

**NORTHERN NEW MEXICO COLLEGE
BOARD OF REGENTS MEETING
MARCH 22, 2019**

I. CALL TO ORDER

A Regular Meeting of the Board of Regents of Northern New Mexico College was held on Friday, March 22, 2019, in the Board Room of Northern New Mexico College, Espanola Campus. Regents Present (Roll Call was taken): Damian L. Martinez, Esq., Michael A. Martin, Porter Swentzell, Ph.D., Erica Rita Velarde and Tomás A. Rodriguez. The Board of Regents meeting was called to order at 8:33AM.

Northern New Mexico College Staff Present: President Richard J. Bailey, Jr., Ph.D.; Ricky Bejarano, Vice President for Finance & Administration; Ivan Lopez Hurtado, Ph.D., Provost & Vice President for Academic Affairs; Vince Lithgow, Comptroller; Chris Trujillo, IT; Sandy Krolick, Creative Director Communications and Marketing; Jimi Montoya, Director, IT; Sally Martinez, Executive Assistant to the Provost and Vice President for Academic Affairs; Cheryl James, Compliance Officer, Chief Procurement Officer; Deborah Trujillo, IT; Frank Orona, Director Admissions and Recruitment/Veterans Center, Interim Dean of Students; Carmella Sanchez, Director, Institutional Research; David Lindblom, Assistant Professor, FDMA, Creative Director of Canal Seis; Tamara Trujillo, Assessment and Accreditation Coordinator; Jaelyn Wooten, Banner Systems Administrator; and Amy Pena, Executive Assistant to the President/Board Secretary.

Faculty Present: Lori Baca, PhD, Dean, Business Administration; Ellen Trabka, Dean, College of Nursing and Health Sciences; Ajit Hira, Associate Professor, Math; Joaquin Gallegos, Assistant Professor, Environmental Science;

Others Present: The Honorable Alexandra Naranjo; Melissa Montoya, NNMC Foundation Board; Alfred Herrera; NNMC Foundation Board; Luis Torres; Renewable Energy Festival; Jake Arnold; and Rio Grande Sun Reporter; Tim Crone; John Ussery; Geno Zamora, Legal Counsel for NNMC;

II. SWEARING IN CEREMONY

Regent Martinez stated there needed to be a change to the Agenda as the Swearing In of the Board of Regents needs to take place prior to moving on with the Board of Regents Meeting. Regent Martinez asked Judge Naranjo to swear in the Regents.

The Honorable Alexandra Naranjo stated it was an honor to be at the College for this Swearing In as she is a product of this College. Judge Naranjo then called each Regent (Erica Rita Velarde, Dr. Porter Swentzell, Michael A. Martin and Tomás A. Martinez) for their Oath of Office.

Judge Naranjo congratulated the newly appointed Regents to Northern New Mexico College. President Bailey stated not only does Judge Naranjo take her time to come to be a part of the ceremony, she is also a steadfast, diligent supporter of the College. President Bailey thanked Judge Naranjo for her assistance and presented her with a gift from the College.

III. APPROVAL OF AGENDA

Regent Martinez entertained a motion to approve the Agenda.

Regent Swentzell moved to approve the Agenda. Second - Regent Montrose. Motion passed unanimously.

III. COMMENTS FROM THE BOARD

A. Opening Statements by New Regents

Regent Damian Martinez stated he is excited with the new Board of Regents for multiple reasons, especially because now everybody is confirmed. He has been on the Board of Regents since 2015 and he has served with five different people on the Board of Regents and he does not have to worry about this now. He has nothing but positive vibes from everybody and everyone is going to work in the school's best interest. Regent Martinez opened the floor to the new Regents for introductions.

Regent Rodriguez stated he is a two-year student, sophomore at the College and is participating in men's varsity basketball as well as men's cross-country team. He is studying early childhood education. Regent Rodriguez's family dates back to Santa Fe about six generations and Regent Rodriguez took this opportunity because Ryan Cordova, Basketball Coach and Athletic Director let him know this would be a position of leadership. Regent Rodriguez stated his family is a family of leaders and educators and he saw this as an opportunity to take what he believed, hard work does not guarantee success it is a better place to experience it. Regent Rodriguez stated he would like to use this working with the Board of Regents and hard work will put the College in a better position to succeed. Regent Rodriguez is looking forward to working with the Board of Regents.

Regent Swentzell stated it is a privilege to return to Northern New Mexico College. Regent Swentzell is currently a Chair of Indigenous Studies at the Institute of American Indian Arts but he would not be where he is today if it wasn't for the College. Regent Swentzell stated that he is blessed to be able to return a little bit of that debt of gratitude to Northern for what Northern has allowed him to do. Regent Swentzell is from Santa Clara Pueblo and for him, he had given up on school and ended up getting pulled into Northern. Northern allowed him to finish his Associates and Bachelor's Degree and eventually go all the way for a Masters and PhD. It has been really a blessing for him to come back in this capacity and he looks forward to working with the Board of Regents to help give back to Northern.

Regent Velarde stated she is from Santa Fe and many, many generations. She is super excited to be back at Northern and she was driving from Santa Fe and started to get teared up and was perclemped because she is an 80's SNL lover. She started to get perclemped because she was thinking that 18 years ago she walked into these doors for the very first time and it is amazing to be here and amazing to be able to serve this amazing school and community. Like Regent Swentzell said, Regent Velarde would not be where she is today. Regent Velarde loves what Regent Swentzell did, which is so Northern New Mexico, point with our mouth and chin. That is who we are and what we grew up doing, the special thing that makes us Norteños. Regent Velarde thanked everyone for having her at the College and supporting the school continually.

Regent Martin stated he is from El Rito and a cowboy. His grandfather George was the first President of the Spanish American Normal School in 1909 and his grandmother Margaret served on the Board of that school in the 30's and Regent Martin was fortunate enough to be a Regent from 1987 to 1993. He met some great people, Tim Crone, who was here back then. It is nice to see some familiar faces and he had some really good memories of being a Regent 30 years ago. He saw what an integral part of the community the College was and a great service it provided to everyone and he is very fortunate to be, essentially this body is his colleagues here and he looks forward to four years of working hard with everybody and hoping to accomplish some good things.

B. Board of Regents Meeting Dates

Regent Martinez stated the first item to be decided is meeting dates which always seems to be an issue. The Board of Regents needs to consider Regent Rodriguez's scholastic schedule and also the other members time and schedule. Regent Martinez stated he works for himself so he doesn't have issues with the boss. Generally, in the past the Board of Regents have had meetings on Monday mornings or Friday mornings. If the Board of Regents needs time to go back to employers to figure it out, it could be discussed next month. Regent Velarde stated she would leave it to Regent Swentzell and Regent Rodriguez as she could take whatever she needs. Regent Rodriguez stated a lot of games fall on Friday so Monday would probably be best. Regent Swentzell stated Mondays would be best for him. Regent Martinez asked Regent Martin what would work for him. Regent Martin stated he is good with any date. Regent Martinez stated either the start of end of the week is best for him. Regent Martinez asked if the Board of Regents could agree to Fridays and revisit it next semester. Regent Martinez entertained a motion to have Board of Regents meetings until next semester on Fridays.

Regent Velarde moved to tentatively keep meetings on Friday mornings until the basketball season/new semester begins (until August). Second – Regent Rodriguez. Motion passed unanimously.

Regent Martinez stated the time that the April meeting would take place has Regent Martinez schedule messed up because it would be on April 26th and Regent Martinez has to go argue a case with the Tenth Circuit so the whole week is bad for him. He is available on the 29th which is a Monday. This is the meeting the budget will need to be approved and it has to get to the Governor's Office by May 1st. Regent Martinez would like to be here for that and asked that next month's meeting be changed to April 29th. Regent Swentzell asked that the meeting be changed to the afternoon as he has a class in the morning. Regent Martinez asked if 1:00PM would work. Regent Swentzell state it would.

Regent Martinez moved to move the April meeting to the 29th of April. Second – Regent Swentzell. Motion passed unanimously.

C. Board of Regents Officer Selection

Regent Martinez stated the next item on the Agenda is Officer Selection. The officers are:

President
Vice President
Secretary/Treasurer

Regent Martinez stated he would prefer the President be a local position. The President has to do a lot of stuff and quite frankly he lives in Las Cruces there is stuff that comes up and the President needs to be at and his thoughts on this would be to nominate Regent Martin.

Regent Martinez nominated Regent Martin as the President of the Board of Regents. Regent Velarde - Second. Regent Velarde stated she would second this because of obvious historical experience here and on the Board. Regent Velarde stated she is a newbie and she is totally green here and would appreciate the experience. Regent Martinez stated there is a motion and a second. **Motion passed unanimously.**

Regent Martinez stated before he leaves the middle seat, the Board of Regents needs a Vice President and asked for any motion for a Vice President.

Regent Velarde moved to nominate herself as Vice President. Regent Martinez - second. Motion passed unanimously.

