

**Approved Minutes  
General Faculty Meeting**

**Wednesday, 26 January 2011  
4:00 p.m. in Kennedy Lounge**

**Agenda:**

- 1. Call to Order: 4:18 p.m.**
- 2. Approval of Agenda** – approved unanimously
- 2. Approval of 10-20-2010 Minutes** – approved unanimously
- 3. Welcome – Maureen Romine**  
Dr. Romine welcomed Faculty and Administrators attending the meeting. She then quickly turned toward Dr. Fries and invited him to make his presentation on the status of the NMHU budget and related legislative actions.

Note: 25 Faculty attended the meeting

- 4. Legislature and Budget Update – President Fries**  
Dr. Fries welcomed all attendees and remarked that it had been a busy time for him. Dr. Fries had been particularly occupied to contend with the legislative process of allocation of funds to NMHU.

He quickly mentioned the existence of two budget proposals currently being discussed by NM legislators: one from the Budget Office of the Department of Finance and Administration and one from the Legislative Finance Committee. He used the acronym DFA for the former and the acronym LFC for the latter. Dr. Fries noted the climate of uncertainty regarding the fate of the two proposals. He added that it had been only the second week of discussion at the legislature and that time would tell.

Dr. Fries presented PowerPoint Slides visible to all attendees to illustrate the similarities and discrepancies between the two proposals. He indicated that the LFC was overall a more favorable budget to NMHU than the DFA budget. He noted that two exceptions existed to the favorable LFC budget. Allocations to Athletics and the Forestry Institute were substantially reduced. The rationale the Legislative Finance Committee used to justify a sizeable reduction in funding to the Forestry Institute was duplication, which Dr. Fries noted was due to a misinterpretation of the

data. He then remarked that he was hopeful of progress on the issue of funding both Athletics and the Forestry Institute.

Dr. Fries then provided a detailed description of each funding allocation and proposed changes. For instance, he spoke of the cuts in dual credit programs and expansion projects, among the many areas. He also explained (wherever possible) how changes had been justified by the entities proposing them.

The bottom line was a 3.3% decline in funding for NMHU proposed by the DFA budget and a 1.7% decline proposed by the LFC budget. Compared to the NMHU funding for our current fiscal year (\$28,163,800), the DFA budget would be \$ 27,225,900, whereas the LFC budget would be \$ 27,694,300.

Dr. Fries indicated that if NMHU did not exhibit a workload increase, it would have faced quite a different scenario. He also noted that last year four-year institutions were hurt compared to two-year institutions.

Dr. Fries was asked how decisions regarding budgetary issues were made. He replied that institutional priorities are usually one of the essential components of decisions made by legislators.

Dr. Fries indicated that the entire funding formula is likely to be changed to a base-plus mechanism. The relevance of criteria, such as number of student credit hours and number of square feet used, may change accordingly. He also remarked that institutions of higher education may be expected to collaborate more closely. Dr. Fries repeatedly pointed to the current uncertainty regarding funding for NM Higher Education institutions.

Dr. Fries remarked that changes in the funding formula are imminent and that NMHU and other institutions will adapt, each trying to maximize its gains. Then he noted NMHU's substantially low tuition rates and the possibility of raising them. He presented a scenario of tuition increments and explained how they could be beneficial to the institution. He addressed concerns that tuition increments would lead to a reduction in enrollment by illustrating his experience at the now-defunct College of Santa Fe. Dr. Fries encouraged the audience to see the silver lining, including no changes in enrollment, increased student performance, and improved perception of quality of the education offered by an institution (which tends to be linked to cost of services).

At the end of his talk, Dr. Fries touched on a variety of issues, including term expiration of two members of the Board of Regents, possible cuts in

construction of Higher Education buildings, a stable and efficient platform for Blackboard, and NMHU's partnership with the National Guard.

**5. Announcements**

None

**6. Adjournment:** The meeting adjourned at 5:12 p.m.

**Respectfully submitted,**

**Maura Pilotti**

**Secretary/Treasurer**