Board of Regents’ Meeting
December 14, 2010
9:00 a.m.
SUB Ballroom C
AGENDA OF THE MEETING OF
THE REGENTS OF THE UNIVERSITY OF NEW MEXICO
December 14, 2010, Tuesday
9:00 a.m. – 11:30 a.m. 1:00 p.m. – 3:00 p.m. Student Union Ballroom C
Regents Executive Session/Luncheon, 11:30 a.m. – 1:00 p.m. Cherry Silver Room

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Staff Council President, Merle Kennedy
GSPA President, Lissa Knudsen
ASUNM President, Lazaro Cardenas, Jr.
Alumni Association President, Steve Chreist
UNM Foundation Chair, Anne Yegge
Parent Association President, Steve Chreist
Retiree Association President, Cynthia Stuart

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14. Bylaws of the University of New Mexico Health Sciences Center Board of Directors..................n

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IX. Regent Committee Reports

Finance and Facilities Committee, Regent Don Chalmers, Chair

A. Action Items:

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2. Approval of Contracts: Bruce Cherrin, Chief Procurement Officer, Steve McKernan, CEO, UNM Hospital.
   1) UNMH-Lawson Software
   2) UNMH-Cerner Corporation
   3) Request for Approval to Use Construction Manager at Risk for Baseball Stadium Project

3. Approval of: Vahid Staples, Budget Officer
   1) Capital Project Approval for Clinical Neurosciences Core Renovation
   2) Capital Project Approval for UNM Gallup Gurley Hall Backfill

4. Approval of Resolution Student Housing Strategic Plan, Kim Murphy, Director Real Estate
   (American Campus Communities)

B. Information Items:

5. Contract Information:
   Physics and Astronomy-Micro Systems Engineering
   Bruce Cherrin, Chief Procurement Officer

6. Outline for the Main Campus Three-Year Financial Strategic Plan
   Andrew Cullen, AVP Planning, Budget & Analysis

Academic/Student Affairs & Research Committee, Regent Carolyn J. Abeita, Chair

A. Consent:

1. Approval of Fall 2010 Degree Candidates, Richard Wood, President Faculty Senate

2. Approval of ASUNM Constitutional Amendment Fall 2010 Election, Lazaro Cardenas, Jr.
   President ASUNM

3. Approval of UNM Taos Constitution and Bylaws, Kate O'Neil, Exec. Director UNM Taos

4. Approval of Master of Science Degree in Biomedical Engineering
   Steven Graves, Associate Professor, Chemical Nuclear Engineering

B. Information Items:

5. Student Fee Update, Richard Holder, Deputy Provost

6. Academic Prioritization Update, Suzanne Ortega, Provost & EVP Academic Affairs

Audit Committee, Regent Gene Gallegos, Chair, No Report

HSC – Health Sciences, Regent Jack Fortner, Chair, No Report

X. Public Comment

XI. Vote to close the meeting and to proceed in Executive Session
XII. Executive Session will be held from 11:30 a.m. – 1:00 p.m. in the Cherry Silver Room

   A. Discussion where appropriate of threatened or pending litigation pursuant to Section 10-15-1.H (7) NMSA (1978).

   B. Discussion where appropriate of limited personnel matters pursuant to Section 10-15-1.H (2), NMSA (1978),

XIII Vote to re-open meeting.

   C. Certification that only those matters described in Agenda Item X. were discussed in Executive Session. If necessary, final action with regard to those matters will be taken in Open Session.

XIV. Adjournment

MINUTES OF THE MEETING OF
THE REGENTS OF THE UNIVERSITY OF NEW MEXICO

November 9, 2010
Board of Regents Meeting 9:00 a.m. – 11:30 a.m. 1:00 p.m. – 3:00 p.m.
Student Union Ballroom C
Board of Regents Executive Session Luncheon
11:30a.m. – 1:00 p.m.
Cherry Silver Room

Attendance:

Regents present:
  Raymond G. Sanchez, President
  Jack L. Fortner, Vice President
  Carolyn J. Abeita, Secretary-Treasurer
  Don L. Chalmers
  J.E. “Gene” Gallegos
  James H. Koch
  Cate Wisdom

President unable to attend:
  Dr. David J. Schmidly

Acting President Present:
  Dr. Paul Roth

Executive Vice Presidents present:
  David Harris, EVP
  Provost Suzanne Ortega

Vice Presidents present:
  Eliseo Torres, Vice President, Student Affairs
  Julia Fulghum, Vice President, R&D
  Chris Vallejos, AVP Institutional Support Services
  Paul Krebs, Vice President, Athletics
  Helen Gonzales, Vice President for Human Resources
  Ava Lovell, Vice President and Controller
  Josephine Deleon, Vice President, Equity and Inclusion
  Carmen Alvarez Brown, Vice President Enrollment Management

Vice Presidents unable to attend:
  Steve McKernan, HSC Vice President, Hospital Operations

University Counsel Present:
  Lee Peifer, Interim Sr. Associate University Counsel
Regents’ Advisors present:
   Richard Wood, President, Faculty Senate
   Merle Kennedy, President, Staff Council
   Lissa Knudsen, President, GPSA
   Lazaro Cardenas, Jr., President, ASUNM
   Waneta Tuttle, President-Elect, Alumni Association
   Anne Yegge, Chair, UNM Foundation
   Maria Probasco, President, Parent Association
   Cynthia Stuart, President, Retiree Association

Regent President Sanchez presided and called the meeting to order at 9:00 a.m.

I. Confirmation of a Quorum; Adoption of the Agenda  Regent Sanchez

Motion approved unanimously to adopt the agenda (1st Chalmers, 2nd Koch).

II. Approval of Summarized Minutes of the September 14, 2010 BOR Meeting

Motion approved unanimously to approve the corrected minutes and calendar (1st Chalmers, 2nd Koch).

Regent Sanchez noted a correction to the summarized minutes of the September 14, 2010 BOR meeting: on page 13, change “Gonzales” to “Gallegos.”

Regent Sanchez welcomed the students attending the meeting, as well as faculty, staff and community members.

III. President’s Administrative Report,  Dr. Paul Roth, Acting President

Dr. Roth reported that Dr. Schmidly is in Albuquerque. He is recovering, though more slowly than he and we would wish. Dr. Roth relayed President Schmidly’s warm regards to all.

Dr. Roth commented on the election Nov. 2nd. He said the university is grateful that the Library Bonds passed, but it is unfortunate that the other bond issue concerning higher education did not.

The retreat for the Health Sciences Center November 19th will be attended by the regents, all the boards of the hospitals and medical group, the deans, chairs & other faculty leadership. Its goal is to understand what health care reform means in New Mexico and how UNM, as an academic health center, will have to evolve to best meet the needs of the residents of New Mexico. The concept of universal access, the need to manage increasing numbers of patients for primary care, and a whole new methodology in reimbursements are fundamental differences from the manner in which health care is delivered today. A specific action plan will be determined.

Dr. Roth encouraged all to attend the Veterans’ Day observances on campus.
IV. Comments from Regent’s Advisors (all reports are included in BOR E Book 11.9.2010 on Web.)

Faculty Senate, Richard Wood, President

Staff Council, Merle Kennedy, President

GPSA, Lissa Knudsen, President

ASUNM, Lazaro Cardenas, Jr., President

In addition to his report, Mr. Lazaro presented ASUNM Joint Resolution 9F encouraging the Board of Regents to stipulate that the destruction of Santa Ana dorm should not take place during this winter break and to support destruction of the building during the summer months.

Regent Fortner asked if the “move-outs” are actually scheduled during fall semester finals.

Mr. Lazaro said they no longer believe that to be the case, but the point needed to be raised.

Kim Murphy, Director, Real Estate, said that, in order to bring new main campus housing on-line by 2012, this scenario had been discussed. However, ACC has determined a phased plan that would allow Santa Ana to remain occupied through the spring semester.

Alumni Association, Waneta Tuttle, President-Elect

UNM Foundation, Anne Yegge, Chair
Regent Gallegos asked about the difference between the asset allocation described in the Foundation’s report and the asset allocation required by the investment policy recently adopted by the Foundation Board and the Regents.

Ms. Yegge responded that the allocation for the long term is on the agenda for the Investment Committee on Nov. 11th.

Parent Association, Maria Probasco, President

Retiree Association, Cynthia Stuart, President

President Sanchez moved Public Comment to precede Regents’ Comments on the agenda.

V. Public Comment
Mackenzie Walters, student: Spoke against ACC (American Campus Communities) disrupting the on-campus residence communities during construction of new student housing. She made the point that, when finished, it would compete with UNM’s residence halls and it would be a gated community with private amenities not available to non-residents. The financial segregation is not good for a residence community.

Ashleigh Reyna, student: Pleased that the issue of the destruction of Santa Ana hall during winter break has been addressed, she asked that students be included in any future planning regarding on-campus housing.

Euan Mitchell, student: Quoted several statistics on percentages of change in salaries, expenses and number of part-time and tenure/tenure track faculty. He asked the BOR and the administration reconsider their approach to allocation of funding cuts.

Susan Michie, community member: Requested more attention be paid to alternative transportation and public safety when deciding where new freshman housing is built.

Geno Signoracci, student: Said that proposed budget cuts are, in many cases, more that the entire operating budgets of some departments and asked that budget cuts be done in a way that will not eliminate these departments.

Liza Bloom, student: Said that while grad students appreciate the training that Provost Ortega will be providing, finding their own funding sources outside the university is the wrong approach, especially when they believe UNM has healthy reserves that could be used to that end.

Gloria Sanchez, research: Explained that these are opportunities for grad students who are interested in finding out about fellowships and scholarships that will support their research for master or PhD degrees and will not require them to teach. It will contribute to students’ professional development and, with the development of certificate programs, will enhance their CVs and employment opportunities.

Dawn Gunter, student: Asked that the housing plan follow a model that incorporates both ACC and the housing staff working together to create one community, rather than two.

Steve Elkins, Nob Hill Neighborhood Assn.: The neighborhood is concerned that planning and parking have not taken the neighborhoods into consideration. The association would like to prohibit freshman who live on campus from having cars, Girard narrowed from 4 lanes to 2, parking lanes on Campus Blvd. replaced by bicycle lanes, and more crosswalks.
Bethany Fehrenkamp, student: The Lobo Development meetings regarding on-campus housing are a good idea but are not publicized, do not disclose proprietary information, and thereby limit input from concerned parties.

VI. Regents’ Comments

Regent Wisdom thanked the students and community members for attending. She encouraged continued involvement, which will develop the best strategy to implement something that will have a positive affect at UNM.

Regent Fortner asked for clarification regarding access to the ACC residence facilities when that housing is built.

Kim Murphy: Each new dorm will have common spaces within the hall that will be used by the residents. However, those spaces will be open to everyone on campus. The second phase of development anticipates a community-sized common area, with many amenities, that will be open to the entire campus community.

Megan McRoberts (tbd) The experience of many former residents on campuses where there are ACC communities is that students who live in ACC housing are granted access to ACC facilities because of the price they pay to live there.

Regent Chalmers stated that there is no final agreement with ACC and there cannot be until there is an approved Strategic Housing Plan. These kinds of concerns and questions should be address in that plan.

Dr. Roth said, “On the budget issue, there are academic departments that cannot sustain an across the board 5%. There is no question in my mind. There will be no across the board 5% cut at the university.”

President Sanchez again thanked those who spoke and those who attended the meeting today. They are welcome at any time.

VII. Regent Committee Reports

Finance and Facilities Committee, Regent Don Chalmers, Chair

A. Consent Agenda (Finance and Facilities Committee meeting 10/26/2010)

Motion approved unanimously to approve all consent agenda items (1-10) (1st Chalmers, 2nd Koch).

Discussion: Regent Chalmers stated that all items had been thoroughly vetted by the F&F Committee.
1. Disposition of Surplus Property on list dated 10/8/2010, Bruce Cherrin, Procurement Officer (report in BOR eBook).