Regent Martinez stated the last Regent spot is Secretary/Treasurer. Regent Martinez asked for a motion for Secretary/Treasurer (inaudible). Regent Swentzell stated he could do it and asked if it requires note taking. President Bailey stated that Amy takes care of this. Regent Swentzell thanked Amy, he was worried and other than that he could do it.

Regent Swentzell moved to nominate himself as Secretary/Treasurer. Second - Regent Velarde. Motion passed unanimously.

D. Board of Regents Subcommittees

Regent Martinez stated finally before he leaves the chair, the Board of Regents needs action on subcommittees. The subcommittees that are currently available to fill:

Audit/Finance/Facilities Committee

Academic Affairs Committee

Executive Committee

With Regent Swentzell being the Secretary/Treasurer, he should probably be on the Audit/Finance/Facilities Committee. Regent Martinez stated he does not mind being on the Finance Committee as he has been on it before. (inaudible). Regent Swentzell is happy with this and he also has background with academics so he doesn't know if it is more important for the officer position that he be in the Finance Committee. (inaudible). Ricky Bejarano, Vice President for Finance & Administration stated the treasurer is on the Finance Committee and also signatory on the bank. Regent Martinez asked for any other thoughts. (inaudible). President Bailey stated this is the wishes of the Board of Regents and this is way out of his league, with Dr. Swentzell's background and experience in education and obviously Regent Rodriguez as the voice of the students. Based upon how things have worked in the past, that is a natural fit for Academic and Student Affairs because things that Dr. Lopez brings and interaction with Faculty and Student Senate, it is a perfect fit. With Regent Velarde and her experiences and as an Engineer, the (inaudible) of the budget are pretty complex and with Regent Martinez experience, it is solid in terms of guiding the College as they go forward. Regent Swentzell stated on the other hand, he lives just over the hill and in terms of signing off on things, it is not as onerous a task. He could

serve on the Academic and Student Affairs Committee and still be available for signing off on things. Regent Martinez stated his thoughts would be that since the President of the Board of Regents does, herds all the cats, the President manages the Board of Regents and Regent Martinez could sit on the Finance Committee. Regent Martinez stated the Committees need to be set:

Finance Committee: Regent Velarde and Regent Martinez

Academic and Student Affairs: Regent Swentzell and Regent Rodriguez

At this time Board President Martin took over the Board of Regents Meeting.

IV. APPROVAL OF THE MINUTES

Regent Martin stated the next item on the Agenda is the Approval of the Minutes and asked if everyone has had a chance to review the minutes and also asked if anyone had any changes to the minutes. Regent Martin entertained a motion to approve the minutes as presented. Regent Swentzell asked if in terms of those of the Regents who were not in attendance, he is wondering if they are even able to vote on them, it might be a single vote of approval. Regent Martinez stated the Board of Regents has to vote on it, it has to be a majority but you can vote as to form. Regent Martinez asked Geno Zamora, General Counsel for the College if this is correct. He stated this is correct. Regent Martinez stated he was not at the last Board of Regents meeting and he did review them.

Regent Martinez moved that the Board of Regents approve the minutes as to form. Second - Regent Swentzell. Motion passed unanimously.

V. PRESIDENT'S REPORT AND ANNOUNCEMENTS

A. Celebrate Northern

President Bailey stated he would like to give a very special welcome to the Foundation Board Members Melissa Montoya (President) and Alfred Herrera (Vice President). The College is very grateful for everything they do for the Foundation and the Foundation Board. Ms. Montoya stated she is honored to be here and welcomed the new Regents to the Board of Regents. Regent Herrera stated he would like to congratulate the board members and welcome back to Regent Martinez. He would like to mention the fact that we are extremely fortunate to have this College in the north and taking on center of our great County, great City and taking on a Regent responsibility is an enormous responsibility and honor and it sets the pavement for future endeavors. The Foundation stands ready to be continue to be supportive of the College and it has been a great honor and privilege to serve on the Foundation Board and former Board of Regent Member. Mr. Herrera stated he is available if anyone wishes to chat.

1. LANL Institutional Agreement – LANL recently signed an Institutional Agreement with the College to provide a Radiological Technician Program and the College has been working over the last year or so to finalize this. To LANL's credit they were asked to put resources to this and they have put over \$1M. It is a two-year program and the starting salary is incredible. Most of the RCT's at LANL are from the Espanola Valley. Joaquin Gallegos is primarily responsible for this effort and he will be the first to admit he had a lot of help from Dr. Lopez. This is a big win for the community and the College.

2. Martin Heinrich – Senator Heinrich was here to bring awareness to the opioid crisis and the College was honored to have him here.
3. AFRL – AFRL recently gave their awards out and one of the awards was a STEM award for Higher Education Institution of the Year and the winner this year was the College. Credit for this goes to two groups within the College and one is the STEM Mentor Collective and the other is Barbering and Cosmetology Program. The College was honored to receive this award.
4. Sushmita Nandy – Dr. Nandy was recently asked to be on a peer review counsel by the Health Research Council by the Ministry of New Zealand. This is really putting Northern on the map because of the great work she has done.
5. Andres Romero – Recently accepted into the Neurosystems and Behavior Course at the Marine Biological Lab this summer. This is the first time any New Mexico undergraduate student has been asked to do this.
6. Men’s Basketball Team – The team qualified for the NAIA Conference championships and the College is proud of the work they did. The team they faced in the first round won the tournament. They capped off an amazing year and the College is really proud of the team.

B. CUP/NMICC

President Bailey stated regarding CUP/NMICC, they are two organizations that the College belongs to because of the dual mission. The Council of University Presidents are the seven four-year public institutions in the State. The NMICC are all the independent community colleges. Because the College is somewhat a hybrid institution, the College belongs to both organizations. Really, the last 60 days all they have been working on is the legislative session.

C. Legislative Session Review

President Bailey stated there was a bill, Senate Bill 34, sponsored by Senators Cisneros and Martinez, the College could not have asked for better champions for this. This Bill allows the College to establish a co-located Community College Branch, it is the first of its kind in the State. The College had to do a lot of work legislatively to get this across the finish line. After four subcommittees, it not only got a unanimous vote in the Senate 38-0 and passed the House 63-0. It sent a very strong message to the Governor that this is not only good for the College but for the community. This is only the first step because from here the College has to go to the local voters to look at how we use and ask for Mill Levy funding, which, by the way, every community college in the State does. The College needs to sell that to make sure they know this is going to be something that worth their investment. This summer the College will be working very diligently with local communities to campaign for this. All three of the local school Superintendents, Espanola Public Schools, Mesa Vista and Pojoaque Valley, endorse this plan because they know they are going to be offering their students some of these crafts. Really, the College is going to focus on vocational technical. We don't have to build a new campus, we are not going to have a new President, everything is going to exist within our structure. The Mill Levy funding will allow the College to reintroduce some key programs, that tie directly to job demand and lower the tuition for the courses for those students. President Bailey stated hats off to Dr. Lopez and a team of people working on the curriculum side of these, this was a big one for the College.

President Bailey stated another Bill is Senate Bill 370 and the goal of this was to create an appropriation through the budget of \$5M to establish the Anna Age Eight Institute for the study and prevention of childhood and family trauma. The Bill languished in the Senate before it could pass through Public Affairs but before it could get to Senate Finance they were trying to carve out

that appropriation and it did not happen. One thing that did happen, is Senators on their own, and by the way not local Senators, Senators from around the State took their own junior appropriations money because they felt so strongly about this and contributed to this program. At the end of the session, nothing is official yet until the Governor signs the junior appropriations but there is over \$1M specifically for the institute. The College is going to use this this year to put some pieces in place to start marching down the field in this. The goal is to help every child in New Mexico. The College also found a grant and will spend this year competing for it, it is one grant globally, by the McArthur Foundation and it is \$100M. The College is going to swing for the fences and say this is worth it. If there is one program that we know is going to have a long-lasting impact to a community, it is us. The College is going to put its best foot forward to knock this out.

President Bailey stated, budget wise, it was a very good year for the College. President Bailey stated it was his third legislative session and the last two sessions he was fully playing defense, please don't close us down, please know we are improving the audit. This year, the College had bills that were specifically designed to help this institution and there was so much good will in the State for the College it was unbelievably inspiring. It was exhausting but exhilarating. The College knows it will have more I&G funding this year and received a huge increase in athletic funding, got money for program evaluations, got individual help from Senator Martinez for athletic funding. Regarding athletics, a year ago the College sat with the Chair of House Appropriations and Finance and had a difficult discussion. Because of the way the College funded athletics in the past, the College was called out for it. The College was taking I&G money and supplementing athletics and the Chair said this is not the goal, you have to find a way to do that. It took the College a year but it did it. It was painful but the College did it. This year, there was subcommittee in the legislative session and the Presidents all testified about it was funding athletics and President Bailey was able to look the Chairwoman in the eye, thanks to the College's Vice President for this, they sat down and tried to figure out exactly what she advised the College to do and a year later the College was able to say this publicly. When you look at the athletic programs that got funding, the College got an unbelievable share of RPSP money and President Bailey knows that it is tied to the sacrifices the College made in order for us to get in line. The College is now the exemplar for how athletics should be funded in the State. This RPSP money does not take away from anything else. This is its own separate State line item. President Bailey thinks the College is now the exemplar for the rest of the State.

