CALL TO ORDER
Regent President Dan Patterson called the meeting to order at 9:30 a.m. and declared a quorum. Regents Dan Patterson, Ed Tatum, Terry Othick, Jane Christensen and Kekoa VonSchultz were present. Dr. Patterson welcomed Regent Ed Tatum as the newest member of the Board.

APPROVE THE AGENDA
Regent Patterson listed several changes to the agenda: Delete Item 6 under Business Matters regarding a revenue bond resolution that is still under revision and will be resubmitted at the October Board of Regents meeting; Move the report from the president of the ENMU System to be heard after the other campus presidents’ reports; Hear the special presentation from the state’s Risk Management Division when that representative arrives at today’s meeting. Regent Patterson asked for a motion to approve this revised agenda.

Regent Christensen moved to approve the agenda as revised. Regent Tatum seconded the motion. Vote: 5-0-0. Motion approved.

RECOGNITION OF ENMU STUDENT BENJAMIN LANTZ
The Board recognized ENMU student Benjamin Lantz. Benjamin won the “Top Undergraduate Poster Presenter Award” at the Protein Society’s 31st Annual Symposium in Montreal, Canada. He competed with 150 other undergraduates from around the world. Dr. Patterson and members of the Board congratulated Benjamin for his achievement. Benjamin thanked his professor, Dr. Elliott Stollar, and his lab mentor, Matthew Dominguez, who were also present at today’s meeting.

SPECIAL PRESENTATIONS
Dr. Patterson said the University has reviewed the insurance coverage it receives from the state’s Risk Management Division (RMD) and the associated cost. Comparable coverage is available through the New Mexico Public Schools Insurance Authority (NMPSIA) at a lower cost. It has been the consensus of the regents, the president of the University and the vice president for Business Affairs that changing carriers could provide a reduction of cost while maintaining the coverage needed. Representatives from both entities were invited to attend today’s Board meeting to make presentations.

Presenters from NMPSIA are Sammy Quintana, executive director of NMPSIA, and David Poms, president of Poms & Associates.

Mr. Quintana said that Poms & Associates provides brokering, consulting, administrative and loss prevention services for NMPSIA. NMPSIA is a state entity and a risk-sharing pool associated only with educational entities. The insurance coverages and limits offered are broader than any public entity program offered in New Mexico. Mr. Poms described the coverages available and noted that ENMU already uses NMPSIA to deliver employee benefits. NMPSIA provides loss prevention training for campus staff, assists with answering EEOC and HRD complaints, assists with workers’ comp claims, assists employees with the Return-to-Work program, and monitors driving records. Property coverages include physical assets (buildings, contents, fine arts, computer and media, transit, animals, landscaping equipment and utility trailers) with a limit of $750,000,000 each occurrence, worldwide liability coverage with a limit of $20,000,000 per occurrence, workers’ compensation...
coverage for all employees and Boiler & Machinery coverage. (A copy of the presentation is included in these minutes.)

Dr. Patterson asked if the University has a voice in whether a claim is paid or challenged. Mr. Poms responded that the University will certainly be consulted and there will be a consensus of how to move forward. He stated that, ultimately, Mr. Quintana will make the decision.

Regent Othick said that NMPSIA is a state-based entity. Risk Management is also a state-based entity. Is there any insight on why there are two entities providing similar coverage? Mr. Poms responded that NMPSIA was formed in the mid-1980s when public insurance entities disappeared. When liability claims were settled for $5 to $6 million, the public insurance companies didn’t know how to rate public entities, so they abandoned the marketplace. NMPSIA banded together the small to medium size accounts to create group purchasing power. Early on, many schools stayed with Risk Management, but the in the years since, many have moved to NMPSIA. At this time the larger universities have stayed with RMD. He confirmed that NMPSIA is focused solely on the educational market.

