

VERBATIM MINUTES OF THE BOARD OF REGENTS

NEW MEXICO STATE UNIVERSITY

January 29, 2007

I. CALL TO ORDER

The Board of Regents of New Mexico State University met in the Sunset Room of the El Dorado Hotel in Santa Fe, New Mexico, on Monday, January 29, 2007. President Anaya called the meeting to order at 9:08 a.m.

Regents Present	Mr. M. Steven Anaya, President Ms. Laura M. Conniff, Vice President Ms. Sherry Kamali, Secretary-Treasurer Mr. Bob Gallagher, Member Mr. Blake Curtis, Member Mr. Ed Kellum, Designate
Ex-officio Regents Present	Dr. Larry Creider Mr. Ben Hardy
President	Dr. Michael Martin
Executive Vice Pres./Provost	Dr. Williams Flores
Regents Chief of Staff	Dr. Pat Williams
Other Presenters Present	Associate Vice President Maureen Howard Senior Vice President Ben Woods Senior Vice President Jennifer Taylor Vice President Rebecca Dukes Director Michael Rickenbaker Director Fred Ayers General Counsel Bruce Kite Dean Garrey Carruthers Vice President Michael Hites Assistant Vice President Bernadette Montoya Director McKinley Boston Director Patricia Quintana Ms. Socorro Saenz-Lobato

Regent Anaya acknowledged President Martin's birthday this day and asked everyone present to join him in singing "Happy Birthday" to President Martin.

President Martin stated, "Thank you."

2. INTRODUCTIONS

- (a) Associate Vice President Maureen Howard stated, "President Anaya and members of the Board, at the moment, we do not have any members of the press here today."

3. APPROVAL OF AGENDA

General Counsel Bruce Kite stated, "There is one item in the consent agenda that needs to be deleted."

Regent Anaya stated, "I was going to do that when we got to the consent agenda, but under 7(m), we need to delete the contract for Matthew D. Walter, which is not ready yet. So we will delete that one from item 7(m)."

Regent Conniff moved, seconded by Regent Kamali, to approve the agenda as amended. The motion carried unanimously.

4. RATIFICATION OF STATEMENT REGARDING PRIOR EXECUTIVE SESSION(S)  
(roll call vote)

The Board of Regents of New Mexico State University met in Executive Session at 4:00 p.m. on Thursday, December 14, 2006, in the Hiram Hadley Conference Room, Hadley Hall, on the New Mexico State University main campus, Las Cruces, New Mexico, to discuss personnel and real estate matters. The Board recessed the Executive Session at 6:00 p.m. and reconvened on Friday, December 15, 2006, in the Hiram Hadley Conference Room (130) at 1:30 p.m. Those Board members who were present hereby certify by roll call vote that only matters of that nature were discussed in the closed meeting.

The motion to adopt this statement, upon being put to a vote, was passed and adopted on the following recorded vote: President Anaya, Vice President Conniff, Secretary/Treasurer Kamali, Regent Gallagher. Regent Curtis was not present for the roll call vote. Four Regents present having voted in favor of said motion, said motion carried and said statement was adopted.

5. APPROVAL OF MINUTES

- (a) November 27, 2006

Regent Kamali moved, seconded by Regent Gallagher, to approve the minutes of the November 27, 2006 meeting. The motion carried unanimously.

- (b) December 15, 2006

Regent Conniff moved, seconded by Regent Gallagher, to approve the minutes of the December 15, 2006 meeting. The motion carried unanimously.

Regent Anaya stated, "I would like to add that Regent Blake Curtis is before the Rules Committee this morning so he will be joining us a little bit later. We also have our new Regent Ed Kellum. Ed will be going before the Rules Committee sometime this session. Sherry will be sitting in until Ed gets confirmed."

6. FUTURE BOARD MEETINGS

Approved: March 12, 2007, Las Cruces, NM  
(Annual Meeting)

April 20, 2007, Las Cruces, NM

May 11, 2007 (Commencement Weekend)

Other: The annual meeting of the Association of Governing Boards (AGB) will be held in Phoenix, Arizona on March 3-6, 2007 at the Pointe Hilton Tapatio Cliffs Hotel.

7. CONSENT CALENDAR (voted on by one motion, or moved to Action or Informational Items)

- (a) Approval of Renewal of Mutual Lease Contract Between Doña Ana County and New Mexico State University, on behalf of KRWG TV, Doña Ana County, New Mexico (Director Fred Ayers)
- (b) Approval of Master Ground Lease (the "Lease") for the Arrowhead Research Park (Director Fred Ayers)
- (c) Approval of Lease Agreement and Agreement for Facilities Use, by and between the Board of Education, for the Socorro Consolidated Schools ("Lessor"), and the Regents of New Mexico State University ("Lessee"), Edward E. Torres Elementary School, 239 Garfield Avenue, Socorro, Socorro County, New Mexico (Director Fred Ayers)
- (d) Approval of an Addition to the NMSU Legislative Priority List for a \$145,000 Appropriation on a Recurring Basis to Support the Doctorate of Economic Development Program (Dean Garrey Carruthers)
- (e) Approval of NMSU-C Fire Alarm Improvements (Director Michael Rickenbaker)
- (f) Approval of NMSU-C Breezeway Repairs (Director Michael Rickenbaker)
- (g) Approval of Alumni Dormitory Demolition (Director Michael Rickenbaker)
- (h) Approval of Property Disposition (Senior Vice President Ben Woods)
- (i) Approval to Name the Barbara Hubbard Room (Vice President Rebecca Dukes)
- (j) Approval to Name Street Entering Golf Course, "Herb Wimberly Drive" (Vice President Rebecca Dukes)
- (k) Approval of Temporary Investments Report for Quarter Ended 12/31/06 (Senior Vice President Jennifer Taylor)
- (l) Approval to add Duane Trythall as Arrowhead Center, Inc. Board Outside Director (Dean Garrey Carruthers)
- (m) Ratification of Amendments to Employment Agreements for NMSU Football Coaches (General Counsel Bruce Kite)

The contract for Matthew D. Walter was deleted from Agenda Item 7(m).

Regent Gallagher moved, seconded by Regent Kamali, for the adoption of the Consent Calendar as amended.

Regent Anaya stated, "I would like to mention two things that we have on here. One is 7(i), Approval to Name the Barbara Hubbard Room at the Pan American Center. We had a room in the Pan American Center and when we did the remodeling, it got changed so the new room will be officially named, 'The Barbara Hubbard Room.' Also, the street entering the golf course, President Martin has recommended 'Herb Wimberly Drive.' Of course Herb has done a lot for the golf program at New Mexico State University, so I think, rightfully so, and I just wanted to acknowledge both of those areas."

ASNMSU President Ben Hardy stated, "If I could just acknowledge Ben Woods and OFS. I lived in Alumni Dorms my freshman year and I can tell you first hand they are in dire need of being torn down and renovated. I think that the apartments that you are building over there are far superior, so thank you for that."

The motion carried unanimously.

## 8. ACTION ITEMS

### (a) Executive Vice President/Provost Flores

- 1- Approval of Merger of Research Park Corporation into the Arrowhead Center, Inc. (Dean Garrey Carruthers)

Dean Carruthers stated, "Before we do this, in recognizing Herb Wimberly with Herb Wimberly Drive, I would also remind you that in addition to having started the golf program here, being the first pro, and everything else, we are very proud of the fact--in the College of Business--that it was Herb Wimberly that brought the Professional Golf Management Program to New Mexico State University. For a long time, we were one of four schools who offered that. We still have over 200 students in professional golf management, but it was a vision of Herb Wimberly and his brother, Guy Wimberly, in Albuquerque, to bring that program to us. So, he has done many things for the university, and other than being one of the nicest guys in the free world, he has really contributed a lot. Dr. Martin, I applaud your notion to name a drive after him. And 'drive' is good for Herb. He hits it a long way. Sometimes he can't find it, but he does drive it. I have with me Dr. Kevin Boberg. Dr. Boberg has been with New Mexico State University for 19 years. We are about to talk about two and a half years of my time in helping develop the Arrowhead Center, but a longtime dream of Dr. Kevin Boberg who has been a leader in economic development in the College of