President Bailey stated the College also received \$1.8M in Capital Outlay this year which was fantastic and Andy Romero, Director of Facilities knows exactly how this money will be spent for critical infrastructure. The College also, special thank you to Representative Herrera, she ended up giving the College \$132,000 of her Capital Outlay money to help the College with a plumbing project in El Rito that will allow the College to reopen the south dorm and kitchen from May to September. This will allow the College to bring some summer program back to the campus. Long term and with Regent Velarde's help, the College is really looking at how it is going to take the facility in El Rito and help it to embrace renewable energy. President Bailey is convinced if the College does this and lowers these costs it is going to be a revenue generating, at least sustainable enterprise. Senate Bill 431 which talks about the vocational technical programs, that is where the College has the space to do a lot of this. There is no question this is going to be a win, not only for the village, the local community and the institution. President Bailey stated to Tim Crone, head of the union, AFT stood up every single subcommittee meeting to endorse and support this and it really meant a lot to have this support.

President Bailey stated nothing is official until the Governor signs and as that comes together and the College gets her signatures on these things the College is already working on how it will craft the FY20 Budget. As mentioned earlier, it is due to the Higher Education Department (HED) on May 1. The College is going to have a public hearing and this has not done before, the Provost has had the Academic and Student Affairs staff come together to discuss the budget, Ricky has taken his staff to discuss the budget, the President's Office has taken his staff to discuss the budget. One of the things, President Bailey would like to give credit to the Rio Grande Sun on this, and Bob Trapp actually called President Bailey on it last year and he was right, there has never been a community forum to discuss the budget. On April 3, 2019 at 3:30PM in the CFA there will be an open to the public community forum about the FY20 budget. Obviously, the College will have to at some point bring this to the Board and there is going to be a lot of dialogue beforehand, it is a session to allow community members to voice issues, concerns, wish lists, things the community wants the College to do to serve it. By then there will be an understanding of exactly the budget is that we are looking at. The College is starting with a flat assumption, basically fund what it did last year at those levels but that extra now the College is talking about, can probably help with a couple of key programs in addition to what the College does. Some of the big projects the College is tying to are grant proposals that the College is pushing because the College has two Title V Grants and each is \$2.7M and the College is putting its best foot forward on the budget but also wants to hear from community members.

President Bailey stated regarding the Foundation, he would like to thank the President and Vice President of the Foundation for their leadership. President Bailey stated he saw REDW walk in and he would like to give them credit. In this year's audit report, the Board of Regents will hear from them, they gave the College a disclosure, and President Bailey interpreted it as not a finding but a warning stating they are looking at what the College has been spending on the operations of the Foundation versus what the Foundation has been giving in scholarships to students and there was an imbalance there. President Bailey thanked Geno Zamora for his assistance in this as well. This put the College in jeopardy in terms of anti-donation and everything else. The College had to make some drastic decisions and eliminated both the positions at the Foundation. The College could not continue to spend taxpayer money on something that is not returning in that same boat. The Foundation Board has stepped up in a big way. They are still going to manage the corpus of the budget. One of the things the Administration is looking at is building into the FY20 budget an amount of money, probably about \$100,000, to streamline the process so that students still have access to the scholarship funding. This was also reported in the Rio Grande Sun. By June 30th, this will not be an issue because the College is taking action on this. The President is convinced it is still going to offer scholarship opportunities for students and that is most important.

Board President Martin asked if there were any comments from the Board of Regents. As there were none, Board President Martin moved to the next item on the Agenda.

VI. STAFF REPORTS

A. Vice President for Finance & Administration

1. Audit(s) Update

Ricky Bejarano called up the Auditors (Mr. Javier Machuca and Ms. Emily Wilson) from REDW. They have a presentation on the audit for the Board of Regents on the Audit. The College was not able to present the audit previously due to the change of administration otherwise it would have

been presented in January. Mr. Javier Machuca was the Senior Auditor on the Audit and Ms. Emily Wilson was the on-site auditor.

Mr. Machuca thanked the Board of Regents and the President Bailey for allowing them to be at the Board of Regents Meeting. Mr. Machuca stated he was brought on in 2017 because there was a change in auditors for various reasons. REDW came in during a situation where there was alleged fraud and now fraud. They had to do a very detailed audit report where there were numerous findings, 66 findings. What Mr. Machuca did was reach out to the Deputy State Auditor and met with him three times. The first time was to ask for the approach and told him this is what they wanted to do and they wanted to focus on the findings. His advice was they inherited it and check to see what they cleared off but he wouldn't start commingling things like that because it is going to be a very very public document and a lot of people are going to want to read it and they are going to have expectations. You do not want to lose them from one year to the next. It is really good advice. That made sense and Mr. Machuca stated they focused on this. They then met again and he asked basically where they were on the audit, he wanted an update and wanted to make sure REDW was covering everything. One of the questions Mr. Machuca asked is when does he call them back. It is by State Audit Rule if they find additional fraud they have to inform them, basically without informing management. It is one of those things to where they want to know before anybody else. They have to have absolute proof. It is one of those things and they talked about this. The last time, REDW did get in contact with them and these were the three times they met with him. After they submitted the report, they called each other numerous times and they wanted to make sure everything was right. Mr. Machuca really appreciated him doing that for the College and it really helped out a lot. Mr. Bejarano was present at two of the three meetings and his relationship with Jack Emmons was a big help and Mr. Machuca also got to work with Wayne Johnson and he saw they were also going in the same direction and it worked out really well.

Mr. Machuca stated REDW inherited the audit report, went through all the audit findings and eliminated some of them. There was one year behind them and they had their audit. REDW went through every audit finding and created a spreadsheet to where it identified if it was a common situation. Where you had two findings, basically where cash was not reconciled and they will get into more details. That is basically a system and it does not matter if it was the College or Foundation not reconciling. The point is it was not getting reconciled. They figured out it was easier to write one comprehensive finding versus having seven. This is the way some got eliminated to 48. What Mr. Bejarano did was assess which ones they could take care of first and knocked some of those out. If you are going to move forward take care of some of the easy ones. This next year, REDW does monitor some of the progress the College does and unfortunately the reason it is monitored there is a gentleman at USDOE and Mr. Machuca has never worked with anyone like this, and Mr. Machuca told Mr. Bejarano in their previous lives when he was at PED they did have one lady Mr. Machuca thought was pretty tough but working with this individual it was totally different. He took it to a new level, which is good. From time to time they do have conference calls with them, what is the status of the finding, what is the update, what movement has the College taken. A lot of those times Mr. Machuca cannot answer because it is really management, because management has to come up with those answers and the direction they are taking. Mr. Machuca is an auditor and he wants to keep independent, but he does keep notes. As Mr. Bejarano is telling this great story of how they are working and bringing in new people and making the financial department strong, he writes this down so when he comes for the audit those notes are going to come with him and if this is promised, Mr. Machuca has to make sure that is either not going to come out on the report, that you don't have adequate staffing, things of that nature because you have already told him that. Mr. Machuca would like the Board of Regents know that they do have conference calls with the USDOE on a periodic basis. It has slowed down but there is still the monitoring. This is one of the things that has kept everyone involved with

audit. Usually an auditor will issue a report and right away go do some other work but Mr. Machuca is always worried that this gentleman is going to call him out of the blue and he is going to have answer the call and go through and want to know certain things about the College. Mr. Machuca has to prepare for this.

Mr. Machuca stated what REDW does is always have an exit conference and Mr. Machuca gave the Board of Regents the exit conference agenda. When REDW comes and does the exit conference, the public is not allowed to attend and that is a State Audit Rule because they cannot go through an audit report until it has been issued by the State Auditor and they cannot issue until they have an exit conference. This is the way they go through this and for that reason they have not had a public exit conference until now. This is for the June 30, 2018 audit report and what they did is listed out the contact for individuals there. Mr. Machuca left cards for anyone in the public wanting to ask questions and the Board of Regents should feel free to reach out to Mr. Machuca with questions.

Mr. Machuca stated there is a difference in responsibilities between what management does and what REDW does. He would like to make sure this is defined clearly. There are a lot of times, unfortunately, when an issue comes up, they always say why didn't the auditors catch it. Mr. Machuca was talking with Vince Lithgow; Comptroller and they have both gone through numerous classes about fraud. They really don't catch it a lot in an audit. It has to be something you have to trip over or the most fortunate reason you catch it is somebody tells them. They do use statistics and procedures that are basically written to identify irregularities but it doesn't mean necessarily. This is for the Board of Regents to know so if they sit on other Boards they can take that bit of knowledge with them.

