



**NEW MEXICO STATE UNIVERSITY BOARD OF REGENTS
REGULAR MEETING
December 2, 2020 at 8:30am**

Due to the public health emergency issued by the Governor, the meeting will take place via online meeting and Webcast at the following address:
<http://panopto.nmsu.edu/bor/>

Regents of New Mexico State University

Chair Dina Chacón-Reitzel, Vice Chair Ammu Devasthali, Secretary/Treasurer Luke Sanchez, Debra Hicks, Arsenio Romero

Non-Voting Advisory Members - ASNMSU President Mathew Madrid, Faculty Senate Chair Julia Parra, Employee Council Chair Letty Gallegos

University Officials - Chancellor Dan E. Arvizu, Ph.D., President John D. Floros, Ph.D., Provost Carol Parker, J.D., Vice Chancellor Ruth A. Johnston, Ph.D., Senior Vice President Andrew Burke, Ed.D., General Counsel Roy Collins III, J.D.

AGENDA

The Board of Regents meeting is available by webcast through the link at <http://panopto.nmsu.edu/bor/>

A. Call to Order, Chairwoman Dina Chacón-Reitzel

Pledge of Allegiance

1. Introductions

Introduction of Ermelinda Quintela, Senior Administrator in Strategic System Services, Vice Chancellor Ruth Johnston

Introduction of Carlos Lobato, Acting Chief Audit Executive, Vice Chancellor Ruth Johnston

2. Confirmation of Quorum, Chairwoman Dina Chacón-Reitzel

3. Approval of the Agenda, Chairwoman Dina Chacón-Reitzel

4. Public Comment, Associate Vice President Justin Bannister

B. Approval of the Minutes, Chairwoman Dina Chacón-Reitzel

1. Regular Meeting September 18, 2020

2. Special Meeting November 2, 2020

3. Work Session November 2, 2020

4. Special Meeting November 10, 2020

5. Confirmation of Prior Closed Executive Session September 18, 2020

C. Conferral of Posthumous Honorary Degree

1. Posthumous Honorary Degree, Provost Carol Parker

D. Awards and Recognitions, Chairwoman Dina Chacón-Reitzel

- 1. Proclamation Recognizing Elizabeth Titus for her service to NMSU as Dean of the Library, Provost Carol Parker**
- 2. Proclamation Recognizing Susan Brown for her service to NMSU as Dean of the College of Education, Provost Carol Parker**

E. Regent Committee Reports

- 1. Real Estate Committee, Regent Dina Chacón-Reitzel**
- 2. Financial Strategies, Performance and Budget Committee Report, Regent Debra Hicks**
- 3. Student Success Committee Report, Regent Arsenio Romero**
- 4. Higher Education Regents Collation Report, Regent Debra Hicks**

F. Advisory Member Reports

- 1. NMSU Faculty Senate Report, Chair Julia Parra**
- 2. Associated Students of NMSU Report, President Mathew Madrid**
- 3. NMSU Employee Council Report, Chair Letty Gallegos**

G. Affiliated Entity Reports

- 1. Aggie Development Inc. Report, President & CEO Scott Eschenbrenner**
- 2. NMSU Foundation Report, Vice President Derek Dictson**
- 3. Arrowhead Center Inc. Report, Director & CEO Kathryn Hansen**

H. Consent Items, Chairwoman Dina Chacón-Reitzel

- 1. Temporary Investments Report for the Quarter ended 09/30/2020, Senior Vice President Andrew Burke**
- 2. Budget Adjustment Requests (BAR) for Fiscal Year 2020-2021, Senior Vice President Andrew Burke**
- 3. NMSU Las Cruces: Electrical Infrastructure Safety and Reliability Improvements, University Architect Heather Watenpaugh**
- 4. El Paso Electric Easement - Solar Project, Special Assistant to the President Scott Eschenbrenner**
- 5. NMDOT Right of Way Agreement – West Campus Signage at Valley Drive, Special Assistant to the President Scott Eschenbrenner**
- 6. Amendment to Regents Real Estate Committee Charter, Special Assistant to the President Scott Eschenbrenner**
- 7. Labor Management Relations Board Resolution, General Counsel Roy Collins III**
- 8. Fall 2020 Degree and Certificate Conferral, President John Floros**

BREAK (10 MINUTES)

- I. **Action Items**, *Chairwoman Dina Chacón-Reitzel*
 - 1. **Grounds and Improvements Lease and Facilities Lease between NMSU and MACQ-NEW MEXICO I, LLC**, *Special Assistant to the President Scott Eschenbrenner*
 - 2. **Recognition for Essential Employees**, *Chancellor Dan E. Arvizu*

- J. **Informational Items**, *Chairwoman Dina Chacón-Reitzel*
 - 1. **Authorization of Doña Ana Community College District General Obligation Bond Sale**, *President Mónica F. Torres*
 - 2. **Summary of Revisions to the Administrative Rules and Procedures of NMSU (ARP) for the period September 9, 2020 through December 2, 2020**, *General Counsel Roy Collins, III*

- K. **Report from the New Mexico Department of Agriculture to the Regents of New Mexico State University (Board of Agriculture)**, *Cabinet Secretary & Director Jeff Witte*

- L. **Report from the NMSU System Chancellor to the Regents of New Mexico State University**, *Chancellor Dan E. Arvizu*

- M. **Announcements and Comments**, *Chairwoman Dina Chacón-Reitzel*
 - 1. **“Gun’s Up” – Good News for NMSU!**

- N. **Adjournment**, *Chairwoman Dina Chacón-Reitzel*



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # B-1

- Action Item
- Consent Item
- Informational Item

Presented By: Luke Sanchez
Secretary/Treasurer
Board of Regents

Agenda Item: Regular Meeting Minutes of September 18, 2020

Requested Action of the Board of Regents: Approval of Regular Meeting Minutes of September 18, 2020

Executive Summary:

As required by the New Mexico Open Meetings Act, the board shall keep written minutes of all its meetings. The minutes shall include at a minimum the date, time and place of the meeting, the names of members in attendance and those absent, the substance of the proposals considered and a record of any decisions and votes taken that show how each member voted. All minutes are open to public inspection. Draft minutes shall be prepared within ten working days after the meeting and shall be approved, amended or disapproved at the next meeting where a quorum is present. Minutes shall not become official until approved by the board.

References:

NM Open Meetings Act §10-15-1 G.

Prior Approvals:

N/A



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DRAFT MINUTES *NOT OFFICIAL – SUBJECT TO APPROVAL BY THE BOARD OF REGENTS*****

MINUTES

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A. Call to Order, Chairwoman Dina Chacón-Reitzel

Chairwoman Chacón-Reitzel called the meeting to order at 8:06 AM.

Pledge of Allegiance

Mr. Kabel Brooks of the NMSU Army ROTC led the pledge of allegiance.

Chairwoman Dina Chacón-Reitzel thanked Mr. Kabel Brooks for leading them in the Pledge of Allegiance. She asked him to tell the Board a little about himself, the degree he is pursuing, and why he is in the Army ROTC. Mr. Kabel Brooks stated that he is a Criminal Justice Major with a minor in Military Science. He stated that he is in the Army ROTC because he firmly believes that NMSU provides the best education in the state. The ROTC program at NMSU is one of the oldest in the nation. Since he was a child he has always wanted to be in the Army as an officer, which is achievable at NMSU.

1. Introductions

Introduction of Henrietta Williams Pichon, Interim Dean of the College of Education, Provost Carol Parker

Provost Carol Parker introduced the Interim Dean of the College of Education, Dr. Henrietta Williams Pichon. Dr. Williams Pichon has been with NMSU since 2013. She came to us as a distinguished teacher and scholar. She has a PhD in Educational Administration from the University of New Orleans. Previously, she served on faculty at Rowan University in New Jersey and Northwestern State University in Natchitoches, Louisiana. Dr. Pichon has a distinguished record of scholarship, including numerous publications in peer reviewed journals and service to numerous national organizations. She has a distinguished record as an administrator prior to serving as our Interim Dean and as Associate Dean.

Provost Carol Parker asked if she would make a few remarks. Dr. Pichon stated that she looks forward to working with everyone. She is excited and delighted to be here. She has been with the university since 2013

and it has been a good experience for her. They will be looking at new opportunities within the College of Education, including re-imagining teaching and learning, mental health services, and physical services.

Introduction of Luis Campos, Associate Vice President for Facilities and Services, Senior Vice President Andrew Burke

Senior Vice President Andrew Burke introduced Luis Campos, the Associate Vice President for Facilities and Services. He joined NMSU in May, amid the COVID-19 pandemic, with concerns about sanitation, space, classroom, and office area to make ready for the fall semester. His customer service emphasis and collaborative management style serve NMSU well as we operate in the new environment. He will represent NMSU at the state level as well, given his recognized facilities planning, construction, and sustainability expertise. He grew up in Deming, NM and graduated from Deming High School. He has a bachelor's and a master's degree in architecture from the University of New Mexico. He has a three-decade career in Facilities Management that encompasses planning, budgeting, capital, construction and renovation, maintenance and operations, real estate, and safety and security. He began his career as an architectural intern at NMSU's Architectural office and worked on masterplan initiatives. He then, moved on to work at the Institute of American Indian Arts in Santa Fe, where he began construction of a new campus that consisted of 140 acres on undeveloped land. From there he was employed at Central New Mexico Community College in Albuquerque, where he was the Executive Director of the physical plant. CNM is the largest community college in New Mexico with seven sites ranging 1.8 million square feet and approximately 22,000 students and 1000 staff. He expanded the campus footprint, campuses on the west side, Rio Rancho Workforce Center, and Advanced Technology Center. He renovated over 1 million square feet. Within the last four years was the Statewide Facility Manager for the Administrative Office of Courts.

Senior Vice President Andrew Burke asked Mr. Luis Campos to make a few comments. Mr. Luis Campos stated that he is honored to have the privilege to work with this wonderful group of people who are dedicated to student success.

2. Confirmation of Quorum, Chairwoman Dina Chacón-Reitzel

Chairwoman Dina Chacón-Reitzel asked Mr. Adam Cavotta to confirm the Quorum and take roll. Mr. Adam Cavotta confirmed that the following Regents are present in the Board Room at NMSU.

Regent Romero – Present
Regent Devasthali – Present

Mr. Adam Cavotta confirmed that the following Regents and University Officials are in attendance online:

Regent Sanchez – Present
Regent Hicks – Present
Regent Chacón-Reitzel – Present
Chancellor Arvizu – Present
President Floros – Present
Vice Chancellor Johnston – Present
Vice President Burke – Present
General Counsel Collins – Present
Provost Parker – Present

3. Approval of the Agenda, Chairwoman Dina Chacón-Reitzel

Chairwoman Dina Chacón-Reitzel moves for the proclamation for Woods Houghton be included and the next item

on the agenda due to Woods having an appointment. She asked if any other members have modifications as well. Regent Hicks made a motion to approve the agenda as amended. Regent Sanchez seconds the motion. Mr. Adam Cavotta did a roll call vote on the motion.

Regent Romero – Yes

Regent Hicks – Yes

Regent Sanchez – Yes

Regent Devasthali – Yes

Regent Chacón-Reitzel – Yes

Mr. Adam Cavotta confirmed 5 votes in favor. Motion Passed.

4. Proclamation Recognizing Woods Houghton for his Service as Eddy County Agriculture Extension Agent,
Chairwoman Dina Chacón-Reitzel

Chairwoman Dina Chacón-Reitzel stated that it was an honor to make a proclamation in honor of Woods Houghton. She gave her comments before reading the proclamation. She stated that she has a long history and family that has made that career. She's known him for a long time. She started her career with Cooperative Extension Service. She knows the value of those jobs. Woods Houghton started in the county after she left. Woods Houghton had a wonderful and long career. She stated, "The world is a better place because of you. I understand the servant heart that extension people and that long-term dedication extension people have. I know you've given everything to this job. I agree with you, the hay is a little taller. The cotton is a little fuller and we've had much bigger acorns." She read the proclamation:

WHEREAS, Woods Houghton, as Eddy County Agriculture Extension Agent, has served with distinction for the past thirty years; and

WHEREAS, he has earned two degrees from NMSU including Bachelors in Range Science with additional studies in Wildlife Science, Ecology and Animal Science and a Masters degree in Veterinary Entomology, with Interdisciplinary programs in Range Science and Agricultural Education and went on to become a board-certified Entomologist; and

WHEREAS, he worked forty-two years employed at New Mexico State University conducting research, extension, education programs; and

WHEREAS, during his tenure at NMSU he has also served as De Baca County Extension Program Director and Research Assistant, including conducting research as a Student Research Aid; and

WHEREAS, he served on NMSU Faculty Senate and NMSU Employee Council when it was known as the Advisory Committee on Administrative Policy; and

WHEREAS, he served as President of the New Mexico Association of County Agriculture Agents and also as President Elect, Vice President, Secretary Treasurer of the New Mexico Association of County Agriculture Agents; and

WHEREAS, he served and continues to serve on numerous committees that benefit the broader agricultural community of the State of New Mexico, including Board of Directors Southwest Entomological Society Association of Professional Entomologists, the Technical Working Group on Water Quality for the New Mexico Water Quality Commission, New Mexico Interstate Streams Agriculture Water Conservation Committee, Regional Water Planning Committee, County Land Use Planning Committee, Eddy County Farm Service Agency (ASCS) Committee, Eddy County Fair Board, Pro-Ag Activities Committee, Farm/Ranch and Sportsman Relationship Committee,

Carlsbad Sportsman Club, and Soil & Water Conservation Districts in Carlsbad, Penasco, and Central Valley; and

WHEREAS, the Eastern District Director of the NMSU Cooperative Extension Service, Leigh Ann Marez, has said, “Woods Houghton has truly exemplified the mission of the NMSU Cooperative Extension Service through his long career as an Extension Agent by providing local community leaders with research-based knowledge and information, education programs, and professional development training to grow and empower communities, develop entrepreneurs, build and promote leaders, and enhance human and social capital;” and

WHEREAS, the Associate Dean and Director of the NMSU Cooperative Extension Service, John Boren, has said, “Woods exemplifies a true Extension professional through his continued commitment to extend research-based information to improve the lives of New Mexicans and their communities.”

NOW, Therefore, Be It Proclaimed in official session that the Board of Regents of New Mexico State University thanks and commends Woods Houghton for his dedicated service and wishes him great success in his future endeavors.

Proclaimed this 18th day of September 2020, at Las Cruces, New Mexico.

Chairwoman Dina Chacón-Reitzel called the Associate Dean and Director of the Cooperative Extension Service, John Boren, to take the floor.

Mr. Boren commented that it is an honor and privilege to provide a brief remark about Woods Houghton. He stated that Woods has exemplified a true extension professional through his many years of continued commitment to provide research-based information to improve the lives of New Mexicans and their communities. John Boren stated that he has worked with Woods Houghton for over 24 years. He values his friendship, commitment to serving his constituents and improving their quality of life. He thanked him for all he has done for the New Mexico Cooperative Extension Service, The College of Aces, NMSU, and the state of New Mexico. He wished him the very best in his retirement.

Chairwoman Dina Chacón-Reitzel asked Leigh Ann Marez, the Eastern District Director, to make a few comments. Ms. Marez stated that he is a service-oriented individual. She thanked Chairwoman Dina Chacón-Reitzel for recognizing him. When working in Extension, the individual has many different roles and responsibilities in the community at all times. He has been a true representation of NMSU and Cooperative Extension work. She has served as his administrative role for a few years. Prior to that, she served side by side with him as a county agent. He has been a mentor in her career. She appreciates the recognition to him for his long-term service at NMSU and the Extension Service.

Chairwoman Dina Chacón-Reitzel asked Woods Houghton to make a comment. Woods Houghton is humbled by everyone’s comments. He appreciates NMSU allowing him to serve the people of New Mexico. Being a county agent is what he was meant to do and will miss it. The greatest joy is that he had four DVMs and PhDs come up through 4-H, which he is proud of. His career at NMSU began in 1964 as a 4-H youth. He appreciates the Board of Regents and everyone else to recognize him and wishes everyone the best.

Chairwoman Dina Chacón-Reitzel wished him a long and healthy retirement and thanked him for his service to NMSU.

Regent Hicks made a comment. To his more than 30 years of service at NMSU and work at Eddy County and De Baca, she stated that it is a pleasure to honor him today. She met him years ago in De Baca county. He is recognized today for service to the counties he served in and the state of New Mexico. They are grateful for his

efforts.

5. Public Comment, Associate Vice President Justin Bannister

Chairwoman Dina Chacón-Reitzel asked Associate Vice President Justin Bannister if anyone signed up for public comment. Mr. Bannister stated that there was one person signed up for public comment. Mr. Bannister reminded everyone that public comment is provided so that members of the community have an opportunity to give input to the NMSU Board of Regents. Each individual is asked to state their name and keep their comments to three minutes. He will let you know when you have thirty seconds remaining. The individual who signed up is Ms. Jamie Bronstein.

Mr. Bannister gave the floor to Ms. Bronstein. Chairwoman Dina Chacón-Reitzel greeted her. Ms. Bronstein stated that she has been teaching at NMSU since 1996. This is the first time that she has ever felt moved to speak at a Board of Regents meeting. She is concerned about the lack of two-way communication between the central administration, especially the President, the Provost, and the Faculty. Communication has been top down. Faculty have concerns that are not being addressed. As an example, last year Faculty Senate passed Proposition 17-1920, a memorial and support of a university wide tenure clock extension, where due to the pandemic, which is a disaster for people's careers, faculty could have, without any explanation of grounds, asking for a tenure extension be given a tenure clock extension across the board. This piece of legislation had to go through all aspects of shared governance, including Faculty Senate, where it was approved. It was vetoed by the President without any explanation. In the interest of shared governance, it would be great if there could be an explanation from the President about why legislation or memorials that come through the Faculty Senate are vetoed. Secondly, we are being threatened with 6%, 9%, and 12% budget cuts. We, the faculty, have already borne the brunt of these cuts through the rollback of raises that we were promised. We haven't seen any willingness on the part of the administrators to accept even a symbolic cut to deal with the crisis that the university is facing right now. These issues are creating a real crisis of competence toward the administration by members of the faculty. I urge the Board of Regents to take these concerns seriously because faculty are at the forefront of the university's Land Grant Mission. We are the boots on the ground. We're imploring you for your help to guide the administration to be more dialogic with the faculty to listen to our concerns because right now morale is about the worst I've seen. She concluded her comment and said thank you.

B. Approval of the Minutes, Chairwoman Dina Chacón-Reitzel

1. Special Meeting August 27, 2020

Chairwoman Dina Chacón-Reitzel entertained a motion to approved minutes.

Regent Hicks motioned to approve. Regent Sanchez seconded the motion.

Roll call vote taken by Mr. Adam Cavotta.

Regent Romero - Yes

Regent Hicks – Yes

Regent Sanchez – Yes

Regent Devasthali – Yes

Regent Chacón-Reitzel – Yes

Mr. Adam Cavotta confirmed 5 votes in favor. Motion Passes.

2. Special Meeting September 2, 2020

Chairwoman Dina Chacón-Reitzel entertained a motion a approve or amend the minutes.

Regent Romero motioned to approve the minutes. Regent Hicks seconded the motion.

Roll call vote taken by Mr. Adam Cavotta.

Regent Romero – Yes

Regent Hicks – Yes

Regent Sanchez – Yes

Regent Devasthali – Yes

Regent Chacón-Reitzel – Yes

Mr. Adam Cavotta confirmed 5 votes in favor. Motion Passed.

3. Confirmation of Prior Closed Executive Session, September 2, 2020

Chairwoman Dina Chacón-Reitzel asked Mr. Adam Cavotta to confirm Prior Closed Executive Session.

Mr. Cavotta reported that the Board of Regents met in a Closed Executive Session at 11:19am on Wednesday, September 2nd, 2020, which was conducted virtually via Zoom. The Closed Session Meeting was held to discuss the content, the competitive sealed proposal solicited, pursuant to the procurement code during the contract negotiations process and accordance with NSA 1978 section 10-15-1 subsection 8 of New Mexico Open Meetings Act. Those members who were present please certify that only matters of that nature were discussed.

Regent Romero – Yes

Regent Hicks – Yes

Regent Sanchez - Yes

Regent Devasthali – Yes

Regent Chacón-Reitzel - Yes

C. Conferral of Posthumous Honorary Degree

1. Posthumous Honorary Degree, *Provost Carol Parker*

Chairwoman Dina Chacón-Reitzel asked Provost Parker to proceed with the honorary degree. Provost Parker stated that it was her honor to request approval for NMSU to confer a posthumous honorary doctorate degree to Mr. Jim Hendy. Mr. Hendy was a student in the Educational Leadership Doctoral Program. He tragically passed away on May 16th, 2020 as a result of an aggressive illness that prevented him from completing the last part of his studies. At the time of his death, he had completed all his coursework, passed comprehensive exams, and was working to complete his dissertation. He was a dedicated leader and beloved educator in the Las Cruces Public School System. He served New Mexico students over the last two decades. Mr. Hendy was loved by the community, his colleagues, and his students. The News Center published a beautiful tribute about his career and contributions. This honorary doctorate degree in Educational Leadership and Administration would fulfill his dream and is a measure of the true impact he had on the community and his students. Based on the enthusiastic, transformational, and productive effect of his life's work and with the recommendation from the Faculty, Department Head, and the Dean of the College of Education, she is requesting that he be ordered a Doctorate Philosophy Educational Administration Posthumous Degree. With your permission I would like to acknowledge Dean Pichon from the College of Education and a statement that the Department Head, Dr. Azadeh Osanloo, has provided. Dr. Osanloo could not be with us today, but Regent Romero will provide her statement on her behalf. With your permission, she would like to proceed in asking Dr. Pichon to offer some remarks.

Dr. Pichon stated that she is honored to be a part of the process of offering the honorary degree to Jim. As she indicated earlier, she was new to Las Cruces, New Mexico in 2013. Her husband is a high school mathematics teacher. She had reached out to Mr. Hendy. He responded to her that he would be willing to talk with her husband about teaching opportunities in high school mathematics. She shares this story because he did not know how she arrived in New Mexico, nor that she was affiliated with NMSU at all. He was unaware that she was a faculty member in the department in which he had been working on his degree. He opened himself up to them and shared all his experiences and guidance for her husband to find employment, which speaks volumes about the individual being honored through the honorary degree. When we think about principalship, there are some things that we look for in great principals. Mr. Hendy embodied all of those. He was highly visible and would always be seen in the hallways at the school. He was an effective listener and problem solver. He was an empower worker, fair, consistent, and a great mentor and role model to his students and administrators coming through the pipeline. She is honored that we're able to have this opportunity to offer him this degree.

Regent Romero gave his comments. He stated that Mr. Hendy was a very important person and impactful in his life. He is honored to be a part of this process. He was very influential in the community. He was a great leader and educator. He is sitting with the family today to say what a great friend, husband, and father he was. He was very impactful to many people. He has had countless conversations with teachers and students who have crossed paths with him. Everyone has powerful stories of how they were influenced by him. He's always the first person to welcome you into the room, conversation, and make you smile. He was always the best person to make you want to be a better person. He was a wonderful mentor to him. He made him a better principal. He still has an influence him to make himself a better leader within the state as a superintendent. He thanks Mr. Hendy for all that he's done to impact the world of education and community to make it a better place. Your impact will influence the community for years and decades to come.

Regent Romero has a statement from Dr. Osanloo. The faculty voted unanimously to support this posthumous degree. He is honored to shepherd in this process. Dr. Hendy was a dedicated, transformational, and cherished educator in the Las Cruces Public Schools for over a decade. He was beloved by the community, colleagues, and his students. This honorary doctorate degree in Educational Leadership and Administration peacefully and thoughtfully closes the loop on the legacy of an outstanding education leader, who made a difference in our community. He thanked Chairwoman Dina Chacón-Reitzel for allowing him to say a few comments and representing the faculty today. He is very honored to close this and call him Dr. Hendy from

now on.

Chairwoman Dina Chacón-Reitzel asked Mr. Adam Cavotta to read the resolution.

Mr. Adam Cavotta read the following resolution:

WHEREAS, the New Mexico State University shares with the family and friends in the loss of Mr Jed Hendy; and

WHEREAS, Mr. Hendy was a student in the Educational Leadership Doctoral Program at New Mexico State University and completed all his coursework and successfully passed his comprehensive exams and was in progress toward completing his dissertation; and

WHEREAS, the faculty of the Educational Leadership Program and the Dean of the College of Education have recommended Mr. Hendy be granted a posthumous degree; and

WHEREAS, the Provost has reviewed the recommendation and supports the granting of a posthumous degree to Mr. Hendy.

NOW, Therefore, be it proclaimed an official session that the Board of Regents of New Mexico State University hereby approves granting the posthumous Doctor of Philosophy and Educational for Administration degree to Mr. Jed Hendy resolve this 18th day of September 2020 in Las Cruces, New Mexico.

Chairwoman Dina Chacón-Reitzel asked that members of the Board raise their hand if they move to adopt the resolution as presented. Regent Romero made a motion. Regent Sanchez seconds the motion. Chairwoman Dina Chacón-Reitzel asked Mr. Adam Cavotta to take the roll call vote.

Regent Romero – Yes

Regent Hicks – Yes

Regent Sanchez – Yes

Regent Devasthali – Yes

Regent Chacón-Reitzel – Yes

Mr. Adam Cavotta confirmed 5 votes in favor. Motion passed.

Chairwoman Dina Chacón-Reitzel stated that we have family members in the Board of Regents Chambers. She asked Regent Romero to present the resolution to the family that is present. She thanked the family for being there to honor his legacy and be a part of his ceremony.

D. Awards and Recognitions, Chairwoman Dina Chacón-Reitzel

Chairwoman Dina Chacón-Reitzel asked Chancellor Dan Arvizu to proceed with the recognition proclamation.

1. Proclamation Recognizing Sonia White for her Service to Employee Council as Chair, Chancellor Dan Arvizu

Chancellor Arvizu stated that it is an honor to present this proclamation to their dear friend Sonia White. He will begin by reading the proclamation.

WHEREAS, Sonia A. White, as Chair of NMSU Employee Council, has served with distinction as an advisory member of the New Mexico State University Board of Regents from February 2019 through March 2020; and

WHEREAS, she kindly and emphatically welcomed both Chancellor Dan E. Arvizu and President John D. Floros to campus on behalf of NMSU employees by addressing the assembly that gathered for their inauguration and investiture; and

WHEREAS, she continually demonstrated a spirit of joy and laughter, ever engaging faculty and staff in celebrating their accomplishments including line dancing with everyone from executive leadership to student employees at the Employee Appreciation Picnic; and

WHEREAS, her signature policy achievements includes incorporating union-eligible employees into the membership of Employee Council, which allowed for broader participation of all employees; and

WHEREAS, she deeply engaged with administration in helping to form and move forward the action plans of NMSU LEADS 2025; and

WHEREAS, she served on the University Naming Committee, University Administrative Committee, and on many other committees representing employees' perspectives; and

WHEREAS, she continued her work by joining executive leadership in visiting the NMSU Community College campuses to further the connection between all NMSU system campuses;

NOW, Therefore, be it proclaimed in official session that the Board of Regents of New Mexico State University thanks and commends Sonia White for her dedicated service and wishes her great success in her future endeavors.

Proclaimed this 18th day of September 2020, at Las Cruces, New Mexico.

Chairwoman Dina Chacón-Reitzel asked if Sonia had any comments. Sonia thanked everyone for allowing her to be the voice of NMSU. She is honored and blessed to have met several great people. She has been at NMSU for 20 years and it was an amazing experience. She thanked the Board of Regents, the NMSU Employee Council and all the employees for allowing her to be the voice. Chancellor Arvizu thanked Sonia and stated that if possible, the Regents who are present might take a photo.

2. Proclamation Recognizing Tina Byford for her Service to NMSU Foundation and NMSU Advancement,
Chancellor Dan Arvizu

Chairwoman Dina Chacón-Reitzel asked Chancellor Arvizu to proceed with the Proclamation for Tina Byford.

Chancellor Arvizu proceeded in reading the proclamation.

WHEREAS, Tina Byford, retired on December 31, 2019 as interim vice president for University Advancement and interim president of NMSU Foundation having served with distinction; and

WHEREAS, she has served NMSU since 1988 serving in various roles, including as the Chief Operating Officer for the NMSU Foundation, in the university's Business and Finance Department, as Senior Investment and Chief Financial Officer of the NMSU Foundation and twice called upon to serve as NMSU's Interim Vice President for University Advancement in 2013 and again in 2018; and

WHEREAS, she helped lead and worked diligently toward the completion of NMSU's comprehensive fundraising campaign, Ignite Aggie Discovery, an all cash campaign that raised over \$125 million dollars; and

WHEREAS, NMSU System Chancellor Dan E. Arvizu has said:

“Dr. Tina Byford has worked tirelessly in her 32 years of service to our great university supporting many of our accounting and fundraising efforts. I personally want to thank her for stepping in to serve as the interim vice president for Advancement when I first arrived at NMSU. Funds raised during the most recent fundraising campaign go to support our students through scholarships, help our faculty with research and provide some critical infrastructure to our campus. On behalf of your Aggie family, we welcome your contributions and thank you on a job well done and we look forward to seeing you at Aggie sporting events”; and

WHEREAS, she chaired the University Naming Committee who reviewed and made recommendations regarding proposed namings to the NMSU System Chancellor and Board of Regents; and

WHEREAS, she oversaw the process and worked with the NMSU System Chancellor and the Board of Regents on the Honorary Degree Selection Committee; and

WHEREAS, she was recognized as a “Woman of Influence” by Albuquerque Business First in 2019; and

WHEREAS, as an alumni she earned her master’s degree and doctorate from NMSU;

NOW, Therefore, Be It Proclaimed in official session that the Board of Regents of New Mexico State University thanks and commends Tina Byford for her dedicated service and wishes her great success in his future endeavors.

Proclaimed this 18th day of September 2020, at Las Cruces, New Mexico.

Chairwoman Dina Chacón-Reitzel invited Dr. Tina Byford to make a few comments. Dr. Byford commented that when she and her husband moved to Las Cruces, they were looking for a city to raise their children in. They had been living in Baton Rouge, but it was too big for them. They felt like Las Cruces was a perfect place for them to be. They originally planned on living in Las Cruces for five years. They fell in love with the state and NMSU. They have been here 32 years. They have three children and had their last child in Las Cruces. Their youngest is in graduate school at NMSU. Dr. Byford discovered her love of higher education at NMSU and received both of her graduate degrees here, which was a pleasure among itself. She appreciates the administrators, in particular, Chancellor Arvizu, who gave her those opportunities. She especially appreciated the people she worked with during those 32 years. Additionally, the people on those teams who helped them achieve the great things that they did. She appreciates the award and honor. She thanks everyone from the bottom of heart.

E. Regent Committee Reports

1. Real Estate Committee, Regent Dina Chacón-Reitzel

Chairwoman Dina Chacón-Reitzel gave the Real Estate Committee Report. They met twice since their last meeting, June 25th and August 27th. In those meetings the committee recommended approval of the Las Cruces Main Campus I 25 University Avenue Interchange and Campus Entry Project Proposal, The Las Cruces Agricultural Modernization and Educational Facilities University Project Proposal, and the Las Cruces NM Department of Agriculture building renovation. These are items H-3 through H-6 in the consent agenda. The presentations and materials are in the meeting binder. That concluded her report. She called Regent Devasthali to provide the Audit

and Risk Committee report.

2. Audit and Risk Committee Report, Regent Ammu Devasthali

Regent Devasthali announced that two Regent Committee meetings have been conducted since the last update. The Regents Audit Committee met via Zoom on May 27th, 2020 with the external auditors KPMG, represented by John Kennedy, lead partner. The Audit Entrance Conference of the year ended June 30th 2020. With the identified scope of the audit, required inquiries, risk assessment, materiality considerations, and involvement of other specials the timeline was presented for discussion, along with new accounting standards, planned communication, and COVID 19 considerations. A brief internal update was provided and a few items for discussion. IDEA development is not expected to be required to have an audit for 2020. The Regent Audit Committee met again. She held their regularly scheduled meeting on August 26th, 2020. Three areas were represented. Query Act was presented by University Police Department Chief Lopez. Chief Lopez presented the 2019 clearing statistic and informed the committee of the status of related efforts, including creation of the Clearing Compliance Team, submission, and approval of required policies and key areas. Movement of timely warnings to beyond compliance, Drug Free and School Communities Compliance are good, and some improvements on student travel that were paused due the pandemic. The Human Resources update was provided by Dr. Gena Jones, Assistant Vice President. The update included the positive impact the I 9 verify implementation has provided. Dr. Jones provided information on COVID-19 impact, which included recap of the efforts put forth by the university from the start of the pandemic. A description and impact of activities included various and timely communication, training, and development ready plan external influences and employee feedback. Dr. Jones concluded with future considerations such as throw rollout of an alternative work plan and suggested methods to managing the risk of COVID-19 impact on the workforce. Next, Dr. Laura Castille, Executive Director of Office of Institutional Equity gave an update about the Title IX Regulation Changes, which were released on May 26th, 2020 by the Department of Education. The new regulations took full effect on August 14th, 2020. The new rules and regulations are in place. The reporting obligation has not changed. The Title IX Team will have to grow to include a pool of advisors, hearing officers, and appeal decision makers to comply with the new regulations. This will have an impact on the budget. A summary of internal audit annual activities was provided by Chief Audit Officer, Melinda Cantella, and the meeting was adjourned. Our next meeting, which will include the exit conference by the external audit from KPMG, will be held on October 28th, 2020. That concluded her report.

3. Financial Strategies, Performance and Budget Committee Report, Regent Debra Hicks

Regent Hicks reported that they had two meetings most recently, which were on June 25th and August 26th. At their most recent meeting, they had presentations on the following items: the Non-ING funding request, tuition revenue in the scholarship outlook, tuition and fees structure with differential tuition, and budget reduction plans. The Non-IMG funding request that has been approved through the consent agenda. They received the variance on that. They were due back to the state on September 15th, 2020. The action of the Financial Strategies Performance and Budget Committee a draft was submitted, and they received a variance for approval by the Board today. Their variance extends through today's meeting. They went through the Non-IMG funding. They had a presentation from Ricardo regarding that. It was helpful for the new Regents, who have not necessarily gone through this process of ING for the next several years. Many topics were discussed. They discussed the state's mandate that we would be presenting at least a 5% reduction in our budget. Those will be addressed by the administration, the President and the Chancellor. Regarding action items, they asked the staff to look at tuition and fees, as well as differential in and out of state tuition. Those are proposals or information coming back to the committee for review, then a presentation to the Board of Regents for discussion and action. She expects those to be forthcoming for our next meeting. The recommendation from the Financial Strategies Performance and Budget for Non-ING funding was approved as presented.

Chairwoman Dina Chacón-Reitzel thanked Regent Hicks for her report and entertained questions. There were none. Chairwoman Dina Chacón-Reitzel asked Dr. Parra to give her report from Faculty Senate.

F. Advisory Member Reports

1. NMSU Faculty Senate Report, Chair Julia Parra

Dr. Parra reported that in their September 3rd meeting, Faculty Senate passed three propositions as emergency legislation. This past summer, they began the anti-racism and anti-discrimination task force to do their part in addressing the elimination of racism and discrimination at NMSU. The task force developed proposition 2-2021, a memorial to support the elimination of systemic discrimination at NMSU. In summary, it is a call to administrators, staff, and faculty to eliminate all forms of racism and discrimination from the university and build a culture committed to diversity and equal opportunity. A series of goals and recommendations were provided, and it was again approved as emergency legislation. Aligned with this proposition, the task force next steps include identifying accountability for proposition goals and recommendations, creating additional propositions as needed. Next, there were two additional memorials that were passed. She noted, as part of the Faculty Senate Leadership Committee and Senate discussions that started in July, they have noted that communication and collaboration between NMSU Faculty Senate and NMSU Administration is a two-way street. Thus, Faculty Senate put forward these two propositions to continue conversations where they envision new frameworks and ways to operationalize communication and collaboration. The propositions passed emergency legislation. Proposition 1-2021 is a memorial requesting increase faculty participation in budget reduction discussions. She noted, that in the lining with this proposition, they are working with President Floros and Provost Parker to set up the faculty based Advisory Council on Budget and Restructuring. That committee has been meeting and is working towards continued conversations and participation. Further, a memorial for 2021 was passed, requesting that NMSU US Central Administration include the Faculty Senate in designing and implementing a central sentimental testing program for a COVID-19. There were faculty who would like to be more engaged in this process. In aligning with that, they have some actions to do that. She noted, that they have some ongoing upcoming activities. The Senate Leadership Committee will be meeting monthly with Provost Parker. Faculty Senate will be collaborating with Provost Parker to share and discuss NMSU initiatives, such as curricular analytics. We will follow up with an update. There have been concerns about certain projects, for example, a digital learning initiative project. They are going to continue working on our communication between administration and faculty. They have some things going on in recognizing concerns with communication. They are in conversations to restructure Faculty Senate to improve their structure that provides expertise and can quickly create conversations.

Chairwoman Dina Chacón-Reitzel thanked Dr. Parra for her report and asked if anyone had any questions for her. Regent Romero stated that he had a comment. He stated that he thinks it's wonderful that they have had conversations about racial justice issues here at NMSU. He would like to point out that we have three representatives at NMSU, which are a great group of people, to be part of the governor's racial justice committee. He suggested aligning conversations that they have in their committee with what is being done at Executive Branch, so they can have one voice and continue to talk. Dr. Parra responded by agreeing. They are geared to welcome and support the new leader and possibly Vice Provost for the ID Equity, Inclusion, and Diversity. Together, we can all work towards changing the culture and creating a new day for NMSU in this area.

2. Student Success Committee Report, Regent Arsenio Romero

Chairwoman Dina Chacón-Reitzel apologized for skipping Student Success and that his report is no less important. She asked Regent Romero to give his report. Regent Romero stated no apology necessary, then proceeded with his report. He was able to get some valuable information as this was his first committee in Student Success as the

Chair. They went over some very important topics. He stated that they went over the same topics as Regent Hicks. He thanked Provost Parker for describing academic responsibilities, academic organizational structures, and initiatives of Academic Affairs, noting the important role of shared governance. Data was presented about account proportions of regular and temporary faculty appointments across the NMSU system. They had some in depth and lengthy conversations regarding tuition policy. He thanked Vice President Burke for providing information on differential pay. Also, they had a conversation about how to communicate that to NMSU students. There was a presentation of charts, which displayed the net price that students pay. There was a discussion about how to advertise this so that NMSU students know about the opportunity at NMSU through marketing and communication. There was a focus on students with lower expected family contribution of family income. The net prices are more competitive than any other university in New Mexico. Overall, 68% of NMSU students receive almost the full Pell Grant amount, meaning that many of the students are in a lower income band, which NMSU can support. He thanked Dr. Holmes for providing an update on the return to campus. It's been in session for a few weeks and it has been a success with our students coming back to campus. They ended with a conversation about what is going to be the charge the Student Success Committee and to talk about what the future is going to look like, specifically with some of the realities that we have right now with the pandemic, budget issues, student need, and program. They have started refining that. They wanted to make sure that they focus on diversity, equity, and inclusion, which is the essence of NMSU's culture, particularly as we move forward in the COVID-19 pandemic, tracking progress with education and successes and was the alumni by advancing policy discussion on that topic. We also discussed identifying resources and best practices to meet students where they are at, including peer facility, facilitating programs, such as the Math Success Center to pay more direct attention to success for graduate students. They want to take advantage of the location and unique position of NMSU. Also discussed, the community colleges in the system and the statewide outreach that system has, creating pathways between the community colleges and university, opportunities for digital learning and entrepreneurship, and focusing on the workforce of the future and their needs and the gaps that we have in using branches to provide a practical education, but also can provide a bridge to higher education. That concluded his update and is open for questions.

Chairwoman Dina Chacón-Reitzel asked if there are any questions for Regent Romero. There were no questions.

3. NMSU Employee Council Report, Chair Letty Gallegos

Chairwoman Dina Chacón-Reitzel asked Chair Gallegos to proceed with her report for Employee Council. Chair Gallegos thanked Chairwoman Dina Chacón-Reitzel and members of the Board. She reported that the NMSU Council continues to be involved in the various rapid response tiger teams that are working on keeping all our students and employees safe through this pandemic. She recognized Dr. Johnston for her tremendous leadership in the endeavor. They are involved in various committees and action teams that have emerged from last year's climate survey and are excited about the work and action items that are being developed from these groups. They look forward to working out some of these actions with the administration. In early August the Employee Council submitted a list of recommendations to the administration related to budget reductions and they will continue to work through their individual units and system committees in the most important task. They are currently soliciting nominations for both the Roberts Memorial and A Mountain Awards that recognize outstanding staff. Given the current situation and all the work everyone put in this spring, they anticipate several nominations. They hope to recognize all the nominees in some way. He thanked everyone and stood for questions.

Chairwoman Dina Chacón-Reitzel asked if there are any questions for Chair Gallegos. There were none.

4. Associated Students of NMSU Report, President Mathew Madrid

Chairwoman Dina Chacón-Reitzel apologized for skipping President Madrid and stated that his report is no less important. She asked him to give his Associated Students Report. Mr. Adam Cavotta confirmed that President Madrid is not on the call. Mr. Adam Cavotta confirmed the RSVP for attendance. Mr. Adam Cavotta stated that it is possible that he is having technical difficulties. Chairwoman Dina Chacón-Reitzel addressed President Madrid stating that they will fit him into the agenda if he is having technical difficulties.

G. Affiliated Entity Reports

1. Aggie Development Inc. Report, *President & CEO Scott Eschenbrenner*

Chairwoman Dina Chacón-Reitzel asked President & CEO Scott Eschenbrenner to give his report for Aggie Development Inc. She thanked him for sending his highlights of his report prior to the meeting and gave him the floor. President & CEO Scott Eschenbrenner thanked Chairwoman Dina Chacón-Reitzel for the opportunity and stated that his report will be brief. He gave an update on construction for Aggie Uptown.

Those of you who are in the area, see that we've got almost all the paving done. Most of the work is done. They are getting down to the final details and the close out of the project. Just a few items remain, but they are nearing completion on the project. He will provide an update with their partners with Trilogy Health Services. He had an opportunity to visit with Peter Massey, their Vice President of Development Construction late last week. They have a non-binding letter of intent from the company to provide senior healthcare housing on Aggie Uptown. They presented a Ground Lease Proposal to Trilogy. At this time, Trilogy put on all their construction projects on hold. Their board continues to analyze and review this on a 30-day basis. They continue to assure us that this is one of the projects that is very high on their priority list and is excited to move forward in working with NMSU. They've had a lot of interest in Aggie Uptown. There are four potential tenants that were vying for some spots in Aggie Uptown, in February. He reaches out to them and visits with them. He is fairly certain that they'll pick up one or two of those but will have to wait for things to return to some sort of normalcy. The final item to report is that they have been working with Dover Cole partners for an update to the Aggie Uptown master plan. They've done some great work. They've also done some great work with Arrowhead as well. They look forward to bringing the completed project to the Board of Regents and rolling it out to the Las Cruces community. He concluded his report and stood for any questions. Regent Hicks asked if he had any photos of Aggie Uptown. He responded that he would provide those. She went on to say that she will be there for Aggies in Paradise and would like a walkthrough. He replied that he would be honored to do that. Chairwoman Dina Chacón-Reitzel thanked him for his report.

2. NMSU Foundation Report, *Vice President Derek Dictson*

Chairwoman Dina Chacón-Reitzel asked Vice President Derek Dictson to give his report. He thanked Chairwoman Dina Chacón-Reitzel and proceeded. He thanked Tina Byford and Woods Houghton. They both mean a great deal to him and his family in their careers. Tina has been a great mentor and counselor as he has started his new position. He stated that he submitted to the board a report, which he hopes they found informational.

He stated that he would like to highlight a couple of items, then take questions. As of June 30th, the Foundation's portfolio that was valued at \$190 million dollars. The one-year investment returns were -0.69% and year to date returns were -5.8%. They continue to actively monitor and setup the allocation and investment strategy through this turbulent time in the markets. Their fundraising totals for the FY 20 Year were \$17.8 million dollars. This was 2% lower than the previous fiscal year and 4% lower than the trailing 4-year average. They were relatively pleased, given the unique situation this year, as to where we ended. They are continuing to figure out how to adopt their entire business model around fundraising, given the situation that they are facing today. They had a

data security event earlier in the year. We contracted with an information security firm to conduct an independent forensic investigation of that and it's been completed. No evidence of data theft or misuse has been found. They have the full report available should anyone be interested in seeing it. Giving Tuesday will be held on December 1st this year. This Day of Giving will be hosted on NMSU's official crowdfunding site that makes a statement website. They're planning to host a virtual Homecoming the week of October 19 through 25. They will have a week of virtual events around homecoming. They're 2020 distinguished alumni will be highlighted. They provided a list of the 2020 distinguished alumni in the report, as well as the James F Colm Memorial Award for Service and the Young Alumni Award for service recipients. The dinner that we typically hold in the fall is going to be rescheduled, hopefully to the spring of 2021.

Chairwoman Dina Chacón-Reitzel asked Regent Hicks to go ahead with her question. Regent Hicks stated that she has been involved with Texas Tech and their Foundation as well. She asked if he has been making any face-to-face calls with donors. He stated that face to face visits is rare right now. He has a couple of donors who have requested to pass a check or have a personal conversation. To the extent that those are being held, they are being approved through supervisor channels. They are making sure that they are wearing masks and doing appropriate separation for the safety of our donors. Regent Hicks also asked if he would share the data security event with the Risk and Audit Committee, then Ermelinda can pass it on to them. He stated that he would and that he is on the agenda for the October meeting.

Chairwoman Dina Chacón-Reitzel asked if there were any other questions. There were none. Mr. Adam Cavotta let Chairwoman Dina Chacón-Reitzel know that President Madrid is on the call by audio only due to the quality of the Xfinity spot. Chairwoman Dina Chacón-Reitzel acknowledged that. Before moving forward, she commented to Vice President Derek Dictson that she is pleased that they are planning on having a spring Distinguished Alumni Banquet and Event. She is glad that is not cancelled. It's a beautiful event and wonderful opportunity to hear stories from their distinguished alumni, it's always heartwarming. She encourages all Aggies and interested people to attend the event and dinner. It's a wonderful way to honor our alumni and very heartwarming. She is looking forward to participating in the spring.

3. Associated Students of NMSU Report, *President Mathew Madrid*

Chairwoman Dina Chacón-Reitzel asked President Madrid to give his report. President Madrid apologized for being late, but nonetheless the following is a brief report about everything that NMSU has done during the fall semester. So far, they've distributed over 1,500 facemasks to students via NMSU golf cart that they have access to. They've been driving around campus and passing them out as they see students who need them or ask students who may need a few extra to avoid social gathering. Also, they've been holding voter registration drives periodically through residence halls and other locations on campus. They have a voter registration event planned for National Voter Registration Day, which is on the 22nd of this month. Pete's pickup, which is our golf cart service that takes students around campus during the late hours of the evening, is fully operational and has been giving those services to students throughout the fall semester. Crimson cab services, which is our taxi service that takes students around the City of Las Cruces, have been expanded to be 24/7 for any reason, during the day. Prior to this expansion, daytime use was limited to only doctor's appointments and job interviews. But now, students can have access to that any time for any reason. The student Regent application is up and is being distributed amongst the student population. It closes on October 1 at 5pm, at which point the interview process will take place with Chancellor Arvizu and President Floros. Homecoming, movie nights and other things like that are being planned and have been held regularly to provide students with a way to get involved safely and hopefully avoid them leaving campus for any reason and of course, to slow the spread of COVID-19. Homecoming is being planned both virtually or with a mix of virtual events and in person. There's a lot more on the way.

He concluded and stood for questions. Chairwoman Dina Chacón-Reitzel asked if anyone had any questions for

President Madrid. She then gave the floor to Regent Hicks. Regent Hicks stated that she had an update. She neglected to ask for a report from the Higher Education Regents Coalition. We are asking all universities to provide the HRC with their processes and procedures for the appointments of Student Regents. She stated that she knows they're just going through the process but requested that they take the time to write it down as they do. She understands that they have some policies that are written in place. What they are trying to do is come up with a combination of what everyone is doing in order to put together some best practices. Not to direct anything, but to have it out there from the overall Coalition's perspective. She thanked him for his report. President Madrid responded that Regent Sanchez reached out to him regarding that and he will help him out in any way that he can. Chairwoman Dina Chacón-Reitzel thanked him and gave the floor to Regent Sanchez.

Regent Sanchez asked President Madrid to speak on the podcast that they have been doing. Regent Sanchez thinks that this is a wonderful way to reach students and have a platform for different items to be discussed among the student government and for students to tune in. President Madrid stated that over the summer it was his idea to put together a podcast or virtual radio show of sorts that allows ASNMSU an extra layer of communication between them and the student body, which is more personal and organic. Over the past few months, they've seen that students have been inundated with e-mails, social media posts, and things of that nature. Having a podcast allowed them to put that personal touch and communicate important information to students in a way that they usually don't get communicated to. They're also using this as a way to bring a spotlight to important issues, not only on campus, but around the community. For example, the most recent episode of podcasts, which launched on Wednesday, featured County Clerk Amanda Lopez Askin and Deputy County Clerk Lindsay Bachman. In that episode they obviously spoke about voting and voting initiatives, as well as how to get engaged with elections, update registration, and all of that for students. There's a balance that they're going to try to find between being informative, while also being entertaining, that way students can still be engaged while getting the benefit of information. It is a work in progress, and they are very excited. He gave kudos to his PR team for putting it together and spearheading the initiative on relatively short notice. They've gotten very good feedback from the student body. He opened the floor to anyone who would be interested in being on an episode and to let him know. Regent Sanchez stated that he would love to join him on an episode to talk about the Student Regent position while the applications are open. He stated that he listens in and gave him a job well done. Regent Romero stated that he thinks the podcast is wonderful. He hasn't had a chance to listen in but will do so. He will support them in any way that he can. He stated that the Regents may want to be participants. Chairwoman Dina Chacón-Reitzel thanked President Madrid and stated that it's wonderful that the students are so innovative. At this point, with all the challenges, being creative with communications is going to save the day. She said, "We applaud your efforts to find new ways to reach our students." She thanked him for being with them at the meeting and for his good report.

4. Arrowhead Center Inc. Report, Director & CEO Kathryn Hansen

Chairwoman Dina Chacón-Reitzel called Director & CEO of Arrowhead, Dr. Kathryn Hansen, to give her report. Dr. Kathryn Hansen thanked her and the members of the Board for the opportunity to share a few highlights. She stated that they have been working with their partners to promote entrepreneurship and innovation in the current environment of COVID-19. They are active with K through 16+ entrepreneurship programs in a venture, which serves students grades K through 12, held online in summer camps. They had middle school participants from New Mexico, Texas, and several other states. They also had participants from Mexico, a result of holding this online. They had some greater exposure there. Innoventure is leading the Las Cruces Business Pitch Competition to be held in October. This is a pitch competition for elementary through high school students. They have several community partners supporting this competition, including DACC, the Las Cruces Chamber, the City of Las Cruces, The Bridge, and Cruces Kids Can. It is a great community effort. They can continue to support their university student entrepreneurs through Studio G and the American Indian Business Enterprise Centers online delivery of business advising, curriculum, and other resources. During FY

2020 student ventures created or retained 278 jobs, while 292 new ventures join Studio G, which was a 30% increase over FY 2019. Also, Studio G was highlighted in an article on colleges producing the most startups by Forbes magazine in June, which brought national attention to NMSU and student entrepreneurship. They are planning an NMSU System Studio G Pitch Competition this fall to advance student entrepreneurs and promote Studio G from a system perspective. They are participating in an exciting new initiative in the College of Engineering, which promotes entrepreneurship and product development among Capstone student teams. Their engagement with NMSU Commute with New Mexico communities is growing through their emphasis on place-based entrepreneurship. They seek to advance Entrepreneurial Opportunity and activity based on regions or communities, unique local characteristics. A cornerstone of this model is assessing existing resource, assets, and needs, which Arrowhead leverages with community partners. Arrowhead held an Agribusiness Accelerator in Las Vegas and General Business Accelerators in Deming and Taos since the beginning of 2020. A Farmington Biz Sprint is planned for October/November. The sprint will highlight COVID recovery for businesses. They're partnered with San Juan College on this initiative. They're staging two eight weeks sessions for Las Cruces based businesses affected by COVID-19. The sprints will focus on best practices in business management and e-commerce training. A statewide sprint is in process for clean energy startups with products or services in this area in partnership with the College of Engineering. They are a team member on a recent award from the Department of Commerce to create a Minority Business Development Center in New Mexico. This is led by the city of Albuquerque, and the Albuquerque Chamber of Commerce. Arrowhead will be delivering statewide sprints as part of this award. In terms of efforts in the border region, we are collaborating with regional partners on a Border Plex sprint, a five-week bilingual cohort-based business venture builder for Border Plex innovators. They're partnering with governments in Chihuahua and Sonora with Arrowhead providing support to Mexican entrepreneurs. They're also partnering with Orion Startups, an accelerator and venture fund tied to tech to Monterey University in Monterrey, Mexico. In terms of diversity inclusion, they continue to emphasize it and make their services accessible to populations traditionally underserved. One example of this is our recent Women's Entrepreneurs Mean Business Conference that was held online. They had over 200 participants. It went well. Next, they're seeing developments in Arrowhead Park. They received a \$1.25 million infrastructure grant recently from the Economic Development Administration that will provide new roadways and a park wide wastewater conveyance system to meet future development needs. Next Tetrad Property Group has finalized negotiations with Burrell College of Osteopathic Medicine (BCOM) to lease approximately 7,000 square feet and a new office building, which will also house Arrowhead Center. This commitment by BCOM will trigger the beginning of design in October with groundbreaking targeted in February of next year and occupancy by year end. Also, they're working with others on campus to provide Genesis Center Space to establish water research lab supporting critical water research here at NMSU, led by Dr. Pei Xu. They are strengthening our relationship with the College of ACES to enhance entrepreneurship and economic development through their respective statewide programming and emphasis on economic and community development. They want to leverage their relative strengths, assets, resources, and talent with a special emphasis on rural community and economic development. Lastly, they have an upcoming Audit Committee meeting on October 2 and a Board meeting on October 10th. She thanked everyone and stood for questions.

Chairwoman Dina Chacón-Reitzel asked if there are any questions for Dr. Hansen. There were none. Chairwoman Dina Chacón-Reitzel thanked Dr. Hansen.

H. **Consent Items, Chairwoman Dina Chacón-Reitzel**

Chairwoman Dina Chacón-Reitzel entertained a motion on the Consent Agenda as presented.

Regent Devasthali moves to approve the Consent Agenda. Regent Romero seconds the motion. Chairwoman Dina Chacón-Reitzel asked Mr. Adam Cavotta to take the roll call vote. Mr. Adam Cavotta proceeded with the roll call vote:

Regent Romero – Yes

Regent Hicks – Yes

Regent Sanchez – Yes

Regent Devasthali – Yes

Regent Chacón-Reitzel – Yes

Mr. Adam Cavotta confirmed 5 votes in favor. Motion passed.

1. **Non I&G Budget Requests for FY22**, *Assistant Vice President Ricardo Rel*
2. **Temporary Investments Report for the Quarter ended 06/30/2020**, *Senior Vice President Andrew Burke*
3. **Las Cruces: Main Campus, I-25/University Avenue Interchange and Campus Entry**, *University Architect Heather Watenpaugh*
4. **Las Cruces: Agricultural Modernization and Educational Facilities**, *University Architect Heather Watenpaugh*
5. **Las Cruces: NMDA Building Renovation and Addition**, *University Architect Heather Watenpaugh*
6. **Right of Way Usage Agreement with NMDOT**, *Special Assistant to the President Scott Eschenbrenner*
7. **Amendment to the Bylaws of Aggie Development Inc.**, *Special Assistant to the President Scott Eschenbrenner*
8. **Amendment to 21.18.3 NMAC Commercial Feeds**, *Cabinet Secretary & Director Jeff Witte, Assistant Division Director Agricultural Production Services Katie Laney*

Chairwoman Dina Chacón-Reitzel entertained a motion to take a 10 minute break. Regent Hicks made a motion. Regent Sanchez seconded the motion. Chairwoman Dina Chacón-Reitzel asked if there were any objections. There were none. Chairwoman Dina Chacón-Reitzel announced they will break until 10:00am.

BREAK (10 MINUTES)

Chairwoman Dina Chacón-Reitzel asked Mr. Cavotta if everyone had returned. Mr. Cavotta confirmed that Regent Romero and Regent Devasthali were in the Board Room, Regent Hicks, Regent Sanchez, herself, Chancellor Arvizu, President Floros, General Counsel Collins, Provost Parker, and other university officials are online. Mr. Cavotta reported that she is ready to proceed when she would like to call the meeting back to order. Chairwoman Dina Chacón-Reitzel thanked Adam and called the meeting back to order.

I. Action Items, *Chairwoman Dina Chacón-Reitzel*

There were no action items. Chairwoman Dina Chacón-Reitzel proceeded with informational items.

J. Informational Items, *Chairwoman Dina Chacón-Reitzel*

1. Appointment of Labor Management Relations Board, *Chairwoman Dina Chacón-Reitzel*

Chairwoman Dina Chacón-Reitzel informed the board of the reappointment of the Labor of Management Relations Board members pursuant to the provisions to the New Mexico State University Labor Management Relations Resolution as amended March 14th, 2005. The following individuals were hereby appointed to serve on the NMSU Labor Management Relations Board commencing September 1st, 2020. Recommended by NMSU System Chancellor and appointed by the Chair of the Board of Regents Fermin Rubio and recommended by AFSCME Local 2393 President and appointed by the Chair of the Board of Regents, Larry

Patrick Martinez and jointly recommended by Martinez and Rubio and appointed by the Chair of Board of Regents, Peter Gregware. Chairwoman Dina Chacón-Reitzel thanked and congratulated them for their service to the university.

2. Summary of Revisions to the Administrative Rules and Procedures of NMSU (ARP) for the period April 21, 2020 through September 8, 2020, General Counsel Roy Collins, III

Chairwoman Dina Chacón-Reitzel asked General Counsel Collins if he would like to add any additional comments to the summary he had submitted. General Counsel Collins stated that he did not have any additional comments and that Lisa Warren could log in to provide any information if needed. Chairwoman Dina Chacón-Reitzel asked if there were any questions from the Board. There were no questions.

K. Report from the New Mexico Department of Agriculture to the Regents of New Mexico State University (Board of Agriculture), Cabinet Secretary & Director Jeff Witte

Cabinet Secretary and Director Jeff Witte stated that he submitted his report, then commended Chairwoman Dina Chacón-Reitzel and Adam Cavotta for how well the Zoom meeting is being done.

Cabinet Secretary and Director Jeff Witte recognized Mr. Steve Baca who was recently hired as Assistant Division Director and will be supervising the Pesticide Program. Steve comes to the position with many years of service to the New Mexico Department of Agriculture and will be a good asset to the administration team. Cabinet Secretary and Director Jeff Witte stated that they have been in the process of applying for grants, which are detailed in the report. A grant in the amount of \$100,000 from EPA and another grant in the amount of \$135,000 from USDA for the state market improvement project that they are working with farm table groups. The grants are good opportunities for building capacity, especially during this time of budget cuts.

Cabinet Secretary and Director Jeff Witte reported that they have submitted their plan to USDA to implement the USDA Farm Bill 2018 program. They are expecting approval within the next week or two. Cabinet Secretary and Director Jeff Witte states that hemp growers are receiving questions from bankers, USDA, and NRCS. This will clarify answers to those questions. Interstate Commerce issues will also take care of that. There is confusion between the 2014 and 2018 provisions of the Farm Bill. They have decided to move them forward.

Cabinet Secretary and Director Jeff Witte reported that there was a reduction in the amount of hemp grown in New Mexico. In their first year, they had 7500 acres, whereas the second year they had 2000 acres. This was expected because the market for hemp products was saturated across the country. There were around 5000,000 acres planted in the country. Cabinet Secretary and Director Jeff Witte stated that the National Hemp Group reported a couple of days ago that the country could have been supplied with about 250,000 acres. The production was double. Hemp will continue to be a good crop; however, it is not a 'getting rich quick' crop that everyone was hoping for.

Cabinet Secretary and Director Jeff Witte reported that there were around 4 million square feet of greenhouse growth licensed this year, which is comparable to what we had growing last year. He believes that it will stabilize around that. There will be several good opportunities in developing additional marketing programs. They will provide options for producers in that value-added arena around oil and fiber.

Cabinet Secretary and Director Jeff Witte reported that they continue to have a healthy soil program, which is

a very popular program in the state of New Mexico. They are in the process of receiving applications for grants this cycle and will be awarding those soon.

Cabinet Secretary and Director Jeff Witte reported that they have been active with several memorials, including the legislative memorials and one unclean and harvested produce project. During COVID, it came to bear that local is preferred, but market diversification is key. Only 6 % of their producers were direct marketing according to the census to the consumer. That left a lot of produce in limbo when the service industry, food service, restaurants and schools, goes dormant. They are looking at options for that.

Cabinet Secretary and Director Jeff Witte reported that they will have an Organic Advisory Committee meeting. They will be looking at some public and private partnerships to enhance their organic inspection program.

Cabinet Secretary and Director Jeff Witte reported that there are many virtual activities currently happening. The Battle of the Salsas is one of them. They are nearing selection of the final group. The 1st, 2nd, and 3rd place winners will be awarded on September 25th, 2020. They had a virtual Green Chile Recipe Contest. The winners are listed in the report. Additionally, they had virtual green chile roasting videos. Also, they are doing virtual inbound trade missions. They are not currently doing outbound. They are working with the Western United States Trade Association on these bounds.

Cabinet Secretary and Director Jeff Witte reported that they are still active with COVID related activities, such as the Emergency Support Functions Units Six and Eleven, Food and Agriculture Support Functions of the state Homeland Security Department and food procurement stories distribution. They are still monitoring the wildfires. He conducts weekly calls with the industry to keep everyone updated. After talking with the National Weather Service, they are expecting a drought and low water levels next year if La Nina takes hold like they expect it to. He stays in contact with the governor's office on the CSPs. There was an additional rollout yesterday with corn mazes and similar activities.

Cabinet Secretary and Director Jeff Witte opened the floor up for questions. Chairwoman Dina Chacón-Reitzel asked him to describe some of the healthy soil projects that they are working on. Cabinet Secretary and Director Jeff Witte stated that he they are instituting cover crops. They are looking at educational opportunities that are eligible for healthy soil projects and expanding the knowledge of what it is that protects our soil that enhances that for our future. They had \$1.1 million dollars' worth of applications for several hundred thousand dollars' worth of projects. They worked with USDA and RCS on some of those funds as well. He will put together a summary report and get it to Adam, who can share it with the Board.

Chairwoman Dina Chacón-Reitzel asked who applies for those resources and the funding is state resource. Cabinet Secretary and Director Jeff Witte answered that they have state funds that come through the legislature. They had NRCS USDA matched some of those funds. Individual producers can apply for those funds directly through their local soil and water conversation district. Tribes, pueblos, land grants and acacias are eligible. The process is that the producer applies through an eligible entity, then the eligible entity submits the application through NMDA.

Chairwoman Dina Chacón-Reitzel asked if there were any other questions. There were none.

L. Report from the NMSU System Chancellor to the Regents of New Mexico State University, *Chancellor Dan E. Arvizu*

Chancellor Arvizu reported that Vice Chancellor Ruth Johnston will give an update about return to campus and

President Flores will give further information about other topics.

Chancellor Arvizu reported that what has been dominating their attention is return to campus. The safety of students, faculty, and staff are their top priority. Additionally, to prepare being able continue manage the mission objective and academic progress in all phases of the land grant mission that demands, requires, and expects, which is to focus on student success and making decisions through the lens of a student. Recognizing that research and the efforts that will be involved are going through transition during these difficult times. Lastly, outreach, working with our communities, and to be a piece of the solution as everyone tries to get back to some sense of normal.

Chancellor Arvizu reported that he's been involved in several different workshops and various panels. The President's Science Advisor, Dr. Calvin Rogan Meyer has put together a workshop on clean energy and has invited captains of industry and stakeholders in transition. They participated in a couple of National Academy Workshops on transition to discuss what this means for research and critical infrastructures. A couple of themes are emerging, which are relevant to what NMSU is doing. Such as, the state support for higher education is going to continue to decline. That is happening across the nation. New Mexico gets some support from the state government. New Mexico is 2nd in the country, relative to the percent of the state budget invested in higher education. In normalizing that, based on how much of the wages earned in that state are allocated to Higher Education, only Wyoming beats New Mexico slightly. This means there continues to be a significant amount of state support. They are also seeing a decline in state support over time as it continues. Unfortunately, New Mexico depends greatly on the revenues coming from oil and gas. The pandemic precipitated that as an economic crisis. When the economy was limited, the context of that oil and gas decreased dramatically, as did the investments and revenues that had been generated from that. This is happening at a National level.

Chancellor Arvizu stated that the Strategic Plan that has been in the works for the last two years is more important than ever. It leads NMSU to 2025. It provides the needed direction. They've identified the key performance indicators and measures that keep them on track. They're trying to be very careful and respectful of what the strategy is and aligning their efforts according to that strategy. The President of Environment has modified the Strategic Plan in its pace, which has now been accelerated. They have more challenges than they thought they would have. Consequently, they must be innovative and creative in what they do.

Chancellor Arvizu reported that he has two titles that put him in the mix of those discussions at the state level. He is the Vice Chair of the Council of University Presidents and the Vice Chair of the Higher Education Departments Advisory Board. They have been meeting frequently. He had a meeting with the HED Advisory Board this week. They have had numerous meetings with the Cup Leadership, which is all seven comprehensive institutions in the state, including three research institutions. They are focused on return to campus and budget reductions. What is clear to him is that the incremental change from what has been done previously is not sufficient to meet the financial challenges that they're faced with. Meaning, in some cases, that they need to make additional investments in gaps for what will help achieve the strategy that is outlined in the Strategic Plan. When in cut mode, it's important to not make cuts that cut off your future benefits because of a short-term issue. They need to think more long term.

Chancellor Arvizu stated that they obviously have short term cash flow issues and a longer term systemic, which is how do they continue to maintain a sustainable enterprise focused on the strategic objectives of making sure that they follow the Strategic Plan. One being student success, which is highly important. This includes recruiting, enrollments, retention, and completion. Then following those, especially as our focus has been in being an exemplar in social mobility and recognizing that many of our students are economically and

otherwise culturally challenged. That's true for most of our students. That component is necessary, as well as seeking research and scholarship excellence as they move forward. They're not going to compromise on those but will do things a little different in that context. One of the things that they've done over the past few weeks and months is start looking at how to integrate the system more directly so that it provides synergy in ways that they've not been able to capture in the past.

Chancellor Arvizu announced that they decided a few weeks ago to change the governance structure of the three smaller campuses, given the extreme challenges that they're facing in the community colleges, the branch colleges, not just in New Mexico, but across the entire country. Something that they did not anticipate, relative to COVID, was that every time there is an economic recession typically, they see enrollment increase because students take on opportunities to go back to school and strengthen their skills. In this environment where they've got the pandemic, which was precipitating the financial crisis, the conditions are different. It's clear they're starting to learn what those conditions are. It's clear that traditional and non-traditional students have not been able to continue their education. They've seen a precipitous drop in the 2-year degree institutions, community colleges, and branches.

Chancellor Arvizu continued by stating that the key point is that in our three branches; Alamogordo, Carlsbad, and Grants, they have focused on how to be more supportive of those communities. They've had town hall meetings and met with community leaders. These communities are extremely stressed. The main thing that they need is economic development. They also need the university to provide an upscaling and necessary curriculum for people to go back to school so they can obtain better jobs in their communities. Many of those communities are suffering from job loss from extractive industries. Therein lies an opportunity with the work that Arrowhead is doing. They're expanding into not only our state, but in El Paso and Juarez. Arrowhead is doing a phenomenal job with putting together programs. It became natural for to marry those programs with the economic goals and direction of those communities. Each of these communities are very different. There are a different set of business case operational issues and a variety of other things that make the situation unique. Because of that, the approach that they have taken as an administration is that each campus takes care of their own activities. They have the broader framework of the Lead 2025 Strategic Plan, then they are tailored to each region. He's had several conversations with the LFC, members of the LFC, and legislators who are associated with those campuses and the broader topic of higher education. The governor has named Stephanie Rodriguez, who is the primary point person for COVID, as the Acting Secretary of Higher Education. Items that will be on the agenda for the Higher Education Advisory Board are return to campus, budget reduction, funding formula, dual credit, and elevating the value of higher education in a way that can be communicated to the broad constituents and residents in New Mexico to encourage them that seeking a credential or degree is an economically important investment to make. The statistics are clear. If you have some level of post-secondary education, you will get a reward for that over your lifetime.

Chancellor Arvizu went on to report that the other item that will be on the agenda is how the state will deal with broadband. Unless they have the technology and connectivity in the communities, they can't take advantage of those new technologies and approaches as part of the new and post COVID world. He loves the idea that Director Hansen has connected with the Dean of Aces, Ron Flores, and his team on everything that relates to extension and putting extension together with economic development outcome. It is a very popular concept and notion. It is one that the LSC would love to see made a more centered focus. Many other people he has briefed on those processes seem to be extremely receptive of them, so much so, to the point that they'd like them to bring in all other higher education institutions to ask how they are going to approach budget reductions in the October 20th meeting. They want to make sure that there is consistency across higher education.

Chancellor Arvizu reported that on October 18th, he will be presenting on what NMSU is doing and how that

relates to the broader issues that New Mexico's higher education strategy and approach. It will hopefully educate the legislature and higher education officials, so that they are able to understand how higher education fits into the economic development of the state, how higher education can help with workforce development bringing in new resources in a variety of other things. They've gotten some grants that are attracting and retaining underserved populations and how to reach those in the rural setting. There is research that they can collaborate significantly in Carlsbad with some of our partners in business, industry, and executive industry. They're looking at a variety of projects with tri-state as an EPRI, the electric producers Research Institute, in Grants. One of which being, how do you create jobs in a community that's had a huge displacement of economic development, relative to closing coal plants and opening of mobile renewable plants. They are also looking at vertical farming and ways they can address the energy, greenhouse gas, emissions, poverty and food security issues as it relates to underserved low-income populations. There are some technologies that they can start to deploy that will drive economic development and address some of the other societal and systemic infrastructure issues.