Business. Many of the things that we do in the Arrowhead Center were things that he aspired and did do before we came up with the Arrowhead Center. It was after Jim Manatt took me to Rice University to look at the Rice Alliance did we begin to put together the Arrowhead Center as we now know it. Kevin has been at this for a long time and I just wanted to applaud and recognize the leadership of Dr. Kevin Boberg who, I think, is one of the most creative people I have met in my life and who has been a leader in helping us put together the Arrowhead Center, so I have asked him to join me. The first slide is on the Arrowhead Center. We set out as a goal of the Arrowhead Center to strengthen economic development in New Mexico and I think, last year, Kevin told me we did 100 projects with about 120 students. We actually work for clients outside of New Mexico State. Many people come off the street with ideas that they want to develop into businesses. We have student teams and Dr. Boberg leads most of those student teams as we develop market analysis and business plans for companies. We are delighted to say that last year, three of them actually ended up in the Technology Venture Capital Symposium, which is difficult to get into. Our students were acknowledged as having contributed substantially to the development of those business plans and market analysis and I think some of them have been funded as a result. We want to enhance directed learning experiences. All university's Colleges of Business--I know Dean Castillo in Engineering would agree with me, because I think they are doing the same thing--are going more toward directed learning experiences and away from making up problems and having students solve them. One of the things we do at the Arrowhead Center is take real problems and have people solve them. We are now getting into what is called 'social entrepreneurship' in which we try to apply business principles to things like Habitat for Humanity. Last year, Kevin and his group did a program for Habitat for Humanity. Jardin de los Niños is now approaching us and saying, 'How can we be more business like?' These people are well intentioned, but oftentimes are very enthusiastic about their cause, but they are not able to apply business principles to that cause, and as a consequence they occasionally find themselves in problems business-wise. Then, of course, our dream is to have a diversified funding base for the university. Today we were going to ask you to merge the Research Park Corporation with the Arrowhead Center. The reasons are, we have two boards, one for the Research Park and one for Arrowhead Center. There were two Regents on each of those and a number of us served on both of those boards, so we reduced that redundancy and we got all of our corporate business in one place. We think the financial audit cost will be reduced and it does involve all of the segments of New Mexico State University in the Arrowhead Center. If we merge the Research Park Corporation and the Arrowhead Center, the Arrowhead Center Board composition would look as follows. There would be two NMSU Regents, six NMSU academic deans, the NMSU President, the NMSU Provost, the Vice President for Business and Finance, the Vice President for Research, etc.

and today we will ask for an addition to that. We do have non-university positions which we think are very important. We have representation from Venture Capital and Commerce. We have a position, and one of the things I may want to chat with you about, is we have always asked the Chairman of the Board of the Association of Commerce and Industry (ACI) to serve and you have just approved Duane Trythall for that, but it might be wise in the future that we just acknowledge that whoever the president of ACI is would automatically fill one of these positions. The business units--just to remind you--as a result of this merger, you'll end up with five sub-business units. The Research Park and business incubation, work force development--and I must tell you that, while we have not been as active in work force development in the past, we are going to become very active. We have a new secretary of the Department of Labor being confirmed this afternoon who is an expert on work force development. We spend \$300 million a year in the state of New Mexico on work force development and no one can quite figure out what we are doing with all of that money. One of my colleagues at New Mexico State advises me that we do random acts of work force development in the state. Two-year colleges should be an integral part of this, but they are not necessarily part of it. We are of the school that we need to predict what our work force ought to look like instead of reacting to what our work force is forming. We need to do some analysis and begin to prepare students, for example, spaceport activities. There will be a lot of jobs at the spaceport as it moves on. Someone needs to anticipate what kind of work force that will be. The policy analysis was requested by Dr. Martin and he is the biggest user of that. We do all kinds of things. As an economist, you naturally would hope that he would turn to economists. It is run by two of our pre-eminent economists and they do some good work analyzing things like elimination of out-of-state tuition, which we discovered--as we reported to you--is not as good as an idea as I thought it was, but we are doing other things, Regent Gallagher. We are finishing the study on the golf fees. We have done a thorough analysis of golf fees and we will be reporting soon on that issue. The policy analysis also deals with much of the state government. We have contracts with the human services department and others. Intellectual property commercialization was always there and we are trying to improve it and then entrepreneurship and outreach. And what I'm pleased about is this sub-business unit, because this is the unit that is going to reach out to the state. The extension service, through Paul Gutierrez and his colleagues, are very much involved in this, but also, this is where Kevin takes entrepreneurship to middle-schools and high schools. This will ultimately, hopefully, lead to a lot of students taking an interest in coming to New Mexico State University, because this has been introduced. I think the stock market game will ultimately be included. That is another way we reach out to students at middle school and high school. I should tell you, the stock market game, interestingly enough, the most recent winners over the last couple of years were Native Americans in the Laguna/Acoma area and I

think that is really exciting that middle school Native American kids are taking such an interest in things like the stock market and that will be the unit that takes care of those kinds of things. We want to modify the land lease between the university and the Arrowhead Center. There are 170 acres in Doña Ana that have been currently marked out by Fred Ayers, and by the way, I want to thank Fred for helping us put this together, and also Jennifer Taylor and Bruce Kite. There are 27 acres in Carlsbad as well, and then there are some greenhouse acres that are currently leased for a number of years that, when that lease expires, then that property will become part of the lease that we will operate. There is a memorandum of understanding that we are asking you to approve between NMSU and the Arrowhead Center. These are the Jennifer Taylor conditions. There is an executive committee including the president, the provost, myself, Kevin Boberg, and several others, and I think for the kind of operation that we are looking at, we need an executive committee and that is stated in that. It actually establishes a much needed budget process. The Arrowhead Center has actually been run more out of the College of Business coffers than anywhere else. Jennifer has been very kind to say that the Arrowhead Center needs its own budget. We are currently working on that budget, and it will incorporate the Vice President of Economic Development and the Arrowhead Center in the same budget. We are not there yet, but that incorporates those. Then, the rules of the game on how we operate a totally owned university corporation vis-a-vis the Board of Regents and the university administration. This is the Research Park as we now see it. The yellow outline (pointing to slide) will show you what the acreage will be. You see the greenhouses to the right side of that along the interstate highway. That lease will continue to run until it expires and/or the company decides to terminate the lease, whichever comes first. Then that will be incorporated. The green area that you see on the left is actually the acreage now on the Research Park. It is only about 15 acres there, with one building on that. At the moment it is called the General Dynamics building. We are having a meeting on Wednesday morning with another group and sometime within the next 20 days with a second group interested in building buildings on the Research Park. Interestingly enough, both of these people seem to be very serious and they have reasons to be. One of them is a company that is already on the campus, wants to expand, and needs more space and they are investors from outside and they want to build a new building and then take over the Genesis Center, which they now occupy a good part of. They are investors and they believe they can make money at the same time. This is, of course, from the master plan (pointing to slide) and that's kind of what it would look like. That is the triangle down between the interstates. It also includes the off-ramp off of the interstate highway to Tucson. I visited with Jon Hummer yesterday about that and he is trying to wrangle some money from somewhere else in the state-- I think up in the northwest corner of the state. They are not making progress on a project up there and he believes that that money could be

transferred fairly soon down here and work on that, but we know that Jon Hummer is very much a proponent of that interstate ramp. This is some of the concept stuff. If you look at this, according to Fred and Ben, is about 1.8 million gross square feet available in that area. If you build it out, there are about 486,000 gross square feet in the area that is currently in the greenhouse and will one day come on line. Where you see the potential sports fields, that is a drainage area for EBID and you cannot build on that, but it would be a great place to put some green areas, some soccer fields, or something of that type with maybe some benches along the berm there for people to take a break after work and go out to watch some activities. You see a potential charter school. It is Dr. Boberg and my dream that someday there will be a charter school for business leadership and entrepreneurship on the campus and it would be associated with the Arrowhead Center. I've talked to Dean Moulton at the College of Education and he is willing to collaborate with us to do that. Then you see the premier site. According to the master plan, the icon building is right at the end of the triangle there. There is some discussion that people wanting to build that, wanted to build an eight-story building there. We do not have any eight story buildings now, but on the other hand they wanted to be noticed when you come up and down the interstate highway that you have arrived at New Mexico State University. We are in conversations with the people who may be interested in putting that icon building up. Kevin has put this together, because I think it reveals our aspirations. We would like to have clusters out there like the biosciences cluster, the digital media cluster, aero and commercial space, future combat systems, secure border, and initiative homeland security. We visualize, if we develop this properly, that we would have some cluster arrangements where like people and like corporations could be together. The one thing we are requesting, and always requiring, is there be some synergy with the university and that synergy can take many forms. It could be that they use our faculty, that they teach on our campus, that they hire our students, that they have research projects with us, and a number of other ways we can have synergy. We are not attempting to be in competition with land developers anywhere else. We are attempting to bring to our place, companies that are very interested in being on a university campus and associating closely with the university. Actions going forward, we are, as a result of some comments by Bruce Kite--and he helped us with this-- we are before the legislature to amend the Research Park Act to clarify the economic development aspects of the University Research Park Act, which I signed in 1988. There has been some conflict, at least at NMSU and UNM, about what we could use the Research Park Act for. The Council of University Presidents, I believe, unanimously embraced the modifications of that. The one thing I did add--I think if you are going to have a research park, you need to mention students once in a while. So, I did add a phrase in there about student development and one of the reasons we have a research park is to put things in there for students to learn and to have mentorships and that

sort of thing. I bring to you, not necessarily for your approval, but just to remind you that on Tuesday of last week, the Board of Finance approved the Doctorate in Economic Development, which will be affiliated with the Arrowhead Center, and we would expect many of the doctoral students to be doing projects in the Arrowhead Center. Also, we are going before the Graduate Council in the next week or two to talk about the Doctorate of Economic Development, which is a program developed by the Agricultural Economics and Agricultural Business Department and the Department of Economics at the university. There are over 30 economists when you put the two departments together and then there are some unemployed economists like myself, Dr. Martin, Dr. Brook, and others who can participate in some of the policy discussions and so on. I am going to guess there are about 35 economists available to support this program and it has been enthusiastically embraced by most that I have talked to. The Management of Technology is a doctoral program in management that would be joint between the University of New Mexico, New Mexico Tech, and New Mexico State University and that is in the planning phases. It is in route to our graduate council. It has been approved by the faculty at UNM. We will probably start New Mexico Tech off as a partner by appointing three or four of their faculty members to the management faculty at New Mexico State University. As a consequence, we will start them that way and then they may grow. The last thing we want to do, this is the only picture we could find of Ben Woods, but the last thing we ask you to do is, by position, add his position to the board of directors. If in fact we are going to deal with land and land issues, we think it is very important that Ben's position by position be added and, of course, he is incumbent and I don't know who is paying the \$2,500. Are there any questions?"