Mr. Machuca stated their responsibility is to form an opinion on whether the College's financial statements and business type activities (inaudible) which is the Foundation. They go through provide opinion as of June 30, 2018. They look at everything on a higher level, they do not look at every transaction. They do sampling, things of that nature. There is a sampling methodology to where you do try to get a 90% confidence level and it is basically math. You go through and math tells them what to look at and this is basically what they do for auditing. The audit role does not relieve management of their responsibility. The auditors come through every year and look at everything, does not mean that management should not be looking throughout the year. They are by no means are taking over that responsibility, that solely belongs to management, these financial statements are management and that internal control process, policies and procedures are management. The audits just goes through and uses the policies and procedures and what should be done. Managements responsibilities, what they are responsible for is the course of time policies, both the Colleges accounting policies and they have to follow certain State and Federal policies because that is where the money comes from. The accounting systems, totally the Colleges. Internal controls of the system to try to protect the College from somebody having incorrect access or access that will give you the opportunity to have the fraud that was mentioned. They have to eliminate the opportunity. Mr. Machuca stated he serves on Nusenda's supervisory committee and one of the things they talk about is the safe is left open inappropriately. Stealing, taking money from that safe is kind of dumb because you are going to get caught, however, is not their job to figure out whether people have the motivation or anything and rationalize it. Their job is to shut down that opportunity, so that is why they do that. Close the door, make sure that door is always closed and where it is supposed to be. That is what internal controls do, they basically close the door to the opportunity of fraud. Of course, significant estimates, when they go through and look at it and if you have loans, things of this nature, students get owed tuition, they have to assess it. They rely on the College to tell them what actually going

to be collectible or not. They use things that such as subsequent months, how much is really going to be collected and you run into people that are really optimistic and you know what we are going to collect 80% of that because they are good kids. Mr. Machuca understands this but benchmarking says you are only going to collect 40% and he has gone through all of the subsequent receipts and you have only collected 38% and their benchmark is pretty right and that is where they help them adjust that back. They propose and entry and they approve it and if they don't and they look at whether they qualify or not. Mr. Bejarano is a strong accountant and he understands this and as they go through they are able to figure out the significant estimates.

Mr. Machuca stated regarding required communication, there were several audit adjustments and they were provided to management after the accounting records were provided to REDW. What this means is they went through and assessed and came up with their number and agreed to what should be in there. They agreed to every adjustment REDW suggested. REDW had no disagreements with management, opposing an adjustment they proposed would be a disagreement. REDW encountered no significant difficulties in performing the audit. This would be a situation where they didn't want to give them records. This happens when auditing places and they know that they still have their day to day jobs, they still have to perform payroll, Mr. Bejarano has to manage and President Bailey has to run the College and they are asking for information. When they say no, they can't give that to you, then REDW would have to inform the Board of Regents. This did not happen and they were more than willing to give them information and it was very good.

Mr. Machuca stated bend and pivot auditors report and results of the College. This is basically why the College pays the auditors to come and do this. They really only give the College three reports. What is that Independent Auditor Report and that is the financial statements, Yellow Book Report which is government auditing standards report and that is more of internal controls or financial reporting, so the controls over the numbers that are presented, the auditors look at those and of course since the College does receive federal money through the calculations, the College does have to have a single audit and the auditors give the College a single audit map over the major programs at the College which the College will always have financial aid programs. These are the three reports given to the College and on the Independent Auditors report. The auditing report conducted in accordance with auditing standards generally accepted in the United States and is standards applicable to the financial audits contained in the government standards issued by the controller of the United States. REDW was unable to obtain sufficient appropriate audit evidence to provide basis for financial statements. Therefore, they do not express an opinion on financial statements of the College or a disclaimer of opinion was rendered. This means, at the time, there was not enough information to gather to support certain numbers in the financial statements. Mr. Machuca asked if this makes sense. Board President Martin asked for further clarification. Mr. Machuca stated what happened is two years ago the College had a disclaimer opinion and it basically that the numbers could not be supported. They could not find enough underlying information to support what the number is for accounts receivable, any debt in liability, things of that nature. Cash is pretty good, cash is cash, you can check with the bank. Because the audit took so long to get issued, it got issued March 31st, just to meet the deadline for the federal clearinghouse. It went out to bid, basically the year closed when REDW came in so you really didn't get to see what was wrong until after the fact. It was more of an autopsy than it was a diagnosis that the doctor would give you. This is how they lived, this is how they died. It was too late to fix anything. Because the beginning balance numbers, if you look at a balance sheet, you start with the beginning balance, you have activity through and then you end up with your ending balance but you have to have your starting point. The starting line was skewed, they could not support that starting line. They went to the next year and because it was so late, they could not gather enough information to support that starting line. That is why they disclaimed. They went

through one more year, late report a little bit but the financial team had started fixing some of these issues but not fixing them to where it was sufficient audit evidence for them. Again, the starting line was skewed for FY18 which would be July 1, 2017 because the starting line was skewed they could not state the numbers in the balance sheet were right. It takes activity and it builds up. If you think about this, a balance sheet is just a picture, you take a picture of the balance sheet and then your activity, what goes in your profit and loss statement is more of a movie. You take a picture at the beginning of the year, you go through the movie and it ends up being a picture at the end. They understood the movie, all activity throughout the year, they could not figure out where the College started and that happened again this year. What they did it looked at certain accounts to see if some progress had been done and through Mr. Bejarano and his team going through and reconciling every account and by doing that, that is the support they need. A reconciliation is basically a comparison to a third-party information. An easy one would be cash. You don't reconcile to your own books, you take your books and your numbers and you compare it to what the bank says you have and then you compare the two. There might be some outstanding checks or the deposit did not get recorded right. That is the difference and it is easy to figure it out. They have gone through and are going through methodically and figuring out what needs to be reconciled and getting those first, the bigger ones first. It is like Steve Covey says, the big rocks first. They are taking care of the big issues first and moving down and the auditors agree with this. They are taking care of the bigger rocks but in aggregate the smaller rocks add up so the auditors could not go through and give the College a different opinion until they get a little bit more information. Their plan, when they first came in with President Bailey and Mr. Bejarano is they understood this was going to happen. It is not a surprise to anyone but their plan is to go through and he is hoping that enough work has been done for the balance at July 1, 2018 for them to go through if the picture is clear, for them to be able to render that opinion at June 30, 2019. That is the approach they are taking and they are working on it. You don't go from a disclaimer to a modified overnight. This is a natural step forward, the next step would be to have a qualified opinion and what that would mean is all these balances are good except for accounts receivable, liabilities, you just list some of them out so you understand you are still working on them. This is the deal with the disclaimer, they can't support the balances that they were looking for to being able to support some of the balances.

Mr. Machuca stated when they do an audit, they have an Internal Controls Report and this describes the scope and testing of internal control and financial reporting at the time and the results of the testing. They do not provide an opinion of whether or not the financial statements are in compliance. This also includes the State Auditor Rule which makes them test travel and per diem and things of that nature. They do go through credit cards and test those. It is good to test those. The auditors do not audit the supplementary information. They look at the numbers in the front and as long as they appear to be correct, they test them as a whole but do not go through each balance and test it. REDW was unable to subject supplementary information to audit procedures. This would be basically because of the disclaimer they were not able to look at some of the supplementary information and test whether it was correct or not. Probably, the information he is thinking about is schedules required by OSA. Required supplementary information would be your MDMA and (inaudible). Mr. Machuca asked if there were any questions from the Board of Regents and if they are clear on the disclaimer.

Mr. Machuca turned over the audit to Ms. Wilson for review of the findings. Ms. Wilson stated as mentioned by Mr. Machuca, the auditors give three reports each year. One of those is the Single Audit Report. This year they looked at all the Federal funds the College received and determined the percentage of the total funds. By going through this they determined that the student financial aid cluster had approximately 62% of the total fund. It is a major program, by definition a major program is anything over \$750,000. They selected the student financial aid cluster for the current

years' work. They were able to give a qualified opinion on the single audit. That means they were not able to determine those beginning balance numbers on the financial side but were able to get an opinion on the compliance over the federal numbers. This means that compliance was mostly good but there was one area with a material weakness so they cannot give an unmodified opinion, therefore they give a qualified and that area was the cash managed which was a repeat finding from last year. Looking back at FY17 they looked at three different programs in that year, in FY18 they looked at just the student financial aid cluster just because of the number of funds the College had received. The College went down from about 7 findings, federal findings in 2017 to just one in 2018 over the student financial aid cluster. This was a vast improvement from year to year. That finding related to the monitoring of cash. The College is placed on a Heightened Cash Monitoring One Status and the Department of Education will do that when there is a late audit report or a disclaimer of opinion is rendered. This means they will keep a closer eye on the process in place over giving students money. They found the College was giving students then drawing down funds and then refunding money to students which is not in compliance with the Heightened Cash Monitoring. This was reported as a material weakness on the audit.