2. Approval of Contracts, Bruce Cherrin, Procurement Officer, Stephen McKernan, VP Hospital Operations, Helen Gonzales, VP Human Resources (reports in BOR eBook):
   1) UNMH-Philips-Medical Systems
   2) UNMH-Press Ganey Associates
   3) Office of Capital Projects-Dental Residency Clinic Equipment
   4) Human Resources-Retiree Health Benefits

3. Approval of, Vahid Staples, Budget Officer, (reports in BOR eBook):
   1) Architect Selection for UNMH Children’s Ambulatory Care Center
   2) Architect Selection for Facility for Advanced Cell Engineering
   3) Capital Project for Clinical and Translational Science Center, 3rd Floor Lab Ren. Phase 1
   4) Capital Project for Basic Medical Sciences Building (BSMB) Façade Repair

4. Approval of Resolution to Reallocate UNM 2007 Bond Proceeds, Andrew Cullen AVP, Budget (report in BOR eBook).

   Discussion: Andrew Cullen stated this is the 4th reallocation of Bond Proceeds related to the 2007 Issue. The spreadsheet in the book details all the prior reallocations related to these bond proceeds. This request reallocates $220,000 from the Student Support & Services Center to the Interdisciplinary Film & Digital Media and reallocating $3.5 million from the purchase of the UNM Press facility to the purchase of 1650 University. The UNM Press facility is currently leased from the Sandia Foundation and we will just continue that lease payment as opposed to buying the facility at this time.


7. Approval of the Amended Bylaws of Governing Board of UNM Harwood Foundation, Linda Warning, Chair Harwood Foundation (report in BOR eBook).

8. Approval of Lease Renewal for 2700 Yale NE, HSC Department of Emergency Medicine, Kim Murphy, Director Real Estate (report in BOR eBook).
9. Approval of McDonnell Investments for UNM Operational Funds & Modification to Regents’ Policy 7.21


B. Action Items

11. Approval of University Business Policies and Procedures 7000 for Main, Branch Campuses and HSC. FYE-2010, Andrew Cullen, AVP Budget, Ava Lovell, VP (report in BOR eBook)

Motion approved unanimously to accept the reports (1st Chalmers, 2nd Koch).

Discussion: Andrew Cullen: This item does not approve Policy 7.20 or any modifications to Policy 7.20. Rather, it is approving the various reports that have been developed for the Board’s use as it relates to policy 7.20. These UBPP 7000 Policy reports show ending balances and categorizes them as committed, dedicated or discretionary. At June 30th these balances totaled slightly over $10 million. These balances have even grown some because campus is preparing to fund the “pause and hold,” the use of balances and the 3.2% recession we’ve been predicting for the current year.

Regent Gallegos: I do not understand that you are going to “fund” pause and hold. I thought pause and hold meant that funds were not going to be spent.

Mr. Cullen: It is going to result in a reduction of expenditures in all of those departments because we are pulling back the revenue dollars to balance the budget. This conversation is strictly about main campus I & G.

Regent Chalmers: It appears that only $138,715 of the $1.2 million balance in the President’s office can be categorized as discretionary. Is that correct?

Mr. Cullen: Correct. It’s true there are some significant ending balances on campus, in both administrative and academic units. But in many instances there are commitments and dedications that result in far fewer dollars that can be categorized and used as discretionary. Non-instructional dollars have commitments against them as well.

Dr. Roth: It is my view that everything has to be on the table. The very last thing that we should consider for reductions are programs that directly affect faculty and students. So that means that everything else has to be on the table for making hard decisions. Either there’s a mechanism to increase revenue or to cut the expenses, but this type of trending cannot continue. The Provost is involved in a number of activities in an effort to prioritize programs. David
Harris is in the same mode. I will be sending out a plan that clarifies what our approach is.

Regent Gallegos: It seems to me there are a couple of items, like UNM Press and the golf course that we shake our heads, but they continue. We’re going to have to say something has to be done about those. I have trouble understanding that we have a bad debt amount of $6 million that we have to fund. Isn’t that simply that we don’t receive the revenue, but that doesn’t require an expenditure on our part, does it? Isn’t it like tuition that was never paid?

Mr. Cullen: It is, except that we have already booked the revenue and started the expenditures associated with them.

Regent Gallegos: You booked it as revenue even though it hadn’t been collected.

Mr. Cullen: Last year and this year we have funded the anticipated uncollected tuition. Prior to FY2010 that was not being done.

Ms. Lovell: The beginning fund balance for FY10 was $72 million. The ending fund balance for FY10 is $63 million. The decrease in fund balance is due mainly to the one-time funding of the SRMC capitalization needs. This is different from the balance in the letter because there are some Hospital balances in there. Taking out endowed spending, purchase order encumbrances, and contractual commitments leaves a fund balance of $26.185 million. The patient care balance of $23.7 million needed as working capital around patient care (for infrastructure, payments to doctors and nurses, billing and waiting to get paid) is taken out leaving a discretionary fund balance of about $2.422 million.

12. Approval of South Campus Fire Station (City of Albuquerque), Kim Murphy, Director, Real Estate (report in BOR eBook).

**Motion approved** unanimously to approve the real property exchange (1st Chalmers, 2nd Fortner).

Discussion: Mr. Murphy assured Regent Abeita that the fire station would include emergency services.

Regent Gallegos asked if the square footage value was the result of an appraisal and if the transaction required state Board of Finance approval.

Mr. Murphy: The per square foot value of the Gibson property is $10.20 per square foot, the price of the city property is $6.37 per square foot. Comparable sales in the area were used to derive the values; there was no appraisal. The state Board of Finance formal approval is required when
expending funds to acquire real property; an exchange of property just requires that the Board be given the information.

Regent Sanchez: This appears to me to provide safety for the University community and gives us the opportunity to work in collaboration with the City of Albuquerque.

C. Information Items:

13. Information re: Strategic Student Housing Plan-Main Campus, Kim Murphy, Director, Real Estate (report in BOR eBook)

Discussion: Mr. Murphy expressed appreciation to those who spoke about this issue earlier in the meeting. He committed to engaging those communities in an effort to satisfy their concerns. The university must determine what land is available for student housing. ACC will then prepare the Strategic Housing Plan and it will come back for review & approval by Lobo Development and the Board of Regents. He noted that the leasing office for Lobo Village in the SUB has been very successful.

In response to Regent Fortner’s question, Mr. Murphy said that students that are of age may consume alcoholic beverages, though not in public areas. Lobo Village is targeted at upper division students and must compete with private housing off campus. In new housing on Main Campus, the Main Campus housing rules would apply.

Mr. Murphy assured Regent Abeita that the apartment leases contain clauses that would specify penalties for violations of the housing policies.

Regent Wisdom was told that the current University Code of Conduct would apply and it does not need any changes to allow for the consumption of alcohol.

Regent Fortner expressed concern that the ACC housing facilities will not be available to all students; that it would have segregated facilities for the use of residents only.

Regent Koch noted that the legislature does not fund any student housing and there are still bond payments due on several dorms. He said it took too long to do Lobo Village and it was relatively easy. He believes this phase cannot be done by 2012. It is going to be difficult to decide where more housing will be and the entire campus community must be engaged in the discussion. It was confirmed to Regent Koch that in the future some of the ground lease money would be used to refurbish existing dorms for those that might not be able to afford ACC housing.
14. Review of Provost’s Administrative Unit Budget, Curt Porter, AVP Academic Affairs (report in BOR eBook)

Regent Sanchez suggested Regent Gallegos, and Regent Abeita, meet with the Provost to provide her with focused questions the BOR would like answered. Then her office can come back to the Facilities and Finance Committee meeting on Dec. 9th with the information.

15. Contract Information, Steve McKernan, HSC VP. Hospital Administration, Bruce Cherrin, Procurement Officer, Vahid Stapes, Budget Officer (report in BOR eBook).

1) UNMH-United Parcel Services
2) Cell Biology & Physiology-Leica Microsystems Inc.
3) Office of Capital Projects-Science & Math Learning Center

16. FY2011/2012 State Tuition Credit Calculation, Andrew Cullen, AVP, Budget (report in BOR eBook).


19. UNM Foundation Quarterly Performance Report, Anne Yegge, Chair, UNM Foundation (report in BOR eBook).


Regent Chalmers was excused from the balance of the meeting.

Academic/Student Affairs & Research Committee, Regent Carolyn J. Abeita, Chair.
No report.

Audit Committee, Regent Gene Gallegos, Chair (report in BOR eBook).

HSC – Health Sciences, Regent Jack Fortner, Chair.

A. Update on HSC Governance Reorganization, Dr. Paul Roth, Acting President & EVP HSC (report in BOR eBook).

Discussion: Regent Abeita and Dr. Roth clarified that there will be explicit changes in Regents’ Policies that will allow the structural changes described and those will be presented at the BOR on December 14th.
B. Update on Sandoval Regional Medical Center, Kevin Rogoles, President/CEO, SRMC

Regent Sanchez introduced Kevin Rogoles, the new President and CEO of SRMC. Report is included in BOR E Book on Web site.

VIII. Public Comment – None.

IX. Adjournment

Vote to close the meeting and to proceed in Executive Session.

Motion approved with no dissenting votes to proceed in Executive Session at 12:50 p.m. (1st Gallegos, 2nd Fortner, Chalmers excused).

X. Executive Session 12:50 p.m. – 1:50 p.m., Cherry Silver Room.

A. Discussion where appropriate of threatened or pending litigation pursuant to Section 10-15-1.H (7) NMSA (1978).

B. Discussion where appropriate of limited personnel matters pursuant to Section 10-15-1.H (2) NMSA (1978).

C. Discussion and determination where appropriate of limited personnel matters relating to consideration of Medical staff appointments, re-appointments and privileges, pursuant to Section 10-15-1.H (2) NMSA (1978).

XI. Vote to re-open the meeting

Motion approved to re-open the meeting at 1:50 p.m. (1st Fortner, 2nd Abeita)

D. Certification that only those matters described in Agenda item X. were discussed in Executive Session. If necessary, final action with regard to those matters will be taken in Open Session.

Motion approved to certify (1st Abeita, 2nd Fortner).

Motion approved to not reconsider decision on personnel matter. (1st Fortner, 2nd Abeita, Chalmers excused).

Motion approved to approve of Approval of Appointments, Reappointments and Expansion of privileges on list dated 9/3/2010 (1st Fortner, 2nd Abeita)

XII. Adjournment

Motion approved at 1:51 p.m. to adjourn the meeting (1st Fortner, 2nd Abeita)
Attachments provided at the meeting are included in BOR E Book posted on BOR web site.
http://www.unm.edu/regents/

1. Faculty Senate President’s comments.
2. Staff Council President’s comments.
3. GPSA President’s comments.
4. ASUNM Resolution.
5. UNM Retiree Foundation President’s Report.
6. Vice President/Controller’s handouts.
7. Director of Real Estate’s presentation.
8. AVP of Academic Affairs handouts.
9. UNM SRMC presentation.
November 19, 2010

Pug Burge
University of New Mexico
801 University Blvd, SE
Suite 207
Albuquerque, NM 87106

Dear Pug Burge:

Congratulations! You have earned EPA’s ENERGY STAR for Health Sciences and Service Building, 2500 Marble Ave., NE, Albuquerque, NM.

To help you celebrate your achievement and identify your building as one of America’s energy all-stars, enclosed is the ENERGY STAR plaque that bears the well-recognized ENERGY STAR logo. We encourage you to affix the plaque prominently near the exterior entrance of your building or in a frequently visited area of your building. Additional plaques are also now available for purchase and an order form is enclosed.

We are also excited to offer printer-ready static cling decals to be displayed on doors or windows of your ENERGY STAR building. We understand that there are often many entrances to a building so we hope the decals will help you spread the word that your building is an ENERGY STAR. To access the printer-ready static cling decals please visit www.energystar.gov/BuildingDecals. Files for creating your own flags and banners are also available from this link.

Your building is now listed on our ENERGY STAR registry at www.energystar.gov/buildinglist. If you have not already done so, we encourage you to submit a building profile and photo of your building as part of our on-line registry. These building profiles are often used by the media and others to highlight our nation’s leaders in energy efficiency. To learn more about submitting a profile, please visit www.energystar.gov/submitprofile.