Regent Conniff stated, "On the Executive Committee, who will that be made up of?"

Dean Carruthers responded, "In order to assure efficient operations, the NMSU President, the Executive Vice President/Provost, the Vice President for Research, the Vice President for Economic Development, the Senior Vice President for Business, Finance, and Human Resources, the NMSU General Counsel, and the Arrowhead Chief Executive Officer would be members of the Executive Committee."

Regent Gallagher asked, "Before I make a motion on 8(a)-1-, are we going to have another discussion on 8(a)-2- and 8(a)-3-?"

Dean Carruthers responded, "No, I hope the presentation included 1, 2, and 3."

Dean Carruthers stated, "This has been a two-and-a-half year effort that we have worked on this and it came out of the discussions from former Regent Jim Manatt and it took us a while to develop this because we had three 501C3 corporations and now we are down to one 501C3 corporation and they are all merged into one. The leadership of the university, in my view, are on the Board of Directors and the people who should be responsible for most of this, and I am very pleased that my fellow deans have all asked to serve on the Board of Directors, because I think each one of them have a lot to bring to the table when it comes to the development of our university and economic development."

Regent Anaya stated, "I think this action, as I mentioned earlier, makes things more efficient for economic development, but also more inclusive including everybody in this process so that there is one process and not three or four as we have seen before. I would encourage the Regents to look favorably toward this request."

- 2- Approval of Change to Arrowhead Center Inc. Bylaws to Add the Position of Senior Vice President for Planning, Physical Resources and University Relations as a Position Director (Dean Garrey Carruthers)
- 3- Approval of Memorandum of Agreement between NMSU Regents and Arrowhead Center, Inc. (Dean Garrey Carruthers)

Regent Conniff stated, "On that note, I'll the motion to approve action items 8(a)-1-, 8(a)-2-, and 8(a)-3-: Approval of the Merger of the Research Park and the Arrowhead Center, etc., etc., etc. Regent Kamali seconded the motion to approve items 8(a)-1-, 8(a)-2-, and 8(a)-3-. The motion carried unanimously.

Dean Carruthers stated, "Thank you very much for your patience with us on this. We thank you for your support and I would assume that we can interpret 'etc., etc., etc.' any way we want to."

Regent Anaya stated, "Blake, welcome. Did they give you the thumbs up over there?"

Regent Curtis stated, "There was only one area of concern. I was whether or not Mike was actually going to stay. I told them he had given me his assurance; we had a ball and chain and handcuffs on him. What more could we do?"

Regent Anaya asked, "And you go before the floor?"

Regent Curtis responded, "I suggested to the committee that my presence was needed here. If I had known that you were all here, I probably would have gone ahead. Things went well. They were very supportive of our university, very interested, concerned about agricultural issues, and please with the university's direction. I haven't been here long enough to take credit for any of that and so, I would like to say 'thank you,' to all of you for making it easy for me to be confirmed. It is true, the university is headed in a wonderful direction and I am proud to be a part of it."

9. NMSU PRESIDENT'S REPORT (President Michael Martin)

President Martin stated, "I would like to start with a couple of pieces of good news and I would like to ask Dr. McKinley Boston . . . I want to report to you that our athletes are doing extremely well academically. This has been a real commitment of this administration and particularly this athletic administration and I asked Mac if he would just share with us, quickly, some of the numbers that reflect the success of our student athletes."

Dr. McKinley Boston stated, "I appreciate the opportunity to brag a little bit this morning about the academic performance of our student athletes. As most of you know, when we discussed me assuming the leadership position for intercollegiate athletics two years ago, one of the things that I said to you, that I did not think that athletic excellence and academic excellence needed to be mutually exclusive of each other and today I am really quite pleased to be able to share some good news. The unfortunate side of what we do is that we clearly manage in a glass house and everything we do is very transparent to the public, which is a good thing, but on the other hand, you get to also see the warts as well. Today we have very, very good news. Sixty-one percent of our student athletes this past semester achieved a 3.0 grade point average (GPA). Forty-four student athletes received a 4.0 GPA for the fall semester and 217 student athletes posted or maintained a 3.0 GPA for the fall semester. We had four academic All-Americans: Jackie Choi, volleyball; Jordan Bostick, volleyball; Tanya Allen, volleyball; and Nick Cleaver, football. If you all remember, the quality of the volleyball athletic performance this year in receiving an NCA bid as well, so outstanding student athletes. Thirty-three student athletes graduated in the fall of 2006 and we continue to graduate student athletes at an 83 percent clip once they exhaust their eligibility. So, we obviously, if in fact we can keep them eligible and they stay through the program and exhaust their eligibility, 83 percent graduate. We continue to work closely with the academic advisors in the colleges to make sure that we work toward keeping that statistic alive and well. We also have challenges and those challenges are both in the academic APR and what we refer to as our at-risk programs. We have created an Aggie A+ Program in which we tier student athletes at-risk. Out of all of our student athletes, at the moment, we have 22 who are considered at risk. Of those 22, 20 are football, four are men's basketball. All of those athletes attend weekly study hall, meet with mentors utilizing tutorial services, we monitor their academic progress in class, we enhance their study habits, work with them on creating organizational skills and time management, and we hold their hand as they begin to understand and accept responsibility for their own academic success independent of the work that we do. We would certainly wish all of our students,

including student athletes, and other students could come in completely prepared, but that is certainly not always the case. Of the 20 that were football players this year, 18 out of 20, 90 percent that were involved in the Aggie A+ Program, are eligible for spring 2007 competition and practice. They had a combined grade point average of 2.47. The tier one athletes, the most at-risk, there were four. Their GPA represented 1.56. We had ten participants whose grade point average was 2.65 and six, 2.83. We feel like we are on track with those student athletes, both in their own eligibility and moving toward graduation. As you need to know, the NCA normal progress rule indicates that at the end of four years, student athletes who remain eligible are 80 percent toward graduation and we have in place a fifth year aid program in which, if the student athletes compete four years, then we as an institution commit that fifth year aid, which means they should graduate, and as I said earlier, 82 percent of them do. We had four athletes involved in our Aggie A+ Program in men's basketball. All were eligible for spring competition. Their combined GPA for fall 2006 was a 2.43 and each participant increased their GPA. The challenge, and we introduced the topic last year, is the Academic Progress Report (APR) that examines academic success on a more real time basis. We had, and it is a rolling data that started in 2003-2004, and in our case, in 2003-2004 as an institution, we inherited as a department, some significant challenges. Baseball in 2003-2004 data, had one of the lowest APR scores in the country at 733. Over the past three years, Coach Ward has managed to increase his average score to 859, 126 points higher than in his first year. Unfortunately, prior to the implementation of the APR, Coach Ward used a strategy of awarding partial scholarships as almost tryouts and when those athletes didn't make it they left and they were now penalized, because they were on some portion of aid. We no longer implement that strategy and we are making progress. In men's basketball in 2003-2004, the APR was 806 and 925 is the appropriate cutoff which the NCA accepts as satisfactory. When Coach Theus took over the program, seven of the 13 athletes were either academically ineligible or left the program and five of the seven eventually left, causing the basketball team a number of APR points. In one year, Coach Theus was able to increase the APR to 824, 68 points higher than it was, with no casualties over the past two years of the program. Coach Mumme, a similar situation. The APR score this year is 902, 16 points higher than in the previous year. Those are the programs in which we are managing individual strategies, not only to monitor, but to use our academic support service strategies, both internally and working with college advisors, to make sure that we can create the incremental progress that is important to our program. With that, I can say that we are on track. We are making great progress and I am very pleased to say that our student athletes are performing both athletically and academically."

President Martin stated, "Thank you, Mac. I could have told all that, but I thought it would come better from you. Also, since we published this agenda, we have received from both the Executive and the LFC, the proposals for our budget and I thought it would be useful for you to at least see that summary today. I have asked Jennifer to quickly prepare a summary of the differences between the two budgets we may face so you have some sense of where we are with the legislature. So Jennifer, would you quickly give us that as well."

