

New Mexico Highlands University
Special Board of Regents Meeting
Margaret J. Kennedy Alumni Hall
NMHU Main Campus
Las Vegas, NM 87701
January 25, 2013 at 9:00 am

1. Call to Order – Chairman Leveo V. Sanchez
2. Roll Call
3. Approval of Agenda for January 25, 2013
4. Approval of the Minutes from December 21, 2012
5. Residence Hall Signage (Viles Crimmin Residence Hall) – Action Item
6. Transfer of Radio License in Newcomb – Action Item
7. FY12 Audit – Action Item
8. FY13 Second Quarter Financial Report – Action Item
9. Disposal of Surplus Property (Library Books) – Action Item
10. BBA/MBA in Oil and Gas Management – Action Item
11. A/E Services RFP for Trolley Building – Action Item
12. Hydrazine Remediation Licensing Agreement – Action Item
13. President's Report
 - a. SUB Update
 - b. FY14 Budget Proposals
 - c. Other
14. Executive Session – (1) limited personnel matters related to the hiring, promotion, demotion, dismissal, assignment, resignation, or investigation or consideration of complaints or charges against an employee; and (2) threatened or pending litigation subject to the attorney-client privilege in which the University may become a participant. Pursuant to provisions of NMSA 1978, §10-15-1 (H)(2)&(7)
15. President's Contract – Action Item
16. Adjournment

**New Mexico Highlands University
Board of Regents Special Meeting
January 25, 2013**

The New Mexico Highlands University Board of Regents held a special meeting on January 25, 2013 in the Margaret J. Kennedy Alumni Hall on the New Mexico Highlands University main campus in Las Vegas, New Mexico. Chairman Sanchez called the meeting to order at 9:20 a.m.

Attendance

Board Members Present: Mr. Leveo V. Sanchez, Ms. Nancy R. Long, Mr. Jesus L. López, and Mr. Frank Marchi.

Board Members Absent: Ms. Caitlin Syner

Administrative Personnel Present: Dr. James Fries, President and Dr. Fidel Trujillo, Dean of Student Affairs.

Others Present: Ms. Carolina Martínez, Executive Administrative Assistant; and numerous other individuals in the audience, including faculty, staff, students, community representatives, and media. The meeting was broadcast live over the KEDP Radio Station.

Approval of Meeting Agenda for January 25, 2013

Regent López moved to approve the January 25, 2013 agenda. Regent Marchi seconded. Voting in favor were: Chairman Sanchez, Regent Long, Regent López, and Regent Marchi. Motion passed unanimously.

Approval of the Minutes from December 21, 2012

Regent López moved to approve the minutes from December 21, 2012 as presented. Regent Long seconded. Voting in favor of the motion were: Chairman Sanchez, Regent Long, Regent López, and Regent Marchi. Motion passed unanimously.

Residence Hall Signage (Viles Crimmin Residence Hall) – Action Item

President Fries stated the Board approved naming the new residence hall the “Matie Viles and Ken & Sue Crimmin Student Residence Hall”. The Board directed the administration to shorten the name for signage on the building’s exterior. President Fries recommended building signage should read “Viles Crimmin Residence Hall”. After a brief discussion Regents agreed the residence hall signage should read “Viles & Crimmin Residence Hall”. Regents noted that a plaque inside the building should have a formal tribute. President Fries indicated a dedication ceremony will be scheduled.

Regent López moved to approve signage for new residence hall to read “Viles & Crimmin Residence Hall”. Regent Long seconded. Voting in favor were: Chairman Sanchez, Regent Long, Regent López, and Regent Marchi. Motion passed unanimously.

Transfer of Radio License in Newcomb – Action Item

President Fries informed the Board that the university was awarded a low power radio license in Newcomb, New Mexico. Requirements associated with the license stated that construction on the station would begin this month. After receiving the licenses, federal funding was eliminated. The university was unsuccessful in selling the licenses. The administration is recommended that instead of the license reverting back to the FCC, that it be transferred to the Albuquerque Public Schools radio system as a donation from the university with the expectation and understanding that Highlands would have some airtime once the station is running.

Regent Long asked if there was an outline of how much airtime the university would have. President Fries informed the Board that agreement details are under discussion.

Regent Marchi moved to transfer the radio license in Newcomb, New Mexico to Albuquerque Public Schools (**Attachment A**). Regent Long seconded. Voting in favor were: Chairman Sanchez, Regent Long, Regent López, and Regent Marchi. Motion passed unanimously.

FY12 Audit Report – Action Item

President Fries informed the Board that the FY12 Audit was performed by the Moss Adams Accounting Firm and was submitted to the State Auditor's Office. The university is not allowed to discuss publically the results of the audit until after they have been cleared by the State Auditor. The audit report is not public record until (5) days after the date of the State Auditor's letter which would be Monday, January 28, 2013. President Fries asked the board to consider taking action to accept the audit report so requests can be satisfied after Monday's release date.