Ms. Wilson referred the Board of Regents to the audit as they prepared a summary of findings table from year so the Board of Regents can see from year to year and the improvements that have been made. There were 66 total findings in 2016 before REDW came on and in 2017 when they became auditors, they assessed and determined there were 41 findings related to the College and 7 related to the Foundation. In 2018 when they went through their tests they were able to determine there were only 14 findings. The process they used to go about that they were able to determine, so in 2017 they issued the report in March of 2018 to get it into the federal audit clearinghouse before the deadline. This meant Mr. Bejarano and his team had about 3 months between the date they issued to year end which is not a lot of time. When they came in in June of 2018 they had to assess what had been fixed in those three months. In the 2017 report REDW issued a report over travel and per diem, the College's policy was not in line with the State Audit Rule and Mr. Bejarano took that information, determined a new policy and as of June 30, 2018 they had a policy that was in line with the State Audit Rule. Part of the test work is to not only look what happened at June 30, 2018 but what happened through the whole year. When they selected the sample for travel and per diem they did notice there was a new policy in place and there was improvement but they also took samples from prior to when the policy was in effect. This is an example of finding of other noncompliance where they issued a finding on travel and per diem but did say they have made improvements, they now have a policy in place. Although they found issues they feel this will be resolved in the next year. From year to year they did this on every finding that they had reported in 2017. They selected a sample, determined what the team had fixed and what was still and issue and after this was done and identified the areas where there were still issues, they looked at all their findings with Mr. Bejarano, finance team and a consultant and was able to group the findings based on areas of issue. Instead of having three findings related to cash, they would be lumped into one and include everything into one finding. Part of the decrease in the numbers is Mr. Bejarano and his team doing work over some of the issues related to 2017 findings. Another reason is they took the approach that it was easier for the team and for REDW in future years if the findings were grouped appropriately. That is the process and you can see the number of material weaknesses, which is the worst type of finding went down significantly and significant deficiencies also went down very significantly. There has clearly been an improvement. Ms. Wilson asked if there are any questions regarding findings.

Board President Martin asked if it is possible to get to a point where there are no findings at all. President Bailey stated no question, that is the goal of the audit. Sometime soon the College would like to tell the Board of Regents there are no findings. It is not like work stops at that point, the goal is, two and a half years ago President Bailey got to the College, heard there were

challenges, heard there were rumors of fiscal mismanagement, there were all kinds of things going on. The decision was made, and President Bailey blames his military background on this, if you really want to find out what is wrong, you need to take the gloves off and rip the Band-Aid off and find out what is wrong because otherwise you can't fix it. Now, be careful what you wish for because that, uncovering embezzlement and all these other things and really the discovery that the safe had been wide open not because of anything sinister but because we were not doing thing properly. President Bailey had only been on the job for three months when this happened. Next thing you know, he is flying to Dallas to talk to the Department of Education to hold on to Title IV money because otherwise the College would shut the doors. That is how serious this was. Then President Bailey went to Chicago to beg the Higher Learning Commission to consider giving the College some time to fix this so it wouldn't lose accreditation another thing that would close the doors. It was really existential. They then brought someone in who had a history and a reputation for cleaning things up with organizations who had left the safe open. The College then slowly started to build the steam. Now there is an entire team of people who had slowly but steadily helped the College to change the culture of the institution. The model the College had is that we were so under a microscope but the College can't do things right it has to do things better than right. We have to be the exemplar. To REDW's credit, when maybe accountants and firms were probably a little bit frightened to take on a challenge like this, they came in, took the gloves off and have really been methodical about helping us to see what needed fixed. The College's team, has been very methodical about moving the College and closing the safe. When we get to that zero finding, no disclaimer, clean audit, we are going to have to make sure that not only have we made all the improvements but we institutionalize that in such a way that the safe doesn't get open. That is the goal.

Mr. Machuca stated the time for moving forward, since this is dated, they did submit before December 19, 2018, they still got it in before the end of the year and it was approved and they did get upload on time the information to the federal clearinghouse. Mr. Machuca stated Ms. Wilson would give a brief overview of the audit findings (attached).

Ms. Wilson stated based on the table, some of the items have been repeated and modified. They may have reported a finding over segregation of duties last year but in 2018 determined this was a significant area and needed to reassess this and add some additional issues to the findings. Repeated means they did identify this in prior years, modified means they either cleared some areas or added some additional issues to the findings.

1. Bank Reconciliations - This finding began in 2013, this was a repeat and modified. The College was working towards reconciling all of their accounts but it was not done timely as of year-end.
2. Capital Assets - Doing an inventory of all physical capital assets was also a repeat and modified.
3. Overall IT Processes - Disaster Recovery Plan and other findings related to IT were grouped into one finding. There was a repeat and modify the Disaster Plan Finding.
4. Travel and Per Diem - The College has implemented a new policy that is in line with the State Audit Rule but REDW did identify some issues during that test work.
5. Late Audit Report - The Audit was not submitted until December, 2018.

6. Potential Fraud, Forgery, Embezzlement and Noncompliance - This finding was resolved based on test work performed in 2018.
7. Insufficient attention over accounting and internal controls - this was one where REDW took different areas where they were having issues over the trial balance and lumped it into one finding in the current year report.
8. Procurement Code Violations - The College was able to resolve this finding from prior year.
9. Segregation of Duties - REDW did have to repeat this finding and add additional issues to this finding in the current year through their internal control auditors.
10. Financial Closing Reporting - This was a repeat and modified in the current year.
11. Internal Controls of the Cash Receipts - The College was able to resolve this and also improved processes over cash disbursements and transfers as well as journal entries.
12. Board Member Vacancy - In past years there was a finding and that was resolved in the current years.
13. Transfers, Disposals and Tracking of Inventory less than \$5,000 - The College was able to resolve this.
14. Public Money Act - REDW performed work over this, this is a State Audit Rule and was resolved in the current year and also the Governmental Conduct Act.
15. Inadequate Controls of Annual Leave - This was a repeat and modified in the current year.
16. Outdated Policies and Procedures - This finding is in the Trial Balance Maintenance Finding, this has been grouped in as well. The College is making significant efforts in improving the Policies and Procedures. As of year-end, because they only had three months, it is difficult to go through and fix everything as of year-end.
17. Lack of Established Practices for Identification, Mitigation and Monitoring of Risks - This finding was resolved in the current year.
18. Review and Cleanup of Clearing Suspense Accounts - This was included in the Trial Balance Maintenance Finding.
19. Unreported Payroll Tax - This was resolved in the current year.
20. Unused Credit Card Machines and Related Monthly Fee Money - This was repeat and modified. As of June 30, 2018, the College had addressed this issue and it will not be reported in the FY19 but because there were still credit card machines throughout the year, they could not completely resolve this finding.
21. Reconciliation of Student Accounts Receivable - This had to be repeated and modified. It is included in the Trial Balance Maintenance Finding.

22. Assigned Permissions in Banner - This is another one that REDW had to repeat and modify. It is included in the Trial Balance Maintenance Finding.
23. Assigned Permission in Banner - This is included in the overall IT Finding. It was repeated and modified in the current year.
24. Tracking of Banner Fees to ensure fees are not rescinded or deleted - This has been repeat and modified.
25. Anti-donation Clause of the New Mexico Constitution - This is a State Audit Rule and was repeat and modified.
26. Special Test and Provision - This relates to the Student Financial Aid Cluster and the College was able to resolve this finding.
27. 2016--32 was a lack of complete Policies and Procedures - This related to the single audit report and REDW was able to resolve a portion of this over the student financial aid cluster because the Financial Aid Office was able to provide policies and procedures that they were able to provide policies and procedures that they were able to test and identify that were in line with the requirements. They did have to repeat this for the Higher Education Institutional Aid Program and the Research and Development Factor. Those were the other two programs that were tested in 2017. Part of the process each year is even if they don't select a program to be a major program for the current year, if there were findings related to that program in prior year, they are required to perform test work.
28. Lack of Control of Payroll Reporting - This was repeated and modified.
29. Account Coding and Lack of Documentation - The College was able to resolve this issue as of year-end.
30. Athletics - Internal Control Over Sporting Events - This was a repeat and modified as of year-end.
32. Controls Overs Credit Cards - Resolved
33. Controls Over Inventory - This is with Capital Asset Finding and was included in the current year.
34. Cash Management - This is a repeat and modified from 2017. This relates to the student financial aid cluster. The student financial aid cluster although selected as a major program, the Department of Education has required that program to be tested every year regardless of the dollar amount. This is something the Board of Regents will hear about every year.
35. Controls over Equipment and Real Property - This was included in the Capital Asset Finding and is unresolved.
36. Controls over Payroll Reporting - Resolved
37. Controls Procurement - Resolved

38. Controls over Subrecipient Monitoring - This relates to the single audit report and unresolved in the current year.

Ms. Wilson asked the Board of Regents if they have any questions over the findings. Mr. Machuca mentioned that the individual from the USDOE calls and wants an update. If you look at the Corrective Action Plan, this is what he wants an update on. What happens is this, and he often tells the client do not write up Disneyland, and this means be realistic. What you do is take the audit finding and then management comes up with the methodology they are using to fix it and what is crazy is you name names. You put down the employee responsible for taking care of this action and then you put your feet to the fire and you put down a date. When this individual calls, this is what he wants an update on. The Board of Regents should know this is updated year after year. Mr. Machuca stated if there are any questions, the Board of Regents can call him.