Senior Vice President Taylor responded, "Yes, sir. In front of the five Regents I do have a

hard copy of this and we will get copies to everybody else. This was sort of a last minute decision to present this, but what we are showing you here is a comparison between the governor's budget and the LFC recommendation, which has become House Bill Seven. Then, we will go into two other sheets that will show you, at an institution level and at NMSU program level, a comparison between these two recommendations with an additional comparison between the original HED recommendation that went forward in November and the governor's budget, because there are differences between the three of them. But, you can see here, these are the primary components of our I&G funding and at a glance I have given you two years of comparison: FY08 versus FY07 and the primary differences jump out. We have the compensation recommendation from the governor of six percent for faculty and five percent for staff. The LFC has recommended 4.25 across the board. Both are recommending .75 addition in ERB. The LFC recommendation actually has an extra year of ERB funding recommended at \$6 million per year, so it is up to a \$12 million recommendation. In continuing BR&R and ER&R, this is recurring money, this is the money that goes into our formula. The LFC has recommended a jump of 30 additional percentage points, so we would have BR&R formula funded at 70 percent under their recommendation. The governor's recommendation is raising it up to 50 percent. There was no recommendation for changes in the ER&R formula. This is a significant increase."

Executive Vice President/Provost Flores stated, "Jennifer, for those who don't know what BR&R and ER&R are could you explain?"

Senior Vice President Taylor responded, "Yes, sir. BR&R is building renewal and replacement and ER&R is equipment renewal and replacement funds. Basically, what that is, is we give the state our inventory. This is what our buildings are worth, this is what our equipment is worth, and they fund a percentage of that value to be used for renewal and replacement purposes, and we have been running at 40 percent of the building formula and 46 percent of the equipment formula for a while now, so it is difficult to get all of our renewal and replacement needs met. The tuition revenue credit increase, both sides have recommended a zero percent increase. There is some language in House Bill Seven, which talks about limiting tuition to two percent and we are working through the appropriate channels to try to question that approach."

Regent Gallagher asked, "Excuse me. Limiting tuition to two percent or limiting the tuition credit to two percent?"

Senior Vice President Taylor responded, "Well, I can actually read the language to you if you would like. 'If the Board of Regents increases tuition for the 2007-2008 academic year more than two percent over the rates for the 2006-2007 academic year, the general fund appropriation for New Mexico State University'--and it says the same thing for all the different institutions--'instruction and general purposes shall be reduced by an amount equal to the incremental amount generated by the tuition rate increase over two percent.' So they don't reference it as a tuition credit and yet it has a similar impact."

Regent Gallagher stated, "I know we have talked to the other universities about this. I

would like to make sure that our general counsel is involved in this. I think it is clearly out of bounds with the constitution that states the Regents will set tuition and make financial decisions for the university and not the legislature. I think that that is important that we make sure that we are going to participate in any discussions about that. If we start having the legislature dictate to us what we can do with tuition and we can't do with tuition, we might as well just let the legislature run the university."

Senior Vice President Taylor stated, "I am not aware of this being proposed in this manner before within the bill, so this is something new and I know the Council of University Presidents is actively pursuing getting it changed."

President Martin stated, "Exactly the point, among the points you made, Regent Gallagher."

Regent Gallagher stated, "Jennifer, you said the tuition revenue credit increase is a zero percent increase. They are recommending zero, or are they recommending a zero percent increase over the tuition increase last year?"

Senior Vice President Taylor responded, "This is a go forward recommendation so they would not go back and fund, if that is your question. They are recommending a zero percent tuition revenue credit. So it is not three percent, it is zero percent."

President Martin said, "Which is good for us."

Senior Vice President Taylor stated, "Yes, it is very good. Both the Executive and Legislative Finance Committee recommendations follow pretty closely what we requested through channels. Both are good recommendations. Of course, we prefer one over the other in several areas, which I will point out. In our inflationary increases, this was our big push this year to actually get the group insurance, risk management, library acquisitions, and utilities fully funded in the formula as they have not been since the formula changed in 2003-2004. So, this is recurring money that the LFC is recommending at 12 percent for group insurance, ten percent for risk management, ten percent for the library acquisitions, and five percent for utilities. The HED recommendation that went forward in November was more generous. It was higher in group insurance and utilities. The governor's recommendation has a 3.4 percent increase in utilities, so this is one of the areas that we are asking the Council of University Presidents and others to help see if we can get the governor to come more over to the side of what the LFC is recommending. This is significant funding from the LFC's recommendation that is across all institutions, that is about \$8.5 million. For NMSU, we are above \$3 million in the base, so that is good."

Regent Anaya asked, "Jennifer, on the inflationary increases, what does that mean dollar wise for the insurance, risk management, and the library acquisitions?"

Senior Vice President Taylor replied, "For all institutions across the state, it is about \$8.5 million. For us, it is about \$3.7 million. This, of course, means that we can relieve pressure on I&G budgets, because this money goes directly into funding some of the areas we have

had to use tuition increases for.”

Senior Vice President Taylor continued, “This page shows the recommendation that we actually received in 2006 and in 2007, just to give you a run up history. And then, it shows for 2008, a comparison between House Bill Seven, the executive budget (that is the green column), and the yellow column shows you House Bill Seven versus the DFA’s budget. So you can see if it is a negative, we are the only ones with a negative here. That means in total, we benefit, when you consider all of the governor’s special appropriations that we would actually be ahead under the governor’s budget, but for the I&G, from the chart you just saw, we are actually ahead under LFC. Then, we’ve got the HED request at the bottom so I can show you the difference, but you can see the subtotal for universities and community colleges, House Bill Seven is recommending \$741 million and the governor is recommending \$730 million for a difference of about \$12 million. You can see here the total general fund recommendation: House Bill Seven is at \$798 million, the governor is at \$778 million and HED request was at \$785 million at this level. The primary difference between the governor and the HED were the inflationary factors. Then, when we add in compensation, you can see House Bill Seven is recommending about \$41 million; the governor, because he is up at the six percent and five percent level, is recommending \$51 million for a difference of about \$10 million, and the HED requests were lower. They were down in the 4.25 percent range. So in total, we are talking about a \$839 million recommendation in House Bill Seven, \$829 million from the governor. This again was a difference of about \$10 million. I’ll go ahead if I can, President Anaya, and talk about NMSU. This shows the same information for NMSU only (pointing to slide). You can see here in this yellow column, we have highlighted the difference between House Bill Seven and DFA. Here in Instruction and General for the Las Cruces campus, we are ahead by \$3 million. The basic points, if you see these positive numbers for Instruction and General for all the branches, if you add all those up together, that is around \$3.7 million. The reason that we are up by \$1 million under the governor’s budget is right here. NMDA is receiving \$4 million extra in the governor’s special appropriation, and of course, NMDA is working closely through the appropriate channels to try to get the LFC and the legislature to fund that. We get an additional \$45,000 under the governor’s special appropriation for AES, again, because they are not funded out of I&G. The other two areas where the governor is giving a special appropriation of recurring money that is not in House Bill Seven is the NMSU nurse expansion and the Institute for International Relations. In the special appropriation for non-recurring money, you will see the governor has an additional \$200,000 for the Institute for International Relations, \$140,000 for bio-energy research and development, \$525,000 for food processing, \$280,000 for inspector handheld devices, and \$1.5 million for our water proposal. Outside of this presentation there are separate bills dealing with the funding for the endowments. The governor has recommended \$12 million, the LFC has recommended \$25 million, and the Council of University Presidents is working to try to get the two a little closer together. Then, we have non-recurring BR&R money. The governor’s recommendation is about \$40 million and the LFC is about \$43 million.”

President Martin stated, “Thank you Jennifer. I had actually memorized all of that, but I wanted Jennifer to share it with you. This is relatively new and I wanted you to have a sense

of where we are. We will spend the next several weeks and months now trying to get the best of both worlds out of these, but the fundamental message is that a nice blend of the two is actually a pretty good year for us in the legislature. If we can pull this off, it will be a comforting time for us. Let me talk about just a few more things during my time here. There is one other interesting piece of good news I want to share with you, but it kind of came out in a backwards way. The Legislative Finance Committee did a study of teacher preparation in the state and they concluded, as many of us had, or know already, that we need to put more energy, funding, and focus on teacher preparation, but there was a very interesting statistic in that report that I think Bob Moulton should take some pride in. That report showed that of all of the institutions in New Mexico that prepare teachers, the inbound teacher students into NMSU had the lowest overall ACT score, which was not a good piece of news. But the good news was that our outbound students had the highest success rate in the accreditation exam, which suggests that we are one of the best value added College of Education in at least this state (applause) and as people know, I love numbers and when I get a report like that I always try to find one I like in there and that was one I really liked. So I want to make it clear that we are doing some very good things by taking students who may not be the highest qualifiers coming out of high school and turning them into successful K-12 teachers and I appreciate that. On a more personal note, last week I took my wife to a short retreat to Mexico only to return to discover that many people both here and in West Lafayette thought I was moving to Purdue. Now while this may have reflected some wishful thinking on people's part, it came as a bit of a shock to both my wife and I. I was a little disturbed by the fact that people actually took what they read in the paper seriously. I want to ensure everyone that if and when the time ever comes, at least on my end of this, that I change my relationship with NMSU, I will share that directly and honestly. I was joking with my wife the other night that over the last three weeks I have done the following things: I had a short conversation with Lou Sisbarro about the prospect of buying a Corvette. I am not actually going to buy one, I was just interested in talking about what they cost. I looked into lasic surgery, I am not actually going to get it, I was just curious, and I went on the web to determine whether or not it was possible to fly from El Paso to Cuba. I am not going, but I just wanted to see if you could do it. And, I suspect that if I had read that story in the *Las Cruces Sun-News*, the story would have been that I intend to speed to a clinic for massive cosmetic surgery on my way to a bedside chat with Fidel Castro. I urge people not to take dots and connect them in ways that make little sense. So, that was one of those sort of disturbing, yet interesting, turns of events that you discover when you come back into the country, but I am glad to be back and I am glad to be at NMSU and I am glad we created, at least in some small circles, some interest and excitement. I also want to talk very briefly about the ongoing negotiations we are having with AFSME. I know that there is some frustration, perhaps on both sides, on the process, but I want you to understand at least my philosophy on this. We want very much for every employee at NMSU to be well rewarded, well respected, and to feel a part of the team. There are constraints on what we can do at NMSU. Contrary to what some might believe, the latitude we have with respect to recurring discretionary dollars is very small. It is just the way we are funded in New Mexico. There are really only two pools of money that allow us any discretion at all: the state appropriations and tuition. That combination totals something about half of our budget and much of that is predetermined. So our latitude is limited. Ultimately, any