Dr. Patterson said that when NMPSIA was formed in 1986, the statute included coverage for all educational institutions. He asked if there was a written process by which an institution could withdraw from RMD and contract with NMPSIA. Mr. Poms responded that there has never been a written process. Two years ago when this question was raised by an ENMU administrator, a state legislator went to the state’s attorney general and asked for an opinion, and the attorney general stated that Eastern could stay with RMD or join NMPSIA. The opinion did not state that Eastern had to get permission from RMD to leave.

Regent Othick said that it appears that premiums are set based on the risk pool the university is associate with, and if Eastern moves to NMPSIA, it would see significantly lower premiums. He asked if this because the educational risk pool is different from the risk pool of the broader based entities in the RMD pool. Mr. Poms stated that losses are general low in education, but not so in hospitals or prisons, for example. Premiums are determined by a multitude of factors, and Eastern’s was calculated at a savings of $320,000 compared to RMD. Premiums are calculated by mid-March for coverage beginning July 1 of the same year.

Dr. Patterson asked if there is a specific time of the year that Eastern could join NMPSIA. Mr. Poms responded that Eastern could join at any time. Dr. Patterson asked if there would ever be a time where money is not available to pay a claim. Mr. Poms responded that with catastrophic (excess insurance) coverage, this would never happen. There’s no cap on claims.

Dr. Elwell said Eastern hired a third-party consultant to compare the coverages between NMPSIA and RMD. A copy of that report is a part of these minutes.

The regents thanked Mr. Quintana and Mr. Poms for their presentation.
Presenter from Risk Management Division is Lara White-Davis, state risk management director. Dr. Patterson noted that Ms. Davis had requested to speak with the regents in executive session. The Board was advised by the University attorney that this presentation is not permitted in executive session, but Dr. Patterson said that two regents could meet with Ms. Davis after the meeting to discuss information that is considered protected.

Ms. Davis said the Risk Management’s practice is to develop and publish rates a year in advance so that entities can develop their budgets around those rates. Rates for FY19 have been developed around Eastern’s continuation in the pool. RMD is a shared risk pool that is largely self-insured.

Ms. Davis distributed and reviewed the RMD FY19 Allocation draft. RMD attaches $1,000,000 for worker’s comp administration, $1,557,100 for general liability administration, 2.2% CPI (consumer price index), and $5.8M for solvency – these are taken from the whole fund. She noted that over the five-year period of 2012-2016, there has been a drop in losses that will reduce premiums moving forward. When she meets with two regents after the meeting, Ms. Davis said she would share specific information of how Eastern’s rates are determined for FY19.

Ms. Davis stated that the CPI and solvency funds were taken out of the RMD budget by the state in FY17 when other state budgets were also being cut, but she confirmed the solvency of the RMD fund despite those budget cuts. The Tort Claims Act states that should the public liability fund run low on funds that claims will be paid prorata to all claimants.

Regent Othick said that he sees no significant differences in coverages offered by RMD and NMPSIA, so the only difference is the rates. He asked Ms. Davis to explain why it would be beneficial for ENMU to stay with RMD. Ms. Davis said that NMPSIA paid out $35 million in excess premiums last year. Their program is subject to the commercial market, and an entity’s rates are based on the entity’s loss experience. RMD has market protection in the way it develops its rates, and it paid $4.4 million in excess premiums rather than the $35 million NMPSIA paid. RMD secured a three-year rate lock on property insurance which will also hold premiums in check.