Board President Martin asked the Board of Regents if there are any questions for Mr. Machuca. President Bailey stated so the Board of Regents knows, every month, Ricky, Evette and Vince this is the vein of their work. Every month the College puts together an excel spreadsheet with an update every month and Amy sends it out to the Board of Regents so they are getting a monthly update. This is also sent to REDW, Department of Education, Office of State Auditor, Secretary of Higher Education and a list of 25 people for full transparency. On the College's side, this is a little nudge that there are things that still have to get fixed. President Bailey stated he wants to state this publicly, he doesn't know a lot of firms who would have taken the challenge of this institution on and REDW who really has a reputation of being really thorough and really took a chance on the College and President Bailey is really grateful or what they are doing. There was an editorial in the Albuquerque Journal and said something like, hey it looks like Ricky Bailey is trying to spin this as a big victory. When they looked at it and when they looked at what the College had done before, they are justified in calling this a step forward and no one would want that but when you come from where the College came from you can celebrate a step forward. The Albuquerque Journal ended with let's cut Northern some slack because it has climbed out of the abyss. Although the College is not done, when he looks at the Business Office, it is unbelievable the amount of work and passion they have done not only to the institution but for students and President Bailey is grateful.

Board President Martin thanked President Bailey and Mr. Machuca for the education. Board President Martin entertained a motion to approve the audit report.

Regent Swentzell moved to approve the Audit Report. Second – Regent Velarde. Motion passed unanimously.

The Board of Regents took a brief recess at 10:14AM. Board President Martin called the meeting back to order at 10:23AM.

2. Fiscal Watch Reports

Board President Martin asked Mr. Bejarano to present his reports. Mr. Bejarano stated there are three sets of report reports one for December, January and February. The reason for this the Board of Regents hasn't met. Mr. Bejarano stated in the interest of time, they will jump to the February report unless there are questions. Board President Martin asked if there were any questions from the Board of Regents.

Mr. Bejarano introduced, Vince Lithgow, Comptroller, Evette Abeyta, Budget Director and Cheryl James, Compliance Officer. The College has never had a compliance officer, the Auditors mentioned USDOE, that was Mr. Rudman. It was actually a lot worse than he described. There was a time when Mr. Bejarano had to conference in with USDOE and the Auditors two to three times a week, to weekly, to every other week to Monday. Since November they have not conferenced at all and they are getting comfortable with the team. Mr. Bejarano asked Mr. Lithgow to present the February reports.

Mr. Lithgow stated there are four schedules. The first is statement of net position and the next two are income statements, one is for the current month and the third one is for last year at this time. The fourth is the statement of cash flows, money coming in and money going out. The College would like to know, compared to other months, prior months, is cash on hand is \$6.5M which is a significant increase over December. This would stand to reason because toward December the College does not have money coming in. At the beginning of the new fiscal year and January and February the College is getting money coming in for the upcoming spring semester. That coupled with payroll of March 1, the College went down in cash in payroll. The other items on there are pretty much items that are static, Capital Assets which is at \$32M, the net pension liabilities and resources of \$10.4M. Currently, the College has the liabilities for accounts payable that fluctuate from month to month and that is over \$500,000 at this time. The College has

The College has long-term pension liabilities at about \$38M and those are based on standards. This long-term liability has to be located with the Retirement Board and the College gives this number to publish once a year. Unrestricted Cash is at about \$2.2M which based upon the budgetary basis through HED, the College is required to have about a 3% minimum and the College is way above that. Mr. Lithgow asked if there were any questions. Mr. Bejarano stated he would like to point out that the \$6.5M is as of yesterday down to about \$3M. The College carries between \$2M and \$3M.

Mr. Lithgow stated he would like to make one point, State agencies are required to be compliant with what is called at 50% Rule on election years and the College is required to report this to HED Finance and Administration and the College was compliant with the rule, at about 47%. The College studies measures are watching funds and keeping compliant.

Mr. Lithgow reviewed the Income Statement Revenue as of the end of February is at about 72% of collections. The College gets a big spike twice a year, August and February, when all the payments are coming in. As the College gets toward the end of the fiscal year, it will level out to roughly to 100%. Expenditures are at 65% and on a budgetary basis they should be at 67% so the College is a couple of percentage points below the budget which is a positive thing.

Mr. Lithgow reviewed one fiscal year to the next. There are some marginal increases and decreases. The College is at 7% it exceeded more this year than last, on the flip side the College appropriated more. A lot of those numbers are student driven, the College got a \$2.5M Grant this year that it did not have last year and the College has started to expended that.

Mr. Lithgow reviewed the Statement of Cash Flows. The College received about \$3.5M from tuition and fees and another \$5.3M from Grants like the Pell Grants. This is the College's big source of income other than the State General Fund. The Liabilities are payments to employees and for services. The other operating revenue comes in from other things like the auxiliary.

Mr. Lithgow stood for questions. Board President Martin asked if there were any questions for Mr. Lithgow. Regent Martinez stated he had a question. Mr. Martinez thanked Mr. Lithgow for his work and the work of the finance team. Regent Martinez stated former Regent Powers and Regent Martinez discussed with Mr. Bejarano, there are some expenditures, there are certain things like what is the payroll on a monthly basis, that way they can better how money is in and money is out. He asked if they could do a slide, not a whole new report, just something easy that says these are the recurring expenditures the College has during the month. Mr. Lithgow stated this would be a simple presentation, especially payroll, that is the number one expenditure. Regent Martinez stated this is all.

Board President Martin stated without further questions, he would entertain a motion to approve the Fiscal Watch Report.

Regent Martinez moved to approve the Fiscal Watch Report for December, 2018, January, 2018 and February, 2019. Second – Regent Velarde. Motion passed unanimously.

3. Monthly Budget Adjustment Requests (BARs)

Mr. Bejarano introduced Ms. Abeyta to review the monthly Budget Adjustment Requests (BARs). Mr. Bejarano stated they have decreased significantly over the last few years. The College has worked very hard to budget appropriately. Ms. Abeyta stated the College was at 500 BARs per year about four to five years ago but the College has done a much better job over the years paring down those BARs and aligning the budget much more appropriately and where they should be. Currently, the College will report to the Board of Regents on a monthly basis the BARS that require approval. The College has five different BARS that align the institution. One is the Maintenance Bar which is a line to line item BAR and within the same fund. The Board of Regents will not see any of those in the packet. Looking at the log report, page 23, the BAR type will be on column three, increases, decreases, maintenance BARs and transfers. The initial budgets are for any type of new funding the College receives throughout the fiscal year. The Maintenance BARS, as Ms. Abeyta mentioned line to line adjustments, and they are referred to as BARs but they are Budget Adjustment Requests will be reviewed by Mr. Bejarano and approved. The types of BARs in the packet are budget increases, budget decreases and budget transfers. The budget increases are basically for any type of increases to the current funding, specifically, this will be seen a lot with grant funds which are called restricted funds. Decreases, what the College does is it decreases any fund that the College feels the revenue will not materialize and this will help the College to manage budgets so as to not overspend in those areas. Budget transfers are basically moving funds from one fund to another. This will be seen in the packet. Ms. Abeyta stated the College is at BAR 83 for the year and again this is a significant difference from four or five years ago. A lot of this is due to the departments helping the College build the budgets and budget them more appropriately in the right areas. Ms. Abeyta asked if the Board of Regents would like her to go BAR by BAR. What the College does is basically submit this BAR form and the Board of Regents will see increases, decreases or transfers. During the Audit/Finance/Facilities Committee Meeting, these are thoroughly reviewed with the committee members. In the packet there is not backup documentation and it would make the Board packet much thicker and if at any time the Board of Regents has questions, they are welcome to ask Ms. Abeyta for any information they would like to look at. Ms. Abeyta stated what the BARs do, although they are internal for the institution, they will roll up to the final BAR which is required by HED and is also required for submission for the FY20 Operating Budget. The final BAR will be seen at the next Board of Regents meeting. Ms. Abeyta asked if there were any questions.

Board President Martin asked if there were any questions for Ms. Abeyta. Mr. Bejarano stated the College does need a motion to approve the BARs. Board President Martin entertained a motion to approve the BARs.

Regent Swentzell moved to approve the BARs as presented. Second - Regent Martinez. Motion passed unanimously.

4. Revised Policy 7720

Mr. Bejarano stated in the packet there is one Policy revision and it is self-explanatory. Ms. James is in attendance to answer any questions the Board of Regents might have on the Policy. Board President Martin asked if there were any questions. Regent Martinez stated he read the packet and had no questions.

Regent Martinez moved to implement the revised Policy 7720. Second – Regent Velarde. Motion passed unanimously.

5. College of Nursing Course Fee Schedule

Mr. Bejarano stated these fees are passthrough fees and asked Ms. Ellen Trabka, Dean, College of Nursing and Health Science to address the Board of Regents. Ms. Trabka welcomed the new Board of Regents and stated periodically she will come to the Board of Regents to seek approval for unique Nursing Course Fees. The Board of Regents was provided a list of course fees and Ms. Trabka is seeking approval for the items that are bolded. Most of the fees relate directly to requirements for students to participate in clinical practicum experiences. For the fall semester there have been changes to the EMT course, they now have a new affiliation agreement so the actual certification fee went down, they are adding malpractice liability insurance for the clinical portion of that course and they are adding a urine drug screen for level two students. They are tested at the beginning of the program but they are not tested second year and the College feels it needs to and making sure they are doing it to be in compliance. The College has to submit records to clinical partners to make sure they have done all these things.