contract we agree on will have to be ratified by this Board and ultimately this is the Regents' decision, but I will be very adamant about trying to protect two things in any negotiations we have. One is program quality and the other not passing on any kind of additional costs to students in higher tuition, and those two things, I think, we have to hold to. We cannot put at risk the quality of the programs. The minute that begins to happen, all jobs are at risk and so we are going to try in everything we do to maintain those. Finally, you should know, and many of you already do, that we face a very interesting fiscal challenge this year. It appears as though the federal government is not going to go ahead with further budgeting in all, but the two areas they passed. We have a number of earmarks that employ a number of people at NMSU in the federal earmarks. If the federal government decides to operate the entire year on a continuing resolution, there are a number of jobs at risk at NMSU. You should know that. It is our objective to retain as much latitude and flexibility in our budget to protect those jobs as we can, but they are at risk, and Ricardo Rel has done an analysis of those. We know where they are, and our objective is not to bail out the federal government for not supporting programs, but to try to find employment opportunities under our current umbrella for good employees who may now be on federal appropriations. I had a chat last week with Senator Domenici's office and it looks as though that is exactly what is going to happen. We are going to have a continuing resolution and everything but the homeland security and the defense budget, which have passed, which means that many of those earmarks that have been central to our budget for many years will simply not be available this year. So I hope, as we go forward, people will understand that one of our objectives is to retain enough flexibility that we can avoid massive layoffs if at all possible, and that has to be in the equation. So that is a little bit of background in that sense and so I just wanted you to know where I am coming from and where the administration is coming from in this process. In the end, we still hope we can come out with something that make everyone at this institution, or almost everyone, understand how much we value them. At the same time, we have to stand back and ask what is in the best interest of the larger institution and how do we protect the jobs of good people at times when, at the federal level, we are facing some very big challenges. Everybody knows what is going on with the federal budgets; it is not big news. This was just a very shocking turn of events to us, when we celebrated on a number of occasions, money in the appropriations bills, only to discover that the lame duck congress passed none. So, we are back in a very tricky position and we are not alone in this. Believe me, this is true across every land grant university in this country, and probably, every public university. That was a long report for me, but I thank both Mac and Jennifer for providing some very interesting information and we will look forward to proceeding through this legislative session and giving you regular updates on where we stand, but right now we are going into the legislative session feeling as though, if we have success, then we may well be able to do something to help with compensation, and more importantly, program growth and improvement over the next couple of years."

Regent Gallagher stated, "On one of the points that the president talked about specifically with the negotiations with the union, I was asked by one of the union representatives who I saw in the hallway at the capital this week, 'Where does the Board stand as far as supporting the compensation recommendations from the LFC or the administration?' I guess I just assumed that people would know that at least myself and everybody else has

their own opinion, but I think we all feel like the higher the better and if they give us 10 percent, they should have given us 12 percent and so on. But I guess I assumed that and maybe I should not have assumed that. I think that we should vocalize our support for the highest possible salary increase that the state would give universities so that we could pass that on to the employees. So I thought that was important to say, because again, I just assumed that people would think that we would want the highest, but I found out last week that that wasn't the case."

Regent Anaya added, "I too would echo that. Obviously, if we could get a combination, as the president mentioned, of the LFC request and the executive request, and it may mean more money, but it is probably something that makes sense and as we've gone through the tuition credit you need to look at the inflationary factors, the BR&R, and all of it as one, instead of, we are going to pick this one and then give them this one. I think Jennifer has done a great job in portraying that, not only to higher education, but to the Board as well. So, I would definitely encourage, while we do have the windfalls, that we are seeing over the past few years and potentially, over the next few years. We have also seen where state revenues have dipped and those are not the fun years. Right, governor? So when you have those windfalls, we hope that higher education is one of those and obviously there is a lot of people vying for those dollars here in Santa Fe this 60-day session. We think, over the last two or three years, all of us have probably done a better job of educating the executive, as well as the legislative branch about why things have to happen and how they happen as a package. So, I would personally echo those remarks, Bob, that the most that we can get from the legislature behooves us all, not only in compensation, but all the way down, whether it is a one shot or the recurring expense. On a second item, I, too, would like to squelch some of the rumors. We all get phone calls from the press--and the press loves to kind of stir things up on President Martin--while he was gone last week. Everyone thought he was somewhere in the midwest and not in--he was actually tanning in the mid west--and not in Mexico. At this point, at least from the Board of Regents, we have a president. We will continue to try to keep our president. So, there is not a vacancy at this point and when there becomes a vacancy, we will take appropriate measures to kind of move forward, but at this point there is no vacancy and we will continue to move forward. I think President Martin has done a tremendous job in moving this university in a great direction. I think we have a lot more years to move forward and by the way, Jan said she was staying, so I think that is a good step in the right direction, so I just want to add that."

Dr. Creider stated, "I particularly want to commend Dr. Boston on the scores of the student athletes. I think that is great news. I am not terribly interested in how well the athletic teams do, but I am terribly interested in how well the students do and I think this is great news. I would like to ask him if he could explain to a total outsider why football has generated such a disproportionate number of the people who are at risk?"

Dr. Boston responded, "Two years ago, when Coach Mumme took over the program, there were a number of reasons why there was a vacancy and one of President Martin's decisions to encourage or change the leadership was the academic performance of the football team at that time. The program inherited a number of student athletes that were at-risk and

when Coach Mumme, unfortunately, as you may remember, was hired just before Christmas and was not able to do the kind of analysis that you would want to do on student athletes, made some recruiting decisions that in hindsight were bad decisions and there were about six students that if we had to do over again, we would not have offered scholarships to. So, a combination of inheritance and a combination of bad decisions in the initial recruiting class has led to approximately 20 out of 100 student athletes. So, the significant majority of the mass are student athletes who are in good standing and performing exceptionally well. The other point that, again, we are very transparent in this, many of the student athletes that we recruit from the inner cities are student athletes whose grade point averages are fairly good. Their standardized test scores are lacking and so we are getting students with 2.8 and 2.9, but lower standardized test scores and those student athletes we are deeming at-risk because of the history of the prediction of the test scores. So, while we identify 18 out of 20 that are doing well, that 20 as I said, is a combination, and I do not feel that we are in any kind of risk, if you will, in fact I feel very good about the future academic performance of our football team.”

Dr. Creider stated, “I want to commend you on the progress that has been made and comment that Jack Thomas, who is our faculty representative for the Conference on Intercollegiate Athletics, has a great deal of respect for what you are doing and appreciation.”

Dr. Boston added, “Thank you very much. One of the things that I would also like to say while given the opportunity, is that we have been working extremely close with the colleges, the associate deans, and college advisors to create as seamless a partnership as we can for pre-advising and advising and we recognize and understand the literature on retention. I think as a university, we are probably ahead of the curve as it relates to faculty, faculty support, and working closely together to make sure that we provide our student athletes with the best opportunity to succeed.”

## 10. INFORMATIONAL ITEMS

### (a) Update on Higher Education (Dr. Beverlee McClure)

Regent Anaya stated, “I think Secretary McClure will be with us. I know she got called to the Roundhouse and she will be joining us at some point here.”

### (b) NMSU Foundation on Endowment and Campaign Results (Vice President Rebecca Dukes)

Vice President Rebecca Dukes stated, “I would like to introduce to you, Nathan Armstrong. He is going to, first of all, give us an update on the endowment itself and its performance over the past fiscal year.”