Ms. Davis said she takes objection to the notion that an entity can drop out at any time. The RMD is a risk pool that has been in place since 1978. Rates have been developed for FY19 assuming everyone’s participation in the pool. Regent Othick said that for two years Eastern has made its intentions known to RMD that it plans to leave the pool. Eastern has sent RMD written notification requesting permission to exit. Given this, Regent Othick asked why Eastern was included in the FY19 calculations. Ms. Davis said it was RMD’s opinion that Eastern had been looking around [for other coverage] but had not exited, so it was included in the pool. The savings from contracting with another vendor would be reduced by the money owed to the pool for FY19. Rates are developed with a buy-out. The buy-out protects the pool should an entity leave. Regent Othick asked where the buy-out is documented. Ms. Davis responded that it is not documented. Regent Othick responded, “then it doesn’t exist.” Ms. Davis said that RMD believes its exists because of the pattern and practice of the RMD since 1978. Regent Christensen said that RMD surely has determined what would happen if Eastern pulls out. Ms. Davis said that RMD doesn’t know exactly because it wouldn’t know
what the experience would be [claims to be paid] until the time of pull out. RMD is still calculating what another entity owes that pulled out in July. Regent Christensen asked why that entity owes money to RMD. Ms. Davis said there are unpaid claims, and they gave notice this time last year after the FY18 rates had been developed. Regent Christensen asked if notice were given today would Eastern have to stay in the pool through FY19 in order to avoid a buy-out? Dr. Elwell said a letter dated May 2017 was sent to the RMD stating Eastern’s intent to withdraw effective July 1, 2018. Ms. Davis said the buy-out would still be in place due to any losses that had not matured at the time of departure. Regent Tatum asked if there were no losses, would money be returned? Ms. Davis said this would not be likely.

Dr. Patterson said he wanted to revisit the comment Ms. Davis made that Eastern could leave RMD after FY19. He asked what date this would be, July 1, 2019? Ms. Davis confirmed and said that the cost of unpaid claims would have to be calculated. Dr. Patterson said past president Steven Gamble sent a letter to Ms. Davis on October 20, 2016 stating that Eastern wanted to withdraw from RMD effective December 31, 2016. Ms. Davis responded that, at that time, ENMU could not immediately discontinue participation from the insurance pool because allocation rates for participating entities had been developed through fiscal year 2018. Dr. Patterson said that meant Eastern couldn’t leave as of July 1, 2018, not July 1, 2019 as she is stating today. Ms. Davis said that was true as of that date. She said there was not an attempt by Eastern to pull out. Dr. Patterson asked where that idea came from because the letter specifically stated that Eastern intended to pull out December 31, 2016. She responded that there were other conversations, but she did not elaborate on that statement. Regent Tatum said Ms. Davis is indicating that Eastern can leave the pool, but not for two years. Ms. Davis responded that Eastern can leave, but there is an exit charge.

Dr. Patterson asked when rates are set. Ms. Davis responded that each spring an exposure survey is sent out to each participating entity, then RMD works with their actuary and rates are developed in June and July for two years in the future. This way, agencies can build their budgets around the rates. Dr. Elwell said despite the letter sent by President Gamble in May 2017 that indicated Eastern would withdraw from the pool in July 2018 that RMD still included Eastern in the FY19 pool. Ms. Davis confirmed this. This is based on the exposure survey submitted by Eastern and continued work on other insurance products. Dr. Patterson said Dr. Gamble asked in the letter how to switch the risk management coverage. Dr. Elwell asked if there has been an official response to President Gamble’s letter of May 2017 on how to withdraw from RMD. Ms. Davis said there had not been a formal response, but there have been some conversations. Dr. Elwell wanted to confirm again that ENMU informed RMD before rates were calculated for FY19 that it intended to withdraw and RMD still included ENMU in the FY19 rates. Ms. Davis confirmed. He asked why that was done. She responded that there were communication challenges, and the two entities could not come to terms. Work has been done to provide coverage for Eastern for this year [meaning FY19]. If it is still Eastern’s intent to pull out for FY19, she can arrange for the RMD actuary to meet with the Board and determine the amount of the buy-out. Dr. Patterson said that the Board has gone through this [trying to exit] for about two years and has tried a number of times to make the withdrawal but have not been successful. What, specifically, is needed to withdraw as soon as possible? The Board determined this is what they want to do, but there has been so much bureaucracy involved and lack of communication that the Board doesn’t know what to do next. He stated that the Board wants the best policy for the best price, which is their
fiduciary responsibility. Ms. Davis said a meeting needs to be arranged to determine the buy-out. She said there won’t be immediate savings due to the buy out. She understands the fiduciary responsibility to the university, but there is also a responsibility to the pool. Regent Othick asked what could have been more clear than a letter from the university president in order to put the exit in motion? Ms. Davis said without a doubt there has never been communication from RMD that Eastern can just walk away. There is a buy out calculation that has to be done for FY19.