Chancellor Arvizu stated that they'll begin to put themselves in a positive financial track by attracting external resources, in this case, federal resources by partnering with industries for which they have domain expertise and critical infrastructure: energy, food, egg, water, and IT. Also, others that relate to a variety of their national security missions, space commercialization of space missions, health missions, and critical infrastructures. The federal government is going to spend a lot of money. This is true in a bipartisan way. They've heard from Administration and those involved in the election process looking for new and creative ideas. The Federal Government will be focused on helping us repatriate some of our critical industry supply chains, which refer to agriculture, energy, and health. They'll take advantage of PSL, NMSU's agriculture heritage, the role that NMDA's role, agriculture station, experiment stations, and space grant. Also, that they are Hispanic serving and otherwise an institution that focused on social mobility and being of extremely good value, in terms of costs for our many underserved students in the region. They have a strategy that hangs together through partnership with business and other players in technologies of choice such as energy, water, and food. Partnership is the key point, especially in the private sector and other research providers, in going after federal money in ways to attract private sector money to compliment the work and investments that the state provides us as well.

Chancellor Arvizu reported that enrollment has been a challenge this year. They were on a very different trajectory prior to the COVID pandemic. Now that they've gotten through returning to campus and census numbers are in, one thing is clear. As a system, NMSU has seen a decline. Not as big as some, but still a significant decline. Head count is 7% lower. Student credit hours is 5% lower, which means that students who are on campus are taking more classes. The number of students on campus is 0.5% lower, which is roughly 69 students. One of the key factors in terms of the drop in enrollment is the number of transfer students from community colleges. This explains most of the drop, which is 95 students. Our first-time freshmen student population is lower. The number of graduate students is higher. The number of student credit hours on the main campus is higher by 0.6%, meaning that revenue from enrollments is up this year relative to where they were last year. They were on a trajectory of about 30% increase, but that obviously created major challenges for all institutions in the state. They'll have those numbers in the next few weeks.

He turned it over to Vice Chancellor Johnston to provide an update on return to campus, then he will turn it over to President Floros to talk about where we are relative to the updates at the main campus. Then he will say a few final remarks before giving the floor back to Chairwoman Dina Chacón-Reitzel.

Vice Chancellor Johnston reported that they have put together a collage of pictures that were taken around campus. She spoke about return to campus through those pictures. In the middle picture is the President of ASNMSU. He is wearing a mask. Students have been good about modeling that and wearing masks. There is

a picture of a faculty member teaching while social distancing. In the upper corner there is a picture of workers giving out free supplies, which are paid for by the Cares Act, to departments and students. There is a picture of the band. They were some of the first to come back to campus. They do an amazing job. They fill us with Aggie Pride, especially in the afternoons around the horseshoe. In the upper left there is a picture of their lead scientists doing wastewater testing, which is a new technology that helps indicate the presence of the virus. We have put up tents for academics. They provide shade for teaching outdoors. It is better to be outdoors. In the lower right, there is a picture of some testing being done. Also, a picture of the Chancellor talking to students and faculty through acrylic barriers. They are doing everything that can be done to keep density down and to protect everyone. The partnering throughout the NMSU campus has been amazing.

Vice Chancellor Johnston announced that they have an Active Response Team that meets weekly. We talk about every aspect of what it means to prepare our campus. At this point, things are going very cautiously. We have no current positives on campus with residents, nor employees. We are doing testing every week. Aggie Health has been offering a-systematic testing. We can get results back fairly quickly. Athletes get tested every week in batches. Next week we are hoping to test ourselves.

Vice Chancellor went on to announce that there will be a Town Hall next week on Tuesday to talk about the research, apps, and wastewater so that the entire community can understand what they're trying to do to help protect the entire campus. She has been thoroughly impressed with the community. People are willing to engage and are volunteering. They want to help across every single aspect of facilities, dining and being outdoors. The community members have been a part of that as well. They've worked very closely with the town. Because they're trying to make sure that everybody stays safe. They have had little problems here and there. People are willing to let them know when they don't like something that's happening. They immediately address that through an email that is triaged. Every week they send out a newsletter that gives updates, as well as updating the ready report and plan so that people can know exactly what's changing at any given time. They are beginning to plan for Spring Semester. They are engaging new people in planning for that because they know they're going to have different challenges. The weather won't be quite as nice to be outside. It could be a little bit colder. They could have more flu cases. They need to anticipate in different ways. Las Cruces and NMSU are doing an amazing job. They are always vigilant. They have a group that meets every Wednesday to review the latest of the science and what's happening. At any given point, just like many universities around the United States, they must be ready to pivot. It's great leadership, students, faculty and staff as we go through this very challenging time. Because of the Strategic Plan, they're able to do things that they probably wouldn't have been able to do. It's catapulted them into having to do things differently.

Dr. Johnston gave President Floros the floor. He stated that they have done a tremendous job responding and planning ahead in terms of COVID-19. They put a lot of effort into keeping the faculty, staff and students safe; as well as helping students get through this very strange time and continue their academic progress. He gave kudos to faculty and their leaders, staff and their leaders, and NMSU students. He asked the police chief and his officers to take some unofficial numbers on compliance. Up until Labor Day, NMSU had over 99% compliance on wearing masks and social distancing. After Labor Day, that number dropped to the low to mid 90s range. They are making an additional effort to get back to 99%. There have been no incidents on campus in the last three weeks.

President Floros announced that because of the issues with COVID-19, they are amid deciding what to do after Thanksgiving. Options include, do they close the university after Thanksgiving and let everyone go home to continue online, or do they continue to bring students back and continue as is. They sent out a survey to everyone in the university late yesterday and within a few minutes they had complaints from many people stating that they couldn't get through or they couldn't vote. The reason was because they had gotten so many

responses that the system basically had to shut people off. Within about an hour they had more than 1000 people vote. By almost midday they had more than 3000 people that had voted. They don't have the results yet. They're going to look at them next week. It's important for us to get feedback and listen to the voices of the faculty, staff and students. He gave kudos to the leadership and the faculty, leaders in our boy council, leaders in terms of students and student association.

President Floros reported that they hold own Hall meetings every second week. There is much that they communicate through Town Hall meetings as there are many questions taken from people. People have pleaded that they do not stop having Town Hall meetings. It is a great form of communication between them, as leadership and administration, the people within the university, and beyond the university. They have significantly shifted Town Hall meetings. They are now using data and data related issues to educate the university and include responses from faculty, staff and students as part of data related activities. They began that with a budget related Town Hall a month ago and continued Town Hall meetings thereafter. At the end of August, they held another one that addressed student success and how that relates to the data. Next week the Chancellor is facilitating a COVID testing related Town Hall meeting. The Town Halls serve as a good method of communication, educating, and drawing upon their responses. They're working closely with the Employee Council and students to get people more closely involved in decision making. For example, the Chair of Faculty Senate speak regarding changing the faculty structure. They're trying to include Faculty Senate in major decisions; however, sometimes they must move quickly, and they can't wait. At times Faculty Senate won't meet for a month to three months. They're going to adjust their structure to where they have designated people who can work with it in a direct manner. They are doing similar things in Employee Council. They want to have a more cohesive way of communicating up and down.

President Floros continued to report that they collected data last year and have analyzed it. He presented a few examples. First, they now have the capability to do student related analysis with their data, which is called Navigate. It will collect information and analyze in ways they couldn't before. Data from ABC Insights is related to administrative efficiencies. They are looking at different data that pertains to administrative units and how they compare to others. Data from Grey Associates, which pertain to our academic program, analyzes how the academic programs perform internally and externally. There are large amounts of data that they have been collecting for many years from a Delaware study, of which they are a part of. The data is being used to break the Strategic Plan down to specific items and metrics, then move those metrics forward with the help of our employees, students, and many people that carry out those activities. Everything that is done is informed and comes back to data. There is much anxiety among people because sometimes data doesn't always tell you what you want it to. Many people don't understand what the data means. This is a change in culture in that data has never been used nor communicated this extensively before. It's difficult to change that culture. Some people are beginning to understand what this means for the university and are embracing it. They are working hard to turn the university around. When the NMSU history is shown over the last 10 to 12 years, they have lost students, resources, tuition money, research related issues and dollars, and economic development activity. Much was lost that should not have been lost. Now they are turning things around. They have not had a drop in terms of students. There is no major university in the state that did not drop significantly. UNM dropped 3%. Other universities dropped by 7% or more than 10%. Considering the pandemic, budget issues that the state has handed us, as well as the fear and anxiety that they've had to deal with, the university has responded extremely well. It's primarily because of the students, staff, and faculty exhibiting their leadership and support on several occasions.

President Floros reported that they have been talking about equity, diversity, and inclusion. They have begun a search for the next Vice President for Equity, Diversity, and Inclusion. They have gotten input from faculty, staff, and students. Their goal is to have a set of finalists by the end of the year, then hopefully conduct the interviews in person on campus early next year.

Finally, President Floros reported on the budget. He has requested three different scenarios for budget cuts in all units, including academic and non-academic, from people with budgetary responsibility. One plan would show a 6% budget cut, another would show 9%, and the third would show 12%. They have received almost all plans. The deadline to receive them is September 15th. The 6% is a fairly painless way to cut a unit budget. Most units can cut some parts of their budget without a huge pain. The 12% plan is on the other end of the extreme. It will be very painless for most units. It will be very drastic and could take six months to a year or longer to achieve. Enrollment numbers are better than was anticipated. Now that they have the plans, they will put together a Strategic Budget Realignment Initiative as an umbrella initiative. They have a small coordinating group to agile and can meet often. The group will work closely with the Budget Committee, Faculty Advisory Group, Employee Council, Strategic Planning, and several law groups. They will coordinate those meetings and communication. They will review the plans that will begin moving major accomplishments forward. They will come to us with suggestions and recommendations on the budget. They hope that by the end of the year that we will have decisions made and actions pertaining to the budget beginning to move.

Chancellor Arvizu stated that because of uncertain and unprecedented times all institutions are looking at their local conditions in both short and long term to develop a strategy on how to move forward. This is what leadership is about. To focus on what is the best way to provide a long-term sustainable future and to do it in a way that will allow us to grow, flourish, and be a catalyst for change and economic development in New Mexico. Also, to demonstrate that under extremely challenging conditions. They can still make progress that the residents of New Mexico can be proud of. The investment that the state has made in this institution and is ultimately a part of the solution. It happens because of the commitment and competent, dedicated, and passionate individuals doing their craft to the best of their ability. Anytime you make change there will be disruptions. There will in fact be people who will not agree with what is being developed and promoted. When the regions appointed me and John in this relationship to support the change at this institution, they had one thing in mind. They cannot continue to do the same things that they've always done and have a different outcome. They are trying to demonstrate that in this new model that they were pioneering that they are going to offer the opportunity demonstrate that by making this investment. To move in this direction with this model there will be a better outcome in the future. He is confident that we will be able to demonstrate that. He is proud to be part of the executive team. He is proud of the leadership and what they are doing. He is also proud of the responsiveness of the students, faculty, and staff approach that will serve us well for the long term. Gave floor back to Madam Chair.

M. Announcements and Comments, *Chairwoman Dina Chacón-Reitzel*

Chairwoman Dina Chacón-Reitzel commended everyone for their hard work and outreach. The mission of the Land Grant is academics, research, and extension. The economic development work that they're doing at the community emphasizes the importance of that extension role. She's pleased that extension, which has always had a responsibility and has done well with economic development over time, will have a partnership with Arrowhead. She's glad that the Ag Enterprise and The College of Aces are working with Arrowhead because she thinks that if at any point in our history that we need to step it up with our state and local communities, it's now. Our status needs that kind of leadership, education, information, and economic development. She commends everyone for that. She thanks President Floros for his presentation, in particularly the power of data. The university is doing well in mining that data. They're not able to address or change what they don't know. Data helps us determine that. She thanked President Floros for speaking on that.

Madam Chair commended Dr. Johnston on including wastewater testing in our testing protocol on campus. There are very few universities in the country doing this. There are some advantages that she would like Vice Chancellor Johnston to address regarding the purpose of wastewater testing and what they are able to determine from said testing.

Vice Chancellor Johnston asked that Chancellor Arvizu answer the question. Chancellor Arvizu invited Chairwoman and members of the Board to watch the more detailed discussion about testing next Tuesday in the Town Hall meeting. There have been several universities, University of Arizona being one of them, that were the first to demonstrate that wastewater testing is a great surveillance instrument to identify active COVID in the community. They were able to demonstrate that by doing that, they can interrogate a dorm or wherever they've tested to ensure that they get a full understanding of where that positive is occurring. Wastewater tests are very sensitive. There is a significant amount of viral loading in fecal matter. It is not a new technique for COVID and has been used for other infectious diseases. It's been tailored to identify COVID through PCR testing. With the governor's help we just got Thermo Fisher System which allows them to make those kinds of measurements. The Thermo Fisher System is going to be employed for that purpose on our campus. It is a sensitive test. It will not determine who or how many, but even if there is one positive in a dormitory or unit, it will detect it. It will be used as a surveillance mechanism. They have been approached by the governor's office and local city officials. He reported that he has also talked to the mayor. They will have a conversation with the city manager as well regarding how they might support some of their surveillance activities in places, such as daycare centers. When the schools re-open they will try to sponsor and support them in the interrogation process in possibly elementary schools. They've postponed face to face classes in the school system. They are very active in investigating this surveillance tool. It seems to be very promising and they'll have more details when we talk about this next Tuesday.

Regent Hicks reported that there has been an issue with broadband over the last three weeks. There have been several webinars hosted by Dallas Fed discussing about the status of New Mexico and that actual cost per mile, among other things. She would like to have a sideline conversation with the Chancellor about what NMSU is doing, unless the rest of the Board of Regents is interested in that as well. She would like to go more in depth. It is something that the Higher Education Regions Coalitions is looking at as well.

Chancellor Arvizu responded by stating that it is a topic that he has heard in many conversations, such as with Lieutenant Governor Howie Morales, the Majority Leader Senator Worth, the LFC Chair Patricia Lundstrom. In those conversations and with many others, such as with the DFA and the executive, everyone is talking about broadband. New Mexico is challenged in broadband and is probably one of the least mature in this country. It is a big investment. It is a priority in terms of legislative agenda items. He's not sure if there are many creative ideas coming forth yet. It is foremost on everyone's mind. They'll give you a briefing of what NMSU is doing and what they could potentially contribute as this topic unfolds. It will be a major component in the next legislative session and early next year.

1. "Gun's Up" – Good News for NMSU!

Madam Chair asked for an update on "Guns Up" - Good News for NMSU from Regent Romero.

Regent Romero gave a "Guns Up" to some faculty and staff. They have been here every day since the pandemic started without waiver. They ensure that this campus in this community is safe and secure, day in and day out. He recognizes the Food Service Personnel who are here every day making sure that our students have a safe meal and that they are fed every single day. Even though there is a pandemic, they are here every

day to make sure that they are doing what they need to do to ensure that our students are ready to learn. He also gives a shout out to faculty around facilities and custodial staff. They are ensuring that our campus is safe, secure, and sanitized and in good working order every day. He thanks all the facilities and custodial staff. Lastly, he gave a shout out to their technology personnel. They are the ones keeping the lifeblood moving on the campus so that learning can continue in every class. Guns up to everyone.

Regent Hicks gave a Guns Up to the Board of Regents and to Adam. Adam has done a remarkable job in bringing himself up to speed with Zoom and making sure our Board of Regents meetings and calls go off without any glitches. She also gave a shout out to the Board for embracing technology and making sure that we have collaborative and appropriate meetings.

Regent Sanchez gave a Guns Up to everyone at NMSU during challenging times. He gave a special shout out to professors who are doing hybrid classes. As a student taking online classes that's discussion based and engaging, professors are going out of their way to accommodate students both in the online setting and face to face setting to provide the best education possible. Another shout out to Aggies Without Limits. They have done relief work in the community despite the COVID pandemic. They model what Aggie student leaders are and what they do for the community. They are starting a construction project this weekend on a bridge in Alamogordo for the community. They are putting their knowledge skills and knowledge from the classroom to use, as well as doing community work. They show what student leaders are and working in the community, despite the pandemic.

Regent Devasthali gave a Guns Up as well. She gave a Guns Up to the administrative leaders, especially to Provost Parker. She also gave a Guns Up to VPR for the work they have done in putting together a search committee for the Vice President of Equity, Inclusion, and Diversity. She was impressed with the team that they put together, the process, and the transparency.

Madam Chair gave a Guns Up to the Albuquerque NMSU Learning Center that is located on CNM Campus. She thanked them for allowing her to use the location to conduct meetings.

President Floros gave a Guns Up to the faculty. They have put much effort into teaching, as well as the work that they have put in to transform classes into hybrid or completely online. He also gave kudos to faculty who have put much effort into creative activities and research. They received updated numbers that there will be an increase in grants and contracts due to this effort. It is a tremendous accomplishment during a year with a lot going on.

N. Upcoming Board of Regents Meetings, Chairwoman Dina Chacón-Reitzel

Chairwoman Chacón-Reitzel announced the next regular Board Meeting will be on December 2nd, 2020. It will be determined if the meeting will be in person or online. If additional meetings are necessary, they will be scheduled.

1. Proposed Dates:

- **December 2, 2020** – Board of Regents Regular Meeting

O. Adjournment, Chairwoman Dina Chacón-Reitzel

Regent Sanchez moved to adjourn with a second by Regent Hicks. The meeting was adjourned at 11:17 AM.



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # B-2

- Action Item
- Consent Item
- Informational Item

Presented By: Luke Sanchez
Secretary/Treasurer
Board of Regents

Agenda Item: Special Meeting Minutes of November 2, 2020

Requested Action of the Board of Regents: Approval of Special Meeting Minutes of November 2, 2020

Executive Summary:

As required by the New Mexico Open Meetings Act, the board shall keep written minutes of all its meetings. The minutes shall include at a minimum the date, time and place of the meeting, the names of members in attendance and those absent, the substance of the proposals considered and a record of any decisions and votes taken that show how each member voted. All minutes are open to public inspection. Draft minutes shall be prepared within ten working days after the meeting and shall be approved, amended or disapproved at the next meeting where a quorum is present. Minutes shall not become official until approved by the board.

References:

NM Open Meetings Act §10-15-1 G.

Prior Approvals:

N/A



NEW MEXICO STATE UNIVERSITY BOARD OF REGENTS SPECIAL MEETING

November 2, 2020 at 3:00pm

The New Mexico State University Board of Regents will hold a special meeting at 3:00pm on Monday, November 2, 2020. Due to the public health emergency issued by the Governor, the meeting will take place online via Zoom at <https://nmsu.zoom.us/j/97114610633>.

Regents of New Mexico State University

Chair Dina Chacón-Reitzel, Vice Chair Ammu Devasthali, Secretary/Treasurer Luke Sanchez, Debra Hicks, Arsenio Romero

University Officials - Chancellor Dan E. Arvizu, Ph.D., Vice Chancellor Ruth A. Johnston

DRAFT MINUTES *NOT OFFICIAL – SUBJECT TO APPROVAL BY THE BOARD OF REGENTS*****

MINUTES

A. Call to Order, Chairwoman Dina Chacón-Reitzel

Chairwoman Chacón-Reitzel called the meeting to order at 3:00pm.

1. Confirmation of Quorum and Roll Call

Chairwoman Chacón-Reitzel asked Mr. Adam Cavotta to take the roll call.

Regent Romero – Present
Regent Hicks – Present
Regent Sanchez – Present
Regent Devasthali – Present
Regent Chacón-Reitzel – Present
Chancellor Arvizu – Present
Vice Chancellor Johnston – Present
Quorum confirmed.

2. Confirmation of Prior Closed Executive Session, November 2, 2020

Chairwoman Chacón-Reitzel asked Mr. Cavotta to proceed with the confirmation of the prior Executive Session.

Mr. Cavotta reported that the Board of Regents met in a closed executive session at 8:00 AM on Monday, November 2, 2020 which was held virtually via Zoom. The closed executive session meeting was held to discussion the annual evaluation for Chancellor Arvizu as permitted under the personnel matters exemption the New Mexico Open Meetings Act, NMSA Section 10-15-1, subsection (H)(2).

Board members certified that only matters of that nature were discussed by roll call vote.

Regent Romero – Yes
Regent Hicks – Yes
Regent Sanchez – Yes
Regent Devasthali – Yes
Regent Chacón-Reitzel – Yes

B. Consent Items, Chairwoman Dina Chacón-Reitzel

1. Corona Ranch –Request for Sale of Minerals used for Wind Project, Special Assistant to the President, Scott Eschenbrenner

Chairwoman Chacón-Reitzel reported that next on the agenda is the item on our Consent Agenda that was recently heard and recommend for approval by the Regents Real Estate Committee on Thursday, October 29. She entertained a motion on the consent agenda as presented.

Regent Hicks made a motion to remove that from Consent to allow for discussion. Chairwoman Chacón-Reitzel entertained a second. Regent Devasthali seconded the motion. Chairwoman Chacón-Reitzel asked Mr. Cavotta to proceed with the roll call vote. Mr. Cavotta proceeded.

Regent Romero – Yes
Regent Hicks – Yes
Regent Sanchez – Yes
Regent Devasthali – Yes
Regent Chacón-Reitzel – Yes
Mr. Cavotta confirmed 5 votes in favor. The motion passed.

C. Action Items, Chairwoman Dina Chacón-Reitzel

1. Corona Ranch –Request for Sale of Minerals used for Wind Project, Special Assistant to the President, Scott Eschenbrenner

Chairwoman Chacón-Reitzel gave the floor to Regent Hicks if she had any questions. Regent Hicks stated that most of her questions were answered prior to seeing the lease itself and that was to make sure that we were being paid the equity price for a mineral lease and that the specific issues related to the pit. She thanked General Counsel Collins, Assistant General Counsel Field, for taking care of this that when a pit is closed oftentimes contractors that are mining the Caliche don't actually close it in accordance with the Bureau of Land Management (BLM) or the NM State Land Office procedures and those have been covered in the lease. Regent Hicks noted that in the agenda, it stated, 'in support of the sale' and she requested

clarification that it is a lease, not a sale. With that clarification noted, Regent Hicks moved to approve the item.

Chairwoman Chacón-Reitzel asked if anyone had any other questions. There were none. Chairwoman Chacón-Reitzel entertained a second motion. Regent Romero seconded. Chairwoman Chacón-Reitzel asked Mr. Cavotta to take the roll call vote. Mr. Cavotta proceeded.

Regent Romero – Yes

Regent Hicks – Yes

Regent Sanchez – Yes

Regent Devasthali – Yes

Regent Chacón-Reitzel – Yes

Mr. Cavotta confirmed 5 votes in favor. The motion passed.

C. **Adjournment**, *Chairwoman Dina Chacón-Reitzel*

Chairwoman Chacón-Reitzel entertained a motion to adjourn. Regent Hicks made a motion. Regent Romero seconded the motion.

Chairwoman Chacón-Reitzel adjourned the meeting at 3:08pm.



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # B-3

- Action Item
- Consent Item
- Informational Item

Presented By: Luke Sanchez
Secretary/Treasurer
Board of Regents

Agenda Item: Work Session Minutes of November 2, 2020

Requested Action of the Board of Regents: Approval of Work Session Minutes of November 2, 2020

Executive Summary:

As required by the New Mexico Open Meetings Act, the board shall keep written minutes of all its meetings. The minutes shall include at a minimum the date, time and place of the meeting, the names of members in attendance and those absent, the substance of the proposals considered and a record of any decisions and votes taken that show how each member voted. All minutes are open to public inspection. Draft minutes shall be prepared within ten working days after the meeting and shall be approved, amended or disapproved at the next meeting where a quorum is present. Minutes shall not become official until approved by the board.

References:

NM Open Meetings Act §10-15-1 G.

Prior Approvals:

N/A



**NEW MEXICO STATE UNIVERSITY
BOARD OF REGENTS WORK SESSION
November 2, 2020 1:00pm**

Due to the public health emergency issued by the Governor, the meeting will take place online via Zoom at <https://nmsu.zoom.us/j/97114610633>

DRAFT MINUTES *NOT OFFICIAL – SUBJECT TO APPROVAL BY THE BOARD OF REGENTS*****

MINUTES

1. Call to Order, Chairwoman Dina Chacón-Reitzel

Chairwoman Chacón-Reitzel called the meeting to order at 1:04pm.

2. Introductions, Regents' Chief of Staff Adam Cavotta

Mr. Cavotta introduced Ms. Spri Aubrey, Executive Assistant.

Vice Chancellor Ruth Johnston introduced Ms. Libby Washburn, J.D., Senior Academic Administrator.

3. Discussion of Board of Regents Office Operations,

a. Presentation of rule change approach (ARP) and rule discussion, Vice Chancellor Ruth Johnston

Vice Chancellor Johnston reported that the process of reviewing the ARP policies for updates has begun. She stated that Ms. Washburn and Ms. Aubrey have been working together on the first steps of said process, in particular the process by which updates are made. Vice Chancellor Johnston is pleased with the progress so far.

b. Presentation of policy change approach (RPM) and policy discussion, Regents' Chief of Staff Adam Cavotta

Mr. Cavotta stated that he is presenting revisions to the following policies: RPM 1.30 Delegation of Authority, RPM 1.35 Board of Regents Role in Appointment of Executive Administration, RPM 1.36 Role of University Counsel, RPM 2.30 University Boards, RPM 2.40 University Administrative Council, RPM 2.50 Affiliated Legal Entities, and Appendix RPM 1.02-A Bylaws of the Regents of New Mexico State University.

Chairwoman Chacón-Reitzel entertained questions. Regent Hicks made a statement that in RPM 1.30 Delegation of Authority in paragraphs B and C it only reads as "board" and she asked

for further clarification. Mr. Cavotta stated that there is some inconsistency in the policy manual about the way that the Board of Regents is referenced and some proposed revisions that would come forward would include changes to ensure consistency.

c. **Regents' Governance Committee and presentation highlighting proposed changes to BOR Bylaws and charters, Regents' Chief of Staff Adam Cavotta**

Mr. Cavotta presented the revisions for the NMSU Board of Regents Governance Committee Proposal. Mr. Cavotta suggested that he meet with each of the Regents individually to provide a more comprehensive overview of all the recommended revisions.

4. **Adjournment, Chairwoman Dina Chacón-Reitzel**

Chairwoman Chacón-Reitzel adjourned the meeting at approximately 2:00pm.

DRAFT



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # B-4

- Action Item
- Consent Item
- Informational Item

Presented By: Luke Sanchez
Secretary/Treasurer
Board of Regents

Agenda Item: Special Meeting Minutes of November 10, 2020

Requested Action of the Board of Regents: Approval of Special Meeting Minutes of November 10, 2020

Executive Summary:

As required by the New Mexico Open Meetings Act, the board shall keep written minutes of all its meetings. The minutes shall include at a minimum the date, time and place of the meeting, the names of members in attendance and those absent, the substance of the proposals considered and a record of any decisions and votes taken that show how each member voted. All minutes are open to public inspection. Draft minutes shall be prepared within ten working days after the meeting and shall be approved, amended or disapproved at the next meeting where a quorum is present. Minutes shall not become official until approved by the board.

References:

NM Open Meetings Act §10-15-1 G.

Prior Approvals:

N/A



**NEW MEXICO STATE UNIVERSITY BOARD OF REGENTS
SPECIAL MEETING MINUTES
November 10, 2020 at 1:00pm**

Due to the public health emergency issued by the Governor, the meeting will take place online at <http://panopto.nmsu.edu/bor>

DRAFT MINUTES *NOT OFFICIAL – SUBJECT TO APPROVAL BY THE BOARD OF REGENTS*****

MINUTES

A. Call to Order, Chairwoman Dina Chacón-Reitzel

Chairwoman Dina Chacón-Reitzel called the meeting to order at 1:01pm.

1. Confirmation of Quorum and Roll Call, Chairwoman Dina Chacón-Reitzel

Chairwoman Dina Chacón-Reitzel asked Mr. Cavotta to confirm the quorum and take the roll call.

Mr. Cavotta proceeded with the quorum confirmation and roll call.

- Regent Romero – Present
- Regent Hicks – Present
- Regent Sanchez – Present
- Regent Devasthali – Present
- Regent Chacón-Reitzel - Present
- Chancellor Arvizu – Present
- President Floros – Present
- Vice Chancellor Johnston – Present
- General Counsel Collins – Present
- Senior Vice President Burke – Present

B. Action Items

1. NMSU Athletics - Preparing to compete in the WAC, Chancellor Dan E. Arvizu

Chairwoman Dina Chacón-Reitzel gave the floor to Chancellor Arvizu for his presentation and introductions.

Chancellor Arvizu thanked Chairwoman Dina Chacón-Reitzel and members of the board. He started by acknowledging that everyone is living in unprecedented times. Multiple crisis, a relentless pandemic that continues to rage around everyone and for those in the community that are most vulnerable, its life threatening. Death rates increase. The resulting sadness has touched many of us, personally. Everyone has learned in the last nine months that COVID safe practices work and work best if people

follow them. The community spread that's going on across New Mexico and elsewhere is in part due to people not following the known safe practices. Everyone at NMSU is focused on ensuring that everyone on campus follow these practices, wearing masks, social distancing, and practicing proper hygiene. They have a variety of technology tools such as more testing, better therapeutics, more robust contact tracing protocols, which are much better than what they had in March. They may even see vaccines come their way, perhaps widely available, over the course of months to come, maybe early next year. They have hope that there are some solutions that are on the way. They care about their students, faculty, and staff. They're following the science and best practices. What everyone will be hearing today from our experts and health care professionals are the voices that they listened to and help guide their thinking and give the status of where they are on their campus today. They're here to talk about athletics. They consider athletics a core function of the university and would like to preserve the option to potentially compete in athletic competition. Of course, this decision will be dependent on local and external conditions. Clearly, they want to understand guidance from the NCAA and from the Western Athletic Conference and other of their authorities, which include their own state and local authorities. They're looking to find a way to engage in competition in the future in a safe way for our student athletes, athletic staff, coaches, fans, and supporters. Today they're assembled a set of representatives of the key voices that help inform this discussion. At the end of their presentations, they are seeking guidance on the creative and safest approach. They advocated to preserve the option to engage in competition, starting with basketball. This is in preparation for competition in the event that teacher conditions and circumstances will allow it to be done safely. With that as an opening context setter and moving forward with presenters, he gave the floor to President Floros.

President Floros thanked Chairwoman Dina Chacón-Reitzel and Chancellor Arvizu. He began by saying that when the university switched to an online education platform in March their first and foremost concern was the safety of our faculty, staff, and students. They transformed more than 4000 classes into the online platform within a week or two and have been improving since then. They have kept the university open throughout that time. They have learned a lot from experts and all the literature that is out there. Presently, they are doing a good job to protect faculty, staff, and students and create a safer environment within their campuses. There has not been a documented case of transmission within their classrooms and within most of their activities. There have been a few that have occurred through people living together or eating together. For the most part, they have acted as a good bubble where any transmission that comes in from the outside, they have ways to stop it because they increase testing and tracing, as well as they have places to isolate and quarantine people. They have acted as an agent to reduce transmission and provide a safer environment for all the people within the NMSU community. What everyone is talking about today is not just the health of faculty, staff, and students, but the mental health. Student athletes are a big part of who they are as NMSU Aggies. Everyone wants to help them succeed in their academic pursuit, professional pursuit, and athletic pursuit. They are creating a bubble around them. They believe in their experts who tell them it works. It's not 100% obviously and they can change the path at any given time if the situation gets worse or changes. It is a valid way forward at this point. NMSU and UNM are the only two universities that are not allowed to practice in terms of basketball and some other athletic competitions. He asked that the board consider the situation as it stands today. They do not want to go against the health order and what the state wants them to do. However, they believe, based on science, expertise and what has been seen so far that this is something that will be good for athletes, coaching staff, students, the university, alumni, donors, and friends. President Floros gave the floor to Athletic Director, Mario Moccia, who will introduce some of the guests here today.

Athletic Director Mario Moccia thanked Chairwoman Dina Chacón-Reitzel, President Floros, and

members of the board. He was appreciative to some members of the men's and women's basketball team, as well as the men's basketball coach, Coach Jans, who were in attendance. As of today, 355 of 357 Division I schools can practice Division I basketball. Only at NMSU and UNM are prohibited. He continued by laying out pertinent information and potential options for men's and women's basketball teams and take any questions. Testing results in the sport of men's and women's basketball have been exceptional. Since the NCAA began mandating test period began on August 23rd, the women's basketball team has zero positives out of 171 tests for a positivity rate of 0.0. The men's team recorded two positives out of 200 tests for a 1.0 positivity rate. Only one of those two was a student athlete. This is significantly lower than the county and the state. They have been working with Tri-core on testing. They now receive results in 24 hours instead of 72 – 96 hours with the Department of Health. They appreciate all that they have done for them. They are working with Lori McKee, the Director of the Student Health Center on contact tracing when the need arises. The NCA mandates one PCR or antigen test per week. However, they've been administering three PCR tests per week, which is the stricter of the two. In addition to these enhancing testing protocols, they continue to take all players temperatures each day and ask them a series of COVID related questions. Both men's and women's teams have been moved into, what he refers to as a bubble concept on campus, which was suggested by the state. To his knowledge they are the only team in the country who has done this. This entails all players in campus dorms one per unit, all classes moved to online, all meals delivered to their rooms, installation of a geo fence app on their phones to track players movements on campus, and the signing of a behavior pledge. Outside of basketball practices, members of the staff limit their contact to immediate family only. He reminds the board that the original plan was reviewed by Dr. Kathy Hanley, who is present today and has been a great sounding board for him. Also present, their region's professor and virologist and the former Director of the Department of Health for the state of New Mexico, Dr. Michael Landon. With that in place, they feel confident that they can safely have practice for the men's and women's team at the Pan American Center. With that being said, the next question becomes what to do when the season begins. There is 15 days until the beginning of the basketball season for both men and women's teams. They begin on November 25th.

In his opinion, they have three options and will list them as Options A, B, and C. Option C has two parts. Option A is simply to follow the plan and protocols that were approved in the Pan American Center. Option B is to follow the plans and protocols that were approved and if there is not an ability to compete in the Pan American Center, to instead compete outside the state. This plan requires us to test when returning to New Mexico, but does not require a quarantine, since we are already isolating in the bubble. He labeled this as the New Mexico United Example, that's the professional soccer team in Albuquerque. They played all matches outside of the state of New Mexico, but were allowed to practice when they returned to Albuquerque. He strictly believes that their bubble and testing protocols exceed what they had done. Option C has two parts, which is to close the bubble and do one of two things. Commute to El Paso to practice, potentially have games, and quarantine each evening after returning to Las Cruces. All games would be out of state. The second part of Option C is to completely re-locate out of the state for practice and competition totally until they are unable to return. He would label that UNM Football Example. They moved their operations to Las Vegas Nevada. They are playing home games in Nevada and away games on the road. They are not returning to the state. The mental health of student athletes is of tremendous concern. Senator Mark Morris sponsored a Pre-COVID Bill to assessed in this manner for NMSU and New Mexico, which is now needed more than ever. After speaking with various medical experts, he believes that Option A would be the best for the mental and physical well-being of their student athletes. In closing, he has confidence that this plan, as well as their student athletes' ability to carry it out.

Chairwoman Dina Chacón-Reitzel asked Athletic Director Mario Moccia to continue with the next

speaker. He introduced the next speaker, Jeff Hurd who is the Commissioner Western Athletic Conference. He has been the Commissioner of the WAC for over seven years. He is the Chair of the NCAA's Playing Rule Oversight Panel. He is a member of the Division I Competition Oversight Committee. He is the Chair of the Collegiate Commissioner's Association. That is made up of 22 conferences, which is every conference minus the football subdivision conferences. He gave the floor to Western Athletic Conference Commissioner Jeff Herd.

Western Athletic Conference Commissioner Jeff Hurd thanked Chairwoman Dina Chacón-Reitzel and members of the Board. He stated that his primary purpose is to provide background on WAC and NCAA initiatives that have been in effect since late last spring and early summer in order to make practice and competition as feasible as possible in a safe environment. Last May and June, they did not know what it would be like in October and November, but they knew that they would have to be proactive as they moved forward. They recognized the need to develop a plan to address both known and projected issues, relative to COVID-19, as they moved forward for practice and competition in all sports. The first step that they did last May was develop a Medical Advisory Committee within the conference that's comprised of physicians and training staff from all nine WAC members, which is chaired by Dr. Kareem Shaarawy from Grand Canyon University and the Director of Sports Medicine, Sarah Pfau, from Seattle University. Also, an Advisory Committee is led by Dr. Brian Hainline, Chief Medical Officer at NCAA Sport Science Institute. The Advisory Committee is comprised of individuals throughout the country, numerous national groups, including the National Medical Association. In late May WAC began meeting on a weekly basis to discuss what was going on at that time and what to anticipate moving forward. Dr. Shaarawy and Ms. Pfau are chairs of that committee in conjunction with the NCAA Sport Science Institute. The committee has developed testing protocol standards for competition and comfort sports. It's a very fluid situation and has been from the beginning. Those standards that have been developed are subject to continuous review. They can be and will be adjusted for the Sport Science Institute recommendations as they move forward. From the NCAA standpoint, SSI and the committees led by Dr. Hainline have developed multiple documents with continual updates. One of those is Core Principles for Re-socialization of Collegiate Basketball. It dictates standards for the preseason, which in their definition for basketball was October 14th through November 24th, meaning the early date was when the practice could start, and the late date was the day before competition began. It developed criteria protocols for including practice, with or without scrimmages, with or without outside competition. It also developed standards for regular season play and post season play. It established another document for the guidance and recommendations for game day operations, which includes protocol for every aspect of conducting competition. This includes, not only with players coaches, but all the ancillary individuals who are involved: scorer's table, ushers in the arena, and anyone else who works a basketball game and perhaps areas that aren't known to most fans. This document came out a couple of weeks ago and is updated on a regular basis. The most recent document is on guidance and the testing of game officials. Game officials are an integral part of the game. Most of them work four or five days a week and for three, four, or five different conferences during the week. Establishing a testing protocol for them is critical as they move forward. This was a big charge for the NCAA's SSI. They established an FAQ document that addresses most questions that have been brought up during the last few months. This document is updated as questions continue to arise as they head into the start of the season. Dr. Hainline provides weekly updates to the Collegiate Commercial Association. They meet three times a week to discuss various topics that are germane to everyone, but specifically relative to the medical aspects of COVID-19, how each conference throughout the country is trying to deal with it, and the type of advice that they may be receiving. Dr. Hainline spoke with the WAC's Board of Directors. He's always available for communication with him or any of their administrators. He's highly sought after. Sometimes it may take him a day to get back. He's very approachable, intelligent, and well connected

throughout the medical community in the United States.

Chairwoman Dina Chacón-Reitzel asked Mr. Moccia to introduce the next presenter. Mr. Moccia introduced Dr. Kareem Shaarawy, who is an Assistant Professor at the Barrow Sports Medicine Program of the Department of Neurology at Barrow Neurological Institute. He's board certified in Family Medicine and Sports Medicine by the American Board of Family Medicine. He's a member of the AMA, The American Medical Society for Sports Medicine, The American College of Sports Medicine, and The American Academy of Family Physicians. He's everything except an Aggie Athletic Club member. Dr. Shaarawy has worked with the Arizona Diamondbacks, Arizona State University athletes, and several major league baseball, NFL, and NBA players. He is currently the Head Team Physician for Grand Canyon University and the Chairman of The Western Athletic Conference Medical Advisory Committee. Mr. Moccia gave the floor to Dr. Shaarawy.

Dr. Shaarawy thanked Mr. Moccia for the kind introduction, having him at the meeting, and speaking on behalf of NMSU and UNM regarding NCAA athletics. He has had the privilege of being the Associate Head Team Physician for the Arizona Diamondbacks and the Associate Physician for the Phoenix Suns this year at an interesting time in sports and working with the Head of Major League Baseball and NBA with protocols specific for those two sports. They have very different protocols in how they started. Major League Baseball players were home, traveling, at home with family and friends. The NBA immediately went to a bubble system, which is very similar to what NMSU has implemented for those student athletes. What everyone saw with MLB protocols was that players were initially too free with their time and spending time in places they were told strictly not to be at. There were suspensions involved and teams not playing for multiple weeks at a time. With the NBA protocol, what everyone saw was that there were no positive tests throughout the entire bubble. When MLB saw the bubble concept, it was implemented by the MLB. Then, they had zero positive tests up until Justin Turner tested positive at the end of the season. Essentially, there were no positives in that type of system. When they look at the protocol that's been implemented by NMSU in the situation, the safety and health and safety they've taken for student athletes, they did meticulous and diligent to making sure that the protection of their student athletes come first. In comparison to the protocols that they've implemented for the WAC, they've gone above and beyond for what they've meant for the initial protocol for the Surveillance Testing Phase. The Surveillance Testing Phase is for all WAC teams will officially change next week on November 15th once they get into the official season for men's and women's basketball, which does require the three times a week testing. There is no protocol or requirement for living situations, food delivery, or any of those types of things. To Mario's point earlier, mentioning health, safety, and mental health of student athletes is extremely important. Trying to create an environment in which they still feel like they're in college while it's a much different environment is something they'd like to maintain. Some of the implementation that NMSU has taken with their basketball team has put them in a position for success and to reduce the amount of exposure that any of their student athletes may face with the virus. They don't know where the virus is taking them. He works at the busiest hospital in the state of Arizona at St. Joseph's Hospital. They see the true fruits of the disease, so to speak. At one point, Arizona was the worst place to be. They've seen it grow. When they implemented those protocols for WAC, as a community, the health and safety of kids always come first. It's always been a priority to understanding that while there are concerns for travel, putting kids into a hotel, putting kids amongst each other, they wanted to make sure that they could still provide an environment that these kids went to college for one of the main reasons, which was for athletics. That's why a lot of kids chose to go to certain universities, so they can participate in sports. They want to be able to provide that for them, not only for their commitment to their universities and going there, but their commitment to them for their health and safety. Working together with the pledges that have been implemented and

the discussions that they've had across the board, not only as a conference. They met with many individuals, student athletes to discuss this with them early on. They continue to meet weekly to make sure they can protect them as much as they can, understanding that they have a desire to play. That has been seen consistently across the country when it started with football. He's sure that they're seeing the same thing with basketball. Student athletes understand their part. They are kids at the end of the day. Everyone is prone to mistakes. The goal is to provide protocols to provide guidance for all student athletes to ensure that they can participate in a basketball season or any sports season, understanding there's a risk and everyone is 100% aware that they accept that as physicians, administrators, coaching staff, athletic trainers. At the end of the day, they come together for one goal and that is to provide the opportunity for student athletes to enjoy something they love, and everyone understands what that means. They've done their due diligence in speaking and understanding those numbers. They know that there are different environments. They have the ability to bubble students and the ability to provide services that are not out there for the community, which is one of the fortunate things about athletics. They are able to do certain things that the communities sometimes have limitations to. They continue to provide those and work with everyone. He thanked everyone. He thanked New Mexico Health Department for their work and working with colleges to ensure kids' safety. They will continue to provide that as their number goal. Number two is participation of athletics. The end goal is for everything to work together. He thanked everyone for their time.

Mr. Mario Moccia thanked Dr. Shaarawy, then introduced the next speaker, Katherine Hartson. Katherine Hartson is a student athlete. She is a senior swimmer from Littleton, Colorado. She's a Kinesiology major with a minor in chemistry. Mr. Mario Maccio tutors her semi regularly in chemistry. She has a 3.9 GPA. She is the President of the New Mexico State Student Athletic Advisory Committee (SAAC). She is the Chairwoman of SAAC for WAC.

Ms. Katherine Hartson thanked everyone for allowing her to be there. She would like to give everyone an overview of what SAAC is. She thinks that sometimes people underestimate the ability of athletics to come together as a whole. The Student Athlete Advisory Committee is a governing body that emphasizes diversity and inclusion, as well as mental health and wellness for student athletes. They want to promote the voice that they have as student athletes on their campus back to their Athletic Department, as well as the rest of their campus community. She is also the SAAC President for Western Athletic Conference. She is doing the same things for WAC, but at a higher level with all nine institutions that are represented in WAC. She would like to give everyone an overview of how student athletes feel. She had a SAAC meeting with student athletes last night to get their perspective on COVID-19 and the protocols they have to follow, as well as the way they feel about the situation. She knows that there's two things that student athletes want everyone to truly understand. First is that no matter the situation that they're in, they want to play. They understand that it's a difficult time, but they came here to be students and athletes. Obviously, there are differences in the schooling system and protocols right now. They've been extremely flexible to be able to keep going with their academics. The second is that they completely understand that COVID-19 is a pandemic and that they don't know what will happen in the next couple of months. They don't know if it's going to get better or worse. They don't want anyone to think that they don't understand that their health and safety is a number one priority for the athletic department and the institution. She knows that COVID is scary and puts people in vulnerable positions. Student athletes have been going through protocols that Mr. Moccia previously listed. For herself, she fills out a daily wellness questionnaire every single day. Even if she accidentally presses 'no,' she gets a call from her coaches and the Athletic Training Department to make sure that it was a wrong answer. She has her temperature checked before she enters the pool because she's a swimmer. Tomorrow she will be going to get her random COVID test from the

department. Student Athletes are understanding of the protocols that have been put forward and they are more than willing to follow them. That's part of the reason they want to be athletes because they are extremely structured individuals. They like organization and to have a plan. The mandates are something that they are willing to continue to follow if that means they are able to play, compete, and practice. They are one of the only states in the US currently that isn't allowing student athletes to participate in their sports at other given levels that Division I schools are performing at. It's a stressful situation for student athletes, which brings in the mental health piece of it. People underestimate that when their practice protocols are strained it puts them in situations where they are at higher risk of injury, as well as not being able to properly emphasize competition setting. Competition settings are the reason that they have practice. They want to make sure that they're able to do what they need to do in practice to be able to replicate it in a competition format. They're not able to do that when they have five or less individuals out of practice because they also have to have a coach available. It's something that puts strain on student athletes, as well as the aspect of team unity. She was speaking with student athletes last night. There are some teams who don't know the last time they've seen their entire team, which is part of the reason they came to NMSU, to be part of an Aggie family. There's something to be said about their positivity rates within the Athletic Department. She, as well as others in New Mexico sent a letter yesterday to the governor explaining their positivity rates, which are below 3%. This is amazing considering that they are in the red restriction county. She talked to a couple of men's basketball players and they also emphasize the fact that they want to play. They too understand and are willing and able to do any of the protocols that are asked of them in order to do so. She stated that she is open to questions and thanked everyone for allowing her to be there.

Mr. Moccia thanked Ms. Hartson, Chairwoman Dina Chacón-Reitzel, and members of the board. The SAAC Presidents of NMSU, ENMU, WNMU, and NM Highlands have gotten together on their own. They crafted a letter illustrating what she talked about and mailed it to the Governor's office. He introduced the next speaker, Dr. Kevin Melendez. Dr. Melendez is the Faculty Athletic Representative. Each school in the country has one. He is the liaison between the leadership and the Athletic Program. He is also an Associate Professor of Accountancy.

Dr. Melendez thanked Mr. Moccia and members of the Board to speak on behalf of the student athletes. He speaks in his role as the Faculty Athletic Representative. It is an NCAA mandated position. He reports to the President and the Chancellor. He does not report to athletics. He serves in an oversight role in a variety of different things and roles. One being in academics as a faculty member. Another being in athletics as an advocate for student athletes, especially in health and well-being. Under normal circumstances, he sees students in person during practices, so they get to know each other. He's been involved and seen the response that COVID and planning by the Athletics Department since the cancellation of the WAC Basketball Tournament in March. Since that time he has been involved in activities including, the use of the weight room, training room, academic services, practices, and competition. He is the Chair of the WAC Far Committee and received information from the conference regarding COVID Health and Safety Protocols. He receives regularly and reviews e-mails from the NCAA regarding COVID Health and Safety Protocols. All his questions have been answered quickly, openly, and honestly by Mr. Mario Moccia and Mr. Braun Cartwright. While he is not an expert, he is well informed about the current guidelines and the athletic department plan for return to competition. It is his opinion that there are two major risks posed by allowing student athletes to practice full squads and participate in competition. These risks are of the student athletes, coaches, athletic staff, and the risk to spread to the community. While risk cannot be completely eliminated it is clear to him that the plan formed by the athletic department follows current guidance and will identify any COVID cases through three times a week testing for teams that are competing,

quickly isolating positive individuals, and performing contact tracing. He has no doubt that the Athletic Department is committed to the safety of all. He believes the plan adequately mitigates the risk to student athletes and assures that student athletes participate in practice and competition will not be a source of the virus spread among the campus or the Las Cruces community. He participated in the SAAC meeting last night and met with men's and women's basketball because he wanted to hear their perspective in what should be heard. He expected to hear a lot about why they should be allowed to compete, which he did, including how practice, their teammates, and competition are a positive impact on their mental health and how important it is to them. However, what he heard mostly was about the sacrifices they are making and that they understand the responsibility that they have. As Mr. Moccia stated, the men's and women's basketball teams are in a bubble. Some of the sacrifices they relate to him are as follows. Some are simple things that are taken for granted, such as being able to get a favorite meal, having their own bed to sleep in. Other sacrifices are much more substantial. They've been displaced from their homes. They're isolating and can only interact with their team. They've sacrificed seeing family here in town, significant others, and friends that function as family. This is a significant hardship for them, but they understand the responsibility and what is being asked of them. The question is asked, why is NMSU the outlier? Why are other student athletes across the country allowed to practice, but ours aren't? These aren't ideal circumstances. It presents NMSU with an opportunity to lead and show that the university athletics department has developed a safe plan. Also, that student athletes can return to practice and competition without presenting risks to themselves, coaches, and athletic staff. Also, without causing risk of spreading to the community. Student athletes are aware of their responsibility and are making significant sacrifices to be able to compete. On behalf of the student athletes, he gave his full support on the plan that Mr. Moccia has proposed and discussed. He thanked everyone for their time.

Chairwoman Dina Chacón-Reitzel asked to proceed with questions. Regent Romero thanked Chairwoman Dina Chacón-Reitzel and everyone who presented. He stated that Dr. Shaarawy talked about from a professional level that there were bumps in the road, but once they implemented the bubble system it supported the athletes and the outcomes. Even within the system it looked like there was a hiccup at the end. It comes down to the individual approach. His question was for Ms. Hartson. He asked her to share some insight from herself as an athlete and representing athletes about how they hold each other accountable. When the bubble system is put in place it works well when it's followed and it doesn't when it's not followed. That's where it's seen that something happened and the outcome. He asked that she talk about they hold each other accountable to make sure that the system is going to be followed by all athletes.

Ms. Hartson stated that they are talking about men's and women's basketball because they are the teams that will be competing in the next couple of weeks. There are a couple of players on the zoom meeting today. They are taking their time to be on here, have an understanding, and listen to the questions being asked today is something that is impressive for them that they care about and show their presence. In her own experience, when she arrived in August, they had a Zoom meeting with the coaching staff and the athletic training staff. They told them that as student athletes, they have a responsibility to practice, be healthy, and be safe. Also, that regardless the situations that they're in, even if they have the sniffles or a sore throat in the morning it's their responsibility to take accountability for themselves and admit it. She stated that that has caught a lot of false positive cases at the beginning of the semester. Student athletes want to have an opportunity to do what they love and they're willing to make sacrifices that aren't easy. She knows that those types of situations are stressful and they have to alter their thinking. They're willing to do that because they want to show that they care about COVID and about their seasons.

Dr. Shaarawy added to her statement by saying that the WAC instituted protocols for any positive tests for student athletes. They understand where their commitment lies in this scenario in that its participation is zero or nothing. Their accountability, which has been significantly stressed, is important because at the end of the day, while we love them to play games, their health and safety comes first. That has been implemented been Dr. Hainline in the NCAA and continued with Mr. Herd and WAC. While they understand their commitment, there is also a consequence.

President Floros added that NMSU has handled that issue from the beginning. Very early on they stated that they trust their faculty, staff, and students. Other universities chose to take a different approach in not trusting their students. NMSU trusts students to do the right thing. They've done that and the students are to be trusted. There have not been parties nor big gatherings. There is a 99% mask wearing on campus from faculty, staff and students. They're seeing things that NMSU students are willing to do, that other universities across the country don't see. The most important component is that because of their communication with their students, they understand that it's not just about their own health. It's much bigger. It's also about the health of the community, family, colleagues, the families of the colleagues, etc. They've communicated enough to students. Also, they signed a code of behavior, ethics, and contact that they expect them to do certain things. So far, the vast majority of students, including athletes, they have been following that code of contact and they're being true to what they want them to do.

Chairwoman Dina Chacón-Reitzel asked WAC Commissioner Jeff Hurd if WAC is supplementing the expense for testing for its members in the conference and if they are planning on helping with that expense. WAC Commissioner Jeff Hurd stated that they do not help with the expense during the regular season. They cover all testing expenses for game officials in all sports. They cover all testing expenses for conference championships for teams and officials.

Chancellor Arvizu thanked Commissioner Hurd and Dr. Shaarawy for their insights and great work that they do. Chairwoman Dina Chacón-Reitzel thanked them as well. She commended Ms. Hartson for her leadership.

Regent Devasthali asked Mr. Moccia for clarification that one of the options was to play in El Paso. Mr. Moccia stated that there are two parts to Option C. The first is to have a practice facility where they could practice and have games. They would travel there, go directly to the facility, then come home and isolate in their bubble. The other part would be to go out of the state somewhere completely. Regent Devasthali expressed her concern about the team traveling to El Paso because the numbers are off the charts. She doesn't feel that that should be an option. He responded that they don't have to go to El Paso. There are other places to go. He had put El Paso because that's the only place they would be able to drive and come back to stay here. UNM goes to Las Vegas, Nevada.

Chancellor asked to proceed with the next part of their presentations. Chairwoman Dina Chacón-Reitzel gave the approval. Chancellor Arvizu stated that he wanted everyone to hear about what they're doing on campus as it relates to the athletic plan and the engagement that they've had. He asked Vice Chancellor Johnston to discuss public safe practice approaches, results today, what triggers that exists for pivots, changing plans, and specific considerations that are related to athletics.

Vice Chancellor Johnston thanked Chancellor Arvizu, Chairwoman Dina Chacón-Reitzel, and the Board of Regents for the opportunity to speak to everyone. The reason she would like to talk about what they're doing is because it is comprehensive and networked. Since the pandemic they have thought about, 'what do we do to bring people back to NMSU safely. Safety has been paramount throughout

faculty, staff, and students, following the missions, and making sure that they can have a return to campus. Also, as much as possible provide a collegiate experience for students. That being a full experience, not just in a classroom or online, but also activities such as athletics, band, creative media, and everything that makes learning exciting at a university in a very difficult time. The approach that they took, which is unlike most universities, is a network. They pivoted from their Goal 4, which is building a robust university. Their infrastructure, figuring out how to make this a better place to operate and in support of their missions of teaching, research, and service. In looking at that, they saw that they are already some of those things and they looked at how to do it better as it relates to the pandemic. They quickly added some experts to what was called the Robust 4 and changed the name to Rapid Response Team. The Rapid Response Team works across the entire university system to pull all the pieces together and experts to talk about everything relevant to getting back to campus. They never closed but had to shift. They wanted to make sure that their research could continue in a safe way. They have been paying close attention to the changing health orders. What they've been doing is successful. They have a safe place where people feel safe. They have evidence that what they have been doing is safe. Several people, including Dr. Kathryn Hanley and other faculty members, have been key in providing a weekly basis with what's happening with the virus and what they need to be paying attention to. Faculty and students have come up with apps, geo fencing, cooperating with Tri-core and Electronic Caregiver. People in the community have been helpful in relation to science so that they can be on top of it, at the same time taking care of our people and facilities. Executive Director of Health and Wellness, Lori McKee, and Executive Director of Environmental Health and Safety, Dr. Katrina Doolittle, have been essential in helping them with testing. Ms. McKee's does testing every day and doing tracing to make sure it isn't coming from classrooms or labs, but from family, friends, or community. Without Aggie Health and Wellness, they wouldn't be where they are right now. Everything that anyone wants to do here has to create a safety plan, which has to be reviewed, iterated on, and changed sometimes. Aggie Vision took 2 months to get to a place they were comfortable, which includes all the safety plans that athletics have gone through such as, training rooms, weights, protocols, wearing masks, wearing face shields on top of masks, and anything that they need to do to protect athletes, coaches, trainers, and everyone who is involved with athletics and band. Band has been incredibly successful and a hallmark for NMSU in giving people some sense of excitement because it's been working and that is something we'd like to see happen with athletics as well. The other thing to mention in terms of facilities is their classrooms. They shifted 4,000 classrooms. They had to look at single classroom to make sure that it was going to be safe for people to enter and be socially distanced. They have not seen any evidence that they are getting transmission through being in the classroom. Communications have been very important. They have Town Halls that started every week and usually had up to 1,000 people viewing so they could give the latest and greatest about what has been happening with COVID, hoping to help people understand that they truly care about the safety and worried when they see the rise in cases. They constantly remind people to do all the protocols of taking personal responsibility, as Ms. Hartson said, wearing masks, social distancing, and washing hands. Every week they put out a newsletter. They update their ready plan, which the Department of Health and the Higher Education Department think they are exemplars for the state in their thoroughness and constant updating as things change. They have signage everywhere. There is signage at the ponds and individual fields. All signage with the same repeated message to take personal responsibility to take care of yourself and your community. They want to be here for their entire community. They've worked with the community to get out there and partner with them. They have signs that say, "Mask Up Aggies." They want to help each other so that they can have that community experience where we don't have the spread. Finally, she mentioned that every student had to sign a Crimson Commitment. Every faculty and staff member coming back to campus had to sign a commitment. Also, every researcher had to sign a commitment. The commitment includes self-monitoring, following all safety protocols, and being a good Aggie. She

believes that people have been incredibly responsive. People want this to work. They really care about being able to further their mission. It's important to them. They are discovering things all the time. They are making the best out of COVID. Students are learning how to learn online. Faculty are learning how to teach online. It's working and they are adapting to this very odd changing life that we're all living. Physical exercise is very important. Athletes are driven by this and can't do what they love and do it in a safe way, which they truly believe they can do. She is in total support of their students getting back to being able to practice and compete safely, if they're following all the public health orders and they're willing for them to come take a look occasionally to make sure that it's all happening. They don't want someone from the outside coming to do that. They're perfectly capable to doing that themselves. Vice Chancellor Johnston gave the floor to Dr. Hanley.

Dr. Hanley thanked everyone for the opportunity to speak and introduced herself. She is a Regions Professor of Biology, she worked at the National Institutes of Allergy and Infectious Disease. The Director of that Institute is Dr. Tony Fauci. Her experience and expertise are in emerging viruses and in control of those viruses, particularly through vaccines and development of antiviral drugs. She has 15 years of experience at NMSU working on a wide variety of emerging pathogenic viruses, including Dingy virus and Zeke virus. This isn't her first pandemic. Her team was highly instrumental in helping New Mexico Department of Health respond to the threat of Zeke, a virus and its introduction into New Mexico. She has been participating in the process of ensuring campus safety since March through meeting with a wide variety of groups. Also, she was part of the team that reached out to Tri-Core to help establish the Tri-Core Testing Facility and Branch Lab on campus. They immediately recognized the need to expand testing in the southern portion of the state and the value that would provide directly to NMSU. She feels confident in the safety of the campus and the ultimate testament to her confidence is that both of her kids are on campus today. One is in a laboratory and the other is working on campus. If she wasn't very sure that this was a safe and healthy place to be, they wouldn't be here. Also, she stated that she teaches face to face. She has many students who work for her in her laboratory. They value those experiences much more than they would have last year. They are appreciative of the opportunity to be in a classroom and in a laboratory, which helps ensure their adherence to a number of these protocols for staying safe. She feels sure that the same is true of the athletes, that they understand what used to be a given is now a privilege and that they must safeguard that privilege. She is very impressed with that. She went on to say that she has heard a lot from Mr. Moccia about his plan going forward and she believes that it can keep the athletes safe. As a scientist, she is trained to be skeptical and has thought about the flip side, 'what if we're wrong.' If they're wrong, they will know it very quickly. Because they have rapid testing, extensive testing, and that testing flows very quickly when there is an activity that is promoting infection, which there have been a few associated with peanut inspections not directly on campus, then they quickly find that out and rectify it. She thinks that's an incredibly important safeguard to the plan as well. She stated that she is happy to answer any questions. She stated that she is very involved with Tri-Core Lab, so if people have questions about that she will answer those as well.

Chancellor Arvizu stated that General Counsel is on standby if there is a need to answer questions on protocols or jurisdictions. He wanted to give the President of ASNMSU, Mathew Madrid, an opportunity to speak, then gave the floor to him. President Madrid thanked Chairwoman Chacón-Reitzel and the members of the board. He stated that he has been impressed with everything that has been said so far. He provided insight to ASNMSU, who are responsible for a large amount of student involvement and engagement events on campus, which is that students are very hungry for things that make them feel like the pandemic is elsewhere. Things that give them a sense of normality that they desperately miss. What ASNMSU has seen is that students are ready and often, miss sports the most. Given everything that has been heard today, if the student athletes are ready and if the faculty and

staff are prepared and willing to trust in their student athletes, then the rest of the student body has faith in them as well. They have their full support. As Aggies, a family, and community, they are ready to go down this path. He thanked everyone for the opportunity to speak.

Chairwoman Chacón-Reitzel opened the floor for questions, then asked a question for Mr. Moccia. She started by stating that she has the same concern that Regent Devasthali has with the option of traveling to El Paso. The situation there and in Juarez with the outbreak. She stated that when she looks at all three options, after hearing Dr. Shaarawy, which she appreciated his comments and experience with professional sports, and doing her own research she feels that the bubble system is the safest thing for their students. With all the testing and the care that's given, they have more control over the environment, their students in this bubble, and on campus and the lack of positivity on campus. They're safer on the campus. There may be other locations that might be safer, but she would be concerned about the same thing about transporting students and lodging where they can't control that environment. The option of the bubble approach is the safer option and makes her feel better about student athletes. She knows that they have allowed students to go home for Thanksgiving, stay home, and take their final exams online. She asked Mr. Moccia to explain how that works for the student athletes over the holidays and so forth.

Mr. Moccia responded by stating that he agreed with her. Option A is the desired option. It's the most cost effective and safest. The questionable aspect is scheduling games when the season begins in 15 days. The lack of clarity has made it difficult to schedule a game. The Deputy Athletic Director, Braun Cartwright, is on the call. He went on to say that it is his understanding that men's and women's basketball teams will not be going home for Thanksgiving break and will remain here. The other student athletes will be going home. He gave the floor for Braun Cartwright to give his comments.

Mr. Cartwright confirmed that the men's and women's basketball players and some of the swimming team members will remain in Las Cruces over Thanksgiving break. The rest of their teams will end training this week and will be returning to their homes for Thanksgiving break. Their seasons do not begin until January.

Regent Hicks asked if there are any scheduled games. Mr. Moccia responded by stating that they have some scheduled games on the books, but they have not been released. They have two New Mexico games and two UTEP games that they have selected dates. They have an MT tournament and they will play two games. It isn't finalized in contract yet, but is in route. They had games within state, November 25th and 27th. He isn't sure if those games are still current. There are date place holders. Regent Hicks thanked Mr. Moccia for his clarification and agreed with Chairwoman Chacón-Reitzel on her concern with El Paso. She said that she feels like NMSU has control of their environment here, disinfection of all those types of things that go with the facilities and as they practice. She is uncomfortable with the option of going to El Paso.

Regent Sanchez echoed the sentiments of Regent Hicks. He is uncomfortable with their teams practicing in El Paso. He thinks Option A is the best option. Just as Dr. Melendrez and Ms. Hartson said, there's already a lot of burdens on mental health of student athletes having to isolate in taking that responsibility and commitment to go the extra mile to compete and practice. He doesn't think they need to add to that burden of being somewhere out of state or commuting to El Paso, on top of getting things done in the classroom. He feels that Option A is the safest and it's a great plan. He is wondering what kind of masks the student athletes are going to be wearing at practices or in facilities and if they're going to be provided. He doesn't want that to be a burden on students to have to buy

masks themselves all the time for practice. Mr. Moccia replied that they have purchased masks for all student athletes. He asked Mr. Cartwright to comment on that as well. Mr. Cartwright confirmed that they have provided masks and have been utilizing masks since June. They've had great success with the masks and they continue to look for different providers and better options with those masks. Regent Sanchez stated that it's important to educate student athletes on taking care of their masks in washing them regularly or using surgical masks. He asked Dr. Hanley to clarify what the difference is between the rapid test and the standard test. Also, how effective they are and timelines.

Dr. Hanley reported that the standard test is the PCR based test. That test is a probe that is put within close proximity to your brain and removed. There is a detection of genetic material of the virus. When they think about tests, they think about their sensitivity, ability to detect a true positive and their specificity, and to detect a true negative. The PCR based test is very sensitive. In the 99.9% range, whatever the test results are they are accurate. The rapid tests tend to protect the protein of the virus don't have a fantastic sensitivity, which is about 70% for better ones. This means that they're missing upwards of 25 to 30% of true positives. This is a significant concern. There's a good deal of confusion in the community about antibody tests. There is another test that can be done quickly, but what it's detecting are the molecules that a person's body produces after it's cleared the infection. What the antibody test will tell us is if you have some evidence of being previously infected. People in the community are tending to conflate that with the protein based test and not understand the implications of those two tests. What Tri-Core is offering right now is the PCR based test and the fact that athletes can get that in a 24-hour turnaround is wonderful. That's about as fast it can go. They're getting the information as quickly as it's available.

Chairwoman Chacón-Reitzel stated that student athletes will be doing the test three times a week. She asked if there is any risk to doing the test that often. Dr. Hanley reported that there are no risks to the frequency of testing. She went on to say that they are hoping to a nasal swab test, which is less uncomfortable or possibly a saliva test. They aren't comfortable going forward with those types of tests until they are 100% confident that they're as sensitive as the best possible sample.

Regent Romero asked Mr. Moccia how the adults, coaches, etc., fit into the equation and their safety. Mr. Moccia replied that in the original plan Coaches would only be commuting to their homes and their offices at Pan Am. Also, there would be enhanced testing of them and athletic trainers and managers. That would be the PCR test three times a week. This is for both men's and women's basketball teams. They have addressed any unique situations that have come up, such as single parent homes. They are in a good spot with protocols.

Chairwoman Chacón-Reitzel stated that Mr. Moccia mentioned that plan a bubble plan is cost effective. She wondered if he could delineate the costs expected between each of those options. A, B and C. Mr. Moccia stated that moving men's and women's basketball and associated staff to campuses costs them about \$2,000 a day for lodging and food. They haven't addressed the fact that student athletes are still paying rent at places they vacated and any associated costs with pets, etc. They talked about other options outside the state and potential costs. That is a big X factor. They have looked at places in Arizona and in Texas, as well as El Paso. That would be their charge very quickly to find out what facilities would be available and what the cost would be to house and feed the entire men's and women's basketball teams for an extended period of time, perhaps when the county is green again. He did not have the number and doesn't want to guesstimate. He asked Mr. Cartwright to comment on that. Mr. Cartwright stated that they are waiting on those costs from different facilities. They know what the cost of hotel rooms will look like. They've traveled roughly 60 individuals. They would have to relocate. They will have to have a facility for practice and

competitions.

Regent Romero addressed Dr. Hanley by asking for specifics on what the measures they will be looking for in terms of success or non-success and how they can keep up on that information. Dr. Hanley stated that the information on success is simple in that it's negative tests. Those individuals are testing three times a week and are in a bubble, which means that by all rights they should stay negative. If one individual becomes infected, that's leakiness in the system and she isn't too concerned about that. However, if seven basketball players are infected, then they have a big problem. The numbers of positives go to a large group who meet weekly and could meet at the drop of a hat should there be a problem that crops up so they can intervene very quickly if that were to happen. Knowing that there is that oversight of positives is important to people's assessment of the plan.

Regent Sanchez asked Mr. Moccia if there is a channel established for student athletes to opt out of the bubble in competition and practice, for example, if it gets in the way of their studies, home life, or any extenuating circumstances. Mr. Moccia answered his question in that yes, the NCAA offered an opt out clause saying that they don't feel comfortable participating, but won't lose their scholarship. There have been a few people who have opted out. It has been presented to student athletes and they have gone over it in coaches' meetings. They have let the student athletes know that in many different ways. He asked Mr. Cartwright to give that specific number. Mr. Cartwright stated that they are at 8 student athletes who have opted out across three different sports. They've had conversations with them and the Athletic Compliance Office. They've worked hand in hand with them to make sure that they understand that their scholarships will be protected if they opt out.

Chairwoman Chacón-Reitzel stated that she had a question. In thinking about the mental health of students and there are tragic stories that occur with students and student athletes across the nation, as well as adults. She asked if someone could profile the mental health status of their student athletes. Ms. McKee answered her question. She stated that mental health is a big factor at this time. The great thing about Aggie Health and Wellness is that they are an integrated health center, so they offer medical and counseling services. They have a collaborative approach and work very closely with Mr. Moccia, Mr. Cartwright, and Mr. Moreno, their head trainer. At the onsite of anyone who isn't doing well, whether it's physically or academically. They connect those dots very quickly and get those resources to students. They had a slow start to counseling last spring. Students transitioning from in person counseling, which is very intimate, to the Zoom arena. However, now it's become very comfortable and they're finding that their numbers are alarmingly large this year greatly in part because they can get that Zoom meeting and boost their confidence. Many times, it takes a lot of courage to say, 'I need to talk to someone about my mental health.' There is a lot of stigma still wrapped around mental health and not everything that you see or do is a mental health crisis. Everyone has blips on their radar where they need some assistance now and then. Being able to identify that is a normal part of any type of challenging process is what is important. Student athletes are well connected. They have resources in the community if they need a broader control. That is definitely on the radar of athletics as well as the student body as a whole. The Wellness Alcohol Violence Education Team (WAVE) through Aggie Health and Wellness Center have been doing online things the whole semester, as well as in person outdoor activities for stress management. They have been going into the dorms. They've been doing presentations for small groups of students and athletes and different programming events. She feels like, while this is a challenging time for mental health, NMSU has stepped up. They have been able to add mental health counselors to their staff in the last year. They were really prepared to meet the needs of their entire student body including their athletes. Dr. Melendrez added that it is tougher to do things in this environment. He has gotten to

meet and interact with the older players because he met them before the pandemic, however, the new players not so much. It's important for them to have different ways to communicate. That is the role he plays. He is another outlet that is outside of athletics that gives them a way to reach out for help. It is important in this bubble and it's already a stressful environment.

President Floros added that in that it is a critical question and should weigh heavily on everyone's minds. Just today staff had to deal with a suicidal student who was taken to the hospital. Everyone is suffering from mental related things at this point because this isn't normal and pretending that we're in some sort of normality doesn't go very far. He doesn't want to miss two points that were made before, one being exercise which helps physically and mentally. This is exactly what they're trying to do with their athletes. They need that exercise more than anyone else because that's what they came here for. They're very concerned about their mental health and what that would mean if they can't do what they need to do. The second part, which is what President Madrid mentioned, is that our students are looking for that can relieve the pressure, stress, anxiety, and mental anguish that everyone is going through. Athletics can provide that for them. Sports provides some sort of escape from the reality that we're all in.