Mr. Armstrong stated, “It is my pleasure to be here to deliver some favorable results for fiscal year 2006. We had very, very strong results and I believe you have hard

copies of this as well. The first page is our pie chart on where the broad diversification of the foundation assets ended on June 30, 2006. As you can see, we have a broad diversification amongst many asset classes, including some alternative investments and investments in local vices that are in partnership with Arrowhead and investing in companies and businesses in New Mexico. On the next page, the starting value of June 30, 2005, we began the year off with \$90,278,752. We had net contributions of \$2,613,549. We had investment earnings of \$8,836,855, which ended the fiscal year of 2006 with \$101,729,156 so they were very strong results for the year. It resulted in a 9.8 percent return for the year. Unfortunately, they lagged our policy, our target index, which performed at 11.9 percent. But for the three years, June 30, 2003 to June 30, 2006, we are ahead of the policy index to have compounded at 14.1 percent per year over that time period. On this page, I would like to point out the table on the left side, the far right-hand column that says 'cumulative.' It goes back to June of 1986 and to show the performance of the foundation over that time period, we began with \$1.7 million. Over that time period, we had about \$35 million of contributions, \$64 million of investment earnings over that time period, for again, ending at the \$101 million. The percentile rankings on the right hand side, the Foundation for the year, even though we underperformed our policy index, was still in the top 18 percentile of all balanced domestic portfolios that we monitor. So very, very strong relative results. For the three-year period, we are in the first percentile and going back to the ten-year number, we are in the twelfth percentile compounded at 8.7 percent. We continue to have very favorable results. Again on this page, we are breaking up the time periods a little bit more. I really want to point out that if we go across the board here and look at all time periods going back to June 1995 to June 2006, we are in the top quartile of all balanced portfolios that we monitor, so, excellent results. Lastly, a breakdown of how each of the individual components performed over the fiscal year of 2006 and getting us to that 9.8 percent return. We had very favorable results from the small cap value, from the emerging markets, and from REIT as well. Two of the spots that underperformed and led to our under performance versus the policy were small cap growth, as well as large cap value, and we are in the process of looking at both of those and possibly making some changes at the next meeting. Lastly, a quick update on where we stand since the end of June. The portfolio continues to do well. We are up 8.4 percent since June 30 through December 31, 2006, which is another \$8.5 million in investment earnings to the portfolio and actually through January 26, 2007, the ending value of the investment portfolio was \$111 million, so everything continues to go very well."

Vice President Dukes stated, "I would just add that with the roughly \$56 million that is held at the state in trusts for New Mexico State University, as they hold in trust funds for all of the other state institutions, that puts our endowment over \$150 million, which puts us in a very wonderful position for investments and also when we go to the AGB meetings where Leonard is today, that puts us in a category with other schools like Rutgers, Virginia Tech, and so on, for comparative data as foundations go. So it is an exciting place to be."

Executive Vice President/Provost Flores stated, "Congratulations on the wonderful management of the portfolio and its growth and the percentages that we have gotten. Also, I recommend that we do some publicity on this, because now that the university has reached this size of endowment, I think it is something that we should trumpet as a great accomplishment of the university."

Mr. Armstrong stated, "It is also a testament to not just us, but to the Investment Committee as well, being very proactive and willing to move forward and not accept the status quo. So, a lot of the credit does go to the Foundation staff and to the Investment Committee for their decision making process."

Regent Conniff stated, "I want to echo Provost Flores' comments as well. As the representative from the Board of Regents on the Foundation, I also try to get to as many Investment Committee meetings as I possibly can, but it is quite a testament to the committee and to both you and your dad on the investments. It is a time commitment that the Investment Committee puts into this and really takes the time to analyze and go over the companies that you all are investing with. It is an impressive operation, so thank you."

Regent Anaya asked, "How do you see moving forward the next three, four, or five years? What is in your crystal ball?"

Mr. Armstrong replied, "Mr. President, if I had a crystal ball that worked properly I would be retired by now, but . . . We are entering a time period--at least in the economy--that is going to be very tricky. We do have interest rates, which have stabilized where they are right now. Some people are saying that the economy is slowing, but if you start to look at the numbers now it is not slowing as much as people have predicted, which could lead the Feds to continue to raise interest rates to try to further slow the economy down, which of course, has an adverse affect on the companies with the stocks and the portfolios. It is going to be an interesting year, depending on what interest rates do, depending on how the housing bubble settles down, whether that is more adverse than it is already. But those are the two of the major factors that we are looking at. To counteract that we do have investments internationally, which we continue to believe that the international markets are going to perform better than domestic markets over the next few years, so we have a diverse portfolio to offset some of those risks in the domestic economy."

Vice President Dukes stated, "In front of you now is a copy of the Comprehensive Campaign results and you will see it is from the beginning or counting period of the campaign which began December 1, 2003 through December 2006. You will see that roughly, around the first week of December, when Dr. Martin announced at the graduation, we were at \$100 and we finished the month of December at \$151,990,516. As we sit today, we are over \$152 million in the campaign and as you might recall, that was our announced goal to reach by the year 2010, so we are four years ahead of schedule on that campaign. The Foundation Board retreated two weeks ago and

decided to increase the campaign goal amount to \$225 million. We will continue on the end of the campaign year, 2010, reaching the goal of \$225 million. We didn't want to leave some people out who needed to participate in the campaign and people who have yet to have an opportunity to participate and we also knew that there were many areas on campus that were not yet funded and we wanted to make sure that those areas were not left out. The second page, you will see, shows the support of the Foundation and the university from a ten-year time horizon. So, if you glance at that, you'll see where we are at in fiscal year 2006-2007. Right now it is clearly way ahead of the mark and we are anticipating many more gifts to come in. We have a lot of gifts that are really at the tipping point and so having the campaign continue is really very important. One of the things we are trying to remind people of is that at the end of the campaign what we will be doing is having a little price increase going on at the end of the campaign, meaning that endowments, which right now, the minimum endowment fund is \$10,000, that is one of the lowest in the country. There are very few other schools that have that low of a personal endowment. You can add to another endowment in someone else's name at that amount, but most schools do not have \$10,000 as their minimum so we will most likely be raising that at the end of the campaign in 2010 and will most likely go to \$25,000. So get in while you can and get that endowment at the lower price of \$10,000."

Regent Conniff stated, "Again, I think it is exciting news and one of the things that was the tipping point, I think, for our bond rating was our ability to let people know how much we had earned in private giving and had been one of the stopping points in raising our rates before. So I think this is really a great event that we've reach the \$150 million goal and that we are going forward. Thank you."

(c) Spring 2007 Preliminary Enrollment Report (Vice President Carmen Gonzales)

(Vice President Carmen Montoya was not present and the enrollment report was presented by Assistant Vice President Bernadette Montoya and Vice President Michael Hites)

Assistant Vice President Montoya stated, "Carmen does send her regrets and we wish her well today in her endeavors. It is my pleasure to be here today to yet again share what in a nut shell is some good news related to our spring 2007 enrollment. We also continue to be very optimistic about our fall 2007 enrollment, which we are in the midst of our recruitment season now for fall 2007. So I hope to share some good information with you early in the fall semester. I am going to turn it over to Michael Hites to talk with you about some of the intricacies of the data and how it was gathered and then I will go forward and share with you the slides that I believe you have in front of you today to discuss our spring 2007 enrollment."

Vice President Hites stated, "I just want to stress the title of this presentation as 'Preliminary Enrollment Report for Spring 2007.' Typically, there are three

important dates in the life span of enrollment reports, which are, the first day of class, the census, and the official HED report. The census date, which is a freeze date for our enrollment is actually not until this Friday, so the data that you are going to see today, will be where we are last Friday relative to the census date in 2006. So what you'll see as a comparison is really the bar that we are shooting for. So when you see numbers that do not look quite right, remember there are two other reporting dates that we have not shown you as well. We will also be presenting student credit hour and head count, because those are the primary measures for the funding from HED, and just one other note, the fall 2006, HED submitted data will be done this week so at the next meeting we will be able to show the absolutely official results of the fall 2006 semester."

Regent Kamali asked, "Was last Friday the last day to deposit money or be dropped from classes for students?"

Vice President Hites responded, "Tomorrow is the last day for registration and then Friday is the census day."

Assistant Vice President Montoya stated, "Are you referring to the disenrollment date that occurred? That was last week on Tuesday. We have already been through the first and only disenrollment process and the majority of those students have been reinstated. I did ask Mike Zimmerman about that on Friday. So that is a good thing. I will go forward now and share some slides with you briefly. I would also like to make note that tomorrow is the last day to register, so registration is still a little bit volatile and as Michael mentioned, Friday is our census date. You will see here, a breakdown of headcount and enrollment by campus. We are comparing our base year's census date to current year and this again was data that we pulled on Friday. There is also a comparison on the right-hand side to this time last year, Friday's date compared to last spring's census date. You will note that basically, bottom line for the Las Cruces campus, that we are up five percent from last year, up 1.3 percent in comparison to our base year. I do want to make note that the community colleges do have different base years. They are funded separately so the base year is what is most critical for the main campus. You will see the same comparison by student credit hours and we are up compared to census date for our base year 3.1 percent, up compared to census date last year by 2.7 percent. Here you will see a breakdown of our headcount by undergraduate and graduate. Our total number that we need to be concerned with is that we are up five percent and up 2.7 percent in our student credit hours. This is a comparison to our base year, again broken down by undergraduate and graduate. In total we are up 1.3 percent in our headcount and up 3.1 percent in student credit hours."

