

NORTHERN New Mexico College



NORTHERN NEW MEXICO COLLEGE BOARD OF REGENTS MEETING OCTOBER 22, 2021

I. CALL TO ORDER

A Regular Meeting of the Board of Regents of northern New Mexico College was held on October 22, 2021, in the Board Room of Northern New Mexico College, Espanola Campus and Via Zoom. Regents Present Michael A. Martin, Ruben Archuleta, Porter Swentzell, Erica Velarde, and Evelyn Juarez.

Northern New Mexico College Staff Present: President Richard J. Bailey, Jr., Ph.D. Ricky Bejarano, Vice President for Finance & Administration; Ivan Lopez Hurtado, Provost & Vice President for Academic Affairs; Vince Lithgow, Comptroller; Juan Gallegos, IT; Analise Lopez, IT; Jimi Montoya, IT Director (in person), Juan Gallegos, IT (in person); Arin McKenna, Staff Writer/Reporter, Communications and Marketing; Cindy Martinez, Human Resources Admin/HR Tech; David Lindblom, Assistant Professor, FDMA / Creative Director of Canal Seis; Don Apparius, Assistant Provost of Student Affairs, Evette Abeyta, Budget Director, John Ussery, El Rito Campus Program Director, Patty Armstrong, Dual Credit Coordinator; Sally Martinez, Executive Assistant to the Provost & Vice President for Academic Affairs; Sandy Krolick, Creative Director, Communications and Marketing, Teresa Chavez, Accountant II, and Amy Pena, Executive Assistant to the President/Board Secretary.

Others Present: Robert Trapp, Rio Grande Sun, Geno Zamora, Ortiz & Zamora, Dan Gerry, Jeff Goebel, Tim Crone

I. CALL TO ORDER

Board President Martin called the meeting to order at 9:00AM

II. APPROVAL OF AGENDA

Board President Martin entertained a motion to approve the agenda.

Regent Swentzell Moved to approve the agenda as presented. Second – Regent Juarez. A roll call vote was taken. Board President Martin – yes, Regent Swentzell – yes, Regent Juarez – yes, Regent Archuleta – yes, Regent Velarde – yes. Motion passed unanimously.

III. PUBLIC INPUT

None.

IV. COLLECTIVE BARGAINING AGREEMENT FOR NON-EXEMPT STAFF

President Bailey stated Dina Holcomb was on the line and thanked her for joining the Board of Regents Meeting. President Bailey stated for the Board's review and consideration is the Collective Bargaining Agreement for Non-Exempt staff. Ms. Holcomb has already given an overview of some of the changes involved in that already and Ms. Holcomb if there were any final things she would like to add.

Ms. Holcomb stated the parties have reached an agreement and the Board has this document in the packet and the union has ratified the agreement and they are before the Board of Regents to ask that they ratify. As she mentioned, they are very happy and pleased that the College was able to not only provide a change to the health insurance premium split between the parties to be effective on January 1st but also to increase the pay rates of the employees in this bargaining unit and those are detailed in Article 32 of the Collective Bargaining Agreement. The legislature mandated a 1 1/2% increase and that was implemented effective July 1 but in addition to that employee would have a minimum hourly rate and as well as for those employees that have been with the College at least five years, there would be a 40-cent increase for each five years of service to the hourly rate. Ms. Holcomb stood for any questions and stated they are asking that the Board ratify this Collective Bargaining Agreement so that it can go into effect.

Board President Martin asked if there were questions for Ms. Holcomb. Regent Velarde stated she does not have questions and thanked Ms. Holcomb for her work. She did say she had a quick question and it is out of curiosity. She knows that, she asked the question regarding Regent Swentzell but this is actually regarding herself and she is wondering, she knows we are still in negotiations for other portions and she is wondering if there is any way she could attend one of those bargaining and just be a fly on the wall or is it that also just not allowed. Ms. Holcomb stated this is for the negotiations, under law, we are required to have closed session negotiations, much like in Executive Session of the Board of Regents which can only have team members in attendance, not observers. Regent Velarde thanked Ms. Holcomb for that, she appreciates it. Ms. Holcomb stated they would continue to keep the Board apprised of the progress of those negotiations. Regent Swentzell stated he did not have questions and thanked Ms. Holcomb. Regent Arculeta had no questions. Regent Juarez had no questions and thanked Ms. Holcomb for all her hard work. Board President thanked Ms. Holcomb and entertained a motion to approve the CBA for the non-exempt staff.

Regent Swentzell moved to approve the CBA for Non-Exempt Staff. Second - Regent Juarez. A roll call vote was taken. Board President Martin - yes, Regent Velarde - yes, Regent Swentzell - yes, Regent Archuleta - yes, Regent Juarez - yes. Motion passed unanimously.

President Bailey stated he would like to say a special thank you to Ms. Holcomb, Mr. Lucero and everyone on the College side and he also wants to say a special thank you to Tim Crone and everyone on the union side who negotiated for non-exempt staff. Thank you for getting us to this point, we know this was a lot of work to get here and we appreciate both sides working together diligently to make this happen.

Ms. Holcomb thanked President Bailey and the Board of Regents.

Mr. Crone thanked Dr. Bailey and Ms. Holcomb and the management negotiation team. Mr. Crone stated he would also like to thank the NFEE team which was Arnold Suazo, Eliseo Romero, Tim Crone, and AFT staff member Miguel Anjel Ortiz.

V. COMMENTS FROM THE BOARD

A. Board of Regents Subcommittee Reports

1. Audit/Finance/Facilities Committee

Regent Velarde stated they had a good presentation and meeting yesterday and they will discuss further and they will have a couple of action items coming up.

2. Academic/Student Affairs Committee

Regent Swentzell stated they met on Wednesday and discussed some of the items that will be discussed later on in this meeting. Regent Juarez stated it was a very productive meeting and she looks forward to hearing more.

3. President's Evaluation Committee

Regent Velarde stated Regent Juarez and Regent Velarde met with Dr. Prather and they have an evaluation that will be done internally during Executive Session. It has been great to work with Dr. Prather and he is such a great guy when it comes to this stuff. Regent Juarez stated just that in February is when the faculty, staff, and student senate presidential evaluation will be and the president's summative evaluation will be in March.