President Fries reported that Regent López had been at all of the entrance and exit audit meetings. President Fries stated that he was pleased with the audit. Regent López stated that he attended audit meetings and that it is a great audit with very few minor infractions. Regent López stated that the university was commended by the audit firm for its fine financial operations.

Regent Long moved to accept the FY12 Audit Report with the precondition that it will not be released until Monday, January 28, 2013 (will be attachment as **Item B** after January 28, 2013). Regent Marchi seconded. Voting in favor of the motion were: Chairman Sanchez, Regent Long, Regent López, and Regent Marchi. Motion passed unanimously.

FY13 Second Quarterly Financial Report – Action Item

President Fries informed the Board that the university is required to submit quarterly reports to the New Mexico Higher Education Department indicating the financial budget status for each quarter in the year. President Fries indicated that total revenues through the end of December reflect 61% of the approved target budgets. Total expenditures reflect 46% of the approved budget. President Fries pointed out that the revenues at the end of December can be a bit misleading because they already reflect some number of pre-registered students for the spring semester. President Fries stated that the budget will be tight this year due in part to higher legal expenses.

Regent Long moved to approve the FY13 2nd Quarterly Report as presented (**Attachment C**). Regent Marchi seconded. Voting in favor were: Chairman Sanchez, Regent Long, Regent López, and Regent Marchi. Motion passed unanimously.

Disposal of Surplus Property (Library Books) – Action Item

President Fries informed the Board that the library periodically needs to cull its collections. Library staff has identified 286 titles and 381 volumes for surplus. President Fries indicated that the books can be sold or donated to other educational institutions, state agencies, or local government agencies. If the sale or donation of the books does not occur then the books can go up for public auction.

Chairman Sanchez recommended contacting the School of Education to identify schools that may want the books. He also suggested contacting local libraries to find out if they were interested in the books.

Regent López moved to authorize the disposal of the surplus library books (**Attachment D**). Regent Marchi seconded. Voting in favor were: Chairman Sanchez, Regent Long, Regent López, and Regent Marchi. Motion passed unanimously.

BBA/MBA in Oil and Gas Management – Action Item

President Fries reported, the School of Business, Media, and Technology had proposed two concentrations, a BBA and an MBA in Oil and Gas Management. The oil and gas industry is a significant part of New Mexico's economy and there do not appear to be any management degrees in the oil and gas concentration at other institutions in the area. The university has been actively working with San Juan College to develop the proposal. SJC does have a two-year degree program. The source of students for this concentration would be two-fold; graduates coming out of the SJC program and/or from the New Mexico Junior College program. Secondly, many people who are already employed in the oil and gas industry may sign up for one of the degree programs. President Fries informed the Board, that the majority of the courses will be offered online with any on-site courses being offered at the NMHU-Farmington Center. President Fries pointed out that because the offerings are concentrations they do not require approval from the New Mexico Higher Education Department or the State Board of Finance. The programs were submitted and approved by the Faculty Academic Affairs Committee and the Vice President of Academic Affairs is also recommending approval of the programs.

Regent Long moved to approve the BBA/MBA concentrations in Oil and Gas Management as presented (**Attachment E**). Regent Marchi seconded. Voting in favor were: Chairman Sanchez, Regent Long, Regent López, and Regent Marchi. Motion passed unanimously.

A/E Services RFP for the Trolley Building – Action Item

President Fries reported, the general obligation bonds approved by the voters included \$6 million for rebuilding the Trolley Building as a new home for the Media Arts Program. The Legislative Finance Committee's recommended budget proposal currently includes an additional \$2.3 million for the Trolley Building and infrastructure projects. It is not clear whether even the combined total will fully cover the project which has been estimated at \$10.5 million. Baker Architects was hired to provide a more informed estimate of the costs within the next couple of

weeks which will be shared with the LFC staff and others during the legislative process as they consider funding for capital projects. Regardless of the legislative process outcome, the \$6 million has been appropriated and the university needs to proceed in hiring an architectural firm and engineers to work on a complete set of architectural and engineering plans for the project. President Fries indicated that a draft RFP to secure the A/E services was in the Board meeting packet (**Attachment F**).

Regent López moved to approve the request for proposal for A/E services draft as submitted by President Fries. Regent Marchi seconded. Voting in favor were: Chairman Sanchez, Regent Long, Regent López, and Regent Marchi. Motion passed unanimously.