Chancellor Arvizu commented that they are paying close attention to student and community health. He wants everyone to know that they recognize how challenging this environment is and that continuing to make progress on academic instruction or sports competition requires that they are more creative and innovative, then bring the new tools in as soon as they have them. They will continue to improve as time goes on. They are focused on this and will continue to get better as the toolset gets better, recognizing that they have to do this right because people's lives are at stake as well as they believe that they can continue to operate safely. He thanked all presenters. He stated that they are committed to the health and wellness of their community, specifically their student athletes.

Chairwoman Chacón-Reitzel entertained a motion on the plan that has been presented to the board. Regent Devasthali stated she would make a motion. She first stated that she is impressed by all the work that has been done to keep student athletes and the campus safe. The safest place to be is on campus and to create a bubble within the safe campus for athletes would be ideal. She stated that her motion has been drafted in consultation with General Counsel. "Because NMSU Athletics is a core aspect of the operations of the university and in the interest of the health and safety of the student athletes and related staff in the program. I move that the Board authorize the administration to the extent in compliance with any applicable public health order implement the return to athletics plan substantially as presented, subject to the Board of Regents writers anytime to modify or revoke. This authorization as that public health order requires so that our student athletes can prepare to participate in athletic competition and participate in any actual intercollegiate competition upon NMSU verification that each applicable conference official and counterpart institution has put into place, health and safety protections that are at least meet those under this authorization. And if compliance with any applicable public health order cannot be achieved under any then current return to athletics plan explore any alternative arrangement that allows NMSU student athletes safely to participate in any respective sport for which they have already invested considerable efforts."

Regent Hicks seconded the motion.

Mr. Cavotta took the roll call vote.

Regent Romero – Yes

Regent Hicks – Yes

Regent Sanchez – Yes

Regent Devasthali – Yes

Regent Chacón-Reitzel – Yes

Mr. Cavotta confirmed the 5 votes in favor. The motion passed.

2. Adjournment, Chairwoman Dina Chacón-Reitzel at 2:43pm

Chairwoman Chacón-Reitzel entertained a motion to adjourn the meeting. Regent Hicks made a motion. Regent Sanchez seconded the motion. The meeting adjourned

DRAFT



**NEW MEXICO STATE UNIVERSITY BOARD OF REGENTS
SPECIAL MEETING
September 18, 2020**

Item B-5

Confirmation of Prior Executive Session – September 18, 2020

The Board of Regents met in a closed executive session at 2:00 PM on Friday, September 18, 2020 which was held virtually via Zoom. The closed executive session meeting was held to discuss bargaining strategy preliminary to collective bargaining negotiations between the Regents of New Mexico State University and the American Federation of State, County and Municipal Employees, Local 2393 in accordance with the New Mexico Open Meetings Act, NMSA Section 10-15-1, subsection (H)(5).

Those board members who were present please certify that only matters of that nature were discussed.

Regent Romero ____

Regent Hicks ____

Regent Sanchez ____

Regent Devasthali ____

Regent Chacón-Reitzel ____



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item #: C-1

- Action Item
- Consent Item
- Informational Item

Presented By: Carol Parker
Provost and Senior Vice President for
Academic Affairs

Agenda Item: Posthumous Honorary Degree

Requested Action of the Board of Regents: Approval of a posthumous honorary bachelor of science degree to be conferred to Mr. Zachary Aurada.

Executive Summary

We request approval of the Regents of New Mexico State University to confer a posthumous honorary bachelor of science degree to Mr. Zachary Aurada.

Mr. Aurada was a student in the Hotel, Restaurant and Tourism program and completed 91% of his coursework for the degree.

Based upon the recommendations from the faculty, School of Hotel, Restaurant and Tourism Management and the Dean of the College of Agricultural, Consumer, and Environmental Science, and the Provost and Senior Vice President for Academic Affairs, we are requesting that Mr. Zachary Aurada be awarded a Bachelor of Science in Hotel, Restaurant and Tourism degree posthumously.

References

ARP 5.50 - <https://arp.nmsu.edu/5-50/>

Prior Approvals

October 15, 2020 – Provost and Senior Vice President for Academic Affairs

Resolution No. 2020-05
New Mexico State University
Board of Regents
Resolution

WHEREAS, New Mexico State University shares with the family and friends in the loss of Mr. Zachary Aurada; and

WHEREAS, Mr. Aurada was on his way to receive a Bachelor of Science degree in Hotel, Restaurant and Tourism, having completed 91% of his coursework; and

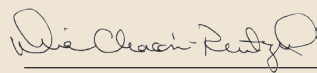
WHEREAS, the Faculty of the School of Hotel, Restaurant and Tourism Management and the Dean of the College of Agricultural, Consumer, and Environmental Science have recommended Mr. Aurada be granted a posthumous degree; and

WHEREAS, the Probest has reviewed the recommendation and supports the granting of a posthumous degree to Mr. Aurada.

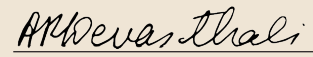
NOW, THEREFORE, BE IT RESOLVED in official session that the Board of Regents of New Mexico State University hereby approves granting a posthumous Bachelor of Science degree in Hotel, Restaurant and Tourism to Mr. Zachary Aurada.

RESOLVED, this 2nd day of December 2020, in Las Cruces, New Mexico

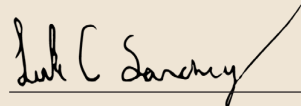




Dina Chacón-Reitzel, Chair
Board of Regents



Ammu Devasthali, Vice Chair
Board of Regents



Luke Sanchez, Secretary-Treasurer
Board of Regents



Debra Hicks, Member
Board of Regents



Arsenio Romero, Member
Board of Regents

New Mexico State University Board of Regents Proclamation

WHEREAS, Dean Elizabeth Titus has been a visionary who embraced diversity, opportunities that arose, and always took time to show appreciation to her staff for their hard work, by supporting and encouraging their pursuit of higher education; and

WHEREAS, under Dr. Titus' time at NMSU she hired a total of 45 library faculty, and 59 staff including 4 Associate Deans, and reviewed approximately 200 Promotion & Tenure cases; and

WHEREAS, Dr. Titus was instrumental in planning and overseeing a \$1.6 million extensive renovation of the 2nd Floor of East Branson totaling 16,000 square feet, in order to house the Pete V. Domenici papers, and hired a political papers archivist to support this collection and to create visual exhibits; and

WHEREAS, Dr. Titus was instrumental in working with Herbert and Joan Zuhl in housing assorted petrified rocks that they had gathered through the years at the Zuhl Library. Zuhl Library is named in honor of the Zuhls after NMSU received a \$3 million gift from Herbert and Joan in March 2000. Dr. Titus was a speaker at the June 16, 2000 naming ceremony, attended by over 325 people, which nurtured the warm relationship she had with Herbert and Joan Zuhl. Through the years, Dr. Titus worked actively with Herbert Zuhl whenever he had a new piece of unique fossilized wood that he wanted to have displayed; and

Dr. Titus, as Dean of the NMSU Library, was honored for her efforts with donor campaigns. She was the recipient of the John Cotton Dana 2001 "Dino-Mite Campaign" Public Relations Award from H.W. Wilson and the American Library Association that featured the dinosaur skull "Stan," that is still on display in Zuhl Library; and

WHEREAS, Dr. Titus was instrumental in 2013 in working with Tim Parker, whose generous support made possible the development of numerous programs in support of "Sunshine Week", which fostered transparency in government; and

WHEREAS, she was able to negotiate a 5% Library budget allocation from research grant indirect cost recovery revenue to assist in support of collections used by the researchers, which is a very rare accomplishment for a Library Dean; and

WHEREAS, she held leadership roles in American Library Association committees; and

WHEREAS, she served as Vice President/President Elect for the New Mexico Consortium of Academic Libraries during fiscal year 2003, and President for New Mexico Consortium of Academic Libraries during fiscal year 2004; and

WHEREAS, Dr. Titus, was a tireless advocate for state library legislative activities including the legislative General Obligation bonds; and

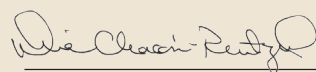
WHEREAS, Dr. Titus, was a trailblazer for nursing mothers on campus and was the first on the NMSU campus to offer a nursing room; and

WHEREAS, she was a born teacher, having insights gained from both book learning and professional interaction.

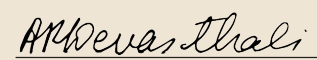
NOW, THEREFORE, BE IT PROCLAIMED in official session, that the Board of Regents of New Mexico State University thanks and commends Dr. Elizabeth Titus for her dedicated service.

PROCLAIMED this 2nd day of December 2020 while in regular session.

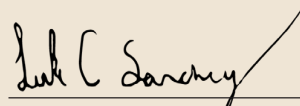




Dina Chacón-Reitzel, Chair
Board of Regents



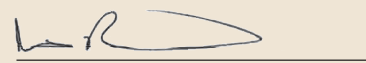
Ammu Devasthali, Vice Chair
Board of Regents



Luke Sanchez, Secretary-Treasurer
Board of Regents



Debra Hicks, Member
Board of Regents



Arsenio Romero, Member
Board of Regents

New Mexico State University Board of Regents Proclamation

WHEREAS, Dr. Susan Brown served New Mexico State University as a loving educator, researcher, and administrator for twenty-five years; and

WHEREAS, Dr. Brown served as a senior administrator in the College of Education for the last three years, serving as both the Interim Dean for the College of Education for two years and the Interim Associate Dean for Research for one year; and

WHEREAS, Dr. Brown served as a research professor and director of the STEAM Outreach Center at New Mexico State University and was awarded \$23 million in research grants; and

WHEREAS, Dr. Brown's outreach and service work has served underserved and bright students in the Las Cruces, Hatch, and Gadsden school districts for decades to more than 8,000 students in a single year; and

WHEREAS, Dr. Brown's outreach and service work has had an overall economic output of \$15 million since 2009, generating more than 200 jobs and contributing positively to Doña Ana County; and

WHEREAS, Dr. Brown was often recognized for her excellence in teaching and dedication to research in STEAM.

NOW, THEREFORE, LET IT BE PROCLAIMED on this 2nd day of December, 2020 that the Board of Regents formally acknowledges Dr. Susan Brown's accomplishments and advocacy on behalf of faculty, staff, and students that have made NMSU a better place. We wish her the best in her retirement and continued advocacy and mentorship work.



Dina Chacón-Reitzel, Chair
Board of Regents

Ammu Devasthali, Vice Chair
Board of Regents

Luke Sanchez, Secretary-Treasurer
Board of Regents

Debra Hicks, Member
Board of Regents

Arsenio Romero, Member
Board of Regents



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # F-1

- Action Item
- Consent Item
- Informational Item

Presented By: Julia Parra
Chair
NMSU Faculty Senate

Agenda Item: NMSU Faculty Senate Report

Requested Action of the Board of Regents: N/A. Information only.

Executive Summary:

A quarterly recurring report to the Board of Regents from NMSU Faculty Senate.

References:

N/A

Prior Approvals:

N/A



Faculty Senate

MSC 3445
 New Mexico State University
 P. O. Box 30001
 Las Cruces, NM 88003-8001
 575-646-2593
 facultysenate.nmsu.edu

FACULTY SENATE SECOND SUMMARY REPORT TO THE BOARD OF REGENTS FOR 2020/2021

October/November 2020

Proposition Number	Proposition Title	Summary	Action/Follow Up
<u>03-20/21</u>	Senate Bill Proposing Improvements to NMSU's Curricular Approval Process	Amended ARP 4.81 to replace the appendices and amend the curriculum approval process which is very extensive resulting in delays in approval and is a structural barrier to a competitive program process. The University Program Approval Committee (UPAC) was created as a part of this proposition approval.	Approved October 3, 2020
<u>05-20/21</u>	Kinesiology and Dance Departmental Name Change	Requested approval for name change to Department of Kinesiology for the purposes of inclusivity, consistency with national trends, enhance visibility and recognition, and enhance student success.	Committee: Due Pass, will be voted on at Dec 3 meeting
<u>06-20/21</u>	A Memorial requesting that New Mexico State University self-declare as a Sanctuary Campus	A call to further support the elimination of systemic discrimination by examining options of: self-declare as sanctuary campus, increase transparency re: relationships with Dept. of Customs and Border Patrol, create ad hoc committee to establish additional polices.	Committee: Passed as Amended, will be voted on at Dec 3 meeting
<u>07-20/21</u>	Memorial to Request the Restoration of Shared Governance	A call to restore the practices of shared governance to ensure that substantive and meaningful faculty input is included in all system structure, budgetary and academic discussions and decisions that will affect the two-year branches with the NMSU system.	Approved November 5, 2020
<u>08-20/21</u>	Memorial to Request the Restoration of the Position of President of NMSU Carlsbad	A call per title. Was amended, new title: Memorial asking NMSU upper administration to confer with faculty, staff, advisory boards, and other stakeholders before making administrative changes which affect communities and culture.	Committee: Did not pass as Amended
<u>09-20/21</u>	Memorial in support of the NMSU Library as budget realignment discussions unfold	Request that Central Administration act on the following: not to propose or act upon further reductions to library budget, add functioning needed for library to support NMSU R01 status and LEADS 2025 goals, increase funding to the median of peer institutions.	Assigned to Scholastic Affairs

UPCOMING/PLANNED/ONGOING ACTIVITIES:

- Faculty Senate has been co-hosting a series of [Faculty Town Halls](#) with the Provost. October 3 was Curricular Analytics, November 5 was the New College Proposal, an extra one occurred November 19 for supporting faculty with online course design and teaching, and December 3 is an update to the faculty about the faculty compensation studies that are underway.
- Advisory Council for Budget and Restructuring will begin deliberating recommendations for Phase 2 Budget Reductions, the Scorecard under discussion, and 1-2 year horizon regarding aligning the NMSU Budget to LEADS 2025.
- Faculty Senate is in dialogue with ASNMSU regarding last year's grading framework proposition and the subsequent survey done this fall for faculty. ASNMSU is planning a similar survey with students.
- Faculty Affairs Committee continues revisiting the role and structure of Faculty Senate to address current times and needs. Please see the [Faculty Senate Committees document](#), section titled Ideas Generation, and let us know if you have questions or feedback.
- Long Range Planning Committee continues to review and update Senate documents and processes to include election and meeting process as related to emergency/pandemic times, use of virtual meeting and voting by virtual proxy, and access issues highlighted during these times.
- University Affairs continues review of intra-faculty communication and development of an Intra-Faculty Communication Plan.

Update Shared by:

Julia Parra, Faculty Senate Chair, juparra@nmsu.edu

Susan Beck, Faculty Senate Vice-Chair, susabeck@nmsu.edu

For more information, including committee meeting schedules and supporting documentation, please visit the [Faculty Senate website](#).



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # G-2

- Action Item
- Consent Item
- Informational Item

Presented By: Derek Dictson
Vice President
NMSU Foundation

Agenda Item: NMSU Foundation Report

Requested Action of the Board of Regents: N/A. Information only.

Executive Summary:

A quarterly recurring report to the Board of Regents from NMSU Foundation.

References:

N/A

Prior Approvals:

N/A



To: NMSU Board of Regents
From: Derek Dictson, VP University Advancement, President NMSU Foundation
Date: December 2, 2020
Subject: NMSU Board of Regents Update

Greetings. I am pleased to report on several items related to University Advancement and the NMSU Foundation.

1. **Memo of Understanding:**

A working group continues to negotiate an update to the MOU between NMSU and the Foundation.

2. **NMSU Endowment:**

As of September 30, 2020 the Foundation portfolio was valued at \$181,527,866. One-Year investment returns were 5.94% and Fiscal-Year-To-Date investment returns were 5.90%. We continue to actively monitor our asset allocation and investment strategy.

3. **FY20 Fundraising Totals:**

As of Nov 24, 2020 the Foundations has received gifts totaling \$4,664,938, compared with \$4,448,107 at the same time last year. This is 5% higher than last year at this time. Of note, cash giving has increased from previous year.

4. **Giving Tuesday:**

Giving Tuesday 2020 was held on December 1st. An update will be provided at the Board of Regents meeting on December 2.



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # G-3

- Action Item
- Consent Item
- Informational Item

Presented By: Kathryn Hansen
Director & CEO
NMSU Arrowhead Center Inc.

Agenda Item: NMSU Arrowhead Center Inc. Report

Requested Action of the Board of Regents: N/A. Information only.

Executive Summary:

A quarterly recurring report to the Board of Regents from NMSU Arrowhead Center Incorporated.

References:

N/A

Prior Approvals:

N/A

**Recurring Report
Arrowhead Center, Inc.
December 2, 2020**

1.0 Building the Entrepreneurial and Innovation Ecosystem

Arrowhead contributed to the regional entrepreneurial and innovation ecosystem during 2020 in the following ways:

- Working with Dona Ana Community College and other NMSU branch colleges to identify ways to expand and extend entrepreneurship services to their communities (e.g.: relationships with campus-based SBDCs);
- Collaborating with the College of ACES to identify ways to leverage the statewide network for entrepreneurship and economic development (e.g.: Innoventure and 4-H);
- Increasing regional, national, and government connectivity across innovation clusters to support commercialization and entrepreneurship (e.g.: hosting events such as DoD SBIR/STTR Innovation Summit);
- Providing investment capital to address the financial needs of entrepreneurs (e.g.: Arrowhead Innovation Fund);
- Developing, pivoting, and scaling innovative entrepreneurship support models to address the virtual and remote work environment of the pandemic and matching of technical talent and/or businesses with resources and opportunities (e.g.: partnership with City of Las Cruces and El Paso County to assist local businesses in establishing/enhancing social media presence);
- Equipping entrepreneurs and researchers with the knowledge and resources to protect their intellectual property, pivot their business models to address anticipated conditions, build teams, enter markets, and scale businesses (e.g.: video and workshop series in development through Office of IP and Technology Transfer; SBIR/STTR proposal support);
- Growing innovation and entrepreneurial ecosystems to ensure a steady stream of high-growth startups that drive job and value creation in New Mexico and the region (e.g.: Sprint accelerators);
- Engaging local business associations and governments to ensure that high-growth entrepreneurs and companies are more fully integrated into the local business community and that their growing needs are addressed by a robust support network that includes specialized and readily-accessed technical assistance and access to capital, business associations, and government officials (e.g.: Las Cruces Sprints and El Paso Sprints);
- Launching or scaling investment groups and associations such as angel investor networks, venture capital mentorship programs, and other initiatives that will help connect entrepreneurs with investors (e.g.: relationship with HBCUvc); and
- Providing entrepreneurial experiential learning opportunities for the next generation of employees and entrepreneurs, K-16+ (e.g.: Innoventure, Studio G).

2.0 Recent Highlights

Innoventure and Studio G – K-16+ Entrepreneurship Experiential Learning

This month the Daniels Fund awarded Arrowhead funding for its youth entrepreneurship programs in 2021. Daniels has supported K-16 entrepreneurial programming at Arrowhead for the past seven years.

Innoventure. Arrowhead Center’s Innoventure K-12 programming has continued to deliver engaging innovation and entrepreneurship programming in virtual settings, a pivot established in March when in-person learning was initially affected by COVID-19 restrictions. A Business Pitch Competition invited students throughout Las Cruces to create short video promoting business ideas. The elementary school winners of the competition are two brothers who created the Skull and Crossbones Museum, which would offer interactive exhibits for children and their families to learn about bones, shells, and animals. The middle school winner is a young lady using beads to create jewelry, coasters, and key chains.

A virtual version of the Innoventure Challenge – a competition in which students are tasked with thinking like entrepreneurs and developing simple product prototypes – is also underway. In the current academic year thus far, student from Alamogordo, Albuquerque, Anton Chico, Las Cruces, Roswell, and Truth or Consequences, NM, have been creating innovative solutions to current challenges such as working from home, and in a theme of greater self-sufficiency in times of crisis. High school participants have invented desks with workout stations built in, refrigerators that maximize cooling efficiency while saving money, and hand sanitizer derived from genetically modified bamboo.



Farmington School, Pre-COVID 19



Virtual Participation, Post-COVID 19

Native American Agriculture Fund (NAAF) Youth Entrepreneurship Grant

In partnership with Navajo Technical University and NMSU's Indian Resource Department (Colleges of ACES), Arrowhead Center has been awarded funding through the NAAF to stage an Innoventure Native Youth Ag Camp, bringing together subject matter and entrepreneurial expertise to help young people across Indian Country to develop cattle and sheep ranching business management plans. The program will offer workshops that will blend agriculture, innovation, and entrepreneurship skills to guide the next generation of producers in bolstering the economies of their communities and reducing food insecurity.

This project will include three 1-week long Native youth summer camps that are taught in a hybrid model that comprise of four days of online instruction including speakers from across the state, and one day at NTU's Veterinarian Technology department for hands on experiential learning.

Two camps will focus on how to develop cattle ranch management plans, and one camp will focus on how to develop a sheep ranch management plan. The camp will include Native American cultural teachings in agriculture.

Virtual University Student Entrepreneur Conference

In keeping with practices of moving programming online to accommodate health and safety concerns, Arrowhead Center's Studio G student business accelerator and American Indian Business Enterprise (AIBE) program hosted a free Virtual Entrepreneur Conference in mid-November. All proceedings were open to the public, and the conference was promoted widely through Arrowhead's and partners' networks. Nearly 200 people attended.



The conference keynote speaker was noted author and entrepreneurial educator/innovator Bill Aulet. Aulet leads entrepreneurial education development at the Massachusetts Institute of Technology and is the author of *Disciplined Entrepreneurship*, a bestselling staple of entrepreneurial programming and the basis of Arrowhead's university student- and community-focused activities. In addition to Aulet's address, conference sessions offered advice on guidance on topics such as identifying funding for early-stage businesses, local and regional crisis resources, and Native American small businesses.

Clean Energy Technology Business Accelerators

EnergySprint, a six-week virtual accelerator tailored to New Mexico-based clean energy businesses, completed a recent cohort earlier this fall. The program challenged innovators to determine what makes their technologies unique and how those innovations can be improved, guided by feedback from real potential customers. Funded through the U.S. Economic Development Administration and the Feynman Center for Innovation at Los Alamos National Laboratory, EnergySprint is a unique program in the state – the only accelerator offering group learning, one-on-one mentorship, and connections to academic and industry experts.

Recently, Arrowhead Center was selected as a winner of the DOE Energy Program for Innovation Clusters (EPIC) prize. This program was launched by the DOE to support “the most innovative and impactful incubators that focus on developing strong innovation clusters, connections, and support for

energy-related technology and entrepreneurship that bolster American economic competitiveness and national security.” Arrowhead Center will be holding hybrid EnergySprint cohorts and accelerators focused on helping clean energy businesses access federal Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) funding opportunities.

National Institutes of Health (NIH) Small Business Tech Transfer Accelerator

Arrowhead recently held an Arrowhead Center SBIR/STTR Accelerator (ACSA) for small businesses teamed with university researchers seeking a grant with NIH under the Small Business Technology Transfer (STTR) program. Participating in the cohort were researchers from eight different universities and seven states in western U.S. Five proposals were submitted to NIH by the end of the cohort (three of these had never submitted an SBIR/STTR before), one proposal was submitted after the cohort, and two additional proposals are in development for a January submission deadline. Seventy percent of participants had never submitted an SBIR/STTR proposal before; 31 percent of participants were historically underserved businesses.

COVID-19 Inspired Innovation

Arrowhead Center is working with NMSU engineering innovators Antonio Garcia and Gabe Garcia to secure patent protection for technology designed to improve the efficacy of face coverings. Combining standard physical particle-barriers with an electronic barrier, the technology has demonstrated capacity to remove 97-98 percent of potentially harmful particles during testing. The development team is working with Arrowhead Center to discover customer preferences and explore the technology’s value proposition in the marketplace.

Partnership with NM Small Business Administration

Arrowhead Center has established a Strategic Alliance Memorandum with the U.S. Small Business Administration (SBA) to grow resources for small business development throughout the state. Arrowhead and the SBA share a mission to create, support, and expand small businesses and the communities they serve. Through this alliance, the SBA will provide speakers and resources for Arrowhead’s workshops, conferences, and individual clients. SBA-sponsored training will be offered at Arrowhead. Arrowhead’s considerable resources in entrepreneurship training and education, place-based, community-facing business services; and economic impact research will similarly be available for SBA programming in New Mexico. Link to announcement of the partnership is available at <https://www.youtube.com/c/ArrowheadCenter/>.

2020 NMSU Entrepreneur Hall of Fame Inductee

Dino Cervantes, a 1985 graduate of NMSU’s business administration program, has been selected as the 2020 inductee to NMSU’s Entrepreneur Hall of Fame. Mr. Cervantes, an innovator and national voice in the chile industry, is an exceptional job-creator, mentor to other entrepreneurs, community supporter, and philanthropist. Arrowhead Center and the Office of the VP for Research are honored to welcome Mr. Cervantes to the Hall of Fame.



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # H-1

- Action Item
- Consent Item
- Informational Item

Presented By: *Andrew J. Burke, Ph.D.*
Senior Vice President

Agenda Item: Temporary Investments Report for the Quarter Ended September 30, 2020

Requested Action of the Board of Regents: Approval of Temporary Investment Report for the quarter ended September 30, 2020.

Executive Summary: The report reflects a weighted average yield of 0.52% for the quarter ended 9/30/2020, compared to the average one-year U.S. Treasury Bill yield of 0.12%. NMSU Administrative Rules and Procedures establish the goal to achieve a rate of return on investments at least equal to the average rate of return on the on-year U.S. Treasury Bill.

References: N/A

Prior Approvals: N/A

Agenda Item Approved By:

Andrew J Burke Digitally signed by Andrew J Burke
Date: 2020.11.24 07:55:57 -07'00'

Andrew J. Burke
Senior Vice President, Administration and Finance

Date

John D. Floros

John D. Floros
President

11-24-2020

Date

NEW MEXICO STATE UNIVERSITY
Temporary Investments Report
Quarter Ended September 30, 2020

Temporary Investments consist of funds which make up NMSU's working capital, and are used primarily to fund short-term operating liquidity needs; large cash uses in this category include the University's semi-monthly payroll, draws on construction projects and major capital acquisitions. NMSU's Office of the Senior Vice President for Administration and Finance continuously monitors sources and uses of operating capital to ensure that temporarily idle funds are optimally invested in accordance with the University's Investment Policy. Our goal is to exceed the average one-year Treasury yield for the current quarter.

Total Temporary Investments (at 09/30/20)	\$160.08 million
Weighted average yield (Quarter Ended 09/30/20)	.52%
Average 1-Year Treasury yield (Quarter Ended 09/30/20)	.12%

Temporary Investments at 09/30/20 (cost):

Federal Agency and Corporate Bonds	\$ 31.59 million
Treasury Notes	6.08 million
Certificate of Deposit	3.50 million
Money Market Investments	118.90 million
Other Cash	.01 million

Breakdown of Investment Instruments (par):

<u>Federal Agency and Corporate Bonds by Maturity</u>	<i>Avg Yield</i>	<i>1.83%</i>
Maturing within one year	\$ 11.10 million	
Maturing one-two years	10.00 million	
Maturing over two years	10.00 million	
<u>Treasury Notes by Maturity</u>	<i>Avg Yield</i>	<i>1.64%</i>
Maturing within three months	\$ 0.00 million	
Maturing within four-six months	0.00 million	
Maturing over two years	6.00 million	
<u>Certificate of Deposit by Maturity</u>	<i>Avg Yield</i>	<i>2.80%</i>
Maturing within one year	\$ 3.50 million	
Maturing one-two years	0.00 million	
<u>Money Market Investments</u>	<i>Avg Yield</i>	<i>.03%</i>
Wells Fargo Bank	\$ 118.90 million	



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # H-2

- Action Item
- Consent Item
- Informational Item

Presented By: Andrew J. Burke, Senior Vice President

Agenda Item: Budget Adjustment Requests (BAR) for Fiscal Year 2020-2021

Requested Action of the Board of Regents: Approval of Budget Adjustment Requests (BAR) for fiscal year 2020-2021.

Executive Summary: To adhere to rules of the New Mexico Higher Education Department and meet State statutes, it is necessary to insure that our budgetary levels of expenditures equal or exceed the anticipated expenditures for the fiscal year. The attached BARs are for each NMSU campus unrestricted fund, and they are for the purpose of adjusting the beginning fund balances which were estimated for the 2020-2021 Operating Budget submitted in May 2020, to equal the actual ending fund balances resulting from closing the books for FY2020.

References:

N/A

Prior Approvals:

N/A

Agenda Item Approved By:

Andrew J Burke Digitally signed by Andrew J Burke
Date: 2020.11.24 07:58:01 -07'00'

Andrew J. Burke
Senior Vice President, Administration and Finance

Date

John D. Floros

John D. Floros
President

11-24-2020

Date

Binder Page #: 75 of 337
 NEW MEXICO HIGHER EDUCATION DEPARTMENT
 BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico State University - Las Cruces FY 2020-2021

Adjustment to Fund: Unrestricted Request # 2

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>
REVENUES			
Instruction and General	228,934,880	0	228,934,880
Student Social & Cultural Activities	2,882,278	0	2,882,278
Research	18,829,649	0	18,829,649
Public Service	20,430,605	0	20,430,605
Internal Service Dept.	2,540,135	0	2,540,135
Student Financial Aid	75,000	0	75,000
Auxiliary Enterprises	27,672,442	0	27,672,442
Athletics	14,939,992	0	14,939,992
Independent Operations	17,622,200	0	17,622,200
Subtotal Current Funds	333,927,181	0	333,927,181
Capital Outlay	18,765,000	0	18,765,000
Renewals & Replacements	110,000	0	110,000
Retirement of Indebtedness	3,792,769	0	3,792,769
Subtotal Plant Funds	22,667,769	0	22,667,769
TOTAL REVENUES	356,594,950	0	356,594,950
BEGINNING BALANCES			
Instruction and General	9,361,951	9,792,081	19,154,032
Student Social & Cultural Activities	2,164,222	169,332	2,333,554
Research	16,780,680	2,086,254	18,866,934
Public Service	5,963,937	906,176	6,870,113
Internal Service Dept.	5,128,137	994,397	6,122,534
Student Financial Aid	0	1,148,869	1,148,869
Auxiliary Enterprises	809,703	787,332	1,597,035
Athletics	(2,548,108)	1,000	(2,547,108)
Independent Operations	508,245	3,167,088	3,675,333
Subtotal Current Funds	38,168,767	19,052,529	57,221,296
Capital Outlay	1,765,335	41,741,632	43,506,967
Renewals & Replacements	20,716,060	1,548,501	22,264,561
Retirement of Indebtedness	0	0	0
Subtotal Plant Funds	22,481,395	43,290,133	65,771,528
TOTAL BEGINNING BALANCES	60,650,162	62,342,662	122,992,824
TOTAL AVAILABLE			
Instruction and General	238,296,831	9,792,081	248,088,912
Student Social & Cultural Activities	5,046,500	169,332	5,215,832
Research	35,610,329	2,086,254	37,696,583
Public Service	26,394,542	906,176	27,300,718
Internal Service Dept.	7,668,272	994,397	8,662,669
Student Financial Aid	75,000	1,148,869	1,223,869
Auxiliary Enterprises	28,482,145	787,332	29,269,477
Athletics	12,391,884	1,000	12,392,884
Independent Operations	18,130,445	3,167,088	21,297,533
Subtotal Current Funds	372,095,948	19,052,529	391,148,477
Capital Outlay	20,530,335	41,741,632	62,271,967
Renewals & Replacements	20,826,060	1,548,501	22,374,561
Retirement of Indebtedness	3,792,769	0	3,792,769
Subtotal Plant Funds	45,149,164	43,290,133	88,439,297
GRAND TOTAL AVAILABLE	417,245,112	62,342,662	479,587,774

*NMHED/DFA Approval moved to Page 3

Binder Page #: 76 of 337
NEW MEXICO HIGHER EDUCATION DEPARTMENT
BUDGET ADJUSTMENT REQUEST

INSTITUTION : **New Mexico State University - Las Cruces** FY **2020-2021**

Adjustment to Fund: **Unrestricted** Request # **2**

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>	
EXPENDITURES				
Instruction and General	177,199,560	0	177,199,560	
Student Social & Cultural Activities	3,674,557	0	3,674,557	
Research	34,107,573	0	34,107,573	
Public Service	23,476,614	0	23,476,614	
Internal Service Dept.	(102,723)	0	(102,723)	
Student Financial Aid	21,685,986	0	21,685,986	
Auxiliary Enterprises	20,996,551	0	20,996,551	
Athletics	18,981,614	0	18,981,614	
Independent Operations	17,300,137	0	17,300,137	
Subtotal Current Funds	317,319,869	0	317,319,869	
Capital Outlay	20,705,700	0	20,705,700	
Renewals & Replacements	14,475,000	0	14,475,000	
Retirement of Indebtedness	13,605,453	0	13,605,453	
Subtotal Plant Funds	48,786,153	0	48,786,153	
TOTAL EXPENDITURES	366,106,022	0	366,106,022	
TRANSFERS IN (OUT)				
Instruction and General	(51,735,320)	0	(51,735,320)	
Student Social & Cultural Activities	462,171	0	462,171	
Research	15,672,914	0	15,672,914	
Public Service	1,618,144	0	1,618,144	
Internal Service Dept.	(3,417,924)	0	(3,417,924)	
Student Financial Aid	21,610,986	0	21,610,986	
Auxiliary Enterprises	(7,563,142)	0	(7,563,142)	
Athletics	4,202,538	0	4,202,538	
Independent Operations	(337,652)	0	(337,652)	
Subtotal Current Funds	(19,487,285)	0	(19,487,285)	
Capital Outlay	1,096,325	0	1,096,325	
Renewals & Replacements	8,677,762	0	8,677,762	
Retirement of Indebtedness	9,812,684	0	9,812,684	
Subtotal Plant Funds	19,586,771	0	19,586,771	
NET TRANSFERS	99,486	0	99,486	
ENDING BALANCES				
Instruction and General	9,361,951	9,792,081	19,154,032	11%
Student Social & Cultural Activities	1,834,114	169,332	2,003,446	55%
Research	17,175,670	2,086,254	19,261,924	56%
Public Service	4,536,072	906,176	5,442,248	23%
Internal Service Dept.	4,353,071	994,397	5,347,468	-5206%
Student Financial Aid	0	1,148,869	1,148,869	5%
Auxiliary Enterprises	(77,548)	787,332	709,784	3%
Athletics	(2,387,192)	1,000	(2,386,192)	-13%
Independent Operations	492,656	3,167,088	3,659,744	21%
Subtotal Current Funds	35,288,794	19,052,529	54,341,323	17%
Capital Outlay	920,960	41,741,632	42,662,592	206%
Renewals & Replacements	15,028,822	1,548,501	16,577,323	115%
Retirement of Indebtedness	0	0	0	0%
Subtotal Plant Funds	15,949,782	43,290,133	59,239,915	121%
TOTAL ENDING BALANCES	51,238,576	62,342,662	113,581,238	31%
TOTAL EXPENDITURES, TRANSFERS, BALANCES	417,245,112	62,342,662	479,587,774	

Binder Page #: 77 of 337
 NEW MEXICO HIGHER EDUCATION DEPARTMENT
 BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico State University - Las Cruces FY 2020-2021

Adjustment to Fund: Unrestricted Request # 2

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>
INSTRUCTION & GENERAL:			
REVENUES			
Tuition and Fees	92,628,844	0	92,628,844
Federal Government Appropriations	0	0	0
State Government Appropriations	115,952,500	0	115,952,500
Local Government Appropriations	0	0	0
Federal Grants/Contracts	130,000	0	130,000
State Grants/Contracts	0	0	0
Local Grants/Contracts	0	0	0
Private Gifts/Grants/Contracts	0	0	0
Endowment/Land/Permanent Fund	3,097,136	0	3,097,136
Sales & Services of Ed Activities	546,500	0	546,500
Other Sources	16,579,900	0	16,579,900
TOTAL REVENUES	228,934,880	0	228,934,880
BEGINNING BALANCE	9,361,951	9,792,081	19,154,032
TOTAL AVAILABLE	238,296,831	9,792,081	248,088,912
EXPENDITURES			
Instruction	106,781,561	0	106,781,561
Academic Support	17,805,070	0	17,805,070
Student Services	12,450,278	0	12,450,278
Institutional Support	21,502,355	0	21,502,355
Operation & Maintenance of Plant	18,660,296	0	18,660,296
TOTAL EXPENDITURES	177,199,560	0	177,199,560
TRANSFERS (IN) OUT OF I&G			
Student Social & Cultural Activities	322,050	0	322,050
Research	16,314,811	0	16,314,811
Public Service	1,847,376	0	1,847,376
Internal Service Dept.	115,000	0	115,000
Student Financial Aid	21,175,986	0	21,175,986
Auxiliary Enterprises	55,010	0	55,010
Intercollegiate Athletics	3,878,514	0	3,878,514
Independent Operations	0	0	0
Capital Outlay	1,220,044	0	1,220,044
Renewals & Replacements	5,271,296	0	5,271,296
Retirement of Indebtedness	1,343,397	0	1,343,397
Non-Budgetary Exhibits:			
Endowment Fund	0	0	0
Other (from Community Colleges)	191,836	0	191,836
Other (Specify)	0	0	0
NET TRANSFERS	51,735,320	0	51,735,320
ENDING BALANCE	9,361,951	9,792,081	19,154,032

Prepared by: Kimberly G. Rumford Date Approved by BOR 4-Dec-2020

For NMHED Use Only	Accept	Reject	Date	
NMHED Analyst	_____	_____	___ / ___ / ___	NMHED Control # _____
NMHED Director	_____	_____	___ / ___ / ___	
For DFA Use Only				
DFA Analyst	_____	_____	___ / ___ / ___	DFA Control # _____
DFA Director	_____	_____	___ / ___ / ___	Agency Code _____
Increase _____ Decrease _____ Transfer _____				

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 NEW MEXICO HIGHER EDUCATION DEPARTMENT
 BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico State University - Alamogordo FY 2020-2021

Adjustment to Fund: Unrestricted Request # 2

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>
REVENUES			
Instruction and General	9,998,700	0	9,998,700
Student Social & Cultural Activities	10,472	0	10,472
Research	0	0	0
Public Service	2,000	0	2,000
Internal Service Dept.	0	0	0
Student Financial Aid	0	0	0
Auxiliary Enterprises	27,115	0	27,115
Athletics	0	0	0
Independent Operations	0	0	0
Subtotal Current Funds	10,038,287	0	10,038,287
Capital Outlay	2,562,798	0	2,562,798
Renewals & Replacements	0	0	0
Retirement of Indebtedness	0	0	0
Subtotal Plant Funds	2,562,798	0	2,562,798
TOTAL REVENUES	12,601,085	0	12,601,085
BEGINNING BALANCES			
Instruction and General	1,069,849	1,732,450	2,802,299
Student Social & Cultural Activities	29,024	6,181	35,205
Research	0	0	0
Public Service	34,589	7,137	41,726
Internal Service Dept.	0	0	0
Student Financial Aid	0	117,391	117,391
Auxiliary Enterprises	78,229	41,306	119,535
Athletics	0	0	0
Independent Operations	0	0	0
Subtotal Current Funds	1,211,691	1,904,465	3,116,156
Capital Outlay	2,762,576	1,009,480	3,772,056
Renewals & Replacements	0	308,401	308,401
Retirement of Indebtedness	0	0	0
Subtotal Plant Funds	2,762,576	1,317,881	4,080,457
TOTAL BEGINNING BALANCES	3,974,267	3,222,346	7,196,613
TOTAL AVAILABLE			
Instruction and General	11,068,549	1,732,450	12,800,999
Student Social & Cultural Activities	39,496	6,181	45,677
Research	0	0	0
Public Service	36,589	7,137	43,726
Internal Service Dept.	0	0	0
Student Financial Aid	0	117,391	117,391
Auxiliary Enterprises	105,344	41,306	146,650
Athletics	0	0	0
Independent Operations	0	0	0
Subtotal Current Funds	11,249,978	1,904,465	13,154,443
Capital Outlay	5,325,374	1,009,480	6,334,854
Renewals & Replacements	0	308,401	308,401
Retirement of Indebtedness	0	0	0
Subtotal Plant Funds	5,325,374	1,317,881	6,643,255
GRAND TOTAL AVAILABLE	16,575,352	3,222,346	19,797,698

*NMHED/DFA Approval moved to Page 3

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NEW MEXICO HIGHER EDUCATION DEPARTMENT
BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico State University - Alamogordo FY 2020-2021

Adjustment to Fund: Unrestricted Request # 2

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>	
EXPENDITURES				
Instruction and General	9,892,353	0	9,892,353	
Student Social & Cultural Activities	32,112	0	32,112	
Research	0	0	0	
Public Service	12,000	0	12,000	
Internal Service Dept.	0	0	0	
Student Financial Aid	146,830	0	146,830	
Auxiliary Enterprises	48,000	0	48,000	
Athletics	0	0	0	
Independent Operations	0	0	0	
Subtotal Current Funds	10,131,295	0	10,131,295	
Capital Outlay	3,433,145	0	3,433,145	
Renewals & Replacements	182,234	0	182,234	
Retirement of Indebtedness	0	0	0	
Subtotal Plant Funds	3,615,379	0	3,615,379	
TOTAL EXPENDITURES	13,746,674	0	13,746,674	
TRANSFERS IN (OUT)				
Instruction and General	(106,347)	0	(106,347)	
Student Social & Cultural Activities	0	0	0	
Research	0	0	0	
Public Service	0	0	0	
Internal Service Dept.	0	0	0	
Student Financial Aid	146,830	0	146,830	
Auxiliary Enterprises	0	0	0	
Athletics	0	0	0	
Independent Operations	0	0	0	
Subtotal Current Funds	40,483	0	40,483	
Capital Outlay	29,083	0	29,083	
Renewals & Replacements	182,234	0	182,234	
Retirement of Indebtedness	0	0	0	
Subtotal Plant Funds	211,317	0	211,317	
NET TRANSFERS	251,800	0	251,800	
ENDING BALANCES				
Instruction and General	1,069,849	1,732,450	2,802,299	28%
Student Social & Cultural Activities	7,384	6,181	13,565	42%
Research	0	0	0	#DIV/0!
Public Service	24,589	7,137	31,726	264%
Internal Service Dept.	0	0	0	#DIV/0!
Student Financial Aid	0	117,391	117,391	80%
Auxiliary Enterprises	57,344	41,306	98,650	206%
Athletics	0	0	0	#DIV/0!
Independent Operations	0	0	0	#DIV/0!
Subtotal Current Funds	1,159,166	1,904,465	3,063,631	30%
Capital Outlay	1,921,312	1,009,480	2,930,792	85%
Renewals & Replacements	0	308,401	308,401	169%
Retirement of Indebtedness	0	0	0	#DIV/0!
Subtotal Plant Funds	1,921,312	1,317,881	3,239,193	90%
TOTAL ENDING BALANCES	3,080,478	3,222,346	6,302,824	46%
TOTAL EXPENDITURES, TRANSFERS, BALANCES	16,575,352	3,222,346	19,797,698	

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 NEW MEXICO HIGHER EDUCATION DEPARTMENT
 BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico State University - Alamogordo FY 2020-2021

Adjustment to Fund: Unrestricted Request # 2

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>
INSTRUCTION & GENERAL:			
REVENUES			
Tuition and Fees	2,279,380	0	2,279,380
Federal Government Appropriations	0	0	0
State Government Appropriations	6,900,400	0	6,900,400
Local Government Appropriations	734,210	0	734,210
Federal Grants/Contracts	2,160	0	2,160
State Grants/Contracts	0	0	0
Local Grants/Contracts	0	0	0
Private Gifts/Grants/Contracts	0	0	0
Endowment/Land/Permanent Fund	0	0	0
Sales & Services of Ed Activities	0	0	0
Other Sources	82,550	0	82,550
TOTAL REVENUES	9,998,700	0	9,998,700
BEGINNING BALANCE	1,069,849	1,732,450	2,802,299
TOTAL AVAILABLE	11,068,549	1,732,450	12,800,999
EXPENDITURES			
Instruction	4,812,743	0	4,812,743
Academic Support	1,471,319	0	1,471,319
Student Services	799,550	0	799,550
Institutional Support	1,924,383	0	1,924,383
Operation & Maintenance of Plant	884,358	0	884,358
TOTAL EXPENDITURES	9,892,353	0	9,892,353
TRANSFERS (IN) OUT OF I&G			
Student Social & Cultural Activities	0	0	0
Research	0	0	0
Public Service	0	0	0
Internal Service Dept.	0	0	0
Student Financial Aid	146,830	0	146,830
Auxiliary Enterprises	0	0	0
Intercollegiate Athletics	0	0	0
Independent Operations	0	0	0
Capital Outlay	29,083	0	29,083
Renewals & Replacements	182,234	0	182,234
Retirement of Indebtedness	0	0	0
Non-Budgetary Exhibits:			
Endowment Fund	0	0	0
Other (To Las Cruces Campus)	(251,800)	0	(251,800)
Other (Specify)	0	0	0
NET TRANSFERS	106,347	0	106,347
ENDING BALANCE	1,069,849	1,732,450	2,802,299

Prepared by: Kimberly G. Rumford Date Approved by BOR 4-Dec-2020

For NMHED Use Only	Accept	Reject	Date	
NMHED Analyst	_____	_____	___ / ___ / ___	NMHED Control # _____
NMHED Director	_____	_____	___ / ___ / ___	
For DFA Use Only				
DFA Analyst	_____	_____	___ / ___ / ___	DFA Control # _____
DFA Director	_____	_____	___ / ___ / ___	Agency Code _____
	Increase _____	Decrease _____	Transfer _____	

Binder Page #: 83 of 337
 NEW MEXICO HIGHER EDUCATION DEPARTMENT
 BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico State University - Carlsbad FY 2020-2021

Adjustment to Fund: Unrestricted Request # 2

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>
REVENUES			
Instruction and General	12,023,114	0	12,023,114
Student Social & Cultural Activities	120,000	0	120,000
Research	0	0	0
Public Service	218,900	0	218,900
Internal Service Dept.	120,000	0	120,000
Student Financial Aid	0	0	0
Auxiliary Enterprises	78,000	0	78,000
Athletics	0	0	0
Independent Operations	0	0	0
Subtotal Current Funds	12,560,014	0	12,560,014
Capital Outlay	1,500,000	0	1,500,000
Renewals & Replacements	0	0	0
Retirement of Indebtedness	0	0	0
Subtotal Plant Funds	1,500,000	0	1,500,000
TOTAL REVENUES	14,060,014	0	14,060,014
BEGINNING BALANCES			
Instruction and General	1,343,508	4,701,013	6,044,521
Student Social & Cultural Activities	206,747	14,160	220,907
Research	0	0	0
Public Service	118,779	73,839	192,618
Internal Service Dept.	0	22,982	22,982
Student Financial Aid	0	107,464	107,464
Auxiliary Enterprises	0	66,384	66,384
Athletics	0	0	0
Independent Operations	0	0	0
Subtotal Current Funds	1,669,034	4,985,842	6,654,876
Capital Outlay	21,333,102	549,397	21,882,499
Renewals & Replacements	14,485,335	356,646	14,841,981
Retirement of Indebtedness	0	0	0
Subtotal Plant Funds	35,818,437	906,043	36,724,480
TOTAL BEGINNING BALANCES	37,487,471	5,891,885	43,379,356
TOTAL AVAILABLE			
Instruction and General	13,366,622	4,701,013	18,067,635
Student Social & Cultural Activities	326,747	14,160	340,907
Research	0	0	0
Public Service	337,679	73,839	411,518
Internal Service Dept.	120,000	22,982	142,982
Student Financial Aid	0	107,464	107,464
Auxiliary Enterprises	78,000	66,384	144,384
Athletics	0	0	0
Independent Operations	0	0	0
Subtotal Current Funds	14,229,048	4,985,842	19,214,890
Capital Outlay	22,833,102	549,397	23,382,499
Renewals & Replacements	14,485,335	356,646	14,841,981
Retirement of Indebtedness	0	0	0
Subtotal Plant Funds	37,318,437	906,043	38,224,480
GRAND TOTAL AVAILABLE	51,547,485	5,891,885	57,439,370

*NMHED/DFA Approval moved to Page 3

Binder Page #: 84 of 337
NEW MEXICO HIGHER EDUCATION DEPARTMENT
BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico State University - Carlsbad FY 2020-2021

Adjustment to Fund: Unrestricted Request # 2

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>	
EXPENDITURES				
Instruction and General	10,446,474	0	10,446,474	
Student Social & Cultural Activities	55,158	0	55,158	
Research	0	0	0	
Public Service	235,357	0	235,357	
Internal Service Dept.	120,000	0	120,000	
Student Financial Aid	69,708	0	69,708	
Auxiliary Enterprises	174,594	0	174,594	
Athletics	0	0	0	
Independent Operations	0	0	0	
Subtotal Current Funds	11,101,291	0	11,101,291	
Capital Outlay	1,500,000	0	1,500,000	
Renewals & Replacements	500,000	0	500,000	
Retirement of Indebtedness	0	0	0	
Subtotal Plant Funds	2,000,000	0	2,000,000	
TOTAL EXPENDITURES	13,101,291	0	13,101,291	
TRANSFERS IN (OUT)				
Instruction and General	(1,597,077)	0	(1,597,077)	
Student Social & Cultural Activities	0	0	0	
Research	0	0	0	
Public Service	0	0	0	
Internal Service Dept.	0	0	0	
Student Financial Aid	69,708	0	69,708	
Auxiliary Enterprises	96,594	0	96,594	
Athletics	0	0	0	
Independent Operations	0	0	0	
Subtotal Current Funds	(1,430,775)	0	(1,430,775)	
Capital Outlay	666,417	0	666,417	
Renewals & Replacements	767,326	0	767,326	
Retirement of Indebtedness	0	0	0	
Subtotal Plant Funds	1,433,743	0	1,433,743	
NET TRANSFERS	2,968	0	2,968	
ENDING BALANCES				
Instruction and General	1,323,071	4,701,013	6,024,084	58%
Student Social & Cultural Activities	271,589	14,160	285,749	518%
Research	0	0	0	#DIV/0!
Public Service	102,322	73,839	176,161	75%
Internal Service Dept.	0	22,982	22,982	19%
Student Financial Aid	0	107,464	107,464	154%
Auxiliary Enterprises	0	66,384	66,384	38%
Athletics	0	0	0	#DIV/0!
Independent Operations	0	0	0	#DIV/0!
Subtotal Current Funds	1,696,982	4,985,842	6,682,824	60%
Capital Outlay	21,999,519	549,397	22,548,916	1503%
Renewals & Replacements	14,752,661	356,646	15,109,307	3022%
Retirement of Indebtedness	0	0	0	#DIV/0!
Subtotal Plant Funds	36,752,180	906,043	37,658,223	1883%
TOTAL ENDING BALANCES	38,449,162	5,891,885	44,341,047	338%
TOTAL EXPENDITURES, TRANSFERS, BALANCES	51,547,485	5,891,885	57,439,370	

Binder Page #: 85 of 337
 NEW MEXICO HIGHER EDUCATION DEPARTMENT
 BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico State University - Carlsbad FY 2020-2021

Adjustment to Fund: Unrestricted Request # 2

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>
INSTRUCTION & GENERAL:			
REVENUES			
Tuition and Fees	1,165,484	0	1,165,484
Federal Government Appropriations	0	0	0
State Government Appropriations	4,147,300	0	4,147,300
Local Government Appropriations	6,530,000	0	6,530,000
Federal Grants/Contracts	500	0	500
State Grants/Contracts	0	0	0
Local Grants/Contracts	0	0	0
Private Gifts/Grants/Contracts	0	0	0
Endowment/Land/Permanent Fund	0	0	0
Sales & Services of Ed Activities	0	0	0
Other Sources	179,830	0	179,830
TOTAL REVENUES	12,023,114	0	12,023,114
BEGINNING BALANCE	1,343,508	4,701,013	6,044,521
TOTAL AVAILABLE	13,366,622	4,701,013	18,067,635
EXPENDITURES			
Instruction	4,768,194	0	4,768,194
Academic Support	819,777	0	819,777
Student Services	1,206,827	0	1,206,827
Institutional Support	2,218,866	0	2,218,866
Operation & Maintenance of Plant	1,432,810	0	1,432,810
TOTAL EXPENDITURES	10,446,474	0	10,446,474
TRANSFERS (IN) OUT OF I&G			
Student Social & Cultural Activities	0	0	0
Research	0	0	0
Public Service	0	0	0
Internal Service Dept.	0	0	0
Student Financial Aid	69,708	0	69,708
Auxiliary Enterprises	124,394	0	124,394
Intercollegiate Athletics	0	0	0
Independent Operations	0	0	0
Capital Outlay	666,417	0	666,417
Renewals & Replacements	739,526	0	739,526
Retirement of Indebtedness	0	0	0
Non-Budgetary Exhibits:			
Endowment Fund	0	0	0
Other (To Las Cruces Campus)	(2,968)	0	(2,968)
Other (Specify)	0	0	0
NET TRANSFERS	1,597,077	0	1,597,077
ENDING BALANCE	1,323,071	4,701,013	6,024,084

Prepared by: Kimberly G. Rumford Date Approved by BOR 4-Dec-2020

For NMHED Use Only	Accept	Reject	Date	
NMHED Analyst	_____	_____	___ / ___ / ___	NMHED Control # _____
NMHED Director	_____	_____	___ / ___ / ___	
For DFA Use Only				
DFA Analyst	_____	_____	___ / ___ / ___	DFA Control # _____
DFA Director	_____	_____	___ / ___ / ___	Agency Code _____
Increase _____ Decrease _____ Transfer _____				

Binder Page #: 86 of 337
 NEW MEXICO HIGHER EDUCATION DEPARTMENT
 BUDGET ADJUSTMENT REQUEST

INSTITUTION : **New Mexico State University - Carlsbad**

FY **2020-2021**

Adjustment to Fund: **Unrestricted**

Request # **2**

Current Approved Budget	INCREASE (DECREASE)	Revised Budget
------------------------------------	--------------------------------	-----------------------

1) To adjust Beginning Balances to equal final FY2020 Ending Balances.

Binder Page #: 87 of 337
 NEW MEXICO HIGHER EDUCATION DEPARTMENT
 BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico State University - Doña Ana FY 2020-2021

Adjustment to Fund: Unrestricted Request # 2

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>
REVENUES			
Instruction and General	40,155,290	0	40,155,290
Student Social & Cultural Activities	390,655	0	390,655
Research	0	0	0
Public Service	125,400	0	125,400
Internal Service Dept.	1,850	0	1,850
Student Financial Aid	0	0	0
Auxiliary Enterprises	635,025	0	635,025
Athletics	0	0	0
Independent Operations	0	0	0
Subtotal Current Funds	41,308,220	0	41,308,220
Capital Outlay	9,390,000	0	9,390,000
Renewals & Replacements	0	0	0
Retirement of Indebtedness	400,000	0	400,000
Subtotal Plant Funds	9,790,000	0	9,790,000
TOTAL REVENUES	51,098,220	0	51,098,220
BEGINNING BALANCES			
Instruction and General	3,832,950	4,075,781	7,908,731
Student Social & Cultural Activities	64,860	57,323	122,183
Research	0	0	0
Public Service	182,193	49,939	232,132
Internal Service Dept.	261,066	(97,669)	163,397
Student Financial Aid	215,080	0	215,080
Auxiliary Enterprises	101,087	22,711	123,798
Athletics	0	0	0
Independent Operations	0	0	0
Subtotal Current Funds	4,657,236	4,108,085	8,765,321
Capital Outlay	5,988,926	4,829,994	10,818,920
Renewals & Replacements	7,366,640	287,027	7,653,667
Retirement of Indebtedness	0	0	0
Subtotal Plant Funds	13,355,566	5,117,021	18,472,587
TOTAL BEGINNING BALANCES	18,012,802	9,225,106	27,237,908
TOTAL AVAILABLE			
Instruction and General	43,988,240	4,075,781	48,064,021
Student Social & Cultural Activities	455,515	57,323	512,838
Research	0	0	0
Public Service	307,593	49,939	357,532
Internal Service Dept.	262,916	(97,669)	165,247
Student Financial Aid	215,080	0	215,080
Auxiliary Enterprises	736,112	22,711	758,823
Athletics	0	0	0
Independent Operations	0	0	0
Subtotal Current Funds	45,965,456	4,108,085	50,073,541
Capital Outlay	15,378,926	4,829,994	20,208,920
Renewals & Replacements	7,366,640	287,027	7,653,667
Retirement of Indebtedness	400,000	0	400,000
Subtotal Plant Funds	23,145,566	5,117,021	28,262,587
GRAND TOTAL AVAILABLE	69,111,022	9,225,106	78,336,128

*NMHED/DFA Approval moved to Page 3

Binder Page #: 88 of 337
NEW MEXICO HIGHER EDUCATION DEPARTMENT
BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico State University - Doña Ana FY 2020-2021

Adjustment to Fund: Unrestricted Request # 2

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>	
EXPENDITURES				
Instruction and General	40,067,742	0	40,067,742	
Student Social & Cultural Activities	375,955	0	375,955	
Research	0	0	0	
Public Service	121,841	0	121,841	
Internal Service Dept.	41,139	0	41,139	
Student Financial Aid	435,243	0	435,243	
Auxiliary Enterprises	586,515	0	586,515	
Athletics	0	0	0	
Independent Operations	0	0	0	
Subtotal Current Funds	41,628,435	0	41,628,435	
Capital Outlay	12,225,777	0	12,225,777	
Renewals & Replacements	1,300,000	0	1,300,000	
Retirement of Indebtedness	0	0	0	
Subtotal Plant Funds	13,525,777	0	13,525,777	
TOTAL EXPENDITURES	55,154,212	0	55,154,212	
TRANSFERS IN (OUT)				
Instruction and General	(1,015,448)	0	(1,015,448)	
Student Social & Cultural Activities	(27,200)	0	(27,200)	
Research	0	0	0	
Public Service	0	0	0	
Internal Service Dept.	(45,000)	0	(45,000)	
Student Financial Aid	435,243	0	435,243	
Auxiliary Enterprises	(45,000)	0	(45,000)	
Athletics	0	0	0	
Independent Operations	0	0	0	
Subtotal Current Funds	(697,405)	0	(697,405)	
Capital Outlay	360,339	0	360,339	
Renewals & Replacements	721,152	0	721,152	
Retirement of Indebtedness	(400,000)	0	(400,000)	
Subtotal Plant Funds	681,491	0	681,491	
NET TRANSFERS	(15,914)	0	(15,914)	
ENDING BALANCES				
Instruction and General	2,905,050	4,075,781	6,980,831	17%
Student Social & Cultural Activities	52,360	57,323	109,683	29%
Research	0	0	0	#DIV/0!
Public Service	185,752	49,939	235,691	193%
Internal Service Dept.	176,777	(97,669)	79,108	192%
Student Financial Aid	215,080	0	215,080	49%
Auxiliary Enterprises	104,597	22,711	127,308	22%
Athletics	0	0	0	#DIV/0!
Independent Operations	0	0	0	#DIV/0!
Subtotal Current Funds	3,639,616	4,108,085	7,747,701	19%
Capital Outlay	3,513,488	4,829,994	8,343,482	68%
Renewals & Replacements	6,787,792	287,027	7,074,819	544%
Retirement of Indebtedness	0	0	0	#DIV/0!
Subtotal Plant Funds	10,301,280	5,117,021	15,418,301	114%
TOTAL ENDING BALANCES	13,940,896	9,225,106	23,166,002	42%
TOTAL EXPENDITURES, TRANSFERS, BALANCES	69,111,022	9,225,106	78,336,128	

Binder Page #: 89 of 337
 NEW MEXICO HIGHER EDUCATION DEPARTMENT
 BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico State University - Doña Ana FY 2020-2021

Adjustment to Fund: Unrestricted Request # 2

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>
INSTRUCTION & GENERAL:			
REVENUES			
Tuition and Fees	11,047,833	0	11,047,833
Federal Government Appropriations	0	0	0
State Government Appropriations	22,967,800	0	22,967,800
Local Government Appropriations	5,815,000	0	5,815,000
Federal Grants/Contracts	500	0	500
State Grants/Contracts	0	0	0
Local Grants/Contracts	0	0	0
Private Gifts/Grants/Contracts	0	0	0
Endowment/Land/Permanent Fund	0	0	0
Sales & Services of Ed Activities	41,500	0	41,500
Other Sources	282,657	0	282,657
TOTAL REVENUES	40,155,290	0	40,155,290
BEGINNING BALANCE	3,832,950	4,075,781	7,908,731
TOTAL AVAILABLE	43,988,240	4,075,781	48,064,021
EXPENDITURES			
Instruction	23,098,891	0	23,098,891
Academic Support	4,965,363	0	4,965,363
Student Services	3,252,327	0	3,252,327
Institutional Support	5,675,352	0	5,675,352
Operation & Maintenance of Plant	3,075,809	0	3,075,809
TOTAL EXPENDITURES	40,067,742	0	40,067,742
TRANSFERS (IN) OUT OF I&G			
Student Social & Cultural Activities	0	0	0
Research	0	0	0
Public Service	0	0	0
Internal Service Dept.	0	0	0
Student Financial Aid	435,243	0	435,243
Auxiliary Enterprises	0	0	0
Intercollegiate Athletics	0	0	0
Independent Operations	0	0	0
Capital Outlay	195,339	0	195,339
Renewals & Replacements	296,934	0	296,934
Retirement of Indebtedness	0	0	0
Non-Budgetary Exhibits:			
Endowment Fund	0	0	0
Other (to Las Cruces Campus)	87,932	0	87,932
Other (Specify)	0	0	0
NET TRANSFERS	1,015,448	0	1,015,448
ENDING BALANCE	2,905,050	4,075,781	6,980,831

Prepared by: Kimberly G. Rumford Date Approved by BOR 4-Dec-2020

For NMHED Use Only	Accept	Reject	Date	
NMHED Analyst	_____	_____	___ / ___ / ___	NMHED Control # _____
NMHED Director	_____	_____	___ / ___ / ___	
For DFA Use Only				
DFA Analyst	_____	_____	___ / ___ / ___	DFA Control # _____
DFA Director	_____	_____	___ / ___ / ___	Agency Code _____
Increase _____ Decrease _____ Transfer _____				

Binder Page #: 91 of 337
NEW MEXICO HIGHER EDUCATION DEPARTMENT
BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico State University - Grants FY 2020-2021

Adjustment to Fund: Unrestricted Request # 2

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>
REVENUES			
Instruction and General	4,616,400	0	4,616,400
Student Social & Cultural Activities	18,000	0	18,000
Research	0	0	0
Public Service	1,000	0	1,000
Internal Service Dept.	2,000	0	2,000
Student Financial Aid	0	0	0
Auxiliary Enterprises	20,000	0	20,000
Athletics	0	0	0
Independent Operations	0	0	0
Subtotal Current Funds	4,657,400	0	4,657,400
Capital Outlay	2,250,000	0	2,250,000
Renewals & Replacements	0	0	0
Retirement of Indebtedness	0	0	0
Subtotal Plant Funds	2,250,000	0	2,250,000
TOTAL REVENUES	6,907,400	0	6,907,400
BEGINNING BALANCES			
Instruction and General	651,340	1,022,892	1,674,232
Student Social & Cultural Activities	47,083	34,554	81,637
Research	0	0	0
Public Service	14,787	(231)	14,556
Internal Service Dept.	56,468	14,929	71,397
Student Financial Aid	0	0	0
Auxiliary Enterprises	65,541	3,237	68,778
Athletics	0	0	0
Independent Operations	0	0	0
Subtotal Current Funds	835,219	1,075,381	1,910,600
Capital Outlay	4,945,356	(186,842)	4,758,514
Renewals & Replacements	4,408,659	154,741	4,563,400
Retirement of Indebtedness	0	0	0
Subtotal Plant Funds	9,354,015	(32,101)	9,321,914
TOTAL BEGINNING BALANCES	10,189,234	1,043,280	11,232,514
TOTAL AVAILABLE			
Instruction and General	5,267,740	1,022,892	6,290,632
Student Social & Cultural Activities	65,083	34,554	99,637
Research	0	0	0
Public Service	15,787	(231)	15,556
Internal Service Dept.	58,468	14,929	73,397
Student Financial Aid	0	0	0
Auxiliary Enterprises	85,541	3,237	88,778
Athletics	0	0	0
Independent Operations	0	0	0
Subtotal Current Funds	5,492,619	1,075,381	6,568,000
Capital Outlay	7,195,356	(186,842)	7,008,514
Renewals & Replacements	4,408,659	154,741	4,563,400
Retirement of Indebtedness	0	0	0
Subtotal Plant Funds	11,604,015	(32,101)	11,571,914
GRAND TOTAL AVAILABLE	17,096,634	1,043,280	18,139,914

*NMHED/DFA Approval moved to Page 3

Binder Page #: 92 of 337
NEW MEXICO HIGHER EDUCATION DEPARTMENT
BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico State University - Grants FY 2020-2021

Adjustment to Fund: Unrestricted Request # 2

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>	
EXPENDITURES				
Instruction and General	4,328,331	0	4,328,331	
Student Social & Cultural Activities	19,025	0	19,025	
Research	0	0	0	
Public Service	3,000	0	3,000	
Internal Service Dept.	(3,500)	0	(3,500)	
Student Financial Aid	52,823	0	52,823	
Auxiliary Enterprises	20,000	0	20,000	
Athletics	0	0	0	
Independent Operations	0	0	0	
Subtotal Current Funds	4,419,679	0	4,419,679	
Capital Outlay	3,331,000	0	3,331,000	
Renewals & Replacements	380,000	0	380,000	
Retirement of Indebtedness	0	0	0	
Subtotal Plant Funds	3,711,000	0	3,711,000	
TOTAL EXPENDITURES	8,130,679	0	8,130,679	
TRANSFERS IN (OUT)				
Instruction and General	(288,069)	0	(288,069)	
Student Social & Cultural Activities	(5,000)	0	(5,000)	
Research	0	0	0	
Public Service	2,000	0	2,000	
Internal Service Dept.	(9,500)	0	(9,500)	
Student Financial Aid	52,823	0	52,823	
Auxiliary Enterprises	0	0	0	
Athletics	0	0	0	
Independent Operations	0	0	0	
Subtotal Current Funds	(247,746)	0	(247,746)	
Capital Outlay	13,681	0	13,681	
Renewals & Replacements	259,065	0	259,065	
Retirement of Indebtedness	0	0	0	
Subtotal Plant Funds	272,746	0	272,746	
NET TRANSFERS	25,000	0	25,000	
ENDING BALANCES				
Instruction and General	651,340	1,022,892	1,674,232	39%
Student Social & Cultural Activities	41,058	34,554	75,612	397%
Research	0	0	0	#DIV/0!
Public Service	14,787	(231)	14,556	485%
Internal Service Dept.	52,468	14,929	67,397	-1926%
Student Financial Aid	0	0	0	0%
Auxiliary Enterprises	65,541	3,237	68,778	344%
Athletics	0	0	0	#DIV/0!
Independent Operations	0	0	0	#DIV/0!
Subtotal Current Funds	825,194	1,075,381	1,900,575	43%
Capital Outlay	3,878,037	(186,842)	3,691,195	111%
Renewals & Replacements	4,287,724	154,741	4,442,465	1169%
Retirement of Indebtedness	0	0	0	#DIV/0!
Subtotal Plant Funds	8,165,761	(32,101)	8,133,660	219%
TOTAL ENDING BALANCES	8,990,955	1,043,280	10,034,235	123%
TOTAL EXPENDITURES, TRANSFERS, BALANCES	17,096,634	1,043,280	18,139,914	

Binder Page #: 93 of 337
 NEW MEXICO HIGHER EDUCATION DEPARTMENT
 BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico State University - Grants FY 2020-2021

Adjustment to Fund: Unrestricted Request # 2

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>
INSTRUCTION & GENERAL:			
REVENUES			
Tuition and Fees	839,000	0	839,000
Federal Government Appropriations	0	0	0
State Government Appropriations	3,407,300	0	3,407,300
Local Government Appropriations	260,000	0	260,000
Federal Grants/Contracts	300	0	300
State Grants/Contracts	0	0	0
Local Grants/Contracts	0	0	0
Private Gifts/Grants/Contracts	0	0	0
Endowment/Land/Permanent Fund	0	0	0
Sales & Services of Ed Activities	0	0	0
Other Sources	109,800	0	109,800
TOTAL REVENUES	4,616,400	0	4,616,400
BEGINNING BALANCE	651,340	1,022,892	1,674,232
TOTAL AVAILABLE	5,267,740	1,022,892	6,290,632
EXPENDITURES			
Instruction	1,724,132	0	1,724,132
Academic Support	454,945	0	454,945
Student Services	606,010	0	606,010
Institutional Support	959,672	0	959,672
Operation & Maintenance of Plant	583,572	0	583,572
TOTAL EXPENDITURES	4,328,331	0	4,328,331
TRANSFERS (IN) OUT OF I&G			
Student Social & Cultural Activities	0	0	0
Research	0	0	0
Public Service	2,000	0	2,000
Internal Service Dept.	0	0	0
Student Financial Aid	47,823	0	47,823
Auxiliary Enterprises	0	0	0
Intercollegiate Athletics	0	0	0
Independent Operations	0	0	0
Capital Outlay	13,681	0	13,681
Renewals & Replacements	249,565	0	249,565
Retirement of Indebtedness	0	0	0
Non-Budgetary Exhibits:			
Endowment Fund	0	0	0
Other (To Las Cruces Campus)	(25,000)	0	(25,000)
Other (Specify)	0	0	0
NET TRANSFERS	288,069	0	288,069
ENDING BALANCE	651,340	1,022,892	1,674,232

Prepared by: Kimberly G. Rumford Date Approved by BOR 4-Dec-2020

For NMHED Use Only	Accept	Reject	Date	
NMHED Analyst	_____	_____	___/___/___	NMHED Control # _____
NMHED Director	_____	_____	___/___/___	
For DFA Use Only				
DFA Analyst	_____	_____	___/___/___	DFA Control # _____
DFA Director	_____	_____	___/___/___	Agency Code _____
Increase _____ Decrease _____ Transfer _____				



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # H-3

- Action Item
- Consent Item
- Informational Item

Presented By: Heather Zack Watenpaugh
University Architect

Agenda Item: NMSU Las Cruces: Electrical Infrastructure Safety and Reliability Improvements

Requested Action of the Board of Regents: Approval of the Las Cruces: Electrical Infrastructure Safety and Reliability Improvements project

Executive Summary: This project will phase out the older 5kV campus voltage and convert to all 25kV distribution in the area around Guthrie Hall and Clara Belle Williams/ Communication Sciences building.

