their use of outcomes features that factor to some extent into how they allocate state resources and address state priorities. Regent Branch suggested that the College look at these models early on to see how these proposed changes may affect NNMC and allow an opportunity to voice our position. An equitable and rational funding formula is very important.

Ms. Connie Romero explained the transfers listed on page 3. Adjustments were made to accounts that were in the red (Internal Service Department and others) to the 2010-11 budget through I & G, which is why the unrestricted amount is high (\$1,906,387) compared to the original budget and the 2011-12 Proposed Operating Budget.

Ms. Romero stated that in the past the appropriation received from the state has been posted in total. In July she wants to start changing this practice so that one twelve is allocated to each of the departments in order to monitor the spending and to make sure there is enough cash before Purchase Requisitions are approved. This practice has to be communicated to the departments. Other procedures will be changed (i.e., some IT subscriptions, etc., will be billed monthly instead of annually) to help the College with its cash flow.

An error was caught by Regent Herrera on Exhibit 15 (the ending balances in FY11 should be the beginning balances for FY12). Adjustments will be made by Ms. Romero to pages 1 and 4 before the budget is submitted to HED. The ending balance amount that will be carried is \$173,000.

Regent Alfred Herrera moved to approve the FY12 Proposed Operating Budget as presented with an adjustment made to Exhibit 15 as pointed out. Motion carried unanimously.

VII. ADJOURNMENT

Regent Garcia moved to adjourn the meeting. The meeting adjourned at 11:16 a.m.

APPROVED: May 17, 2011

Josephine Aguilar, Recording Secretary

/s/ Michael Branch
 Michael P. Branch, Board President

/s/ Cecille Martinez
 Cecille Martinez-Wechsler, Secretary