Hydrazine Remediation Licensing Agreement – Action Item

President Fries reported that Highlands holds patents on a process for hydrazine remediation that quickly and efficiently converts hydrazine into a non-hazardous by-product. The process has been affirmed by testing through NASA. The possible use of Highlands' technology and process is still actively under review by both NASA and the Air Force. The university was contacted by representatives of the Ameren Corporation at the Callaway Energy Center, a nuclear power plant near St. Louis Missouri; regarding the hydrazine remediation process. Power plants using boiler systems add hydrazine to the boiler to prolong the boiler life. Periodically, the boilers must be regenerated which results in a large quantity of hydrazine contaminated water that must be treated to remove the hydrazine in order to comply with EPA requirements before the waste water can be discharged. Dr. Rudy Martínez, Dr. Linda LaGrange, and Mr. David Glass met with Ameren personnel to test Highlands' hydrazine remediation process; which proved to be much simpler, safer, and more effective than Ameren's current process. Ameren is interested in licensing and using Highlands' process. Ameren has 12 power plants that utilize boiler systems, their personnel have indicated that they are interested in assisting NMHU inform the industry about Highlands' process and its benefits.

A potential licensing agreement for discussion with Ameren is in your meeting packet (**Attachment G**).

Regent López moved to authorize President Fries or his designee to negotiate a non-exclusive licensing agreement for the patent for the use thereof with Ameren-Callaway Energy Center and that he be given full authority to negotiate the agreement that would be most advantageous for the university subject to and on the condition that any such agreement be brought before the Board for final approval. Regent Long seconded. Voting in favor were: Chairman Sanchez, Regent Long, Regent López, and Regent Marchi. Motion passed unanimously.

President's Report

President Fries informed the Board that on January 22, 2013 he completed his 6th year as President of Highlands. He stated that it has been a privilege to serve Highlands for a total of seven years which includes his year as Interim President.

SUB Update

The student union building project is progressing. The kitchen area is approximately two weeks out; however, the entire project should be completed by mid-March. President Fries informed the

Board that an estimated project completion schedule is provided in their meeting packets (**Attachment H**).

FY14 Budget Proposals

The 60-day legislative session is almost over and as always one of the major interests is the funding for the university's basic operations. The LFC recommendation is the option the higher education community is supporting. It is based on their version of the Higher Education funding formula and outcome measures. The LFC budget proposal in terms of I&G funding shows a \$608,900 increase for Highlands; however, the majority of the monies are to cover the 2.25% increase in funding the educational retirement board system leaving very little for cost increases in the I&G budget. Employee ERB contributions will increase from 9.4% to 10.1% in FY14 and 10.7% in FY15. The LFC recommendations for the RPSP request for the Athletic Department is flat funded; the RPSP request for the Forest & Watershed Restoration Institute increased by \$100,000.

Other

- 2013 is the year where NMHU has the opportunity to celebrate three different university birthdays; it is the 120th anniversary of the establishment of Highlands University, 90th anniversary for Ilfeld Auditorium, and the 30th anniversary for the university's Foundation. Dr. Sharon Caballero, Foundation Office Director, is coordinating a celebration during homecoming
- The latest enrollment report shows that enrollment is down .5% in terms of student credit hours for the spring semester. Similar to the fall, undergraduate numbers are up and graduate numbers are down. Decreased graduate enrollment is a growing trend throughout the country.
- The university is at housing capacity. Two housing options to increase the number of beds on campus are under review; one option is to convert single rooms to double rooms in Melody and Connor Halls; the second option is to convert Hewitt Hall back into a residence hall. Estimates for both options are under \$1 million.
- The President's Office has not been notified about Board of Regent appointments.
- President Fries commented that when you examine higher education nationally, we are at the front end of a major transition period in terms of student expectations, political expectations for student success and graduation rates; and use of technology.
 - Highlands has 353 students this semester who are taking all of their course work online; two years ago that number was a little over 200.
 - Highlands exists to support student success. To be successful, Highlands has to evaluate how the university is operating and student requirements. Is 128 hours as the basic requirement for graduation the right number? If a student carries 15 credit hours per semester a student cannot graduate in four years. If a student carries 12 credit hours, financial aid standards, there is no way a student could get their degree

in four years. There is a lot of pressure growing nationally saying that a bachelor's degree should be a 120 credit hour degree. Highlands also requires a minimum of 51 upper division hours which poses a problem for students transferring from two-year institutions. Dr. Belinda Laumbach, Interim Dean for the School of Education, raised the point that student athletes who spend countless hours per week on their sport are still required to take two hours of physical education credit. There are a number of requirements that Highlands needs to evaluate to find that best package of requirements to support our students.