References:

This project is part of the Site Electrical Infrastructure Master Plan (2014).

Prior Approvals:

Regents Real Estate Committee on 10/29/2020

Agenda Item Approved By:

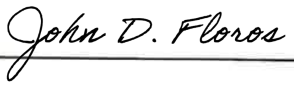


Luis Campos

Associate Vice President, Facilities and Services

Andrew J Burke Digitally signed by Andrew J Burke
Date: 2020.11.24 07:53:10 -07'00'

Andrew J. Burke
Senior Vice President, Administration and Finance



John D. Floros
President

11/10/2020
Date

Date

11-24-2020
Date

Board of Regents

LAS CRUCES: ELECTRICAL INFRASTRUCTURE SAFETY AND
RELIABILITY IMPROVEMENTS

Heather Watenpaugh
University Architect

Luis Campos
Associate Vice President

Facilities and Services



BE BOLD. Shape the Future.

Proposed Scope of Work

Project Budget \$400,000

This project includes:

- The demo of 5-kV from Guthrie Hall and Clara Belle Williams/Communication Sciences to replace with the 25-kV circuit from Hadley Hall 25-kV switch.
- Demo switch/transformer/Main Distribution Panel (MDP) combo in the basement of Guthrie Hall and replace with new exterior 25-kV transformer and new basement MDP.
- Demo exterior 5-kV pot switch and transformer outside Clara Belle Williams/Communication Sciences buildings and replace with new 25-kV transformer.
- Demo 5-kV feeder from Guthrie Hall to Hardman Jacobs Undergraduate Learning Center (ULC), and remove 5-kV switch at ULC Substation and replace with new 25-kV feeder and terminate on existing 25-kV transformer.
- Add redundant tie in to other NMSU 25-kV circuits.

Site Electrical Infrastructure Master Plan (2014)



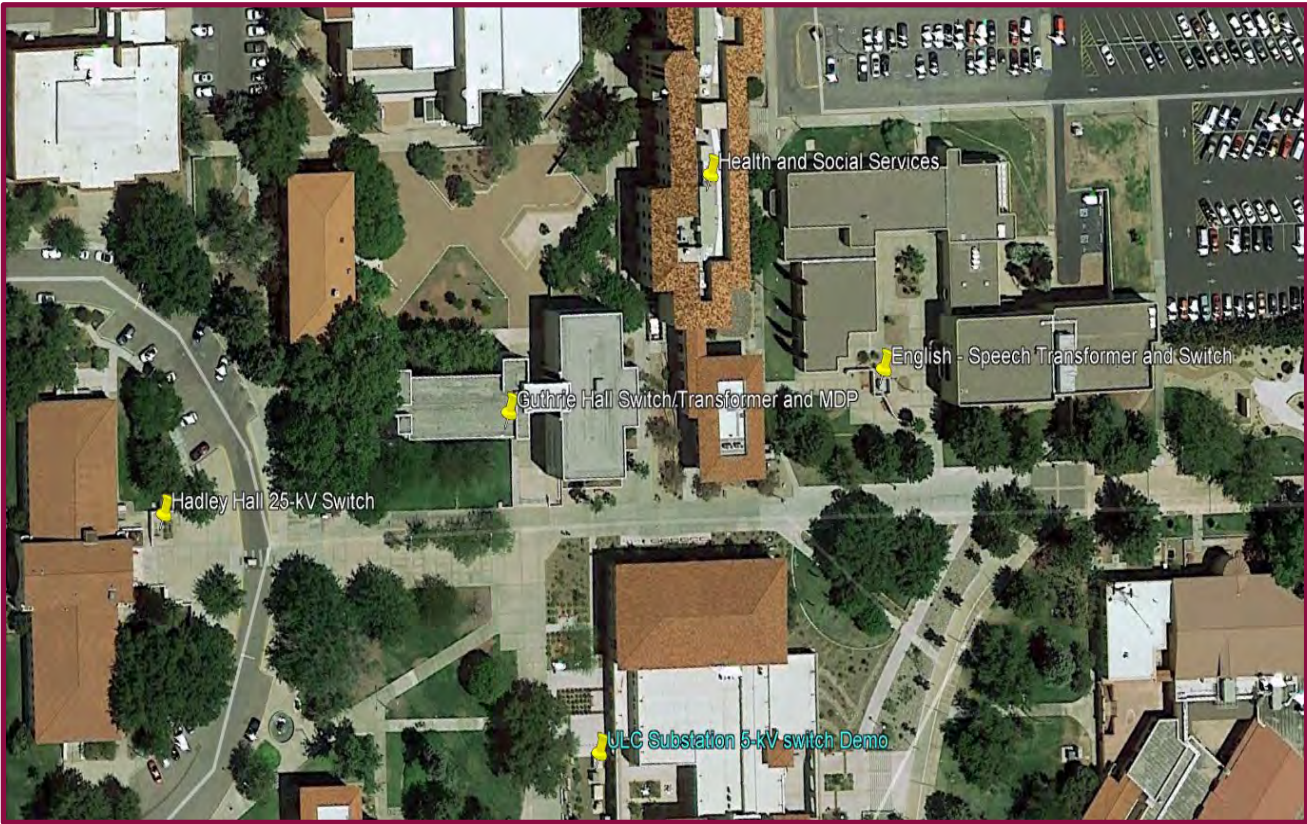
Objective:

- Increase reliability in campus electrical distribution
- Explore use of campus turbine generator as reliable, alternate sources of power for more critical buildings
- Phase out the older 5kV campus voltage and convert to all 25kV distribution
- Address immediate projects and provide direction for connections to the campus distribution system
- Plan for future growth and flexibility for next 15-20 years

Proposed Demographics

- **Year Installed:** 5-kV prior to 1965
- **Last Expansion:** 25-kV to Hadley Hall in 2019
- **Construction Type:** Medium Voltage (MV) infrastructure to include conduit, cable, switches, transformers, and low voltage Main Distribution Panel (MDP).
- **Reason for Change:** Modernization of MV system based on MV Master Plan, increased MV system reliability and safety, one standard voltage for MV system on main campus, and energy savings due to higher voltage/correct sized equipment.

Proposed Demographics - Location



Proposed Project Schedule

- Completion of Design – November 2019
- Start of Construction – January 2021
- Completion of Construction – January 2022

Funding Sources and Prior Approvals

Project Funding — \$400,000

- Building Repair and Renewal FY21– \$400,000

Prior Approval

- N/A

Contact Information

Heather Watenpaugh
University Architect
Facilities and Services
www.facilities.nmsu.edu
575.646.1360
hzw@nmsu.edu

Luis Campos
Associate Vice President
Facilities and Services
www.facilities.nmsu.edu
575.646.2101
campos1@nmsu.edu



Thank you!
Questions?

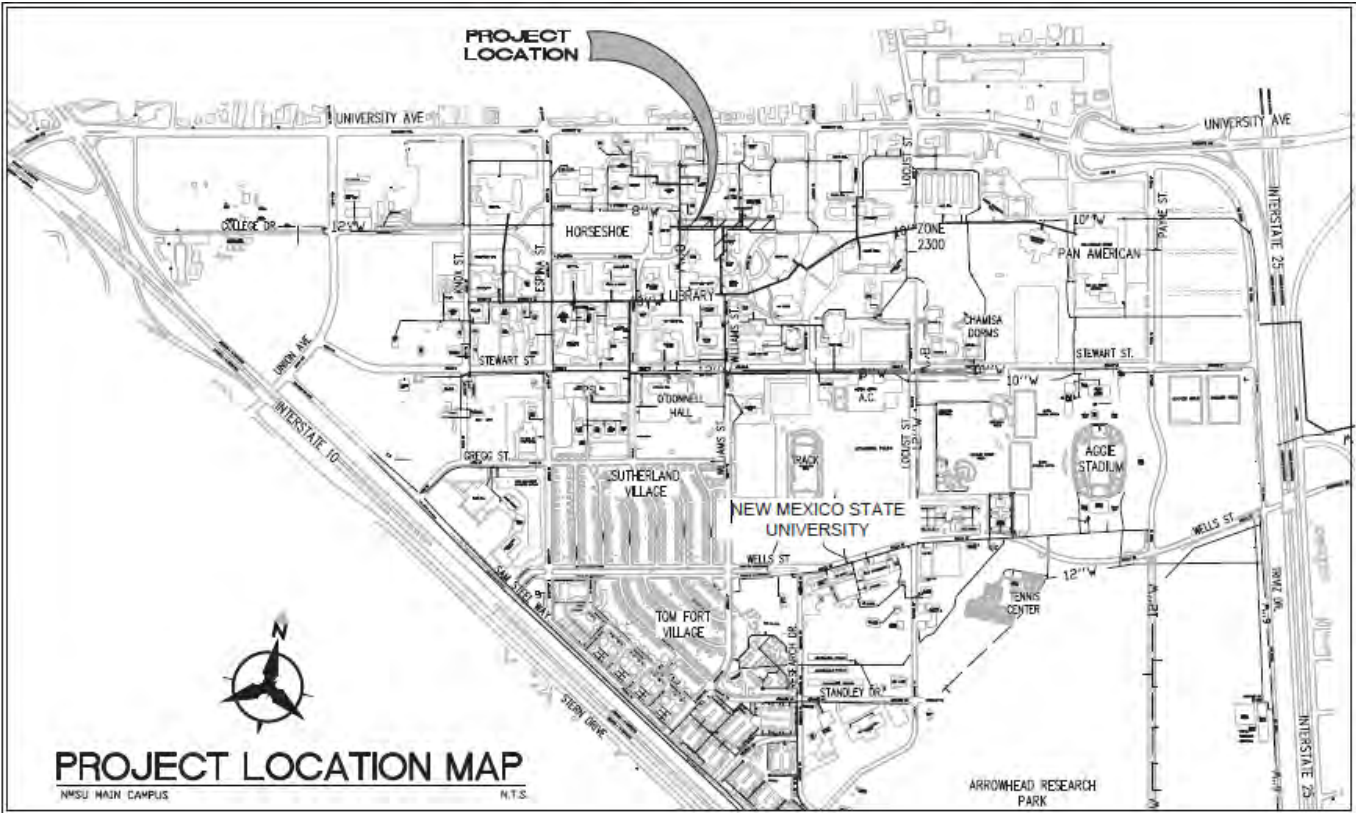


Las Cruces: Electrical Infrastructure Improvements

Supplemental Information



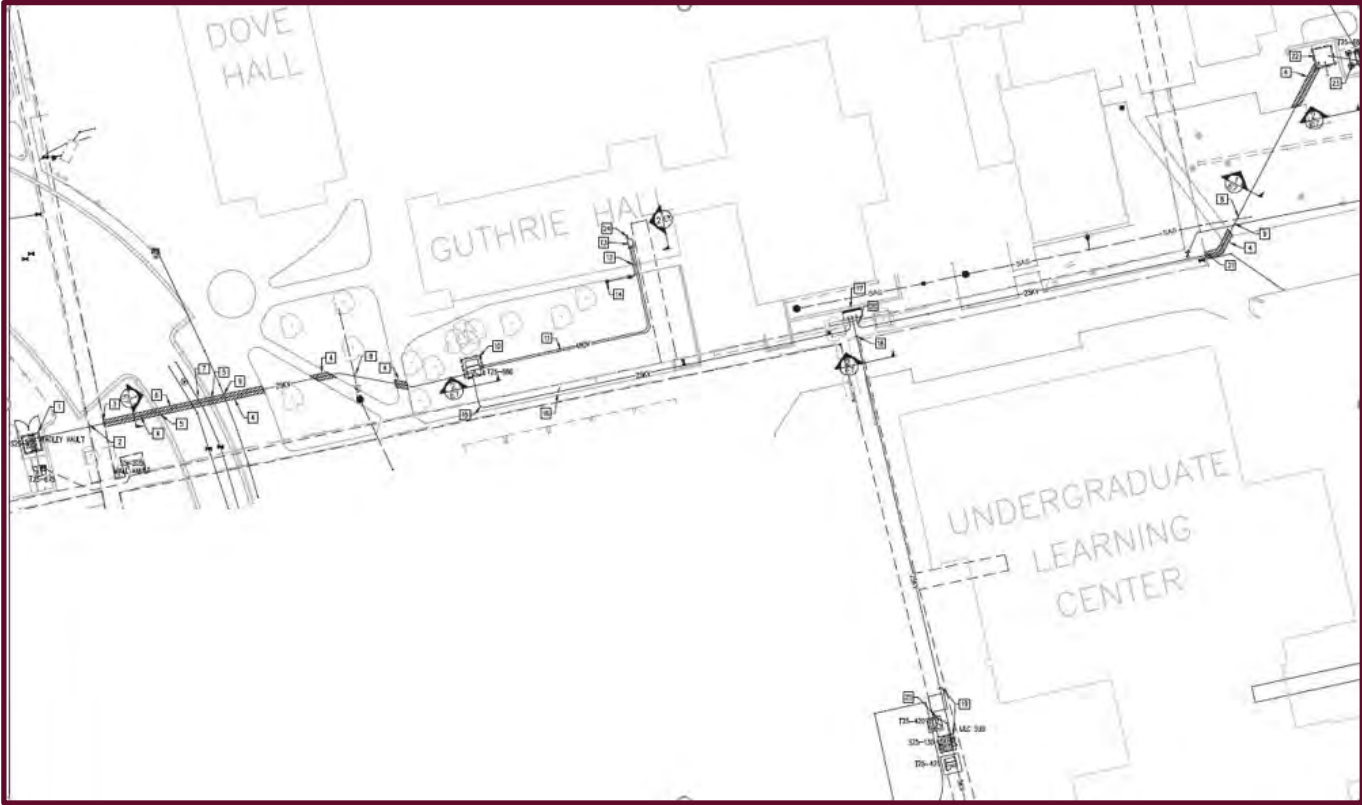
Project Location



BE BOLD. Shape the Future.

Facilities and Services

Area of Construction



Existing Conditions



Hadley Hall 25-kV Switch



Guthrie Hall 5-kV Switch

Existing Conditions



Guthrie Hall Transformer and MDP



English/Speech 5-kV switch and transformer



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # H-4

Action Item

Consent Item

Informational Item

Presented By: Scott Eschenbrenner
Special Assistant to the President

Agenda Item: El Paso Electric Company Easement for the Solar Project

Requested Action of the Board of Regents: Approval of El Paso Electric Company Easement for the Solar Project

Executive Summary: Requesting approval of El Paso Electric Company Easement for the Solar Project on Sam Steel Way in Dona Ana County, NM, Section 28 & 33, T.23S, R.2E, N.M.P.M.

References: N/A

Prior Approvals:

Regents Real Estate Committee – Unanimous consent on October 29, 2020 for approval of an El Paso Electric Company Easement for the Solar Project.

Agenda Item Approved By:

Scott Eschenbrenner, Special Assistant to the President

Scott Eschenbrenner
Special Assistant to the President

Date

OVERHEAD & UNDERGROUND EASEMENT
EASEMENT

STATE OF NEW MEXICO
COUNTY OF DONA ANA

Work Request: DN047471
DN047611

For one dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **THE REGENTS OF NEW MEXICO STATE UNIVERSITY**, hereinafter called Grantor, grants unto El Paso Electric Company, hereinafter called Grantee, its successors and assigns, whose address is P.O. Box 982, El Paso, Texas 79960, the perpetual right, privilege, authority and easement to enter and erect, construct, operate, remove, inspect, access, and maintain a line of poles at any time with any and all necessary cables, lines, wires, crossarms, guys, and anchors, for an above ground electric distribution and/or transmission system together with an underground electric distribution system, including transformers (conventional or padmount), ducts, conductors, conduits, fixtures, pullboxes, manholes, handholes, service facilities transformers, vaults and any other usual appurtenances, pertaining thereto, together with the overhang of service wires, with the right of access, ingress, and egress, thereto for the installation, construction, operation, inspection, repair, maintenance, replacement, renewal or removal thereof, for the distribution and/or transmission of electricity, for any and all purposes, including communications, for which same is or may hereafter be used, over, upon and along the following described premises and the adjoining roads, streets and highways, in the county named above, to wit:

A portion of **SECTIONS 28 AND 33, T.23S, R.2E, N.M.P.M., DONA ANA COUNTY, NEW MEXICO**, as shown on the attached Exhibit A, Exhibit B and Exhibit C and made a part hereof,

with the right to trim any trees and flora along and around said lines and electrical equipment so as to keep the lines and electrical equipment cleared, the right to erect and set the necessary brace poles, anchors and guy wires, and to do anything proper and necessary to operate and maintain same.

Buildings and structures of a permanent nature, including but not limited to fences, boundary walls, walkways and landscaping that obstruct access to or safe operational clearances from Grantee's electrical equipment; will not be built on or over the easement, or under any overhead electric lines, except with the prior written consent of Grantee.

This Easement is effective upon the date it is executed by Grantor as stated in the Acknowledgement of Grantor's execution.

[Signatures on following page.]

OVERHEAD & UNDERGROUND EASEMENT

Work Request: DN047471 DN047611

GRANTOR

THE REGENTS OF NEW MEXICO STATE UNIVERSITY

By: _____
Name: _____
Title: _____

THE STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on this _____ day of _____, 20____
by _____, _____ of
NAME TITLE
_____ who stated that (s)he executed same for the purpose
COMPANY NAME
and consideration therein expressed and in the capacity therein stated.

Notary Public in and for
the State of _____

Commission Expires:

GRANTEE

EL PASO ELECTRIC COMPANY

By: _____
Name: Daniel J. Monteros
Title: Manager – Land Management

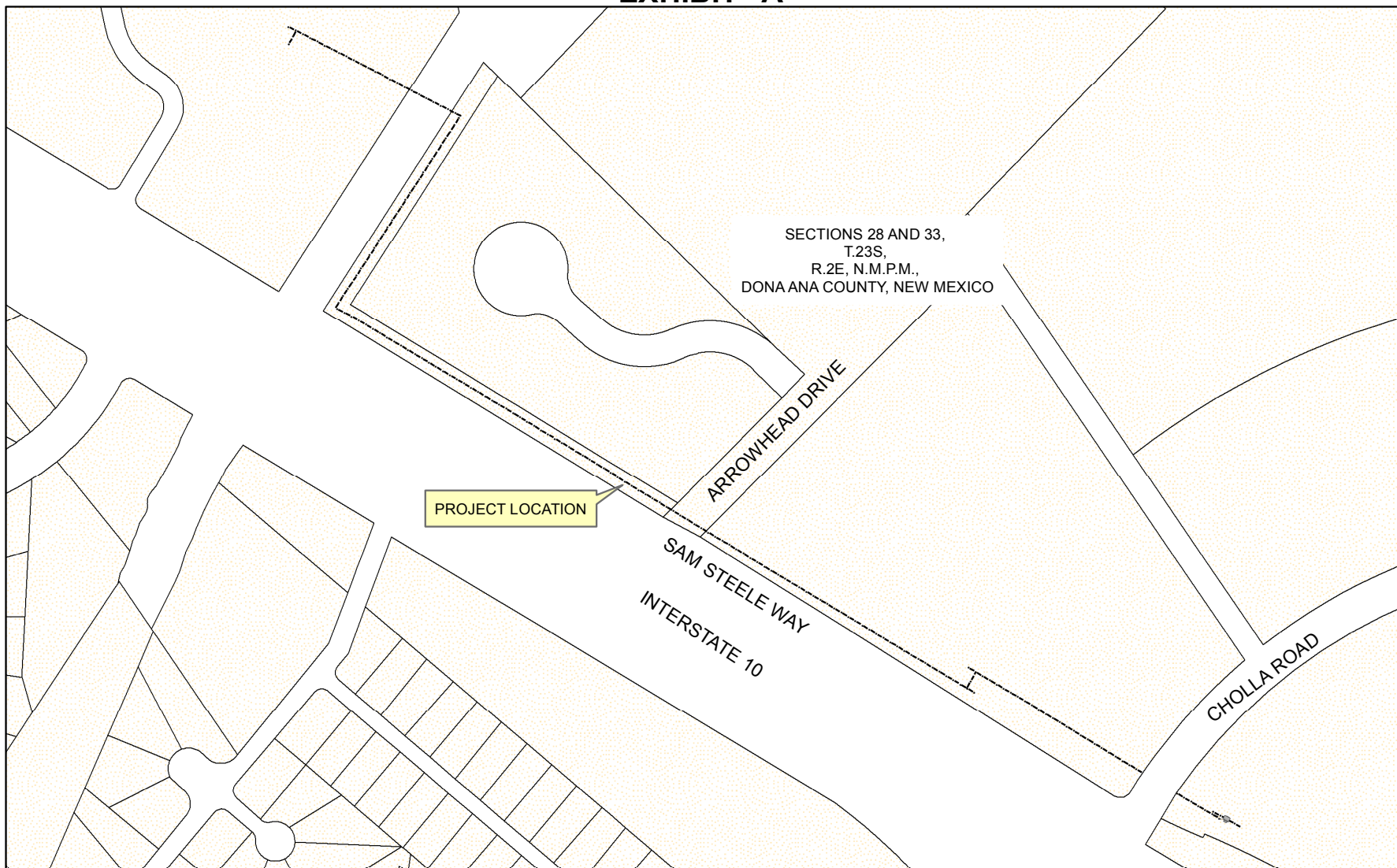
THE STATE OF TEXAS §
COUNTY OF EL PASO §

This instrument was acknowledged before me on this _____ day of _____, 20____
by Daniel J. Monteros, Manager – Land Management of El Paso Electric Company who stated that (s)he
executed same for the purpose and consideration therein expressed and in the capacity therein stated.

Notary Public in and for
the State of Texas

Commission Expires:

EXHIBIT "A"



SECTIONS 28 AND 33,
T.23S,
R.2E, N.M.P.M.,
DONA ANA COUNTY, NEW MEXICO

PROJECT LOCATION

ARROWHEAD DRIVE

SAM STEELE WAY
INTERSTATE 10

CHOLLA ROAD



NOT TO SCALE

LEGEND (NOT ALL SYMBOLS APPLY)







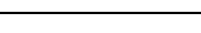
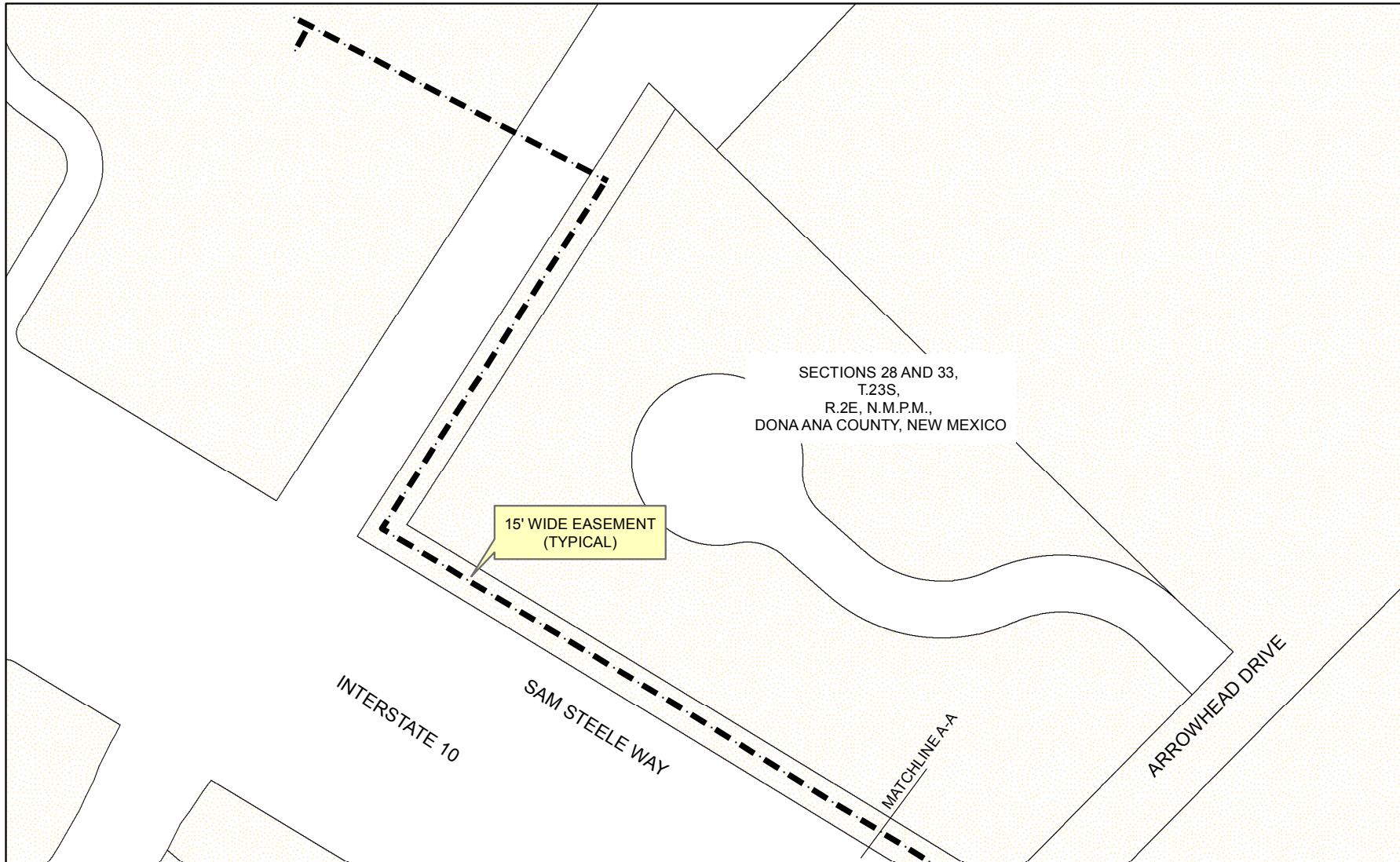
	PADMOUNT TRANSFORMER		UNDERGROUND EASEMENT
	ANCHOR EASEMENT		OVERHEAD EASEMENT
	SWITCH GEAR		OVERHEAD/UNDERGROUND EASEMENT
			EXISTING POWERLINE



EXHIBIT "B"



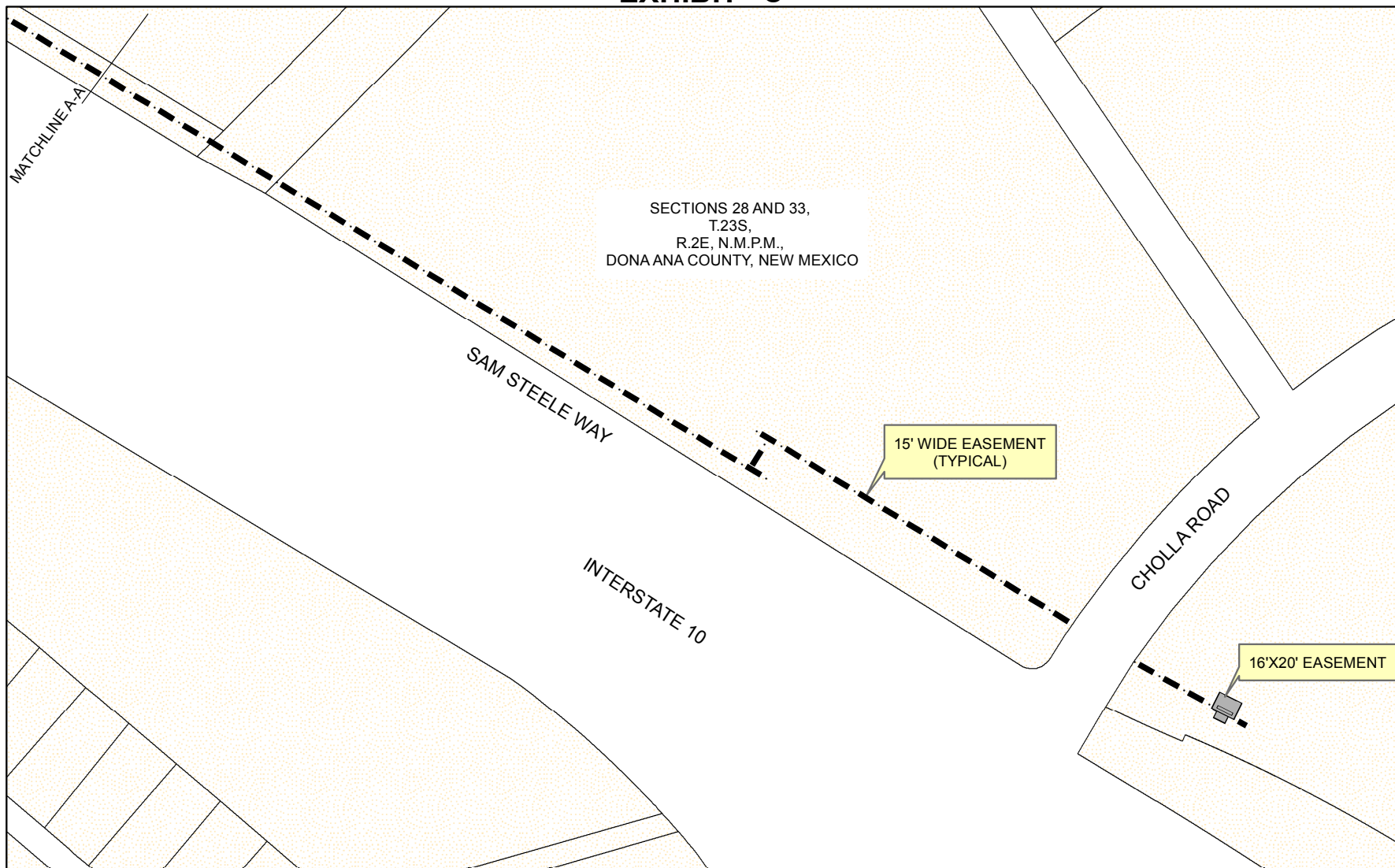
NOT TO SCALE

LEGEND (NOT ALL SYMBOLS APPLY)			
	PADMOUNT TRANSFORMER		UNDERGROUND EASEMENT
	ANCHOR EASEMENT		OVERHEAD EASEMENT
	SWITCH GEAR		OVERHEAD/UNDERGROUND EASEMENT
			EXISTING POWERLINE










EL PASO ELECTRIC

EXHIBIT "C"



NOT TO SCALE

LEGEND (NOT ALL SYMBOLS APPLY)

- | | | | |
|---|----------------------|--|-------------------------------|
|  | PADMOUNT TRANSFORMER |  | UNDERGROUND EASEMENT |
|  | ANCHOR EASEMENT |  | OVERHEAD EASEMENT |
|  | SWITCH GEAR |  | OVERHEAD/UNDERGROUND EASEMENT |
| | |  | EXISTING POWERLINE |



EL PASO ELECTRIC



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # H-5

- Action Item
- Consent Item
- Informational Item

Presented By: Scott Eschenbrenner
Special Assistant to the President

Agenda Item: Right of Way Use Agreement

Requested Action of the Board of Regents: Approval of Right of Way Use Agreement

Executive Summary: Requesting approval of Right of Way Use Agreement for Gateway Monument Sign and Landscaping at University and Valley Drive from New Mexico Department of Transportation.

References: N/A

Prior Approvals:

Regents Real Estate Committee – Unanimous consent on October 29, 2020 for approval of a Right of Way Use Agreement for Gateway Monument Sign and Landscaping at University and Valley Drive from New Mexico Department of Transportation.

Agenda Item Approved By:

Scott Eschenbrenner, Special Assistant to the President

Scott Eschenbrenner
Special Assistant to the President

Date

Contract # _____
Vendor # _____

RIGHT OF WAY USE AGREEMENT

THIS AGREEMENT, by and between the **NEW MEXICO DEPARTMENT OF TRANSPORTATION**, P.O. Box 1149, Santa Fe, New Mexico, 87504-1149, (hereinafter "NMDOT") and **NEW MEXICO STATE UNIVERSITY** (hereinafter "Permittee").

Permittee desires to use highway right of way at the below referenced location for a **Gateway Monument Sign and landscaping**, in a manner not inconsistent with or detrimental to NMDOT's statutory obligations for highway control and maintenance and in compliance with municipal or county customs, ordinances, zoning and agreements;

For purposes of this Agreement, "Right of Way Use" is defined as that space located above, at or below the highway's established grade line lying within the approved right of way limits; and

It is expressly agreed between the parties that the granting of this Right of Way Use Agreement (hereafter "Agreement") does not convey or in any way give any interest or rights other than as indicated herein.

The parties agree as follows:

**SECTION 1
NMDOT AGREES:**

- A. To permit the right-of-way described below, and shown on the master plan and right of way map attached hereto as Exhibits "**A and B**" to be used for a **Gateway Monument Sign and landscaping**:

Description of Right of Way use:

More commonly known as: intersection of East University Ave. and South Valley Dr., Las Cruces, NM

- B. In consideration of Permittee's performance under the terms and conditions of this Agreement, to permit the described right of way to be used for a period of TEN (10) YEARS from the date all parties have signed this Agreement. Each extension shall be exercised by Permittee giving written notice to the NMDOT at least 30 days prior to the expiration of the original term or the then current extension period, as applicable, unless the Agreement is otherwise terminated or revoked as provided herein. If the Permittee fails to give such timely notice to the NMDOT, this Agreement will expire and the granting of an extension will be solely within the NMDOT's discretion. Unless this Agreement is otherwise terminated or revoked as provided herein. Further, upon termination of this Agreement, Permittee shall vacate the premises as provided in Paragraph (o) herein.

**SECTION 2
PERMITTEE AGREES:**

- A. To develop and use the described Right of Way solely and exclusively for the purpose of a **Gateway Monument Sign and landscaping**, in accordance with the master plan showing the site to be utilized in the right of way use agreement attached hereto as Exhibit "**A**", the right of way map attached hereto as Exhibit "**B**" and subject to the following conditions:
1. It is expressly agreed between the parties that this Agreement does not convey or grant in any way interests or rights other than as indicated herein.
 2. Upon termination of this Agreement, the NMDOT shall have the right to re-enter and repossess the property described herein, and upon such termination, any permission Permittee may have under this Agreement to occupy or use the right of way shall be extinguished and this Agreement shall have no further effect.

3. No change in the established drainage pattern is authorized. Permittee is responsible for additional flow resulting from Permittee's development of site.
4. Permittee is solely liable for contamination of soils and/or ground water resulting from Permittee's activities on the property included within this Agreement. Such liability includes, but is not limited to, costs of response, costs of site investigation and remediation, damages for injury to, destruction of, or loss of natural resources including the costs of assessing such injury, destruction or loss and/or the costs of any health assessments or health effects study. Permittee shall not cause or permit the escape, disposal or release of any biologically or chemically active or other hazardous substances or materials on or about the property. Hazardous substances and materials shall include those described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, codified as 42 U.S.C. §§ 9601, et seq., the Resource Conservation and Recovery Act, codified as 42 U.S.C. §§ 6901, et seq., and any applicable state or local laws and regulations. If, during the term of this Agreement or any extension thereof, the NMDOT ever requests or requires testing to ascertain whether or not there has been any escape, disposal or release of hazardous substances or materials, the costs of such testing shall be paid solely by Permittee. Permittee's refusal to pay such costs shall be grounds for termination of this Agreement by NMDOT. Such obligation shall survive the expiration or early termination of this Agreement.
5. This Agreement shall be terminated at the NMDOT's discretion if the site is abandoned or is not used for the purposes set forth herein for a period of **NINETY (90) DAYS** after completion of improvements on the property. Time required for replacement, repairs and updates of the improvements by NMSU will not be considered abandonment or failure to

use the site for its intended purpose, as long as Permittee has notified NMDOT of such replacement, repairs and updates.

- B. This Right of Way Use Agreement shall not be transferred, assigned or conveyed to another party. Any attempt by Permittee to transfer or assign this Agreement to another person or entity shall cause the Agreement to immediately terminate and to be of no further force or effect.
- C. To maintain any improvements, including a **Gateway Monument Sign and landscaping**, in good condition both as to safety and appearance. Said maintenance shall in no way cause interference with highway use. If the NMDOT determines that Permittee has failed to adequately maintain the safety and appearance of its improvements, the NMDOT will send a written notice to Permittee requesting a correction of the condition. The NMDOT may terminate this Agreement or enter the premises to perform the necessary maintenance work if the Permittee has not done so in a satisfactory manner, as determined by the NMDOT, and within **Thirty (30) DAYS** from the date of written notice of the condition needing repair. In that event, the Permittee shall reimburse all costs incurred by the NMDOT in performing the maintenance work. The NMDOT shall have the right to terminate this Agreement if Permittee fails or refuses to reimburse said costs within the time prescribed by the NMDOT.
- D. To allow entry by authorized NMDOT or Federal Highway Administration (“FHWA”) representatives when deemed necessary by NMDOT for purposes of inspection, maintenance, reconstruction, placement of permanent structures, facilities and improvements above, on or below the right of way grade line, or for the purpose of insuring compliance with all provisions of this Agreement. If the NMDOT’s activities cause a temporary restriction of Permittee’s activities under this Agreement, the Agreement may be terminated or extended by a period

equal to the period of the temporary restriction if the Permittee was otherwise in compliance with the terms hereof.

- E. Permittee agrees to allow access to the property described herein at any and all times to utility companies for maintenance of any existing and future utilities that include monitoring and remediation activities. The described activities include, but are not limited to installation, operation and maintenance of such utilities.
- F. Permittee agrees to provide proof of coverage from New Mexico's Risk Management Division.
- G. Permittee will not enter into possession of, or occupy or use the described right of way until it provides NMDOT with proof of coverage from New Mexico State Risk Management Division.
- H. Permittee for itself, successors-in-interest and assigns as a part of the consideration for this Agreement, hereby covenants and agrees that if it constructs, maintains or otherwise operates facilities on the described right of way for a purpose for which a NMDOT program or activity is extended, or for another purpose involving the provision of similar services or benefits, Permittee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and 42 USC §§ 12101 to 12213 (Americans with Disabilities Act), together with all regulations issued pursuant to those laws, including subsequent amendments.
- I. Permittee for itself, its successors-in-interest and assigns, as a part of the consideration hereof, does hereby further covenant and agree that:

- (1) No person shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities on the ground of race, age, color, sex, national origin or disability;
 - (2) No person on the basis of race, age, color, sex, national origin or disability shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of any improvements on, over or under such land and the furnishing of services thereon;
 - (3) Permittee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and 42 USC §§ 12101 to 12213 (Americans with Disabilities Act) together with all regulations issued pursuant to those laws, including subsequent amendments;
 - (4) In the event of breach of any of the above nondiscrimination covenants, the NMDOT shall have the right to terminate the Agreement and to re-enter and repossess said property and the facilities thereon and to hold the same as if said Agreement had never been made or issued.
- J. This Agreement may be terminated by the NMDOT if the Permittee violates any provision of this Agreement and after written notice such violation is not corrected within such time as the NMDOT deems reasonable.
- K. If this Agreement is revoked, terminated or canceled as provided herein, Permittee shall vacate and remove the improvements from the described premises. Such removal must occur within **one hundred and twenty (120)** days of the date of notice of revocation, termination or

cancellation as provided herein. NMDOT may either accept possession of the remaining improvements or it may require removal of all improvements. If it becomes necessary for the NMDOT to remove the improvements, the Permittee will be billed for the costs of removal. Permittee shall also pay all damages, consequential as well as direct, sustained by NMDOT if Permittee retains possession of the property or any part thereof after the termination of this Agreement for any reason. Nothing in this provision shall operate as a waiver of NMDOT's right of re-entry or any other right or remedy of NMDOT.

- L. If this Agreement is terminated in accordance with the terms hereof, the NMDOT and the FHWA shall not be liable or responsible to Permittee for damages of any nature that may be incurred by Permittee as a result of the termination of this Agreement.
- M. The parties agree that the Permittee is not entitled to relocation benefits under the New Mexico Relocation Assistance Act, NMSA 1978 §§ 42-3-1 through 42-3-15.
- N. This Agreement may be terminated for the convenience of either party upon written notice received **NINETY- (90) DAYS** in advance of termination without the necessity of showing the other's breach or default.
- O. This Agreement may be terminated if the NMDOT determines it needs the right of way for highway purposes. In that event, the NMDOT shall provide written notice **three hundred and sixty-five (365) days** in advance of termination.
- P. Excepting the terms and conditions required by law and regulation, this Agreement may be amended by mutual, written agreement and acceptance of the parties. This Agreement may be terminated as provided herein in the event of a dispute resulting from the failure of the parties to agree and accept changes to this Right of Way Use Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year first above written.

“PERMITTEE”

**NEW MEXICO DEPARTMENT
OF TRANSPORTATION**

By: _____

By: _____

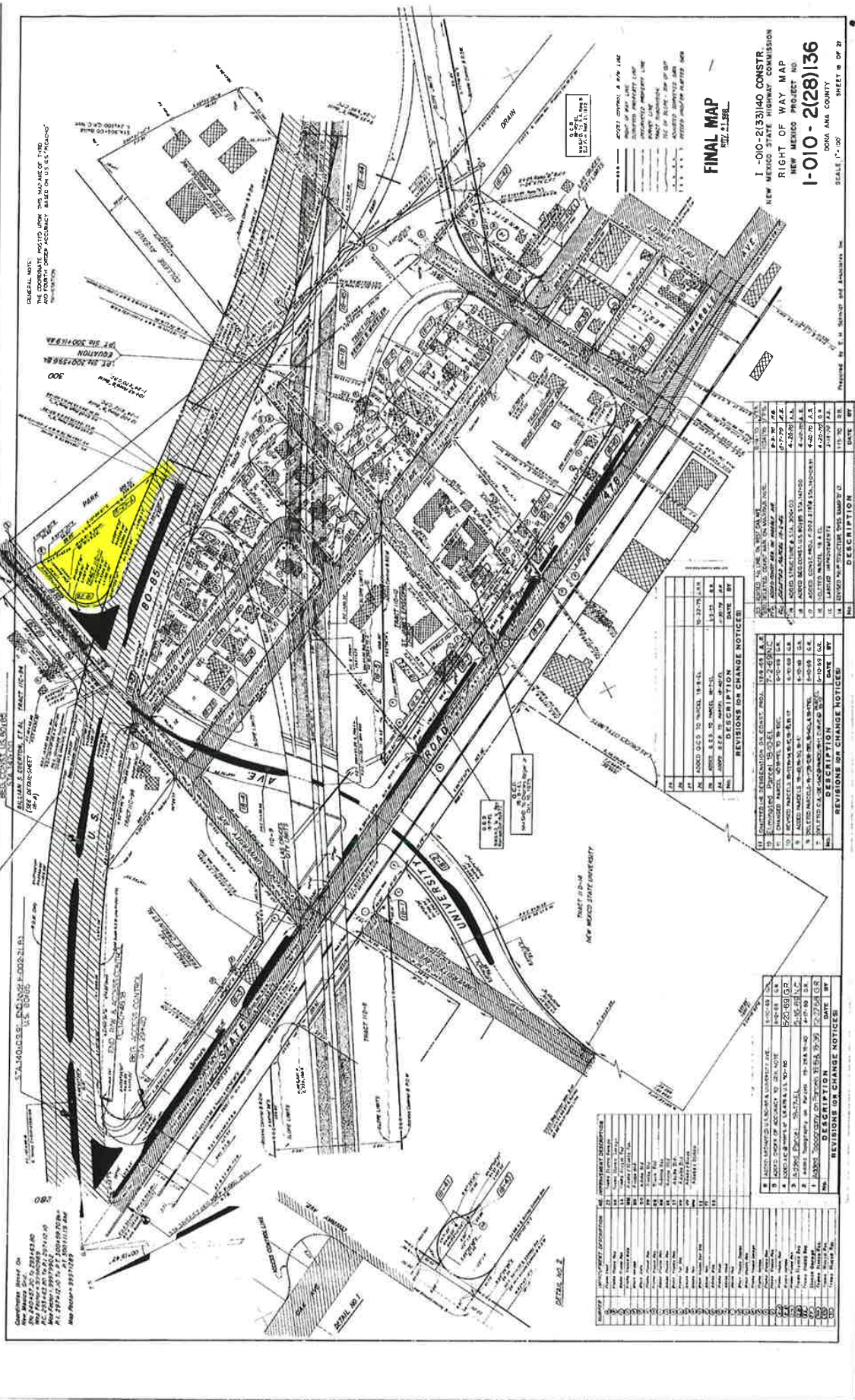
Cabinet Secretary or Designee

On _____, 2020

On _____, 2020

Reviewed and approved as to form and legal
sufficiency by the Office of General Counsel by

_____, 2020



GENERAL NOTE:
 THIS MAP WAS MADE BY THE
 SURVEYOR AND THE NORTH COORDINATE IS BASED ON U.S. STANDARD
 DATUM 1983.

SCALE: 1" = 100'

FINAL MAP
 CITY OF DENVER

I-010-2(28)136 CONSTR
 NEW HIGHWAY PROJECT
 RIGHT OF WAY MAP
 NEW HIGHWAY PROJECT
 I-010-2(28)136
 DENVER, COLORADO
 SHEET 8 OF 21

OWNER: STATE OF COLORADO
 PROJECT: I-70
 DRAWING NO.: I-010-2(28)136
 SHEET NO.: 8 OF 21
 DATE: 11/15/01

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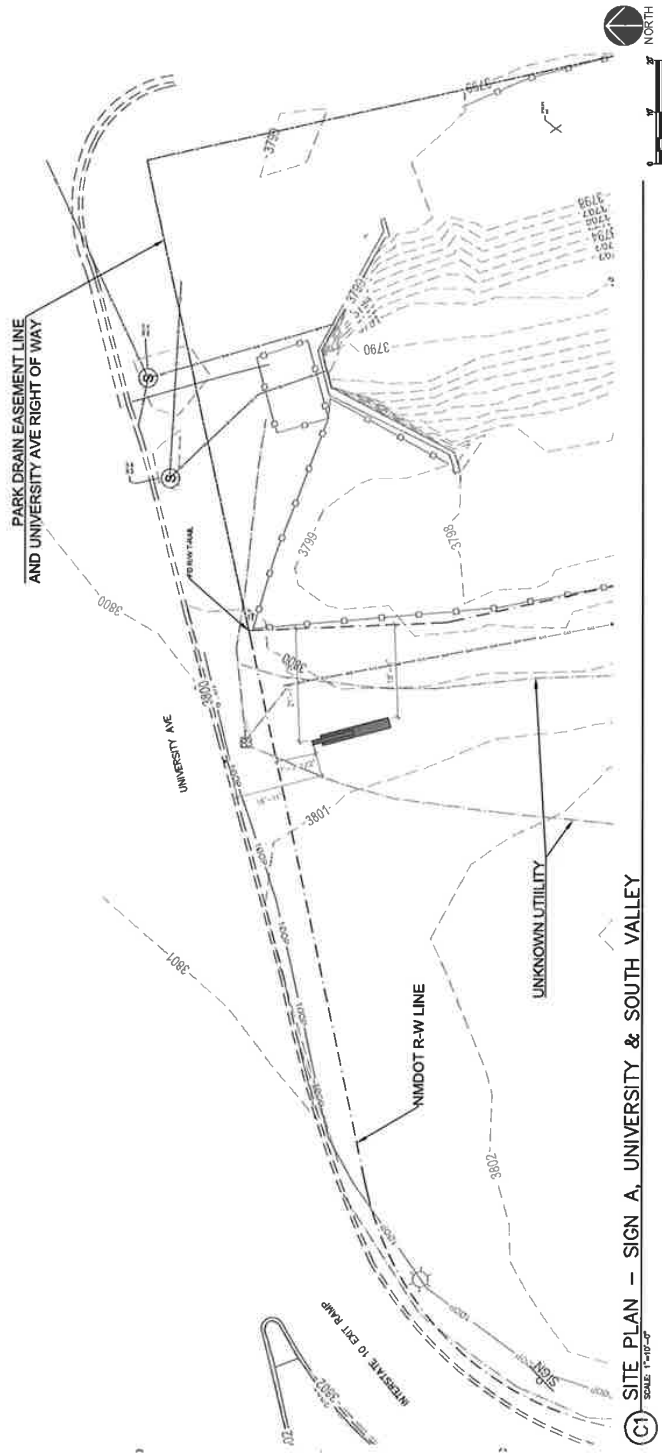
SCALE: 1" = 100'

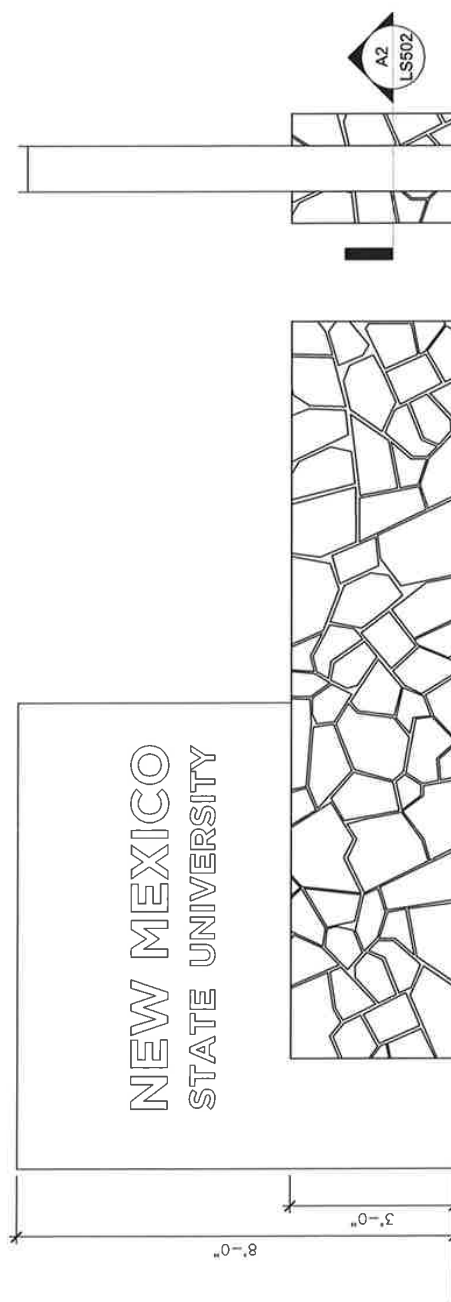
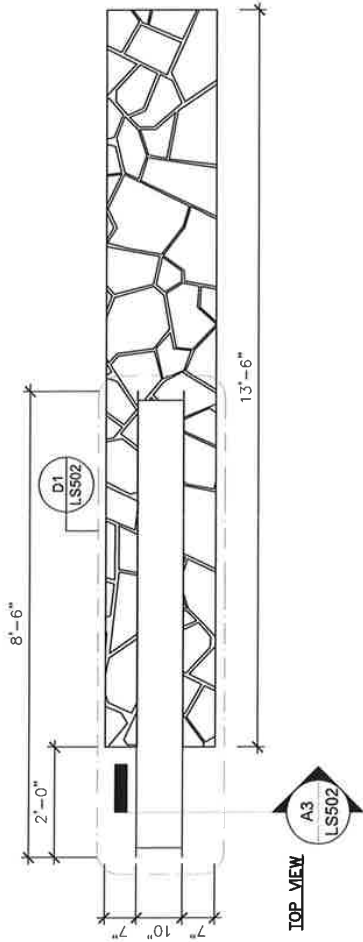
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SCALE: 1" = 100'





FRONT ELEVATION

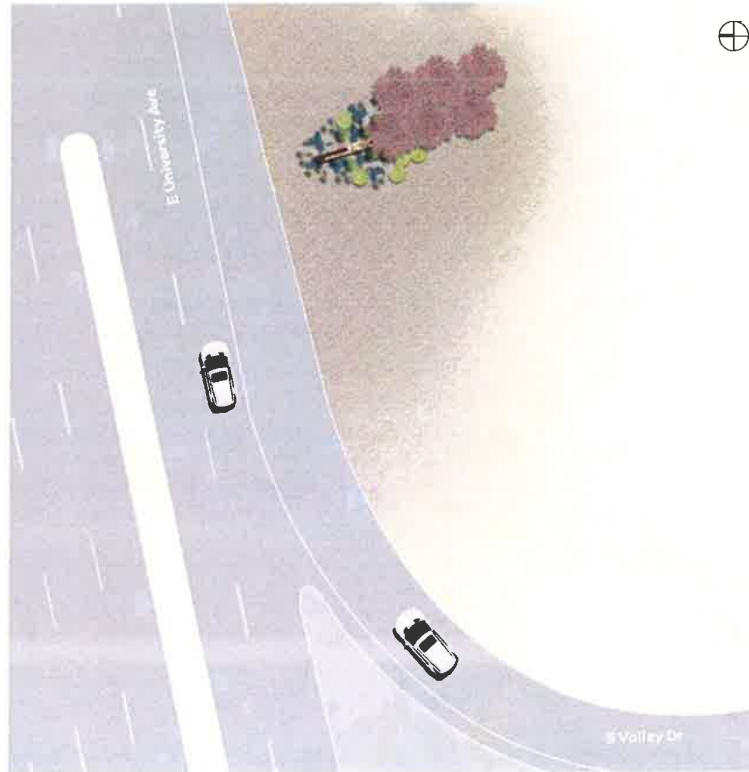
SIDE ELEVATION

A2 SIGN TYPE A
SCALE: 1/2"=1'-0"



SITE DESIGN

- R1/01 PRIMARY MONUMENT SIGN
East University Avenue & South Valley Drive



PLAN VIEW



This primary monument sign addresses vehicles and pedestrians approaching the campus from the west as well as vehicles exiting I-10.



PERSPECTIVE VIEW



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # H-6

- Action Item
- Consent Item
- Informational Item

Presented By: Scott Eschenbrenner
Special Assistant to the President

Agenda Item: Regents Policy Manual Revision – Regents Real Estate Committee (RREC)

Requested Action of the Board of Regents: Approval of Regents Policy Manual Revision - RREC

Executive Summary: Requesting approval of Regents Policy Manual Revision for the RREC voting members and non-voting members.

References: N/A

Prior Approvals:

Regents Real Estate Committee – Unanimous consent on October 29, 2020 for approval of the Regents Policy Manual Revision - RREC.

Agenda Item Approved By:

Scott Eschenbrenner, Special Assistant to the President

Scott Eschenbrenner
Special Assistant to the President

Date

Clean Version of Membership of Regents Real Estate Committee Charter

Recognizing the value of perspectives independent from NMSU, and the need for astute management of the physical campus and university assets, the RREC will be composed of the following voting members annually appointed by the Board chair: two Regents, the Chancellor, a representative from the academic units, and an odd number, of up to five members from the private sector. The Board chair will appoint a regent member as the RREC chair, and another member as co-chair. Serving as *ex-officio*, non-voting members to the RREC are the President, Vice Chancellor & Chief Strategic Financial Officer, the Senior Vice President of Administration and Finance, Director of Real Estate, the Associate Vice President for Facilities and Services, the ASNMSU President, and the University General Counsel, or their respective designees and others as appointed by the Board chair.

Compare Version of Membership of Regents Real Estate Committee Charter

Recognizing the value of perspectives independent from NMSU, and the need for astute management of the physical campus and university assets, the RREC will be composed of the following voting members annually appointed by the Board chair: - two ~~regents~~Regents, the ~~chancellor~~Chancellor, a representative from the academic units, and an odd number, of up to five members from the private sector. The Board chair will appoint a regent member as the RREC chair, and another member as co-chair. - Serving as ~~ex-officio~~, non-voting members to the RREC are the ~~director of real estate~~President, Vice Chancellor & Chief Strategic Financial Officer, the ~~senior vice president of administration~~Senior Vice President of Administration and Finance, Director of Real Estate, the ~~associate vice president~~Associate Vice President for Facilities and Services, the ~~ASNMSU President~~, and the ~~university general counsel~~University General Counsel, or their respective designees and others as appointed by the Board chair.



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item #: H-7

- Action Item
- Consent Item
- Informational Item

Presented By: Roy Collins III, J.D.
General Counsel

Agenda Item: Revised NMSU Labor Management Relations Resolution, formally entitled, "Resolution No. ____ Relating to Collective Bargaining for NMSU, Providing Rights, Responsibilities, and Conditions of Continued Existence and Transfer of Authority upon Termination of Local Board".

Requested Action of the Board of Regents: Approval of Resolution

Executive Summary:

The Resolution presented for approval updates the Board’s current Labor Management Relations Resolution consistent with changes in state law (Public Employee Bargaining Act, NMSA 1978 §§ 10-7E-1 through 26). The revisions are required to maintain the university’s [local] Labor Management Relations Board; otherwise, approval for the local board will be considered automatically revoked. The form of the resolution is based on the template resolution approved for public employers by the State’s Public Employee Labor Relations Board at its October 6, 2020 meeting.

References:

NMSU Labor Management Relations Resolution, amended March 5, 2005.
NMSA 1978, §§ 10-7E- 1 through 10-7E--26.

Prior Approvals: N/A

Agenda Item Approved By:

Roy Collins III, J.D.
General Counsel

25 November 2020

Date

NEW MEXICO STATE UNIVERSITY RESOLUTION No. 2020-_____

RELATING TO COLLECTIVE BARGAINING FOR NMSU, PROVIDING RIGHTS, RESPONSIBILITIES, AND CONDITIONS OF CONTINUED EXISTENCE AND TRANSFER OF AUTHORITY UPON TERMINATION OF LOCAL BOARD.

SECTION 1. SHORT TITLE. This Resolution, updating and revising its March 14, 2005 resolution relating to collective bargaining, may be cited as the “New Mexico State University Labor Management Relations Resolution”.

SECTION 2. PURPOSE. The purpose of the Labor Management Relations Resolution is to guarantee employees the right to organize and bargain collectively with their employer, to protect the rights of the employer and the employees and to promote harmonious and cooperative relationships between the employer and the employees; and to acknowledge the obligation of the employer and the employees to provide orderly and uninterrupted services to the citizens.

SECTION 3. CONFLICTS. In the event of conflict with other New Mexico State University resolutions, the provisions of the New Mexico State University Labor Management Relations Resolution shall supersede other previously enacted resolutions. New Mexico State University sanctioned rules and regulations, administrative directives, departmental rules and regulations, and work place practices shall control unless there is a conflict with a collective bargaining agreement. Where a conflict exists, the collective bargaining agreement shall control.

SECTION 4. DEFINITIONS. As used in the Labor Management Relations Resolution:

- A. **Appropriate Bargaining Unit:** A group of employees designated by the New Mexico State University Labor Management Relations Board (LMR Board) for the purpose of collective bargaining.
- B. **Appropriate Governing Body:** The policymaking body or individual representing a public employer;
- C. **Authorization Card:** A signed affirmation by a member of an appropriate bargaining unit designating a particular organization as exclusive representative;
- D. **[LMR] Board:** The local Labor Management Relations Board of New Mexico State University;

- E. **Certification:** The designation by the LMR Board of a labor organization as the exclusive representative for all public employees in an appropriate bargaining unit;
- F. **Collective Bargaining:** The act of negotiating between a public employer and an exclusive representative for the purpose of entering into a written agreement regarding wages, hours and other terms and conditions of employment;
- G. **Confidential Employee:** A person who devotes a majority of the person's time to assisting and acting in a confidential capacity with respect to a person who formulates, determines and effectuates management policies;
- H. **Emergency:** A one-time crisis that was unforeseen and unavoidable;
- I. **Exclusive Representative:** A labor organization that, as a result of certification, has the right to represent all public employees in an appropriate bargaining unit for the purposes of collective bargaining;
- J. **Impasse:** Failure of a public employer and an exclusive representative, after good-faith bargaining, to reach agreement in the course of negotiating a collective bargaining agreement;
- K. **Labor Organization:** An employee organization, formed primarily for the purpose of representing public employees in collective bargaining and in otherwise meeting, consulting and conferring with employers on matters pertaining to employment relations;
- L. **Lockout:** An act by the employer to prevent its employees from going to work for the purpose of resisting demands of the employees' exclusive representative or for the purpose of gaining a concession from the exclusive representative;
- M. **Management Employee:** An employee who is engaged primarily in executive and management functions and is charged with the responsibility of developing, administering or effectuating management policies. An employee shall not be deemed a management employee solely because the employee participates in cooperative decision-making programs or whose fiscal responsibilities are routine, incidental or clerical;
- N. **Mediation:** Assistance by an impartial third party to resolve an impasse between a public employer and an exclusive representative regarding employment relations through interpretation, suggestion and advice;
- O. **Professional Employee:** An employee whose work is predominantly intellectual and varied in character and whose work involves the consistent exercise of discretion and judgment in its performance and requires knowledge of an advanced nature in a field of learning customarily requiring specialized study at an institution of higher education or its equivalent. The work of

a professional employee is of such character that the output or result accomplished cannot be standardized in relation to a given period of time;

- P. **Public Employee:** A regular probationary or non-probationary employee of New Mexico State University; and includes those employees whose work is funded in whole or in part by grants or other third-party sources;
- Q. **Public Employer:** New Mexico State University;
- R. **Strike:** A public employee's refusal, in concerted action with other public employees, to report for duty or the willful absence in whole or in part from the full, faithful and proper performance of the duties of employment for the purpose of inducing, influencing or coercing a change in the conditions, compensation, rights, privileges or obligations of public employment; and
- S. **Supervisor:** An employee who devotes a majority of work time to supervisory duties, who customarily and regularly directs the work of two or more other employees and who has the authority in the interest of the employer to hire, promote or discipline other employees or to recommend such actions effectively, but "supervisor" does not include an individual who performs merely routine, incidental or clerical duties or who occasionally assumes a supervisory or directory role or whose duties are substantially similar to those of the individual's subordinates and does not include a lead employee or an employee who participates in peer review or occasional employee evaluation programs.

SECTION 5. RIGHTS OF EMPLOYEES.

- A. Employees, other than management, supervisory and confidential employees, may form, join, or assist any labor organization for the purpose of collective bargaining through a representative chosen by the employees without interference, restraint, or coercion. Employees also have the right to refuse to form, join, or assist any labor organization.
- B. Public employees have the right to engage in other concerted activities for mutual aid or benefit. This right shall not be construed as modifying the prohibition on strikes set forth in Section 18 of this resolution.

SECTION 6. RIGHTS OF EMPLOYER. Unless limited by the provisions of a collective bargaining agreement or by other statutory provision, the employer may:

- A. Direct the work of, hire, promote, assign, transfer, demote, suspend, discharge, or terminate

- public employees;
- B. Determine qualifications for employment and the nature and content of personnel examinations;
 - C. Take actions as may be necessary to carry out the mission of the employer in emergencies, and;
 - D. Retain all rights not specifically limited by a collective bargaining agreement or by the Public Employee Bargaining Act.

SECTION 7. LABOR MANAGEMENT RELATIONS BOARD – CONDITIONS OF CONTINUED EXISTENCE AND TRANSFER OF AUTHORITY UPON TERMINATION.

- A. The LMR Board created by resolution of the NMSU Board of Regents, most recently amended March 14, 2005, shall continue to exist except as provided in NMSA 1978 Section 10-7E-10(B) through 10-7E-10(J) (2020).
- B. The LMR Board shall be composed of three members appointed by the NMSU Board of Regents. One member shall be appointed on the recommendation of individuals representing labor, one member shall be appointed on the recommendation of the chancellor or designee, representing New Mexico State University, and one member shall be appointed on the recommendation of the first two appointees.
- C. LMR Board members shall serve for a period of one (1) year with terms. Vacancies shall be filled in the same manner as the original appointment and such appointments shall only be made for the remainder of the unexpired term. A LMR Board member may serve an unlimited number of terms.
- D. During the term of appointment, no LMR Board member shall hold or seek any other political office or public employment or be an employee of a union, an organization representing public employees or a public employer.
- E. Each LMR Board member shall be paid per diem and mileage in accordance with the provisions of the Per Diem and Mileage Act.

SECTION 8. LMR BOARD – POWERS AND DUTIES.

- A. The LMR Board shall promulgate rules and regulations necessary to accomplish and perform its functions and duties as established in this Labor Management Relations Resolution, including the establishment of procedures for:

- (1) the designation of appropriate bargaining units;
- (2) the selection, certification, and decertification of exclusive representatives; and;
- (3) the filing, hearing, and determination of complaints of prohibited practices.

B. The LMR Board shall:

- (1) hold hearings and make inquiries necessary to carry out its functions and duties;
- (2) conduct studies on problems pertaining to employee-employer relations; and
- (3) request information and data from public employers and labor organizations necessary to carry out its functions and responsibilities; and
- (4) hire personnel or contract with third parties as the appropriate governing body deems necessary to assist the LMR Board in carrying out its functions and may delegate any or all of its authority to those third parties, subject to final review of the LMR Board.

C. The LMR Board may issue subpoenas requiring, upon reasonable notice, the attendance and testimony of witnesses and the production of evidence, including books, records, correspondence or documents relating to the matter in question. The LMR Board may prescribe the form of subpoena, but it shall adhere insofar as practicable to the form used in civil actions in the district court. The LMR Board may administer oaths and affirmations, examine witnesses and receive evidence.

D. The LMR Board shall decide issues by majority vote and shall issue its decisions in the form of written orders and opinions.

E. The LMR Board has the power to enforce provisions of the Public Employee Bargaining Act and this resolution through the imposition of appropriate administrative remedies, actual damages related to dues, back pay including benefits, reinstatement with the same seniority status that the employee would have had but for the violation, declaratory or injunctive relief or provisional remedies, including temporary restraining orders or preliminary injunctions. No punitive damages or attorney fees may be awarded by the LMR Board.

F. No rule or regulation promulgated by the LMR Board shall require, directly or indirectly, as a condition of continuous employment, any employee covered by the Labor Management Relations Resolution to pay money to any labor organization that is certified as an exclusive representative.

SECTION 9. HEARING PROCEDURES.

- A. The LMR Board may hold hearings for the purposes of:
- (1) Information gathering and inquiry;
 - (2) Adopting rules and;
 - (3) Adjudicating disputes and enforcing the provisions of the Labor Management Relations Resolution and rules adopted pursuant to the Resolution.
- B. The LMR Board shall adopt rules setting forth procedures to be followed during hearings of the LMR Board. Such rules shall meet minimal due process requirements of the state and federal constitutions.
- C. The LMR Board may appoint a hearing examiner to conduct any adjudicatory hearing authorized by the LMR Board. At the conclusion of the hearing, the examiner shall prepare a written report, including findings and recommendations, all of which shall be submitted to the LMR Board for its decision.
- D. A rule proposed to be adopted by the LMR Board that affects a person or governmental entity outside of the LMR and its staff shall not be adopted, amended or repealed without public hearing and comment on the proposed action before the LMR Board. The public hearing shall be held after notice of the subject matter of the rule, the action proposed to be taken, the time and place of the hearing, the manner in which interested persons may present their views and the method by which copies of the proposed rule, proposed amendment or repeal of an existing rule may be obtained. All meetings shall be held in Doña Ana County. Notice shall be published once at least thirty (30) days prior to the hearing date in a newspaper of general circulation in the geographic area in which the schools are located and notice shall be mailed at least thirty (30) days prior to the hearing date to all persons who have made a written request for advance notice of hearings.
- E. All adopted rules shall be filed in accordance with applicable state statutes.
- F. A verbatim record made by electronic or other suitable means shall be made of every rulemaking and adjudicatory hearing. The record shall not be transcribed unless required for judicial review or unless ordered by the LMR Board or other lawful authority.

SECTION 10. APPROPRIATE BARGAINING UNITS.

- A. The LMR Board shall, upon receipt of a petition for a representation election filed by a labor organization, designate the appropriate bargaining unit. Appropriate bargaining units shall be established on the basis of occupational groups or a clear and identifiable community of interest in employment terms, employment conditions, and related personnel matters among the employees involved. Occupational groups shall generally be identified as blue collar, secretarial clerical, technical, paraprofessional, professional, corrections, firefighters, and police officers. Department, craft, or trade designations other than as specified above shall not determine bargaining units. The parties, by mutual agreement and approval of the LMR Board, may further consolidate occupational groups. The essential factors in determining appropriate bargaining units shall include the principles of efficient administration of government, the history of collective bargaining, and the assurance to employees of their rights guaranteed by the Resolution.
- B. If the labor organization and the employer cannot agree on the appropriate bargaining unit within thirty (30) days, the LMR Board shall hold a hearing concerning the composition of the bargaining unit. Any agreement as to the appropriate bargaining unit between the employer and the labor organization is subject to the approval of the LMR Board.
- C. The LMR Board shall not include in any appropriate bargaining unit, supervisory, managerial, or confidential employees.
- D. Jobs included within a bargaining unit pursuant to a New Mexico State University Labor Management Relations Resolution in effect on January 1, 2020 shall remain in that bargaining unit after enactment of this Resolution unless otherwise removed by the LMR Board in accordance with its rules governing unit clarification.

SECTION 11. ELECTIONS.

- A. Whenever, in accordance with rules prescribed by the LMR Board, a petition is filed by a labor organization containing the signatures of at least thirty percent of the public employees in an appropriate bargaining unit, the LMR Board shall conduct a secret ballot representation election to determine whether and by which labor organization the public employees in the

appropriate bargaining unit shall be represented. Upon acceptance of a valid petition, the LMR Board shall require the New Mexico State University to provide the labor organization within ten business days the names, job titles, work locations, home addresses, personal email addresses and home or cellular telephone numbers of any public employee in the proposed bargaining unit. This information shall be kept confidential by the labor organization and its employees or officers. The ballot shall contain the name of any labor organization submitting a petition containing signatures of at least thirty percent of the public employees in the appropriate bargaining unit. The ballot shall also contain a provision allowing public employees to indicate whether they do not desire to be represented by a labor organization. An election shall only be valid if forty percent of the eligible employees in the bargaining unit vote in the election.

- B. Once a labor organization has filed a valid petition calling for a representation election, other labor organizations may seek to be placed on the ballot. Such an organization shall file a petition containing the signatures of not less than thirty percent of the public employees in the appropriate bargaining unit no later than ten days after the LMR Board and the public employer post a written notice that the petition in Subsection A of this section has been filed by a labor organization.
- C. As an alternative to the provisions of Subsection A of this section, a labor organization with a reasonable basis for claiming to represent a majority of the employees in an appropriate bargaining unit may submit authorization cards from a majority of the employees in an appropriate bargaining unit to the LMR Board, which shall, upon verification that a majority of the employees in the appropriate bargaining unit have signed valid authorization cards, certify the labor organization as the exclusive representative of all public employees in the appropriate bargaining unit. The employer may challenge the verification of the LMR Board; the LMR Board shall hold a fact-finding hearing on the challenge to confirm that a majority of the employees in the appropriate bargaining unit have signed valid authorization cards.
- D. If a labor organization receives a majority of votes cast, it shall be certified as the exclusive representative of all public employees in the appropriate bargaining unit. Within fifteen days of an election in which no labor organization receives a majority of the votes cast, a runoff election between the two choices receiving the largest number of votes cast shall be conducted. The LMR Board shall certify the results of the election, and, when a labor organization receives a majority of the votes cast, the LMR Board shall certify the labor

organization as the exclusive representative of all public employees in the appropriate bargaining unit.