4. Housing Committee

Regent Archuleta has reached out to a few people to get the ball rolling, get some ideas and when the Board is ready to get information, he will get it ready for the Board and getting a feel for things. Also working on a few things from a couple of years ago and getting some ideas they had back then. He is getting information from the community and different people in the past and he is excited for this. Regent Juarez stated she had nothing to add.

President Bailey stated we appreciate the leadership from Regent Archuleta and Regent Juarez. President Bailey had a meeting with the Rio Grande Sun and they may do an article about this issue too raise community awareness that everything that we brought up about how this is not just a college challenge it is also a community challenge. Housing from Santa Fe to Los Alamos and all through the Espanola Valley is a real crisis so he is glad the attention is getting put to this and appreciates the Board's leadership in making sure this becomes an initiative and an ongoing discussion.

5. HERC – Informational

Board President Martin attended the meeting on Wednesday and they had a presentation by Mark Saavedra, Executive Director of CUP. He outlined the legislative priorities for the upcoming session that HERC endorsed at that meeting. They are requesting a 7 ½ salary increase for all employees and hoping they can get that through. This year CUP and NMICC got all the colleges

together and they are going to have one report and one list of priorities for all the Colleges. They spoke a little about broadband and asked Regent Velarde to present on this.

Regent Velarde stated regarding broadband it is an interesting developing issue in the State. Besides just getting on the Broadband Subcommittee, she is also on a cybersecurity subcommittee. There is a lot of moving parts. They are trying to guide K-12 as much as they can as Higher Education. It is something we had more in place before they ever did. It is just also trying to figure out. There are so many moving pieces to it. It is not only K-12, it is local government, it is also all the different businesses that work in these rural areas that don't have good access to Broadband and then with the Broadband then comes the cybersecurity issues and not being able to then be sort of cutoff from the Broadband and be happy. It is a big heavy lift and she applauds PSFA and PSOC for doing that lift and bringing everybody together. It is a big issue in New Mexico because we are so rural and COVID really opened our eyes to how much we need that access for our students, local governments. It is just a great group of people to be involved in because it is all the way from Higher Education to K-12 to local governments and so how do we put all that money together, how do we put all of those plans and ideas together so it is one effort between all of us instead of little pockets doing their own things in places and sort of coming together at the State so it is amazing.

Dr. Swentzell stated he had a conversation with a fellow Regent from NM Military and they were asking about trainings and did not know about HERC. He does not know if they are included in HERC, NM Military does have Junior College and he feels they should be included in HERC. He knows in the past HERC provided a lot of training and support for Regents. He asked if anyone has heard of any upcoming trainings for HERC and he knows if HERC has mentioned trainings. Board President Martin stated he will bring it up and see what they can get going regarding trainings. Regent Velarde stated that HERC is the 4-year institutions really and it is a concerted effort of them. They spoke about bringing in the 2-year schools. Each have their own agendas and they may not match but to bring them together for training purposes would be amazing. Board President Martin stated he would look into that.

6. November-December Board of Regents Meeting Date

President Bailey stated one of the things we typically do because of the nature of the academic calendar and because of all of the Regents have family plans and everything else is to find a time to combine the November/December meetings. Typically, it happens right before the Thanksgiving break or right afterwards. It is really, our Executive Office Director is here and will open up the calendar and President Bailey asked the Regents to open their calendar for discussion. Board President Martin stated he is open any day. Regent Velarde asked what dates we are looking at. President Bailey stated one possibility is Friday, December 3, 2021. Regent Velarde stated it works for him. Regent Archuleta will be at a conference the first week of December. President Bailey asked about the 10th and we will shoot for Friday, December 10th at 9:00AM. All Board Members agreed. A motion was not needed for this item.

VI. APPROVAL OF MINUTES

Board President Martin entertained a motion to approve the minutes of September 24, 2021.

Regent Archuleta moved to approve the minutes of the September 24th meeting. Second – Regent Juarez. A roll call vote was taken. Board President Martin – yes, Regent Swentzell – yes, Regent Velarde – yes, Regent Archuleta – yes, Regent Juarez – yes. Motion passed unanimously.

Regent Swentzell moved to approve the minutes for the October 12, 2021 special meeting. Second – Regent Velarde. A roll call vote was taken. Board President Martin – yes, Regent Swentzell – yes, Regent Velarde – yes, Regent Archuleta – yes, Regent Juarez – yes. Motion passed unanimously.

VI. PRESIDENT'S REPORT AND ANNOUNCEMENTS

A. Celebrate Northern – Informational

1. President Bailey stated two of our superstar leaders Bruno and Victor are present at the Board of Regents Meeting and they have been good at getting the word out on social media on everything they do. The latest initiative is a Day in the Life of Being an Eagle. Today is a Presidential takeover of the Instagram Account and he has been doing 15 second videos and President Bailey would like to start by doing a quick Instagram post. President Bailey thanked Bruno and Victor for their assistance.
2. President Bailey gave a special thanks to Dr. Sandra Rodriguez who has become one a statewide leader in education and she recently briefed the Legislative Education Study Committee as to how to bring more teachers into the pipeline which is a critical need for the state. President Bailey would like to congratulate her for her advocacy and really not just helping Northern look good but really serve an important issue for the state.
3. CHESS is the project for higher education shared services for higher education. Luna Community College and Mesalands Community College are exploring joining the consortium. This is going to open the doors for our students to access communication and courses and to stay with Northern.
4. One of the Foundation Board Members, James Owen, was recently celebrated and named Distinguished Graduate from NMSU and we are really glad he was given that recognition.