Mr. Scott Smart said that Eastern paid over $6 million in premiums for a five-year period and claims only equaled $2 million. He believes that excess of $4 million paid is Eastern’s exit fee. Dr. Patterson has a concern that Eastern has tried to do this for two years and there has been delay after delay. He is surprised to hear FY19 instead of FY18 as an exit date. Eastern’s intentions have been made very clear. Regent Othick asked that the actuary be given the letter from President Gamble as the official charge to start his [the actuary’s] calculations. Ms. Davis said losses that have not matured will be considered in the buy out. Dr. Elwell asked if the buy out is anywhere in statute or policy. Ms. Davis said it is not. Dr. Patterson asked if ENMU has to get RMD’s approval to leave or can Eastern just say it will leave on a particular date and go through the cost to do that. Ms. Davis said that state statute requires that RMD sign off on any state entity’s purchase of insurance. Based on that, she said that she believes Eastern’s exit would require RMD approval. Dr. Patterson said the Board can’t hold an executive session to discuss this information today, but he said that two regents and the University attorney can meet with her after the meeting today. (A copy of the presentation is included in these minutes.)

The Board thanked Ms. Davis for her presentation today.

[Regent Patterson called for a short break at 11:30 a.m.]

Regent Patterson said the Board discussed having two regents on the committee that will meet with Ms. Davis after the meeting today. He said that he would like to be a part of that committee and asked who else would like to be included. Regent Othick volunteered.

APPROVAL OF MINUTES

Regent Othick moved to approve the minutes of June 3, July 10 and July 19, 2017 as presented. Regent Tatum seconded the motion. Vote: 5-0-0. Motion approved.
REPORT FROM THE REGENT PRESIDENT
President Patterson again welcomed Regent Tatum and today’s guests to the meeting. The school year is off to a good start, and he thanked faculty and staff for their good work. He noted the passing of ENMU Foundation Board member Gene Walker. He was a member of the Foundation Board for over 30 years and be sorely missed.

REPORT FROM THE ROSWELL PRESIDENT

- Dr. John Madden said that another state university recently referred to its enrollment in terms of first-time, full-time students. In the same manner, he reported that Roswell’s enrollment has increased 30% in first-time, full-time students. Dr. Madden said this is a product of the good work of his faculty and staff as well as the campus’ relationship with the local public schools.
- Dr. Madden met with General Nava of the New Mexico National Guard’s Youth Challenge program. There are currently 119 students participating in the program on the Roswell campus, but General Nava is interested in increasing the program to 175 students.
- The apartment housing on the Portales and Roswell campuses sold this summer. (San Juan Village in Portales and Sierra Vista in Roswell) The housing was for sale by auction, and a bidder from New York City purchased both units.
- The Roswell campus is in the process of renegotiating the lease for the on-campus rehab hospital with the Department of Health.
- The Higher Education secretary has asked for the formation of several committees to address potential changes to higher ed. Dr. Madden is serving on the finance committee that will address tuition, students’ ability to pay and economy of scale (consolidation of institutions). The committees have been asked to review higher education models from four other states and make recommendations to the secretary.