- E. An election shall not be conducted if an election or runoff election has been conducted in the twelve-month period immediately preceding the proposed representation election. An election shall not be held during the term of an existing collective bargaining agreement, except as provided in Section 13 herein.

SECTION 12. EXCLUSIVE REPRESENTATION.

- A. A labor organization that has been certified by the LMR Board as representing the public employees in the appropriate bargaining unit shall be the exclusive representative of all public employees in the appropriate bargaining unit. The exclusive representative shall act for all public employees in the appropriate bargaining unit and negotiate a collective bargaining agreement covering all public employees in the appropriate bargaining unit. The exclusive representative shall represent the interests of all public employees in the appropriate bargaining unit without discrimination or regard to membership in the labor organization. A claim by a public employee that the exclusive representative has violated this duty of fair representation shall be forever barred if not brought within six months of the date on which the public employee knew, or reasonably should have known, of the violation.
- B. This section does not prevent a public employee, acting individually, from presenting a grievance without the intervention of the exclusive representative. At a hearing on a grievance brought by a public employee individually, the exclusive representative shall be afforded the opportunity to be present and make its views known. An adjustment made shall not be inconsistent with or in violation of the collective bargaining agreement then in effect between the public employer and the exclusive representative.
- C. New Mexico State University shall provide an exclusive representative of an appropriate bargaining unit reasonable access to employees within the bargaining unit, including the following:
 - (1) for purposes of newly hired employees in the bargaining unit, reasonable access includes:
 - (a) the right to meet with new employees, without loss of employee compensation or leave benefits; and
 - (b) the right to meet with new employees within thirty days from the date of hire for a period of at least thirty minutes but not more than one hundred twenty minutes, during

new employee orientation or, if the public employer does not conduct new employee orientations, at individual or group meetings; and;

(2) for purposes of employees in the bargaining unit who are not new employees, reasonable access includes:

(a) the right to meet with employees during the employees' regular work hours at the employees' regular work location to investigate and discuss grievances, workplace-related complaints and other matters relating to employment relations; and

(b) the right to conduct meetings at the employees' regular work location before or after the employees' regular work hours, during meal periods and during any other break periods.

D. New Mexico State University shall permit an exclusive representative to use the public employer's facilities or property, whether owned or leased by the employer, for purposes of conducting meetings with the represented employees in the bargaining unit. An exclusive representative may hold the meetings described in this section at a time and place set by the exclusive representative. The exclusive representative shall have the right to conduct the meetings without undue interference and may establish reasonable rules regarding appropriate conduct for meeting attendees.

E. The meetings described in this section shall not interfere with New Mexico State University operations.

F. If New Mexico State University has the information in its records, the New Mexico State University shall provide to the exclusive representative, in an editable digital file format agreed to by the exclusive representative, the following information for each employee in an appropriate bargaining unit:

(1) the employee's name and date of hire;

(2) contact information, including:

(a) cellular, home and work telephone numbers;

(b) a means of electronic communication, including work and personal electronic mail addresses; and

(c) home address or personal mailing address; and

(3) employment information, including the employee's job title, salary and work site location.

G. New Mexico State University shall provide the information described in Subsection F of this section to the exclusive representative within ten days from the date of hire for newly hired

employees in an appropriate bargaining unit, and every one hundred twenty days for employees in the bargaining unit who are not newly hired employees. The information shall be kept confidential by the labor organization and its employees or officers. Apart from the disclosure required by this subsection, and notwithstanding any provision contained in the Inspection of Public Records Act, the public employer shall not disclose the information described in Subsection F of this section, or public employees' dates of birth or social security numbers to a third party.

- H. An exclusive representative shall have the right to use the electronic mail systems or other similar communication systems of a public employer to communicate with the employees in the bargaining unit regarding:
 - (1) collective bargaining, including the administration of collective bargaining agreements;
 - (2) the investigation of grievances or other disputes relating to employment relations; and
 - (3) matters involving the governance or business of the labor organization.
- I. Nothing in this section prevents New Mexico State University from providing an exclusive representative access to employees within the bargaining unit beyond the reasonable access required under this section or limits any existing right of a labor organization to communicate with public employees.

SECTION 13. DECERTIFICATION OF EXCLUSIVE REPRESENTATIVE.

- A. A member of a labor organization or the labor organization itself may initiate decertification of a labor organization as the exclusive representative if thirty percent of the public employees in the appropriate bargaining unit make a written request to the LMR Board for a decertification election. Decertification elections shall be held in a manner prescribed by rule of the LMR Board. An election shall only be valid if forty percent of the eligible employees in the bargaining unit vote in the election.
- B. When there is a collective bargaining agreement in effect, a request for a decertification election shall be made to the LMR Board no earlier than ninety days and no later than sixty days before the expiration of the collective bargaining agreement; provided, however, a request for an election may be filed at any time after the expiration of the third year of a collective bargaining agreement with a term of more than three years.
- C. When, within the time period prescribed in Subsection B of this section, a competing labor organization files a petition containing signatures of at least thirty percent of the public

employees in the appropriate bargaining unit, a representation election rather than a decertification election shall be conducted.

- D. When an exclusive representative has been certified but no collective bargaining agreement is in effect, the LMR Board shall not accept a request for a decertification election or an election sought by a competing labor organization earlier than twelve months subsequent to a labor organization's certification as the exclusive representative.

SECTION 14. SCOPE OF BARGAINING.

- A. Except for retirement programs provided under the Educational Retirement Act, the parties shall:
- (1) bargain in good faith on all wages, hours, and other terms and conditions of employment and other issues agreed to by the parties. However, neither the public employer nor the exclusive representative shall be required to agree to a proposal or to make a concession; and
 - (2) enter into a written agreement covering employment relations regarding the issues agreed to in collective bargaining;
- B. Entering into a collective bargaining agreement shall not obviate the duty to bargain in good faith during the term of the collective bargaining agreement regarding changes to wages, hours and all other terms and conditions of employment, unless it can be demonstrated that the parties clearly and unmistakably waived the right to bargain regarding those subjects. However, no party may be required, by this provision, to renegotiate the existing terms of collective bargaining agreements already in place.
- C. In regard to the Educational Retirement Act, New Mexico State University in a written collective bargaining agreement may agree to assume any portion of a public employee's contribution obligation to retirement programs provided pursuant to the Educational Retirement Act. Such agreements are subject to the limitations set forth in this section.
- D. The obligation to bargain collectively shall not be construed as authorizing New Mexico State University and an exclusive representative to enter into an agreement that is in conflict with the provisions of any other statute of this state; provided, however, that a collective bargaining agreement that provides greater rights, remedies and procedures to public employees than contained in a state statute shall not be considered to be in conflict with that state statute. In the event of an actual conflict between the provisions of any other statute of this state and an agreement entered into by the public employer and the exclusive representative in collective bargaining, the statutes of this state shall prevail.

- E. Payroll deduction of the exclusive representative's membership dues shall be a mandatory subject of bargaining if either party chooses to negotiate the issue. The amount of dues shall be certified in writing by an official of the labor organization and shall not include special assessments, penalties or fines of any type. New Mexico State University shall honor payroll deductions until the authorization is revoked in writing by the public employee in accordance with the negotiated agreement and this subsection and for so long as the labor organization is certified as the exclusive representative. Public employees who have authorized the payroll deduction of dues to a labor organization may revoke that authorization by providing written notice to their labor organization during a window period not to exceed ten days per year for each employee. New Mexico State University and the labor organization shall negotiate when the commencement of that period will begin annually for each employee. If no agreement is reached, the period shall be during the ten days following the anniversary date of each employee's employment. Within ten days of receipt of notice from a public employee of revocation of authorization for the payroll deduction of dues, the labor organization shall provide notice to the public employer of a public employee's revocation of that authorization. A public employee's notice of revocation for the payroll deduction of dues shall be effective on the thirtieth day after the notice provided to the public employer by the labor organization. No authorized payroll deduction of dues held by New Mexico State University or a labor organization on July 1, 2020 shall be rendered invalid by this provision and shall remain valid until replaced or revoked by the public employee. During the time that a certification is in effect for a particular appropriate bargaining unit, the public employer shall not deduct dues for any other labor organization.
- F. New Mexico State University and a labor organization, or their employees or agents, are not liable for, and have a complete defense to, any claims or actions under the law of this state for requiring, deducting, receiving or retaining fair share dues or fees from public employees, and current or former public employees do not have standing to pursue these claims or actions if the fair share dues or fees were permitted at the time under the laws of this state then in force and paid, through payroll deduction or otherwise, on or before June 27, 2018. This subsection:
- (1) applies to all claims and actions pending on July 1, 2020 and to claims and actions filed on or after July 1, 2020; and
 - (2) shall not be interpreted to infer that any relief made unavailable by this section would otherwise be available.

- G. An impasse resolution or an agreement provision by New Mexico State University and an exclusive representative that requires the expenditure of funds shall be contingent upon the specific appropriation of funds by the appropriate governing body and the availability of funds. An agreement provision by a New Mexico State University and an exclusive representative that requires the expenditure of funds shall be contingent upon ratification by the appropriate governing body. An arbitration decision shall not require the re-appropriation of funds.
- H. An agreement shall include a grievance procedure to be used for the settlement of disputes pertaining to employment terms and conditions and related personnel matters. The grievance procedure shall provide for a final and binding determination. The final determination shall constitute an arbitration award within the meaning of the Uniform Arbitration Act; such award shall be subject to judicial review pursuant to the standard set forth in the Uniform Arbitration Act. The costs of an arbitration proceeding conducted pursuant to this subsection shall be shared equally by the parties.
- I. The following meetings shall be closed:
 - (1) meetings for the discussion of bargaining strategy preliminary to collective bargaining negotiations between New Mexico State University and the exclusive representative of the public employees of New Mexico State University;
 - (2) collective bargaining sessions; and
 - (3) consultations and impasse resolution procedures at which the public employer and the exclusive representative of the appropriate bargaining unit are present.

SECTION 15. IMPASSE RESOLUTION.

- A. The following impasse procedures shall be followed by New Mexico State University and exclusive representatives:
 - (1) if an impasse occurs, either party may request from the LMR Board that a mediator be assigned to the negotiations unless the parties can agree on a mediator. A mediator with the federal mediation and conciliation service shall be assigned by the LMR Board to assist negotiations unless the parties agree to another mediator; and
 - (2) if the impasse continues after a thirty-day mediation period, either party may request a list of seven arbitrators from the federal mediation and conciliation service. One arbitrator shall be chosen by the parties by alternately striking names from such list. Who strikes first shall be determined by coin toss. The arbitrator shall render a final, binding, written

decision resolving unresolved issues pursuant to Section 14 of this Ordinance and the Uniform Arbitration Act no later than thirty days after the arbitrator has been notified of selection by the parties. The arbitrator's decision shall be limited to a selection of one of the two parties' complete, last, best offer. The costs of an arbitrator and the arbitrator's related costs conducted pursuant to this subsection shall be shared equally by the parties. Each party shall be responsible for bearing the cost of presenting its case. The decision shall be subject to judicial review pursuant to the standard set forth in the Uniform Arbitration Act.

- C. New Mexico State University may enter into a written agreement with the exclusive representative setting forth an alternative impasse resolution procedure.
- D. In the event that an impasse continues after the expiration of a contract, the existing contract will continue in full force and effect until it is replaced by a subsequent written agreement. However, this shall not require New Mexico State University to increase any employees' levels, steps or grades of compensation contained in the existing contract.

SECTION 16. EMPLOYERS – PROHIBITED PRACTICES.

New Mexico State University or its representative shall not:

- A. Discriminate against an employee with regard to terms and conditions of employment because of the employee's membership in a labor organization;
- B. Interfere with, restrain, or coerce any employee in the exercise of any right guaranteed under the Labor Management Relations Resolution or use public funds to influence the decision of its employees or the employees of its subcontractors regarding whether to support or oppose a labor organization that represents or seeks to represent those employees, or whether to become a member of any labor organization; provided, however, that this subsection does not apply to activities performed or expenses incurred:
 - (1) addressing a grievance or negotiating or administering a collective bargaining agreement;
 - (2) allowing a labor organization or its representatives access to New Mexico State University facilities or properties;
 - (3) performing an activity required by federal or state law or by a collective bargaining agreement;
 - (4) negotiating, entering into or carrying out an agreement with a labor organization;

- (5) paying wages to a represented employee while the employee is performing duties if the payment is permitted under a collective bargaining agreement; or
- (6) representing New Mexico State University in a proceeding before the LMR Board or in a judicial review of that proceeding;
- C. Dominate or interfere in the formation, existence or administration of a labor organization;
- D. Discriminate in regard to hiring, tenure or a term or condition of employment in order to encourage or discourage membership in a labor organization;
- E. Discharge or otherwise discriminate against a public employee because the employee has signed or filed an affidavit, petition, grievance or complaint or given information or testimony pursuant to the provisions of this Resolution or because a public employee is forming, joining or choosing to be represented by a labor organization;
- F. Refuse to bargain collectively in good faith with the exclusive representative;
- G. Refuse or fail to comply with a provision of this Resolution or LMR Board rule; or
- H. Refuse or fail to comply with a collective bargaining agreement.
- I. Negotiate issues which are the subject of negotiations or make any offer, commitment, or promise whatsoever to employees or the exclusive representative, other than through the appointed negotiating team. It is the intent of this language that the integrity of the negotiating process be maintained. All negotiations and concessions shall occur only between the respective appointed negotiating teams.

SECTION 17. EMPLOYEES – LABOR ORGANIZATIONS – PROHIBITED PRACTICES.

- A. An employee, a labor organization, or its representative shall not:
 - (1) Discriminate against an employee with regard to labor organization membership because of race, color, religion, creed, age, disability, sex, or national origin;
 - (2) Solicit membership for an employee or labor organization during the employee's duty hours. This does not include the work breaks or lunch periods;
 - (3) Restrain or coerce any employee in the exercise of any right guaranteed by the provisions of the Labor Management Relations Resolution;
 - (4) Refuse to bargain collectively in good faith with the employer;

- (5) Refuse or fail to comply with any collective bargaining agreement with the employer. This issue is subject to the required negotiated grievance procedure negotiated by the parties;
- (6) Refuse or fail to comply with any provision of the Labor Management Relations Resolution;
- (7) Picket homes or private businesses of employees, appointed individuals, or elected officials of New Mexico State University;
- (8) Restrain or coerce the employer in the selection of its agent for bargaining.
- (9) Negotiate issues which are the subject of negotiations or make any offer, commitment, or promise whatsoever to the public employer, other than through the appointed negotiating team. It is the intent of this language that the integrity of the negotiating process be maintained. All negotiations and concessions shall occur only between the respective appointed negotiating teams.

SECTION 18. STRIKES AND LOCKOUTS PROHIBITED.

- A. No employee or labor organization shall engage in a strike. No labor organization shall cause, instigate, encourage, or support a strike. The employer shall not cause, instigate or engage in an employee lockout.
- B. The employer may apply to the district court for injunctive relief to end a strike, and an exclusive representative of public employees affected by a lockout may apply to the district court for injunctive relief to end a lockout.
- C. The LMR Board, upon a clear and convincing showing of proof at a hearing that a labor organization directly caused or instigated an employee strike, may impose appropriate penalties on that labor organization, up to and including decertification of the labor organization with respect to any of its bargaining units which struck as a result of such causation or instigation. A strike means an employee's refusal, in concerted action with other employees, to report for duty or his willful absence or withholding of service in whole or in part from the full, faithful, and proper performance of the duties of employment for the purpose of inducing, influencing, or coercing a change in the working conditions, compensation, rights, privileges, or obligations of employment.

SECTION 19. AGREEMENTS VALID – ENFORCEMENT.

All collective bargaining agreements and other agreements between the employer and exclusive representative are valid and enforceable according to their terms when entered into in accordance with the provisions of this Labor Management Relations Resolution.

SECTION 20. JUDICIAL ENFORCEMENT – STANDARD OF REVIEW.

A. The LMR Board may request the Third Judicial District Court to enforce any order issued pursuant to the Labor Management Relations Resolution, including those for appropriate temporary relief and restraining orders. The Court shall consider the request for enforcement on the record made before the LMR Board. The Court shall uphold the action of the LMR Board and take appropriate action to enforce it unless the Court concludes that the order is:

- (1) Arbitrary, capricious, or an abuse of discretion;
- (2) Not supported by substantial evidence on the record considered as a whole; or
- (3) Otherwise not in accordance with law.

B. Any person or party, including any labor organization, affected by a final regulation, order, or decision of the LMR Board, may appeal to the Third Judicial District Court for further relief. All such appeals shall be based upon the record made at the LMR Board hearing. All such appeals to the Third Judicial District Court shall be filed within thirty (30) calendar days of the date of the final regulation, order, or decision of the LMR Board. Action taken by the LMR Board shall be affirmed unless the Court concludes that the action is:

- (1) Arbitrary, capricious, or an abuse of discretion;
- (2) Not supported by substantial evidence on the record taken as a whole; or
- (3) Otherwise not in accordance with law.

SECTION 21. SEVERABILITY.

If any part or application of the New Mexico State University Labor Management Relations Resolution is held invalid, the remainder or its application to other situations or persons shall not be affected.

SECTION 22. EFFECTIVE DATE.

The effective date of the New Mexico State University Labor Management Relations Resolution is December 3, 2020.

NOW, THEREFORE, BE IT RESOLVED in official session that the Regents of New Mexico State University, serving collectively as its Board of Regents, approve, sign and adopt the university's Labor Management Relations Resolution as updated above, **this 2nd day of December, 2020.**

Dina Chacón-Reitzel, Chair
NMSU Board of Regents

Ammu Devasthali, Vice Chair
NMSU Board of Regents

Luke Sanchez, Secretary/Treasurer
NMSU Board of Regents

Debra P. Hickes, Member
NMSU Board of Regents

Arsenio Romero, Member
NMSU Board of Regents



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item #: H-8

- Action Item
- Consent Item
- Informational Item

Presented By: John Floros, Ph.D.
President, NMSU Las Cruces

Agenda Item: Fall 2020 Degree and Certificate Conferral

Requested Action of the Board of Regents: Approval of motion to approve Fall 2020 degrees and certificates

Executive Summary:

We request approval of the Regents of New Mexico State University to confer degrees and certificates to named candidates listed in the Fall 2020 Commencement Programs of the institution's five campuses. Conferral is contingent upon the students' satisfactory completion of the courses in which they are enrolled and meeting the requirements of the appropriate catalog. It is further contingent upon the assumption that the content of the thesis submitted by each student required to do so is original unless otherwise represented in the document.

References:

Prior Approvals:



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # I-1

- Action Item
- Consent Item
- Informational Item

Presented By: Scott Eschenbrenner

Special Assistant to the President

Agenda Item: Grounds and Improvements Lease and Facilities Lease between NMSU and MACQ-NEW MEXICO I, LLC

Requested Action of the Board of Regents: Approval of Grounds and Improvements Lease and Facilities Lease between NMSU and MACQ-NEW MEXICO I, LLC

Executive Summary:

In order to elevate the quality of the existing housing inventory, enhance the student experience, and provide a competitive option for recruiting students, the board's approval is being sought to enter into a Grounds and Improvements Lease and Facilities Lease between NMSU and MACQ-NEW MEXICO I, LLC to acquire *The Flats at Ridgeview* housing complex. The Flats has the potential to provide both strategic and economic benefits to NMSU, with a positive cash flow beginning in year 1, and representing a total estimated value to NMSU over the course of 30 years at approximately \$82,000,000, including cash flow and the estimated value of the asset at the end of the lease term.

This innovative and collaborative investment opportunity aligns with NMSU LEADS 2025 student success goals, including supporting campus retention and recruitment strategies.

If it's the will of the board to approve the conditions of the lease agreements, NMSU will seek subsequent approvals from the HED Capital Outlay Board and State Board of Finance.

References:

See attached leases and supporting documentation.

Prior Approvals:

Regents Real Estate Committee 11/19/2020

The Flats

Upper Division Undergraduate
and Graduate Housing
Opportunity



BE BOLD. Shape the Future.

Overview

The Flats at Ridgeview (The Flats) has the potential to provide both strategic and economic benefits to New Mexico State University

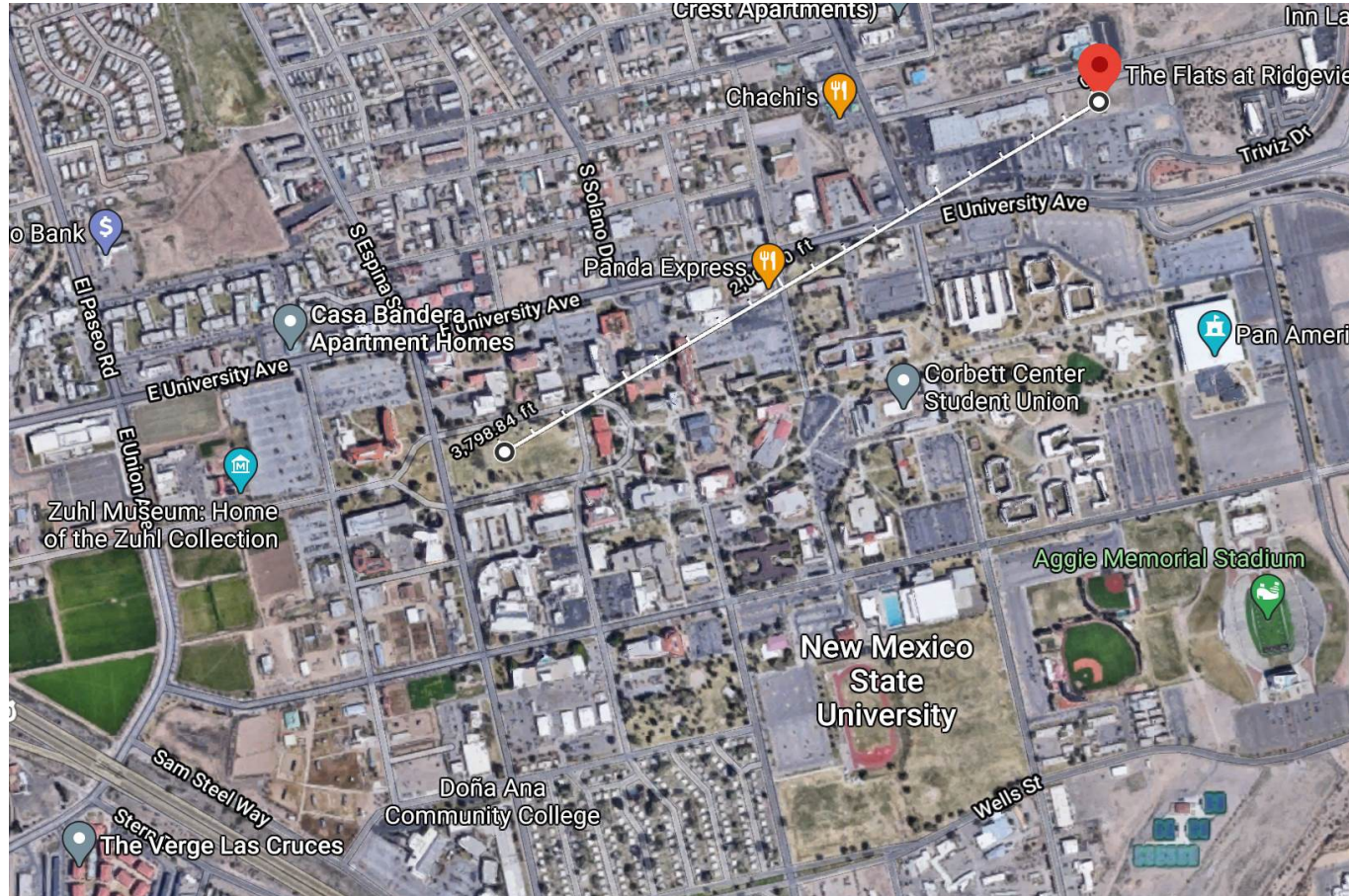
Property Summary

- Newly-constructed, purpose built student housing facility
- Phase 1 and 2 completed to include 408 beds in 252 units
- Phase 3, if completed, includes an additional 84 beds and 48 units
- Located at 2050 Wisconsin Avenue, the property is within walking distance to NMSU, BCOM, grocery stores and restaurants
- 98% of occupants are NMSU and BCOM students

[Visit The Flats](#)



Overview (continued)



- Located near NMSU and within the University district
- 11 buildings (10 3-story apartment building and 1 clubhouse)
- 408 beds
- Construction completed in 2018 and 2020
- New construction phase in 2021 to add 84 beds (one-year construction project)
- Today 87% occupied – with 156 units added in July of 2020

Property Appraisal

Excerpt from November 7, 2020 Appraisal

Based on the agreed to Scope of Work, I am of the opinion that the current and prospective market values (real property & personal property) are as outlined in the following chart:

The Flats at Ridgeview				
Effective Date of Value	Value Type	Value Conclusion	Real Property	FF&E
October 22, 2020	"As Is" - Non-Stabilized	\$ 41,000,000	\$ 40,230,000	\$ 770,000
July 31, 2021	As Complete - Non-Stabilized	\$ 47,950,000	\$ 47,035,000	\$ 915,000
March 31, 2022	As Complete - Stabilized	\$ 48,100,000	\$ 47,185,000	\$ 915,000

Property Appraisal - Land & Replacement Cost

Current Land Value:

- Adjusted sales indicate a range from \$3.58 to \$5.07 per square foot with a mean and median of \$4.59 and \$4.86 per square foot. The upper-end of the range is given the most credence to acknowledge the very good locational influences across from NMSU.
- Appraiser is of the opinion a value of \$5.00 per square foot is well supported for the subject site.
- This indicates a land value as if vacant of \$2,760,000.

REPLACEMENT COST SUMMARY		
Total Development Costs		\$ 44,506,584
Less: Accrued Depreciation		\$ -
Less: Deferred Maint.		\$ -
Improvement Value		\$ 44,506,584
Add: Developed Land		\$ 2,760,000
Add: FF&E		\$ 915,000
Indicated Fee Simple Value by the Cost Approach		\$ 48,181,584
Rounded:		\$ 48,180,000

Improvement Value Estimate:

- Appraiser used the Marshall Valuation cost estimating service for a Good to Excellent Cost, Class C, Multiple Residence at \$130.00 per square foot. The costs have been adjusted for the sprinklers, balconies, site improvements, story height, floor area perimeter and current and local multipliers. Appraiser added the estimated cost of the asphalt paving, parking lot improvements to include lighting and striping, concrete and landscaping. Soft costs in the market are between 5% and 15% of building replacement costs. Soft costs are estimated at 10% based on similar projects.

Property Appraisal - Sales Comparison

- All newer complexes between 1 and 9 years old.
- Range in size from 252 to 901 beds with an average of 555 beds and a median of 600 beds.
- Prices range from \$67,194 per bed to \$163,530 per bed with an average of \$108,419 per bed and a median of \$88,492 per bed.

The Flats with 492 beds (phase 3):
 Value conclusion as stabilized is \$48,100,000 or **\$97,764 per bed**.
 This is well supported by the middle of the range of the sales.

Name	Address	Year Built	City	State	School	Sale Date	Price	# Beds	\$/Bed	Cap Rate
Vertex	1050 S Terrace Rd	2015	Tempe	AZ	Arizona State University	Aug-20	\$71,000,000	600	\$118,333	
The Varsity College Park	8150 Baltimore Ave	2011	College Park	MD	University of Maryland College Park	Mar-20	\$147,340,675	901	\$163,530	4.10%
Lighthouse	4955 Pepys Ln	2014	Wilmington	NC	UNC Wilmington	Feb-20	\$26,995,000	348	\$77,572	5.70%
Lion Village Student Housing	5641 Red Ash Point	2016	Colorado Springs	CO	University of Colorado - Colorado Springs	Dec-19	\$34,000,000	506	\$67,194	
Nine At West Campus	2518 Leon St	2018	Austin	TX	University of Texas	Sep-19	\$52,900,000	345	\$153,333	4.85%
Sterling 920 Terrace	920 S Terrace Rd	2018	Tempe	AZ	Arizona State University	Aug-19	\$115,000,000	775	\$148,387	
Echo 1055	1055 E Tropicana Ave	2019	Las Vegas	NV	UNLV	Aug-19	\$64,000,000	601	\$106,489	
Promenade Place	875 S Geneva Rd	2017	Orem	UT	Utah State University	Aug-19	\$36,500,000	429	\$85,082	
Collective at Main Gate	845 N Park Ave	2020	Tucson	AZ	University of Arizona	Jul-19	\$89,889,026	605	\$148,577	
The Collective at Clemson	673 Old Greenville Hwy	2013	Clemson	SC	Clemson	Jun-19	\$51,000,000	598	\$85,284	5.10%
Green Leaf River Edge	1004 W Royal Blvd	2015	Boise	ID	Boise State University	Mar-19	\$46,500,000	622	\$74,759	5.65%
SkyLoft Austin	507 W 23rd St	2018	Austin	TX	University of Texas	Feb-19	\$102,792,857	674	\$152,512	4.37%
Ella Lofts	817 Chestnut St	2016	San Marcos	TX	Texas State University	Jan-19	\$22,300,000	252	\$88,492	5.92%
Academy Lincoln	1850 P St	2016	Lincoln	NE	University of Nebraska	Jan-19	\$48,350,000	632	\$76,503	
University Downs	120 15th St	2011	Tuscaloosa	AL	University of Alabama	Jan-19	\$34,500,000	430	\$80,233	4.70%
Min							\$22,300,000	252	\$67,194	4.10%
Max							\$147,340,675	901	\$163,530	5.92%
Average							\$62,871,171	555	\$108,419	5.05%
Median							\$51,000,000	600	\$88,492	4.98%

Transaction Summary

- Municipal Acquisitions (MACQ) has signed a Purchase & Sale Agreement with Horseshoe Investment Partners, LLC to acquire the Flat's at Ridgeview.
- At closing, MACQ will cause fee title to the property to be conveyed directly to NMSU.
- In exchange for MACQ paying for the title to be transferred to NMSU, the following leases will be executed:
 1. Pre-paid 40-year lease of the ground and improvements ("Ground & Improvements Lease") from NMSU, as landlord, to MACQ-New Mexico I, LLC ("MACQ-NM"), an affiliate of MACQ, as tenant.
 2. MACQ-NM, as sublandlord, and NMSU, as subtenant, will enter into a 30-year, bondable, triple-net lease ("Facilities Lease").
- The 40-year term of the Ground & Improvements Lease will be curtailed to 30 years such that the Ground & Improvements Lease shall expire contemporaneously with the Facilities Lease
- *Provided that NMSU has made all payments under the Facilities Lease as required, NMSU will hold lien free title to the land and improvements in 2051, the expiration date of the Facilities Lease and then-curtailed Ground & Improvements Lease*

Economic Summary

- ✓ The transaction will be structured to provide NMSU real estate tax exemption [***under legal review***]
- ✓ Cash flow positive to NMSU beginning in Year 1
- ✓ Cash flow over 30 years, based on 490 beds, is approximately \$23,000,000
- ✓ Value of the asset in year 30 is approximately \$59,000,000 (cap rate of 7.5% on Year 31 rent)

Transaction Structure Highlights

- The transaction between The Regents of New Mexico State University (NMSU) and Municipal Acquisitions (MACQ) is a real estate transaction with relatively straightforward documentation
 - There will be no affiliation agreement
 - This transaction will not be rated [*impact to NMSU bond rating under review*]
 - There will be no offering documents for publicly-issued debt
- The transaction will require a set of leases, an approving resolution, and a legal opinion
- NMSU will hold title to The Flats
 - NMSU owns option to cancel the leases at anytime
- NMSU has operational control of The Flats as part of its own housing stock
- MACQ receives lease payment not a share of profit. All residual cash flow will flow to the project.
- The transaction will provide NMSU with modern, high quality housing in a timely fashion and at lower than anticipated costs if it were to build it on its own

Construction of Additional 84 Beds (Phase 3)

- MACQ can finance the proceeds necessary to build an additional 84 bed student housing facility (Phase 3)
 - *It is estimated that the total project costs including project management would be approximately \$6.7 million or \$148 per square foot or \$79,762 per bed*
- MACQ contracts/funds with Sodexo who will contract with Crestline (who built Phase 1 & 2)
- The proceeds would be held by an independent trustee (financial institution)
- Fund disbursement would be verified by an independent construction monitor
- Sodexo would obtain the appropriate construction risk mitigants (surety bond, guaranteed maximum price contract, date certain guarantee, etc.) Sodexo will assume construction budget, and delivery risks

10-year Pro Forma with 490 beds

Benefit to NMSU (Years 1-10)		406	490	490	490	490	490	490	490	490	490
Sum of Cash Flow	\$ 6,137,956										
NPV (5.0%)	\$ 4,605,989										
Breakeven FY 2022	85.44%										
Breakeven FY 2024	80.05%										
347 Beds											
392 Beds											
NMSU Fiscal Year: (July 1 - June 30)		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Income											
Rental Revenue	\$ 3,434,760	\$ 4,228,308	\$ 4,312,874	\$ 4,399,132	\$ 4,487,114	\$ 4,576,857	\$ 4,668,394	\$ 4,761,762	\$ 4,856,997	\$ 4,954,137	
Misc. Income	\$ 100,000	\$ 121,293	\$ 121,900	\$ 122,509	\$ 123,122	\$ 123,737	\$ 124,356	\$ 124,978	\$ 125,603	\$ 126,231	
Vacancy	\$ (353,476)	\$ (326,220)	\$ (221,739)	\$ (226,082)	\$ (230,512)	\$ (235,030)	\$ (239,637)	\$ (244,337)	\$ (249,130)	\$ (254,018)	
Total Income	\$ 3,181,284	\$ 4,023,381	\$ 4,213,035	\$ 4,295,559	\$ 4,379,724	\$ 4,465,564	\$ 4,553,112	\$ 4,642,402	\$ 4,733,469	\$ 4,826,349	
Expenses											
Personnel											
Salaries & Wages	\$ 199,222	\$ 212,008	\$ 216,248	\$ 220,573	\$ 224,984	\$ 229,484	\$ 234,074	\$ 238,755	\$ 243,530	\$ 248,401	
Payroll Taxes & Benefits	\$ 50,416	\$ 57,753	\$ 58,908	\$ 60,087	\$ 61,288	\$ 62,514	\$ 63,764	\$ 65,040	\$ 66,340	\$ 67,667	
Incentives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Benefits	\$ 6,242	\$ 6,643	\$ 6,776	\$ 6,911	\$ 7,050	\$ 7,191	\$ 7,334	\$ 7,481	\$ 7,631	\$ 7,783	
Total Personnel	\$ 255,881	\$ 276,404	\$ 281,932	\$ 287,571	\$ 293,322	\$ 299,189	\$ 305,172	\$ 311,276	\$ 317,501	\$ 323,851	
Repairs & Maintenance											
Repairs & Maintenance	\$ 21,705	\$ 27,065	\$ 27,606	\$ 28,158	\$ 28,722	\$ 29,296	\$ 29,882	\$ 30,479	\$ 31,089	\$ 31,711	
Landscape	\$ 14,566	\$ 16,500	\$ 17,160	\$ 17,510	\$ 17,860	\$ 18,210	\$ 18,560	\$ 18,910	\$ 19,260	\$ 19,610	
Turnover Expenses	\$ 65,254	\$ 70,020	\$ 71,420	\$ 72,849	\$ 74,306	\$ 75,792	\$ 77,308	\$ 78,854	\$ 80,431	\$ 82,040	
Total R&M	\$ 101,524	\$ 113,585	\$ 115,857	\$ 118,174	\$ 120,537	\$ 122,948	\$ 125,407	\$ 127,915	\$ 130,473	\$ 133,083	
Utilities											
Common Area Contracts	\$ 50,797	\$ 58,416	\$ 59,584	\$ 60,776	\$ 61,992	\$ 63,231	\$ 64,496	\$ 65,786	\$ 67,102	\$ 68,444	
Common Area Utilities	\$ 39,568	\$ 39,494	\$ 40,284	\$ 41,089	\$ 41,911	\$ 42,749	\$ 43,604	\$ 44,476	\$ 45,366	\$ 46,273	
Unit Utilities	\$ 40,150	\$ 45,386	\$ 46,294	\$ 47,220	\$ 48,164	\$ 49,128	\$ 50,110	\$ 51,112	\$ 52,135	\$ 53,177	
Total Utilities	\$ 130,515	\$ 143,296	\$ 146,162	\$ 149,085	\$ 152,067	\$ 155,108	\$ 158,210	\$ 161,375	\$ 164,602	\$ 167,894	
General & Administrative											
Marketing & Leasing	\$ 26,010	\$ 26,800	\$ 27,336	\$ 27,883	\$ 28,440	\$ 29,009	\$ 29,589	\$ 30,181	\$ 30,855	\$ 31,531	
Residential Life	\$ 5,202	\$ 5,400	\$ 5,508	\$ 5,618	\$ 5,731	\$ 5,845	\$ 5,962	\$ 6,081	\$ 6,203	\$ 6,327	
General & Administrative	\$ 86,369	\$ 94,236	\$ 96,121	\$ 98,043	\$ 100,004	\$ 102,044	\$ 104,044	\$ 106,125	\$ 108,247	\$ 110,412	
Total G&A	\$ 117,581	\$ 126,436	\$ 128,965	\$ 131,544	\$ 134,175	\$ 136,858	\$ 139,595	\$ 142,387	\$ 145,235	\$ 148,140	
Professional Fees											
Professional Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Management Fees	\$ 95,439	\$ 120,701	\$ 126,391	\$ 128,867	\$ 131,392	\$ 133,967	\$ 136,593	\$ 139,272	\$ 142,004	\$ 144,790	
Total Professional & Management Fees	\$ 95,439	\$ 120,701	\$ 126,391	\$ 128,867	\$ 131,392	\$ 133,967	\$ 136,593	\$ 139,272	\$ 142,004	\$ 144,790	
Taxes, Insurance, & Rent											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Insurance	\$ 75,078	\$ 87,750	\$ 89,505	\$ 91,295	\$ 93,121	\$ 94,983	\$ 96,883	\$ 98,821	\$ 100,797	\$ 102,813	
Total Taxes & Insurance	\$ 75,078	\$ 87,750	\$ 89,505	\$ 91,295	\$ 93,121	\$ 94,983	\$ 96,883	\$ 98,821	\$ 100,797	\$ 102,813	
Cap-Ex / RFR											
Equipment Depreciation	\$ 17,993	\$ 18,352	\$ 18,719	\$ 19,094	\$ 19,476	\$ 19,865	\$ 20,262	\$ 20,668	\$ 21,081	\$ 21,503	
Deferred Maintenance	\$ 82,824	\$ 99,960	\$ 101,959	\$ 103,998	\$ 106,078	\$ 108,200	\$ 110,364	\$ 112,571	\$ 114,823	\$ 117,119	
Total Depreciation & Deferred	\$ 100,817	\$ 118,312	\$ 120,679	\$ 123,092	\$ 125,554	\$ 128,065	\$ 130,626	\$ 133,239	\$ 135,904	\$ 138,622	
Total Operating Expenses	\$ 876,833	\$ 986,485	\$ 1,009,490	\$ 1,029,627	\$ 1,050,168	\$ 1,071,118	\$ 1,092,488	\$ 1,114,284	\$ 1,136,517	\$ 1,159,193	
Total NOI	\$ 2,304,451	\$ 3,036,897	\$ 3,203,545	\$ 3,265,931	\$ 3,329,556	\$ 3,394,446	\$ 3,460,624	\$ 3,528,118	\$ 3,596,953	\$ 3,667,156	
Rent Payment to Municipal Acquisitions	\$ 2,148,119	\$ 2,511,792	\$ 2,562,028	\$ 2,613,269	\$ 2,665,534	\$ 2,718,845	\$ 2,773,222	\$ 2,828,686	\$ 2,885,260	\$ 2,942,965	
Total Cash Flow	\$ 156,332	\$ 525,105	\$ 641,517	\$ 652,662	\$ 664,022	\$ 675,601	\$ 687,402	\$ 699,432	\$ 711,693	\$ 724,191	

Notes:

- Construction dates for 84 beds 7/1/21
- New 84 beds come online Fall 2022
 - Incremental revenue \$842,097
 - Incremental NOI \$732,446 or 87% profit flow-through
 - Incremental Cash Flow \$373,982 or 44% profit flow-through
- Rent Payment for MACQ is subject to market conditions

Notes:

- Rent per Bed assumption (\$8460 FY22):
 - \$985 1x1 bedroom type
 - \$571 2x2A bedroom type
 - \$700 2x2B bedroom type
- Proforma assumes 2% annual price increase in out-years

Notes:

- Misc income assumption (\$100k FY22):
 - 10% parking permits
 - 10% late fees
 - 30% misc. items
 - 50% application fees
- Reduced misc. income by \$40k versus actuals/budget

Strategic Alignment - Housing Inventory

- Expands housing inventory without construction risk
- Provides a higher standard of housing stock
- Provides an unmet demand by instantly increasing apartment capacity

On-Campus Apartment Occupancy			
Complex - Unit Type	Fall 2019	Fall 2018	Fall 2017
Chamisa - 1 bedroom	88.89%	100.0%	100.0%
Chamisa - 2 bedroom	94.93%	97.5%	98.8%
Chamisa - 4 bedroom	94.44%	99.4%	98.3%
Vista Del Monte. - 2 bedroom	96.31%	97.5%	89.0%

Note: currently using Cervantes (south campus) units for group housing and as overflow for 211 single students

Strategic Alignment – LEADS 2025

- Elevate quality of housing inventory to enhance student experience and provide competitive option for recruiting students from areas where housing standards are high
 - Recruitment – attract more diverse student population including graduate students
 - Retention – provide more independent living option for upper division students with campus life connection in close proximity to campus core
- Opportunity for residential program that fosters NMSU engagement and aligns with campus retention strategies
- Design features that support student success
 - Technology equipped study spaces, meeting rooms, printing services, programming and engagement spaces
- Amenities that attract students
 - Indoor/outdoor common spaces for socializing, studying and networking
 - Gated property, fitness center, game room, swimming pool, hot tub, washer/dryer
- Campus housing core focus on first and second year experience
 - Student success in first two years is most critical to graduating on time.

The Flats – Approval Process

Date	Action
November 19, 2020	Regents Real Estate Committee
December 2, 2020	Board of Regents Approval
January 13, 2021	HED Capital Outlay Hearing
February 2021	State Board of Finance

Supplemental Information

Tenant Reviews and Testimonials

The Flats at Ridgeview

4.7 ★ ★ ★ ★ ★ 27 reviews | Apartments

Source: www.birdeye.com

4.1 ★ ★ ★ ★ ★ 24 reviews Source: [Google Reviews](https://www.google.com/reviews/)

Jazmine

★★★★★ a year ago

Living here has been absolutely fantastic :) I feel it is in the very heart of where everything is. So it is quite easy to get where you need to be as well as a very quiet set of apartments.

Jordan McKenna

★★★★★ a year ago

Great place to live. Close to college campus. Everything is new and in good condition. Staff is very friendly and is always willing to help!

★★★★★ a year ago

These apartments are beautiful and spacious love the location, the only reason I don't give five stars is because they pressure their residents into signing another contract a year in advance, they raise rent every contract it doesn't stay the same. This is hard on residents that are mostly students.



Patrick Pagaduan

★★★★★ 5 months ago

If you're a student looking for an amazing place to live, this is the place for you. I love how convenient the location is to BCOM / NMSU, I could get to class in under 5 minutes. The apartment itself is very spacious and loaded with modern appliances. There is a very friendly vibe among the community, and the staff go above and beyond with setting up events for the residents.

Jordan Jones [on Facebook](#)

2 years ago

It's great for college students because it's so close to the campus!

Mary Mahoney-Ferster [on Facebook](#)

7 months ago

Beautiful area, great amenities, and a top notch team supporting the residents. Not to mention, the best COVID19 social distancing social media campaign ever.

Average Review Rating:

4.37 215 Reviews



Source: www.modernmessage.com



Common Reasons for the Rating

109	Proximity to Campus & other services
66	New Apartments, Safe Neighborhood
29	
7	Expensive, Pool/Gyms irregular hours
4	Maintainence & Repairs Issues

10-year Pro Forma with 406 beds only (“as is”)

Benefit to NMSU (Years 1-10)	Beds:	406	406	406	406	406	406	406	406	406	406
Sum of Cash Flow	Occupancy:	90.00%	92.50%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%
NPV (5.0%)	Rental Revenue Escalators:	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Breakeven FY 2022	Misc Income Escalators:	N/A	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
	Expense Escalators:	N/A	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
	Rent Per Bed:	\$8,460	\$8,629	\$8,802	\$8,978	\$9,157	\$9,341	\$9,527	\$9,718	\$9,912	\$10,110

343 Beds

NMSU Fiscal Year: (July 1 - June 30)	FY 2022 2021-2022	FY 2023 2022-2023	FY 2024 2023-2024	FY 2025 2024-2025	FY 2026 2025-2026	FY 2027 2026-2027	FY 2028 2027-2028	FY 2029 2028-2029	FY 2030 2029-2030	FY 2031 2030-2031
<i>Income</i>										
Rental Revenue	\$ 3,434,760	\$ 3,503,455	\$ 3,573,524	\$ 3,644,995	\$ 3,717,895	\$ 3,792,253	\$ 3,868,098	\$ 3,945,460	\$ 4,024,369	\$ 4,104,856
Misc. Income	\$ 100,000	\$ 100,500	\$ 101,000	\$ 101,508	\$ 102,015	\$ 102,525	\$ 103,038	\$ 103,553	\$ 104,071	\$ 104,591
Vacancy	\$ (353,476)	\$ (270,297)	\$ (183,726)	\$ (187,325)	\$ (190,995)	\$ (194,739)	\$ (198,557)	\$ (202,451)	\$ (206,422)	\$ (210,472)
Total Income	\$ 3,181,284	\$ 3,333,659	\$ 3,490,800	\$ 3,559,177	\$ 3,628,914	\$ 3,700,039	\$ 3,772,579	\$ 3,846,562	\$ 3,922,018	\$ 3,998,975
<i>Expenses</i>										
<i>Personnel</i>										
Salaries & Wages Payroll	\$ 199,222	\$ 203,207	\$ 207,271	\$ 211,416	\$ 215,645	\$ 219,958	\$ 224,357	\$ 228,844	\$ 233,421	\$ 238,089
Taxes & Benefits	\$ 50,416	\$ 51,424	\$ 52,453	\$ 53,502	\$ 54,572	\$ 55,663	\$ 56,776	\$ 57,912	\$ 59,070	\$ 60,252
Incentives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Benefits	\$ 6,242	\$ 6,367	\$ 6,495	\$ 6,624	\$ 6,757	\$ 6,892	\$ 7,030	\$ 7,171	\$ 7,314	\$ 7,460
Total Personnel	\$ 255,881	\$ 260,998	\$ 266,218	\$ 271,543	\$ 276,974	\$ 282,513	\$ 288,163	\$ 293,927	\$ 299,805	\$ 305,801
<i>Repairs & Maintenance</i>										
Repairs & Maintenance	\$ 21,705	\$ 22,139	\$ 22,581	\$ 23,033	\$ 23,494	\$ 23,964	\$ 24,443	\$ 24,932	\$ 25,430	\$ 25,939
Landscape	\$ 14,566	\$ 14,857	\$ 15,154	\$ 15,457	\$ 15,766	\$ 16,082	\$ 16,403	\$ 16,731	\$ 17,066	\$ 17,407
Turnover Expenses	\$ 65,254	\$ 66,559	\$ 67,890	\$ 69,248	\$ 70,633	\$ 72,046	\$ 73,486	\$ 74,956	\$ 76,455	\$ 77,984
Total R&M	\$ 101,524	\$ 103,555	\$ 105,626	\$ 107,738	\$ 109,893	\$ 112,091	\$ 114,333	\$ 116,619	\$ 118,952	\$ 121,331
<i>Utilities</i>										
Common Area Contracts	\$ 50,797	\$ 51,813	\$ 52,849	\$ 53,906	\$ 54,984	\$ 56,084	\$ 57,206	\$ 58,350	\$ 59,517	\$ 60,707
Common Area Utilities	\$ 39,568	\$ 40,359	\$ 41,167	\$ 41,990	\$ 42,830	\$ 43,686	\$ 44,566	\$ 45,451	\$ 46,360	\$ 47,287
Unit Utilities	\$ 40,150	\$ 40,953	\$ 41,772	\$ 42,607	\$ 43,459	\$ 44,328	\$ 45,215	\$ 46,119	\$ 47,042	\$ 47,982
Total Utilities	\$ 130,515	\$ 133,125	\$ 135,787	\$ 138,503	\$ 141,273	\$ 144,099	\$ 146,981	\$ 149,920	\$ 152,919	\$ 155,977
<i>General & Administrative</i>										
Marketing & Leasing	\$ 26,010	\$ 26,530	\$ 27,061	\$ 27,602	\$ 28,154	\$ 28,717	\$ 29,291	\$ 29,877	\$ 30,475	\$ 31,084
Residential Life	\$ 5,202	\$ 5,306	\$ 5,412	\$ 5,520	\$ 5,631	\$ 5,743	\$ 5,858	\$ 5,975	\$ 6,095	\$ 6,217
General & Administrative	\$ 86,369	\$ 88,096	\$ 89,858	\$ 91,655	\$ 93,489	\$ 95,358	\$ 97,265	\$ 99,211	\$ 101,195	\$ 103,219
Total G&A	\$ 117,581	\$ 119,933	\$ 122,331	\$ 124,778	\$ 127,273	\$ 129,819	\$ 132,415	\$ 135,064	\$ 137,765	\$ 140,520
<i>Professional Fees</i>										
Professional Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Management Fees	\$ 95,439	\$ 100,010	\$ 104,724	\$ 109,477	\$ 114,272	\$ 119,100	\$ 123,961	\$ 128,846	\$ 133,766	\$ 138,721
Total Professional & Management Fees	\$ 95,439	\$ 100,010	\$ 104,724	\$ 109,477	\$ 114,272	\$ 119,100	\$ 123,961	\$ 128,846	\$ 133,766	\$ 138,721
<i>Taxes, Insurance, & Rent</i>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 75,078	\$ 76,580	\$ 78,111	\$ 79,673	\$ 81,267	\$ 82,892	\$ 84,550	\$ 86,241	\$ 87,966	\$ 89,725
Total Taxes & Insurance	\$ 75,078	\$ 76,580	\$ 78,111	\$ 79,673	\$ 81,267	\$ 82,892	\$ 84,550	\$ 86,241	\$ 87,966	\$ 89,725
<i>Cap-Ex / RFR</i>										
Equipment Depreciation	\$ 17,993	\$ 18,352	\$ 18,719	\$ 19,094	\$ 19,476	\$ 19,865	\$ 20,262	\$ 20,668	\$ 21,081	\$ 21,503
Deferred Maintenance	\$ 82,824	\$ 86,170	\$ 89,617	\$ 93,170	\$ 96,827	\$ 100,591	\$ 104,461	\$ 108,439	\$ 112,526	\$ 116,723
Total Depreciation & Deferred	\$ 100,817	\$ 104,522	\$ 108,336	\$ 112,264	\$ 116,301	\$ 120,456	\$ 124,723	\$ 129,107	\$ 133,607	\$ 138,226
Total Operating Expenses	\$ 876,833	\$ 897,033	\$ 917,687	\$ 935,998	\$ 954,674	\$ 973,724	\$ 993,155	\$ 1,012,974	\$ 1,033,189	\$ 1,053,809
Total NOI	\$ 2,304,451	\$ 2,436,626	\$ 2,573,113	\$ 2,623,179	\$ 2,674,240	\$ 2,726,314	\$ 2,779,424	\$ 2,833,588	\$ 2,888,828	\$ 2,945,166
Rent Payment to Municipal Acquisitions	\$ 2,130,854	\$ 2,173,471	\$ 2,216,941	\$ 2,261,280	\$ 2,306,505	\$ 2,352,635	\$ 2,399,688	\$ 2,447,682	\$ 2,496,636	\$ 2,546,568
Total Cash Flow	\$ 173,596	\$ 263,154	\$ 356,172	\$ 361,900	\$ 367,734	\$ 373,679	\$ 379,735	\$ 385,906	\$ 392,193	\$ 398,598

Notes:

- Total 408 Beds: 2 Models / 406 Rentable
- Rent per Bed assumption (\$8460 FY22):
 - Actual / Market Rental Rates:
 - \$968 / \$995 1x1 bedroom type => 96 beds
 - \$562 / \$595 2x2A bedroom type => 155 beds
 - \$685 / \$690 2x2B bedroom type => 155 beds
- Proforma assumes 2% annual price increase in out-years

Notes:

- Misc income assumptions (\$100k FY22):
 - 10% parking permits
 - 10% late fees
 - 30% misc. items
 - 50% application fees
 - Reduced misc. income by \$40k versus actual budget

Housing Inventory

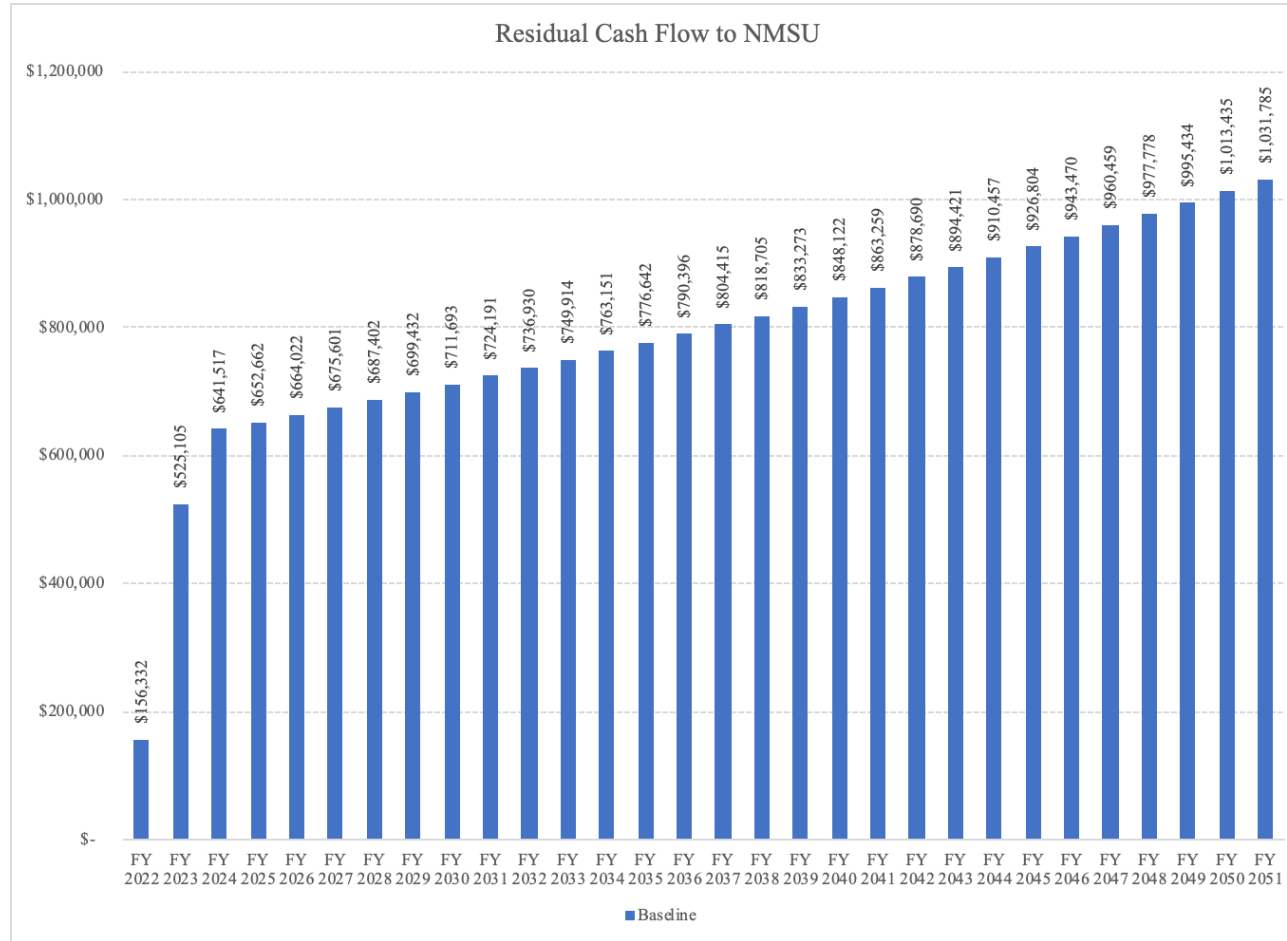
Facility	Age (average if phased)	FA2016	FA2017	FA2018	FA2019	FA2020	FA2021	FA2022
Residence Halls (beds)								
Pinon	14 yrs	310	310	310	310	233	310	310
Rhodes-Garrett-Hamiel (RGH)	72 yrs	257	257	257	257	89	257	257
Juniper	1 yr				300	225	300	300
Garcia**	53 yrs	884	884	884	884	663	663	663
Total Capacity		1,451	1,451	1,451	1,751	1,210	1,530	1,530
Demand/Occupancy		1,155	1,335	1,368	1,430	971	1,430	1,430
Occupancy%		80%	92%	94%	82%	80%	93%	93%
Apartments (beds)								
Chamisa I & II	13 yrs; 8 yrs	615	615	615	615	615	615	615
Vista del Monte (VDM)	27 yrs	288	288	288	288	288	288	288
Cervantes Group/Overflow**	34 yrs	192	173	261	273	211	273	273
Greek Complex - East/West	65 yrs; 30 yrs	254	Off-Line					
Total Capacity		1,349	1,076	1,164	1,176	1,114	1,176	1,176
Demand/Occupancy		992	992	1,100	1,105	846	1,105	1,105
Occupancy		74%	92%	95%	94%	76%	94%	94%
Family Housing (units)								
Tom Fort & Sutherland	62 yrs	295	295	295	295	295	295	295
Cervantes Family	34 yrs	74	25	25	25	25	25	25
Cole	54 yrs	199	Off-Line					
Total Capacity		568	320	320	320	320	320	320
Demand/Occupancy		254	219	180	146	131	146	146
Occupancy		45%	68%	56%	46%	41%	46%	46%

**Replacement Solution - 2025

	2017 Revenue Bond Project		Capacity Adjustment
	Offline		COVID Adjustment



Annualized Cash Flow - Baseline



	Sum of Cash Flows
Baseline	\$ 23,655,497
90% Occupancy ¹	\$ 21,706,548
0% Rent Growth ²	\$ 12,590,345
Lower Rent in FY 2022 ³	\$ 15,279,499

Baseline: 90% occupancy escalating to 95% occupancy in Year 3. Upon stabilization (FY 2024) breakeven occupancy is 80.05%.

¹ Years 1-10 occupancy @ 90%

² Expenses inflated at 2% for Years 1-5

³ Year 1 rent \$8,000/bed versus \$8,460/bed



Case Study: Rowan University Portfolio

- Municipal Acquisitions purchased an existing student housing facility via a \$182.1 million transaction with Rowan University (“University”), an instrumentality of the State of New Jersey
 - The portfolio consists of three properties, totaling approximately 44,000 gross square feet of campus facilities and 1,164 student housing beds, that was previously owned by a third party developer and leased to the University
- At closing, Municipal Acquisitions transferred ownership to the University, which then entered into a triple net, lease-leaseback transaction with Municipal Acquisitions
 - The triple net lease payments from the University increase at 3% annually
- Municipal Acquisitions restructured the existing lease to offer substantial benefits to the University, including:
 - i. an option to purchase all of the properties at declining annual prices (compared with escalating annual prices)
 - ii. fixed rent escalation (compared with greater of CPI or a fixed percentage)
 - iii. ability to self-manage the properties and implement operating expense savings measures
 - iv. ad valorem tax exemption
 - v. lien-free ownership of the properties at the end of the term
- Total economic savings to the University, including cash flow savings and the estimated value of the Facility is almost \$450 million over 30 years



Whitney Center



Boulevard Apartments



University Bookstore

Case Study: Eastern Kentucky University

- Municipal Acquisitions purchased an existing student housing facility, Grand Campus at Yorick Place, via a \$58.955 million transaction with Eastern Kentucky University (“University”)
 - The Facility is a 512 bed student housing facility and was previously owned by a third party developer and leased to the University
- Municipal Acquisitions restructured the existing lease, offering substantial economic benefits, including annual cash flow savings, eventual lien-free ownership, and funded an additional \$8 million of on-campus improvements
 - At closing, Municipal Acquisitions transferred ownership to the University, which then entered into a triple net, lease-leaseback transaction with Municipal Acquisitions
 - The transaction allowed the University to obtain ad valorem tax exemption
 - The University lease payments increase at 3% annually
 - Total economic savings to the University, including cash flow savings, the estimated value of the Facility, and \$8 million of improvements is approximately \$194 million over 30 years



Grand Campus

Case Study: University of Indianapolis

- Municipal Acquisitions purchased the University of Indianapolis (“University”) Health Pavilion in a \$34.5 million transaction
 - The Health Pavilion is a four-story, 152,072 square foot facility that houses the healthcare and wellness-related academic program of the University, along with clinical facilities which serve the community
 - The Health Pavilion was owned by a third-party developer
- Municipal Acquisitions restructured the existing lease, offering substantial economic benefits, including annual cash flow savings and eventual lien-free ownership
 - At closing, Municipal Acquisitions transferred ownership to the University, which then entered into a triple net, lease-leaseback transaction with Municipal Acquisitions
 - The transaction allowed the University to obtain ad valorem tax exemption
 - The University lease payments increase at 2% annually
 - Total economic savings to the University, including cash flow savings and the estimated value of the Facility is approximately \$88 million over 30 years



Case Study: Children's National Regional Medical Center

- Municipal Acquisitions purchased the Children's National Prince George's County Regional Medical Center ("the Center") in a \$59 million transaction
 - The Center is a build-to-suit three-story building with approximately 60,000 gross square feet and was previously owned by a third party developer and leased to Children's National Hospital
- Municipal Acquisitions restructured the existing lease, offering substantial economic benefits, including annual cash flow savings and eventual lien-free ownership
 - At closing, Municipal Acquisitions transferred ownership of the Center to Children's National Hospital, which then entered into a triple net, lease-leaseback transaction with Municipal Acquisitions
 - The transaction allowed Children's National Hospital to obtain ad valorem tax exemption
 - The Center lease payments increase at 2% annually
 - Total economic savings to Children's National Hospital, including cash flow savings and the estimated value of the Center, is approximately \$78 million over 30 years



Thank You

Questions?

APPRAISAL REPORT

**THE FLATS AT RIDGEVIEW
2050 WISCONSIN AVENUE
LAS CRUCES, NEW MEXICO 88001**

APPRAISER'S FILE REFERENCE #8859

PREPARED FOR:

**Mr. Scott Eschenbrenner
Special Assistant to the President
New Mexico State University
4003 Geothermal Drive
Las Cruces, NM 88003**

PREPARED BY:

**Genevieve S. Pendergras, MAI
Wilkinson, Pendergras & Beard, LP
PO Box 13501
El Paso, Texas 79913**

**EFFECTIVE DATE OF VALUATION – CURRENT “AS IS”
October 22, 2020**

**PROSPECTIVE DATE OF VALUATION – AS COMPLETE – NON-STABILIZED
July 31, 2021**

**PROSPECTIVE DATE OF VALUATION – AS COMPLETE & STABILIZED
March 31, 2022**



APPRAISAL GROUP

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November 7, 2020

Mr. Scott Eschenbrenner
Special Assistant to the President
New Mexico State University
4003 Geothermal Drive
Las Cruces, NM 88003
PO #P0201540
Appraiser's Reference #8859

Re: The Flats at Ridgeview located at 2050 Wisconsin Avenue, Las Cruces, New Mexico 88001

Dear Mr. Eschenbrenner:

The purpose of the following appraisal report is to develop an opinion of market value of the fee simple interest in the above referenced property as of October 22, 2020 (current "as is"); as of July 31, 2021 (prospective as complete & non-stabilized); and as of March 31, 2022 (prospective as complete & stabilized) for my client and intended user, New Mexico State University. It is my understanding the intended use of the appraisal report is for internal decision-making purposes.

The property being appraised is the current "as is" fee simple value of a student housing apartment complex that contains 408 rooms / beds contained in 11 buildings a proposed fee simple value of a student housing apartment complex that will contain a total of 492 rooms / beds to be contained in 13 buildings all located on 12.686 acres of land.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives and the attached limiting conditions. This appraisal was prepared in accordance with USPAP. I estimate a reasonable exposure time for the subject of 12 months or less.

Market Value as used in this report is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer.

Mr. Eschenbrenner
 November 7, 2020
 Appraiser's File Reference #8859

Based on the agreed to Scope of Work, I am of the opinion that the current and prospective market values (real property & personal property) are as outlined in the following chart:

The Flats at Ridgeview				
Effective Date of Value	Value Type	Value Conclusion	Real Property	FF&E
October 22, 2020	"As Is" - Non-Stabilized	\$ 41,000,000	\$ 40,230,000	\$ 770,000
July 31, 2021	As Complete - Non-Stabilized	\$ 47,950,000	\$ 47,035,000	\$ 915,000
March 31, 2022	As Complete - Stabilized	\$ 48,100,000	\$ 47,185,000	\$ 915,000

**Subject to the Extraordinary Assumptions and Limiting Conditions as noted on Page 9 of this report*

The value reported is qualified by certain definitions, assumptions and limiting conditions, and certifications that are set forth in the attached report. This letter is invalid as an opinion of value if detached from the report.

I, the undersigned, do hereby certify that to the best of my knowledge and belief, the facts and data used herein are true and correct, that Genevieve S. Pendergras, MAI has personally inspected the subject, and that I have no interest present or current therein.

Respectfully submitted,



Genevieve S. Pendergras, MAI
 State Certified
 TX-1331023-G

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Executive Summary

Current Date of Appraisal: October 22, 2020

Prospective Date of Appraisal – As Complete & Non-Stabilized: July 31, 2021

Prospective Date of Appraisal – As Complete & Stabilized: March 31, 2022

Date of Report: November 7, 2020

Appraiser’s File Reference: #8859

Interests Appraised: 100% Fee Simple

Legal Address: The Flats at Ridgeview
2050 Wisconsin Avenue
Las Cruces, New Mexico 88001

Legal Description: S: 21 T: 23S R: 2E PT SWQTR & SWQTR, City of Las Cruces, Dona Ana County, New Mexico

Land Size: 12.686 Acres or 552,602 Square Feet

Improvement Description – As Is: Student housing apartment with 408-beds / rooms contained in 252 individual apartment units constructed in 10, 3-story, garden style, walk-up buildings and 1 single-story clubhouse and office building. The units are new, good quality construction with very good amenities. The complex has adequate parking, onsite landscape areas, a clubhouse and multiple amenities. The units were constructed between 2019-2020.

Improvement Description – Proposed: Student housing apartment with two more buildings constructed that will contain 84 beds bringing the proposed subject to a 492-unit student housing apartment complex contained in 12, 3-story, garden style, walk-up buildings and 1 single-story clubhouse and office building.

Highest & Best Use – Vacant & Improved: Apartment & Continuation of the existing Apartment use

Zoning: UD-UAZ, University District

Exposure & Marketing Time: 12 Months

The Flats at Ridgeview				
Effective Date of Value	Value Type	Value Conclusion	Real Property	FF&E
October 22, 2020	"As Is" - Non-Stabilized	\$ 41,000,000	\$ 40,230,000	\$ 770,000
July 31, 2021	As Complete - Non-Stabilized	\$ 47,950,000	\$ 47,035,000	\$ 915,000
March 31, 2022	As Complete - Stabilized	\$ 48,100,000	\$ 47,185,000	\$ 915,000

** Subject to the Extraordinary Assumptions and Hypothetical Conditions as noted on Page 9 of this report.*

Assumptions & Limiting Conditions

This appraisal is subject to the following general assumptions and limiting conditions when applicable.

No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

Responsible ownership and competent property management are assumed.

The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.

It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described, and considered in this appraisal.

It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.

It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl's, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. The presence of such hazardous substances may affect the value of the property. The value estimated is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

Assumptions & Limiting Conditions

Possession of this report, or a copy hereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the client without the previous written consent of the appraiser or the client and in any event, only with proper identification.

I am not required to give testimony or attendance in court by reason of this appraisal without prior agreement mutually agreeable to both the appraiser and the client.

Any allocation of the total value estimated in this report between the land and improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which he is connected, or any reference to the Appraisal Institute or to the MAI designation.

I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA (The Americans with Disabilities Act) which become effective January 26, 1992. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

The forecast of income and expenses are not predictions of the future. Rather, they are my best estimate of current market thinking on future income and expenses. I make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. I do not predict or in any way warrant the conditions of a future real estate market, but I can only reflect what the investment community, as of the date of appraisal, envisages for the future in terms of rental rates, expenses, supply and demand.

The forecasted potential gross income referred to in this appraisal may be based on lease summaries or incomplete leases as provided by the owner or third parties. I have reviewed the lease documents and assume no responsibility for the authenticity or completeness of lease information provided by others. I recommend that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

My appraisal is based on estimates, assumptions and other information developed from research of the market, knowledge of the industry, and information that was provided. I have not, as part of my appraisal, performed an audit or review of the financial information used and, therefore, I do not express an opinion or any other form of assurance with regard to the same. Under the terms of this engagement, I have no obligation to revise this report or the estimated financial results to reflect events or conditions that occur subsequent to the date of this appraisal.

Extraordinary Assumptions & Hypothetical Conditions

This appraisal is subject to the following extraordinary assumptions and hypothetical conditions.

An Extraordinary Assumption is defined as ***“an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.”***¹

- *I inspected a representative sample of the subject apartment units. My appraisal assumes and is made subject to the apartment units inspected being typical of all of the existing and proposed units. Without the use of this assumption, the value conclusion may change.*
- *My appraisal is subject to the proposed construction being completed in the same quality & materials demonstrated in the existing construction assuming good quality workmanship and materials in a timely manner. Without the use of this assumption, the value conclusion may change.*

A Hypothetical Condition is defined as ***“a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis.”***²

- *There are no hypothetical conditions considered in this analysis.*

¹ The Appraisal Foundation, USPAP (2020-2021 Edition), Page U-1.

² Ibid.

Subject Aerial & Photographs



*Boundary lines are approximate.

View of subject and immediate trade area.

Subject Aerial & Photographs



View of the apartment complex facing northeast taken from Wisconsin Avenue.



View of the typical apartment building façade and site improvements.