We hope you will proudly use the ENERGY STAR certification mark (logo) and promote your success in press releases, newsletters and other communications. Please visit www.energystar.gov/BuildingCert to access the ENERGY STAR certification mark. For further information about the ENERGY STAR logo, please visit our logo use guidelines at www.energystar.gov/LogoUse.

Also, enclosed in this shipment are a Certificate of Achievement and the Statement of Energy Performance for your building. These items may also be displayed to celebrate the superior performance of your building.

Again, we congratulate you for your commitment to energy efficiency. As you continue to maintain a high level of performance, we look forward to receiving your application for the ENERGY STAR label again next year!

Sincerely,

Jean M. Lupinacci
Director, Commercial & Industrial Branch
ENERGY STAR

Enclosures:

(1) ENERGY STAR Labeled Building Plaque
(2) Certificate of Achievement
(3) Statement of Energy Performance
(4) ENERGY STAR Plaque Order Form
(5) ENERGY STAR Plaque Mounting Instructions
In recognition of superior energy performance, the U.S. Environmental Protection Agency awards the ENERGY STAR® to

Health Sciences and Service Building

Buildings that earn EPA’s ENERGY STAR use 35 percent less energy and generate 35 percent fewer greenhouse gas emissions than similar buildings across the nation.

November 19, 2010

Jean Lupinacci
Director, ENERGY STAR Commercial & Industrial Branch

Date
Materials will be available at the meeting.
To: Regents of the University of New Mexico  
From: Dr. Richard L. Wood  
       President of the Faculty Senate  
Date: December 6, 2010  
Re: Official Regent Advisor comments to the Board of Regents

The work of the Faculty Senate has recently been shaped by the confluence of our usual university governance activities with the UNM budget crisis, the changeover of administrations in Santa Fe, the upcoming legislative session, the recent announcement by the Educational Retirement Board, and the teaching tasks of the end of semester. The resulting Faculty Senate activities include the following:

1. *Policy development*: Faculty Senate committees have been making progress on proposed new policies to govern parental leave, faculty disciplinary procedures, how we will handle consideration of any proposed degree elimination or consolidation that emerges from the Provosts Academic Prioritization process, and encouraging instructors to facilitate electronic document access for students (rather than insist on paper printing) when this can be done without undermining educational outcomes. Some of these will produce policy proposals that will come before the Regents in coming months.

2. *Strategic budget work*: Even as Departments, Colleges, and other academic and administrative support units deal with the painful work of absorbing the recent 3.2% budget rescission (and the ongoing impact of prior cuts), the Faculty Senate has been working to minimize any further damage to the academic mission of the University arising from possible further cuts. This work is occurring with positive collaboration from the University’s fiscal and academic authorities, via the offices of the EVP for Administration, the Provost/EVP for Academic Affairs, and the Deans of the Colleges. First, the Faculty Senate Budget Committee (FSBC) – with faculty who bring to the table accounting expertise, management experience, and academic judgment, and active engagement with the administration – has exhaustively probed past expenditures and our current fiscal situation. They are confident that they now have a clear picture of how money has been used in the past and where funds are now held.

   Second, representatives of the Operations Committee and the FSBC have been meeting regularly with the Deans, the staff of the EVP for Administration, and the Provost in order to understand the fiscal elements in play as a proposed FY2012 budget is developed. This “strategic budget process” was endorsed by President Schmidly before his departure, and has been supported by EVP Harris, Provost Ortega, and Acting President Roth.
Third, the Operations Committee is planning for a Special Faculty Senate Meeting to examine the emergent budget picture for FY2012, probably for just before classes start in January.

Through these efforts, we intend to lay the groundwork for academically-guided and expertly-informed decision-making; and to use that groundwork for the coming fiscal year and for the long-term future. Of course, final budgets will be put together under the President’s direction and the Regents ultimate budget-setting authority; that will happen in March or April in a rather accelerated budget end-game, once the Legislature has acted on funding for higher education. Such fast budget-setting will best minimize damage to our academic mission in these hard budget days – and best advance our mission when a better fiscal picture emerges – if academic judgment and fiscal expertise lay the groundwork for it by working together.

3. Legislative Finance Committee:
Given the centrality of the Legislative Finance Committee in shaping UNM’s fiscal situation and (increasingly) in shaping other dimensions of our work, I met with the LFC senior staff (November 29, 2010) and addressed the full LFC Hearing on Higher Education (December 4, 2010). My comments focused on: a) Depth of faculty commitment to assuring that UNM meets its budget challenges while minimizing damage to our academic mission; b) Progress in forging a budget process to embody that commitment, including our endorsement of the need to eliminate the tuition credit (both its legislative and formula-based components) and to change the state funding formula to reflect the tasks of a research university; and c) We ask for fairness in any further budget cuts, taking into account the fact that UNM and the other research universities have absorbed the lion’s share of recent cuts. The full text of my comments to the LFC are attached here as an appendix.

4. Governmental Relations:
Faculty members Tim Ross (FS President-elect), Greg Heilman (FS Governmental Relations Committee), and Chaouki Abdallah (Chair of EECE) represented the Faculty Senate at the reception for the Legislative Finance Committee held near the Roundhouse, and sponsored by the UNM Office of Governmental Relations and President Schmidly and Acting President Roth. This event represented a good chance to build upon the excellent work of the Faculty Senate Governmental Relations Committee in building bipartisan relations with legislators via a town hall meeting, informal working sessions, and the UNM Forum on Higher Education.

5. Advancing our academic mission, even in hard budget times:
In difficult budget times, organizations are tempted to turn inward and lose a sense of strategic direction. We are fighting that tendency through all of the above, and by moving forward when strategic intellectual opportunities present themselves and can be pursued without immediate new investment. Thus, for example, the Faculty Senate has just approved a new M.A. degree and a new Ph.D.-level certification in Biomedical Engineering, faculty-led research has brought in more grant funding than ever before, and the OVPR’s office has launched new efforts to invest in research and creative work in the
6. **HSC restructuring:**

As reflected in my comments at the last meeting of the Board of Regents, the Operations Committee of the Faculty Senate supports the overall goal of the proposed HSC restructuring due to be considered at today's meeting: Re-organizing the reporting structure and consolidating HSC decision-making under one BoR subcommittee (the proposed HSC Board) can advance the HSC's work and better position the University within the new health environment that is emerging under national healthcare reform. As we considered the proposal in greater detail, we do want the University to assure that the restructuring does not unintentionally impact overall fiscal integration or governance process. As of this writing, we remain in dialogue with Acting President Paul Roth on these fronts, and hope that the final proposal for consideration on December 14 will fully address these concerns. Regarding governance, we note that the proposed HSC Board combines (for north campus) most of the functions of the BoR subcommittees for Academic & Student Affairs and for Finance & Facilities, and that the President of the Faculty Senate sits as a full member of ASA. In keeping with that fact and with the University's ideal of shared governance, we strongly request that one of the four proposed "community" members of the HSC Board be an official faculty representative (we suggest the Chairperson of the Faculty Senate's HSC Council) and that HSC students and staff have formal advisory status (that is, Advisors selected from among north campus students and staff, and serving within the GPSA and Staff Council structures).

7. **Educational Retirement Board:**

As you are aware, the ERB's announced approach to solvency has created great anxiety among UNM staff and faculty. The joint Faculty/Staff Benefits Committee officially opposed the initial proposal as announced, and as President of the Faculty Senate I co-signed a letter of opposition (also attached here) along with Acting President Paul Roth, Staff Council President Merle Kennedy, and President David Schmidly. Both those statements will be presented at the December 10 ERB hearing on behalf of the Faculty Senate. We are also supporting the efforts by the UNM chapter of the American Association of University Professors to argue for an approach to solvency that protects the interests of UNM faculty and staff.

8. **Campus Student Housing:**

The Central Campus Housing Subcommittee of the Campus Development Advisory Committee of the Faculty Senate has written a letter regarding appropriate planning and decision-making for further development of main campus to serve student housing needs. That letter is included here as an appendix.
Good morning, Mr. Chairman, Senators, and Representatives. I deeply appreciate the chance to be here this morning, because I think we faculty members have been remiss by not being in better touch over the years with our legislators and with this Committee in particular. In fact, I think the last time I was in this room was 1977, as a junior in high school doing “Youth in Government.”

I know you have a full agenda this morning, so I will be brief. I do not want to repeat the information already presented by President Dan Lopez, President Barbara Couture, and Acting President Roth. Rather, I endorse their statements and that of my colleague Dr. Cedric Page from UNM-Los Alamos regarding the importance of revising the funding formula for higher education to better distinguish the missions of our various institutions, as well as the need to do away with the tuition credit. I have two main points to make today:

1. University faculty understand the fiscal challenges that New Mexico faces, your efforts to balance the state budget, and our shared responsibility to meet those challenges.
2. Emerging from recent conflicts, UNM is working hard to address budget cuts responsibly while protecting our core work – that is, to minimize damage now while laying the groundwork to advance our mission of research, teaching, and service in the future.

UNM faculty are working to meet the fiscal challenges we face. We understand that the Legislature must find savings or enhance revenues in order to balance the state budget. We are working very hard at our end to find savings and enhance our revenues. For example, faculty are teaching bigger classes in departments throughout the University. This is not ideal for our students, but is inevitable given that student credit hours have increased by 25% over the last ten years, while total tenure-track faculty have remained essentially stagnant. We have also redoubled our efforts in the other half of our unique mission: research. Faculty-led research at UNM’s main campus brought in more than $170 million dollars in funded projects during FY2010, far and away an all-time high. For every dollar in faculty salaries on main campus (about $80 million), those faculty members bring in two dollars in research funding. That is important for New Mexico’s economy and for our students: research experience opens professional doors for them in the future. Third, we have shifted tenure-track teaching loads to cover more courses in the core curriculum and teach fewer small, more specialized courses. Again, not ideal, but necessary right now.

Overall, we are working hard to absorb past cuts and plan for future cuts while protecting our core mission as a true research university serving New Mexico’s students. More accurately, we are working to minimize damage to our core mission as deeper cuts take effect.
At the same time, we face the additional challenge of bringing the UNM community together by addressing the causes of the public conflicts we have experienced in recent years. My message since becoming president of the Faculty Senate has not been and is not now that “everything is okay, let’s move forward.” Rather, my message has been and continues to be “let’s come together to move forward precisely by focusing every decision tightly on our core mission” of research, teaching, and service to New Mexicans.

We appear to be succeeding in that effort. That’s not easy: most decisions involve money, and it is a truly brutal budget reality we face. But with shared leadership from key sectors among the faculty, the administration and staff, the Regents, and the students, we are striving to approach every decision under the light of its impact on our academic mission— not just for now but for the long term. We are looking systematically at faculty workloads, to assure that they reflect smart use of resources to serve our mission as both a research and teaching institution. Importantly, in some departments that includes “differential workloads,” whereby faculty who want to focus on teaching or have not sustained strong research productivity nor significant service burdens carry higher teaching loads. In addition, the Faculty Senate has launched a long-term project of real collaboration with the finance and academic data authorities within the University. With their active support, this has already produced real fiscal transparency and begun to underpin mission-driven decision-making. We have worked together to really understand how tuition credits and formula funding shape higher education in New Mexico, and in some cases distort it. And through all this, we are not just looking at cuts. Rather, we are using this crisis—and it is a real crisis, exacting profound pain in many ways—to lay the groundwork for stronger research and teaching excellence.

In summary, Mr. Chairman, Senators, Representatives, and LFC staff: We know that further belt-tightening is coming. But how deep it goes, and how it is done, matters greatly for New Mexico. We fundamentally ask that those measures be:

Fair: Who’s been cut deepest already? Who has been held largely immune until now? As Acting President Roth made clear this morning, the four year institutions have faced the lions share of recent cuts. New cuts should take this into account.