REPORT FROM THE RUIDOSO PRESIDENT

- Dr. Clayton Alred said the completion of the campus entrance has met all their expectations by giving the campus a “front door” and providing space for student use at the front of the building. A single entrance has enhanced campus security and provides better service at the information desk.
- Final headcount for the fall semester is 615 students, down 40 from last year. Despite the decline in headcount, full-time equivalency is up 2%, and the number of full-time students has increased 23% over last year. The current student body is comprised of more students who are seeking completion rather than non-credit classes.
- Dr. Alred has mentioned before the campus’ attempt to start a wind technician program, which would be a non-credit training program. The campus submitted an application to the Economic Development Department for Rapid Workforce Development dollars. The campus’ application was not funded, but the campus was encouraged to reapply because the requirements for the funds were rewritten to change the focus from a state-wide need to a regional need. There are three windfarms filing applications for construction in Lincoln County, and Dr. Alred believes this regional need will be a strong prospect for a revised application.
- A search committee to replace Dr. Alred has been formed, and the search process is underway.
The Apache Promise program continues. The campus now has a much stronger relationship with the Mescalero tribe. Classes are held at the Inn of the Mountain Gods, which helps tremendously with transportation needs that have been prevalent. Dr. Alred said that the campus’ Native American enrollment is 11% which qualifies the campus to be designated a Native American serving institution. He will research the application process for that designation.

REPORT FROM THE ENMU SYSTEM PRESIDENT

- Dr. Elwell said he was excited to give his first presidential report to the Board. Enrollment for the fall semester is 13 students higher than last fall, for a total of 6,027. First time, full-time freshmen increased slightly by .8% and retention increased from 59.5% to 63%. He thanked faculty and staff for their efforts on retention.
- Eastern’s six-year graduation rate increased slightly to 33.3%. While the rate has gradually increased, this means that only one of three students graduates within six years. Dr. Elwell would like to increase this to 45% over the next few years. The key element is to retain the first-year students. The four-year graduation rate is 17.2%. Dr. Elwell would like to increase this to 30%.
- Dr. Elwell said after two and one-half months of fundraising, $698,622 has been raised, which is about 70% of the amount raised last year. He has made trips and phone calls to prospective donors and alumni, and there are more to come.
- Dr. Elwell has begun an initiative to recruit more out-of-state and international students. With high school enrollments dropping in New Mexico, it is necessary to compete in state, but also in these other venues. He would like to increase the freshman class to 700 and retain that class to at 70%.
- There is a new retention effort that begin a couple of weeks ago called the Greyhound Connection. There are 92 faculty and staff members who each mentor a group of eight freshmen through a series of formal and informal events. The idea is that the more connections a student has on campus, the harder it is for that student to leave. In addition to the early alerts, peer mentors and a number of other initiatives, all of these are aimed at making students successful. If every mentor saves one student who would have otherwise left, our retention will go up 15%.
- A three-campus retreat will be held September 27 in Ruidoso.
- The Council of University Presidents is having discussions regarding the Lottery Scholarship and legislative issues.

Regent Tatum asked about the possibility of ROTC on campus. Dr. Elwell said he was interested in an Air Force ROTC program and also in recruiting transfer students from New Mexico Military Institute in Roswell. Both of these will be explored.

BUSINESS MATTERS

Consent Agenda

1. 2017 Summer Graduation List, Portales
2. 2017 Summer Graduation List, Roswell
3. Authorization of Open Meetings Act, Portales

Regent Tatum moved to approve the consent agenda as presented. Regent Christensen seconded the motion. Vote: 5-0-0. Motion approved.
Other Items

4. Proposal to Plan, Design, and Renovate Instruction Space, Ruidoso
   Dr. Alred requested approval to plan, design and renovate educational space that includes
   labs and storage space for sophisticated equipment purchased for the Emergency
   Management Services program and the Wildland Fire program. The campus was
   awarded $600,000 in severance tax bonds for this project.

   Regent Othick was concerned that the cost of materials will increase due to recent
   hurricanes. Dr. Alred responded that the quotes are guaranteed regardless of events that
   may impact costs.
   Regent Othick moved to approve the proposal to plan, design and renovate instruction
   space as presented. Regent VonSchriltz seconded the motion. Vote: 5-0-0. Motion
   approved.