View of the typical apartment building façade and site improvements.



View of the typical apartment building façade.



View of the pad sites that will be improved with the two proposed apartment buildings.



View of the swimming pool and jacuzzi.

Subject Aerial & Photographs



View of the clubhouse interior.



View of the clubhouse interior.



View of the fitness center interior.



Interior view of the typical apartment unit.



Interior view of the typical apartment unit.



Interior view of the typical apartment unit.

Identification of the Assignment

CLIENT & INTENDED USER OF THE APPRAISAL:

My client and intended user is New Mexico State University. This report may not be distributed to, or relied upon by, other persons or entities without my written permission.

INTENDED USE OF THE APPRAISAL:

It is my understanding the intended use of the appraisal is for internal decision-making purposes.

IDENTIFICATION OF THE PROPERTY APPRAISED:

I have been requested to provide an appraisal of the real property (land and improvements) located at 2050 Wisconsin Avenue. The subject is a student housing apartment complex. The apartment complex in its current configuration contains a total of 11 buildings that are 10, 3-story apartment buildings and one clubhouse building with a building area of 236,845 square feet. The complex is rented by the bed / room and there are a total of 408 beds / rooms contained in 252 individual apartment units. The construction was completed in two phases between 2018 and 2020 with the most recent phase completed in July 2020. The construction is very good quality with very good quality amenities.

The proposed configuration will consist of a total of 13 buildings that will be 12, 3-story apartment buildings and one clubhouse building with a building area of 282,037 square feet. The complex will contain a total of 492 beds / rooms contained in 300 individual apartment units at completion. Phase III is anticipated to be completed in July 2021 and will reflect very good quality construction with very good quality amenities.

The student housing apartment complex is on 12.686 acres of land. Currently the apartments are 87% occupied and have had very strong leasing activity when considering the most recent phase of construction was completed in July 2020. Amenities include a clubhouse, swimming pool, jacuzzi, game room, fitness center, meeting / study rooms, covered parking, very well-appointed apartment unit amenities with a washer and dryer standard in each unit. The property is gated and secure with very good landscaping.

Identification of the Assignment

LEGAL DESCRIPTION:

S: 21 T: 23S R: 2E PT SWQTR & SWQTR, City of Las Cruces, Dona Ana County, New Mexico.

STATEMENT OF OWNERSHIP & PROPERTY HISTORY:

The subject property was purchased as vacant land by Horseshoe Partners Las Cruces LLC on May 1, 2017 as recorded in Instrument #1710119. Horseshoe Partners Las Cruces LLC developed the land with the existing apartment complex and has performed the vertical construction in phases with only one phase remaining. It is my understanding New Mexico State University is considering leasing the subject property. To my knowledge, the subject property is not currently actively listed for sale using broker representation. There have been no sales of the subject within the past three years. This represents a complete three-year history of the subject property to the best of the appraiser's knowledge.

PROPERTY INTERESTS APPRAISED:

This **appraisal report** is intended to comply with Standard 2-2 of the Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition.

The appraisal will consider **real property** and **personal property** (FF&E). The subject apartment units contain FF&E in the units and common areas. I have estimated the value of the FF&E in the Cost Approach and have separated the value of the personal property from the real property in my analysis.

Fee Simple, Leased Fee, and Leasehold are defined as follows.

A fee simple estate implies absolute ownership unencumbered by any other interest or estate.³

A leased fee estate is an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the rights of the lessor (the leased fee

³The Dictionary of Real Estate, Fifth Edition, 2010, Appraisal Institute. Page 78.

Identification of the Assignment

owner) and the lessee (leaseholder) are specified by contract terms contained within the lease.⁴

A leasehold estate, which is held by a lessee (the tenant and renter), conveys the right of use and occupancy for a stated term under certain conditions.⁵

Real Property is defined as follows.

Real property includes all interests, benefits, and rights inherent in the ownership of physical real estate.⁶

Personal Property is defined as follows.

Personal property includes movable items of property that are not permanently affixed to, or part of, the real estate.⁷

TYPE & DEFINITION OF VALUE:

The purpose of this appraisal is to estimate the current “as is” and prospective as complete (stabilized & non-stabilized) **market value**.

Market Value, as used in this report, is defined as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated;*

⁴ Ibid., Page 111

⁵ Ibid., Page 111.

⁶ Ibid., Page 161.

⁷ Ibid., Page 145.

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- *Both parties are well informed or well advised, and acting in what they consider their own best interests;*
- *A reasonable time is allowed for exposure in the open market;*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*⁸

DATES USED IN THE APPRAISAL:

The “as-is” subject is currently appraised as of **October 22, 2020**, the current date of inspection. The subject is prospectively appraised as of **July 31, 2021**; the anticipated date of completion & non-stabilization; and as of **March 31, 2020**; the anticipated date of completion & stabilization. The date of this report is **November 7, 2020**.

SCOPE OF WORK:

It has been my intention to prepare this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute. Engineering studies, ADA determinations, surveys, title reports, flood plain determinations, and environmental audits are beyond the scope of work of this appraisal.

Extent to Which the Property is identified: I have been provided with a rent roll, income and expenses and other information related to the subject property. I researched data from the market pertaining to the subject including but not limited to City, County and public records. I have performed a current inspection of the subject property and neighborhood.

⁸Interagency Appraisal and Evaluation Guidelines, December 2010, OCC: 12 CFR part 34, subpart C.

Identification of the Assignment

Extent to Which Tangible Property is Inspected: In preparing this appraisal, Genevieve S. Pendergras, MAI inspected the subject on October 22, 2020, which is the effective date of this report. I inspected a representative sample of the existing units and the overall property with the property manager. I drove the immediate area and viewed all of the comparables used in this appraisal from the street.

I visited the subject property in order to develop impressions of physical characteristics based on visual observations of apparent, not unapparent conditions. I am not an engineer and I am not qualified to assess structural integrity or the adequacy and condition of its mechanical, electrical, or plumbing components. This appraisal is not a property condition report and should not be relied upon to disclose any conditions present in the property, and it does not guarantee the property to be free of defects. I am not a licensed inspector, and I did not make an “inspection” of the property as defined for real estate inspectors.

I am not qualified to detect or identify hazardous substances, which may, or may not, be present on, in, or near the subject property. The presence of hazardous materials may negatively affect market value. I do not have reason to suspect the presence of hazardous substances, and I valued the subject assuming that none are present. No responsibility is assumed for any such conditions or for any expertise or engineering required to detect or discover them. I urge the user of this report to obtain the services of specialists for the purpose of conducting inspections, engineering studies, or environmental audits. While I refer to FEMA flood maps, I am not a surveyor and I am not qualified to make flood plain determinations, and I recommend that a qualified party be consulted before any investment decision is made.

Type & Extent of Data Researched: Market research was conducted for improved sales, market rents, occupancies and capitalization rates. Sources used to obtain information included but were not limited to public records, discussions with involved parties, real estate brokers, property managers, and other appraisers. Confirmation of sales and rents involved discussions with knowledgeable parties. Confirmation of market data as used in this appraisal was obtained from sources believed to be reliable; however, I assume no responsibility for their accuracy.

Identification of the Assignment

New Mexico is a non-disclosure state. It is important that the intended users of this appraisal understand that in New Mexico, there is no legal requirement for grantors or grantees to disclose any information relative to a transfer of real property, other than the recordation of the deed itself. In New Mexico, the deed contains no information about the transaction, including the purchase price. As a result, no data source provides absolute coverage of all transactions. It is possible that there are sales of which I am unaware. My data sources provide all the data typically available to appraisers in the normal course of business.

Type & Extent of Analysis Applied: I have considered market conditions including but not limited to city and market area data. I have analyzed the data from the market to determine the highest and best use of the subject property.

VALUATION PROCESS:

I have considered and used all three approaches to value. The three approaches are generally called the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach.

SITE VALUE ESTIMATE:

There are several methods appraisers can employ when estimating land value. The six basic procedures are the Sales Comparison Approach, Allocation Method, Extraction Method, Subdivision Development Method, Land Residual Method, and the Ground Rent Capitalization Method. Of these six methods, the Sales Comparison Approach is generally preferred when sufficient sales data is available for analysis.

COST APPROACH:

The Cost Approach is based upon comparison where the value of the existing or proposed improvement is compared to the cost to produce a new subject or substitute property. The cost will be adjusted for differences in the age, condition, and utility of the subject property (accrued depreciation). Economic adjustments will consider rent loss to stabilization and any negative or positive tenant leasehold advantage. Finally, the value of the site is added for an indication of estimated value by the approach.

Identification of the Assignment

The approach is mostly applicable when the subject is relatively new or suffers only minor accrued depreciation, the improvement reflects the highest and best use of the site as improved, and the site value is well supported.

SALES COMPARISON APPROACH:

The Sales Comparison Approach to value is probably the most easily understood by the general public because people familiarize themselves with the real estate market as they look for locations and make comparisons of relative values and amenities. The Sales Comparison Approach conforms to the theory of substitution, which states that a person is not justified in paying more for a particular property than what they must pay for a highly similar property, considering all factors equal.

The Sales Comparison Approach employs comparable market sales obtained by researching the market. The approach estimates value by comparing properties similar to the subject property that have more recently been sold, listed for sale or are under contract for purchase. Units of comparison are developed and similarities and differences of the market sales are compared with the subject in order to estimate value. The units of comparison may reflect both physical and/or economic indicators.

The approach is applicable to all types of real property interests if there are sufficient and reliable transactions to indicate value patterns or market trends. If the market is weak or market transactions are insufficient, the approach may be limited.

INCOME CAPITALIZATION APPROACH:

The Income Capitalization Approach is a procedure in the appraisal analysis in which the anticipated economic benefits to be derived from a property are converted into a value estimate through a capitalization process. In using the Income Capitalization Approach, the appraiser is concerned with the present worth of the future benefits arising from the ownership of the property.

This is generally measured by the net income a fully informed person is warranted in assuming a property will produce during its economic life. After comparison with investments of similar types and class, this net income is capitalized into a value estimate.

Identification of the Assignment

The Income Capitalization Approach is another avenue by which the appraiser can estimate value. It has its greatest usefulness in the valuation of income-producing property, since the investor in such a property purchases it in order to receive the future benefits, or income. The person who invests their money in a commercial property, for example, expects a reasonable return on that investment.

Two methods of capitalization may be used in the Income Capitalization Approach section to include direct capitalization and yield capitalization. Direct capitalization is a method used in the income capitalization approach to convert a single year's income estimate into a value indication. Yield capitalization is used to convert future benefits into present value by applying an appropriate yield rate.

RECONCILIATION AND FINAL VALUE ESTIMATE:

The respective approaches are reconciled into a final value estimate. The relative strengths and weakness of each approach are considered and weighted accordingly. The reconciliation process is both an objective and subjective process relying upon the experience and judgment of the appraiser.

EXPOSURE & MARKETING TIMES:

Exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is different for various types of real estate and under various market conditions. The estimate of the time period for reasonable exposure time is not intended to be a predication of a date of sale.

I have analyzed the comparable sales in order to determine the reasonable exposure time for these sales. Additionally, I have surveyed knowledgeable participants. I am of the opinion an exposure time of **12 Months** or less appears appropriate for the subject based on the final market value estimate.

Marketing time is ***“an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period***

Identification of the Assignment

*immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.”*⁹ It is my opinion that similar conditions prevail that suggests **12 Months** or less to be an appropriate marketing time for the subject property.

⁹ *The Dictionary of Real Estate*, Fifth Edition, 2010, Appraisal Institute. Page 121.

PRESENTATION OF THE DATA

National Economic Data

NATIONAL ECONOMIC INDICATORS					
As of August 2020					
	Aug-20	Feb-20	Aug-19	Feb-19	Aug-18
Market Rates & Bond Yields					
Reserve Bank Discount Rate	0.25	2.25	2.75	3.00	2.50
Prime Rate (monthly average)	3.25	4.75	5.25	5.50	5.00
Federal Funds Rate	0.09	1.58	2.13	2.40	1.92
3-Month Treasury Bills	0.11	1.25	1.90	2.42	2.09
6-Month Treasury Bills	0.13	1.09	1.85	2.45	2.22
LIBOR-3 month rate	n/a	n/a	n/a	n/a	n/a
U.S. 5-Year Bond	0.28	0.89	1.47	2.48	2.77
U.S. 10-Year Bond	0.72	1.13	1.60	2.67	2.88
U.S. 30-Year Bond	1.49	1.65	2.08	3.03	3.03
Municipal Tax Exempts (Aaa)	n/a	2.02	2.36	3.12	3.26
Municipal Tax Exempts (A)	n/a	2.38	2.71	3.62	3.75
Corporate Bonds (Aaa)	n/a	2.78	2.98	3.79	3.88
Corporate Bonds (A)	n/a	3.09	3.32	4.23	4.23
Corporate Bonds (Baa)	n/a	3.61	3.87	4.95	4.77
Stock Dividend Yields					
Common Stocks - 500	n/a	n/a	1.96	1.98	1.82
Other Benchmarks					
Industrial Production Index	71.4	76.9	77.8	78.5	79.3
Unemployment (%)	8.4	3.5	3.7	3.8	3.9
Monetary Aggregates, daily avg					
M1, \$-Billions	5,395.0	4,003.2	3,853.2	3,760.3	3,679.9
M2, \$-Billions	18,411.8	15,446.9	14,933.3	14,478.8	14,190.8
Consumer Price Index					
All Urban Consumers	259.9	258.7	256.6	252.8	252.0
Personal Disposable Income					
	2Q20	1Q20	2Q19	1Q19	2Q18
Per Capita; Annual Rate in Current \$s	55,490	50,674	49,528	49,390	48,013
Savings as % of DPI	26.0	9.6	7.3	8.4	7.8

Source: "News & Advocacy; Economic Indicators". [Appraisal Institute.org](http://www.appraisalinstitute.org). August, 2020. Revised October 5, 2020.
http://www.appraisalinstitute.org/ano/econ_indicator/indicators.aspx

The following are current money rates.

Current Money Rates	
October 5, 2020 (close of day)	
Indicator	Value
Prime Rate	3.25
30 Year T-Bond	1.57
10 Year T-Note	0.78
Fed Funds	0.09
Mortgage Rate 30 Year	2.88

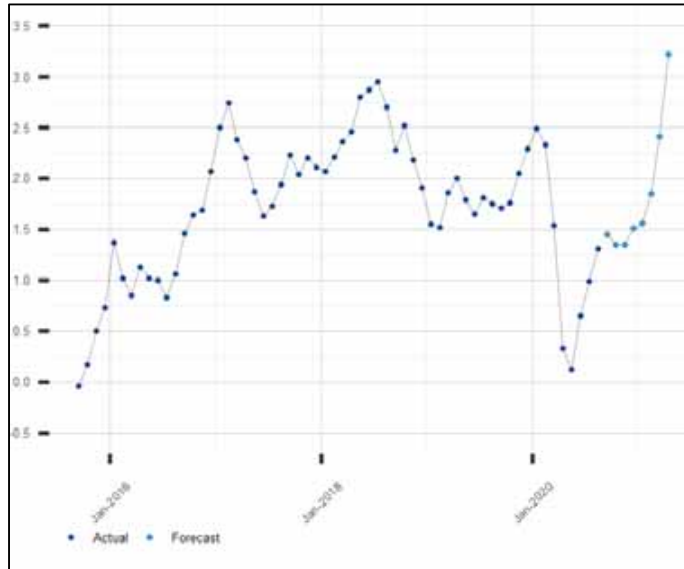
Source: "Prime Rate". Financial Forecast Center, October, 2020. <http://www.forecasts.org/prime.htm>

The following charts demonstrate the money rate trends over the past three years. In all cases the rates have increased into the current quarter consistent with the increase in the fed funds rate initiated by the Federal Reserve.



The U.S. inflation rate has fluctuated between -0.00% to 2.75% over the past two years. The Financial Forecast Center’s projection for the U.S. inflation rate for the next 6 to 12 months is a rate between 1.31% and 3.22%. As of October 2020, the inflation rate is 1.31%.

National Economic Data



Source: "Consumer Price Index". [Forecasts.org](http://www.forecasts.org), October, 2020. <http://www.forecasts.org/inflation.htm>

At present the Peso is trading around 21.40 against the Dollar. The range has been between 16.50 and 21.40 over the past two years. The current forecast is for a range between 21.66 and 24.34 for the next six to twelve months. The increase in the exchange rate has a significant impact on the immediate area, which relies on Mexican consumers for retail services.

ECONOMIC FORECAST:

The following economic forecast for the U.S. is taken from the CBO's current projections of Output, Employment, and Interest Rates and a Preliminary Look at Federal Deficits for 2020 and 2021 posted by Phil Swagel on April 24, 2020 ([cbo.gov/publication/56335](https://www.cbo.gov/publication/56335)).

CBO has developed preliminary projections of key economic variables through the end of calendar year 2021, based on information about the economy that was available through April 23, 2020 and including the effects of an economic boost from legislation recently enacted in response to the pandemic. In addition, CBO has developed a preliminary assessment of federal budget deficits and debt for fiscal years 2020 and 2021. CBO will provide a comprehensive analysis of that legislation and updated baseline budget projections later this year. The CBO has updated the interim forecast that CBO

published in May, which focused on 2020 and 2021. It is similar to the May forecast for those two years, except that the projection of growth in the second half of 2020 has been revised downward.

The 2020 coronavirus pandemic has brought about widespread economic disruption. To mitigate the contagion, governments, businesses, and households in the United States and around the world have taken measures to limit in-person interactions. Collectively referred to as social distancing, those measures include reducing social activities and travel, curtailing the activity of schools and business, and working from home. In the first quarter of 2020, the pandemic and associated social distancing ended the longest economic expansion and triggered the deepest downturn in output and employment since World War II.

IMMEDIATE FORECAST:

- CBO projects that if current laws governing federal taxes and spending generally remain in place, the economy will grow rapidly during the third quarter of this year.
- Real (inflation-adjusted) gross domestic product (GDP) is expected to grow at a 12.4 percent annual rate in the second half of 2020 and to recover to its pre-pandemic level by the middle of 2022.
- The unemployment rate is projected to peak at over 14 percent in the third quarter of this year and then to fall quickly as output increases in the second half of 2020 and throughout 2021.

Following that initial rapid recovery, the economy continues to expand in CBO's projections, but it does so at a more moderate rate that is similar to the pace of expansion over the past decade:

- By 2028, real GDP reaches its long-run level relative to potential GDP (the maximum sustainable output of the economy) and grows at the same rate as potential GDP thereafter.

- The unemployment rate remains above its prepandemic level through the end of the projection period.
- Interest rates on federal borrowing throughout the decade remain well below the average rates in recent decades

FISCAL YEAR 2020 FORECAST:

- The federal budget deficit is projected to be \$3.7 trillion.
- Federal debt held by the public is projected to be 101 percent of GDP by the end of the fiscal year.

A PRELIMINARY LOOK AT FEDERAL DEFICITS AND DEBT

- As a result of recent events and legislation, deficits are projected to be significantly larger in 2020 and 2021 than in 2019, with sharply lower revenues and substantially higher noninterest spending.
- Even with increased federal borrowing, declines in interest rates mean that net interest outlays will decline. Overall, if laws currently in place governing spending and revenues generally remained unchanged and no significant additional emergency funding was provided, the federal deficit would be roughly \$3.7 trillion in fiscal year 2020 and \$2.1 trillion next year, CBO estimates.
- In CBO's March baseline projections, deficits were just over \$1 trillion in each of those years.
- With the expected weakness in economic output and the larger federal deficits, the deficit would be 17.9 percent of GDP in 2020 and 9.8 percent of GDP in 2021, CBO projects, compared with 4.6 percent in 2019.
- The deficit relative to GDP is projected to be 13 percentage points higher in 2020 and about 5 percentage points higher in 2021 than in CBO's March baseline projections.

- Federal debt held by the public would be 101 percent of GDP by the end of fiscal year 2020 and would grow to 108 percent of GDP at the end of 2021, compared with 79 percent at the end of fiscal year 2019.
- Debt relative to GDP is projected to be 20 percentage points higher at the end of 2020 and 26 percentage points higher at the end of 2021 than in CBO's March baseline projections.

CBO's projections incorporate an expectation that the current extent of social distancing across the country will continue—on average and with regional variation—through June. The agency's projections also include the possibility of a reemergence of the pandemic. To account for that possibility, social distancing is projected to continue, although to a lesser degree, through the first half of next year.

CONCLUSION:

The analysis performed by the CBO is grim. The employment statistics are staggering but improvement with the current unemployment rate at 11.1% as outlined in the following chart down from 14.7% in April 2020. Currently the forecast is for the employment and economy to continue to improve as the economy goes back to work but the improvement will be gradual. Forecasts currently project significant improvement in 2021. Uncertainty is very high. The federal debt deficits are of concern in the future and will need to be addressed. However, the primary focus at the present time is in management of the virus and reopening the economy.

The following chart lists the current macroeconomic indicators as compiled by the Financial Forecast Center.

National Economic Data

Current Economic Indicators	
October 5, 2020 (close of day)	
Indicator	Value
S&P 500	3408.63
US GDP Growth, %	-9.03
US Inflation Rate, %	1.31
US Unemployment Rate, %	7.2
Gold Price, \$/oa	1913.1
Crude Oil Futures, \$/bbl	39.36
US 10 Yr Treasury, %	0.78

Source: "Prime Rate". [Financial Forecast Center](http://www.forecasts.org/prime.htm). October, 2020. <http://www.forecasts.org/prime.htm>

The center indicates the current US Inflation rate is 1.31%. For the purposes of this report and based upon review of the historical and forecasted inflation, future long-term inflation is estimated at **2.0%** per year.

LOCATION:

The City of Las Cruces is the second largest city in New Mexico and is located in Dona Ana County, in the south-central portion of New Mexico. The City of Las Cruces is located approximately 45 miles north of El Paso, Texas and 225 miles south of Albuquerque in a region commonly referred to as the Sun Belt. At an altitude of 3,896 feet above sea level, city is bordered to the east by the Organ Mountains, to the north by the Caballo Mountains, and the west by the Rio Grande River.

POPULATION:

The City of Las Cruces has a 2019 total population of 105,505 according to the Site to do Business. The 2019 to 2024 projected annual growth rate is 0.35%. The estimated Dona Ana County population is 225,819 people. The growth rate for the County is estimated at 1.6% annually. This growth trend is expected to continue well into the future as a result of continued growth in the private sector as well as growth at New Mexico State University, NASA and White Sands Missile Range. The growth rate should increase as residential building sites within the city limits diminish along with an increase in suburban development.

ENVIRONMENTAL CHARACTERISTICS:

The climate is considered a valuable contributor to the economy and growth of the area. Due to the mild, dry climate, White Sands Missile Range was established near Las Cruces for rocket and missile testing. Agricultural production is also dependent upon the climate, with the typical growing season lasting between 210 and 230 days. Others attracted by the climate are tourists, those desiring an ideal retirement location, and people with health problems. Average yearly rainfall is approximately 8.5 inches per year and the sun shines an average of 350 days per year.

LOCAL GOVERNMENT:

The Las Cruces City government consists of six city councilors and one mayor, who chairs the meetings. The mayor is elected at-large and each of the city councilors represents one neighborhood district within the city. Each resident of Las Cruces is thus represented by the mayor and by one city councilor. The mayor and city council serve staggered four-year terms. Five county commissioners elected by their respective districts govern Dona Ana County. The commissioners elect a chairman. Additionally, there are city and county managers who oversee such matters as the budget and serve as purchasing agents.

SOCIAL AND COMMUNITY CHARACTERISTICS:

Public Utilities: The El Paso Electric Company provides electric service. Las Cruces Utilities (LCU) operates as a non-profit organization governed by the Utilities Board of Commissioners (board) that establishes strategic policy. LCU provides gas, natural gas, water, solid waste and storm water services. Quest communications and various cellular providers, provides public telephone service.

Taxes: New Mexico has a State Income tax and a 7.4375% gross receipts tax in Las Cruces. City and County property taxes are applied to 33 1/3% of the assessed value. The 2019 rates, which include city, county, school, state and the Dona Ana Branch are \$0.031508 for non-residential.

Education: The Las Cruces Public School System is the second largest in New Mexico and operates a total of 35 schools. Higher education is offered through New Mexico State University (NMSU) and Dona Ana Branch College.

Medical: Las Cruces has two hospitals with a total of 400 beds, two psychiatric hospitals, nine nursing homes and 19 medical clinics. The community is adequately served by local physicians and dentists.

City & Regional Description

Transportation: Interstate Highways 10 and 25 intersect at the southern border of the city forming a national geographic hub for motor transportation to major markets in both the United States and Mexico. Interstate 10 is a major east/west highway and Interstate 25 extends from Las Cruces north. U.S. Highway 70 is a primary east/west thoroughfare through Central New Mexico. The Santa Fe Railroad and the Southern Pacific Railway Company provide freight service to the area. The Las Cruces International Airport provides local charter and commuter services. Major air transportation is available from the El Paso International Airport.

HOUSING CHARACTERISTICS:

As previously mentioned, the City of Las Cruces has a 2019 total population of 105,505. The 2019 to 2024 projected annual growth rate is 0.35%. There is a total of 42,375 housing units with 58.4% owner occupied and 41.6% renter occupied. The median household income is \$39,400; average household income is \$56,395 and per capita income is \$22,748 according to the Site to do Business.

ECONOMY:

Four major forces primarily support the Las Cruces economy. These forces include agriculture, White Sands Missile Range, New Mexico State University and manufacturing. The traditional economic base for the community has been farming due to the fertile soil and proximity of the Rio Grande River. Dona Ana County has the largest value of crop production in the State of New Mexico. The civilian labor force within 45 miles of Las Cruces is estimated at 91,200 people. The government employs approximately 24%.

IMMEDIATE SUBJECT AREA:

The subject property is located in close proximity to New Mexico State University and is within the University District. The immediate area is heavily influenced by NMSU and is an area of well-established and increasing property values and investment. The area is

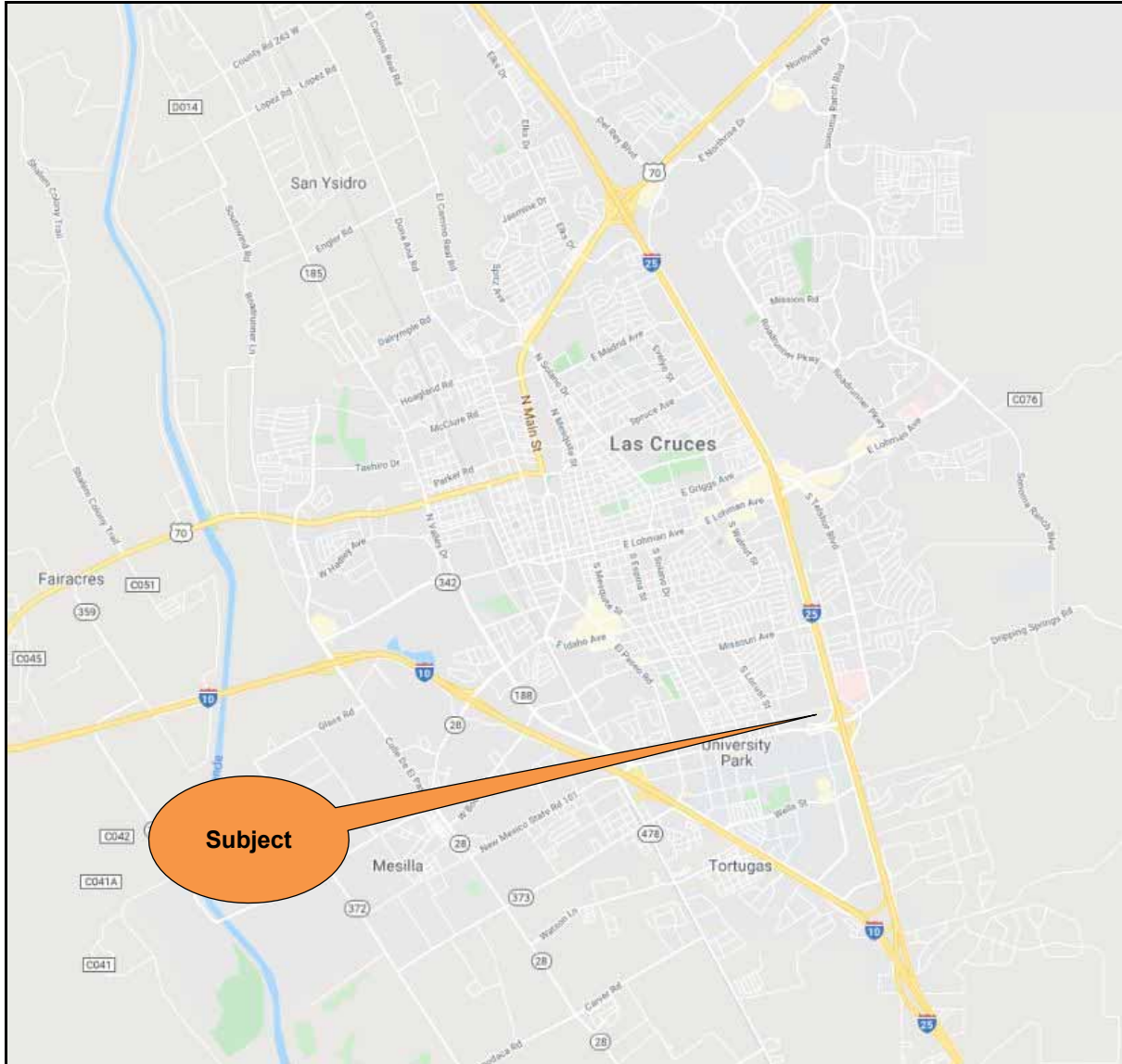
City & Regional Description

well supported by commercial infrastructure and development and is well poised for continued growth.

CONCLUSION:

Las Cruces relies heavily on the public sector for job growth and sustainability. The unemployment rate as of 2019, is 5.9% according to the Site to do Business, which is above the statewide unemployment rate of 4.5% for New Mexico and the national unemployment rate of 3.6%. The unemployment rate has not yet recovered from its low seen in 2007-2008. Las Cruces' recovery will continue at a moderate pace in the median income price point. Long-term conditions will continue to be stable.

City & Regional Description



MARKET AREA MAP

MARKET ANALYSIS:

The purpose of the market analysis is for “*the identification and study of the market for a particular economic good or service.*”¹⁰ The purpose of this market analysis is to provide the reader with an analysis of those factors deemed influential in determining the demand for Student Housing.

STUDENT HOUSING:

According to a research call completed by CBRE in June 2020, the Capital Markets environment for Multifamily is significantly more favorable today than at the beginning of the COVID-19 pandemic, especially for Student Housing. Although COVID-19 definitely has impacted higher education, the student housing market is holding up much better than expected, as is evidenced by three important market fundamentals.

- Occupancies in the Spring. Most universities transitioned to online learning mid-to late-March. A survey of student housing management companies revealed physical occupancies onsite ranged between 40-60% in March and April, with some investors seeing an uptick in winter/spring term leasing due to residents being displaced from their on-campus housing.

- Rent Collections. A CBRE survey found that rent collections for June (as of June 20) averaged 93.2% across 460,000 tracked beds. This was slightly higher than conventional multifamily rent collections, reported at 92.2% through June 20.

- Pre-leasing for Fall Semester. After an initial slowdown, leasing momentum is gaining pace as most universities report they will open to on-campus classes. Based on the 600,000 beds CBRE surveyed in late June, leasing velocity is now only 2.3 percentage points behind last year.

¹⁰ *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, Appraisal Institute, Page 174.

Student Housing Distressed Debt Delinquency is highly concentrated in a select group of owners and does not indicate market wide concerns. Based on the data collected, five ownership groups account for 59% of student housing loans that are 90+ days delinquent, in foreclosure or REO status. Five separate ownership groups also account for 72% of student housing loans less than 90 days delinquent. With the strong collections seen in the sector in late spring, there does not appear to be any distress in the sector, and select owners are taking advantage of the potential to renegotiate their loans in oversupplied markets.

The financial incentive for universities to operate in-person has been well-documented. Eighty percent (80%) of universities have announced either in-person classes or the hybrid model with some on-campus instruction. The 77 universities that moved online for fall 2020 represent only 21,411 of the 1,240,493 beds (1.7%) that Axiometrics Advisors tracks as purpose-built, off-campus student housing, and 61 of these universities are located in California.

According the Institute of International Education survey, 92% of international students have remained in the United States. There are approximately 1.1 million international students, meaning over 1 million of these students continued to take their classes – even though online based – in the U.S. rather than returning to their home country. Additionally, approximately 280,000 of the 350,000 Americans studying abroad during the spring semester returned home, limiting the potential decline in international enrollment for fall 2020.

According to a survey conducted by Simpson Scarborough, approximately 10% of high school graduating seniors stated that they no longer planned to attend college in the fall. The same survey reported that, when given the option to continue their education online or return to campus for in-person instruction, 85% of current college students said they would return to campus.

An April 27th survey from the Association of College and University Housing Officers demonstrated that 70% planned for or are considering de-densification, or reducing bed counts for housing on campus. According to a recent Student Housing Business survey, 79% of on campus housing officers indicated that their institutions were planning on keeping an existing on campus housing facility offline for a potential quarantine space during the 2020-2021 academic year. De-densification of on-campus housing will help to offset any potential enrollment declines and allow the off-campus student housing market to remain highly occupied.

As unemployment increases, so does enrollment growth at public institutions. This is commonly attributed to two factors: as people with lower education levels face a higher degree of unemployment, especially in recession times, they seek post-secondary education for the stabilized career path and lower unemployment levels it provides. Secondly, college graduates frequently seek higher graduate education in the face of high unemployment levels. Given the U.S. is currently facing record unemployment levels, especially among the population with lower levels of education, we anticipate this will propel college enrollment.

TRANSACTION MARKET AND CAPITAL AVAILABILITY:

In the beginning of 2020 Student Housing industry activity was strong with Q1 seeing \$1.7 billion in transactions, despite COVID-19 impacts swelling in March. This was 13.3% higher than Q1 2019. The transaction market has been virtually at a standstill outside of a handful of assets that had hard earned money pre-COVID-19. While the number of universities expecting in-person classes is very high, the “heads on beds” proof will drive investor interest and demonstrate the recessionary qualities of student housing. So far, it appears that that the student housing transaction market has come back strongly this fall and that preCOVID-19 pricing has remained intact. In about 60 days, today’s trends of university openings and positive leasing momentum will result in a student housing sector armed with strong fundamentals in a historically low interest rate environment, providing

attractive opportunities for the investment community long before many other product types recover in the wake of COVID-19.

Interest rates are very attractive, with rates for student housing typically ranging from 3% to 3.5%, depending on leverage and term. Life companies in general are quoting new business but being very selective on asset types, with a mixed response to recent student housing financings we have marketed to them. Terms are competitive at around 65% LTV. Others are taking a more conservative approach to underwriting and generally quoting in the 50-60% LTV range and some are still on pause for student housing. Banks had a similarly mixed response for financing stabilized student housing assets, providing a mix of quoted terms, while some still remain on the sidelines for any new business.

Student Housing is a purpose built off-campus student housing apartment that is focused on the needs and desires for today's college students. Typically, Student Housing properties are specifically designed with an attention to the student living space, shared living space and community & social space. There are several reasons why the Student Housing sector is seen as a desirable investment opportunity.

- Student housing occupancy rates remain stable during economic booms and may actually rise during downturns due to increased college attendance.
- Students Are Staying in School Longer. According to the U.S. Bureau of Labor Statistics, exactly two-thirds of high school grads are taking significantly longer to complete their degrees.
- Overall, the rental revenue, rental rates, and net operating income in Student Housing properties across the country have continued to rise year over year due to student demand and limited space.
- Increased student housing demand by renovating and creating value-add improvements to the properties help realize higher returns at a faster rate as compared to the acquisition of stabilized assets.

- Student housing provides appreciation potential, an inflation hedge, portfolio diversification, and monthly income with tax efficiency through depreciation anchored by student housing assets.

CAP RATES & PRICING:

Cap rate compression has been the new normal and 2020 has been no exception. Despite limited transactions due to COVID-19, the consistent pursuit of the sector from institutional, domestic and international investment funds illustrates investor confidence in the recession and pandemic-resilient asset class. Throughout the first half of 2020, cap rates averaged 5.7 percent, in line with historical lows observed in 2019. Additionally, many core and core-plus assets have traded at sub-5 percent cap rates, particularly when located within walking distance to Tier I universities. With an abundance of existing, new equity and foreign capital providers, combined with an emerging capital markets environment, cap rates are expected to remain near all-time lows for the second half of 2020.

As the combination of emerging capital meets sustained levels of new construction deliveries, the sector continues to see an increase in pricing metrics for purpose-built student housing. Along with increased investor interest in most property types, foreign and institutional capital teamed up to influence the steady increase of standard pricing metrics. The first half of 2020 saw a record average price per unit at \$235,429, compared to \$230,081 per unit through the first half of 2019. Additionally, the price per bed average increased to \$96,295, a 4.9 percent increase over the same time last year. If the current trend continues throughout the remainder of 2020, it will prove to be the highest averaged pricing metrics for both price per unit and price per bed in the history of the student housing industry, topping historical highs in 1Q19.

CONCLUSION:

Most economists have consistently forecast a “V” shaped economic recovery from the impact caused by the COVID-19 pandemic. Most of the deals that are being done are in the industrial and multifamily sectors, with almost none in hotels and retail and a handful in office. There is strong liquidity in multifamily and industrial (all but spec).

The biggest risk factors to recovery are housing affordability, taxes, a possible second-wave of regional and local economy shutdowns and industry types. The U.S. presidential election should create only minimal impact on the commercial real estate industry overall. The other impact to watch is the next federal government stimulus package. If another stimulus is not passed by September, it is unlikely to happen until post-election. No market or asset type is immune to this crisis, but the U.S. is and will be resilient as a haven for international capital and forecasts are optimistic that by 4Q 2020 we will begin to see an upturn in transaction activity. Student Housing is perceived as an investment quality asset class that will be one of the first sectors to achieve full recovery in investment activity coming out of the pandemic.

SIZE AND SHAPE:

The subject site is reflective of a rectangular tract of land that contains 12.686 acres or 552,602 square feet. The site has 650' of frontage along Wisconsin Avenue with a frontage to depth ratio of approximately 0.76:1. The site is generally level and slightly above street grade with frontage and access to Wisconsin Avenue on the site's southern boundary.

The site is improved with the existing student housing apartment complex containing a total of 11 buildings and 236,845 square feet of building area. There is 36,560 square feet of natural untouched area that is being reserved for the construction of the final two buildings that will bring the total to 13 buildings and 282,037 square feet of building area at completion.

The shape, access and layout of the subject site is well situated for apartment construction.

SOIL:

Soil tests were not available. Therefore, I do not express an opinion as to the quality of the soil. My report assumes and is made subject to the soil being of good load bearing quality.

MINERAL DEPOSITS:

There are no identifiable mineral deposits having commercial value existing on the subject site.

UTILITIES:

The El Paso Electric Company provides electric service. Las Cruces Utilities (LCU) provides natural gas, water, solid waste and storm water services. Quest communications provides public telephone service.

EASEMENTS AND ENCROACHMENTS:

There do not appear to be any adverse easements or encroachments affecting the overall utility of the site. I have not been provided with a title commitment to verify this. My

Site Description

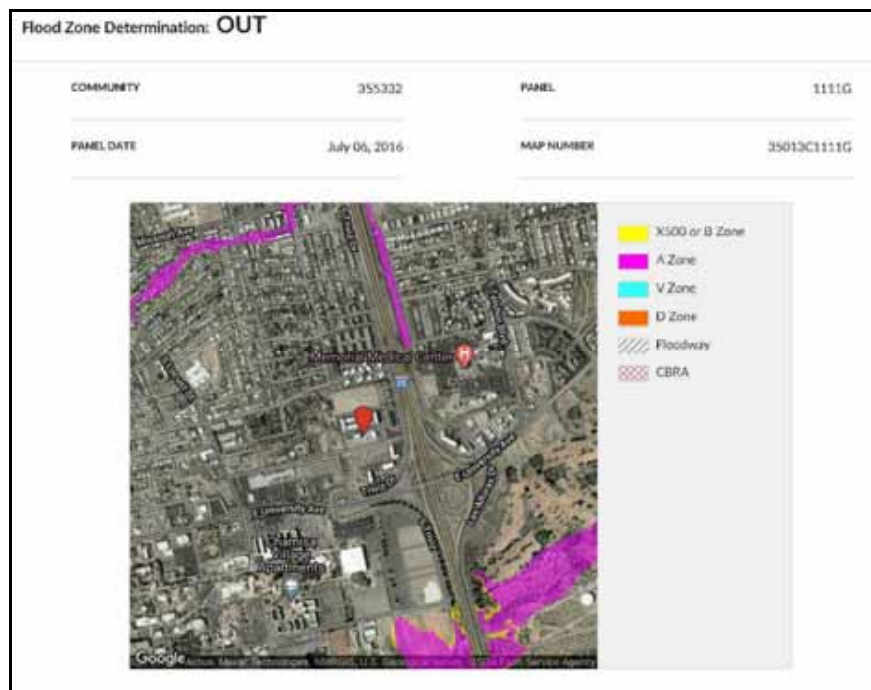
appraisal assumes and is made subject to no adverse easements or encroachments that affect utility.

ENVIRONMENTAL:

I have not been provided with a current environmental survey for the subject property. I am not an expert in environmental matters and the reader is advised to seek professional assistance in such matters. My report assumes and is made subject to the land and improvements not being contaminated by any hazardous substances

TOPOGRAPHY & FLOOD ZONE:

The subject site is generally level and slightly above street grade. The site is located in a Zone C, which is not a designated flood zone. The flood zone information for the subject can be found in MAP #35013C1111G of the Federal Emergency Management Agency as of July 6, 2016, which is shown below.

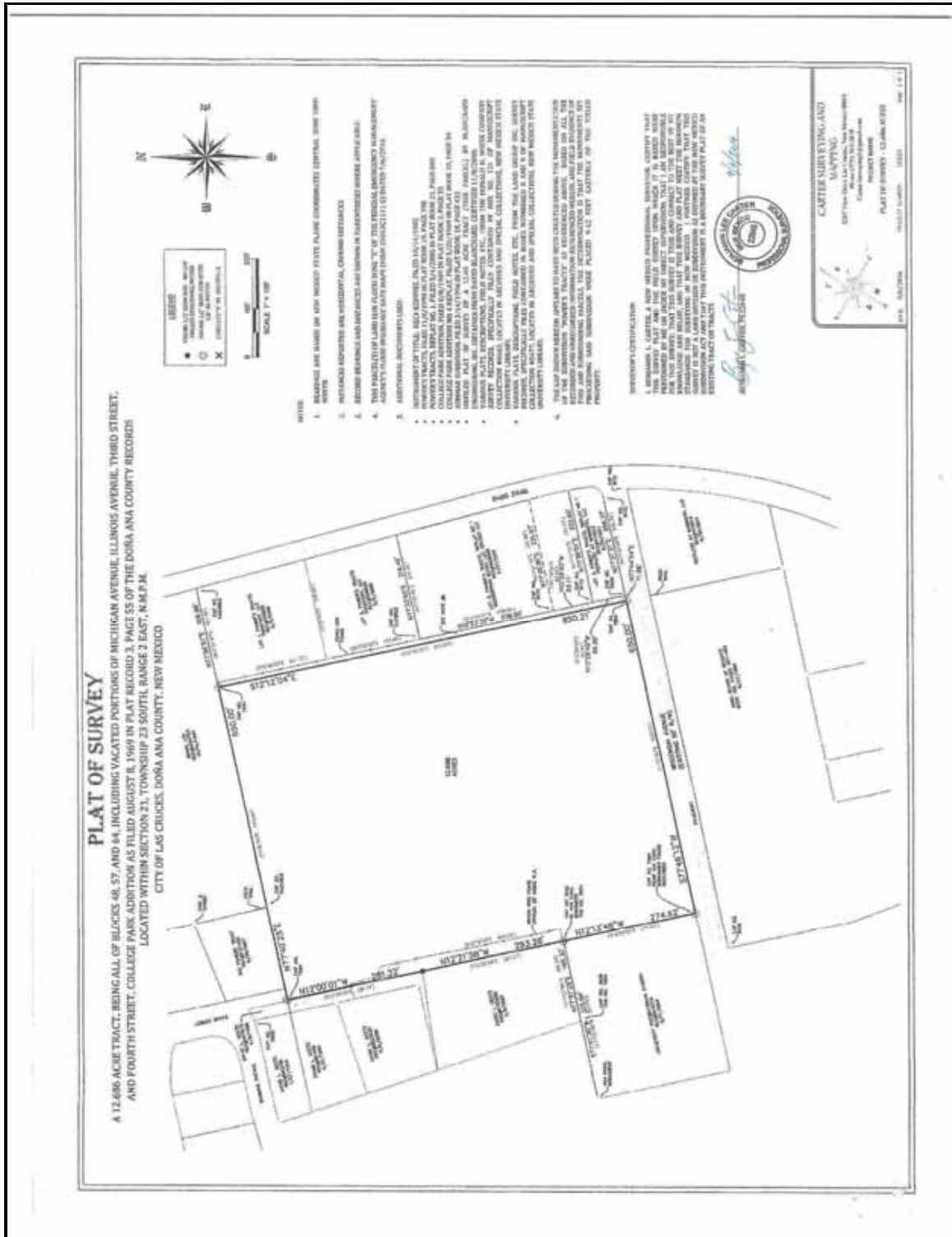


SURROUNDING AREA AND DEVELOPMENT:

The subject is located within the University District. Improvements in the immediate area include apartment, hotel, retail, and office. The subject is well located.

STREETS:

The subject site contains frontage and access from Wisconsin Avenue. Wisconsin Avenue is a two-lane, asphalt-paved street that generally lies in an east/west direction along the southern boundary of the subject. Parking is permitted on the street.



SURVEY

The subject is zoned UD-UAZ, University District. ***“The University District Overlay intends to allow greater flexibility to developers and land owners while encouraging the development of a vibrant, mixed-use University District. The purpose of this document is to implement transportation, land use and urban design policies as established in the University District plan.”***¹¹

Specifically, the purpose of this overlay is to stipulate provisions which will:

- Promote a pedestrian-oriented urban form in the University District.
- Establish an area with a rich mix of uses: Commercial, cultural resources, residential and transportation choices.
- Maximize connectivity and access in a multimodal circulation network in which residents, workers, and visitors may conveniently walk, drive, bike, or ride public transportation to destinations within and outside of the district.
- Support existing University District businesses.
- Promote sustainable development that minimizes negative impacts on natural resources.
- Create a seamless destination where the City of Las Cruces and New Mexico State University meet.

The existing apartment development is specifically permitted under this zoning.

¹¹ “Las Cruces New Mexico Land Development Code”. [Chapter 38 – Zoning](#). Current through Ord. #2783 adopted 06/06/2016

Assessed Value & Ad Valorem Taxes

OVERVIEW:

The subject is assessed under Parcel R0215316 according to Dona Ana County. State law in New Mexico mandates that real estate be taxed on 1/3 of assessed value. The 2020 tax rate of non-residential property in the City of Las Cruces is .031421. The total assessed value for the subject is \$11,361,234; the taxable value is \$3,787,078. 2020 property taxes are **\$118,994** (\$3,787,078 x .031421). The 2020 taxes do not yet reflect Phase II construction, which was completed in July 2020.

FUTURE TAXES:

In order to estimate “as is” taxes for the subject including Phase II construction and as proposed taxes for the subject, I have reviewed the assessed values, taxable values and taxes from the rent comparables used in this analysis. I have analyzed the taxes based on the building area, which is typical of how the assessors determine assessed values in this market.

Rent	Address	Size SF	Actual	Taxable	Taxes	Taxes / SF
Subj	2050 Wisconsin Avenue	172,080	\$ 11,361,234	\$ 3,787,078	\$ 118,994	\$ 0.69
1	Casa Bandera Apartments	236,864	\$ 15,262,567	\$ 5,087,522	\$ 159,855	\$ 0.67
2	Sonoma Palms	208,164	\$ 14,871,437	\$ 4,957,146	\$ 155,758	\$ 0.75
3	Sonoma Pointe LLC	60,285	\$ 2,438,159	\$ 812,720	\$ 25,536	\$ 0.42
4	The Verge	201,150	\$ 13,783,025	\$ 4,594,341	\$ 144,359	\$ 0.72
Mean						\$ 0.65

The rent comparables indicate a range of taxes from \$0.42 to \$0.75 per square foot with a mean of \$0.65 per square foot. I have estimated taxes for the subject in the upper-end of the range to acknowledge the new construction. I have estimated property taxes of \$0.70 per square foot of building area for the “as is” and proposed subject as outlined in the following chart. The forecasted taxes are relied upon in the Income Capitalization Approach.

	Size SF		
As Is	236,845	\$ 165,792	\$ 0.70
Proposed	282,037	\$ 197,426	\$ 0.70

Improvement Description

OVERVIEW:

The subject in its current configuration contains a total of 11 buildings that are 10, 3-story apartment buildings and one clubhouse building with a building area of 236,845 square feet. The complex is rented by the bed / room and there are a total of 408 beds / rooms contained in 252 individual apartment units. The construction was completed in two phases between 2018 and 2020 with the most recent phase completed in July 2020. The construction is very good quality with very good quality amenities.

The proposed configuration will consist of a total of 13 buildings that will be 12, 3-story apartment buildings and one clubhouse building with a building area of 282,037 square feet. The complex will contain a total of 492 beds / rooms contained in 300 individual apartment units at completion. The next phase is anticipated to be completed in July 2020 and will reflect very good quality construction with very good quality amenities.

The apartment complex is on 12.686 acres of land. Currently the apartments are 87% occupied and have had very strong leasing activity when considering the most recent phase of construction was completed in July 2020. Amenities include a clubhouse, swimming pool, jacuzzi, game room, fitness center, meeting / study rooms, covered parking, very well-appointed apartment unit amenities with a washer and dryer standard in each unit. The property is gated and secure with very good landscaping.

The following chart outlines the existing and proposed unit mix.

Improvement Description

The Flats at Ridgeview							
# of Rooms /							
Unit Type	Beds	Size / SF	Rent / Unit	PGI	No of Units	Building Area	
PHASE 1							
1 X 1	1 BD / 1 BA	60	790	\$ 995	\$ 716,400	60	47,400
2 X 2A	2 BD / 2 BA	96	992	\$ 595	\$ 685,440	48	47,616
2 X 2B	2 BD / 2 BA	96	992	\$ 690	\$ 794,880	48	47,616
PHASE 2							
1 X 1	1 BD / 1 BA	36	790	\$ 995	\$ 429,840	36	28,440
2 X 2A	2 BD / 2 BA	60	992	\$ 595	\$ 428,400	30	29,760
2 X 2B	2 BD / 2 BA	60	992	\$ 690	\$ 496,800	30	29,760
Leasable		408	944	\$ 725.44	\$ 3,551,760	252	230,592
Office / Club house							6,253
Total							236,845
PHASE 3 - Proposed							
1 X 1	1 BD / 1 BA	12	790	\$ 995	\$ 143,280	12	9,480
2 X 2A	2 BD / 2 BA	36	992	\$ 595	\$ 257,040	18	17,856
2 X 2B	2 BD / 2 BA	36	992	\$ 690	\$ 298,080	18	17,856
Leasable		492	948	\$ 719.88	\$ 4,250,160	300	275,784
Office / Club house							6,253
Total							282,037

BUILDING IMPROVEMENTS:

Foundation and Floors: The foundation is a reinforced concrete slab with perimeter and interior footings. Second floors and third floors are lightweight concrete on wood deck supported by wood joist, plywood deck, exterior and interior walls.

Structural: The exterior walls are frame with painted and textured stucco. The exterior contains decorative metal fascia accents throughout. The roofs are flat, built-up supported by roof truss and interior column. The roof support is supported by the exterior walls and steel column. The roofs contain a TPO roofing membrane.

Access: Each apartment has a private entrance door and door accessing the patio / balcony area. All windows are glass set in aluminum frame.

Finish Area Interiors: Each individual apartment unit contains wood plank vinyl tile flooring throughout. Ceilings are sheetrock with suspended decorative fixtures and ceiling fans. Walls are painted and textured sheetrock. All bathrooms have single vanities. All of

Improvement Description

the units have a washer and dryer in a small laundry room. There are no on-site laundry rooms at the complex due to the units being equipped with individual washer and dryers. The interior finish is good quality with good appearance and design.

Appliances: Each individual apartment is equipped with stainless steel appliances that include a frost-free refrigerator with ice maker, range / oven, garbage disposal and microwave. All of the units are equipped with a full-size washer and dryer.

FURNITURE, FIXTURES & EQUIPMENT:

The individual apartment units contain refrigerators, dishwashers, range / oven, microwave, washer and dryer. I have relied upon the Marshall Valuation Service for these itemized costs (Section 42 / Page 7). The fixtures are considered to be part of the real estate and will remain with the property upon title transfer. According to Marshall Valuation Service, the average cost for a multiple residence, good cost appliance package is \$3,025 per unit. The subject is equipped with stainless steel appliances and a washer and dryer. This cost is considered reasonable for the subject. The FF&E is considered to be new and no depreciation is applied. The typical economic life of the FF&E is 10 years. The FF&E is based on the total number of units and not the total number of beds. Therefore, for the "as is" subject, the FF&E is estimated at **\$770,000**, rounded ($\$3,050 / \text{unit} \times 252 \text{ units} = \$768,600$) and for the proposed subject the FF&E is estimated at **\$915,000** ($\$3,050 / \text{unit} \times 300 \text{ units}$).

Heating and Cooling: The apartment units are individually metered for electricity and gas. The complex is master metered for water and sewer. Each unit contains refrigerated cooling and forced gas heat. The units are on the ground level adjacent to the exterior walls and are hidden by landscaping.

Plumbing: Each bathroom has one sink, one tub and one commode. Each kitchen has one sink and a connection for the washing machine and dishwasher. The plumbing fixtures are adequate.

Improvement Description

SITE IMPROVEMENTS:

The parking and driveway areas are asphalt paved. The existing property is well landscaped. There are concrete sidewalks around the site and building perimeters. There is a natural flow path that runs through the center of the property that has rock scaping and bridges. The site also contains concrete curbs surrounding the site and parking lot perimeters. The parking areas are asphalt paved. There is covered parking throughout the complex that are available to rent at \$40.00 per month. The apartment complex contains a swimming pool and jacuzzi that is gated with decking. There is a clubhouse / leasing office. Inside the clubhouse is the fitness center, game room, study / meeting rooms with white boards and coffee bar. There are community areas throughout.

PHYSICAL AGE:

The subject was built in phases over between 2019-2020. The last remaining phase will contain two buildings and will be completed in 2021. The subject is reflective of new construction.

FUNCTIONAL OBSOLESCENCE:

The subject is well suited as an apartment complex with adequate parking, landscaping, on-site and unit amenities. The complex is functional and well designed and is not considered to reflect any functional obsolescence.

EXTERNAL OBSOLESCENCE:

Phase II of the subject contained 156 beds and was completed in July 2020. The subject is already at 87% occupancy within three months. The subject is very well located close to NMSU and is ideally suited toward Student Housing. The Student Housing market is strong. The subject does not reflect any external obsolescence.

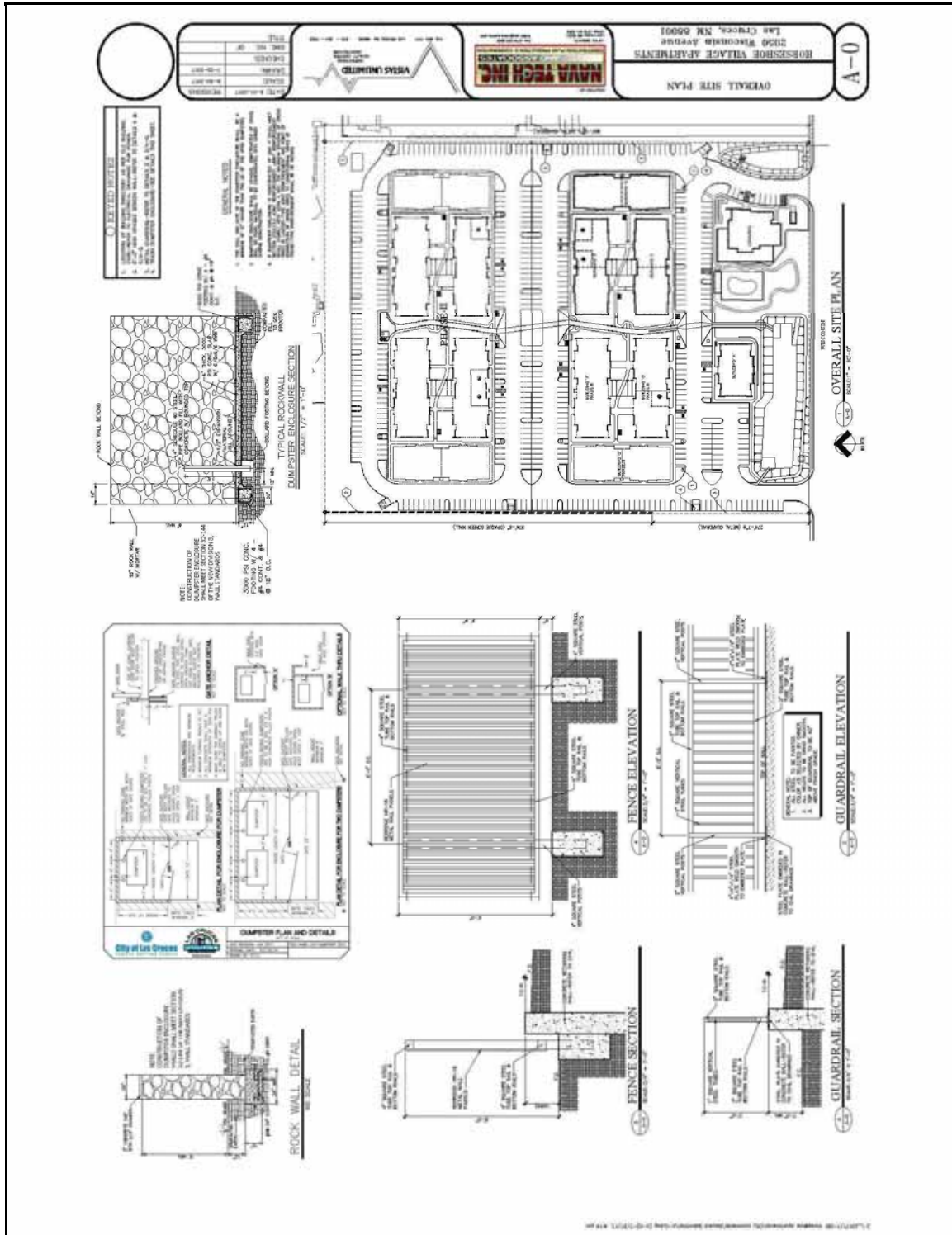
CONCLUSION:

The subject is well located, very good quality construction that is new construction. The economic life for a Class C, Good to Excellent Cost Multiple Residence is 55 to 60 years

Improvement Description

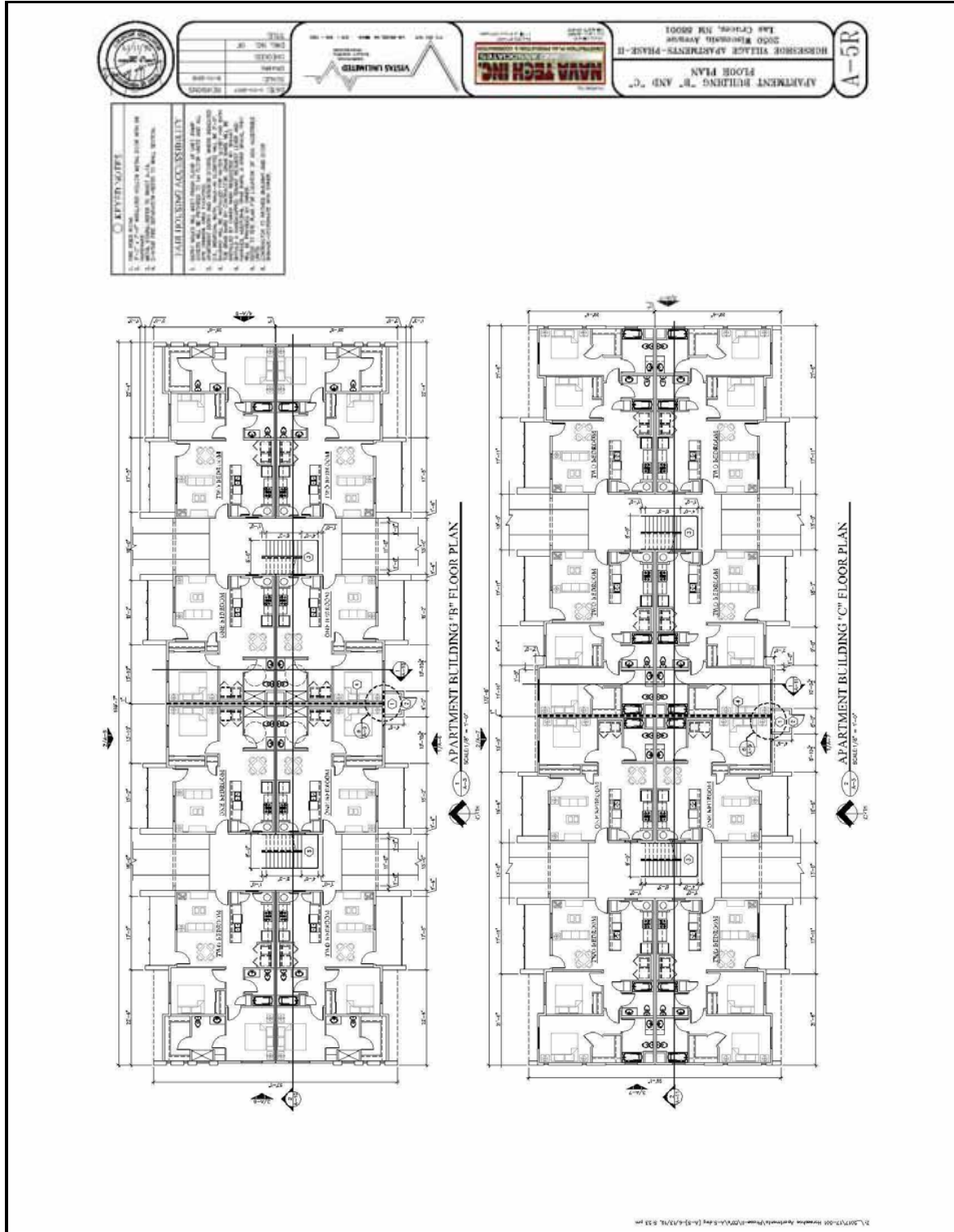
according to the Marshall Valuation Service (Section 97, Page 10). No accrued depreciation is considered for the subject. The subject is considered to have a remaining economic life of 55-60 years.

Improvement Description



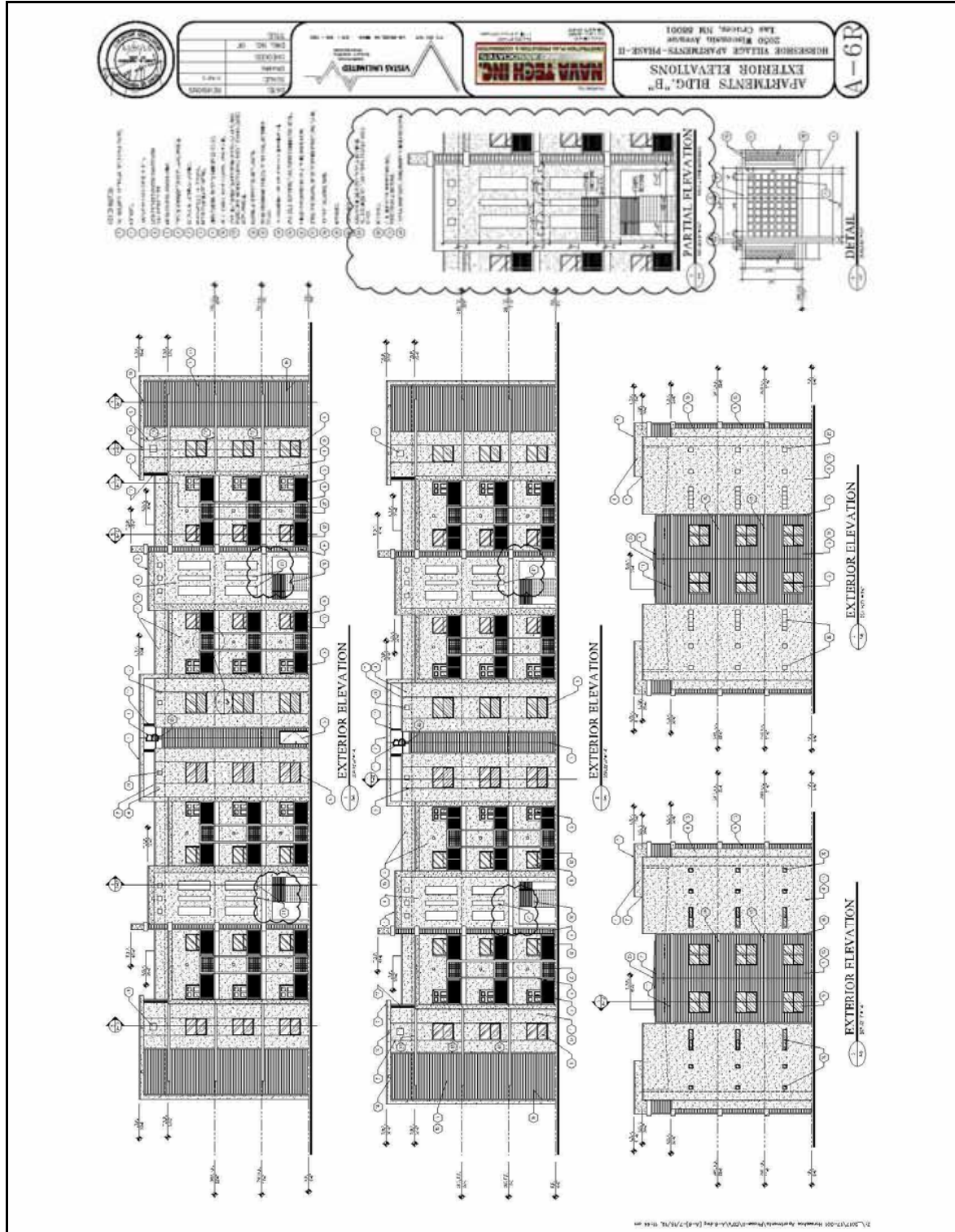
SITE PLAN

Improvement Description



FLOOR PLAN

Improvement Description



ELEVATION

Improvement Description



ANALYSIS OF THE DATA

INTRODUCTION:

Highest and Best Use as used in this report is as:

***"That reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."*¹²**

The highest and best use of a property is an economic concept that measures the interaction of the four criteria. The determination of a property's highest and best use is a critical appraisal component that provides the valuation framework upon which comparable market information is derived.

To render a reliable use and value estimate, the highest and best use of the property as if vacant must be considered separately from the highest and best use of the property as improved. This is because the site must be valued as though vacant and available for development to its highest and best use even if the property's existing improvements do not represent the highest and best use of the site.

In this type of analysis, the appraiser will conduct an analysis of the site as vacant and as improved to determine based on the interaction of the four criteria; legal permissibility, physical possibility, financial feasibility and maximum profitability; the highest and best use as if vacant and as improved (if applicable).

¹² *The Dictionary of Real Estate Appraisal*, 5th Edition, 2010. Appraisal Institute, Page 93.

Highest and Best Use

Legally Permissible: The subject site contains 12.686 acres or 552,602 square feet and is a rectangular shaped tract of land located along Wisconsin Avenue. The subject site is zoned UD-UAZ, University District according to the City of Las Cruces. The existing apartment complex is specifically permitted under this zoning.

Physically Possible Uses: The utility of the subject site is well suited toward apartment development. The overall site will physically support apartment development.

Economically and Financially Feasible Use: Present economic and environmental conditions are the next considerations. Economic conditions refer mostly to the market in which the subject competes such as absorption of the different possible uses for the site within the subject market area. Physical and legal development of the improved subject site will support apartment development.

Apartment: The subject site is well located. The site is in close proximity to NMSU and is ideally suited toward Student Housing. The majority of the residents are students at NMSU. Phase I achieved stabilized occupancy very quickly. The Phase II constructed was completed in July 2020 and the property has achieved 87% occupancy in just three months. Occupancies and rent growth have improved over the past year and apartment development is supported. I am of the opinion apartment development is a financially feasible use of the subject site.

Maximally Productive: Apartment development is considered as a financially feasible use of the subject site. The principal of maximum productivity states that ***"the selected land use must yield the highest value of the possible uses."***¹³ It is my opinion that apartment development represents a profitable use of the subject site and will add value to the site as if vacant.

¹³ *The Dictionary of Real Estate Appraisal*, 5th Edition, 2010. Appraisal Institute, Page 124.

HIGHEST AND BEST USE AS IF VACANT:

Apartment development is considered as the highest and best use of the subject site as if vacant. Apartment development is considered as the highest and best use of the improved site, excess land and larger overall site.

HIGHEST AND BEST USE AS IMPROVED:

The subject currently reflects a Student Housing complex that is leased by the bed / room. Currently, there are 408-beds with an additional 84 beds planned that will bring the total to 492 beds at completion. The location, amenities, quality and orientation are very well suited toward the student population. The portion of the site that is unimproved contains 36,560 square feet and is toward the rear of the larger complex and only has utility for apartment building construction. The market has received the property well and the current physical occupancy is 87% just three months after adding 156 beds. I am of the opinion the highest and best use of the subject as improved is to continue the Student Housing use and to construct the last two buildings on the site for continued Student Housing.