Executive Session – (1) Limited personnel matters related to the hiring, promotion, demotion, dismissal, assignment, resignation, or investigation or consideration of complaints or charges against an employee; and (2) threatened or pending litigation subject to the attorney-client privilege in which the University may become a participant. Pursuant to provisions of NMSA 1978, 10-15-1 (H)(2)&(7). Regent López moved to enter into executive session for the sole purpose of discussing the items listed. Regent Marchi seconded. A roll call was taken and voting in favor were: Chairman Sanchez, Regent Long, Regent López, and Regent Marchi. Motion carried and the Board went into executive session at 11:10 a.m.

Regent López moved to come out of executive session into open session. Regent Marchi seconded. Regent López stated for the record that only those items specified under the executive session item were discussed and no action was taken. Regents present confirmed. A roll call was taken and voting in favor of coming out of executive session into regular session were: Chairman Sanchez, Regent Long, Regent López, and Regent Marchi. Motion carried unanimously and the meeting was called back to order at 1:31 p.m.

President's Contract – Action Item

Regent López moved that President Fries' contract be renewed through June 30, 2016, an additional 3½ years. Regent Marchi seconded. Voting in favor were: Chairman Sanchez, Regent Long, Regent López, and Regent Marchi. Motion passed unanimously.

Regent López commented that the university is very fortunate to have James Fries serving as President of New Mexico Highlands University. The university has made great strides during his time as President. President Fries along with the Board have a passion to move forward with stability and continuity. Regent López added that President Fries has also been lucky to have a good Board to work with as well.

Regent Long concurred with Regents López' remarks and added that it is vitally important to the university to maintain continuity and to continue the progress that has been made. She stated that she was grateful President Fries is willing to continue to see through ongoing initiatives by serving as President of Highlands.

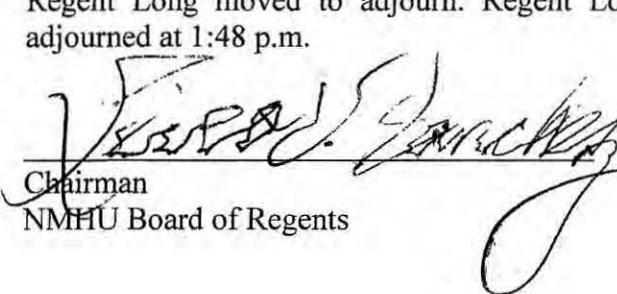
Regent Marchi concurred with Regents López and Long in that Highlands has achieved a period of stability. He noted that with President Fries' leadership Highlands can move on to face exciting challenges now that stability has been reached. Regent Marchi thanked President Fries for his willingness to continue serving as President and said that he is looking forward to working with him until 2016.

Chairman Sanchez stated that he too is excited to continue working with President Fries. He commented that he is excited due to the fact that President Fries is excited and committed to complete a number of key tasks.

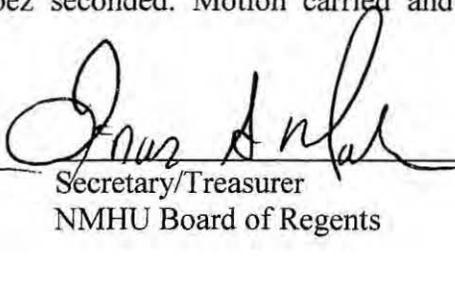
President Fries indicated that he is deeply grateful to the Board, not just for the contract extension but also for the support that he has enjoyed as President from everyone on the Board. As Regent López pointed out, it really does take both the Board and the President as well as the rest of the campus and the community to move the university forward. As mentioned earlier in the meeting, he has reached his 6th year anniversary as President of Highlands and noted that he may be the only person to be privileged to serve as President twice. President Fries stated that this institution serves such a special role for the people of New Mexico and in particular northern New Mexico and beyond. Highlands serves students from 42 states, 19 tribes, and 35 countries but mainly it serves people in this area. One element that caught his interest causing him to reapply in 2006 for the President's position was the desire to find ways for Highlands to more effectively work with students who may not be fully prepared for university course work. Because Highlands is an open enrollment institution we have an obligation to prepare students for college courses. President Fries pointed out that Highlands is at a major transition point and a time of great opportunity to re-evaluate all of the requirements for completing degrees at Highlands and more specifically to look at how we approach the developmental aspects of the program for students who may not be as well prepared in certain areas as they need to be. President Fries stated that he was excited about the potential to commercialize some of the patents the university holds and the kind of impact they can have the institution. He stated if the university moved appropriately Highlands will see enrollment growth, increased student success in terms of degree completion; and continued growth in developing the campus master plan. The impact this institution can have can be magnified significantly. He added that he was extremely grateful to the Board to be given the opportunity to be part of the institutional growth process.

Adjournment

Regent Long moved to adjourn. Regent López seconded. Motion carried and the meeting adjourned at 1:48 p.m.



Chairman
NMHU Board of Regents



Secretary/Treasurer
NMHU Board of Regents