Smart: New cuts should reflect the unique mission of research universities for New Mexico, and the unique role of faculty, some kinds of staff, and some kinds of administrators in that mission.

Reward responsibility: When cuts are made, reward those who have responsibly handled recent cuts by giving them autonomy to implements the cuts in keeping with their own mission.

In closing, let me note that ‘politics’ has become a dirty word in America. But what you do as Senators, Representatives, and staff for state agencies is in fact public service. That service is especially crucial in our current hard times. For that, I want to thank you on behalf of faculty from around the state.
November 30, 2010

Dr. Paul Roth
Acting President
University of New Mexico

Dear Dr. Roth,

The Central Campus Housing Committee was appointed by the Campus Development Advisory Committee (CDAC) as a subcommittee to review and advise on the design and development of student housing on the central campus.

The student housing project represents a significant and exciting opportunity to generate a vibrant student life on campus, to provide a high quality freshman experience, and to enhance retention at UNM. There is a broad-based interest among various constituencies across the campus to ensure the success of this project.

However, there seems to be widespread confusion as to whom the owner and owner's representative is for the envisioned housing. Clearly, the University is the owner, not Lobo Development. With that in mind, and in the best interests of moving the process forward, we propose that the Owner's Representative, i.e., the single entity that should have final sign-off on each step of the process, should logically be the University Architect.

The University Architect would be able to bring together the numerous constituencies that have an interest in the project and who are not currently in communication with each other. In bringing these groups together the University would be able to generate insightful and coordinated feedback on the proposed development as it unfolds. The University Architect would ensure that the feedback is incorporated into the design and development of the project to achieve our common goal of a housing project that fulfills the academic mission of UNM and serves as a model campus community. The University Architect would also be diligent in securing the critical information in order to make responsible decisions with respect to all aspects of the phase 1 proposal. This includes:

- The developer's pro forma with respect to the amount of space that can be devoted to non-rent producing activities (e.g., lounges, study rooms, laundry, kitchenette, formal meeting rooms, dining, etc.), and the associated program that informs space planning - this is especially important to the University's academic mission related to the 'freshman transition experience', a major programmatic responsibility of the Phase 1 masterplan development, and the incorporation of the academic support spaces necessary for the success of this program.

- The masterplan vision for the campus housing village that includes all stages and indicates important urban design elements such as access, connectivity and movement, buildings and spaces, spatial experience, relationship to the campus edges, solar exposure, sustainable development strategies all necessary in creating the unique 'sense of place' that this important
legacy development must bring to the UNM East Campus.

- A clear statement from the developer that articulates to the University community what unique aspects they are bringing to the quality of the project, (e.g., enhancing resident life beyond the norm for student housing, improving the quality of the campus itself)

Considering the amount of planning and oversight needed, the projected start-date for construction in May 2011 is very tight. If ACC, working with the University Architect, Lobo Development, CDAC and the Design Review Board cannot reasonably meet this deadline while still achieving the quality that this University deserves, we recommend that the start-date of-construction be delayed in order to ensure that the process allows for careful decision-making.

We would like to assure you that this proposal is not in any way intended to be obstructive. We are proud of, and committed to, our campus and the University, and we want to contribute in a positive and meaningful way to the design and development of a first class housing community - one that enriches life on our campus, contributes to the community, and supports our students and our mission. We also feel that with a sound process in place we will be able to work successfully with American Campus Communities.

Respectfully submitted,

Alf Simon, on behalf of:
The Central Campus Housing Committee - a subcommittee of the Campus Development Advisory Committee (CDAC)

cc. David Harris Executive Vice President of Administration
Dr. Susanne Ortega, Ph.D. Provost and Exec VP for Academic Affairs
Chris Vallejos AVP Institutional Support Services
Richard Wood, Ph.D. President of Faculty Senate
Ms. Jan Goodwin
Executive Director
NM Educational Retirement Board
Post Office Box 26129
Santa Fe, New Mexico 87502

Dear Ms. Goodwin:

There is no doubt that the education retirement fund faces financial challenges that will require swift and decisive action. However, many of the proposed changes that have recently been released for comment by ERB are so abrupt and so disruptive to dedicated employees who have spent their careers working for education in New Mexico as to be unacceptable.

UNM staff and faculty are understandably alarmed. While enduring a succession of budget cuts, they have seen their paychecks erode and their benefits threatened. Yet they still strive to provide the excellent teaching, research, service and patient care demanded of this university by the citizens of the state. Those who have been in the ERB system for many years have trusted the system to keep the commitments it has made to them over those years. Others, like the faculty who were encouraged to switch to ERB just last year, do not want to see their trust misplaced. The proposed changes in length of service coupled with an increase in employee contributions threaten that trust.

We understand that the proposals released for comment are worst case scenarios and will no doubt be modified before being submitted to the Legislature. We encourage Board members to listen to the concerns of their constituents in higher education and in the public schools. UNM’s faculty and staff leadership, Human Resources Division and Government Relations Office are working on these important issues with the campus community and will be in contact with you.

Sincerely,

David J. Schramm, President

Richard Wood, President, Faculty Senate

Paul Roth, MD, Acting President
and EVP for Health Sciences

Merle Kennedy, President, Staff Council
Staff Council Report to the UNM Board of Regents

Merle Kennedy

President of Staff Council

December 2010

As we head into the holiday season, our anticipation of good times spent with family and friends is tempered with concern about what will happen in the upcoming legislative session and how our Educational Retirement pension fund will reach solvency. During the past month, the Staff Council leadership has met with many individuals across campus to discuss budget scenarios in anticipation of reduced funding. I want to thank the following individuals for seeking out our comments and hearing our concerns: Acting President Roth, Breda Bova, Provost Suzanne Ortega, EVP David Harris, Andrew Cullen, Carolyn Thompson, Susan McKinsey, Ava Lovell and Marc Saavedra. Day after day, the UNM staff work diligently to ensure that the academic mission of the University is carried out. It is our top priority. However, we will also continue work toward ensuring that budget reductions are implemented strategically and that all constituent groups on campus bear an equitable and fair burden of the impact of the reduced funding.

The Staff Council is working with Marc Saavedra and the Office of Government and Community Relations to have a presence during the 2011 Legislative Session. We attended the Legislative Finance Committee reception December 2, 2010 and met and talked with several legislators including the Chairman Lucky Varela and Vice Chairman John Arthur Smith. Our discussions revealed a recent more positive tone on the state of budget and ERB issues.

The Staff Council recognizes that the Educational Retirement Board is struggling to achieve an 80% solvency ratio for our pension fund, but the Staff Council does not support some of the drastic proposals to reach this solvency ratio recently outlined by the ERB. Over the past few years, staff has struggled to maintain financial stability while enduring no cost of living increases, higher health insurance fees, and a 1.5% increase in our employee retirement contributions. The proposals laid out by the ERB will further increase employee retirement contributions while increasing the amount of time worked before retirement. In addition, in a 2007 Fiscal Impact Report prepared by the LFC for the NM Legislature, entitled, Combine Educational and Public Retirement, the ERB writes, “legal issues exist with regard to changing plan benefits to those already vested in each system.” In light of this statement, the Staff Council questions the legality of changing the benefits of vested members in 2011 since the ERB questioned the legality of making changes in 2007. The Staff Council will continue to follow this issue closely. The December 10, 2010 ERB meeting will have occurred after I write this report so I will have additional comments concerning the ERB actions.
In November, the Staff Council Work+Life Committee embarked on a service project called, Operation Gratitude, which collected candy for military personnel serving our country overseas. I am proud to say that the Staff Council collected and shipped over 570 pounds of candy to Operation Gratitude headquarters in California. The candy will be sent to soldiers as holiday care packages.

In addition, the Staff Council Work+Life Committee is collecting pet items for the Third Annual PAWS Charity Drive for Shelter Pets. This service project provides donated pet items to the Animal Humane Association and City’s Animal Welfare Department. In the past two years, we have collected over twelve truckloads of items which were donated by the UNM community for these two animal welfare organizations.

Staff Council President-Elect Mary Clark worked with the Veteran’s Resource Center, the ROTC units, and the Student Veterans of UNM to organize a Veteran’s Day flag raising ceremony in front of Scholes Hall on November 11th. In addition, the names of New Mexicans who gave their lives in Iraq and Afghanistan were read in the Alumni Chapel.

Due to recent acts of workplace and campus violence around the country, the Staff Council has been concerned about our campus climate. President-Elect, Mary Clark has attended several anti-violence and anti-bullying workshops over the past month. She continues to take the lead on a new Staff Council initiative, entitled, UNM Staff Cares, which promotes comradery and compassion toward one another.

On Thursday, December 9th, the Staff Council, along with the President’s Office, presented three staff employees with the Gerald W. May Outstanding Staff Award. The recipients for 2010 are Marvin Gurule from University Services Shipping and Receiving, Marion McGranahan from Parking and Transportation and Candyce Torres from the Department of Civil Engineering. Dr. Roth presented each recipient with a plaque and a cash award of $1000. 2010 marks the 20th anniversary of this prestigious staff award program. The staff is very thankful to President May for establishing and endowing this award program.
Vision (Why we exist): *The Alumni Association is a vital partner in the continued excellence of the University of New Mexico through the significant engagement of alumni.*

Mission (What we are striving for): *To serve as a bridge between alumni and the university ensuring the continued success of the university and enriching the lives of alumni.*

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<thead>
<tr>
<th>Vision/Mission</th>
<th>Description</th>
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<tr>
<td>Strengthen collaboration with campus constituents to meet the needs of UNM.</td>
<td>UNM’s Office of the President, Government Relations and the Alumni Association’s Lobos for Legislation Committee hosted a reception for the Legislative Finance Committee (LFC) on December 2nd in Santa Fe at the Rio Chama Steakhouse. Over 100 people attended the reception including the following legislators: Senators: John Arthur Smith (LFC Vice-Chair), Carlos Cisneros, Carroll Leavell, Steven Neville, Mary Kay Papen and Cisco McSorley and Representatives: Lucky Varela (LFC Chairman), Donald Bratton, Jimmie Hall, Larry Larranaga, Kiki Saavedra and Don Tripp. In addition, David Abbey, the Director of the LFC was in attendance. The UNM Alumni Association’s Lobos For Legislation Committee is hosting a reception to welcome the new legislators on Thursday, January 6, 2011 at The Range Café in Bernalillo from 6:00-7:30 p.m. The UNM Alumni Association’s annual Legislative Appreciation Reception will be on Monday, January 31st at La Fonda Hotel in Santa Fe from 6:00 to 7:30 p.m. We hope all the Regents and Regent Advisors will mark their calendars to attend.</td>
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<td>Foster enduring involvement with pride in and commitment to UNM, its colleges, schools and programs.</td>
<td>Several alumni have volunteered to teach a workshop for the Student Transition and Engagement Program (STEP) next spring to juniors and seniors. This course provides students with valuable information on the next steps after graduation.</td>
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<td>Engage students in ways that will develop lifetime ties to UNM.</td>
<td>The Young Alumni group will introduce Fall Grads to the many programs and services provided by the Alumni Association by hosting a Welcome New Grad Wine &amp; Cheese reception at the University House on December 16, 2010 from 5:30-7:00 p.m. The Alumni Association will hand out a UNM Alumni portfolio/notebook as this year’s gift to all graduating seniors on Thursday, December 16, 2010 in the SUB Atrium from 11 a.m.-1 p.m. They will also receive an Alumni pin, information on the Association’s services and affinity programs, and register for a mini-diploma on-line. The Association expects to mail over 500 mini-diplomas.</td>
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<tr>
<td>Encourage community service and leadership among alumni and students.</td>
<td>UNM Young Alumni hosted a Halloween Costume drive for Cuidando los Ninos and collected enough costumes for each of the children at the center. Art supplies were also collected during the social event at the Apothecary Lounge. In November, Young Alumni participated as guest chefs at the Ronald McDonald House, serving dinner to over 70 family members staying at the home.</td>
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| Encourage community service and leadership among alumni and students (Continued) | In December Young Alums gathered for an evening social prior to the Nob Hill Shop and Stroll, collected **Toys for Tots** during **Hanging of the Greens**, and met to cheer on the Lobos at a game watch party as the Lobos defeated rivals, New Mexico State Aggies.