Site Value Estimate

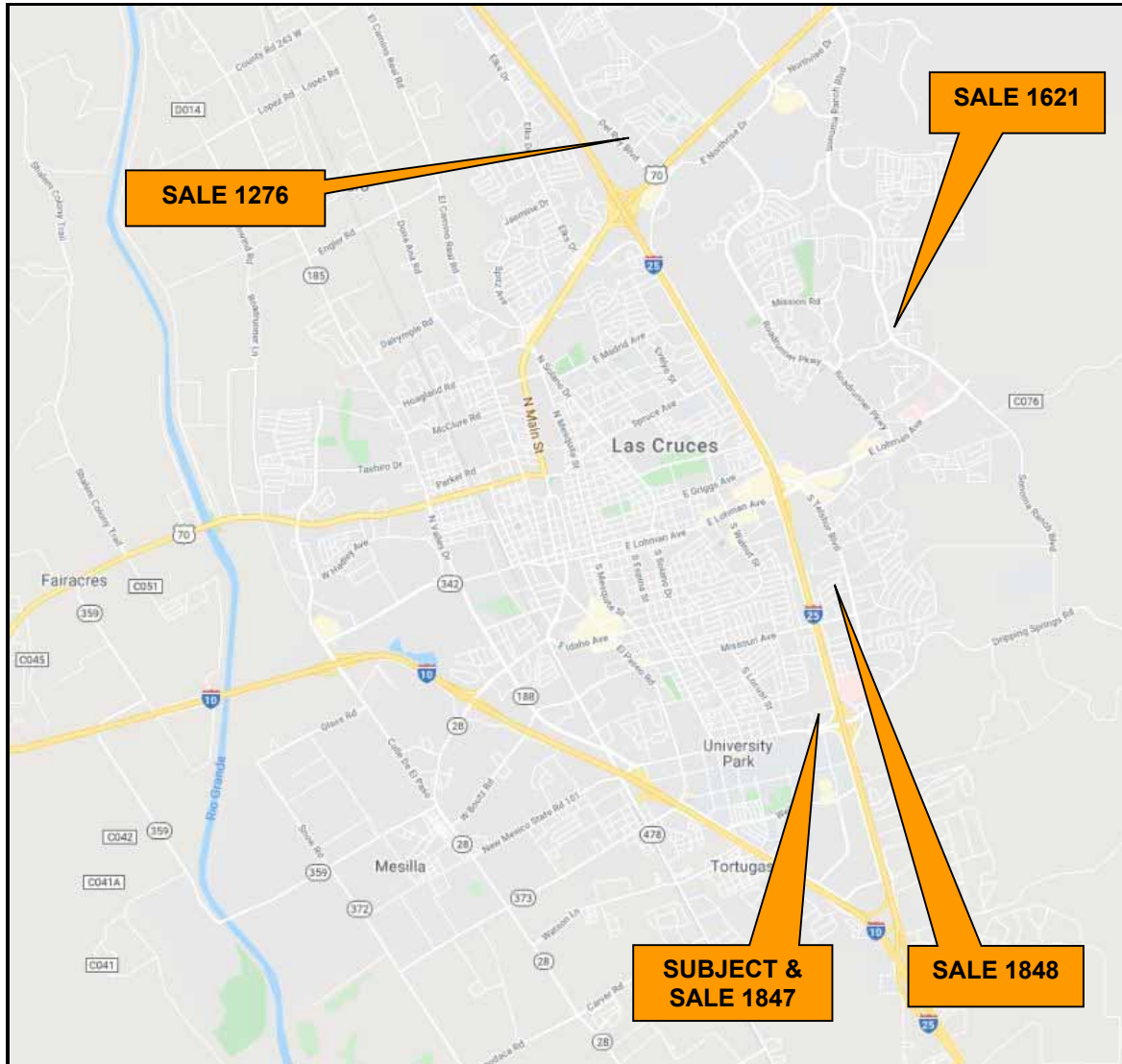
OVERVIEW:

In this report, the Sales Comparison Approach is deemed to be applicable in valuing a site and is the most common technique for valuing land when comparable sales are available. To apply this technique sales, listings, or pending contracts of similar parcels of land are analyzed, compared, and adjusted to provide a value indication for the subject site being appraised.

ANALYSIS OF THE LAND COMPARABLES:

Land sales suitable for apartment are very limited in the greater Las Cruces area. The following land sales were purchased for commercial development. I extended my search to the past five years due to the limited number of sales that were available. Detailed comparables are contained in this section.

Comp No.	Location	Sale Date	SF Size	SF Price/ SF	Zoning
1848	2755 Idaho Avenue	08/20	227,819	\$4.83	C-3
1621	4700 Sonoma Ranch Boulevard	09/17	111,731	\$5.01	C-3
1847 Subject	2050 Wisconsin Avenue	05/17	552,602	\$4.71	UD-UAZ
1276	Del Rey Boulevard & Mars	03/15	191,664	\$3.25	C-3 / R-4C
Subject	2050 Wisconsin Avenue		552,602		UD-UAZ



COMPARABLE LAND SALES MAP

Sales Comparable No. 1848

Location	Las Cruces
Address	2755 Idaho Avenue
City	Las Cruces
State	NM
Zip	88001
PID	R0214102
Confirmation	Kary Bulsterbaum
Confirming Appraiser	Genevieve Pendergras
Legal Description	S: 16T: 23S R: 2E Idaho, City of Las Cruces, Dona Ana County, New Mexico



Land Data

Gross Size SF	227,819
Gross Size Acres	5.230
Useable Size SF	227,819
Useable Size Acres	5.230
Zoning	C-3
Zoning Type	Commercial District
Flood Zone	X or C

Transaction Data

Sale Price	\$1,050,000
Adjusted Price	\$1,100,000
Date	August 13, 2020
Grantor	Columbus Club Corporation
Grantee	A&M Group LLC
Instrument #	2019731
Property Rights	Fee Simple
Conditions of Sale	Arm's Length

Site is located in a concentrated commercial district. Improved with a former cosmetology school. Property was marketed for continued cosmetology or multi-family uses and price based on land value only according to the broker. The sale is adjusted upward by estimated cost to demolish the improvements.

Economic Indicator Data

Price Per SF/Gross	\$4.83	Price Per Acre	\$210,325
Price Per SF/Useable	\$4.83	Price Per Acre/Useable	\$210,325

Sales Comparable No. 1621

Location	Las Cruces
Address	4700 Sonoma Ranch Boulevard
City	Las Cruces
State	NM
Zip	88011
PID	19-00524
Confirmation	Contract
Confirming Appraiser	Genevieve Pendergras
Legal Description	Lots 1 & 2, Sonoma Ranch Boulevard Subdivision, City of Las Cruces, Dona Ana County, New Mexico



Land Data

Gross Size SF	111,731
Gross Size Acres	2.565
Useable Size SF	111,731
Useable Size Acres	2.565
Zoning	C-3
Zoning Type	Commercial District
Flood Zone	X or C

Transaction Data

Sale Price	\$559,310
Adjusted Price	\$559,310
Date	September 05, 2017
Grantor	Rocky S Burke
Grantee	Lookmand Lawal & Abimbola Lawal
Instrument #	1720799
Property Rights	Fee Simple
Conditions of Sale	Normal

Site is generally level and irregular in shape. Frontage on Sonoma Ranch Boulevard, Bella Sierra Drive and Sonoma Springs Avenue. Generally, level. Buyer will develop a portion of the site with an outpatient surgical center.

Economic Indicator Data

Price Per SF/Gross	\$5.01	Price Per Acre	\$218,056
Price Per SF/Useable	\$5.01	Price Per Acre/Useable	\$218,056

Sales Comparable No. 1847

Location	Las Cruces
Address	2050 Wisconsin Avenue
City	Las Cruces
State	NM
Zip	88001
PID	R0215316
Confirmation	Closing Statement
Confirming Appraiser	Genevieve Pendergras
Legal Description	S: 21T; 23SF; 2E PT SWQTR & SEQTR, City of Las Cruces, Dona Ana County, New Mexico



Land Data

Gross Size SF	552,602
Gross Size Acres	12.686
Useable Size SF	552,602
Useable Size Acres	12.686
Zoning	UD-UAZ
Zoning Type	University District
Flood Zone	X or C

Transaction Data

Sale Price	\$2,500,000
Adjusted Price	\$2,600,000
Date	May 01, 2017
Grantor	Regents of New Mexico State University
Grantee	Horseshoe Partners Las Cruces LLC
Instrument #	1710119
Property Rights	Fee Simple
Conditions of Sale	Arm's Length

Rectangular shaped parcel located across from the NMSU campus. All utilities available. Buyer and seller shared in the cost of required road infrastructure construction, which is reflected in the adjusted sales price. Purchased for the development of apartment.

Economic Indicator Data

Price Per SF/Gross	\$4.71	Price Per Acre	\$204,950
Price Per SF/Useable	\$4.71	Price Per Acre/Useable	\$204,950

Sales Comparable No. 1276

Location	Las Cruces
Address	Del Rey Boulevard & Mars
City	Las Cruces
State	NM
Zip	88012
PID	02-03267
Confirmation	Kary Bulsterbaum
Confirming Appraiser	Genevieve Pendergras
Legal Description	A tract of land suitable in Section 31, Township 22 South, Range 2 East, N.M.P.M of the U.S.R.S. Surveys and with the Dona Ana Bend Colony Grant being part of Highway Park addition to City of Las Cruces, Dona Ana County, New Mexico



Land Data

Gross Size SF	191,664
Gross Size Acres	4.400
Useable Size SF	191,664
Useable Size Acres	4.400
Zoning	C-3/R-4C
Zoning Type	Commercial/Multi-Dwelling
Flood Zone	Zone C

Transaction Data

Sale Price	\$622,908
Adjusted Price	\$622,908
Date	March 05, 2015
Grantor	Shared Equity Holdings LLC
Grantee	LCVA LLC
Instrument #	1504579
Property Rights	Fee Simple
Conditions of Sale	Normal

Generally level vacant land located at Mars & Del Rey Boulevard in the northeast quadrant of Las Cruces. Utilities include electric, water and gas. Good visibility and highway access to I-25 and Highway 70 Interchange.

Cash to seller. Final asking price of \$3.25 per square foot.

Economic Indicator Data

Price Per SF/Gross	\$3.25	Price Per Acre	\$141,570
Price Per SF/Useable	\$3.25	Price Per Acre/Useable	\$141,570

ADJUSTMENTS TO THE LAND COMPARABLES:

Adjustments are made to the site comparables to reflect economic and physical differences in contrast with the subject. The following are the economic and physical adjustments considered in this site valuation analysis.

1. Property Rights Conveyed
2. Financing Terms
3. Buyer/Seller Motivation
4. Buyer Costs
5. Market Conditions (Time)
6. Location
7. Frontage/Corner Influences
8. Utility
9. Size (Economies of Scale)
10. Topography
11. Zoning
12. Other Physical Features

Adjustments for the first five categories reflect economic adjustments to the comparables while categories six through 12 reflect physical differences. Adjustments for the first four categories are made on a Dollar basis while all remaining adjustments are made on a percentage basis.

If the Subject is superior to the comparable sale, then a positive adjustment will be made to the sale. If the Subject is inferior to the comparable sale, then a negative adjustment will be made to the sale. In all cases, the comparables are adjusted to be more similar to the Subject property.

Economic Adjustments:

Property Rights Conveyed: The subject property is being appraised as a fee simple interest. All of the sales comparables transferred fee simple interests of property. No adjustment for property rights conveyed is required.

Financing Terms: Different financing arrangements can affect the transaction price of an identical property. The definition of market value recognizes cash equivalent terms provided that the calculation of the terms reflects market value. All of the sales comparables reflect typical bank financing or were cash transactions. Therefore, no adjustment for financing terms is warranted.

Conditions of Sale: The definition of market value requires typical motivation of buyers and sellers where neither party is under duress to consummate the sale. None of the sales appear to be affected by atypical conditions of sale and there does not appear to be any buyer or seller motivation associated with these transactions. All were considered to be arm's length transactions. Hence no adjustment for conditions of sale is necessary.

Expenditures Made Immediately After Purchase: A knowledgeable buyer considers expenditures that will have to be made upon the purchase of the property because these costs affect the price the buyer agrees to pay. These expenditures may include (1.) cost to cure deferred maintenance, (2) cost to demolish and remove a portion of the improvements, (3) costs for additions or improvements to the property, (4) cost to petition a zoning change, (4) or cost to remove environmental contamination.¹⁴ Sale 1848 is adjusted on the sales comparison sheet for demolition of improvements to acknowledge the sale as vacant land. Sale 1847 is adjusted on the sales comparison sheet for buyer costs incurred for road infrastructure. No further adjustments are applied.

Market Conditions: Comparable sales that occurred under market conditions different from those applicable to the subject on the effective date of appraisal require adjustment for any differences that affect their values. An adjustment for market conditions is made if general property values have increased or decreased since the transaction dates.¹⁵

¹⁴ *The Appraisal of Real Estate, 14th edition, Chicago: Appraisal Institute, 2013, page 412.*

¹⁵ *The Appraisal of Real Estate, 14th edition, Chicago: Appraisal Institute, 2013, page 414.*

Because of the uncertainty surrounding the ongoing coronavirus pandemic, I am of the opinion it is not prudent to apply a market conditions adjustment at this time.

Physical Adjustments:

Location: The subject is located in the University District with very limited available tracts of vacant land and a well-established trend of upward values. Sales 1848, 1621 and 1276 are inferior and are adjusted upward by **10%**.

Frontage / Access: The subject and sales have similar frontage and access and no adjustment is considered.

Utility: The subject and sales have average overall utility for development and no adjustment is considered.

Size (Economies of Scale): Sales 1848, 1621 and 1276 are smaller than the subject. I have applied downward adjustments of **5%** or **10%** as required to acknowledge size differences.

Topography: The subject and sales have similar topography and no adjustment is considered.

Zoning: Sales 1276 had a mixture of residential and commercial zoning and is adjusted upward by **5%**.

Other Physical Features: There are no other physical features that require adjustment in comparison with the subject.

The following are adjustments to the market transactions.

Site Value Estimate

LAND SALES ADJUSTMENT GRID					
PROPERTY INFORMATION	Subject	1848	1621	1847	1276
Sale/Asking Price/SF		\$4.83	\$5.01	\$4.71	\$3.25
Size - Square Feet	552,602	227,819	111,731	552,602	191,664
Date Of Sale	Oct-20	Aug-20	Sep-17	May-17	Mar-15
ECONOMIC ADJUSTMENTS					
Property Rights Conveyed:		Fee Simple	Fee Simple	Fee Simple	Fee Simple
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Financing Terms:		Market	Market	Market	Market
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Buyer/Seller Motivation:		Normal	Normal	Normal	Normal
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Buyer Costs:		Normal	Normal	Normal	Normal
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Fee Simple/Stabilized/Cash Equivalent Price		\$4.83	\$5.01	\$4.71	\$3.25
Market Conditions (Time):	0.00%	0.00%	0.00%	0.00%	0.00%
		0.2	3.0	3.4	5.5
Tot. Time Adj.		0.00%	0.00%	0.00%	0.00%
Updated Price		\$4.83	\$5.01	\$4.71	\$3.25
PHYSICAL ADJUSTMENTS					
Location:	University	Inferior	Inferior	Similar	Inferior
% Adjustment		10.00%	10.00%	0.00%	10.00%
Frontage / Access:	Average	Similar	Similar	Similar	Similar
% Adjustment		0.00%	0.00%	0.00%	0.00%
Utility:	Average	Similar	Similar	Similar	Similar
% Adjustment		0.00%	0.00%	0.00%	0.00%
Size (Economies of Scale):	552,602	Smaller	Smaller	Similar	Smaller
% Adjustment		-5.00%	-10.00%	0.00%	-5.00%
Topography:	Level	Similar	Similar	Similar	Similar
% Adjustment		0.00%	0.00%	0.00%	0.00%
Zoning:	UD-UAZ	C-3	C-3	UD-UAZ	C-3 / R-4C
% Adjustment		0.00%	0.00%	0.00%	5.00%
Other Physical Features:		Similar	Similar	Similar	Similar
% Adjustment		0.00%	0.00%	0.00%	0.00%
Composite Physical Adjustment %		5.00%	0.00%	0.00%	10.00%
Composite Physical Adjustment \$		\$0.24	\$0.00	\$0.00	\$0.33
INDICATED SUBJECT VALUE / SQ. FT.		\$5.07	\$5.01	\$4.71	\$3.58
			Unadjusted	Adjusted	Applied
		min	\$3.25	\$3.58	
		max	\$5.01	\$5.07	
		average	\$4.45	\$4.59	
		median	\$4.77	\$4.86	\$ 5.00
		Indicated Value			\$ 2,763,011
		Rounded			\$ 2,760,000

SUBJECT SITE VALUE CONCLUSION:

Current Land Value: The adjusted sales indicate a range from \$3.58 to \$5.07 per square foot with a mean and median of \$4.59 and \$4.86 per square foot. The upper-end of the range is given the most credence to acknowledge the very good locational influences across from NMSU. I am of the opinion a value of **\$5.00** per square foot is well supported for the subject site. This indicates a land value as if vacant of \$2,760,000, rounded as summarized at the bottom of the grid on the previous page.

OVERVIEW:

The Cost Approach will first estimate the replacement or reproduction cost as new of the improvements. This cost will be adjusted for accrued depreciation, rent loss to stabilization, and positive or negative tenant leasehold value, if appropriate. Finally, the site value estimate will be added for an indication of market value by the approach.

IMPROVEMENT VALUE ESTIMATE:

Replacement Cost: *“The replacement cost of a building is the total cost of construction required to replace the subject building with a substitute of like or equal utility using current standards of materials and design.”¹⁶*

The subject is valued using the Marshall Valuation cost estimating service for a Good to Excellent Cost, Class C, Multiple Residence at \$130.00 per square foot. The costs have been adjusted for the sprinklers, balconies, site improvements, story height, floor area perimeter and current and local multipliers. I have added the estimated cost of the asphalt paving, parking lot improvements to include lighting and striping, concrete and landscaping. Soft costs in our market are between 5% and 15% of building replacement costs. Soft costs are estimated at 10% based on similar projects.

According to Marshall Valuation Service, the costs are reflective of the final costs to the owner and include average architect's and engineers' fees, building permits, surveying, material and labor costs include appropriate local, state and federal sales or gross sales taxes, utilities, contractors' overhead and profit including job supervision, workmen's compensation, fire and liability insurance, unemployment insurance, equipment facilities, temporary facilities and security. The costs do not include the cost of buying or assembling the land or contingencies.

¹⁶ *Marshall Valuation Service, Section 1, Page 4.*

AS IS VALUE ESTIMATE:

REPLACEMENT COST ESTIMATE		
Multiple Residence	Section 12	
Class C, Good to Excellent Cost	Page 16	\$130.00
Adjustment: Sprinklers		\$2.30
Adjustment: Balconies		\$7.88
Subtotal		\$140.18
Height Per Story Multiplier		1.000
Floor Area/Perimeter Multiplier		0.969
Combined Multipliers		0.969
Refined Square Foot Cost		\$135.83
Current Cost Multiplier	Sec.99/Pg.3	1.02
Local Cost Multiplier	Sec.99/Pg.10	0.91
Final Square Foot Cost		\$126.08
Area of Subject Property - SF		236,845
Building Replacement Costs		\$ 29,861,775
Site Improvements	Schedule A	\$ 1,354,251
Total Replacement Costs		\$ 31,216,026
Entrepreneurial Profit - Schedule B	Schedule B	\$ 3,397,603
Soft Costs		\$ 2,986,177
Total Development Costs		\$ 37,599,806

Site Costs:

SCHEDULE A - SITE IMPROVEMENTS		
Asphalt Paving - 270,565 sf x \$2.75 / sf		\$ 744,054
Fencing & Gates - 2,500 LF x \$22 / LF + \$75,000		\$ 130,000
Car Ports		\$ 125,000
Swimming Pool -		\$ 50,000
Landscaping - 54,113 sf x \$5.64 / sf		\$ 305,197
Total		\$ 1,354,251

Cost Approach

Entrepreneurial Profit: Entrepreneurial profit of 10% is considered based on interviews with several apartment and commercial real estate developers in the market.

SCHEDULE B - ENTREPRENEURIAL PROFIT		
Total Replacement Costs		\$ 31,216,026
Land Value		\$ 2,760,000
Total		\$ 33,976,026
Entrepreneurial Profit Percentage		10%
Entrepreneurial Profit		\$ 3,397,603

Accrued Depreciation: As previously noted in the Improvement Description section, accrued depreciation is not considered for the subject as new construction.

FF&E: As previously noted in the Improvement Description section I am of the opinion the value of the FF&E is **\$770,000**.

CONCLUSION:

REPLACEMENT COST SUMMARY		
Total Development Costs		\$ 37,599,806
Less: Accrued Depreciation		\$ -
Less: Deferred Maint.		\$ -
Improvement Value		\$ 37,599,806
Add: Developed Land		\$ 2,760,000
Add: FF&E		\$ 770,000
Indicated Fee Simple Value by the Cost Approach		\$ 41,129,806
Less: Rent Loss To Stabilization		\$ (40,000)
Indicated "As Is" Value		\$ 41,089,806
Rounded:		\$ 41,090,000

The value indicated by the Cost Approach deducts the estimate of rent loss to stabilization included in the Income Capitalization Approach of \$40,000 to reflect the "as is" subject value. An "as is" value of **\$41,090,000** is indicated by the Cost Approach.

Cost Approach**PROPOSED VALUE ESTIMATE:**

REPLACEMENT COST ESTIMATE		
Multiple Residence	Section 12	
Class C, Good to Excellent Cost	Page 16	\$130.00
Adjustment: Sprinklers		\$2.30
Adjustment: Balconies		\$7.75
Subtotal		\$140.05
Height Per Story Multiplier		1.000
Floor Area/Perimeter Multiplier		0.969
Combined Multipliers		0.969
Refined Square Foot Cost		\$135.71
Current Cost Multiplier	Sec.99/Pg.3	1.02
Local Cost Multiplier	Sec.99/Pg.10	0.91
Final Square Foot Cost		\$125.96
Area of Subject Property - SF		282,037
Building Replacement Costs		\$ 35,526,673
Site Improvements	Schedule A	\$ 1,453,251
Total Replacement Costs		\$ 36,979,924
Entrepreneurial Profit - Schedule B	Schedule B	\$ 3,973,992
Soft Costs		\$ 3,552,667
Total Development Costs		\$ 44,506,584

Site Costs:

SCHEDULE A - SITE IMPROVEMENTS		
Asphalt Paving - 306,565 sf x \$2.75 / sf		\$ 843,054
Fencing & Gates - 2,500 LF x \$22 / LF + \$75,000		\$ 130,000
Car Ports		\$ 125,000
Swimming Pool		\$ 50,000
Landscaping - 54,113 sf x \$5.64 / sf		\$ 305,197
Total		\$ 1,453,251

Entrepreneurial Profit: Entrepreneurial profit of 10% is considered based on interviews with several apartment and commercial real estate developers in the market.

Cost Approach

SCHEDULE B - ENTREPRENEURIAL PROFIT		
Total Replacement Costs		\$ 36,979,924
Land Value		\$ 2,760,000
Total		\$ 39,739,924
Entrepreneurial Profit Percentage		10%
Entrepreneurial Profit		\$ 3,973,992

Accrued Depreciation: As previously noted in the Improvement Description section, accrued depreciation is not considered for the subject as new construction.

FF&E: As previously noted in the Improvement Description section I am of the opinion the value of the FF&E is **\$915,000**.

CONCLUSION:

REPLACEMENT COST SUMMARY		
Total Development Costs		\$ 44,506,584
Less: Accrued Depreciation		\$ -
Less: Deferred Maint.		\$ -
Improvement Value		\$ 44,506,584
Add: Developed Land		\$ 2,760,000
Add: FF&E		\$ 915,000
Indicated Fee Simple Value by the Cost Approach		\$ 48,181,584
Rounded:		\$ 48,180,000

The value indicated by the Cost Approach is for the proposed subject as stabilized. The rent loss to stabilization is deducted in the reconciliation and final value estimate section for the value estimate for the proposed subject non-stabilized.

Sales Comparison Approach

OVERVIEW:

The approach will locate relevant market sales, pending contracts and listings. The sales will be analyzed and compared to the subject. Differences will be noted and adjustments made for an indication of market value. The approach can use both physical indicators (price per square foot) and economic indicators (rent multipliers). The adjusted sales will be reconciled into a value estimate by the Sales Comparison Approach. The subject is a multi-family improvement and the price per unit is used in this appraisal.

ANALYSIS OF MARKET LISTINGS:

There are no similar sales of Student Housing apartments that have occurred in the subject market area. The market for Student Housing is national. The following are a total of 15 sales of Student Housing apartments that have occurred in the United States in 2019 and 2010. The sales are all adjacent to major public research universities.

I did not have sufficient data to obtain market extracted adjustments through paired sales or to provide detailed sales comparable sheets. I performed a qualitative analysis based on review of the comparable summary and internet research. Therefore, the Sales Comparison Approach is used as a test of reasonableness to the Cost and Income Capitalization Approaches only. The sales are summarized as follows.

Sales Comparison Approach

Name	Address	Year Built	City	State	School	Sale Date	Price	# Beds	\$/Bed	Cap Rate
Vertex	1050 S Terrace Rd	2015	Tempe	AZ	Arizona State University	Aug-20	\$71,000,000	600	\$118,333	
The Varsity College Park	8150 Baltimore Ave	2011	College Park	MD	University of Maryland College Park	Mar-20	\$147,340,675	901	\$163,530	4.10%
Lighthouse	4955 Pepys Ln	2014	Wilmington	NC	UNC Wilmington	Feb-20	\$26,995,000	348	\$77,572	5.70%
Lion Village Student Housing	5641 Red Ash Point	2016	Colorado Springs	CO	University of Colorado - Colorado Springs	Dec-19	\$34,000,000	506	\$67,194	
Nine At West Campus	2518 Leon St	2018	Austin	TX	University of Texas	Sep-19	\$52,900,000	345	\$153,333	4.85%
Sterling 920 Terrace	920 S Terrace Rd	2018	Tempe	AZ	Arizona State University	Aug-19	\$115,000,000	775	\$148,387	
Echo 1055	1055 E Tropicana Ave	2019	Las Vegas	NV	UNLV	Aug-19	\$64,000,000	601	\$106,489	
Promenade Place	875 S Geneva Rd	2017	Orem	UT	Utah State University	Aug-19	\$36,500,000	429	\$85,082	
Collective at Main Gate	845 N Park Ave	2020	Tucson	AZ	University of Arizona	Jul-19	\$89,889,026	605	\$148,577	
The Collective at Clemson	673 Old Greenville Hwy	2013	Clemson	SC	Clemson	Jun-19	\$51,000,000	598	\$85,284	5.10%
Green Leaf River Edge	1004 W Royal Blvd	2015	Boise	ID	Boise State University	Mar-19	\$46,500,000	622	\$74,759	5.65%
SkyLoft Austin	507 W 23rd St	2018	Austin	TX	University of Texas	Feb-19	\$102,792,857	674	\$152,512	4.37%
Ella Lofts	817 Chestnut St	2016	San Marcos	TX	Texas State University	Jan-19	\$22,300,000	252	\$88,492	5.92%
Academy Lincoln	1850 P St	2016	Lincoln	NE	University of Nebraska	Jan-19	\$48,350,000	632	\$76,503	
University Downs	120 15th St	2011	Tuscaloosa	AL	University of Alabama	Jan-19	\$34,500,000	430	\$80,233	4.70%
Min							\$22,300,000	252	\$67,194	4.10%
Max							\$147,340,675	901	\$163,530	5.92%
Average							\$62,871,171	555	\$108,419	5.05%
Median							\$51,000,000	600	\$88,492	4.98%

Sales Comparison Approach

All of the sales reflect fee simple transactions of Student Housing apartments adjacent to major public universities. The majority of the sales are in slightly superior metro plex areas with stronger population growth. The sales were all newer complexes that are between 1 and 9 years old. The sales indicate a range in size from 252 to 901 beds with an average of 555 beds and a median of 600 beds. Sales prices range from \$67,194 per bed to \$163,530 per bed with an average of \$108,419 per bed and a median of \$88,492 per bed. Where cap rates were available, the range indicated is from 4.10% to 5.92% with an average of 5.05% and a median of 4.98%.

The “as is” subject contains a total of 408 beds. The value conclusion for the “as is” subject is \$41,000,000 or \$100,490 per bed. This is well supported by the middle of the range of the sales.

The proposed subject will contain 492 total beds. The value conclusion for the proposed subject as stabilized is \$48,100,000 or \$97,764 per bed. This is well supported by the middle of the range of the sales.

As previously indicated, there isn't sufficient data available to perform quantitative analysis. The market analysis section of this report demonstrates that the investor market for Student Housing is strong and generates national interest. The sales support the conclusion in the market analysis. The value indicated for the “as is” and proposed subject is well supported by the middle of the range of the sales, which is anticipated to consider the new, very good quality construction and location next to a public research university but in a location that has slightly lower population and income growth. The approach provides a reliable reasonableness test to the other approaches to value.

Income Capitalization Approach

OVERVIEW:

The Income Capitalization Approach is based upon net income/cash flow expectancy and the yield requirements of investors in the market. The approach is most useful to investors in the market. Net income/cash flow is the residual of rent realization after deductions for vacancy, operating expenses and reserves for capital replacements (excluding debt service and depreciation). The capitalization process converts net income/cash flow into a value estimate using the required investor return rate.

Two methods of capitalization may be used in the Income Capitalization Approach section to include direct capitalization and yield capitalization. Apartments are leased on a short-term basis and direct capitalization is used in the analysis.

CASH FLOW ESTIMATE:

Contract Rent: I have been provided with a rent roll for the existing subject Phases I & II as follows. I have utilized the current rents for my projections of rent in Phase III.

The Flats at Ridgeview							
# of Rooms /							
	Unit Type	Beds	Size / SF	Rent / Unit	PGI	No of Units	Building Area
PHASE 1							
1 X 1	1 BD / 1 BA	60	790	\$ 995	\$ 716,400	60	47,400
2 X 2A	2 BD / 2 BA	96	992	\$ 595	\$ 685,440	48	47,616
2 X 2B	2 BD / 2 BA	96	992	\$ 690	\$ 794,880	48	47,616
PHASE 2							
1 X 1	1 BD / 1 BA	36	790	\$ 995	\$ 429,840	36	28,440
2 X 2A	2 BD / 2 BA	60	992	\$ 595	\$ 428,400	30	29,760
2 X 2B	2 BD / 2 BA	60	992	\$ 690	\$ 496,800	30	29,760
Leasable		408	944	\$ 725.44	\$ 3,551,760	252	230,592
Office / Club house							6,253
Total							236,845
PHASE 3 - Proposed							
1 X 1	1 BD / 1 BA	12	790	\$ 995	\$ 143,280	12	9,480
2 X 2A	2 BD / 2 BA	36	992	\$ 595	\$ 257,040	18	17,856
2 X 2B	2 BD / 2 BA	36	992	\$ 690	\$ 298,080	18	17,856
Leasable		492	948	\$ 719.88	\$ 4,250,160	300	275,784
Office / Club house							6,253
Total							282,037

Income Capitalization Approach

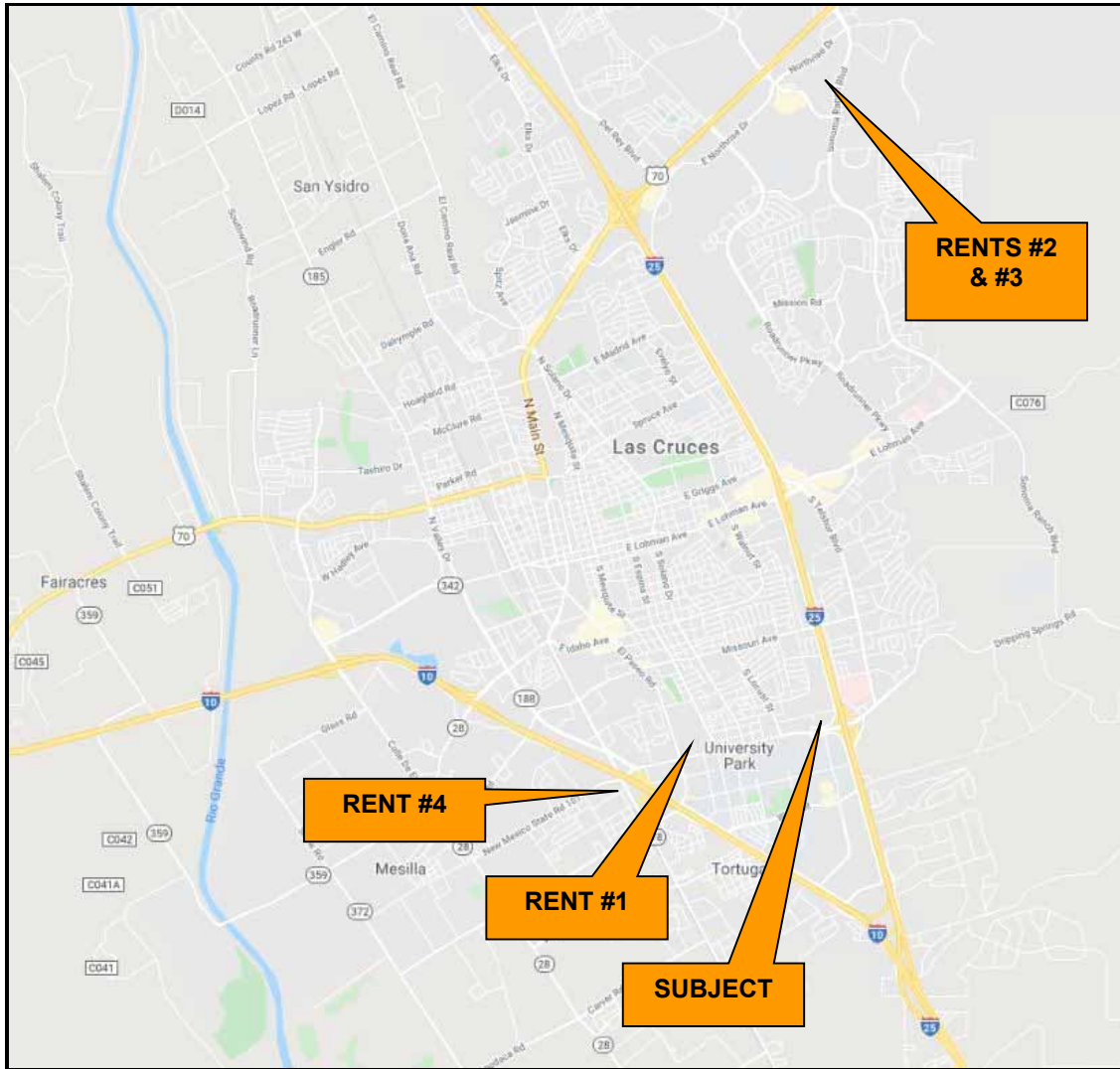
The current asking rental rates are in-line with the actual rents received. Each apartment unit is separately metered for electricity. The rental rates include water, sewer; and trash haul off.

Market Rent Comparables: The following represents the market rent comparables that are identified as the competitive properties by the property manager at the subject apartment complex.

Income Capitalization Approach

Rent Comp #	Apartment Comparables Name / Address	Unit Types	Unit Sizes	% Occ.	Rent Per Mth	Rent SF	Year Built	Total # of Units	Amentities	Rent Bed
1	Casa Bandera	1 Bdr / 1 Bth	733	100%	\$ 800	\$ 1.09	2002	232	Fitness Center, Spa, Pool, Basketball Court, Tennis Court, Gameroom, Free Wireless Internet, Washer / Dryer in unit	\$ 800
	855 E University Ave	2 Bdr / 2 Bth	974	units avail	\$ 900	\$ 0.92				\$ 450
	Las Cruces, NM 88001	3 Bdr / 2 Bth	1,168	soon	\$ 1,055	\$ 0.90				\$ 352
Avg			958		\$ 918	\$ 0.96				
2	Sonoma Palms	1 Bdr / 1 Bth	858	100%	\$ 1,000	\$ 1.17	2013	192	High-end interiors, Washer / Dryer in Unit, Clubhouse, Conference Room, Gourmet Kitchens, Fitness Center, Pool, Playground	\$ 1,000
	4260 Northrise Drive	2 Bdr / 2 Bth	1,201	units avail	\$ 1,100	\$ 0.92				\$ 550
	Las Cruces, NM 88011	3 Bdr / 2 Bth	1,334	soon	\$ 1,350	\$ 1.01				\$ 450
Avg			1,131		\$ 1,150	\$ 1.02				
3	Sonoma Pointe	1 Bdr / 1 Bth	800	98%	\$ 1,000	\$ 1.25	2019	48	High-end interiors, Washer / Dryer in Unit, Clubhouse, Conference Room, Fitness Center, Resort Style Pool, Playground	\$ 1,000
	4200 Northrise Drive	2 Bdr / 2 Bth	1,200		\$ 1,300	\$ 1.08				\$ 650
	Las Cruces, NM 88011									\$ -
Avg			1,000		\$ 1,150	\$ 1.15				
4	The Verge	2 Bdr / 2 Bth	950	100%	\$ 1,220	\$ 1.28	2006	168	Fitness center, Basketball Court, Pool, Gameroom, Clubhouse, Tanning Salon, Laundry Facilities, Washer / Dryer in Unit, Controlled Access	\$ 610
	320 East Union Avenue	3 Bdr / 2 Bth	1,200	units avail	\$ 1,470	\$ 1.23				\$ 490
	Las Cruces, NM			soon						
	*Note, rents are quoted per person / bed at this property.									
Avg			1,075		\$ 1,345	\$ 1.25				
MEAN			1,041		\$ 1,141	\$ 1.10				
Subj	The Flats at Ridgeview	1 BD / 1 BA	790	87%	\$ 995	\$ 1.26	2006	168	Fitness center, Basketball Court, Pool, Gameroom, Clubhouse, Tanning Salon, Laundry Facilities, Washer / Dryer in Unit, Controlled Access	\$ 995
	2050 Wisconsin Avenue	2 BD / 2 BA	992		\$ 1,190	\$ 1.20				\$ 595
	Las Cruces, NM	2 BD / 2 BA	992		\$ 1,380	\$ 1.39				\$ 690
	*Note, rents are quoted per person / bed at this property.									
Avg			925		\$ 1,188	\$ 1.29				

Income Capitalization Approach



RENT COMPARABLE MAP

Income Capitalization Approach

MARKET RENT #1



MARKET RENT #2



MARKET RENT #3



MARKET RENT #4



Income Capitalization Approach

Gross Rent Estimates:

The rent comparables indicate average unit sizes ranging from 958 to 1,131 square feet with a mean of 1,041 square feet. This brackets the subject average unit size of 925 square feet. Rents #1, #2 and #3 are rented by the unit per month with average monthly rents that range from \$0.96 to \$1.15 per square foot; \$918, to \$1,150 per unit or \$352 to \$1,000 when allocated on a per bed or per room basis. Rent #4 is similar to the subject in that the complex is oriented toward student housing and is rented by the bed. The rents average \$1.25 per square foot; \$1,345 per unit when allocated on a per unit basis and rents of between \$490 and \$610 per bed.

The subject is rented by the bed at current rates that range from \$595 to \$995 per bed. If allocating the rents on a per unit basis for comparison with the majority of the market rent comparables, the range is from \$995 to \$1,380 per unit with an average of \$1,188 per unit. The subject rents are very well supported by the middle of the range of the market rent comparables. The property management identified Rents #4 and #2 as the primary competitors to the subject.

Potential gross income is estimated at **\$3,551,760** for the “as is” subject and potential gross income is estimated at **\$4,250,160** for the proposed subject as indicated in the following chart.

Income Capitalization Approach

The Flats at Ridgeview					
# of Rooms /					
	Unit Type	Beds	Size / SF	Rent / Unit	PGI
PHASE 1					
1 X 1	1 BD / 1 BA	60	790	\$ 995	\$ 716,400
2 X 2A	2 BD / 2 BA	96	992	\$ 595	\$ 685,440
2 X 2B	2 BD / 2 BA	96	992	\$ 690	\$ 794,880
PHASE 2					
1 X 1	1 BD / 1 BA	36	790	\$ 995	\$ 429,840
2 X 2A	2 BD / 2 BA	60	992	\$ 595	\$ 428,400
2 X 2B	2 BD / 2 BA	60	992	\$ 690	\$ 496,800
Leasable		408	944	\$ 725.44	\$ 3,551,760
Office / Club house					
Total					
PHASE 3 - Proposed					
1 X 1	1 BD / 1 BA	12	790	\$ 995	\$ 143,280
2 X 2A	2 BD / 2 BA	36	992	\$ 595	\$ 257,040
2 X 2B	2 BD / 2 BA	36	992	\$ 690	\$ 298,080
Leasable		492	948	\$ 719.88	\$ 4,250,160
Office / Club house					
Total					

Phase I of the subject was completed in 2018 and Phase II of the subject was completed in July 2020. Therefore, the income statements provided by management reflect a property that is in the construction and lease-up phase. I have reviewed the income statements and I have compared them to income statements retained in my files for similar properties to estimate operating expenses for the subject in the following analysis.

Other Revenue: The other revenue category includes covered parking (\$40 per space per month), facility rental, deposit forfeitures, application fees, pet fees, late charges, miscellaneous tenant charges and corporate rentals. I have reviewed other income for several larger complexes with similar amenities to the subject and the typical rate is from 3% to 6% with 5% of potential gross revenue as typical. Through September 2020, the other revenue for the subject is 6.6% of effective gross revenue. This will stabilize at a lower percentage as there will not be any more covered parking spaces constructed with

Income Capitalization Approach

the proposed construction. I have estimated other income revenue at **5%** of rental revenue for the subject.

Vacancy and Collection Loss:

The market rent comparables have physical occupancy rates ranging from 98% to 100%. The subject has a physical occupancy of 87% as of the effective date of value. Phase II was completed in July 2020 adding 156 units to the total. The subject is leasing very quickly. A physical vacancy of 5% (stabilized) is considered to be a reasonable estimate for the subject. In addition to physical vacancy, other vacancy factors to include loss to lease, bad debt and concessions need to be estimated. As of September 2020, the other vacancy factors are averaging 2.5% for the subject. A range between 1.5% and 2.5% is typical for similar properties. I have allocated 2% in vacancy for other vacancy factors.

Therefore, I have estimated an effective occupancy of 93% or effective vacancy of **7%** for the subject (5% + 2%). This is considered sufficient to cover bad debt, turnover, loss to lease and rental concessions.

OPERATING EXPENSES:

The operating expenses for the subject are estimated by reviewing actual expenses for the subject and expenses from similar apartments retained in my files.

Personnel Expenses: The subject has on-site management, leasing and maintenance personnel. Personnel expenses typically range from \$500 to \$700 per unit. I have applied an amount of **\$550** per unit for the subject for both the "as is" and proposed subject.

Management: The market typically charges 3% to 4% of effective gross income. I have used an amount of **4.0%** of effective gross income for the management fees.

Administrative & Office Expenses: Administrative & office expenses typically range from \$50 to \$100 per unit for similar complexes. The subject is reporting an administrative & office expense of \$97 per unit for 2020, which will decrease at stabilization. I have applied an amount of **\$80** per unit per year for administrative & office expenses.

Income Capitalization Approach

Advertising Expenses: Currently, the advertising expense is higher for the subject due to the recent completion of Phase II and over the long-term will stabilize at a lower amount. Based on review of advertising expenses for stabilized complexes, an amount of **\$150** per unit per year is typical and is applied.

Utilities: Utility payments for the subject property are for water / sewer, natural gas, basic cable and trash haul off. The utility expenses for 2020 are averaging **\$85** per unit. This is relied on for the “as is” stabilized value estimate. I expect the utility expense will increase with the new construction and have estimated the expense at **\$100** per unit per month for the proposed subject.

Service Expenses: The industry standard is between 1% and 2%. The subject income statements report turns expenses and residence life expenses that are approximately 0.72% of effective gross income. These expenses will increase slightly and I have estimated this expense at **1%** of effective gross income going forward for the subject.

Cleaning & Decorating: This expense category is not currently itemized on the subject income statement but is typical for larger apartment complexes. The typical range for similar complexes is from \$60 to \$90 per unit per year. I have estimated this expense at **\$85** per unit per year going forward for the subject.

Repairs and Maintenance: The expense category includes any required replacements or repairs to the subject property, property supplies, grounds maintenance, HVAC maintenance, swimming pool maintenance and/or plumbing maintenance. Based on review of historical data for similar properties, repairs and maintenance expenses average between \$100 to \$200 per unit per year for newer construction. An amount of **\$150** per unit per year is applied.

Property Taxes: As previously mentioned, property taxes are estimated at **\$0.70** per square foot for the “as is” and proposed subject.

Income Capitalization Approach

Insurance: This category reflects property liability and fire coverage, workman’s compensation insurance and miscellaneous taxes and fees that may be incurred related to the property insurance. Industry standards support an amount of **\$235** per unit per year.

Miscellaneous & Professional Fees: This expense category typical averages **\$100** per unit per year for similar properties and is applied for the subject.

Reserve for Replacement: A survey completed by Realty Rates and shown below supports a reserve for replacement between \$165 and \$415 per unit for apartment. The subject as new construction would be in the low-end of the range. An amount of **\$200** per unit per year is reasonable and applied.

RealtyRates.com INVESTOR SURVEY - 3rd Quarter 2020*									
SURVEYED RESERVE REQUIREMENTS									
Property Type	Per SF			Per Unit			% of EGI		
	Min.	Max.	Typical	Min.	Max.	Typical	Min.	Max.	Typical
Apartments				\$165	\$415	\$385			
Golf				\$1,295	\$7,600	\$3,504	2.0%	4.5%	3.2%
Health Care/Senior Housing				\$265	\$725	\$405			
Industrial	\$0.25	\$0.75	\$0.50						
Lodging							4.0%	8.5%	4.6%
Mobile Home/RV Park				\$30	\$305	\$169	2.0%	5.5%	4.2%
Office	\$0.32	\$0.85	\$0.61						
Restaurants							2.0%	5.5%	3.2%
Retail	\$0.32	\$1.00	\$0.65						
Self-Storage	\$0.28	\$0.70	\$0.61	\$30	\$205	\$129			
Special Purpose	\$0.25	\$1.10	\$0.73						

*2nd Quarter 2020 Data Copyright 2020 RealtyRates.com™

The estimated operating expenses total \$1,006,286 for the “as is” (stabilized) subject indicating an operating expense ratio of 29.01% or \$2,466 per unit and total \$1,216,740 for the proposed subject (stabilized) indicating an operating expense ratio of 29.32% or \$2,473 per unit.

The following are operating expense ratios from apartment complexes retained in my database sorted by date of construction. The operating expenses ratios are taken mostly from apartment complexes located in El Paso, Texas where property taxes are

Income Capitalization Approach

approximately 20% of the total operating expense ratio. In New Mexico, property taxes are approximately 5% of the total. The average reported below is 45.9%. An operating expense ratio that is approximately 15% lower would be expected for a property located in New Mexico due to the lower property tax structure. The estimated operating expense ratio is considered well supported for the subject.

Property	Year Built	Size SF	Size Units	Effective Gross Income	Total Expenses	OER	OE / SF	OE / Unit
Villas at Helen of Troy	2013	108,252	108	\$ 1,251,261	\$ 471,800	37.7%	\$ 4.36	4,369
La Jolla Place	2012	59,184	72	\$ 599,810	\$ 253,854	42.3%	\$ 4.29	3,526
Tuscany at Mesa Hills	2008	381,228	369	\$ 4,446,041	\$ 1,928,884	43.4%	\$ 5.06	5,227
Legends of El Paso	2006	221,340	240	\$ 2,621,088	\$ 1,179,490	45.0%	\$ 5.33	4,915
Spring Park	1990	139,224	180	\$ 927,609	\$ 182,409	19.7%	\$ 1.31	1,013
Ryan's Crossing	1986	173,552	248	\$ 1,875,744	\$ 880,544	46.9%	\$ 5.07	3,551
Ryan's Mill	1985	173,690	248	\$ 1,922,842	\$ 985,516	51.3%	\$ 5.67	3,974
Foxglove	1983	160,084	176	\$ 1,558,583	\$ 879,997	56.5%	\$ 5.50	5,000
Santa Fe Place	1982	185,360	232	\$ 2,152,275	\$ 1,252,904	58.2%	\$ 6.76	5,400
Pear Tree	1981	139,893	130	\$ 1,236,502	\$ 671,772	54.3%	\$ 4.80	5,167
West Town	1973	208,392	192	\$ 1,698,624	\$ 836,784	49.3%	\$ 4.02	4,358
Averages						45.9%	\$ 4.74	4,227

OVERALL CAPITALIZATION RATE ESTIMATE:

Direct Market Abstraction: The sales summary contained in the Sales Comparison Approach of Student Housing apartments reported a range in overall capitalization rates from 4.10% to 5.92% with an average of 5.05% and a median of 4.98%.

Co Star – Las Cruces: The following graph reflects the averages for multi-family and student housing reported by Co Star for the 2nd quarter of 2020. Co Star is reporting an average capitalization rate of 6.53% for Las Cruces.

Co Star Recap - 2nd Quarter 2020							
	Inventory Units	Under Construction Units	12 Mo Net Absorption Units	Vacancy Rate	Market Rent / Unit	Market Sales Price / Unit	Market Cap Rate
Las Cruces - Total	9,972	0	112	2.8%	\$ 794	\$ 74,100	6.90%
Multi-Family	9,209	0	152	2.3%	\$ 781	\$ 71,400	7.00%
Student	924	0		11.5%	\$ 480	\$ 107,000	5.70%
Totals / Averages	20,105	0	264	5.5%	\$ 685	\$ 84,167	6.53%

Income Capitalization Approach

Investor Survey: The average surveyed rate for Apartments as prepared by Realty Rates for the 3rd quarter of 2020 is **7.56%**. The rate indicated by the Band of Investment technique is **7.38%** and by the Debt Coverage Ratio technique is **6.24%**.

RealtyRates.com INVESTOR SURVEY - 3rd Quarter 2020*						
APARTMENTS - ALL TYPES						
Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	1.35%	DCR Technique	1.10	0.036465	0.90	3.61
Debt Coverage Ratio	1.10	Band of Investment Technique				
Interest Rate	2.02%	Mortgage	90%	0.036465	0.032819	
Amortization	40.0	Equity	10%	0.062694	0.006269	
Mortgage Constant	0.036465	OAR				3.91
Loan-to-Value Ratio	90%	Surveyed Rates				3.71
Equity Dividend Rate	6.27%					
Maximum						
Spread Over 10-Year Treasury	5.70%	DCR Technique	1.86	0.103677	0.50	9.64
Debt Coverage Ratio	1.86	Band of Investment Technique				
Interest Rate	6.37%	Mortgage	50%	0.103677	0.051839	
Amortization	15.0	Equity	50%	0.151630	0.075815	
Mortgage Constant	0.103677	OAR				12.77
Loan-to-Value Ratio	50%	Surveyed Rates				12.13
Equity Dividend Rate	15.16%					
Average						
Spread Over 10-Year Treasury	3.01%	DCR Technique	1.43	0.059781	0.73	6.24
Debt Coverage Ratio	1.43	Band of Investment Technique				
Interest Rate	3.68%	Mortgage	73%	0.059781	0.043624	
Amortization	26	Equity	27%	0.111609	0.030165	
Mortgage Constant	0.059781	OAR				7.38
Loan-to-Value Ratio	73.0%	Surveyed Rates				7.56
Equity Dividend Rate	11.16%					

*2nd Quarter 2020 Data Copyright 2020 RealtyRates.com™

Capitalization Rate Estimate: The following is a recap of the overall rate indicators.

Apartment	Low	High	Average
Market Extraction	4.10%	5.92%	5.05%
CoStar	5.70%	7.00%	6.53%
Surveyed Rate	3.71%	12.13%	7.56%
Band of Investment / Mortgage Constant	3.91%	12.77%	7.38%
Debt Coverage Ratio (DCR)	3.61%	9.64%	6.24%
Overall Average	4.21%	9.49%	6.55%

Income Capitalization Approach

The subject is newer, well located construction with very good amenities and is well poised to be marketable to the national Student Housing sector. The rates indicated by the sale and the rates indicated by Co Star are given the most credence as they best reflect both the Student Housing sector and the local Las Cruces Market. The averages of these rates range from 5.05% to 6.53%. I have selected a rate in the middle of the range of **6.00%** for the “as is” subject. Typically proposed construction supports slightly higher cap rates to acknowledge the risk associated with timing, costs and other externalities. I have applied a slightly higher rate of **6.10%** for the proposed subject.

CONCLUSION – AS IS SUBJECT:

The “as is” subject is currently 87% occupied. Stabilized occupancy is estimated at 93%. Phase II was completed in July and leasing activity has been very strong. I have estimated a period of 4 months to achieve stabilized occupancy, which would require that 6 units per month are leased. This is well within reason and achievable considering the strong leasing activity. A mid-term discount is applied to acknowledge the leasing activity occurring over the 4-month period. The following is the calculation of rent loss to stabilization that is deducted to provide an estimate of “as is” value.

Rent Loss to Stabilization				
Stabilized Occupancy - Units	379			
Current Occupancy - Units	355			
Units to Lease	24			
Average Annual Rent Loss	\$ 725	\$ 8,705	\$ 209,275	
Other Income			\$ 10,464	
Total Rent Loss			\$ 219,739	
At Four Months (stabilization period)			\$ 73,246	
Mid-term discount			\$ (36,623)	
Indicated Rent Loss to Stabilization			\$ 36,623	
Rounded			\$ 40,000	

Income Capitalization Approach

FLATS AT RIDGEVIEW					
Stablized Operating Statement and Value Estimate					
	# of Units	408	\$ / UNIT		\$ / UNIT
	Size SF	236,845			
Gross Potential Income From Rents					
Apartment Complex		\$ 725	\$ 8,705	\$ 3,551,760	\$ 8,705
Other Income				\$ 177,588	\$ 435
Total Income				\$ 3,729,348	\$ 9,141
Less Vacancy @	7%	\$ 261,054	\$ 640		
Effective Gross Income				\$ 3,468,294	\$ 8,501
Less Operating Expenses					
Personnel Expenses		\$ 224,400	\$ 550		
Management		\$ 138,732	\$ 340		
Administrative & Office Expenses		\$ 32,640	\$ 80		
Advertising Expenses		\$ 61,200	\$ 150		
Utilities		\$ 34,680	\$ 85		
Service Expenses		\$ 34,683	\$ 85		
Cleaning & Decorating		\$ 34,680	\$ 85		
Repairs & Maintenance		\$ 61,200	\$ 150		
Property Taxes		\$ 165,792	\$ 406		
Insurance Expense		\$ 95,880	\$ 235		
Miscellaneous		\$ 40,800	\$ 100		
Reserve for Replacement		\$ 81,600	\$ 200		
Total Operating Expenses and Reserves				\$ 1,006,286	\$ 2,466
Indicated OER				29.01%	
Net Operating Income				\$ 2,462,007	\$ 6,034
Capitilized @	6.00%				
Indicated Value				\$ 41,033,458	\$ 100,572
Less: Rent Loss to Stabilization				\$ (40,000)	
Indicated "As Is" Value				\$ 40,993,458	
Rounded				\$ 40,990,000	\$ 100,466

** Subject to the Extraordinary Assumptions and Hypothetical Conditions as noted on Page 9 of this report.*

Income Capitalization Approach

CONCLUSION – PROPOSED SUBJECT AS STABILIZED:

FLATS AT RIDGEVIEW						
Stablized Operating Statement and Value Estimate						
	# of Units		492	\$ / UNIT		\$ / UNIT
	Size SF		282,037			
Gross Potential Income From Rents						
Apartment Complex		\$	720	\$	8,639	\$ 4,250,160 \$ 8,639
Other Income						\$ 212,508 \$ 432
Total Income						\$ 4,462,668 \$ 9,070
Less Vacancy @	7%	\$	312,387	\$	635	
Effective Gross Income						\$ 4,150,281 \$ 8,436
Less Operating Expenses						
Personnel Expenses		\$	270,600	\$	550	
Management		\$	166,011	\$	337	
Administrative & Office Expenses		\$	39,360	\$	80	
Advertising Expenses		\$	73,800	\$	150	
Utilities		\$	49,200	\$	100	
Service Expenses		\$	41,503	\$	84	
Cleaning & Decorating		\$	41,820	\$	85	
Repairs & Maintenance		\$	73,800	\$	150	
Property Taxes		\$	197,426	\$	401	
Insurance Expense		\$	115,620	\$	235	
Miscellaneous & Professional Fees		\$	49,200	\$	100	
Reserve for Replacement		\$	98,400	\$	200	
Total Operating Expenses and Reserves						\$ 1,216,740 \$ 2,473
Indicated OER						29.32%
Net Operating Income						\$ 2,933,541 \$ 5,962
Capitized @	6.10%					
Indicated Value						\$ 48,090,841 \$ 97,746
Rounded						\$ 48,090,000 \$ 97,744

** Subject to the Extraordinary Assumptions and Hypothetical Conditions as noted on Page 9 of this report.*

Reconciliation & Final Value Opinion

OVERVIEW:

The following are the value indications by the respective approaches. The value conclusions reported below include both real property & FF&E.

VALUE CONCLUSIONS – AS IS SUBJECT	
COST APPROACH	\$41,090,000
SALES COMPARISON APPROACH – SUPPORTS BOTH APPROACHES	\$40,990,000 to \$41,090,000
INCOME CAPITALIZATION APPROACH	\$40,990,000
VALUE CONCLUSION	\$41,000,000
VALUE CONCLUSIONS – PROPOSED SUBJECT - STABILIZED	
COST APPROACH	\$48,180,000
SALES COMPARISON APPROACH – SUPPORTS BOTH APPROACHES	\$48,090,000 to \$48,180,000
INCOME CAPITALIZATION APPROACH	\$48,090,000
VALUE CONCLUSION	\$48,100,000

COST APPROACH:

The Cost Approach considered several land sales from the Las Cruces area. The land sales required composite physical adjustments ranging from (0%) to 10% and are good overall comparisons to the subject. The cost was estimated using Marshall Valuation Service. No depreciation is considered for the subject as new construction. The approach is supported and given credence.

SALES COMPARISON APPROACH:

Sales of Student Housing apartments were obtained from a third party and were summarized in the approach. There is insufficient data available to perform a paired sales analysis and the approach is used as a test of reasonableness. The sales support the value indications by both the Cost Approach and Income Capitalization Approaches to value for both the “as is” and as complete subject.

Reconciliation & Final Value Opinion

INCOME CAPITALIZATION APPROACH:

The contract rent is well supported in the market by competing properties. The vacancy is supported by the market and is sufficient to consider other vacancy factors such as loss to lease, bad debt and concessions. The estimate of expenses was based on market expenses taking into account subject property expenses from the current year. The operating expense ratio is well supported. The estimate of the overall capitalization rate is well supported in the market. The Income Capitalization Approach is considered as a reliable indicator of value for the subject and is given the most weight in the final value conclusion.

RENT LOSS TO STABILIZATION – PROPOSED SUBJECT:

A total of 84 units will be constructed in Phase III. This will bring the total to 492 units. At a stabilized occupancy of 93%, 458 units need to be leased to achieve stabilized occupancy levels. I have assumed that all of the existing units are leased by the time the construction is complete or 408 units. This will leave 50 units that need to be leased to achieve stabilized occupancy levels. A stabilization period of 8 months would require leasing just over 6 units per month, which is reasonable. A mid-term discount is applied to acknowledge the leasing activity occurring over the 6-month period. The following is the calculation of rent loss to stabilization that is deducted to provide an estimate of prospective value at completion (non-stabilized).

Rent Loss to Stabilization				
Stabilized Occupancy - Units	458			
Occupied at Completion - Units	408			
Units to Lease	50			
Average Annual Rent Loss	\$ 720	\$ 8,639	\$ 428,126	
Other Income			\$ 21,406	
Total Rent Loss			\$ 449,532	
At Eight Months (stabilization period)			\$ 299,688	
Mid-term discount			\$ (149,844)	
Indicated Rent Loss to Stabilization			\$ 149,844	
Rounded			\$ 150,000	

Reconciliation & Final Value Opinion

Deducting this amount from the value conclusion indicated for the proposed subject as complete & stabilized of \$48,100,000 indicates a value as complete & non-stabilized of **\$47,950,000** (\$48,100,000 - \$150,000).

SUMMARY OF VALUE CONCLUSIONS:

Below is a chart summarizing the value conclusions for the subject. The value conclusions include both real property & FF&E. The allocation between the real property and FF&E is also contained in the chart as required by USPAP. The FF&E values were previously estimated using the Cost Approach in this analysis.

The Flats at Ridgeview				
Effective Date of Value	Value Type	Value Conclusion	Real Property	FF&E
October 22, 2020	"As Is" - Non-Stabilized	\$ 41,000,000	\$ 40,230,000	\$ 770,000
July 31, 2021	As Complete - Non-Stabilized	\$ 47,950,000	\$ 47,035,000	\$ 915,000
March 31, 2022	As Complete - Stabilized	\$ 48,100,000	\$ 47,185,000	\$ 915,000

I certify that to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

I have provided no services appraisal or otherwise, for the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event, directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

I have made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the persons signing this certification.

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, Genevieve S. Pendergras, MAI, has completed the continuing education and Standards and Ethics education requirement of the Appraisal Institute.



Genevieve S. Pendergras, MAI
State Certified
NM-02600G
November 7, 2020

Qualifications of the Appraiser

GENEVIEVE S. PENDERGRAS

PROFESSIONAL EXPERIENCE:

Member Appraisal Institute (MAI) - #402810
Qualified Expert Witness – El Paso County Courts at Law, United States Bankruptcy Court
Certified General Real Estate Appraiser licensed in Texas and New Mexico
Certified General Texas 1331023-G expires 05/31/2022
Certified General New Mexico 02600-G expires 04/30/2022

EDUCATIONAL BACKGROUND AND SPECIAL TRAINING:

Graduate of the University of Texas at El Paso in the Bachelor of Science Degree in Business Administration with a concentration in Economics.

Appraisal Institute Courses:

Real Estate Appraisal Principles
Basic Valuation Procedures
Capitalization Theory & Techniques – Part A
Capitalization Theory & Techniques – Part B
General Applications
Report Writing & Valuation Analysis
Standards of Professional Practice
Subdivision Valuation
The Uniform Standards of Appraisal Practice Update Course
Business Practices & Ethics
Appraising Nursing Facilities
General Demonstration Report Writing Seminar
Forecasting Revenue
Attacking & Defending an Appraisal in Litigation
Separating Real Personal Property and Intangible Business Assets
Eminent Domain & Condemnation
Complex Litigation Appraisal Case Studies
Rates & Ratios: Making Sense of GIMs, OARs and DCF
Appraising Airports & Airplane Hangers
Appraising Cell Towers
Carving Out Your Legal Niche: Do's and Don'ts of Litigation Support
Commercial Bankruptcy, Workouts, and the Valuation Process
Regression Analysis
IRS Valuation
Highest & Best Use and Market Analysis
Advanced Sales Comparison & Cost Approaches
Advanced Applications
Valuation of Assisted Living Facilities
Condemnation Appraising – Principles & Application
Uniform Standards of Professional Appraisal Practice
Residential & Commercial Valuation of Solar

EMPLOYMENT:

1999 to Present – Partner, Wilkinson, Pendergras & Beard, L.P.
1996 to February 1999 – Credit / Collection Manager, International Data, LLC

REPRESENTATIVE APPRAISALS:

Residential Subdivision Development, Commercial Subdivision Development, Master Planned Development, Easement Valuations, Right of Way Valuations, Eminent Domain & Condemnation, Municipal Utility Reimbursements, Partial Interests, Fast Food Restaurants, Restaurants, Light Industrial, Heavy Industrial, Office/warehouse, Office, Governmental Office, Retail, Apartments, Hotel/Motel, Banks, Self-Storage, Commercial Land, Agricultural Land, Automotive Dealerships,

Qualifications of the Appraiser

Special-Purpose, Truck Dealerships, Mobile Home, Car Washes, Churches, IRS Valuations, Day Care, Fitness Center, Lifestyle Retail, Neighborhood Retail, Retail Strip Center, Medical Office, Surgical Centers, Urgent Care Centers

REPRESENTATIVE CLIENTS:

Bank of America, Wells Fargo Bank, BBVA Compass Bank, Bank of the West, West Star Bank, First National Bank, Washington Federal, The National Bank of El Paso, The National Bank of Arizona, Inter National Bank, Vantage Bank, Comerica Bank, First Savings Bank, United Bank, City Bank Texas, Bank of Texas, Pioneer Bank, Sunflower Bank, V.P. Clarence Co., Trinity Finance, ScottHulse, PC, Gordon, Davis, Johnson & Shane PC, The University of Texas System, The University of Texas at El Paso, The City of El Paso, El Paso County, Texas Department of Transportation, Federal Aviation Administration, Texas Tech University, El Paso Independent School District, Barron & Adler, LLP, Mounce, Green, Myers, Safi, Paxson & Galatzan, PC, Windle, Hood, Alley, Norton, Brittain & Jay, LLP, Hunt Communities, El Paso Water Utilities, The City of Socorro, The Town of Horizon City, Lower Valley Housing Authority, Hobson, Stribling & Carson, LLP, Lauterbach & Borshchow & Company, Plains Capital Bank, Bank 34, Kemp Smith, PC, The Greater El Paso Chamber of Commerce, Veterans Administration

QUALIFIED AS EXPERT WITNESS:

Deposition, 5 hours at Ainsa Hutson, LLP, Frank Ainsa, legal counsel, 02/17/2009
Deposition, 8 hours at El Paso County Courthouse, Barron Adler, Mr. Roy Brandys legal counsel, 07/12/10
Deposition, 6 hours at Windle, Hood, Alley, Norton, Britain & Jay, LLP, Jeff Alley, legal counsel, 04/11/2011
El Paso County Court #6, Cause 2009-4045, Clyde A. Pine, Jr., Legal Counsel, 07/25/11
Bankruptcy Case No.11-30977, DHC Realty, Harrel L. Davis, Legal Counsel, Deposition, 6 hours; 03/13/12
Bankruptcy Case No.11-30977, DHC Realty, Harrel L. Davis, Legal Counsel, Testimony, 5 hours; 03/17/12
Condemnation Hearing, Desert Acceptance Project, MAB Real Estate, El Paso County, 4 hours; 01/30/2017
Cause Number 2012DCV04937 (Parcel 15), The State of Texas v. River Oaks HD 2, LLC et al, Harrel L. Davis, Legal Counsel, Deposition, 2 hours; 10/13/17

PROFESSIONAL & CIVIC AFFILIATIONS:

Appraisal Institute – MAI
Rio Grande Chapter of the Appraisal Institute – Nominating Committee & Finance Committee
Zoning Board & Adjustment, City of El Paso, Board Member – 2017 - present
El Paso Estate Planning Council – Board Member - 2016-2017
The Greater El Paso Chamber of Commerce – Leadership El Paso Class XXXVI
Greater El Paso CCIM Chapter
Junior League of El Paso
Insights of El Paso, Board Member, 2010 - 2011
St. Matthew Catholic School, Board Member & President - 2012-2015
El Paso Complete Count Committee – appointed April 7, 2009

Qualifications of the Appraiser



**Certified General
Real Estate Appraiser**

Appraiser: **GENEVIEVE S PENDERGRAS**
License #: **TX 1331023 G** License Expires: **05/31/2022**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.



**Chelsea Buchholtz
Commissioner**



State of New Mexico
REAL ESTATE APPRAISERS BOARD

PO Box 25101 Santa Fe, NM 87505 (505) 476-4622



This is to certify that
Genevieve S Pendergras #02600-G

Having complied with the provisions of the New Mexico Real Estate Appraisers Act is hereby granted a license to practice as a
General Certified Appraiser

This appraiser is eligible to perform in Federally Related Transactions

Issue Date: **06/08/2006** Date Expires: **04/30/2022**

THIS LICENSE MUST BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # 1-2

- Action Item
- Consent Item
- Informational Item

Presented By: Dan E. Arvizu
Chancellor

Agenda Item: Recognition for Essential Employees

Requested Action of the Board of Regents: Motion granting the Chancellor authority to provide an additional day of paid leave to NMSU essential employees

Executive Summary

Chancellor Arvizu, the NMSU Executive team, and Community College leadership wish to provide staff identified as essential personnel during the pandemic, who have been working on our campuses since March with a one-time day of paid leave to show appreciation and provide a well-earned rest. This day of paid leave recognizes their hard work, dedication and deep commitment to NMSU. This paid leave applies to all NMSU campuses for the employees that have been recognized by their supervisor as providing such essential services during the pandemic response.

Essential Personnel Defined

Essential personnel, in accordance with ARP 16.10-Emergency Preparedness and Response (Part 2, K) are defined as regular employees (excluding temporary exempt, temporary non-exempt and student employees) who perform job duties or functions deemed by the administrative head of their NMSU Entity to be critical to operations. Essential Personnel are required to work, and be available to work, in the event of any emergency, and especially during emergencies of extended duration.

Guidelines

- Departments will need to identify their “essential personnel” in accordance with ARP 16.10.
- The time off cannot be converted to pay.
- Employees must work with their supervisor to coordinate the time off to ensure adequate coverage of business operations and customer service.
- The time off must be taken between December 21, 2020 and January 15, 2021
- Overtime will not be counted unless the employee actually works over 40 hours in the given week leave is taken.
- Decisions about who will receive the time off and when that time is taken will be made without discrimination on the basis of age, ancestry, color, disability, gender identity,

genetic information, national origin, race, religion, serious medical condition, sex (including pregnancy), sexual orientation, spousal affiliation or protected veteran status in its programs and activities as required by federal and state equal opportunity/affirmative action regulations and laws and NMSU policy and rules.

References

RPM 6.00 (section D): <https://rpm.nmsu.edu/6-00/>
ARP 16.10 (part 2, K): <https://arp.nmsu.edu/16-10/>

Prior Approvals:

N/A



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # J-1

- Action Item
 Consent Item
 Informational Item

Presented By: *Mónica F. Torres, Ph.D.*

DACC President

Agenda Item:

Authorization of Doña Ana Community College District General Obligation Bond Sale in the amount of \$8m to be sold in early 2021, based on the issuance approved by voters in November 2019. Additionally, for the purpose of refunding, refinancing and decreasing the Doña Ana Community College District General Obligation (Limited Tax) Bonds, Series 2011 maturing on and after August 1, 2021, the refunding will be issued in conjunction with the above voter authorized new debt.

Requested Action of the Board of Regents: No action required

Executive Summary:

In order to meet current capital needs identified in the approved Doña Ana Community College (DACC) Master Plan 2019- 2026, the Governing Board of DACC has authorized the issuance and sale of \$8m of the general obligation bonds authorized by the election of November 2019. Additionally, the Governing Board is authorizing the refunding of the Series 2011 Bonds to achieve interest savings and combined present value savings in excess of 3%. The refunding of Series 2011 Bonds is not expected to increase the outstanding debt of the College and reduces the annual debt service requirements to the College. The combined refunding is expected to generate present value savings of approximately \$105,794 or 5.04% assuming current interest rates plus 25 bps to be conservative. Present value savings are net of all issuance costs. The College plans to sell the refunding bonds in conjunction with new money voter authorized bonds through a public sale.

References:

DACC Request for Approval of Refunding Bonds – includes DACC Advisory Board Resolution and Delegation of Authority Resolution and Higher Education Department Certificate of Approval of Refunding Bonds.