5. President Bailey would like to say a special thank you to everyone who had a hand in the 2021 commencement celebration and it went live on Saturday. There have been 720 views as of last week and there are probably more by now. Thank you to Regent Juarez for the alumni pledge. To Secretary Rodriguez for her keynote speech and every one came together. The video will be broadcast on the wall of the CFA to celebrate the graduates. When it is safe to do so and possibly in May there will be an in-person commencement celebration and we will celebrate all classes.
6. President Bailey stated registration is open for spring of 2022. Thank you to every one for the diligent efforts, there are a lot more in person classes and a lot more 8-wee classes and thank you to Dr. Lopez and the entire team for getting this ready. For anyone interested in joining the team at Northern, please considering registering for classes.

B. CUP/NMICC Report

None.

C. NNMC Foundation

None.

D. Eagle Corporation Update

None.

VII. FACULTY SENATE PRESIDENT REPORT

Board President Martin asked if Dr. X was present. Dr. Lopez stated Dr. X is working with students and will be unable to report.

VIII. STUDENT SENATE PRESIDENT REPORT

Bruno Guedes, Student Senate President stated they have started to meet through Zoom and they had a retreat at Don Appiarus home. In this meeting they not only got to know each other, had an amazing lunch, a Brazilian lunch and they also got two workshops on conflict resolution and communication style. They also sponsored a virtual concert on celebrating Hispanic Heritage Month and had an amazing singer. They had students to celebrate Hispanic heritage month. It was great to have students present. Thank you to Dr. Appiarus who managed everything. They revised the Eagle Student Emergency Fund. In the last Student Senate Meeting they came up with the fund and thank you Dr. Bailey for the fund and it came from the President's Office. Student Senate will manage this. If students have any emergency not relate to tuition and fees, Student Senate will be able to help them. Next week they will have one more presentation of the speaker series which was the idea of Regent Juarez. Dr. Bailey was in the first, Regent Velarde spoke in the second and the third will be next Tuesday at 4:00PM, Dr. Don Appiarus talking about conflict resolution. The idea is to have this every month. In November, they will have Coach Cordova to talk about team work and collaboration. Also, in November there will be a presenter on domestic violence as it is domestic violence month. Thank you Dr. Appiarus for finding the speaker. All Senators have prepared a video thanks to the idea from our previous Student Senate President and

this is now being brought Administration, Faculty and Staff. Mr. Guedes would also like to invite the Board of Regents to participate in the day of the life. Student Senate approved Regent Juarez to attend the meetings as a non-voting member. Mr. Guedes thanked the Board for having him at the meeting. Board President Martin thanked Mr. Guedes for his presentation.

President Bailey stated the President talked about (inaudible) and he would like to make sure credit is given, the Student Senate is passionate advocates for this. The emergency fund is the opportunity who are struggling with some kind of emergent issue, financial issue. They go to the students for consideration about helping, it is really their design to make this work. When we looked at our own statistics, this is previous five years, but Northern had lost 800 students and when we lost those 800 students they left amid, they didn't go to UNM or some other school, they left higher education without a degree or a certificate. We do not have all the data on this and it is anecdotal but we asked them why they left because we wanted to make sure it was not our fault, or that we didn't have, or they were upset and what we found out is it had nothing to do with the College. It was that a tire went out or a child got sick or they had to get a third job to support their grandparents or, these are all things that were immediate things and they are things that were for many of us are inconvenient but for a college student they are catastrophic and it is really their genius and their heart that has led to this and they are doing this and running it on their own. There is no better role model than students who are helping other students and President Bailey would like to give credit to Student Senate for this leadership. Board President Martin thanked President Bailey.

X. STAFF REPORTS

A. Vice President for Finance & Administration

1. Fiscal Watch Reports

Mr. Bejarano called on Mr. Lithgow for presentation of the Fiscal Watch Reports (attached). Mr. Lithgow stated there are two fiscal watch reports to present to the Board of Regents. Current assets \$6.2M, student accounts receivables \$2.8M and it increased due to registrations, other receivables of about \$208,000. Total current assets are \$9.7M. Non-Current Assets have stayed static at \$38.5M. Pension related deferred outflows resources \$5.3M. Current liabilities did pick up because we are getting new bills for new fiscal year. That is \$267,000. Other accrued liabilities about \$300,000. Deferred income which is received but not yet earned \$1.5M. OPED liability about \$5.8M and Net Pension Liability about \$22M. Deferred outflows are \$4.9M and net position of about \$35.8M for capital assets. Capital projects and \$4.1M restricted for funds for the Branch College. Unrestricted is about \$756,000 for the month of August. Income statement, we are starting to pick up some activity. Revenues at 17.8%. Too note, we did receive revenues of about \$1.9M for tuition and fees and for the month of July we had a negative number because of refunds. The activities change within a one-month period. Expenses were about 11.8% so about 6% revenues collected over actual expenses. Nominal transfers out. There was very little activity for capital projects. This year to last year we are over because of HERF funding revenues came in and last year they were not appropriated by congress yet. Expenses almost \$3.5M as opposed to \$2.1M and we have had more activity due to the CARES funding. Cash flow, receipts of about \$1.9M, receipts from Grants Contracts of \$1.3M, payments to staff about \$1.9M and suppliers \$3.6M. Again, cash and cash equivalents are about \$6.2M which equates to cash in net position. For the month of September, we do see a decrease, cash and cash equivalents are down to \$5.4M. Receivables went down a little bit as we start to collect them. Loans receivables changed static. We decreased over the prior month from \$9M to \$8M. That is normal for the activity at this

time of the fiscal year. Assets are static, deferred outflows resources are static and so are the pension related items. To note, the liabilities accounts payables decreased significantly over the prior month, i.e., the reduction in cash. The deferred income also went down a little bit so there were earnings there. Non-current liabilities and the OPED and the Net Pension Liability were static. General activities, capital projects there was activity. Related parties' restriction, some cash was used for the Branch College for operation. Expenses for the month of September, revenues overall collected 26.6% and bulk of that is tuition and fees. State Appropriations came out on target on 24%. We can see a lot of activity that we received for (inaudible). Expenses started to pick up. We are at 22%, we are still at 4.6% fewer expenses than for the fiscal year. On the income statement, we can see \$28,000 in the building renewal replacement activities for the year. Comparative to last year at this time, the bulk has to do with HERF funding and the revenues for such and related expenses. Very nominal activity comparison one year to the other for capital. As far as cash flows, the receipts from tuition and grants, grants went up from the prior month and payroll went up for the two payrolls in September. We also have more activities for paying other bills. Scholarships also went up to \$3.2M for the beginning of the Semester. Appropriations are on target, Mill Levy Distributions are on target and the heavy distributions will be December, January and May, June. The cash at the bottom of the reporting period is \$5.4M which equates to the cash at the beginning of the Statement of Net Position. Mr. Lithgow stood for questions.