5. Change to Non-Resident Tuition Rates, Portales
   Dr. Elwell presented a request to change the non-resident tuition rates for the Portales
   campus to 150% of in-state tuition and to be effective July 2018. A large number of
   Eastern’s out-of-state students are from Texas and receive in-state tuition rates through
   the 135-mile in-state waiver or are students participating in the Western Undergraduate
   Exchange program, a regional tuition reciprocity agreement that enables students from
   participating states to pay no more than 150% of the resident state’s in-state tuition rate.
   Eastern’s out-of-state rates would be less than in-state rates in many of the states where
   we want to recruit. While some tuition revenue would be lost, the potential increase in the
   number of out-of-state and international students could more than cover that loss. This
   change would make Eastern more competitive in its recruitment efforts.
   Regent Tatum moved to approve a change to non-resident tuition rates as presented.
   Regent VonSchriltz seconded the motion. Vote: 5-0-0. Motion approved.

REGENTS MATTERS

1. Update of New Mexico Higher Education Regents’ Coalition (HERC)
   Dr. Patterson said the Higher Education Regents’ Coalition is in support of several
   initiatives to improve higher education for New Mexico students. The coalition has
   proposed a resolution to support common core numbering, general ed core curriculum
   and state-wide meta majors.

2. Resolution regarding support of HED reform issues of Common Course Numbering,
   General Education Core Curriculum and Meta-Majors
   Dr. Patterson read a resolution in support of common core numbering, general ed core
   curriculum and state-wide meta majors that directs university representatives to move
   expeditiously in assisting with the implementation of these efforts (a copy of the
   resolution is included in these minutes). Dr. Patterson asked for a motion to adopt this
   resolution.
   Regent Christensen moved to adopt the resolution supporting higher education reform
   as read. Regent Tatum seconded the motion. Vote: 5-0-0. Motion approved.

   [Dr. Patterson called for a lunch recess.]
EXECUTIVE SESSION

Regent Othick moved to enter executive session at 1:31 p.m. to discuss two items pertaining to threatened or pending litigation matters involving the University pursuant to Section 10-15-1(H)(7), NMSA (1978) and one limited personnel matter pursuant to Section 10-15-1(H)(2), NMSA (1978). Regent Christensen seconded the motion. Vote: 5-0-0. Motion approved.

Roll call: Regent Patterson – yes; Regent VonSchriltz – yes; Regent Tatum – yes; Regent Christensen – yes; Regent Othick – yes

Regent VonSchriltz exited the meeting at the end of the executive session.

RETURN TO OPEN MEETING

Regent Tatum moved to return to open session at 2:35 p.m. Regent Othick seconded the motion. Vote: 4-0-0. Motion approved.

President Patterson reported that the regents discussed two items pertaining to threatened or pending litigation involving the University pursuant to Section 10-15-1(H)(7), NMSA (1978) and one limited personnel matter pursuant to Section 10-15-1(H)(2), NMSA (1978), but no action was taken during executive session.

REGENTS MATTERS

1. Consideration of risk management insurance provider

Regent Patterson asked for a motion regarding the University’s choice of risk management provider.

Regent Tatum moved approval for the university to exit from Risk Management Division as our insurance provider effective June 30, 2018, and also reaffirm the notice to Risk Management advising them of this fact from the prior president Steven Gamble in a letter dated May 1, 2017, and that a subcommittee consisting Regents Othick and Patterson, President Elwell and University counsel is activated immediately to deal with matters involving that exit with the director of Risk Management. Regent Christensen seconded. Vote: 4-0-0. Motion approved.

ADJOURNMENT

Regent Tatum moved to adjourn the meeting at 2:29 p.m. Regent Othick seconded the motion. Vote: 4-0-0. Motion approved.

President of the Board

Secretary of the Board

Minutes recorded and transcribed by Deborah Bentley
Executive Secretary to the President and Board of Regents