Doña Ana Community College Finance Plan Update and Refunding Overview dated 11/05/2020

Prior Approvals:

Doña Ana Community College District Governing Board – November 5, 2020

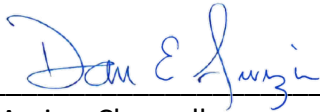
Agenda Item Approved By:



Mónica F. Torres, President
NMSU-Doña Ana Community College

11/10/20

Date



Dan E. Arvizu, Chancellor
New Mexico State University

11/12/2020

Date

Request for Approval of Refunding Bonds

*Doña Ana Community College
District, General Obligation
(Limited Tax) Refunding Bonds,
Series 2021*

(Refunding of Series 2011 Bonds)

NOVEMBER 9, 2020

Strictly Private and Confidential



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(1) Request for Approval - Refunding Details

The Doña Ana Community College (“the College”) is seeking New Mexico Higher Education Department approval for the refunding its outstanding General Obligation Bonds, Series 2011, as required by Section 21-2A-8 NMSA 1978.

The College is refunding the Series 2011 Bonds to achieve interest savings and combined present value savings in excess of 3%. The refunding of Series 2011 Bonds is not expected to increase the outstanding debt of the College and reduces the annual debt service requirements to the College. The combined refunding is expected to generate present value savings of approximately \$105,794 or 5.04% assuming current interest rates plus 25 bps to be conservative. Present value savings are net of all issuance costs.

The College plans to sell the refunding bonds in conjunction with new money voter authorized bonds through a public sale.

(a) Estimated Gross and Net Present Value Savings

Estimated gross present value savings annually: See Section (1)(b) below for detail

Estimated combined average net present value savings annually: \$26,381

Are refunding bonds issued together with new money bonds? Yes

Does net present value savings calculation exclude any interest payments or proceeds associated with new money bonds? Yes

Refunded Bonds Summary:

Summary of Bonds Refunded				
Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Bonds, Series 2011				
08/01/2021	4.000%	500,000.00	08/01/2020	100.000
08/01/2022	4.000%	500,000.00	08/01/2020	100.000
08/01/2023	4.000%	550,000.00	08/01/2020	100.000
08/01/2024	4.000%	550,000.00	08/01/2020	100.000
		\$2,100,000.00		

(b) Interest Rate and Debt Service Comparison

	Refunding Series 2011 Bonds
Interest Rate Refunded Bonds (average coupon)	4.000%
Interest Rate Refunding Bonds (All-In-TIC)	1.723%
Percentage savings of refunded bonds	5.038%

Debt Service Comparison Between Refunded & Refunding Bonds:

Savings Summary				
Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value
08/01/2021	\$584,000.00	\$566,702.66	\$17,297.34	\$17,448.30
08/01/2022	564,000.00	534,399.00	29,601.00	29,174.31
08/01/2023	594,000.00	561,511.50	32,488.50	31,520.91
08/01/2024	572,000.00	543,348.00	28,652.00	27,382.32
	\$2,314,000.00	\$2,205,961.16	\$108,038.84	\$105,525.83
PV of savings from cash flow		\$105,525.83		
Plus: Refunding funds on hand		268.35		
Net PV Savings		\$105,794.18		
% savings of refunded bonds		5.04%		

*Interest rates assumed are rates as of 10/16/20 + 25bps. Preliminary and subject to change.

(c) Sources and Uses of Funds

Detailed and estimated sources and uses of funds relating to the Series 2021 Refunding Bonds is shown below:

Sources and Uses of Funds	
Sources:	GO Refunding Bonds (Refund Series 2011)
Par Amount	\$2,180,000.00
	\$2,180,000.00
Uses:	GO Refunding Bonds (Refund Series 2011)
Cash Deposit	\$2,138,266.67
Cost of Issuance	33,834.98
Underwriter's Discount	7,630.00
Additional Proceeds	268.35
	\$2,180,000.00

(2) Debt Management

(a) Outstanding Debt

The College has 4 GO bond issues – See summary and combined debt service for the outstanding Bonds is detailed below.

Series	Original Amount	Final Maturity	Principal Outstanding
2009	\$10,000,000	08/01/2021	\$400,000
2011	10,000,000	08/01/2024	2,100,000
2015	8,800,000	08/01/2028	2,700,000
2018	6,200,000	08/01/2031	4,650,000
	\$35,000,000		\$9,850,000

Calendar Year	Principal	Interest	Total
2021	1,720,000	362,500	2,082,500
2022	1,220,000	293,500	1,513,500
2023	1,270,000	243,500	1,513,500
2024	1,270,000	191,500	1,461,500
2025	770,000	139,500	909,500
2026	770,000	108,000	878,000
2027	770,000	84,900	854,900
2028	770,000	61,800	831,800
2029	420,000	38,700	458,700
2030	420,000	26,100	446,100
2031	450,000	13,500	463,500
Total	\$9,850,000	\$1,563,500	\$11,413,500

(b) History of Debt Service Mill Levy

The College's general obligation debt is backed by ad valorem property taxes. The tax rate is set annually to pay debt service on the bonds. Below is a 5 year history of the GO debt service tax rate.

Tax Year	2020	2019	2018	2017	2016
District GO Tax Rate	\$0.750	\$0.750	\$0.750	\$0.350	\$0.750

Source: New Mexico Department of Finance & Administration.

(c) Debt Service Coverage

The debt service tax rate is set annually to generate exactly the amount of revenue to pay debt service; therefore, the debt service coverage rate is 1.0x.

(d) General Obligation Bonds: Mill Levy

The 2021 Refunding Bonds will be general obligations of the College payable solely out of general (*ad valorem*) property taxes that are required to be levied against all taxable property within the legal boundaries of the College District in an amount not to exceed five mills; however this limit may be exceeded if it is necessary to levy more than five mills to pay principal and interest on the Bonds if the valuation of property within the District declines to a level lower than the valuation of such property in the year in which the Bonds were issued.

(3) Debt Structure and Terms

(a) Maturity Structure

The proposed Series 2021 refunding Bonds will be issued as fixed rate bonds in one series. The Refunding Bonds will be issued as tax-exempt bonds. The bonds will have a final maturity consistent with the final maturity of 2024 for the Series 2011 Bonds. There will be no extension of debt beyond its original maturity date. The proposed maturity schedule is shown below.

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2021			\$547	\$547	
08/01/2021	\$560,000	0.520%	6,156	566,156	566,703
02/01/2022			4,700	4,700	
08/01/2022	525,000	0.550%	4,700	529,700	534,399
02/01/2023			3,256	3,256	
08/01/2023	555,000	0.570%	3,256	558,256	561,512
02/01/2024			1,674	1,674	
08/01/2024	540,000	0.620%	1,674	541,674	543,348
	\$2,180,000		\$25,961	\$2,205,961	\$2,205,961

(b) Estimated Interest Rates

The following interest rates are estimated and are subject to change. The College will sell the refunding bonds at a public sale on or about 2/24/2021.

	Refunding Series 2011 Bonds
True Interest Cost (TIC)	0.758%
Net Interest Cost (NIC)	0.756%
All-In TIC	1.541%
Average Coupon	0.584%

(c) Estimated Average Life

	Refunding Series 2011 Bonds
Refunding Bond Average Life	2.711
Refunded Bond Average Life	2.778

(d) Current Refunding Escrow Detail

The Series 2011 Bonds maturing on and after August 1, 2021 will be called on the dated and delivery date. The refunding bonds are expected have a dated and delivery date of 3/18/2021. Since the 2011 Bonds are currently callable the 2011 Bonds will be redeemed on the date of delivery and therefore no escrow will be needed.

(e) Combined Total Future Debt Payments: Refunding Bonds after 2021 Refunding

Calendar Year	Present Requirements ⁽¹⁾			Series 2020 Refunding Bonds				Total Requirements		
	Principal	Interest	P&I	Principal	Coupon	Interest	P&I	Principal	Interest	Total P&I
2021	\$1,220,000	\$278,500	\$1,498,500	\$560,000	0.52%	\$6,703	\$566,703	1,780,000	285,203	2,065,203
2022	720,000	229,500	949,500	525,000	0.55%	9,399	534,399	1,245,000	238,899	1,483,899
2023	720,000	199,500	919,500	555,000	0.57%	6,512	561,512	1,275,000	206,012	1,481,012
2024	720,000	169,500	889,500	540,000	0.62%	3,348	543,348	1,260,000	172,848	1,432,848
2025	770,000	139,500	909,500					770,000	139,500	909,500
2026	770,000	108,000	878,000					770,000	108,000	878,000
2027	770,000	84,900	854,900					770,000	84,900	854,900
2028	770,000	61,800	831,800					770,000	61,800	831,800
2029	420,000	38,700	458,700					420,000	38,700	458,700
2030	420,000	26,100	446,100					420,000	26,100	446,100
2031	450,000	13,500	463,500					450,000	13,500	463,500
Total	\$7,750,000	\$1,349,500	\$9,099,500	\$2,180,000		\$25,961	\$2,205,961	\$9,930,000	\$1,375,461	\$11,305,461

(1) Does not include the Refunded Bonds

(f) Terms & Conditions of the Refunding Bonds

The terms and conditions of the Series 2021 Refunding Bonds will be consistent with the covenants and conditions contained in the College's outstanding bonds. A brief summary is as follows:

Additional Bonds Test:

Additional new money bonds may be issued providing that the Bonds receive voter approval prior to issuance and the combined new issuance and existing par amount does not exceed the constitutional maximum of 3% of assessed value at the time of issuance. The proposed refunding bonds are not subject to the constitutional 3% limitation.

Debt Service Reserve

No debt service reserve fund will be established for these bonds.

Capitalized Interest

No capitalized interest is expected to be funded for the proposed financing.

Insurance

Bond Insurance will not be purchased.

Rate Covenant

None

Optional Redemption:

The Series 2021 Refunding Bonds will be non-callable.

(g) Maximum Principal and Interest Rate

- Maximum Principal Amount: \$2,500,000
- Maximum Net Effective Rate: 4.00%



(4) Sales Management

(a) Financial Advisor

Representation: RBC Capital Markets

Compensation: Estimated compensation for this issue is expected to be approximately \$14,561.89 which includes applicable gross receipts tax.

Method of Selection: Contracted with the College pursuant to its RFP through New Mexico State University.

(b) Method of Sale

The Series 2021 Bonds will sold through a public sale in conjunction with its voter authorized new money bonds.

(c) Outside Counsel

Bond Counsel

Representation: Modrall Law Firm

Compensation: Estimated compensation for this issue is expected to be \$12,848.72 which includes applicable gross receipts tax.

Method of Selection: Contracted with the College pursuant to small purchaser's exemption.

(d) Detailed Cost of Issuance

The estimated costs of issuance for the Series 2021 Refunding Bonds are as follows:

Cost of Issuance	Refunding Series 2011 Bonds
RBC	\$14,561.89
Modrall	12,848.72
Moodys	4,925.34
Munihub	214.15
Verification Agent	1,284.88
	\$33,834.98

(e) Anticipated Time of Sale

The Final terms for the Series 2021 Refunding Bonds will be approved by the College on or around 2/24/2021

(f) Maximum Parameters

The College will authorize the issuance and delegation of the execution of the pricing certificate on or around 11/5/2020. The College is seeking approval from the Higher Education Department based on the following parameters:

- Maximum Principal Amount: \$2,500,000
- Maximum Net Effective Rate: 4.00%
- Maximum Final Maturity Date: 2024
- Execution of the Pricing Certificate: on or before 3/5/2021
- Minimum Net Present Value Savings on the Refunded Bonds: minimum 3%.

(5) Legal Documents

- (a) Resolution and Delegation of Authority Resolution
- (b) Higher Education Department Certificate of Approval of Refunding Bonds

EXCERPT FROM A REGULAR MEETING
OF THE GOVERNING BOARD OF THE NEW MEXICO STATE UNIVERSITY –
DOÑA ANA COMMUNITY COLLEGE

The governing board (the "Board") of New Mexico State University Doña Ana Community College District (the "District"), in the Counties of Doña Ana and Otero, and State of New Mexico, met in regular open session in full conformity with law and the rules and regulations of the Board, via Zoom videoconference, on November 5, 2020, at the hour of 5:30 p.m., at which meeting there were present and answering the roll call the following:

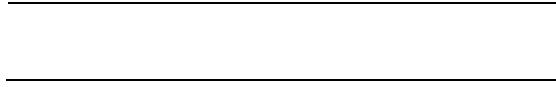
Present: President: _____

Secretary: _____

Members _____

Absent: _____

Also Present: _____



The following resolution was then introduced for consideration by the Board:

DOÑA ANA COMMUNITY COLLEGE DISTRICT

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF DOÑA ANA COMMUNITY COLLEGE DISTRICT, DOÑA ANA AND OTERO COUNTIES, NEW MEXICO, GENERAL OBLIGATION (LIMITED TAX) IMPROVEMENT AND REFUNDING BONDS, SERIES 2021 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,500,000, DATED AS OF THE DATE OF DELIVERY, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF, AND SECURITY FOR, PAYMENT; PROVIDING FOR THE APPROVAL OF VARIOUS AGREEMENTS RELATING TO THE BONDS; DELEGATING AUTHORITY TO THE DELEGATE TO DETERMINE THE FINAL TERMS OF THE SERIES 2021 BONDS PURSUANT TO THE SUPPLEMENTAL PUBLIC SECURITIES ACT; AND RATIFYING ACTION PREVIOUSLY TAKEN CONCERNING THE BONDS.

WHEREAS, at a general obligation bond election (“election”) duly called and held for NMSU – Doña Ana Community College District, (the “District”) on the 5th day of November, 2019, the electors of the District authorized the Governing Board of the District (the “Board”) to contract bonded indebtedness on behalf of the District and upon the credit thereof by issuing general obligation bonds of the District to secure funds for the following purposes in the following amount (the “Improvement Project”):

<u>Purpose:</u>	<u>Amount Authorized At Election</u>	<u>Amount Previously Issued</u>	<u>Amount To Be Issued</u>
Erect, furnish, construct, purchase, remodel and equip buildings and utility facilities, exclusive of stadiums; make other real property improvements, purchase grounds; and purchase and install computer hardware and software; or any combination of these purposes.	\$16,000,000	\$-0-	\$8,000,000

WHEREAS, the Board has determined, and does hereby determine, that it is necessary and in the best interest of the District and the inhabitants thereof that \$8,000,000 of the general obligation bonds authorized at the election be issued at this time; provided, however, that a satisfactory price be obtained therefor; and

WHEREAS, the Board issued its General Obligation (Limited Tax) Bonds, Series 2011 (the “Series 2011 Bonds”) in the original aggregate principal amount of \$10,000,000, which are outstanding in the aggregate principal amount of \$2,100,000; and

WHEREAS, the Board has determined, and does hereby determine, that it is necessary and in the best interest of the District and the inhabitants thereof that all of the outstanding Series 2011 Bonds maturing on and after August 1, 2021 (the “Refunded Bonds”) be redeemed, refunded and paid on the date of closing of the Bonds (the “Refunding Project, and, together with the Improvement Project, the “Project”); and

WHEREAS, the Board expects to sell the Bonds in either a competitive sale or negotiated sale to the purchaser (the “Purchaser”), as determined pursuant to the Sale Certificate supplementing this Resolution, and to delegate authority to the Delegate (as defined herein to execute and deliver the Sale Certificate and a Bond Purchase Agreement to the Purchaser (if the Bonds are sold pursuant to a negotiated sale), as authorized by Section 6-14-10.2 NMSA 1978, provided that the final terms of the Bonds set forth in the Sale Certificate be within the parameters set forth in this Resolution; and

WHEREAS, the Board intends that, if the Delegate, in consultation with the District’s Financial Advisor, determines that it is most advantageous to the District to offer the Bonds in a competitive sale, the specific details of and requirements for bidding for the Bonds shall be provided in an official notice of sale (the “Notice of Sale”) to be approved on behalf of the District by the Vice President for Business and Finance or her designee; and

WHEREAS, the Board has determined and does hereby determine that it is necessary and in the best interest of the District and its residents that District issue General Obligation (Limited Tax) Improvement and Refunding Bonds, Series 2021 (the “Bonds” or the “Series 2021 Bonds”) at this time pursuant to this Resolution and a Sale Certificate to be executed by the Vice President for Business and Finance of the District or designee as authorized by Section 6-14-10.2, NMSA 1978 (the “Sale Certificate”).

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF DOÑA ANA COMMUNITY COLLEGE DISTRICT, IN THE COUNTIES OF DOÑA ANA AND OTERO AND THE STATE OF NEW MEXICO:

Section 1. The Board hereby determines to proceed with the issuance, sale, and delivery of the Bonds. All actions heretofore taken by the Board and the officers and employees of the District directed toward the issuance and sale of the Bonds be and the same hereby are, ratified, approved and confirmed, and the sale of the Series 2021 Bonds in an amount not to exceed \$10,500,000, subject to the terms of the Sale Certificate, is approved. The Board hereby appoints BOKF, NA to serve as paying agent and registrar for the Bonds. The final terms of the Bonds shall be within the parameters set forth below:

- (a) The maximum par amount of the Bonds shall not be more than

\$10,500,000.

- (b) The final maturity of the Bonds shall be no later than August 1, 2040.
- (c) The maximum interest rate on the Bonds shall be no greater than 10% per annum.
- (d) The Bonds shall be sold pursuant to a competitive sale or negotiated sale as determined by the Delegate in consultation with the District's Financial Advisor. If the Bonds are sold pursuant to a negotiated sale, the Delegate is authorized to execute a Bond Purchase Agreement with the underwriter for the Bonds or determine the best bidder for the Bonds if the Bonds are sold pursuant to a competitive sale (the underwriter or best bidder for the Bonds is herein referred to as the "Purchaser") with such terms as are consistent with the parameters set forth in this Resolution.
- (e) The Purchaser's discount shall not exceed 1% of the aggregate principal amount of the Bonds.
- (f) The Bonds may be subject to optional and/or mandatory sinking fund redemption as set forth in the Sale Certificate.
- (g) The Refunding Project shall obtain a net present value savings of at least 3.00%.

The Vice President for Business and Finance as the delegate is hereby authorized pursuant to this Resolution to determine the final terms of the Bonds as permitted by Section 6-14-10.2 NMSA 1978, award the Bonds to the Purchaser, and to execute a Sale Certificate and a Bond Purchase Agreement with the Purchaser in conformance with these parameters. The use and distribution of a Preliminary Official Statement and Official Statement by the Purchaser in connection with the sale of the bonds to the public are hereby ratified, authorized, approved and acknowledged. If the Bonds are sold pursuant to a competitive sale, the specific details of and requirements for bidding for the Bonds shall be provided in an official notice of sale (the "Notice of Sale") to be approved on behalf of the District by the Vice President for Business and Finance or her designee

Section 2. A. In order to provide funds for the purpose of (1) erecting, furnishing, constructing, purchasing, remodeling and equipping buildings and utility facilities, exclusive of stadiums; making other real property improvements, purchasing grounds; and purchasing and installing computer hardware and software; or any combination of these purposes; and (2) currently refunding the Refunded Bonds which are subject to redemption on any date, the Board, on behalf of the District and upon the full faith and credit thereof, shall issue the District's Series 2021 Bonds maturing and bearing interest as set forth in the Sale Certificate pursuant to the College District Tax Act.

B. The Series 2021 Bonds shall be issued in an aggregate principal amount not to exceed \$10,500,000, dated as of the date of delivery, (herein the "Series

Date”); will be issued in one series and shall consist of bonds numbered consecutively from R-1 upward, issuable in the denomination of \$5,000 each or integral multiples thereof (provided that no individual bond will be issued for more than one maturity); shall bear interest on the basis of a 360-day year and twelve 30-day months from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from the Series Date to maturity at the rates per annum set forth in the Sale Certificate; payable to the registered owner thereof, or registered assigns, on August 1, 2021 or such other date specified in the Sale Certificate, and semiannually thereafter on February 1 and August 1 in each year in which the Series 2021 Bonds are outstanding and shall mature on August 1 of each year set forth in the Sale Certificate. The net effective interest rate on the Series 2021 Bonds shall not exceed ten percent (10%) per annum.

C. The principal of and interest on the Series 2021 Bonds due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by BOKF, NA, an independent third party registrar/paying agent, as “registrar/paying agent” (such entity and any successor thereto, which must be an independent third party registrar/paying agent, the “Registrar/Paying Agent”) for the Series 2021 Bonds, upon maturity and upon presentation and surrender thereof at the principal offices of the Registrar/Paying Agent. The form of the Paying Agent and Registrar Agreement submitted to the Board with the adoption of this Resolution is hereby approved. If any Series 2021 Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by the Series 2021 Bond until the principal thereof is paid in full. Payment of interest on the Series 2021 Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof on the Record Date (defined below) at the address as it appears on the registration books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term “Record Date” as used herein with respect to any interest payment date shall mean the fifteenth day (whether or not a business day) of the month immediately preceding the interest payment date. The person in whose name any Series 2021 Bond is registered on any Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such interest payment date; but interest on any Series 2021 Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Series 2021 Bond is registered at the close of business on a special record date (the “Special Record Date”) fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Series 2021 Bonds as of the fifth day preceding the mailing of such notice by the

Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest.

D. The Series 2021 Bonds may be subject to redemption prior to their maturity as set forth in the Sale Certificate.

E. Bonds shall be sold to the Purchaser as approved in the Sale Certificate. The Vice President for Business and Finance is authorized to complete and modify to the extent necessary such agreement or execute and deliver the Bond Purchase Agreement in the form so completed and modified within the parameters set forth in this Resolution.

Section 4. The Vice President for Business and Finance and officers of the District, the District's Financial Advisor, and the District's Bond Counsel are authorized to take all action necessary or appropriate to give effect to the provisions of this Resolution. Pursuant to the Supplemental Public Securities Act, Section 6-14-8 to 6-14-11, NMSA 1978, as amended, the President of the Board, the President of Doña Ana Community College, or Vice President for Business and Finance are hereby delegated authority to award the Bonds and to determine any or all of the final terms of the Bonds consistent with this Resolution and the Supplemental Public Securities Act, as amended. The Board President or such other delegate (including but not limited to the President of Doña Ana Community College or the Vice President for Business and Finance) shall present a certification to the Board at a public meeting that the terms of the Bonds comply with the parameters and conditions of this Resolution.

Section 6. The Bonds shall constitute the general obligation bonds of the District, payable from general ad valorem taxes which levy shall not exceed five mills; provided, however, that this five-mill limitation may be exceeded in any year in which the valuation of the property within the District declines to a level lower than the valuation of the property within the District in the year in which the Bonds were issued. The full faith and credit of the District shall be, and hereby is, irrevocably pledged to the payment of the principal of and interest on the Bonds. The Bonds shall recite that they are issued under authority of Sections 21-2A-1 through 21-2A-12, inclusive, NMSA 1978. Such recital shall conclusively impart full compliance with all of the provisions of Sections 21-2A-1 through 21-2A-12, inclusive, NMSA 1978, and the Bonds shall be incontestable for any cause whatsoever after their delivery for value.

Section 7. Execution and Authentication of Bonds.

A. Method of Execution. The Bonds shall bear the manual or facsimile signature of the President of the Board and shall be attested by the manual or facsimile signature of the Secretary of the Board and shall bear the manual or facsimile seal of the Board. The Bonds shall be authenticated by the manual signature of an authorized officer of the Registrar/Paying Agent. The Bonds bearing the signatures or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the District, notwithstanding that before the delivery of the Bonds and

payment therefor, or before the issuance thereof upon transfer or exchange, any or all of the persons whose signatures appear on the Bonds shall have ceased to fill their respective offices.

B. Filing Manual Signatures. The President and Secretary of the Board may, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures the facsimiles thereof appearing on the Bonds; and, at the time of the execution of the signature certificate, the President of the Board and Secretary may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the Bonds. The President and Secretary of the Board, pursuant to Sections 6-9-1 through 6-9-6, inclusive, NMSA 1978, may each forthwith file his manual signature, certified by him under oath, with the Secretary of State of New Mexico, provided that such filing shall not be necessary for any officer where any previous filing shall have application to the Bonds.

C. Authentication. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the Registrar/Paying Agent. The Registrar/Paying Agent's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer of the Registrar/Paying Agent, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 8. Registration, Transfer, Exchange and Ownership of Bonds.

A. Registration, Transfer and Exchange. Books for the registration and transfer of the Bonds shall be kept by the Registrar/Paying Agent, which is hereby appointed by the District as registrar and as paying agent for the Bonds. Upon the surrender for transfer of any Bond at the principal corporate trust office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal corporate trust office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

B. Owner of the Bonds. The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of overdue interest; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

C. Replacement Bonds. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond or other proof of loss or destruction, proof of ownership, a surety bond in twice the face amount of the Bond, payment of the cost of preparing and issuing the new Bond, and other such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

D. Delivery of Bond Certificates to Registrar/Paying Agent. The officers of the District are authorized to deliver to the Registrar/Paying Agent fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in custody by the Registrar/Paying Agent pending use as herein provided.

E. Cancellation of Bonds. Whenever any Bond shall be surrendered to the Registrar/Paying Agent upon payment thereof, or to the Registrar/Paying Agent for transfer, exchange or replacement as provided herein, such Bond shall be promptly cancelled by the Registrar/Paying Agent, and counterparts of a certificate of such cancellation shall be furnished by the Registrar/Paying Agent to the District.

Section 9. Successor Registrar/Paying Agent. If the Registrar/Paying Agent initially appointed hereunder shall resign, or if the District shall reasonably determine that the Registrar/Paying Agent has become incapable of fulfilling its duties hereunder, the District may, upon notice mailed to each registered owner of Bonds at the address last shown on the registration books, appoint a successor registrar/paying agent. Every such successor registrar/paying agent shall be a bank or trust company located in and in good standing in the United States and having a shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, of not less than \$10,000,000.

Section 10. Negotiability. Subject to the registration provisions hereof, the Bonds hereby authorized shall be fully negotiable and shall have all the qualities of negotiable paper, and the registered owner or owners thereof shall possess all rights

enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code.

Section 11. Form of Bonds. The Bonds shall be in substantially the following form:

[Form of Bond]

REGISTERED
NO. _____

REGISTERED
\$ _____

DOÑA ANA COMMUNITY COLLEGE DISTRICT
DOÑA ANA COUNTY, NEW MEXICO
GENERAL OBLIGATION (LIMITED TAX)
IMPROVEMENT AND REFUNDING BONDS,
SERIES 2021

Registered Owner: _____

Principal Amount: _____ DOLLARS

Interest Rate:
____% per annum

Maturity Date:
August 1, 20__

Series Date: _____ CUSIP
____, 2021 _____

The governing board (the "Board") of Doña Ana Community College District, Doña Ana County, New Mexico (the "District"), on the faith, credit and behalf of the District, for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount hereof on the Maturity Date and to pay interest on the principal amount at the Interest Rate on August 1, _____, and thereafter on February 1 and August 1 of each year (the "Interest Payment Date") from the Series Date to its maturity. The principal of the bonds of the series of which this is one (the "Bonds") and interest due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by BOKF, NA, as "registrar/paying agent" (such bank and any successor thereto, the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal corporate trust office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full. Payment of interest

on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each Interest Payment Date (or, if such Interest Payment Date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at his address as it appears on the registration books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any Interest Payment Date shall mean the 15th day of the month preceding an Interest Payment Date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable thereon on such Interest Payment Date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest.

The Bonds are fully registered and are issuable in denominations of \$5,000 and any integral multiple thereof (provided that no individual bond may be issued for more than one maturity).

The series of Bonds of which this bond is one is limited to the total principal amount of \$_____ of like tenor except as to number, denomination, maturity date, and interest rate, issued by Doña Ana Community College District, Doña Ana County, New Mexico, for the purpose of (1) erecting, furnishing, constructing, purchasing, remodeling and equipping buildings and utility facilities, exclusive of stadiums; making other real property improvements, purchasing grounds; and purchasing and installing computer hardware and software; or any combination of these purposes; and (2) currently refunding the District's General Obligation (Limited Tax) Bonds, Series 2011 (the "Series 2011 Bonds") maturing on and after August 21, 2021, under the authority of and in full conformity with the Constitution and laws of the State of New Mexico (particularly Sections 21-2A-1 through 21-2A-12, Sections 21-14-1 through 21-14-15 NMSA 1978, Sections 6-14-8 through 6-14-11, and the provisions of Sections 6-15-3 through 6-15-10, NMSA 1978, and acts amendatory and supplemental thereto), and pursuant to a resolution of the Board duly adopted on November 5, 2020, and made a law of the District prior to the issuance of this bond (the "Bond Resolution").

Bonds maturing on and after August 1, ____, are subject to redemption prior to their maturity on or after August 1, ____, at the option of the Board, in one or

more units of principal of \$5,000, in whole or in part at any time, at par value, in such order of maturities as the District may determine (and by lot if less than all of the Bonds of such maturity are redeemed).

Notice of redemption of the Bonds will be given by the Registrar/Paying Agent by sending a copy of such notice by first-class, postage prepaid mail not less than 30 days prior to the redemption date to the address shown as of the fifth day prior to the mailing of notice on the registration books by the Registrar/Paying Agent. The District shall give the Registrar/Paying Agent notice of the Bonds to be called for redemption at least 15 days prior to the date that the Registrar/Paying Agent is required to give owners notice of redemption specifying the Bonds and the principal amount to be called for redemption and the applicable redemption dates. The Registrar/Paying Agent's failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. The notice will specify the number or numbers and maturity date or dates of the Bonds to be redeemed (if less than all are to be redeemed) the principal amount of any Bond to be redeemed in part, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond or part thereof to be redeemed at the office of the Registrar/Paying Agent the principal amount thereof to be redeemed plus accrued interest, if any, to the redemption date and that from and after such date interest will cease to accrue on the principal amount redeemed. Such notice may be a conditional notice of redemption insofar as the money or securities necessary to pay the redemption price of the Bonds are not required to be on deposit with the Registrar/Paying Agent prior to the giving of notice of optional redemption of the Bonds. If notice is given in the manner provided above, the Bond or Bonds or part thereof called for redemption will become due and payable on the redemption date designated and if an amount of money sufficient to redeem all Bonds called for redemption is on deposit with the Registrar/Paying Agent on the redemption date, the Bonds or part thereof to be redeemed shall be deemed to be not outstanding and will cease to bear or accrue interest from and after such redemption date. Upon presentation of a Bond to be redeemed at the office of the Registrar/Paying Agent on or after the redemption date, the Registrar/Paying Agent will pay such Bond, or portion thereof called for redemption.

The Registrar/Paying Agent will maintain the books of the District for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal corporate trust office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal corporate trust office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the

Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of interest; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond or other proof of loss or destruction, proof of ownership, a surety bond in twice the face amount of the Bond, payment of the cost of preparing and issuing the new Bond, and such other evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

For the punctual payment of the principal of and interest on this bond as aforesaid and for the levy and collection of taxes in accordance with the statutes authorizing the issuance of this bond, the full faith and credit of the District is hereby irrevocably pledged. The Board has, by the Bond Resolution, ordered the creation of an interest and sinking fund for the payment of the Bonds. Such fund is to be held in trust for the benefit of the owner or owners of the Bonds.

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officials of the District in the issuance of this bond; that the total indebtedness of the District, including that of this bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of New Mexico; that provision has been made for the levy and collection of annual taxes sufficient to pay the principal of and the interest on this bond when the same become due; that the Bonds, of which this bond is one, are issued under authority of Sections 21-2A-1 through 21-2A-12, inclusive, NMSA 1978 which recital conclusively imparts full compliance with all of the provisions of Sections 21-2A-1 through 21-2A-12, inclusive, NMSA 1978; and that the Bonds of which this bond is one are incontestable for any cause whatsoever after their delivery for value. This bond shall not be valid or obligatory

for any purpose until the Registrar/Paying Agent shall have manually signed the certificate of authentication hereon.

IN TESTIMONY WHEREOF, the governing board of the District has caused the manual or facsimile of the seal of the District to be hereto affixed and this bond to be signed and executed with the manual or facsimile signature of the President of the Board, and attested with the manual or facsimile signature of the Secretary of the governing board of the District, all as of the Series Date.

GOVERNING BOARD OF THE DOÑA ANA
COMMUNITY COLLEGE DISTRICT

(MANUAL or FACSIMILE SEAL)

By: (Manual or Facsimile Signature)
President of the Board

ATTEST:

By: (Manual or Facsimile Signature)
Secretary

[Form of Certificate of Authentication]

This bond is one of the Bonds described in the Bond Resolution and has been duly registered on the registration books kept by the undersigned as Registrar/Paying Agent for the Bonds.

Date of Authentication and
Registration: __, 2021

BOKF, NA,
as Registrar/Paying Agent

By: _____
Authorized Officer

[End of Form of Certificate of Authentication]

[Form of Assignment]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____ whose social security or tax identification number is _____ the within bond and irrevocably constitutes and appoints _____ attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

[End of Form of Assignment]

[End of Form of Bond]

Section 12. Delivery of Bonds. When the Bonds have been duly executed and authenticated, they shall be delivered to the Purchaser as the lawful purchaser thereof. The funds realized from the sale of the Bonds shall be applied solely for the Project, but the purchaser of the Bonds shall in no manner be responsible for the application of or disposal by the District, or any of its officers, of any of the funds derived from the sale thereof.

The Series 2021 Bonds shall not be issued unless and until the approval of the (a) Higher Education Department of the State of New Mexico shall have been obtained as required by Section 21-2A-8, NMSA 1978, as amended and supplemented from time to time and (b) Attorney General of the State of New Mexico as to form and legality of the Bonds shall have been obtained as required by Section 21-2A-6 NMSA 1978, as amended and supplemented from time to time.

Section 13. Security for the Bonds. There shall be levied on all taxable property in the District, at the time and in the manner provided by law, in addition to all other taxes, direct annual ad valorem taxes sufficient to pay the principal of and interest accruing on the Bonds promptly as the same shall become due. This levy, pursuant to Sections 21-2A-6 and 21-2A-7, NMSA 1978, shall not exceed five mills; provided, however, that this five mill limitation may be exceeded in any year in which the valuation of the property within the District declines to a level lower than the valuation of the property in the year in which the Bonds were issued. This Resolution is hereby declared to be the certificate to the Boards of County Commissioners of Doña Ana County and Otero County, New Mexico, as to the amount of taxes necessary to be levied for the purposes herein stated and said taxes shall be certified, levied and extended upon the tax rolls and collected in the same manner, at the same time and subject to the same penalties as general state and county taxes are certified, levied and collected. Said taxes, when collected, shall be kept by the District in an interest and sinking fund, which is hereby created, to be used solely for the purpose of paying the principal of and interest on the Bonds as the same become due or mature; provided that nothing herein contained shall be so construed as to prevent the application of any other funds belonging to the District and available for that purpose, to the payment of the Bonds or the interest thereon, as the same become due and upon such payment the levy or levies of tax provided for in this Section may thereupon to that extent be diminished. If the taxes herein provided for shall not be levied or collected in time to pay the interest on or principal of the Bonds as the same become due or mature, then such interest or principal shall be paid from any funds belonging to the District, which funds may be reimbursed from the taxes herein provided for when the same are collected.

Section 14. Delegated Authority and Execution of Documents. The President of the Board, Vice-President, Secretary and other officers and employees of the District be and they hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including without limiting the generality of the foregoing, the entering into of a registrar/paying agent agreement, the printing of the Bonds, the execution of a continuing disclosure undertaking for the benefit of the Bond purchaser, the execution of letters and agreements with the Depository, the printing and

execution of disclosure documents relating to the Bonds, and such certificates as may be required by the Bond purchaser or bond counsel relating to, among other things, the signing of the Bonds, the tenure and identity of District officials, the receipt of the purchase price of the Bonds from the purchaser and the absence of litigation, pending or threatened, if in accordance with the facts, affecting the validity thereof and the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes. Pursuant to the Supplemental Public Securities Act, Section 6-14-8 to 6-14-11, NMSA 1978, as amended, the President of the Board, or the President or Vice President for Business and Finance of Doña Ana Community College (collectively, the “Delegate”) and/or designee are hereby delegated authority to award the Series 2021 Bonds and to determine any or all of the final terms of the Series 2021 Bonds, consistent with this Resolution and the Supplemental Public Securities Act, as amended. The Delegate and/or designee shall present a Sale Certificate to the Board at a public meeting certifying that the terms of the Series 2021 Bonds comply with the parameters and conditions of this Resolution

Section 15. Defeasance. When all principal and interest in connection with the Bonds have been duly paid, the pledge therefor and all obligations of the District hereunder shall thereby be discharged and the Bonds shall no longer be deemed to be outstanding. There shall be deemed to be such payment when the District has caused to be placed in escrow and in trust with a bank doing business in the State which is a member of the Federal Deposit Insurance Corporation and exercising trust powers, an amount sufficient (including the known minimum yield from direct obligations of the United States or securities that are unconditionally guaranteed by the United States (“Government Obligations”), in which such amounts are or may be initially invested) to meet all requirements of principal and interest on the Bonds as the same become due to their final maturities or upon designated prior redemption dates. The Government Obligations shall become due prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and such bank at the time of the creation of the escrow, or the Government Obligations shall be subject to redemption at the option of the holders or owners thereof to assure such availability as needed to meet such schedule. If any Bond is to be redeemed prior to maturity, notice of redemption shall have been given or arrangements satisfactory to the Registrar/Paying Agent shall have been made for the giving of such notice.

Section 16. Protective Covenants.

A. Authorization. The District covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”). The President of the Board, Vice-President, Secretary and any other officer and employee of the District having responsibility for the issuance of the Bonds shall give an appropriate certificate of the District, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the District regarding the amount and use of all the proceeds

of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds.

B. Tax Compliance. The District covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield, as required, on investment property acquired with those proceeds, (iii) make timely rebate payments, if required, to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds; all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The President of the Board, Vice-President, Secretary and other appropriate officers and employees are hereby authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, as may be appropriate to assure such exclusion of that interest.

Section 17. Investment of Money. Moneys in any fund not immediately needed may be invested as provided by state law and applicable federal statutes and regulations, provided that the Board and the District hereby covenant to the purchasers and the holders of the Bonds from time to time that the District will make no use of the proceeds of the Bonds or any funds reasonably expected to be used to pay the principal of or interest on the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code, as amended, or which would adversely affect the tax status of interest on the Bonds under the Code. This covenant is for the benefit of the purchasers and the holders of the Bonds from time to time.

Section 18. Call for Redemption of 2011 Bonds. The Board of the District hereby elects and declares its intent to exercise on behalf and in the name of the District its option to refund, refinance and pay the Refunded Bonds maturing on and after August 1, 2021 on the date of closing of the Bonds at a redemption price equal to 100.00% of the principal amount of the Refunded Bonds, plus accrued interest to the date of redemption. The District hereby authorizes giving Conditional Notice of Redemption of the Refunded Bonds.

Section 19. Irrepealable. After any of the Bonds have been issued, this resolution shall constitute a contract between the District and the holder or holders of the Bonds and shall be and remain irrepealable and unalterable until the Bonds and the interest thereon shall have been fully paid, satisfied and discharged, defeased or until such payment has been duly provided for.

Section 20. Severability. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 21. Effective Date. This Resolution shall take effect immediately upon its adoption.

Section 22. Publication of Notice. The following notice shall be published in substantially the following form one time in a newspaper having general circulation in the District as soon as is practicable after the adoption hereof.

[Form of Notice]

NOTICE OF ADOPTION OF RESOLUTION

NOTICE IS HEREBY GIVEN that the governing board of Doña Ana Community College District, Doña Ana County, New Mexico, did on the 5th day of November, 2020, adopt a resolution entitled:

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF DOÑA ANA COMMUNITY COLLEGE DISTRICT, DOÑA ANA AND OTERO COUNTIES, NEW MEXICO, GENERAL OBLIGATION (LIMITED TAX) IMPROVEMENT AND REFUNDING BONDS, SERIES 2021 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,500,000, DATED AS OF THE DATE OF DELIVERY, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF, AND SECURITY FOR, PAYMENT; PROVIDING FOR THE APPROVAL OF VARIOUS AGREEMENTS RELATING TO THE BONDS; DELEGATING AUTHORITY TO THE DELEGATE TO DETERMINE THE FINAL TERMS OF THE SERIES 2021 BONDS PURSUANT TO THE SUPPLEMENTAL PUBLIC SECURITIES ACT; AND RATIFYING ACTION PREVIOUSLY TAKEN CONCERNING THE BONDS.

The Resolution directs and authorizes the issuance of Doña Ana Community College District, Doña Ana County, New Mexico General Obligation Limited Tax Improvement and Refunding Bonds, Series 2021 (the “Bonds”), in the aggregate principal amount not to exceed \$10,500,000; delegates authority to the Delegate to determine the final terms of the Bonds pursuant to the Supplemental Securities Act and to award the sale of the Bonds to the best bidder therefor with the parameters of this Resolution pursuant to a Sale Certificate; provides for the delivery thereof; provides for the form of the Bonds; provides for levy of taxes to pay the principal of and interest on the Bonds; makes certain covenants with the Bond purchaser; and provides other details concerning the Bonds. Complete copies of the Resolution are available for public inspection during normal and regular business hours at the office of the Vice President for Business and Finance of Doña Ana Community College District, 2800 North Sonoma Ranch Boulevard, Las Cruces, New Mexico. This notice constitutes compliance with Section 6-14-6 NMSA 1978.

DATED this 5th day of November, 2020.

DOÑA ANA COMMUNITY COLLEGE DISTRICT

[End of Form of Notice]

Section 23. Repealer. All acts and resolutions, or parts thereof, in conflict with this Resolution are hereby rescinded, annulled and repealed.

[Remainder of page intentionally left blank]

PASSED AND APPROVED this 5th day of November, 2020.

GOVERNING BOARD
DOÑA ANA COMMUNITY
COLLEGE DISTRICT

By _____
President of the Board

[SEAL]

ATTEST:

Secretary

enter the foregoing proceedings and resolution upon the records of the minutes of the Board.

STATE OF NEW MEXICO)
)ss.
COUNTIES OF DOÑA ANA AND OTERO)

I, _____, the duly qualified and acting Secretary of the Governing Board of the New Mexico State University – Doña Ana Community College District, do hereby certify:

1. The foregoing pages are a true, correct and complete copy of the record of the proceedings of the Governing Board (the “Board”) of the New Mexico State University – Doña Ana Community College District (the “District”), had and taken at a duly called, regular, open meeting held via Zoom teleconference on the 5th day of November, 2020, at the hour of 5:30 p.m., insofar as the same relate to the Resolution relating to the authorization of the Series 2021 Bonds, a copy of which is therein set forth as recorded in the regular book of official records of the proceedings of the District kept in office of the Vice President for Business and Finance.

2. The proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at the meeting, as therein shown.

3. Notice of the meeting was given in accordance with the open meetings standards of the District presently in effect. Such notice constitutes compliance with the permitted methods of giving notice of meetings of the Board as required by the open meetings standards resolution adopted by the Board and presently in effect.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the District this 5th day of November, 2020.

Secretary

STATE OF NEW MEXICO
HIGHER EDUCATION DEPARTMENT
CERTIFICATE OF APPROVAL OF REFUNDING BONDS

WHEREAS, the Governing Board (the “Board”) of Doña Ana Community College District, (the “District”) issued its General Obligation (Limited Tax) Bonds, Series 2011 (the “Series 2011 Bonds”) in the original aggregate principal amount of \$10,000,000 on February 22, 2011; and

WHEREAS, pursuant to its Resolution adopted on November 5, 2020 (the “Resolution”), the Board has determined that it is necessary and in the best interest of the District and the inhabitants thereof that the Series 2011 Bonds maturing on and after August 1, 2021 (the “Refunded Bonds”) in the aggregate principal amount of \$2,100,000 be redeemed to achieve present value savings for the District;

WHEREAS, the Board intends to issue up to \$10,500,000 General Obligation (Limited Tax) Improvement and Refunding Bonds, Series 2021 (the “Bonds”) pursuant to the Resolution and a Sale Certificate (the “Sale Certificate”) to be executed by the Vice President for Business and Finance of the District or designee as authorized by Section 6-14-10.2 NMSA 1978 (the “Delegate”) of which up to \$2,500,000 of the principal amount of the Bonds (the “Refunding Bonds”) shall be issued for the purpose of (a) refunding and refinancing the District’s outstanding Refunded Bonds on the closing date of the Bonds thereto of August 1, 2020 and (b) paying the costs of issuance of the Bonds;

WHEREAS, the Board expects to receive an offer to purchase the Bonds from an underwriter if the Bonds are sold issued pursuant to a negotiated sale or the best bidder if the Bonds are sold pursuant to a competitive sale (the “Purchaser”) for the purchase of the Series 2021 Bonds, and the Board has authorized the Delegate to establish the final terms of the Series 2021 Bonds within the parameters set forth in the Resolution, including the requirement of a minimum of 3% net present value savings on the Refunded Bonds;

WHEREAS, the Board is authorized to issue refunding bonds pursuant Section 21-2A-8 NMSA 1978 of the College District Tax Act for the purpose of refunding and refinancing the Refunded Bonds with the approval of the State of New Mexico Higher Education Department; and

NOW THEREFORE, I, the undersigned Acting Secretary of the Higher Education Department of the State of New Mexico (the “Department”), do hereby certify as follows:

1. That the Governing Board of the Doña Ana Community College District presented and made all requested and necessary supporting showings related to the Department’s approval of the issuance of up to \$2,500,000 of Refunding Bonds as a component of the Doña Ana Branch Community College District General Obligation (Limited Tax) Improvement and Refunding Bonds, Series 2021 (the “Bonds”) for the

purpose of (a) refunding and refinancing the District's outstanding General Obligation (Limited Tax) Bonds, Series 2011 maturing on and after August 1, 2021 on the closing date for the Refunding Bonds and (b) paying the costs of issuance of the Refunding Bonds all as described in the attached Request for Approval of Refunding Bonds submitted by the District (the "Request for Approval of Refunding Bonds").

2. That the Bonds and the Request for Approval of Refunding Bonds are approved by the Department pursuant to Section 21-2A-8 NMSA 1978 and no further action is required by the Department with respect to the Bonds.

WITNESS my hand this ____ day of December, 2020.

Stephanie Rodriguez,
Acting Cabinet Secretary
New Mexico Higher Education Department

Doña Ana Community College

Finance Plan Update

11/5/2020

STRICTLY PRIVATE AND CONFIDENTIAL



Capital
Markets

History of Assessed Valuation

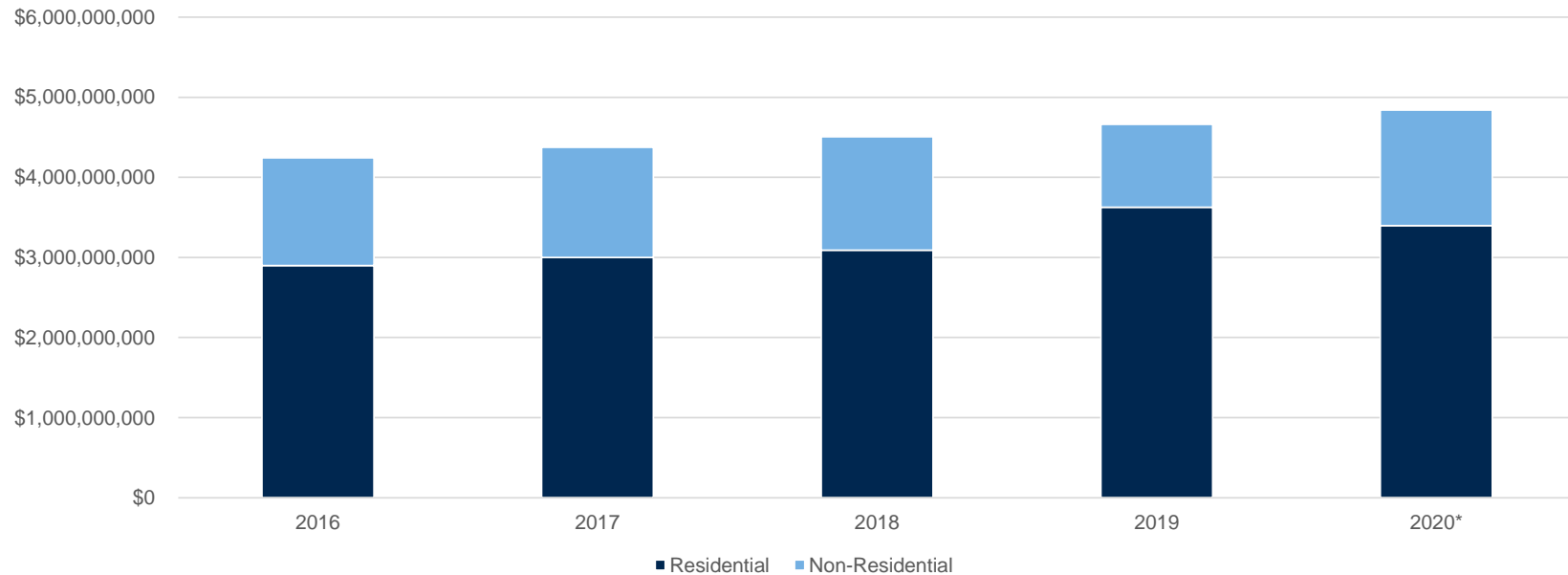
	2016	2017	2018	2019	2020*
Residential	\$2,897,096,923	\$2,998,803,460	\$3,090,064,154	\$3,625,533,070	3,398,002,304
Non-Residential	1,346,465,610	1,377,351,860	1,414,522,446	1,034,541,593	1,440,639,709
Total	\$4,243,562,533	\$4,376,155,320	\$4,504,586,600	\$4,660,074,663	\$4,838,642,013
% Growth	1.99%	3.12%	2.93%	3.45%	3.83%

5 Year Average Growth Rate 3.07%

10 Year Average Growth Rate 2.43%

**Preliminary, does not include protested property for Otero County*

Source: Dona Ana Assessor's Office and Otero Assessor's Office



History of Tax Rates

Within 20 Mill Limit for General Purposes					
	2020	2019	2018	2017	2016
State of New Mexico	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Dona Ana County	9.222	9.253	9.137	9.055	9.043
Dona Ana Community College	1.245	1.250	1.250	1.250	1.250
City of Las Cruces	4.805	4.841	4.776	4.732	4.730
Las Cruces Schools	0.342	0.344	0.340	0.337	0.336
Total	\$15.614	\$15.688	\$15.503	\$15.374	\$15.359

Over 20 Mill Limit - Interest, Principal, Judgment, etc.					
	2020	2019	2018	2017	2016
State of New Mexico	1.360	1.360	1.360	1.360	1.360
Dona Ana County	0.099	0.098	0.108	0.108	0.109
Dona Ana Community College (DS)	0.750	0.750	0.750	0.350	0.750
City of Las Cruces	4.009	4.007	3.994	1.970	1.969
Las Cruces Schools	9.616	9.605	9.600	9.581	9.584
Total	\$15.834	\$15.820	\$15.812	\$13.369	\$13.772

Total Levy					
	2020	2019	2018	2017	2016
State of New Mexico	1.360	1.360	1.360	1.360	1.360
Dona Ana County	9.321	9.351	9.245	9.163	9.152
Dona Ana Community College	1.995	2.000	2.000	1.600	2.000
City of Las Cruces	8.814	8.848	8.770	6.702	6.699
Las Cruces Schools	9.958	9.949	9.940	9.918	9.920
Total Residential in Las Cruces	\$31.448	\$31.508	\$31.315	\$28.743	\$29.131
Total Non-Residential in Las Cruces	\$34.554	\$34.540	\$34.546	\$32.147	\$32.555
Total for Town of Mesilla					
Residential	\$23.638	\$23.688	\$23.574	\$23.077	\$23.478
Non-Residential	\$27.765	\$27.753	\$27.760	\$27.367	\$27.775
Total for Town of Hatch					
Residential	\$30.843	\$30.891	\$30.593	\$30.110	\$30.190
Non-Residential	\$33.646	\$33.674	\$33.676	\$33.233	\$33.668
Total for City of Sunland Park					
Residential	\$35.870	\$35.754	\$35.625	\$35.074	\$35.582
Non-Residential	\$39.739	\$39.712	\$39.780	\$39.378	\$39.771
Total for City of Anthony					
Residential	\$31.371	\$31.833	\$29.231	\$28.677	\$29.064
Non-Residential	\$34.184	\$34.612	\$32.130	\$31.728	\$32.121

Source: New Mexico Department of Finance & Administration

Key Points of Debt Management Plan

- To meet current capital needs, voters approved the issuance of \$16,000,000 in general obligation bonds In November 2019 to be sold over a period of four years.
 - \$8,000,000 to be sold in early 2021.
 - Remaining authorization to be sold as needed by DABCC
 - Sale of bonds is structured to maintain tax rate of 0.75 mils.
 - Maintain current tax rate
 - 13-year final maturity (20-year maximum).

Refunding of Series 2011 General Obligation Bonds Overview

- Branch College's currently outstanding Series 2011 Bonds became callable on 8/1/2020
- Average rate of callable bonds is 4%
- The Bonds have final maturity of 8/1/2024
- Based on the current interest rates, the District could refund the Bonds to generate interest savings on a net present value basis of approximately \$105,794 or 5.04%.
- Savings in excess of 3% are considered to be economically beneficial

Savings Summary				
Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value
08/01/2021	\$584,000.00	\$566,702.66	\$17,297.34	\$17,448.30
08/01/2022	564,000.00	534,399.00	29,601.00	29,174.31
08/01/2023	594,000.00	561,511.50	32,488.50	31,520.91
08/01/2024	572,000.00	543,348.00	28,652.00	27,382.32
	\$2,314,000.00	\$2,205,961.16	\$108,038.84	\$105,525.83
PV of savings from cash flow		\$105,525.83		
Plus: Refunding funds on hand		268.35		
Net PV Savings		\$105,794.18		
% savings of refunded bonds		5.04%		

*NMFA Rates 10/16/20 + 25bps

Market Update

STRICTLY PRIVATE AND CONFIDENTIAL



**Capital
Markets**

Key Areas of Market Focus

Federal Infrastructure/Stimulus Legislation

Stalemate continues over additional stimulus legislation

- The country continues to await additional stimulus yet given the uncertainty surrounding election outcomes, size and scope of a fifth relief package are difficult to predict

1

On July 1, the U.S. House of Representatives passed the \$1.5T INVEST in America Act (H.R.2)

- 1) Restoring Direct Pay Bonds (Qualified Infrastructure Bonds or QIBs)
- 2) Restoring tax-exempt advance refunding bonds
- 3) Increasing the annual issuance limit for bank qualified bonds from \$10 million to \$30 million
- 4) Raising the per state annual private activity bond volume cap
- 5) Authorizing a new category of School Infrastructure Bonds (SIBs) with a 100% interest subsidy

Investors Remain Focused on COVID-19 and Return to School

- Coronavirus conditions continue to worsen around the world
 - Cases hit record highs in the U.S. this week, urging states to consider the reintroduction of preventative safety measures
 - New lockdown measures are being introduced in Europe, where the region has struggled to gain control of the outbreak
- Remdesivir has been approved by the FDA for treatment of patients with Covid-19 requiring hospitalization
 - Remdesivir was previously only authorized for emergency use and is now the first and only approved coronavirus treatment in the United States
- Return to K-12 school is a fluid situation for educators, parents and students
- Return to college has seen many institutions with significant spikes in COVID-19 positive cases

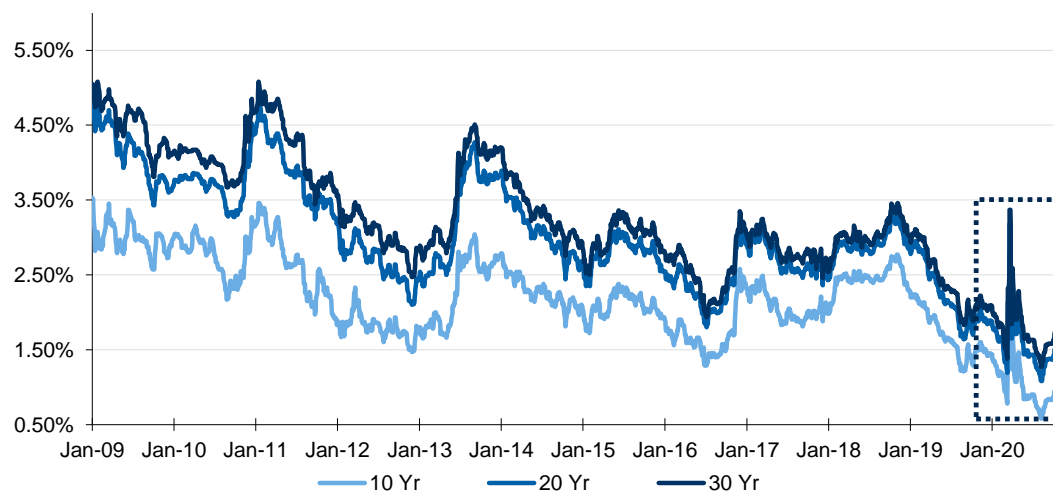
2

Source: Bloomberg, RBC Capital Markets as of October 30, 2020. For more sources, see disclaimer slide.

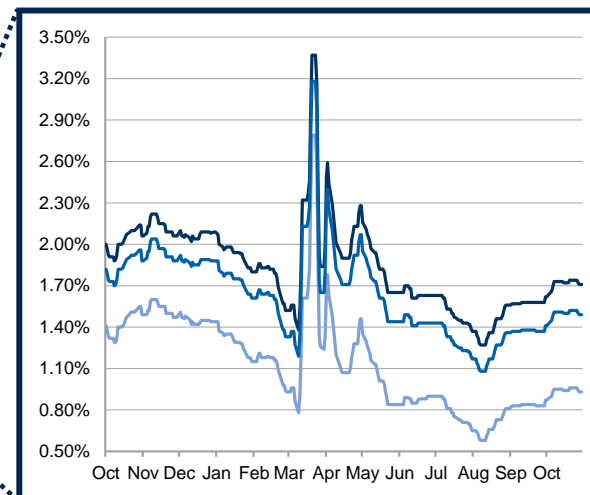
Current Municipal Market Conditions: “AAA” MMD

After closing at 1.74% the previous week, 30-year “AAA” MMD decreased 3 bps on the week

“AAA” MMD January 1, 2009 to Present



Shift in “AAA” MMD Since October 2019



January 1, 2009 to Present

	10 Year	20 Year	30 Year
Maximum	3.53%	4.89%	5.08%
Minimum	0.58%	1.08%	1.27%
Current	0.93%	1.49%	1.71%

Shift in 30-year "AAA" MMD

	2013	2014	2015	2016	2017	2018	2019
	1.33%	-1.34%	-0.01%	0.27%	-0.51%	0.47%	-0.93%

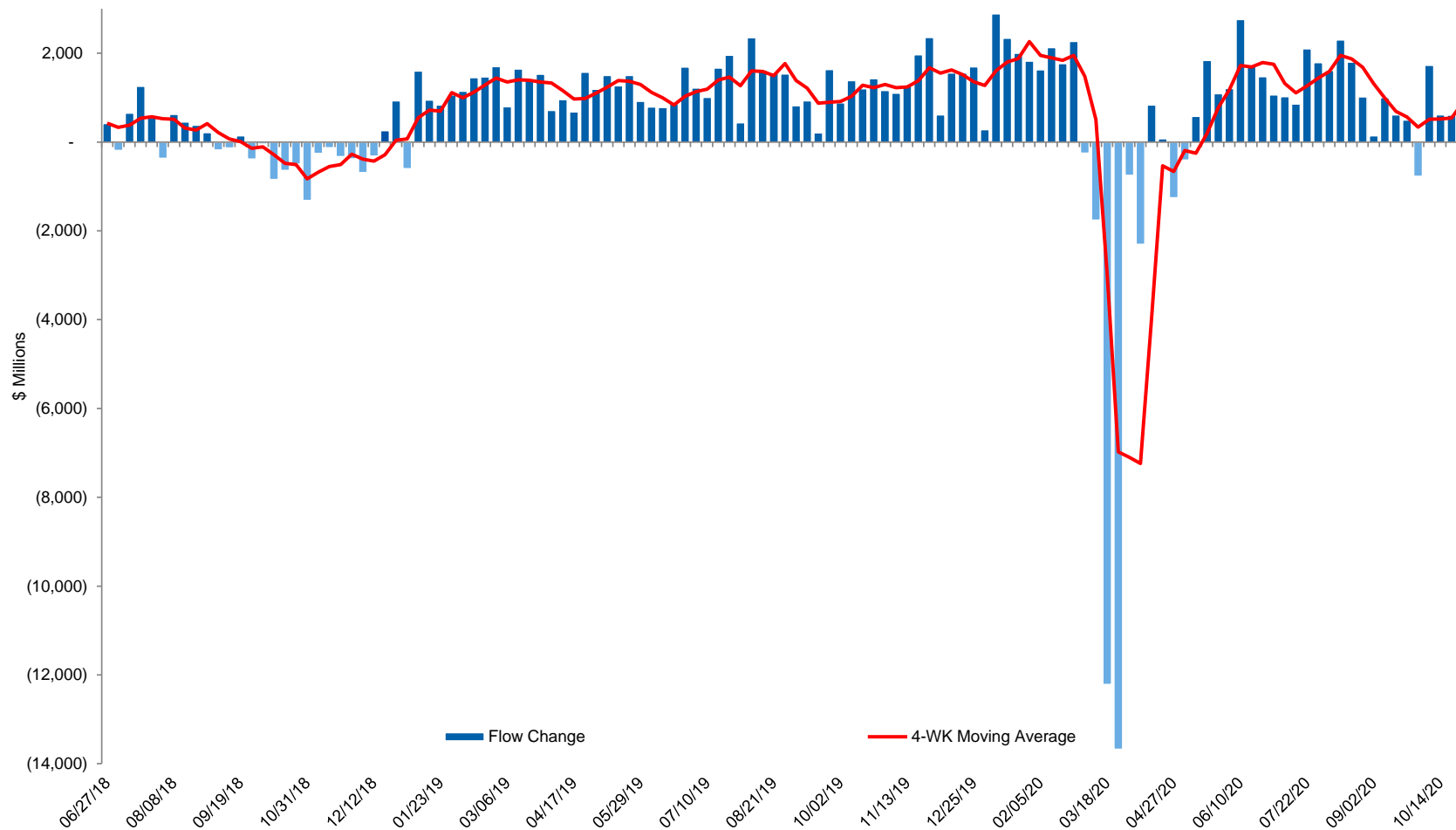
October 1, 2019 to Present

	10 Year	20 Year	30 Year
Maximum	2.79%	3.18%	3.37%
Minimum	0.58%	1.08%	1.27%
Average	1.14%	1.64%	1.83%

Source: TM3, Thomson Reuters
10, 20, and 30 year “AAA” MMD shown to represent different average lives of municipal transactions
Rates as of October 30, 2020

Municipal Bond Fund Flows

- For the week ended October 28, 2020, Lipper reported weekly municipal bond fund inflows of \$582 million – down from the previous week’s \$607 million of inflows.



Source: Lipper

Disclaimer

Sources include: https://www.rbccm.com/assets/rbccm/docs/uploads/2017/RBCCM_Muni_Markets_Weekly_Newsletter.pdf, <http://www.rbc.com/economics/>, RBC Capital Markets.

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Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item #: J-2

- Action Item
- Consent Item
- Informational Item

Presented By: Roy Collins III, J.D.
General Counsel

Agenda Item: Summary of Revisions to the Administrative Rules and Procedures of NMSU (ARP) for the period September 9, 2020 through December 2, 2020.

Requested Action of the Board of Regents: N/A. Information only.

Executive Summary:

In accordance with ARP 1.10, the attached report gives a brief synopsis for each revision to the Administrative Rules and Procedures of NMSU (ARP) approved by the Chancellor during the above-referenced time period.

References:

Rule 1.10, Part 6 G. 3. provides that a summary of the revisions to the ARP will be submitted as an informational item for the Board's regular meetings.

Prior Approvals:

N/A

Agenda Item Approved By:

A handwritten signature in black ink that reads 'Roy Collins III'.

Roy Collins III, J.D.
General Counsel

25 November 2020
Date



University General Counsel
 P.O Box 30001
 MSC 3UGC
 Las Cruces, New Mexico 88003
 Telephone: 575-646-2446
 FAX: 575-646-3012

INFORMATIONAL REPORT: SUMMARY OF ARP REVISIONS 09/09/2020– 12/02/2020

Revisions to the Administrative Rules and Procedures of NMSU (ARP) (<https://arp.nmsu.edu>) are developed by the relevant stakeholders, reviewed by other university constituencies as appropriate and vetted by the University Administrative Council, advisory to the chancellor. Occasionally, as warranted by the circumstances, the chancellor also may implement or revise the administrative rules on a provisional basis, pending such review. Additionally, non-substantive revisions periodically reformat, update or correct, as part of regular ARP maintenance and without the above formal approval processes. (e.g. updates to job titles or office names, correcting typographical errors or hyperlinks, adding cross references). This report is submitted pursuant to ARP 1.10 (Part 6 G. 3.) to summarize the revisions made to the ARP during the period September 9, 2020 through December 2, 2020.

1. [ARP 4.81 – Degrees, Majors, Minors and Other Academic Programs of Student](#) was amended October 13, 2020 as proposed in Faculty Senate Proposition 03-20/21, as a first step toward streamlining the review process for curricular credentials reflected in ARP 4.81 Appendices A and B. The amendment consolidates the review of the Academic Deans Council, Associate Deans Academic Council and Faculty Senate into a new representative committee, the University Program Academic Committee (UPAC). The revised appendices may viewed at [Appendix – ARP 4.81 – A – Las Cruces Campus Approval Sequence for Curricular Credentials](#) and [Appendix – ARP 4.81 – B – Community College Approval Sequence for Curricular Credentials](#)
2. [ARP 6.41 – Joint Academic Appointments](#) was amended October 13, 2020 consistent with current practice to reflect that it is the Provost and SVP for Academic Affairs who oversees the review of faculty assigned to more than one department or college (joint academic appointments), rather than the Dean of the Graduate School.
3. [ARP 7.01 - Staff Compensation](#) was amended on October 13, 2020 after its previous provisional approval. The revisions: 1) authorize HRS as rule administrator to issue implementing Compensation Operational Guidelines to be published on its website (some of this content formerly in the rule was relocated there); 2) Remove of the provost from approval chain on personnel action relating to non-academic staff; 3) delete the end of probation pay increase for nonexempt employees, with a companion revision for consistency

within [ARP 9.01 – Staff Probationary Period](#); 4) clarify the provisions relating to appropriate deductions from pay; and 5) clarify that family medical leave is also an exception to the exclusions from eligibility for 3 year longevity pay increase. Additionally, as part of the restructuring revisions, former Part 11 (Unpaid Meal Periods-Rest Breaks) was merged into [ARP 6.85 – Staff Work Schedules](#) as a companion revision.

4. [ARP 9.01 - Staff Probationary Period](#) was amended October 13, 2020 to eliminate the requirement for advance notice to terminate at will probationary staff employees, with companion revision for consistency within [ARP 10.10 – Staff Disciplinary Action/Involuntary Termination](#).



Board of Regents Meeting
Meeting Date: December 2, 2020
Agenda Item Cover Page

Agenda Item # K

- Action Item
- Consent Item
- Informational Item

Presented By: Jeff Witte
Director/Secretary
New Mexico Department of Agriculture

Agenda Item: Report from the New Mexico Department of Agriculture to the Regents of New Mexico State University (Board of Agriculture)

Requested Action of the Board of Regents: N/A. Information only.

Executive Summary:

A quarterly recurring report to the Board of Regents from NMDA.

References:

N/A

Prior Approvals:

N/A

NMDA

New Mexico Department of Agriculture

BOARD OF REGENTS REPORT

DECEMBER 2, 2020

Hemp:

The season for outdoor growers begins to wind down. New Mexico will begin operating under their United States Department of Agriculture- (USDA) approved hemp regulatory plan beginning February 1, 2021. Investments continue across the state in hemp extraction and manufacturing.

Licenses Issued: Indoor: 115 - 6,816,043 sq. ft.
 Outdoor: 160 - 2,062 acres

Harvest Inspections: Inspections conducted: 187
 417 samples taken and analyzed
 25 found noncompliant (6 percent)

Estimated Harvested: Indoor at 26,000 plants
 Outdoor at 1,500 acres

Bees:

NMDA and New Mexico and Albuquerque beekeepers' associations continue to address Senator Mimi Stewart's interest related to the use of neonicotinoid-based pesticides in urban areas and their possible impact on managed bee colonies. As part of addressing the Senator's interest, pesticide analysis of bees' wax collected from both urban and urban-agricultural interface resulted in no pesticide detections.

Pecan Weevil:

NMDA continues the pecan weevil survey and suppression efforts in southeastern New Mexico (primarily residential trees). Fifty-eight properties have been treated for pecan weevil. The purpose of the program is to reduce the risk of importing pecan weevil into Dona Ana and El Paso counties. We are gearing up for harvest season activities including cleaning plant and buying station inspections for presence of pecan weevil. Funding is provided through the pecan industry, USDA grant, and legislative-directed funds. NMDA plans to initiate discussions with industry on long-term pecan weevil suppression efforts.

The National Association of State Departments of Agriculture and USDA grant resulted in pecan weevil outreach material for Arizona and New Mexico and El Paso, Texas, pecan growers and related industries.

NMDA Report
Presented December 2, 2020
Page 2

Pesticide Compliance:

For the 14th year, NMDA's annual pesticide disposal event took place in Vado (November 10) and Los Lunas (November 12). Last year over 75,000 pounds of pesticide waste was collected, primarily from agricultural related businesses.

NMDA secured funding for an additional pesticide safety outreach program directed primarily at urban pesticide users. The initiative will also include training sessions for public pesticide applicators.

Spay and Neuter Fees:

The Commercial Feed Rule amended to add spay and neuter fees has been published and will be collected starting January 1, 2021.

Marketing and Development:

Marketing staff along with other state departments of agriculture successfully launched their first international business-to-business (B2B) introducing spirit/alcoholic beverage suppliers to 32 Canadian importers/distributors. Staff plan a second international B2B Virtual Trade Mission focused on New Mexico pecans in December 2020 through Western United States Agricultural Trade Association. New Mexico will introduce state pecan growers/shellers to key buyers 1:1 from countries across the European Union and Israel.

NMDA staff are preparing the 2020/2021 \$5 Challenge marketing campaign for relaunch in timing with the holiday shopping season. Approximately 150 retailers across the state will be carrying the \$5 Challenge message. At the same time, NMDA's \$5 Challenge commercial will begin airing on television and social media promotion.

Staff, with NMDA Chef Ambassador Rocky Durham, shot four new recipe demo videos to be used on social media after the holidays. All the dishes incorporate New Mexico agricultural products and traditional holiday leftovers.