Regent Swentzell asked if on the actuals for September under internal services there is a dramatic increase and asked what this is attributed to. Mr. Lithgow stated this is the transfers that for instance the budgeted amounts for copiers, telecommunications, etc. as the various departments use those services then those transfers are made out and recorded to the different appropriation units. Regent Swentzell asked what the 449% increase is, was everyone buying computers. Mr. Lithgow stated he will check this increase. Nobody was buying computers, the service charges increased. Looking at the comparative from one year to the next, last year at this time it is related to all items used in this fiscal year related to the HERF funding that the different charges were made to. There is about \$18,000 a month on that. This fiscal year is kind of an anomaly.

Mr. Bejarano stated those allocations are generally done quarterly. We try to keep them as smooth as possible. Please excuse those percentages.

Board President Martin entertained a motion to approve the Fiscal Watch Reports for August and September of 2021.

Regent Velarde moved to approval the Fiscal Watch Reports for August and September of 2021. Second – Regent Swentzell. A roll call vote was taken. Board President Martin – yes. Regent Velarde – yes, Regent Swentzell, Regent Archuleta – yes, Regent Juarez – yes. Motion passed unanimously.

2. Budget Adjustment Requests (BARs)

Mr. Bejarano stated there are no BARs this month.

3. Tuition & Fees New model for AY-2022

Mr. Bejarano called on Dr. Lopez regarding Tuition and Fees (attached). Dr. Lopez stated there are several topics combined in this item and he knows there will be several questions. The first idea is today our students are paying a mandatory tuition plus mandatory fees that are directly dependent on the number of credit hours and there is no way out of these fees. Here, one idea that we have been discussing with members of the enrollment management team and members of the business office, is to combine tuition and fees to make it more transparent the process with students. Now they will go and see well I have to pay for this tuition and this fee. If we combine them, we offer only one rate. This is only for mandatory fees. There are also program and course specific fees. We are not talking about those type of fees. What we are talking about is the mandatory fees you will see in the package. All these fees, what we are proposing is to be combined and to bring transparency to the students (inaudible). This is the first idea we are proposing.

Dr. Lopez stated the second has to do that at this point the College for the last four years has not increased neither tuition nor fees. We have been flat since 2017. The proposal is to consider an increase in this new combination of tuition and fees that will start in fall 2022. The reason they are bringing this to the Board right now and not in April or May as it has been done in the past is because this is going to take at least 9 months to communicate to the students to know the change in structure and there is also going to be an increase. Dr. Lopez thinks it is easier for students to plan now than in April or May when they do not have any choices. This is why this is coming way in advance, even before we build the budget for next year. Dr. Lopez asked if there were any questions with the idea of combination of tuition and fees before he can start explaining the increases we are going to propose. Board President Martin asked if there are questions for Dr. Lopez.

Regent Velarde stated her concern is she loved the idea as a single mom when she was a student had that been able to combine those things, she would have been able to take some more money home from her other scholarships because then she wouldn't have been paying for her fees. She worries about optics by the legislature. The finance committee, senate and house, will they see this as not favorable or will they see this us and she hates to say it, gaming the system in a sense. She loves the idea she just doesn't want to make anybody angry that has that kind of influence over us. Dr. Lopez stated in this particular case, we are not the innovators, this has already been implemented by four-year institutions in New Mexico. This has happened already. Regent Velarde understands that and she wants to make sure as Northern that we are not going to cut off our nose to spite our face. Have we received any feedback from LFC, DFA or maybe even personal legislators, to make sure we are doing our due diligence even though she knows there are other institutions that are already doing it? She just wants to make sure. President Bailey stated he appreciates the comment and it is important. It is going to sound strange; we have kind of come under fire the other way. We are the one College, we are the only College who has not raised tuition in four years and he knows there are some on the LFC who keep saying we are supplementing, we are providing tax money for you but you also have to rely on student tuition more and more. They want colleges and universities to do that. We have fought against that because of who we serve and he thinks we are on the right side of that argument. President Bailey does not think this is going to highlight us in a negative way with the LFC. Regent Velarde stated she did not mean about increasing tuition, she meant about combining our fees with our tuition, she just didn't want optics. Board President Martin asked if there were any other questions from the Regents.

Regent Swentzell stated he fully supports combining tuition and fees into one. He mentioned this in the committee meeting, as a student about a decade or so ago at Northern, there was, at the time tuition was going up quite a bit and also the addition of numerous fees, there was a perception that the college was trying too nickel and dime people by raising fees. Those sorts of perceptions, he likes the idea of putting it together in one number, especially as Dr. Lopez mentioned, these fees are not always directly tied in as part of collecting funds of the general purpose of the College.

Regent Juarez stated she completely supports; she thinks it will decrease the confusion for students as long as we continue to be very transparent about all that she thinks we are good.

Regent Archuleta stated not at the moment and thanked Dr. Lopez.

Regent Velarde stated yesterday Ms. Abeyta brought a good point regarding able to track the fees and being able to then put them to their related or associated funds and making sure how that is going to be tracked. She wants to make sure we create a good practice for this and she knows Ricky and Evette will be on top of this just so we don't get audit exceptions. She is worried this may leave us open to get another audit exception.