The **UNM Student Lettermen's Association** successfully held their 11th annual signature event, the "**Run for Relief.**" The event was held on Johnson Field on Sunday, October 30. The UNM athletic community came together to raise over $2,275.00 with 102 miles run! Over 51 student athletes and supporters participated in the event. |
| Communicate effectively with our diverse group of alumni. | The Winter issue of the **Mirage Magazine** was mailed to over 140,000 alumni and friends earlier this month. This issue introduces UNM's Acting President, Paul Roth to the alumni community and reflects on the Student Government Leaders over the years and how UNM shaped their careers and personal lives. It also recaps the activities, donors, honors and volunteers that made UNM's Homecoming a success. |
| Enhance services and benefits for alumni. | Alumni Association **Chapters** will be hosting various events for their regional alumni during the holiday season. |
UNM Foundation, Inc.
Chairman’s Report
Board of Regents Meeting
December 14, 2010

On Monday, November 29, The Chronicle of Philanthropy reported that nationally contributions in support of non-profit organizations are down for the first nine months of the calendar year. I am pleased to report that gift commitments in support of the University of New Mexico do not reflect this national trend.

The following table compares results the results through November 29th for the current and past fiscal years.

<table>
<thead>
<tr>
<th>Gift Commitments</th>
<th>FYTD 10/11</th>
<th>GOAL</th>
<th>FYTD 09/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Campus</td>
<td>15,191,982</td>
<td>24,855,733</td>
<td>14,614,742</td>
</tr>
<tr>
<td>HSC</td>
<td>3,025,278</td>
<td>7,000,000</td>
<td>765,367</td>
</tr>
<tr>
<td>Athletics</td>
<td>4,165,517</td>
<td>23,768,183</td>
<td>4,587,878</td>
</tr>
<tr>
<td>Other Campus Units</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>31,572,624</td>
<td>78,000,000</td>
<td>28,900,594</td>
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</table>

Specific highlights:

- 8% ahead of last year’s progress value.
- On pace to meet the $78 million goal for the fiscal year.
- 10 gift commitments received valued at $1 million or more each with a total value in excess of $20.5 million.
- 87 proposals each with a value of at least $50,000 before prospective donors with a total value in excess of $58.6 million.

Estate planning continues to be a strong donor preference with more than $15 million newly documented transactions completed. This value is 50% greater than the fiscal year goal for this gift type with only 40% of the year having elapsed.

The professional development staff is making progress consistent with expectations toward their non-financial achievement goals. As a result of the clear market preference for planned giving techniques at this time, the Office of Planned Giving has offered formal and informal seminars for both staff and constituents.

Actions in support of The Changing Worlds Campaign continue with heightened intensity and accomplishment. Key volunteer leaders are being recruited for overall campaign leadership and at the college/school level of volunteer engagement. Foundation Trustees are being solicited for their financial support.
Investment Update:
On November 24, 2010, Mercer announced that it has signed a definitive agreement to acquire Hammond Associates, the Foundation's current investment consultant. A copy of the press release is attached.

A request for proposals was executed on December 1, 2010 by the Foundation for investment advisory services. The RFP ends on February 2, 2011. The UNM Foundation's Investment Committee will review the proposals and make their recommendation to the UNM Foundation Board of Trustees and the Board of Regents for final approval, prior to the end of the fiscal year.
PRESS RELEASE:

Mercer to acquire Hammond Associates, significantly strengthening its US investment consulting position for endowments and foundations

- Acquisition creates a new leader in investment consulting for endowments, foundations and the private wealth and health care markets
- Transaction expands Mercer’s capabilities in alternatives investment
- Mercer’s international research capabilities complement Hammond’s US expertise

New York, November 24, 2010

Mercer announced today that it has signed a definitive agreement to acquire Hammond Associates, creating a new leader in investment consulting for endowments, foundations and the private wealth and health care markets. Upon completion of the transaction, Mercer will build upon Hammond’s position as the third largest investment consulting firm serving endowments and foundations in the US. The acquisition further enhances Mercer’s alternative research and investment capabilities and provides additional consulting opportunities in the private wealth and health care markets.

The acquisition of Hammond strengthens Mercer’s position in one of the fastest-growing segments of investment consulting in the US. In the period 2005 to 2009, endowment and foundation funds using investment consulting services grew at a compound rate of 10% annually, compared to a 5% annual rate of growth for both corporate and public funds in the US1. The transaction is expected to close at the end of 20102. Terms of the agreement were not disclosed.

“Our announcement is tangible evidence of Mercer’s commitment to our investment business and our determination to increase our US market share,” said M. Michele Burns, Chairman and Chief Executive Officer of Mercer. “Hammond is one of the three leading investment consulting firms serving endowments and foundations in the United States, and this acquisition clearly strengthens Mercer’s ability to serve this attractive client base. Mercer’s international research capabilities complement Hammond’s domestic expertise, which we believe provides additional growth opportunities. We foresee many global opportunities for cross-fertilization of expertise that will be beneficial to our clients and consultants.”

“Hammond has been a leader in investment consulting for endowments and foundations for 25 years, and more recently has invested in its hedge fund and alternatives research capabilities, complementing the investment Mercer has made in this area,” said Jeff Schutes, Mercer’s US Investment Consulting Leader. “In the current challenging investment market, we believe combining our resources will significantly improve our ability to help clients make informed, sound and strategic investment decisions.”

“We believe that Hammond’s US endowment and foundation clients will benefit from Mercer’s work not only with endowments and foundations worldwide, but also with the insights we have developed in working with a range of institutional investors worldwide,” said Mr. Schutes. “Many of these investors share the characteristics of long-term investment objectives and limited short term obligations, allowing them to consider investments in alternatives and other opportunities that offer less liquidity but potentially higher returns. Other advantages that will benefit clients include a deeper capital pool to fund initiatives such as technology and reporting improvements, and risk management analysis expertise to augment Hammond’s knowledge in this area and make additional risk management tools available.”

“We sincerely believe our clients will benefit from the experience, resources and global reach that result from this combination, which will result in a substantial increase in manager search and due diligence capabilities, including both traditional and alternative managers,” said Dennis Hammond, CEO and Founder of Hammond Associates. “Hammond’s client commitment and insights into the needs of endowments, foundations, and the private wealth..."
and health care markets will be supplemented by the global reach, professionalism and resources of Mercer. Both Mercer and Hammond have similar values and share a commitment to excellence.

About Hammond Associates

Hammond Associates, founded in 1985 and based in St. Louis, Mo., is one of the nation’s foremost institutional fund consultants. With more than 200 clients, it is the third largest investment consulting firm in the US focused on endowment and foundation clients. Its more than 120 investment professionals include former chief investment officers, academicians, researchers, management consultants and corporate financial executives.

About Mercer

Mercer is a leading global provider of consulting, outsourcing and investment services. Mercer works with clients to solve their most complex benefit and human capital issues, designing and helping manage health, retirement and other benefits. It is a leader in benefit outsourcing. Mercer’s investment services include investment consulting and multi-manager investment management. Mercer’s more than 20,000 employees are based in more than 40 countries. The company is a wholly owned subsidiary of Marsh & McLennan Companies, Inc., which lists its stock (ticker symbol: MMC) on the New York, Chicago and London stock exchanges. For more information, visit www.mercer.com.
1. **Family Weekend**: As promised at the November 9, 2010 meeting, I am excited to report on the Family Weekend attendance and funds raised during the Parent Association’s 1st Annual Golf Tournament benefiting UNM-students.

   - The Parent Association’s 1st Annual Golf Tournament held Friday, November 5, 2010, proved to be very successful in terms of revenue and players. The gross income received was $31,430 with a net income of $24,000. With the success of the Golf Tournament, the Parent Association will be awarding at least twenty-four, $1,000 scholarships to UNM-students. There were 75 players, 22 corporate sponsors and other business partners. A special thank you goes to Bob Notary, Golf Tournament Chair and the 25 parent volunteers who helped plan and organize this event, Executive Director Walt Miller, and his staff. I want to especially thank our sponsors whose names will be listed on our website. It was a great team with outstanding results benefiting students and we have already begun planning our 2nd Annual Golf Tournament.

   - Parent Association’s General Membership Meeting and Social: There were 145 parents, students and other guests who attended the Annual General Membership Meeting and Social on Saturday, November 6, 2010. Besides presenting the Association’s Annual Report at this meeting, we also recognized our 2010/2011 scholarship recipients and their families.

   - There was an average attendance of 68 persons for each of the following Family Weekend activities: Dinner at La Posada; Women’s Volleyball Game; Informational Workshops: Financial Aid/Scholarships; NSE/International Exchange; Tailgate Party; and Lobo Football Game.

2. **Parent Association Revised Bylaws and Memorandum of Understanding (MOU)**: The revised Parent Association Bylaws and MOU were sent to Melanie Baise, UNM Legal Counsel, for review. The intent was to have these part of today’s Agenda for this Committee’s review and approval. However, due to time limitations and clarifications, we will present these to you at the February 3, 2011 meeting.
3. **Legislative Initiatives:** The Parent Association has been meeting with the UNM Constituency Groups and the Administration on UNM’s Legislative Agenda and Budget as they prepare for the upcoming Legislative Session. The tuition tax credit is a primary item of interest/concern for parents and students.

4. **UNM 2010 Official Holiday Ornament:** This year’s official holiday ornament, featuring UNM’s Alumni Memorial Chapel and benefiting the University of New Mexico Parent Association is now on sale at all UNM Bookstore locations. The ornament was designed by artist, Jana Fothergill. The ornament is also available online at UNM Bookstore.

5. **Upcoming Events:**

- **3rd Annual Parent-Day-at-the-Pit and Silent Auction:** With the support of the Athletics Department, this event is scheduled for Saturday, March 5, 2011. This will be a great opportunity for our parents and supporters to enjoy the Lobos vs Air Force basketball game in the newly renovated Basketball Arena “The Pit.” A Silent Auction and reception will be held at the End Zone Club (also known as the President’s Pavilion). Save the date and join us for this fun-filled event!
MEMORANDUM

TO: Members of the Board of Regents

FROM: Lee Peifer, Interim University Counsel
Michele Huff, Interim Deputy University Counsel
Scot Sauder, Senior Associate University Counsel, Health Law Group

CC: Paul B. Roth, Acting President
David J. Schmidly, President
Carol Stephens, Policy Office

DATE: December 6, 2010

RE: Proposed HSC Governance Regent Policy Revisions

Attached is a packet of proposed revised Regents policies pertaining to the HSC Governance reorganization proposal.

After careful review, the Policy Office concluded that the earlier format of proposed revisions to Regent Policy 2.13 (which was originally presented to the Regents on November 16, 2010 and integrated a range of policy modifications into a single and very lengthy policy), was confusing and administratively burdensome. Therefore, the previously circulated Regent Policy 2.13 has been replaced by four separate proposed Regent policies, RPM §§ 3.4 through 3.7. The general structure of the Health Sciences Center, as well as the role of the new Chancellor for Health Sciences, is now addressed in proposed Regent Policy 3.4. The UNM Health Sciences Board of Directors, the new governance body for the Health Sciences Center and the “UNM Health System,” is created through proposed Regent Policy 3.5. The UNM Hospital Board of Trustees is now addressed in proposed Regent Policy 3.6. Proposed Regent Policy 3.7 delineates the University’s Institutional Compliance Program. We have included a track changes version of the draft Regent Policy 2.13 sent to the Regents on November 16th for your convenience.

Dr. Roth and the Policy Office are comfortable that this approach effectuates the organizational goals and objectives previously articulated to the Regents. The Policy Office and Office of University Counsel have reviewed all the policy revisions and concur with the substance thereof.

There are also conforming revisions to Regents policies 1.2, 2.16, 3.3, 7.6, 7.8 and 7.14. Some of these, if adopted, will necessitate changes to corresponding policies in the UBPPM.