ASNMSU President Hardy asked, "The number of total graduate students has gone down, yet the student credit hours for those same amount of graduate students has gone up. Can you explain?"

Assistant Vice President Montoya responded, "Basically, to be very simple in the explanation, we have probably fewer graduate students taking more credit hours."

ASNMSU President Hardy asked, "I was just wondering what exactly was driving that and if it had anything to do with your area or if it is just the triumph of the graduate students or the graduate school?"

Assistant Vice President Montoya responded, "It probably has to do with the program and some of the programing we have where students are required to take certain credit hours. It varies by graduate program so that is my assumption. As we move further into the semester, we will be looking at that data more closely and we will be able to analyze it further and answer your questions a little bit better as we move into the semester. At that point, we can have a breakdown by program for you."

Executive Vice President/Provost stated, "Often, Ben, what occurs is that students who are in graduate programs and may be graduating, want to finish and add more units in the spring semester so that they can add on the thesis units and other units in order to complete and so you may be seeing that. We will have a better sense of it at the next enrollment report."

Assistant Vice President Montoya stated, "Our next slide is a breakdown in student credit hour comparing to our base year, census date for our base year and census date for spring 2006. You'll see some good numbers there with a 3.1 percent up compared to our base year, 2.7 percent compared to census date in the spring of 2006. I do want to note, for instance, looking at the College of Engineering, that is a great example, up .8 percent. Although that may not seem hugely significant, it is because engineering courses are funded at a higher tier so that does have a good impact on our enrollment. And finally, Dr. Gonzales did want me to share with you a breakdown in our distance education. You will see that we are doing phenomenally well in students who are enrolled in our distance education programs. These numbers, keep in mind, are included in the overall reports that we have just presented, but you can see that we are doing well in expanding our efforts in distance education. I believe it is a great effort in our outreach to people throughout the state of New Mexico and throughout the country and throughout the world. We have been keeping in touch with a student who is enrolled in some courses in the College of Health and Social Services who is in Bagdad and she is able to keep up with her courses at New Mexico State and so that is a wonderful thing for us to be able to do to serve our students."

Regent Gallagher stated, "As you know, this has been a major priority for the Board and I just have to commend the administration. Bernadette, obviously, you are not going to take the credit, because I know what type of person you are, but things start happening when people are put in the right places and I commend the administration for knowing those right people and I commend you for the type of

job you and the entire staff are doing, because this is really the nuts and bolts of the university. I think it is a wonderful report and I appreciate your work very much.”

Assistant Montoya stated, “Thank you very much. There certainly is a wonderful new and exciting energy at New Mexico State. I am happy to be a part of it, but it is through the efforts of the entire campus community that realizes the importance of it.”

(d) Instruction and General Expense Trend Analysis (Senior Vice President Jennifer Taylor)

Senior Vice President Taylor stated, “I am going to give you a very short review of how we have spent our Instruction and General funds over the last ten years, both in terms of dollars spent and on a component basis within the total I&G expense. This first slide gives you dollars and you can see by this slide the largest percentage of our instruction and general budget is spent on instruction, which is appropriate. We have been increasing on average at the Las Cruces campus on a dollar basis about four percent per year in all instruction and general expense. I’ll just take a moment and make sure that everyone understands what the components are of Instruction and General. Instruction Expense, which was at around \$80 million for 2005-2006--these are actual expenditures--is the salaries of the faculty and the immediate support staff, such as the departmental secretary and all of the instructional supplies and services they need to complete the instruction mission. Academic support, which was at about \$17 million last year for the Las Cruces campus is the deans offices, the library, and other lesser academic support functions within the campus. Student Services are the Registrar, Financial Aid, Admissions, and also Student Support Services such as Placement and Counseling. They were at about \$7.5 million. Institutional support-- and when I present this on campus, I say this is the necessary evils of accountants, auditors, lawyers, insurance, executive administrators, and all of the administrative costs that is required to run an institution, and that was at \$19 million. Plant operation and maintenance is our facilities, maintenance, all of the Office of Facilities and Services, and utility expenses. A lot of our fixed costs are in there and that was at \$20 million. The other point I wanted to make here, though, is we’ve had about a four percent increase on a per year basis across this time period, but the percentages of each of those components of the total I&G expense have been relatively constant. So, we have invested the same amount of money, roughly, in each of those components over this ten-year period. You can see here these percentages add up to 100 percent, so the instruction budget is about 55 percent of the total I&G budget and last year we spent about \$145 million, so that was about \$78 million in instruction. I compared this to the 18 peer institutions that Dean Carruthers had polled for you in a prior report talking about the ‘Living the Vision’ study, and there about 56 percent of their I&G budget is on instruction. I believe he also reported under that item that we look pretty good, actually, when you get down to institutional support and operations and maintenance. We actually spend less on that as a percentage than

our combined peers. So, it would appear from that that we are spending proportionately about the right amount. We have been doing a lot of work with the president, the provost, the deans, and my office to review the instruction budget in some detail over the last several months to try to make sure that it is adequately funded to be able to meet our enrollment goals, our programmatic goals, and our strategic goals. So, we will use this benchmark data I'm presenting to you today along with our analysis to come back and make recommendations for any increase. I am personally committed to add funds to the instruction budget, if required, to support not only enrollment goals, but to make sure we have quality programs. We have done a lot of work reviewing faculty workload. We will continue doing that, but we want to make sure that instruction among all of I&G is taken care of first and foremost."

(e) Legislative Update (Director Pat Quintana)

Director Quintana stated, "I am going to make this brief. Jennifer went over pretty much the details of the things that I think are really critical to the university this morning. What I am passing out in front of you is a list of all of our bills with the sponsors for your information. Also attached to that is a differential sheet that includes what the Council of University Presidents has requested, what HED, the executive, and LFC also have recommended and Jennifer brought that down to a very narrow scope of executive versus LFC and NMSU. Our office is working closely with Jennifer. We are trying to get to her, as quickly as we can, the information that we get so that she can continue doing sort of these in depth reconciliations of what that means to NMSU and the budget overall. Right now, we are tracking about 150 bills that are directly related to higher education and New Mexico State University. I suspect by the time the deadline on February 15 for bill introduction comes around there will be more like three to four hundred bills that will be either directly or indirectly related to NMSU and higher education. Right now, all of our bills are moving very quickly. Our delegation has been very good about dropping the bills immediately. We have a good percentage of our bills through the first committee and we are trying to get them scheduled into the finance committees. Once we do that and get them tabled, it will be a lot easier for us to work on the detail of getting them into the budget. Right now, everything is on track."

Regent Anaya asked, "Do you have a dollar amount by any chance on the total of requests that New Mexico State has?"

Director Quintana replied, "What the Board of Regent approved was about \$16 million originally. Other peripheral bills that have come up, we are probably close to \$25 million on some issues. That is, other peripheral bills that legislators have introduced, but what you approved as the Board of Regents, we went into this session with about \$16 million worth of requests."

Regent Anaya stated, "We will go ahead and continue through the reports. Secretary McClure called and she is still in the governor's office, so she may be able to be with us and she may not, but we will go ahead and continue with the reports."

## II. REPORTS

### (a) Faculty Senate Chairperson's Report (Dr. Larry Creider)

Dr. Creider stated, "The Faculty Senate has met once since the last Regents meeting on January 18. Our next meeting will be February 1. At that meeting, the Senate approved the new major in agriculture and community development and an amendment to our constitution that defines more carefully the procedure to apportion the Senate seats to the six academic colleges on the Las Cruces campus. This latter measure now goes to a faculty-wide vote throughout the system. The Senate also approved a memorial asking the Provost to revise some specific changes to the procedures for academic misconduct in the student handbook. This bill was a result of looking more closely at those procedures following an allegation of plagiarism a year or so ago. The memorial was approved in principle by the Academic Deans Council and so it is up to the Provost's Office to work on that, and we are very hopeful that we will see some of these changes implemented. The Senate accepted the Scholastic Affairs Committee's recommendation of a do not pass in regards to Proposition 01, which called for a numerical equivalent and letter grades that assigned different values for plus and minus grades. Currently, a B+, B-, and B are all given a 3.0. What this means is that the bill is dead. This topic comes up once or twice a decade so it is gone for a while. The Senate passed a memorial for J. Mack Adams. Another bill was introduced to revise the review cycle for department heads so that it matches that of other academic administrators. The Promotion and Tenure Policy Task Force met on January 24 to evaluate the comments and suggestions that I have received for the draft policy that we sent out and the draft comments enlarged the policy from about 30 pages to about 45 so we received a good response, most of it positive. We got through about 40 percent of the policy and will have another meeting or two before we ask the approval of the revised policy by the Academic Deans Council. The posting of Senate minutes and bills onto our Faculty Senate website was delayed last semester and this semester, because of our recording secretary's recovery of hand surgery. So if any of you have been looking for minutes of bills, that has been the source of the difficulty. Fortunately, she is doing better and I hope this will be current within the next couple of weeks."