Mr. Guedes ask when you combine the tuition and fees (inaudible). Is this applied for online and lab fees. s

Dr. Lopez stated the fees we are talking about are general fees. Those are building and equipment renovation, student service fee, activity fee, LMS fee, Library fee, Security, fee Athletic fee and IT fee. All of these are mandatory fees students are paying. Plus, we are going to disappear the registration fee of \$29.00. That is part of this proposal. This is on top of the \$62.00. There are certain fees that are linked directly to the course. These are the Lab fees (ex., Kaplan fees, online fees). Dr. Lopez will discuss this with the next model. The online fee gets combined and there will be two tables. Dr. Lopez shared his document (attached). Right now, they have tuition and fees for a total of \$195.00. We are aligning these as well. This is the second part of the proposal for face-to-face courses. As of July, we have an inflation of 3.67. If we combine the inflation of 2017, 2018, 2019 and 2020 and the current inflation and assume the inflation remains the same which we know is not true, the commutative inflation in the last five years is a 9.4%. We have not increased one single penny in tuition and fees but our expenses have gone up. We are proposing that also with the combination of the tuition and fees, we have a 5% increase of face-to-face courses. The new rate will become \$220.00. This also includes that we are eliminating the registration fee. We are reserving the same structure so that students only have to pay the very first 12 credit hours. Between 12 and 18 it is just a single rate. Basically, we are not charging for credit numbers 13-18, that rebate is there. It is the same structure that we have kept and that is something other institutions do. With this we are also proposing the elimination of the current \$150 rate for people 55-64. That was a special rate that was proposed three years ago but it didn't do what we were expecting to happen. What happen is the number of head-counts in that segment went down and the number of courses they took went down. Instead, what we want is to cover the most vulnerable population, the seniors 65 and over. Right now, a senior for the first six credits is paying \$5.00 in tuition, this is because of State Statute, plus \$62.00 per credit. The combination is \$67.00 per credit. What we are proposing is they will pay \$5.00 per credit; no fees and we are increasing the number of credits from 6-9. That is a vulnerable population, we proposing the elimination of the segment between 55-65 which by the way, that \$150.00 was applicable only to the first class. They would pay the \$198.00 for the additional classes. Board President Martin asked how many students we have that are 65 and over. Dr. Lopez presented the age profile table to the Board of Regents. 65 and over is approximately 2% and another 1% so we are talking about 3% of the

total population so about 30 students more or less. Board President Martin asked what if we bumped it to 55, it does not look like more students. Dr. Lopez stated about 4% or 40 students. That will be the group that will be affected for the first class. They are going to see an increase to \$493.00 for the first class. The others are the same. This is for face to face.

Dr. Lopez stated what we are doing also, we are still keeping here for non-residents including international students, we are adding \$30.00 and non-residents. However, nonresidents, we have two categories, the students under the (inaudible) program, they get a special rate, the same is true is the students for New Mexico. This is the proposed rate for the (inaudible) students which resembles something in between in state and out of state tuition. It cannot exceed 150% of the instate tuition and this number is way lower than that. We are still keeping the community rate for our classes. There is no change on the \$100.00. For the military we are asking a 10% discount and they pay 90%. There is nothing special for the armed forces, we do not have a particular classification. Board President Martin asked if there were any questions on the face to face.

Regent Velarde stated she would like to get it straight if we have a new high school student coming into our campus, and let's just say the student is going to take 9 credit hours, it is 9 credit hours it will cost them over \$1,000 but yet we could have somebody age 65 or older come in and take those exact same 9 credit hours and pay \$15.00. Dr. Lopez stated that is correct and right now that is by Statute, the \$5.00 is a New Mexico Statute. We can grow the fee as much as we want for that population but the tuition is \$5.00. Doesn't this seem discriminatory towards out younger students. Our younger students are the ones struggling to find their path and seniors have explored their path and are hopefully in a good retirement place and maybe they are not. She finds this questionable. President Bailey stated he understands this, as Dr. Lopez stated it is a state law and legislative endeavor well before they got there, it has been on the books forever. The only other thing she would add. Regent Velarde is not understanding why we are lowering costs for seniors but increasing the cost for the rest of the student. President Bailey stated we are following the law, for any college in the state the tuition is \$5.00 for anyone 65 and over in any college in the stay. What we have done in the past in addition to that we have also had the fees. Dr. Lopez also stated there are other opportunities for those 18 years old, like the lottery scholarship, opportunity scholarship, or even private, foundations. It would be difficult for someone 65 and over to get a scholarship from a foundation or a private entity. He wants to think what was in the mind of the legislators when they did this. He thinks they were thinking younger students also had other ways to pay for their tuition. President Bailey stated the lottery scholarship for the last two years is funded at 100%. Any high school student who starts college within 12 months of graduating high school they will be funding through the Lottery Scholarship at 100%. Regent Velarde asked about non-traditional students like her who started at 22, now somebody like her starts college at 22, they don't have the opportunity for the Lottery Scholarship. How does that affect them as well? President Bailey stated we have to pay attention to this. The opportunity scholarship is meant for this, to close the gap. For a 22-year-old student who maybe left high school, took care of her kids, got two jobs and then started with us later, that student is not going to qualify for the Lottery Scholarship but would qualify for the Opportunity Scholarship. The beauty of that is it would cover the remainder of tuition and if they also qualify for the Pell Grant, that is also covered as well as other things. There are more opportunities than ever before and we have to do everything we can to make sure we are providing assistance. Regent Velarde asked if the opportunity scholarship is in place. President Bailey stated it is in place and has been for two years, it is not fully funded and is growing every year, it is still a work in progress and if the Governor has her way it will be funded at \$47M and it will cover every student and get them full tuition and this is the goal of the session coming up. Board President Martin asked if there were any questions before going to online.