If you have any questions, please do not hesitate to contact Carol Stephens at 220-4877, who will consult with our office as necessary.
REGENTS POLICY 2.13

THE UNM HEALTH SCIENCES CENTER
[supersedes Regents Policies 2.13, 2.13.1, 2.13.2, 2.13.3, 2.13.4]

Applicability

This policy applies to the academic and clinical programs, facilities and services operating under the University of New Mexico Health Sciences Center ("HSC") and, as provided more fully below, to the subsidiary corporations of the University related thereto. This policy also applies to those operations of the University that are deemed to be "health care components" of the University as set forth below.

Policy

II. Creation and Designation of UNM Health Sciences Center

A. Description of Component Units of UNM Health Sciences Center

The health care related education, research, and clinical programs and services offered by the University and/or provided in the University's facilities and those of certain of its University Research Park and Economic Development Act ("URPEDA") subsidiaries as described in this Policy are hereby designated as the "UNM Health Sciences Center," which is and shall be a distinct, component unit of the University, intended by this Policy to operate independently from other operations of the University. The clinical elements of the HSC are intended to be a fully integrated, academic health center and health care delivery system and will be collectively administered as the "UNM Health System."

The HSC consists of the School of Medicine, the College of Nursing, the College of Pharmacy, the Health Sciences Center Library & Informatics Center, the UNM Cancer Center, UNM Medical Group, Inc., a New Mexico non-profit and URPEDA corporation organized and formed by the University ("UNMMG"), UNM Sandoval Regional Medical Center, Inc., a New Mexico non-profit and URPEDA corporation organized and formed by the University ("UNM SRMC"), and several research and public service programs related to health sciences. The HSC also includes the University of New Mexico Hospital ("UNMH"), the University of New Mexico Children's Hospital (the "Children's Hospital"), the University of New Mexico Adult Psychiatric Center formerly known as the Mental Health Center ("Adult Psychiatric Center"), the UNM Children's Psychiatric Hospital ("CPH"), the Carrie Tingley Hospital ("CTH") and the outpatient facilities and clinics operated under the license(s) of the foregoing. In this Policy, UNMH, Children's Hospital, Adult Psychiatric Center,
The Regents hereby create and designate the “UNM Health Sciences Center Board of Directors” (the “HSC Board of Directors”) to oversee and govern the clinical, operational, financial, research, educational affairs of the HSC. The members of the HSC Board of Directors shall act only as a Board, and individual Directors shall have no power as such. In all cases, the HSC Board of Directors shall conduct its meetings and affairs in compliance with the New Mexico Open Meetings Act, N.M. STAT. ANN. § 10-15-1 et seq. (1978); and its records shall be subject to the New Mexico Inspection of Public Records Act, N.M. STAT. ANN. § 14-2-1 et seq. (1978). [Note: citations moved to reference section]

B. Composition of UNM Health Sciences Center Board of Directors

The HSC Board of Directors shall consist of seven (7) members appointed by the President of the Regents as provided in RPM 1.2 and shall consist of the following members:

1. Three (3) of the members of the HSC Board of Directors shall be Regents, one of which will be a member of the Regents’ Finance & Facilities Committee described in RPM 1.2; and

2. Four (4) of the members of the UNM Health Sciences Center Board of Directors shall be individuals who are not employees or officers of UNM or any of the component schools, colleges, or units of the HSC having the following characteristics: an established record of success in business, education, his or her profession, or research; an understanding of, an appreciation for, and a desire to support the non-profit, educational, and safety-net principles of an academic health center; and, recognized leadership on either a regional, statewide, or nationwide basis in areas of focus of the HSC. In this regard, one of the community members of the HSC Board of Directors shall be the sitting Chair of the UNM Hospitals Board of Trustees.

The members of the initial HSC Board of Directors shall be nominated by a nominating committee consisting of the Chancellor for Health Sciences, a member designated by the President of the Regents, and a member designated by the UNM Hospital Board of Trustees. Thereafter, the specific terms of office of each member of the HSC Board of Directors and the method and
manner for appointment and/or reappointment to the HSC Board of Directors shall be as specified in the HSC Board Bylaws, as defined and described in Section III.C. below.

G. Adoption of Bylaws for the UNM Health Sciences Center Board of Directors

At the organizational meeting of the HSC Board of Directors, the members thereof shall adopt Bylaws for the operation of the HSC Board of Directors (the "HSC Board Bylaws"). The HSC Board Bylaws, and any and all amendments thereto, shall be subject to Regental Regent review and approval.

D. Scope of Authority of UNM Health Sciences Center Board of Directors and Delegation of Authority Thereunto

The Regents hereby delegate, on a continuing basis, to the HSC Board of Directors the responsibility and authority for overseeing and governing the affairs of the HSC to the maximum extent permitted by the Constitution and laws of the State of New Mexico, as interpreted, from time to time, by the courts; provided, however, that consistent with the Regents' constitutional and statutory responsibilities, the Regents retain the right to consider, determine, and act upon any matter relating to the HSC and its component units in the exercise of their sound discretion. Subject to the foregoing, the Regents hereby delegate to the HSC Board of Directors as follows:

1. Matters as to which The HSC Board of Directors shall have approval authority to act upon:

   a. Oversight of Compliance by the HSC and each of the component schools, colleges, and units within the HSC and the employees thereof with applicable federal and state health care regulatory requirements as well as HSC-wide policies with respect thereto.

   b. Oversight of compliance by the HSC, and each of the component schools, colleges, and units with the HSC and the employees thereof with HIPAA, the HITECH Act, the HIPAA Regulations, and the University’s HIPAA compliance program as well as HSC-wide policies with respect thereto.

   c. Oversight of matters relating to The licensure, accreditation, planning, patient care, medical staff matters, quality assurance, and relationship with the component schools and colleges within the HSC and the other component units of the HSC. This shall include monitoring the outcomes of accreditation reviews and other peer evaluations. As to the UNM Hospital, the UNM Cancer Center, and UNM SRMC, review at least annually reports relating to licensure, including special services, accreditation, planning, patient care, medical staff matters including quality assurance, and any appropriate corrective action, and relationships with the schools and colleges comprising the HSC.
d. At appropriate intervals to be determined by the HSC Board of Directors, reports of financial matters relating to each school or college comprising the HSC as well as the Office of Research for the HSC, the UNM Hospital, UNM Cancer Center, UNMMG, UNM SRMC (and such other and future clinical enterprises and/or subsidiaries as may exist as a part of the HSC) including expenses and revenue by source, patient days and visits, and other pertinent financial data and information and financial planning.

e. Oversight of matters concerning The substantive aspects of policies and programs related to the educational philosophy and objectives of the HSC; and with educational planning, instruction, and research, including, without limitation, oversight of the administration of the University's policies with respect to intellectual property as it affects the HSC and assessing the HSC's educational, student activities research activities, and associated support programs for their relationship to the University's mission, vision, and values, as well as quality measures, and productivity, and cost; oversight of the manner in which the University's policies are administered as they affect the HSC and HSC faculty.

f. Monitoring The HSC's strategies in enrollment management, retention, and student diversity at each of its component schools and colleges and in their respective educational programs.

g. Assuring effective input from the HSC student, faculty, and staff advisors to the HSC Board. Oversight of the development and implementation of a system for interactive communication by and among the HSC Board, HSC leadership and faculty in respect of educational and research matters and affairs and student issues and affairs.

h. Taking such steps as may be necessary in the interests of the HSC in connection with budget requests and proposed legislation, in the absence of limitations imposed upon the HSC Board by the Regents.

i. Subject to RPM 7.8 describing financial settlements, Management and oversight of claims and/or lawsuits involving the HSC and/or the schools and colleges comprising the HSC, the UNM Hospital, UNMMG, UNM SRMC (and such other and future clinical enterprises and/or subsidiaries as may exist as a part of the HSC) and the development of a loss control program with respect thereto.

j. In the event of an emergency declared by the President as described in RPM 3.2, the HSC Board Chancellor for Health Sciences, in the exercise of reasonable judgment under the circumstances, is authorized to approve actions recommended by the Chancellor for Health Sciences as are necessary to safeguard persons or property or to maintain the HSC's educational, research and
clinical functions. Such actions shall remain in effect during the state of emergency, unless sooner cancelled by the President.

2. Matters as to which the HSC Board shall review and make recommendations to the Regents for final approval:

   a. Strategic planning and master facility planning for HSC clinical, educational, and research enterprise activities. In this connection, the HSC shall coordinate any such strategic plans and/or master facility planning with those under the purview of the President of the University.

   b. Developments, including pending legislation, involving significant changes in health care delivery and financing.

   c. Matters relating to New degrees, courses, and curriculum changes required by State law or desired by the colleges and schools comprising the HSC to promote academic excellence at the HSC.

   d. Matters relating to Tuition and fees to be charged at the colleges and schools comprising the HSC.

   e. Matters relating to The establishment or disestablishment of colleges, schools, and graduate divisions, organized multi-campus research units and other major research activities, special training programs, and public service undertakings.

   f. Establishing an annual HSC educational and research enterprise strategic plan for the University.

   g. Establishing new HSC academic degree programs. [Note: duplicate of item c above.]

   h. Proposing changes to Regents’ policies relative to HSC academic and student affairs.

   i. The HSC faculty tenure and promotion process to ensure expected outcomes are achieved in attracting and retaining outstanding faculty at the HSC and making recommendations to the Regents with respect to potential improvements thereto.

   j. The appointment of individuals to serve as members of the Boards of Directors of UNMMG and UNM SRMC, and such other and future Subsidiary Corporations formed to support the HSC, consistent with the provisions of the URPEDA.
k. The formation of one or more corporations in the future under the URPEDA to support the strategic plans and mission of the HSC and its component units.

l. The transfer of money, personal property, and real property to any one or more URPEDA corporations formed by the Regents to support the HSC and its component units, and the proposed terms thereof.

E. Relationship and Reporting to the Board of Regents

With the exception of matters within the jurisdiction of the Regents’ Audit Committee, the HSC Board of Directors shall report their recommendations for approval and actions taken to the Board of Regents, as a committee of the whole, at the Regents’ next regularly scheduled meeting. The HSC, the HSC Board of Directors, and the Chancellor for Health Sciences, shall coordinate their activities in the area of capital and operational budgeting, strategic planning, and master facility planning with those of the Board of Regents and its applicable committees and the Office of the President of the University. In this connection, actions and/or recommendations of the HSC Board of Directors in respect of annual capital and/or operational budgeting for the HSC shall be reported to the Board of Regents for normal consideration consistent with procedures established by the Board of Regents relative to the annual capital and/or operation budget of the remainder of the University.

Similarly, the HSC, the HSC Board of Directors, and the Chancellor for Health Sciences shall cooperate and coordinate their activities with those of the Regents’ Audit Committee and of the University’s Internal Audit Department.

All Regent committees established by the Regents for the oversight of the University as a whole shall, if the matter affects or impacts the HSC or the UNM Health System, or is otherwise subject to the jurisdiction of the HSC Board of Directors as set forth in this Policy, shall be presented for review and approval by the HSC Board of Directors prior to presentation to the Regents for final approval.

