

DRAFT

**UNM-VALENCIA CAMPUS ADVISORY BOARD
MINUTES OF THE SPECIAL MEETING
MONDAY, MARCH 25, 2013**

BOARD MEMBERS PRESENT

Mr. Paul T. Luna, Chair
Ms. Belinda Martinez, Secretary
Mrs. Eloisa Tabet, Member *
Ms. Corrine Sedillo, Member*
Mr. Russell Griego, Member

OTHERS PRESENT

Dr. Alice V. Letteney, Campus Executive Director
Dr. Richard Sax, Dean of Instruction
Mr. Andrew Sanchez, Director Campus Resources
Dan Chadborn, Student Government Vice-President*
Ms. Kathy Dorcas, Staff Association President*
Richard Palmer*
Chad Perry, Sr. Public Information Officer
Ronnie McComb, Exec Admin/Notetaker
Eva Rouf, Admin Coordinator
Ms. Julia Dendinger, *Valencia County News-Bulletin*

GUESTS

Yvonne Tabet
Antonio Sedillo
Dr. Wynn Goering, VP Academic Affairs
Judge James Sanchez
*UNM-Valencia Campus Budget Committee Member.

Members of the UNM-Valencia Campus Advisory Board met for a Special Meeting in the Administration Conference Room at 4:00 pm on Monday, March 25, 2013.

SWEARING-IN OF BOARD MEMBERS

Re-elected Board members Corrine Sedillo and Eloisa Tabet were sworn in by Judge James Sanchez.

I. CALL TO ORDER

Chairman Luna called the meeting to order at 4:40 pm.

A. Adoption of Minutes of Regular Meeting, February 5, 2013

Mr. Griego moved to adopt the minutes of the Regular February 5 meeting as read. Mrs. Tabet seconded the motion. All members voted "aye."

B. Election of Officers

Mr. Griego moved to continue with Paul Luna as Board Chair and Belinda Martinez as Board Secretary. Mrs. Tabet seconded the motion. All members voted "aye."

C. Appointment to Budget Committee.

Chairman Luna proposed that Mrs. Tabet and Ms. Sedillo continue as Board members of the Budget Committee. Mrs. Tabet and Ms. Sedillo agreed to continue as members of the Budget Committee.

Prior to discussion of the Tuition Recommendation, Chairman Luna requested that Dr. Goering provide the Board with an update from Main Campus.

Budget Process

Dr. Goering gave a general overview of the budget process as it relates to tuition recommendations. Looking at the branch community college statute it might appear that branch campus boards don't have much authority as a governing board, however, Dr. Goering's view is that one of their most important duties is approval of an annual budget. This budget should reflect that campus' priorities and plans for the year ahead backed up with the appropriate administrative justification. Under the UNM process, branches first submit their tuition and fee recommendations to the Board of Regents for approval; they then build their budget on that approval which requires budget planning some way in advance. Tuition and fee revenues are more important as part of main campus' budget than they are to the branches which rely more on

State allocations. The Regents will meet to take action on the tuition and fee recommendations on April 9th and a 0% increase is easy to approve.

Administrative fee

Dr. Goering referred to the Operating Agreement with main campus which states that an Administrative Fee set at a number (2.81%) which “will be negotiated and agreed upon each fiscal year as part of the budget process.” While the rest of the Agreement is specifically defines the responsibilities of the President, Executive Director, Board of Regents and the Local Board, this section uses the loose term “negotiated.” Practically it is difficult for boards to be included in annual negotiations on a number, aside from which, the number has not changed over the years.

Earlier in the year, President Frank asked for a committee to take a look at the cost basis for this overhead – Dr. Goering chaired a Committee comprised of Andy Sanchez from Valencia, Lisa Wismer, Business Officer, Los Alamos. Kate O’Neil CEO of the Taos campus, branch, Liz Metzger Interim Controller, and Andrew Cullen, Budget Planning and Analysis. The Committee looked at what it costs to have a branch campus and using a means similar to the one used now the Committee came up with a set of numbers which resulted in a cost to main campus of 3.6%.

Dr. Letteney asked whether the 3.6% was based on actual expenditures from the previous year. Dr. Goering responded that it was based on budget because it was easier to calculate that way. Mr. Sanchez noted that the 3.6% was based on numbers that some of the committee members did not agree with. Dr. Goering stated that the branches did not agree with many of the numbers. Noting the significant difference between budget numbers and actual expenditures, Dr. Letteney stated that for the past four years budget numbers had been higher than expenditures apart from one year when the campus received a significant grant, and questioned why actuals – as stipulated in the Operating Agreement – had not been used. Dr. Goering stated that he asked main campus and they stated that they based their calculations on budget. Dr. Goering stated that the degree to which noone has paid attention to this manifests itself more and more as the process goes along and he would be open to conversation about it.

Continuing to talk about the main campus budget process Dr. Goering stated that a group of 15 people representing all areas of campus, except for branches, form the Strategic Budget Leadership Team. This group recommended that the 3.6% be implemented immediately. Dr. Goering made the point that 3.6% all at once would have a huge impact on the branches and David Harris agreed to reduce the number to 3.3% which is the number they would like to use for this year. Dr. Goering stated that we would be getting a deal at 3.6%; either way, the issues is how boards can be responsibly involved in this question, as the way the Operating Agreement is written makes it difficult. Dr. Letteney stated that according to the Agreement the Local Board and Board of Regents are supposed to meet every year, and that this has not happened in a long time. Dr. Goering stated that he has suggested – as recently as a month ago – that a template should be drawn up whereby Local Boards would attend a percentage of Regents meetings, and Regents would attend a percentage of Local Board meetings. There are several ways of achieving these meetings and another good way is to plan them around an event such as a ball game which has happened in the past. In any event meetings need to be planned well in advance.