Dr. Lopez stated regarding online courses, this is more complicated than the face to face for several reasons. Dr. Lopez showed the Board of Regents some challenges the College has. Dr. Lopez stated only 18% plus or minus depending on the semester of all the courses at Northern are online which means that they have gone through a rigorous process of peer review and the meet the standards that are set up by Quality Matters. This is an organization that reviews online that set up the Quality Standard for online instruction. We also need to comply with (inaudible) which is a nationwide organization that reviews also quality of courses. There are different set of standards because it is harder to engage a student through the online format than when you are face to face because you are missing that physical interaction. Right now, at Northern, 18%, so this tuition we are proposing is only for 18% of the courses. The other 82% was covered in the prior table. What is going on right now with Northern. By next fiscal year, there are several expenses that Northern needs to absorb or institutionalize that are today currently paid by federal grants. We have 2.5 FTE that when you combine salaries and benefits you get to the number, we also need to institutionalize the money that we are paying to our instructors to do the peer review process he was discussing and that is another \$6,000. We need to institutionalize the membership that we are required to have to teach online, this is \$8,000 and several pieces of software that we need to deliver online instruction including the Zoom license that we are using. All of these, in FY23, this is going to cost \$246,000. The proposed increase is \$65.00 from what students are paying today from online. When you combine the tuition \$198.00 plus \$62.00 for general fees that we discussed but they have to pay an extra fee of \$31.00 per credit. This makes a total of \$230.00 that students are paying right now. The proposed rate is \$295.00, this is \$65.00 and we recognize this is equivalent to a 28% increase. Northern offers approximately in one year 600 classes, plus or minus 10 or 20, only 18% are going to be affected because those are going to be online. The average size of an online class today is 16.4 students. The average number of credit hours of one course is 2.9. Why not 3? We do offer online courses that are 1 or 2 credits. When we collect tuition, not everything is ready, first of all dual credits do not pay any tuition on this, we also do not charge for any credit that happens between 12 and 18 and then we have tuition waivers for employees, for the scholarship for the pueblos, for the regents. When you take all this into account, for every dollar that charge in tuition, we only recover at the most .75 cents per dollar. This does not include those students that default. This \$65.00 are going to put us into \$250.00 of new revenue which basically covers better. This is for one year. Dr. Lopez showed the Board of Regents an analysis. As other grants are expiring, we need to absorb other personnel. If we include all the software we need to institutionalize, we have \$133,000 this is fixed cost. This the staff members we must pay if we want to offer online courses. This comes to a little below \$500,000. Then we find that we have classes, there is a variable cost because we need to hire instructors and personnel. This is the variable cost for the personnel for student services. In order to offer an online program, we need to prove to the HLC that the students have exactly the same services. For every FTE, the cost comes to around \$210.00. The variable cost in terms of credit, or a full-time faculty including benefits is \$65,000 and the low which is in the CBA we have \$227.00 value. For adjuncts which is more affordable we have \$68.00. The new tuition we are proposing is \$295.00 and we only recover 75% of that. When we do the analysis, the blue line (attached) is the cost. We start with fixed costs which is \$1M and the line is growing based on the variable cost. This is the variable projected at \$295. If this model passes today, the break-even is going to happen in around 280 FTE. Today, we already have 120 FTEs and if we take all online that we are offering today that is equivalent to 120 FTE. This model means we have to find another 160 FTE in the online world to break even. This is where comes the piece, the table for the online courses. Board President Martin asked if we have students that just do online and just do face to face or everything. Dr. Lopez stated we have students who are taking 1/2 and 1/2. We have students who are taking everything online

and we have students who do not take one single program online. It is really almost per program. For the Business Program you will see more and for Engineering it will be less. President Bailey stated he would add we have to think differently about what we did in crisis in response to COVID which is everybody went home and a professor was on Zoom and teaching the class that way. What Dr. Lopez is talking about, this happened last year, the HLC has for the first time ever to do fully online programs. There are requirements to be fully online where there is an expectation of a certain quality of the way that happens. This is where all the extra expenses come from and that process that we have to go through course by course to make sure it happens.

Regent Juarez stated we need 150 more students; her question is what is the pattern of increase in students who want to be fully online and how long will it take to get to that number. Dr. Lopez stated he feels very confident because between our traditional number of students doing online courses, for the last five years, the average was 14 students per class, right now we have 16.4 which is about a 15% increase just from the last semester when we got this approval because we were offering these courses in isolation. The Business Program, they were the College with the largest growth enrollment. Actually, most of our department's enrollment went down, this was not true for the College of Business Administration, they were offering the program online. President Bailey stated we had a survey sent out to students about a year ago and we asked how they wanted class delivery and we had about 400 responded, 1/3 of student body and 67% of them stated they wanted online learning. Regent Swentzell stated Business you could be from Ohio, take advantage of the potentially the brand new decreased out of state, it would be the cheapest in the country and that is big deal but we would really then want to grab those people from other places. Western has done that in a huge scale. Pulling people from all over because they could complete their entire degree program and not step on campus. That is where real growth potential is. Now if Business is, what other programs are going to be? It is great for local students, eventually, I could these three courses in person but this one online, that is not helping us if the whole program is not possible. The other element to that is we have the so-called great resignation ongoing right and there is a, he has been reading some of the recent articles on that, looking at the increasing whys in certificates as a retooling and recertifying and repositioning people. To what extent is Northern prepared to use those as part of the great, the retooling and response to, this has been going on since 2008, but now we have this interesting, unprecedented great resignation of people shifting around. How can we be ahead of the curve or at least on the curve to take advantage? A lot of that seems to be in the certificates. President Bailey stated he would say the strategy for us needs to be two-fold. One is we look for the programs Northern offers that are really unique and could get students from Ohio interested. The price is already affordable. Even with what is brought to the Board today it is remarkable affordable and competitive. He thinks there are things we do better than anybody, Northern has the only accredited project management program in New Mexico. That is why, that is the first one we said we are going to move this online. RN to BSN, because our nursing program looks at a more holistic view of health, that is really attractive outside New Mexico as well. We need to find the niche programs that we have that we think can be marketable beyond. The other thing we are on the verge of trying to figure out and that is that the way we have traditionally Marketing and Communications has been regionally focused, as we start thinking about those programs and some of the things we reach out, we have to think completely how we market them and where we market them. Credit to the Communications team as to how to do this differently. We are redesigning our website in the next year to put a new face on it. We are not going to forget about who we are and who we serve, we are still a regional comprehensive institution. All of the things Dr. Lopez has presented today, at the end of the it is all about how we serve this community better and this will help us do it. Dr. Lopez stated he would like to mention an (inaudible) that they need to be aware of. Today, Northern and it is true for the last five years, 98% of our students are

in state tuition. Only 2% are out of state and this is true for the last five years. This is why the strategy here is to lower the price of the non-residents or out of state students and that includes international students, this will apply international. We are increasing that to a rate of \$320.00 because the strategy is going to be to go for out of state students and try to grow this 2% that we have. Since we do not have dorms, students do not come and typically it is going to be difficult that they come massively. This strategy through online offering a great price that is more competitive than all the local institutions and non-local institutions, we are still more affordable than all the other four institutions when it comes to online.