F. Relationship of UNM Health Sciences Center Board to Subsidiary Corporations

The respective Boards of Directors of UNM Medical-Group, Inc., UNM SRMC Sandoval Regional Medical Center, Inc., and any and all other future subsidiary corporations (each, a “Subsidiary Corporation” and, collectively, the “Subsidiary Corporations”) formed by the University to support the mission of the HSC under and pursuant to the URPEDA, N.M. Stat. Ann. § 21-28-1 et seq. (1978, as amended) or any successor statute thereto, shall have authority to manage the affairs of that Subsidiary Corporation within the parameters established by a Memorandum of Agreement to be executed by and between the HSC and each such Subsidiary Corporation to ensure the alignment of the strategic and long-term plans of each of the component units of the HSC. In this connection, the HSC Board of Directors shall oversee, provide strategic guidance, and monitor the clinical, business, research, educational, and development operations of the Subsidiary Corporations as described more fully above.
G. Designation of UNM Hospital Board of Trustees Policy and Amended and Restated Delegation of Authority

1. Terms of Delegation.

Under that certain Lease Agreement for Operation and Lease of County Healthcare Facilities between the Regents and the Board of County Commissioners of the County of Bernalillo (the “County” or the “County Commissioners”), dated as of July 1, 1999, and approved by the New Mexico Board of Finance on August 12, 1999, as amended by that certain First Amendment to Lease Agreement for Operation and Lease of County Healthcare Facilities dated as of November 18, 2004 (as amended, the “Lease”), the Regents are responsible for operation and maintenance of UNMH and the Mental Health Center. The Lease is effective as of October 8, 1999, the effective date of the Agreement Regarding Consent to Lease Agreement entered into between the Regents and the Indian Health Service which was amended by that certain First Amended Agreement Regarding Consent to Lease Agreement dated as of November 18, 2004 (as amended, the “Consent”).

The Lease provides for appointment of a combined nine-member governing board, which shall be known as the “UNM Hospital’s Board of Trustees” (hereinafter, the “UNMH BOT”) for the non-research, non-educational operations of the UNM Hospital, with such authority and powers as are delegated to the UNMH BOT by Regents’ policy and consistent with applicable federal and state laws and regulations and accreditation standards. The current delegation of authority and powers by the Regents to the UNMH BOT is set forth in Exhibit A to this policy (corresponding to Exhibit F to the Lease).

2. Relationship to the Board of Regents and to the UNM Health Sciences Center Board of Directors

The Regents may, but are not obligated to, by and through the HSC Board, designate a member of the Regents to attend meetings of the UNMH BOT and/or committee meetings of delegated committees of the UNMH BOT, for liaison purposes, but not as a voting member of the UNMH BOT.

Representatives of the UNMH BOT, as designated by the Chairperson of the UNMH BOT, will make periodic reports to the HSC Board of Directors, at least semi-annually, on matters within the UNMH BOT’s delegated responsibility and will report for ratification, all matters required to be ratified and approved by the governing body under applicable laws, regulations, or accreditation standards and Regents’ policies.

Actions by the UNMH BOT pursuant to this delegation are subject to approval or ratification by the HSC Board as required by applicable federal and state laws and regulations, accreditation standards, and provisions of the Lease. As provided in Section V of
the Lease, consistent with the Regents’ constitutional and statutory responsibilities, the Regents will retain the right to consider, determine, and act upon any matter relating to the UNM Hospital in a manner consistent with this Policy. However, neither the HSC Board nor the Regents will modify nor decline to ratify actions by the UNMH BOT, within the scope of the authority and powers delegated by the Regents to the UNMH BOT, except after consultation, with one or more representatives of the UNMH BOT designated by the Chairperson of the UNMH BOT.

IV. UNM Health Sciences Center Chancellor

A. Designation of Chancellor and Description of Position

The Regents hereby designate the Chancellor for Health Sciences who shall provide leadership and have administrative responsibility for all activities, operations, and programs of the HSC, consistent with University policies, recognizing that teaching, research, service and patient care are the foundations of an academic health center.

With the adoption of this Policy RPM 2.13, the position of Executive Vice President for Health Sciences is being eliminated and the position of Chancellor for Health Sciences is replacing the same. The current Executive Vice President for Health Sciences shall serve in the role of Chancellor for Health Sciences. Thereafter, whenever the position of Chancellor for Health Sciences becomes vacant, the President of the University, for and on behalf of the HSC Board of Directors, shall conduct a search for qualified candidates for the Chancellorship. Consistent with RPM 3.3, the search shall be conducted using an advisory search committee, the members of which may be nominated by the Regents, by the HSC Board in consultation with the University President, and/or by the University Community, with the final appointment to such advisory search committee being made by the President of the Board of Regents. The advisory search committee will recommend finalists for the position of Chancellor for Health Sciences. The President will carefully consider the recommendations of the advisory search committee and shall make a recommendation to the HSC Board of Directors as to the individual who will best serve the mission of the University and the HSC. The HSC Board of Directors shall have the ability to approve, modify or reject the President’s recommendation and shall submit such recommendation(s) to the Board of Regents for the final decision.

In this connection, the search may be conducted using an advisory search committee, the members of which advisory search committee may be nominated by the Regents, by the HSC Board in consultation with the University President, and/or by the University Community, with the final appointment to such advisory search committee being made by the President. The advisory search committee will recommend finalists for the position of Chancellor for Health Sciences. The President will carefully consider the recommendations of the advisory search committee and shall make a recommendation to the HSC Board of Directors as to the individual who will best serve the mission of the University and the HSC.

The President of the University shall recommend to the HSC Board of Directors the annual goals to be established for the Chancellor for Health Sciences in performing his or her job duties, who, in turn, shall make a recommendation with respect thereto for final approval to
the Board of Regents. The President of the University and shall, in the first instance, perform an evaluation of the Chancellor for Health Sciences’ performance in respect of such goals, and shall forward such evaluation to the HSC Board of Directors for its consideration, who shall make a recommendation with respect thereto for final approval to the Board of Regents.

The Chancellor for Health Sciences, serving in the role of chief executive officer of the UNM Health System, shall, subject to any limitations imposed in his/her employment contract, be the executive head of the HSC and shall have full authority and responsibility over the administration of all affairs and operations of, and all funds generated by the HSC as set forth in this Policy and other applicable Regent Policies and shall have general supervision over the affairs, property and financial resources, of the HSC and over its several officers and employees, and shall generally do and perform all acts incident to the office of a chief executive officer. With respect to the Institutional Compliance Programs identified more fully in RPM 3.7 below, the Chancellor for Health Sciences shall be designated and shall be the “institutional official” or designated official as the case may be for each Institutional Compliance Program at the HSC requiring the designation of such an official. In this regard, the Chancellor for Health Sciences shall have such additional powers, duties, and authorities as may from time to time be assigned to him/her by the Regents, the HSC Board of Directors, and/or the President of the University.

Additionally, the Chancellor for Health Sciences shall serve as the chief academic officer relative to colleges, schools, programs, and centers at the HSC and is responsible coordinating, developing, and improving the educational and research programs at the HSC, subject to any limitations imposed in his/her employment contract. In this connection, the Chancellor for Health Sciences will ensure that all HSC educational and research programs meet the standards of the State of New Mexico and all relevant and applicable accreditation bodies. The Chancellor for Health Sciences will oversee the Deans of the respective Colleges and Schools comprising the HSC and the work of the faculty in the colleges, schools, programs, and centers at the HSC. Moreover, with respect to faculty matters at the HSC all references in Faculty Handbook Policies to the Provost or the Provost’s Office shall mean or shall be interpreted to mean the Chancellor for Health Sciences or to the Office of Chancellor for Health Sciences.

B. Appointment of Additional Officers for the UNM Health Sciences Center

The Chancellor for Health Sciences may appoint such additional Deans of the component colleges and schools of the HSC and/or Officers of the HSC or the UNM Health System and such agents and employees as the Chancellor for Health Sciences may deem necessary, appropriate and advisable and may delegate to such Deans and/or Officers as is consistent with Regental policies and policies of the University that are applicable to the HSC.

D. Establishment of Administrative Business Policies and Procedures for the UNM Health Sciences Center

The Chancellor for Health Sciences may issue administrative policies and procedures related to HSC matters for the HSC and for the UNM Health System as long as the polices are not in conflict with policies in the Regents’ Policy Manual, Faculty Handbook, or the University Business Policies and Procedures Manual. The Chancellor for Health Sciences, in collaboration
with the University President and the University's Executive Vice President for Finance and Administration, shall promulgate Administrative Business Policies and Procedures, and from time to time amendments thereto, for the HSC and for the UNM Health System that are complimentary to and not materially inconsistent with the administrative policies set forth in the University Business Policies and Procedures Manual.

IV. Institutional Compliance Programs

The HSC will attempt to ensure at all times that its business (internally and with outside contractors) is conducted in accordance with the highest ethical standards and in compliance with the various federal and state laws and regulations applicable to its activities. To fulfill these obligations, the HSC has adopted and implemented an Institutional Compliance Program, which will include all compliance functions related to clinical, research and educational efforts at the HSC. These functions include, without limitation, clinical and clinical trials compliance, human research protection, animal research, biosafety, conflict of interest in research, human subjects protection, use of animals in education and research, export control compliance, research integrity, and fiscal compliance related to billing and federal grants, FERPA, and other educational compliance activities, as described in Section 5 of the Regents Policy Manual RPM 5.8, 5.9, 5.10, 5.11, 5.12, 5.13, 5.14, and 5.15 and corresponding policies set forth in the Faculty Handbook (collectively, the "HSC Institutional Compliance Programs and Requirements").

HIPAA and HITECH

Under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and Health Information Technology for Economic and Clinical Health Act, contained in the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5 ("HITECH Act"), and the regulations issued by the Department of Health and Human Services with respect thereto (collectively, the "HIPAA Regulations") the University is hereby deemed a "hybrid covered entity" within the meaning of the HIPAA Regulations. Certain components of the University, have been as-designated by a resolution of the Regents adopted on an annual basis, will be designated as "health care components" of the University. The "health care components" of the "hybrid covered entity" shall, at a minimum, include, but not be limited to, the Office of University Counsel and the HSC as described and defined in Section 1 of RPM 3.4 II.A of this Policy. Additionally, the University and the UNM Hospital each sponsor self-insured group health benefit plans for the benefit of their respective employees and their dependents and certain other self-insured medical, dental, prescription drug, and vision health benefit plans (collectively, the "UNM/UNMH Self-Insured Health Plans"). The UNM/UNMH Self-Insured Health Plans shall be considered an "organized health care arrangement" within the meaning of HIPAA, HITECH Act, and the HIPAA Regulations. As an organized health care arrangement and covered entity within the University, the UNM/UNMH Self-Insured Health Plans are considered "health care components" within the meaning of HIPAA and the HIPAA Regulations. All components of this organized health care arrangement will comply with HIPAA, HITECH Act, and the HIPAA Regulations, including all informatics technology security.
The Chancellor for Health Sciences will designate an individual to serve as the HSC Compliance Director to oversee, implement and report on the HSC Institutional Compliance Programs and Requirements. Additionally, the President of the University shall delegate to the Chancellor for Health Sciences responsibility to assure compliance with HIPAA, HITECH Act, and the HIPAA Regulations and to designate an individual to serve as the Privacy Officer in respect of the components of for the University’s health care components and organized health care arrangement.

References

- Hospital Funding Act, N.M. STAT. ANN. §§ 4-488-7 and -12 (1978); statutes applicable to Regents’ responsibility for the operation of Carrie Tingley Hospital, N.M. STAT. ANN. §§ 23-2-1 et seq (1978), and the Children’s Psychiatric Hospital N.M. STAT. ANN. § 23-8-1 (1978);
- 1999 Lease Agreement between Regents and County Commissioners of Bernalillo County as amended by the 2004 First Amendment to Lease Agreement;
- 1999 Agreement Regarding Consent to Lease Agreement between the Regents and the Indian Health Service, and the All-Indian Pueblo Council as amended by the 2004 First Amendment to the 1999 Agreement Regarding Consent to Lease Agreement. (Supersedes: 1996 Resolution Concerning Health Sciences Center; 1998 Supplemental Resolution Regarding the University of New Mexico Hospital Board of Trustees.) (Copies maintained by Office of the Executive Vice President for Health Sciences and the Office of University Counsel.)