Regent Martinez asked if these fees are generated from a third-party vendor, that is direct cost. The College is not taking extra money and raising costs on the students. The College is using an outside vendor as required. Ms. Trabka stated this is correct and by putting them in a course fee their financial aid will cover the fee. Either way they have to cover the fee but if it is a course fee, it is covered by financial aid. Board President Martin asked if there were any questions. Regent Swentzell stated he had a learning question and asked how student fees work at the College, whether they are put into one pool or are they broken up by program. Mr. Bejarano stated it depends, some go directly to the specific program. The College will put together a summary to show what the fees are and how they are distributed. For example, IT fees go into the IT fund but then they are swept into the I&G. Athletics go directly to Athletics. The College will go fee by fee and start with tuition, show that cost, essentially by credit hour what each student pays and then show the Board of Regents additional fee, how it is booked and whether it is swept into I&G and/or if it goes directly to the program and stays there. Regent Swentzell asked what happens to these particular fees. Mr. Bejarano stated they stay in the program. Ms. Trabka stated they are budgeted every year, they estimate the budget based on the number of students they will have or want to have. If money is collected the course fee is attached to the schedule and they are collected and paid out of another account. Mr. Bejarano stated basically it gets budgeted to that program. That is more specific and the others that are more general and there is a lot of discussion and even

controversy around the fees but this is across the nation. The College will freshen up the slide and get it to the Board of Regents. Board President Martin asked Regent Swentzell if this answered his question. Regent Swentzell stated it did. Board President Martin asked if approval of this is needed. Mr. Bejarano stated it is.

Regent Velarde moved to approve the new course fee schedule. Second – Regent Martinez. Motion passed unanimously.

B. Provost & Vice President for Academic Affairs

1. Tenure Approval

Dr. Ivan Lopez, Provost and Vice President for Academic Affairs welcomed the new Board of Regents. He stated he would like to take this opportunity to present the recommendation for tenure for the Chair for Biology, Chemistry and Environmental Science, Mr. Joaquin Gallegos. Mr. Gallegos submitted his tenure dossier last fall according to the faculty handbook. It was reviewed by the tenure council and recommended for tenure by the Faculty Senate to Dr. Lopez office. Dr. Lopez had a second review of the dossier and submitted his recommendation to President Bailey who accepted this recommendation. Dr. Lopez stated tenure is an acknowledgement to excellence for faculty members. The granting of tenure is evaluated in four areas. Number one is teaching, the College expects excellence in teaching. Mr. Gallegos in a scale from 1-5, 5 being outstanding, his average for five years as a faculty member has been a 4.9. This is impressive for a faculty member. The second area is advisement, for the College it is very important that every faculty member work with their advisees and discuss career options, selection of courses and through all these years, Mr. Gallegos has kept documented information about his interactions with the students. The third area evaluated for every faculty member is service which is very broad. In service there is community service and College service. Mr. Gallegos has been the co-chair for the Curriculum Committee for the last three years. This is the busiest committee in the Faculty Senate and he has been instrumental in the huge transition that is happening in New Mexico. New Mexico, for the last two years is going through a transition where all the institutions in New Mexico are adopting new requirements for general education. This means every degree has to go through this committee that has been co-chaired by Mr. Gallegos. At the same time, he has participated in the Budget Review Committee and in the recommendations that are taking place right now to reform the academic structure of the College. The last area is scholarly activities and it is very important to understand the College is not a research institution, it is a teaching institution. The expectations in scholarly activity are very broad and very different from a university like UNM for obvious reasons. However, Mr. Gallegos was the brain behind this incredible initiative, the Radiation Control Technician Contract with LANL. This is a contract that there is no precedent, this institution of working this close with LANL where the College is actually getting money and the College will be responsible to increase the pipeline of RCTs to the lab. This is an incredible achievement and the College is very proud of Mr. Gallegos and this program is going to provide a lot of new opportunities to this community, it is a program with a lot of STEM content, in the biology and physics sciences. Dr. Lopez is honored to present this recommendation for Mr. Gallegos to be granted tenure. Dr. Lopez stated he would like to mention something else. At the College, tenure comes with promotion. If a faculty member is granted tenure, the faculty member moves in rank from Assistant Professor to Associate Professor.

President Bailey stated he would like to add and he knows Regent Swentzell understands this well. Tenure and the decision on Tenure are a big deal. In the life of a faculty member this is the Superbowl of academic decision making. Having read the packet and knowing Mr. Gallegos, there are a lot of superstar faculty members at this institution, the College is blessed with the talent that

it has at this institution. Even amid a sea of superstars, Mr. Gallegos stands out and there are so many good things happening at this institution that have his fingerprints on this. The Faculty Senate made a very good recommendation her, seconded by the Provost and President Bailey stated he fully concurs with this recommendation and it would be an honor for the institution to welcome Mr. Gallegos into the tenured faculty.

Board President Martin asked if there were any questions or comments from the Board of Regents. Upon recommendation by Dr. Lopez, Board President Martin stated he would entertain a motion for tenure. Regent Martinez asked where Mr. Gallegos was and asked that he address the Board of Regents. Regent Martinez stated in the past the Board of Regents let the people who were up for tenure briefly make a comment.

Mr. Gallegos thanked the Board of Regents for this opportunity to stand before them with the potential for his promotion to Assistant Professor. This is a high honor for Mr. Gallegos and he is very grateful for the opportunity the institution has provided him. The last five years have been very pivotal in his development in his professional world. He came on as a faculty member with mainly private industry type of experience and through the guidance and help of this institution transfer a lot of that into an academic career. Mr. Gallegos is very grateful for the opportunity it has provided. Regent Velarde asked Mr. Gallegos a little more about himself, where he is from and how he got to this point. Mr. Gallegos stated he was born and raised in the valley, in Española. His father is a retired faculty from Northern New Mexico College. Mr. Gallegos is a graduate from Pojoaque High School and he attended NMSU where he obtained his Master's in Range Science and went on to work for a number of private ranches around the State. He also worked for NMSU in the Cooperative Extension Service and did private contracting for the Federal Government in the areas of Natural Resources Management and then this opportunity came up and he decided that this was really a nice opportunity and proceeded. Board President Martin asked if there were any other questions for Mr. Gallegos. Regent Swentzell stated he would like to commend Mr. Gallegos on his service not only to the institution but to the wider community as well. He would like to recognize Mr. Gallegos for this as well and his continued work on the Petroglyph project which is important for preserving and educating the valley about its cultural heritage and those places that are critical for our culture in this valley. That is another aspect of Mr. Gallegos that Regent Swentzell would like point out.

Regent Swentzell moved to approve Joaquin Gallegos application for Tenure. Second – Regent Velarde. Motion passed unanimously.

2. Honorary Degree

Dr. Lopez stated he wanted to bring to the Board of Regents a recommendation from the Faculty Senate to award an honorary degree to Mr. Dexter Trujillo. Honorary Degrees are typically given by a nomination of a faculty member through the Honors Committee to community leaders. Recently, for the last three or four years, every graduation ceremony, the College has been granting these honorary degrees. This time Anna X. Sisneros nominated Mr. Dexter Trujillo. He is known as the unofficial Mayor of Abiquiu. He has been working on building genealogy on Abiquiu and has been a leader teaching farm work to the young people in the valley. Dr. Lopez invited David Lindblom to come forward because he was also behind this nomination and there is an email. Mr. Lindblom stated he is here as a proxy form Dr. Anna X. Mr. Lindblom did have a fascinating encounter with Mr. Trujillo. He had the opportunity to make a documentary film about various people in this area and he and his brother Virgil were in the documentary. They represent this fascinating story of Abiquiu which was a Hinsero Settlement. The Hinsero history of New

Mexico is fascinating and few people know about it. There was a proclamation in the State presented by Bill Jiron in 2007 that had to make more known the history of the Hinerio people of New Mexico. Mr. Lindblom learned a quite deal and there is a link that could be shared with the Board of Regents.

Board President Martin asked if there were any questions. Regent Swentzell stated he would like to add a comment. Mr. Trujillo, in our communities there are a lot of people that might not have a PhD, Masters or Bachelors, they might not even have a high school diploma. In their communities, in terms of their community knowledge, they are a PhD holder in their own right. Regent Swentzell's knowledge of Mr. Trujillo is that he is in fact one of those people who in terms of cultural knowledge for his community, holds that kind of knowledge that makes him a PhD already. This is an excellent opportunity for the College to recognize him as a cultural and knowledge for his skills.

Regent Swentzell moved to approve Honorary Degree for Mr. Dexter Trujillo. Second – Regent Velarde. Motion passed unanimously.