Regent Velarde stated we are going to be rewarding our local instate students for supporting us 98% of them the last years by increasing our tuitions in order to make it more attractive for out of state students to come to our college. It doesn't sit well. She is all about supporting our community more than anything and she understands that we have big plans, projects, we have programs that we are implementing. We can't lose sight, she understands we have to have big picture, five-year plans, all of that, because she was reading something this morning that really resonated with this situation and it says the goals that we are trying to reach must never be bigger than the lives we are trying to change or the people we are trying to help because once they do, we unintentionally become another obstruction to their progress. This is her issue, as far as, you guys knew bringing this, she was not going to be in favor of any sort of tuition increase, especially right now. She understands we are dealing with inflation like there is no tomorrow. She works in industry, she understands that. However, as an institution, we have support for those kinds of things. We have a lot of support federally, we have gotten monies that we have been able to then, Porter asked about that 400%, we were able to use some of that federal money to be able to support us. From her understanding, really that, we are in a good place financially. We have been really growing, we have been getting grants and Title I Grants and things that we have never received before and now we are putting this upon our students when they are at their most vulnerable. They are also dealing with inflation themselves. Not only with their everyday lives, putting gas in their cars, going to buy groceries but if we increase tuition then that means whether they get scholarships or not, because that is how Regent Velarde lived, she lived on scholarships and grants but the more her college costs the less she got to take home with her. She is a little bit worrisome of what we are doing and she understands we are giving them nine months but giving an individual nine months to prepare for this may not be enough because nine months may not be enough for them to afford this. If we are going to be one of the cheapest online out of state places, we have been that in the past. We have been pretty reasonable as far as our costs for out of state online. Her issue is she worries this is going to hurt some of our students and we may lose some of our students to attract out of state students. Regent Velarde stated personally she needs more informationally being on the Finance Subcommittee really needs some more in-depth financial information data to look at this to be able to look at this and analyze where we are financially, what our plans are and what we are going to do to students overall.

Dr. Lopez stated he appreciates very much Regent Velarde's comments. If we go through the records of the minutes, he has been one of the ones opposed in the past to any tuition increase in the past. This morning, he could not believe we would be presenting this. He would like to bring a couple of things to the Board of Regent's attention. Yes, we want to attract more out of state students, let's assume we do not change the tuition rate for them, let's assume we do it more expensive for them. If we do not attract more out of state students, this means that this ticket of \$246,000 that the College has to institutionalize because the grants, yes, we are getting new grants that are funding other initiatives but these grants are coming to an end. These grants have to be institutionalized if we want to keep our current online operation. Regent Velarde asked if we have

a projected financial model of this because she didn't see it in the packet. She understands that but also as Dr. Lopez mentioned we have not been out there trying to recruit out of state students. Partially, that could be the reason for the 2%. Maybe what we need is to go out there and start recruiting and see what then those numbers look like before making it so attractive to them but on the backs of our in-state students. Dr. Lopez she accepts the criticism on that part. Regent Velarde stated no criticism whatsoever Dr. Lopez, she knows he is doing his job and she appreciates him completely. She knows that, she just likes to know a little bit more. Dr. Lopez stated if the out of students do not grow, this will be have to be absorbed anyway by the in-state students because this is something that we have to institutionalize. Other possibilities to get this money from the academic side of the house is through program elimination. Last year, the Board remembers we tried to eliminate the Bachelor of Math that had only five students, right now it only has two students. We need to find; the State is not giving us more money. Unless we find more magic to generate more revenue because we cannot use grants, they are very specific and restricted.

Regent Swentzell stated some of the dynamic growth is on the online environment in some of those other areas and as President Bailey stated our heart and soul is in Northern New Mexico and also our heart and soul resides in one of the poorest economically speaking areas in the United States. We don't have loads of cash floating around, although on the hill there is some cash and sometimes it floats down. One of the things, picking on Western because he is student there, they located Silver City and the shrinking population and shrinking mining economy they decided to go heavy on the outside students to basically support them to continue to exist as an institution and they were at the lead of that and were very successfully. They recently just cranked up their tuition for the online students because of the incredible cost. The sheet shared with us they cranked it up about 43%. They have all of these out of state students supporting the institution. We were quite a bit more expensive than they were formerly now we will be quite a bit cheaper than they were formerly. He goes to Western and he is not trying to throw them under the bus. We think about what are some of those people, he sees them in his classes who are online students from all over the place will go to Western because of the great deal it provides and because they never have to step foot on Western and getting a great deal and living wherever they want. We may be able to pull some of those students here at Northern. He is kind of throwing out an idea both to Regent Velarde and in anticipation of Ricky throwing something at him. He was thinking about perhaps approving the combining of fees and tuition for in person students and not doing the 5% increase but doing the significant changes and increases to online with the intent to really see growth in that area. This does not solve the inflation issues; it does not solve some of the other challenges but that is the market of growth. He is just throwing that out there, it is not a question it is a thing because Regent Velarde brought up a valid criticism, this is, the people we truly serve are at Northern New Mexico, inflation is hitting everybody so are we just throwing more fuel onto the fire. Hey I know everything else is costing you a lot more so school is going to cost you a lot more. Also, school is going to cost you some more. Granted it is 5%, it is \$150.00 or whatever, but it is \$150.00 that people didn't have to begin with perhaps and the question mark for outside you are also bringing it up is the elasticity of price of demand, right. We know in the past, this is not comparable, because tuition rose on a much larger scale, we could see that there was a lot of elasticity. He does not know what 5% does but we do have a lot of elasticity on that in this area as our previous experience shows. He is throwing it out there as a thing, as an idea.