### (b) ASNMSU Report (Mr. Ben Hardy)

ASNMSU Hardy stated, "First, I would just like to clarify my question to Dr. Montoya regarding the preliminary enrollment report. What I see here is a decrease in the number of graduate students by four percent and then, almost a 14 percent

increase in the number of credit hours that they are taking. I can see that as either a positive or a negative thing. We all know that the Perona model of funding formula that we have drives our university to seek more credit hours, but if that is going to affect the success rate, I think that we should make sure that these students do not have too much on their plate. So I guess I'll be talking to Carmen Gonzales and Dean Lacey to see exactly what is causing that increase. It was just interesting to me. As far as ASNMSU, the Mobile Campus just stepped onto campus and launched the first day of the spring semester. We are helping them get around to all of the departments and meet everyone and what they are looking at is really a soft launch this semester, finding the vendors they can use for the discount program, getting more students onto the program to use it, and we will be using it as a communication method at ASNMSU. I will be in contact with you better and giving you a report every time I come to Regents meetings. This is one of our issues we are very excited about and are really glad that we moved through, and once again I would like to congratulate everyone and thank you for your help and support in bringing that here. ASNMSU has their retreat this next weekend at the Black Ridge Lodge and we are going to look at how we can work more effectively together and some of the improvement that ASNMSU can do as far as being visible in the student body and getting to know more of what the student body wants to see from ASNMSU. Our legislative agenda is moving through great. We have just submitted our capital outlay requests and I would like to thank Jeff Steinborn, Engineering News, and Senator Nava for supporting those and introducing those bills and it looks like everything is going to go great there. Also, our senate just signed a resolution for a Heritage Council that really came in answer to the mascot issue that we had had going about and then it was like should we put him on a stick horse or shouldn't we? We had all these multi departmental meetings, and I was like, you know, I don't really know whether or not all five or six of should be getting together just to talk about the daily tasks and upkeep of a mascot, but I think that brought up the larger question of who would have oversight to our traditions and where would our traditions be grounded? Who would oversee, preserve, and initiate new ones? So that came through the senate and will be coming up before the Faculty Senate and I have already spoken with other administrators comprised of faculty, staff, alumni, the student body, and the provost's office just because traditionally, New Mexico State is everyone's. If you're faculty, staff, student, or alumni or a prospective Aggie, we are all Aggies and I think that is something we can do that then will ground some of those traditions and give us the ability to have a body to refer to when we want to create new ones."

- (c) Advisory Council on Administrative Policy (ACAP) Report (Ms. Tammy Anthony)

No ACAP report this time.

## 12. OTHER

Regent Anaya stated, "We've had a request to address the Board from some members of the

staff at New Mexico State and I would like to say that the Board is not negotiating with anything, but I felt that--and I visited with some of the Board members--that I am going to give you three to five minutes to address the Board. Just so you know, we are not in negotiations. The negotiations happen with the administration. We have Lynn Rodenhouse, Nelly Rosales, and Chelsey Hassler, who would like to address the Board.”

Ms. Hassler stated, “First, I would just to say ‘thank you’ to President Anaya and the Board members for allowing us to speak today. My name is Chelsey Hassler and I am a student at New Mexico State University and I am here on behalf of the many students who support the workers and I believe that they deserve what they were promised. That promise was made by President Martin to be supportive and fair of the workers, whether or not they voted to join the union. In the seven months since NMSU joined AFSME, President Martin has refused negotiations and to negotiate a contract and pay raise with the employees. President Martin makes more in one month than the average New Mexico State worker makes in an entire year. Sixty percent of the employees in the union make less than \$25,000 a year. This is just part of why negotiations are so important to them. Many public universities across the country work with unions and if these universities can successfully negotiate with their unions, then why can’t NMSU negotiate with us? By turning his back on the workers, President Martin is turning his back on the community. I am very proud to a New Mexico State Aggie and I know the university cannot survive without its students just as it cannot survive without workers. So please, NMSU is on the rise, but please don’t leave the workers, the students, and the community behind. Thank you.”

Ms. Rosales stated, “Good morning, my name is Nellie Rosales. I have been working for New Mexico State University for over 12 years. I brought some signatures from our co-workers. I ran around and so did my co-parts, getting signatures as somebody that was in support of us coming to talk to you. We’ve been working hard for this university. We have been working extra hard to get a bargaining unit and bargaining on the table to bring together with New Mexico State here to Santa Fe to work together. We want to work together with the administration. It doesn’t seem to go well for us. Our bargaining is at a standstill. We can’t get meetings together with the administration to hear us out to at least get some of the bargaining on the table and signed. We are at a standstill. We just can’t get our work together. When we voted for this union, we voted for respect, we voted for the families so we could work with our families, not to have two or three other jobs. There is one of the young girls here that has three jobs. She works at New Mexico State, she cleans offices in the evening, and she works at Mesilla Plaza at one of the shops. That is a lot of work. She barely has time for kids, but she does want to have the best for her children. We only ask that the administration work with us. We are not here to fight with you, we are here to work together. We want to acknowledge that we are friendly. If you see me anywhere, I am more than happy to talk to you and all of the other people that work at New Mexico State and we voted for respect. We do not want second jobs. We want to have family time. We do not want to choose between paying the health insurance or paying for the food. We don’t want to have our children on medicaid. People say, ‘Oh, you work at New Mexico State? That is nice,’ but we don’t tell them I used to work at Chope’s. I quit Chope’s Restaurant to concentrate on this. That was my second job, but I concentrate on

this because I wanted to have a go at it. I can retire in July, but I am not going to, because I am going to see it to the end. Thank you for hearing us.”

Ms. Rodenhouse stated, “I just wanted to add a few things, President Anaya. Thank you for giving us this time. I think you hear the sentiments here and I just wanted to offer a couple of points of fact as background and share one document with you so that you have that in your own reference. As you heard, we are not here to negotiate with you and we respect that. And in fact we are completely sympathetic with the legislative challenges with budgets and grants and tuition and balancing all of those things. What we are asking for is a respect for the process itself. What we see is a very serious problem to the approach that the administration is taking to the collective bargaining process. The results of the things that have happened in the last three or four months. What has gotten worse is four legal charges that are pending for the Labor Board and an almost coming to a stop on negotiations and we have plenty of examples of that, which I will not bore you with unless I am asked. I ask you to think about the fact that the collective bargaining law puts an obligation on both parties. There is an obligation on the employees with the union and there is an obligation on the university administration to bargain in good faith and that is at risk here. Most recently, last week, we filed a charge against the administration for not bargaining in good faith and that is the most serious charge there is. This isn’t something you deal with lightly. It doesn’t happen in negotiations around the country, it is something that is a signal that there is a problem. And so what we are here today to tell you, we want to signal to you, send up a flare that there is a problem with the way negotiations are being handled by the administration and that we stand ready to fix that problem at any moment, as soon as the administration is ready, because we feel, as Nellie pointed out, that we could be here together with the administration discussing compensation packages. I clearly understand you are willing and want to get the most money you can get out of the legislature, better for NMSU, we agree. We could be here working on that together, if the simple thing that had been done during the contract process as a discussion about the compensation and about the budget process for this year. That didn’t take place and that is an act of cooperation, that is an act of respect for the process and the law. So, we ask you to look into this and as Regents that are responsible for the university and overseeing and holding the administration accountable to take a look at what is happening and we will do everything we can to cooperate. Thank you for your time.”

Regent Kamali stated, “Mr. Chairman, I am only a recent graduate of NMSU and I don’t claim to be a know-it-all, but if you claim to want to work with us, I think it would behoove you to not personally attack Dr. Martin and the leadership and to work with us instead of working against us.”

Ms. Rosales stated, “We are working together, we want to work together. We voted for a union that was under the law with Ken, vote for a union and we did get majority vote on it and we are trying to vote and get a negotiation together and we are not attacking anybody personally.”

Regent Kamali stated, “I believe the opening statements were personal attacks against Dr.

Martin. Thank you.”

Ms. Hassler stated, “I would just like to say I am not trying to personally attack President Martin, however, he is the significant leader of the university and the head of the university and as such, is in charge of these sorts of things.”

Regent Gallagher stated, “I think the point is well taken, but Lynn, I think your use of the word, ‘the administration’ is preferable to signaling out who may or may not be that person. Okay?”

Ms. Rodenhouse stated, “Fair enough.”

Ms. Hassler stated, “I apologize, President Martin.”

Regent Gallagher stated, “No apology necessary, you are fine.”

Regent Anaya stated, “I think working together, we can all make this a good university so we will take your comments. Thank you.”

Ms. Rodenhouse stated, “Yes, I’d like to end the legislative session right.”

Regent Anaya stated, “Secretary McClure has not shown up so hopefully, she’ll get us as much money as she can get us.”

### 13. ADJOURNMENT

Regent Anaya adjourned the meeting at 11:06 a.m.

Minutes recorded by Socorro Saenz-Lobato.

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M. Steven Anaya, Chair  
Board of Regents

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Sherry Kamali, Secretary/Treasurer  
Board of Regents