Dr. Letteney expressed her gratitude for the hard work that Dr. Goering has put into this project. Paul Luna also thanked Dr. Goering expressing his appreciation of the fact that Dr. Goering has become a liaison between the branches and main campus. Mr. Luna stated that the Board had requested meetings with the Board of Regents, and while he appreciated that the logistics are difficult as the last meeting was over 4 years ago.

Mr. Luna spoke to President Frank in December and told him that Board would like to meet with him, even in an informal way. He stated that he appreciated the reduction to 3.3 percent as the campus does not have much money, and particularly since funds are not being generated by raising tuition. The No. 1 goal of the campus is the student success and a raise in tuition causes the campus to lose students; board members who are in contact with students and their families within the community have to answer to them. When we look at the increased fee a large chunk out of the budget, something else will take a hit when we get another hit from UNM.

Dr. Goering's suggested that the paragraph relating to the Administrative fee should be re-written to take out reference to annual negotiations which are not practical and replace it with "a rate up to . . ." a specified amount. In this case the Agreement would only need to be re-negotiated when the specified rate is reached and this Agreement would remain in place until a new rate is successfully negotiated, bringing some stability to the situation. Other parts of the Agreement should be looked at, such as the annual meeting with the Board of Regents which should be adhered to or taken out. Dr. Goering stated that description of admin services provided by main campus is too general and should be more clearly stated. Mr. Luna stated that it appears from the admin costs that we are paying to carry the name, a branding which is not necessarily negative, but we send a lot of students to UNM and the bottom line is what we get for the fees.

Mr. Luna reiterated the Board's desire to visit with President Frank, it's important that he knows who we are. Mr. Griego supported the need for a more detailed breakdown of admin costs.

Dr. Letteney stated that the Operating Agreement refers to negation between two parties. It also states that the President is the designee of the Board of Regents, and that the President can have a designee; Dr. Goering stated that he is that designee. When asked if the 3.3% is the final decision, Dr. Goering stated the President thinks it is. Dr. Letteney sought confirmation that the 3.3% was based on FY 2013 budget, not on expenditures as it really makes a difference. Mr. Sanchez stated that he had had this discussion with Andrew Cullen who initially a dismissed the possibility. Mr. Sanchez confirmed that the difference is between \$10,000-\$20,000 plus a year. Dr. Goering confirmed that the fee was based on budget, and offered to discuss this with the President and get back to Mr. Sanchez before the budget approval meeting on April 12th.

Dr. Letteney also sought clarification on the Foundation Fee. When it was thought that the fee would be based on the FY 14 budget, Dr. Goering negotiated the elimination of the foundation fee as an additional charge for FY 14. As the admin fee is being charged on FY 13 the Foundation Fee will be an additional charge this year.

Dr. Letteney and Mr. Luna both expressed their appreciation of the position that Dr. Goering is in and gratitude for this help.

D. Tuition Recommendation

Mr. Sanchez reported that the tuition recommendation for the FY 14 budget is to not raise tuition and fees. Resident tuition & fees will remain at \$65.05 and Non-Resident at \$174.25. Student Government President Dan Chadborn stated that tuition is the major expense for college students and the zero raise is the best thing they could ask for.

The decision not to raise tuition was based on the ability to cover expected expenditures. Mr. Sanchez reviewed preliminary budget estimates with net revenue of \$56,971, reallocation of \$831,556 institutional funds, and no use of Balances to give a total budget of \$888,527.

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Required increases in compensation, the ERB restoration and ERB increase leave a net of \$746,189 available.

Taking into account projected costs of utility, healthcare and liability insurance increases, the foundation surcharge, increase in the admin fee and other foreseeable expenses leaves a total of \$248,645.99 available to cover discretionary items. Factoring in the Tuition Policy Guidelines for consideration in determining the need for a tuition increase, Mr. Sanchez reported that per policy, a tuition raise of between 22.52%-25.18% could be justified had he not been able to reallocate funds to cover these items. This is the second year that Valencia has not increased tuition.

Mr. Griego moved to approve the recommendation not to raise tuition. Ms. Martinez seconded the motion and all members voted “aye.”

Dr. Goering noted that if the Governor signs the legislation, the lottery will remain in effect with current eligibility for another year. It was noted that the \$10 million from the Tobacco Fund might not be sufficient and awards might be reduced by 10%. Institutions should find out by the end of the week.

Mr. Luna welcomed back re-elected Board members Eloisa Tabet and Corrine Sedillo and thanked Mr. Sanchez for his work on the budget. Mr. Luna also thanked Dr. Goering for his efforts as “negotiator,” between main campus and the branches.

II. ADJOURNMENT

Mrs. Tabet moved to adjourn the meeting. Ms. Martinez seconded the motion. All members voted “aye”. The meeting adjourned at 5.23 pm.

Paul Luna, Chairman