President Bailey understands and sympathizes and it is why we haven't brought tuition increases to the Board of Regents in four years and we are the only school who has done that. If there is a school who has walked the walk this way it is us. As a Board of Regents, you are the fiscal agents and we will salute smartly on whatever the Board of Regents decides today. If there is modification

to this, we will go back, look at the numbers and try to figure out what we need to do. Likely, we will come back to the Board of Regents knowing here is what we pay our faculty, here is what we pay our staff, we may come back and say now we have to make these decisions. This is a conversation that we are going to have. We serve at the pleasure of the Board. Board President Martin stated it sounds like we have latitude and we don't have to make a decision at this meeting. President Bailey stated this is right. Board President Martin stated now that we have the input of the Board.

Regent Velarde stated she would like to have is a working group maybe for the meeting where we are looking at the financial model of how this makes sense for Northern. Especially, with what Porter suggested, Regent Velarde is completely behind except for the online model, the online model, she feels is like, the data behind it, she is sorry, she is an Engineer, she needs to see the data behind why we made this decision where we came down to that exact dollar amount, what it says exactly because part of the Board packet was reasoning and that may also be on the 5% increase was that we have these new programs and projects coming in and she would like to see all those numbers and she doesn't know if we need to table this until we get more information. Board President Martin asked Dr. Lopez if the Board has giving him direction as to their feelings. Dr. Lopez stated besides the communication plan of nine months for our students, strategically we want to do this as soon as possible. We knew this could be an outcome of the meeting. He thinks we still have time. The more that we wait, the less time the students will know about these decisions. He thinks that making this decision or any decision on March, April or May is going to hurt students. At this point we do have time. President Bailey stated knows that when he first got here, there were decisions made on tuition that were brought to the Board that were arbitrary, just a number. It helps that we have a Provost, just like Regent Velarde, who is an Engineer and he has ad nauseam and when Regent Velarde sees the reasoning behind the numbers that it is not arbitrary. We will share all of this with Regent Velarde. Regent Velarde stated she knows coming from Dr. Lopez it is not arbitrary. She would like to see it herself and chew on the numbers herself and see the direction and logic behind it.

Regent Juarez stated as a student she knows tuition increases are not fun but from her own perspective, she prefers to put in more hours at work and look for more scholarships rather than to not have our institution as a whole. If we were able to have wiggle room, she would vote towards that as long as the institution would be in good standing.

Regent Archuleta stated everyone has valid points and whatever everyone thinks is the best situation, it is difficult but hopefully we can come to an agreement.

Board President Martin stated he was concerned when he saw the tuition for the online was going up 28% for the in state and down 48% for the out of state. He didn't quite understand that because as Dr. Lopez stated most students were from in state. He could understand that we are trying to incorporate more students from out of state but we are competing from colleges throughout the country. He applauds Dr. Lopez efforts and looks forward to his report in November.

Board President Martin entertained a motion to table this until the next meeting.

Regent Velarde moved to table this until we get the information. Regent Swentzell - Second. A roll call vote was taken. Board President Martin - yes, Regent Velarde - yes, Regent Swentzell - yes, Regent Archuleta - yes, Regent Juarez - yes. Motion passed unanimously.

4. Late fee removal -Action Required

Dr. Lopez stated this is regardless of the prior item, we would like to propose removal of the late fee registration. The late fee registration is a fee students have to pay when they miss certain deadlines when they register for courses. What has happened in the past years, is that students are struggling to enroll at the last minute, we have waived the fee. The fact is that for a couple of years is we have not enforced it so why have something on the books that we are not going to enforce. More important, it goes to the question of who is ultimately paying this fee. Unless you are a professional procrastinator, students who have the financial means, they are going to register early. It is the students financially struggle is the one that wait until the last minute. This is a fee penalizing the most vulnerable ones. If are waving this, why have it. The proposal is to remove the fee which also causes administrative burden. Board President Martin entertained a motion to waive the late fee.

Regent Swentzell moved to eliminate the late registration fee. Second - Regent Velarde. A roll call vote was taken. Board President Martin - yes, Regent Velarde - yes, Regent Swentzell - yes, Regent Juarez - yes. Regent Archuleta did not respond to the motion. Motion passed unanimously.

XI. DEEP DIVE

1. EARTH Shot Project

President Bailey presented EARTH Shot Project to the Board of Regents which is a discussion regarding climate change.

XII. EXECUTIVE SESSION

BP entertained a motion to enter into Executive Session to discuss limited personnel matters related to the Presidential Formative Evaluation.

Regent Swentzell moved to enter into Executive Session only to discuss those matters listed on the agenda. A roll call vote was taken. Board President Martin - yes, Regent Velarde - yes, Regent Swentzell - yes, Regent Archuleta - yes, Regent Juarez - yes. Motion passed unanimously.

The Board of Regents entered into Executive Session at 11:27AM.

Board President Martin entertained a motion to return from Executive Session.

Regent Swentzell moved to exit Executive Session and affirmatively stated only the items listed on Agenda were discussed. Second – Regent Juarez. A roll call vote was taken. Board President Martin - yes, Regent Velarde - yes, Regent Swentzell - yes, Regent Archuleta – yes, Regent Juarez - yes. Motion passed unanimously.

XII. ADJOURNMENT

Board President Martin entertained a motion to adjourn.

Regent Juarez moved to adjourn. Second – Regent Velarde. A roll call vote was taken. **Board President Martin - yes, Regent Velarde - yes, Regent Swentzell - yes, Regent Archuleta – yes, Regent Juarez - yes. Motion passed unanimously.**

The Board of Regents Meeting adjourned at 12:12PM.

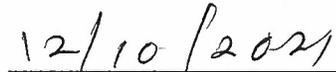
Approved:



Michael A. Martin
Board President


Erica Rita Velarde (Aug 20, 2022 09:50 MDT)

Erica Velarde
Vice President



Date

8/20/2022

Date

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Final Audit Report

2022-08-20

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