3. Certificates Proposal

Dr. Lopez stated the last item is informational and he will bring it to the next meeting for action. Dr. Lopez asked Dr. Lori Baca, Dean, College of Business Administration to come forward in case the Board of Regents has questions. These are two proposals for certificate programs, one in Project Management and the second in Microsoft. These are not new programs to the College in the sense that for many years, the College has been teaching the courses under the Bachelor Program of this Administration or one of the Associate Degrees. What happens is students come to the College, they are just interested in these courses, they come take the courses and leave with nothing from the College. What the College wants is to capitalize that effort that students are putting and getting a certificate. Through these programs there is not going to be any new costs and it will allow the College to claim credit for these courses in the Funding Formula. Dr. Baca stated these programs, the College has Associate's Degree programs for Office Administration and Bachelor Degrees for Project Administration. These Certificates will help the College to recruit students into the programs and it will help the public. The lab and State are looking for these types of certificates and tools. Ms. Baca believes by offering these certificates it will better the College's programs and help the needs of the public. Board President Martin asked if this is just informational. Dr. Lopez stated this is informational and at the next meeting he will bring it for approval. If there are questions, through the Academic and Student Affairs Committee questions will be asked. Regent Martinez asked if approval is needed from HED. Dr. Lopez stated no, from HED there is no approval, HED only approves Associate Degrees and Bachelor Programs. HED only has to be informed and the same will happen with the Higher Learning Commission (HLC). Since these programs are under the umbrella of existing programs the College just has to let them know. After Board of Regents approval, the College just lets them know they will be in the fall catalog. Regent Swentzell stated he vaguely remembers that perhaps some of these have existed in the past and asked it is true or are they completely new. Dr. Baca stated the Certificates have not existed, the courses all exist already. Under the Office Administration none need prerequisites and under Project Management, the BA 330 is a prerequisite to all the others. It is really simply for them to get their credentials. Board President Martin asked if there were any questions, if not he would see Ms. Baca next month.

VII. DEEP DIVE

President Bailey stated he would like to give credit to NMHU. Several months ago, there was a joint session with the Association of Governing Boards (AGB) and NMHU and their Board of Regents and the College's Board of Regents came together for a day of discussion and training session. One of the things that came out and NMHU has done it for years and they pick a topic of the College and it gives the Board of Regents to really drill down and discuss some issue that is of relevance to the institution and to the Board of Regents and highlighted, things that are of importance. Because the College has four new Board Members, this is what the Deep Dive is, it is a change for the Board and Institution to pick a topic and allow the Board of Regents to drill down and get a better understanding of the institution. The College is departing a little bit because there is a relatively new Board of Regents. The College invited legal counsel, Geno Zamora to come and following with him the College is honored to have Sandy Ligget, who is general counsel for HED. They will discuss the Open Meetings Act (Geno Zamora) and other responsibilities of the Board of Regents.

1. Open Meetings Act

Mr. Geno Zamora reviewed the Open Meetings Act with the Board of Regents (attached PowerPoint Presentation)

2. Board of Regents Training

Ms. Ligget presented additional responsibilities of the Board of Regents (attached).

X PUBLIC INPUT

Board President Martin stated the meeting is now at the Public Input part of the meeting. President Bailey stated there are three individuals for public input.

Mr. Luis Torres thanked for the Board of Regents, staff and public for allowing him to address them. Mr. Torres stated he would try to keep it brief. Mr. Torres stated every year about this time of year he assembles a group, a committee of people around the Espanola Valley and from the College and this committee puts together the Annual Renewable Energy Fair at the College. This year it will be Friday, April 26th and Saturday, April 27th. The evening of the 26th is the entertainment night and the 27th is the educational day. It is all about Renewable Energy and increasing people's awareness about renewable energy. The objective is to help the area transition from fossil fuels to renewable energy. They are wanting to get the valley to catch up to the rest of the world on this matter. Mr. Torres asked President Bailey to get this information electronically and invited everyone to the event.

Mr. Torres stated he would like to take a minute to tell the Board of Regents how he is connected to the school. Mr. Torres stated he has the great honor in about fifty-eight days from now, he will be celebrating 60 years from having graduated from the Normal School which is the flagship, May, 1959. To top it off, the new chairperson, is the grandson of the man who that year gave him the money for a full tank of gas to get in the car to get back home where he had come from four years previously. He had come to the Normal from Colfax County and Don Martin as his gift filled up his car and sent him on his way. He stated he did not get too far, he kind of circled back. Mr. Torres stated he wished the new Regents the best of luck. Regent Velarde stated she would like to thank Mr. Torres for all of his work. Regent Velarde ran into Mr. Torres a few years ago when she

used to work for the Energy Conservation and Management Division. She has run into him several times and she had the honor of manning the table at Northern's First Renewable Energy Day for the Energy Department and she thanked Mr. Torres for all the work he does. President Bailey stated we have a handout that is in front of the Regents that has some important dates and the festival is on there - April 26th and 27th, and it has the times for the event and it will also be placed on the marquee.

Mr. Jake Arnold stated he Executive Director of La Sociedad Venceslao Jaramillo which is named for the founder of the College. They will be holding a panel discussion on Saturday, April 27th and hopefully this will not conflict too much with the Energy Fair, in El Rito and the subject of this is SB431, what is included, what is not included, its relation as an amendment to the Branch Community College Act and other things. Also, what was discussed in the committee hearings and floor debates, enhance and expand what is actually in that state. As the Board of Regents may know, this organization has been very actively involved in promoting the restoration of the campus in El Rito, SB431 certainly paves the way for that. Also, for the reinstatement of the one-time community college mission for the trades, for career education, votech and stuff like that. They do think the community in El Rito needs to know a lot more about that. They publicize these events they have with the Abiquiu News, notices at the Post Office and Library and a fairly extensive email list. They do get participation not only from El Rito but also from the El Rito suburbs Abiquiu, Canjilon and Ojo Caliente. If any of the Board of Regents could attend, that would be fine. In addition to the Renewable Energy Event, Mr. Arnold would like the Board of Regents to know they are very pleased with this and are very active in informing the community what this means for El Rito and the College in general. Having seen all the committee hearings and before the votes on the webcast, Mr. Arnold can just say that Dr. Bailey and Kathy Ulibarri, the consultant working with the College did a masterful job in getting those through. Mr. Arnold was amazed at the unanimous votes on the floor of both houses and also the reversal of some of the negative votes in one of the house committees when it came to a floor vote and he thinks that was due to the very good lobbying efforts. Certainly, they are very appreciative of Senator Richard Martinez and Senator Carlos Cisneros in the sponsorship of the Bill.

Mr. Arnold stated in the near future in Executive Sessions, especially for the new Regents, it would be wise to have a discussion with Mark Komer regarding the two pieces of litigation that are still pending. There was a final briefing in the Velasquez case before the Court of Appeals on Friday and the other case with Annette Rodriguez is still pending in Federal Court. Mr. Arnold thinks it would be wise to get a good briefing from the College's very able counsel, Mark Komer about this, of course, in Executive Session. Mr. Arnold welcomed the new Regents and stated he they are very pleased to see them here and hope they can work with them.

Mr. John Ussery stated he would try to keep it short. Mr. Ussery came to El Rito in 1976 to work on what they call Appropriate Technology and it looks like they may get there. When Mr. Ussery first met President Bailey it was at the candidate's forum for the Presidential candidates and he saw them out in the lobby and said I think we can bring the El Rito campus to net zero fossil fuel use and he jumped right on the idea. There have been some big bills passed at the legislature and he believes will be signed by the Governor. The forest restoration and watershed act has (inaudible) and there are more opportunities is for the College to get completely renewable. His personal interest connects biomass utilization as far as restoration and he sees a way we can become a leader in this area using the solar array from Kit Carson for electrical needs but also generating both heat and power with the biomass fuels from forest restoration. Those who remember when El Rito was a thriving community, the College was the center but a lot of the economic activity related to the forest and the lumber and its use. He hopes everyone can work together to bring a future that

revives that campus and that community and takes the leading position to 100% renewables. Mr. Ussery would like to say how happy he is to see the Board of Regents in these positions and thinks they have a great future together.

XI. EXECUTIVE SESSION

Regent Martinez moved that the Board of Regents enter into Executive Session pursuant to NMSA Section 10-15-1(h) to discuss Item I.a. of that section. Second - Regent Swentzell. Board President Martin requested a roll call. A roll call vote was taken: Regent Swentzell - yes, Regent Velarde - yes, Regent Martinez - yes, Regent Rodriguez - yes, Board President Martin - yes. The Board of Regents entered into Executive Session – 12:15PM.

Regent Martin entertained a motion to return from Executive Session.


Regent Martinez moved to return from Executive Session and only the items listed on the Agenda were discussed. Second – Regent Swentzell. Board President Martin requested a roll call vote. Regent Swentzell - yes, Regent Velarde - yes, Regent Martinez - yes, Regent Rodriguez - yes, Board President Martin - yes. The Board of Regents returned from Executive Session at 12:34PM.

XIII. ADJOURNMENT

Regent Swentzell moved to adjourn. Second – Regent Velarde. Motion passed unanimously. The Board of Regents adjourned at 12:34PM

APPROVED:


Michael A. Martin, Board President


Erica Rita Velarde, Vice President