AMENDED AND RESTATED
DELEGATION OF AUTHORITY AND POWERS BY REGENTS TO
THE UNIVERSITY OF NEW MEXICO HOSPITAL BOARD OF TRUSTEES

Revision Date: December 6, 2010

Delegation

The authority and powers listed below are delegated by the Regents of the University of New Mexico (the “Regents”) to the University of New Mexico Hospital Board of Trustees, (the “UNMH BOT”), pursuant to Section V of that certain Lease Agreement for Operation and Lease of County Healthcare Facilities dated as of July 1, 1999, as amended by that certain First Amendment to Lease Agreement for Operation and Lease of County Healthcare Facilities dated as of November 18, 2004 (as amended, the “Lease”), effective as of [INSERT DATE] (the “Delegation Effective Date”). This delegation shall continue in effect unless revised as provided in Section V of the Lease. This delegation amends, restates, and supersedes any and all previous delegations and/or conflicting or inconsistent provisions in Regents’ policies existing on the Delegation Effective Date, except for Regents’ policies revising this delegation in accordance with the provisions of Section V of the Lease. As provided in Section V of the Lease, consistent with the Regents’ constitutional and statutory responsibilities, the Regents will retain the right to consider, determine, and act upon any matter relating to the UNM Hospital and, subject thereto, the Regents hereby delegate the following authority and responsibility to the UNMH BOT, it being the intention of the Regents to designate, for licensure, accreditation, and governance purposes, the UNMH BOT as the “governing body” for the UNM Hospital:

1. Oversight and management of the non-research, non-educational operations of the UNM Hospital in a proper and responsible manner so as to enable the UNM Hospital to provide or arrange for provision of high quality healthcare services to patients of the UNM Hospital and to support the teaching and clinical research missions of the HSC; provided, however, that nothing contained in this delegation shall be construed to be a delegation of authority to the UNMH BOT of any matter covered and addressed by the University of New Mexico Labor Management Relations Resolution adopted by the Regents on May 9, 2006 (the “Labor Resolution”).

2. Review and recommend for approval to the UNM Health Sciences Center Board of Directors (“UNM HSC BOD”), in accordance with applicable Regent and/or University policy, the UNM Hospital’s annual operating and capital budgets.

3. Review and approve, or in appropriate circumstances recommend for approval, in accordance with applicable Regent, UNM HSC BOD, or University policy, the following:

(a) the procurement by the UNM Hospital of equipment (whether by purchase, lease, or other forms of acquisition[s]);

1 Capitalized terms not otherwise defined in this Exhibit A shall have the meanings ascribed to such terms in Regents’ Policy 2.12 Policies 3.4 & 3.6
(b) execution by the UNM Hospital of contracts for services with third parties; or

c) lease by the UNM Hospital of real estate.

In this connection, the UNM HSC BOD shall establish by resolution, the level of approval authority for the UNMH BOT with respect to Vendor Contracts, leases of real property, Trade Transactions, Third Party Payor Contracts and/or Strategic Transactions within the parameters of what are Approvable Transactions as set forth in Regents Policy 2.13.

4. Review and approve, in coordination with the UNM HSC BOD, the UNM Hospital’s operating plan and strategic plan.

5. Review and approval of policies of the UNM Hospital that require review and approval by the governing body under applicable laws, regulations or accreditation standards, subject to ratification by the UNM HSC BOD; other than policies that are covered by the Labor Resolution.

6. Review and approval, in accordance with applicable Regent or University policy and/or applicable accreditation standards, the Medical Staff Bylaws and the Medical Staff Rules and Regulations and amendments thereto.

7. Assurance that the Medical Staff has reasonable policies and procedures in place regarding credentialing of physicians and ancillary providers who practice at the UNM Hospital.

8. Receipt of and final action on recommendations of the Medical Staff related to appointment and reappointment of members of the Medical Staff and the granting of privileges to physicians and ancillary providers who practice at the UNM Hospital or at other patient care facilities as assigned by the HSC. In this connection, all action by the UNMH BOT related to the appointment and reappointment of members of the Medical Staff shall be fully effective at the time of such action, even if the affected Medical Staff member may have the ability to appeal the same to the Regents under Regents Policy 1.5. With respect to “Professional Review Actions” as defined in the Medical Staff Bylaws and related manuals and in applicable federal and state laws, rules, regulations, and accreditation standards, the affected member or members of the Medical Staff shall have such appellate rights as are specified in the Medical Staff Bylaws and related manuals.

9. Receipt of and action upon, as appropriate, periodic reports and recommendations of the Medical Staff and administrators of the UNM Hospital related to quality assurance for patient care delivered at the UNM Hospital.

10. Coordination with and oversight of any advisory/advocacy boards existing or created for UNM Hospital for other than research and education purposes, and establishment of reporting mechanisms between those advisory/advocacy boards and the UNMH BOT.

11. Review and recommendation as to the bylaws of advisory/advocacy boards of UNM Hospital and submission of the bylaws of those advisory/advocacy boards to the Regents for review and approval in accordance with applicable Regents’ policy.
12. **Subject to RPM 7.8 (with respect to financial settlements)**, Management and oversight of claims and/or lawsuits involving the UNM Hospital and, in coordination with the UNM HSC BOD, the development of a loss control program with respect thereto.

13. Oversight of, and action upon, issues involving compliance by the UNM Hospital and the employees thereof with applicable federal and state health care regulatory requirements including, without limitation, billing issues, anti-kickback statute issues, Stark law issues, and other regulatory requirements and with the HSC Institutional Compliance Program as contemplated in **RPM 3.7 Regents' Policy 2.13**.

14. Oversight of, and action upon, issues involving compliance by the UNM Hospital and the employees thereof with applicable federal and state health care regulatory requirements including, without limitation, compliance with HIPAA, HITECH and the regulations and with the University’s HIPAA compliance program as contemplated in **RPM 3.7 Regents' Policy 2.13**.
3.4 Subject: HEALTH SCIENCES CENTER AND SERVICES

Adopted: December 12, 1996
Amended: June 9, 1998
Amended: August 11, 1998
Amended: November 9, 1999
Amended: September 12, 2000
Amended: September 9, 2008 Revised Draft 12/5/10

Note: This proposed policy amends policy RPM 2.13 and includes limited language from 2.13.1 & 2.13.2. The majority of the language in RPM 2.13.1 & 2.13.2 is being deleted and will be moved in part to HSC administrative policies (attached documents show these deletions). New text shown in italics and underlined and text deleted from 2.13 is shown in strikeout. Text related to the UNM Hospital Board of Trustees currently found in RPM 2.13 is being moved to proposed policy RPM 3.6.

Applicability

This policy applies to the academic and clinical programs, facilities and services operating under the University of New Mexico Health Sciences Center (HSC) and, as provided more fully below, to the subsidiary corporations of the University related thereto. This policy also applies to those operations of the University that are deemed to be "health care components" of the University as set forth below.

Policy

The health care related education, research, and clinical programs and services offered by the University and/or provided in the University's facilities and those of certain of its University Research Park and Economic Development Act ("URPEDA") subsidiaries as described in this Policy are hereby designated as the "UNM Health Sciences Center," which is and shall be a distinct, component unit of the University, intended by this Policy to operate independently from other operations of the University. The clinical elements of the HSC are intended to be a fully integrated, academic health center and health care delivery system and will be collectively administered as the "UNM Health System."

1. Component Units of UNM Health Sciences Center

The Health Sciences Center HSC, a component part of the University of New Mexico and subject to the governance of the Board of Regents, consists of the School of Medicine, the College of Nursing, the College of Pharmacy; the Health Sciences Center Library & Informatics Center; the University of New Mexico UNM Cancer Research and Treatment Center, UNM Medical Group, Inc., ("UNMMG") a New Mexico non-profit and URPEDA corporation organized and formed by the University, UNM Sandoval Regional Medical Center, Inc., ("UNM SRMC") a New Mexico non-profit and URPEDA corporation organized and formed by the University, and several research and public service programs related to health sciences. The HSC also includes the University of New Mexico Hospital ("UNMH"), the University of New Mexico Children's Hospital (the
"Children’s Hospital"), the University of New Mexico Adult Psychiatric Center formerly known as the Mental Health Center ("Adult Psychiatric Center"), the UNM Children's Psychiatric Hospital ("CPH"), the Carrie Tingley Hospital ("CTH") and the outpatient facilities and clinics operated under the license(s) of the foregoing. In this Policy, UNMH, Children's Hospital, Adult Psychiatric Center, CPH, CTH and the outpatient facilities and clinics thereof shall be referred to collectively as the "UNM Hospital."

The HSC will also include such other and further clinics, centers, and programs developed and/or to be developed and operated by the HSC or any of the component units currently comprising the HSC or those added to the HSC at a future date.

The UNM Hospital is accredited as a single organization by The Joint Commission ("TJC"), whose standards require a single governing body, a single medical staff, and approval of medical staff credentialing decisions and oversight of quality assurance matters by the governing body. The UNM Hospital is served by the unified Medical Staff with unified Bylaws, Rules and Regulations, whose members are required to be employed by UNM or to have faculty appointments in the UNM School of Medicine.

The Regents' Health Sciences Center Committee has been designated pursuant to Regents’ Policy 1.2 to provide oversight of research and educational matters related to the Health Sciences Center. The Executive Vice President of Health Sciences (as identified and described below) shall make regular reports to the Regents’ Health Sciences Center Committee regarding matters of importance to the HSC.

2. Governance

The Regents hereby create and designate the “UNM Health Sciences Center Board of Directors” (the “HSC Board of Directors”) to oversee and govern the clinical, operational, financial, research, and educational affairs of the HSC and the UNM Health System with roles and responsibilities described in RPM 3.5. The UNM Hospital’s Board of Trustees is responsible for oversight and governance of the non-research, non-educational operations of the UNM Hospital.

3. UNM Health Sciences Center Chancellor

The Regents hereby designate the Chancellor for Health Sciences who shall provide leadership and have administrative responsibility for all activities, operations, and programs of the HSC and the UNM Health System, consistent with University policies, recognizing that teaching, research, service and patient care are the foundations of an academic health center.

With the adoption of this Policy, the position of Executive Vice President for Health Sciences is being eliminated and the position of Chancellor for Health Sciences is replacing the same. The current Executive Vice President for Health Sciences shall serve in the role of Chancellor for Health Sciences. Thereafter, whenever the position of Chancellor for Health Sciences becomes vacant, the President of the University, for and on behalf of the HSC Board of Directors, shall conduct a search for qualified candidates for the Chancellorship. The search may be conducted using an advisory search committee, and if so constituted the members of the advisory search committee may be nominated by the Regents, by the HSC Board in consultation with the University President, and/or by the University Community, with the final appointment to such advisory search committee being made by the President of the Board of Regents. The advisory
search committee will recommend finalists for the position of Chancellor for Health Sciences. The President will carefully consider the recommendations of the advisory search committee and shall make a recommendation to the HSC Board of Directors as to the individual who will best serve the mission of the University and the HSC. If no such search committee is constituted, the President of the University will make a recommendation to the HSC Board of Directors as to the individual who will best serve the mission of the University and the HSC. The HSC Board of Directors shall have the ability to approve, modify or reject the President’s recommendation and submit such recommendation(s) to the Board of Regents for the final decision.

The President of the University shall recommend to the HSC Board of Directors the annual goals to be established for the Chancellor for Health Sciences in performing his or her job duties, who, in turn, shall make a recommendation with respect thereto for final approval to the Board of Regents. The President of the University shall perform an evaluation of the Chancellor for Health Sciences’ performance in respect of such goals, and shall forward such evaluation to the HSC Board of Directors for its consideration, who shall make a recommendation for final approval to the Board of Regents.

The Chancellor for Health Sciences, serving in the role of chief executive officer of the UNM Health System, shall, subject to any limitations imposed in his/her employment contract, be the executive head of the HSC and shall have full authority and responsibility over the administration of all affairs and operations of, and all funds generated by the HSC as set forth in this Policy and other applicable Regent Policies and shall have general supervision over the affairs, property and financial resources, of the HSC and over its several officers and employees, and shall generally do and perform all acts incident to the office of a chief executive officer. With respect to the Institutional Compliance Programs identified more fully in RPM 3.7, the Chancellor for Health Sciences shall be designated and shall be the “institutional official” or designated official,” as the case may be for each Institutional Compliance Program at the HSC requiring the designation of such an official. In this regard, the Chancellor for Health Sciences shall have such additional powers, duties, and authorities as may from time to time be assigned to him/her by the Regents, the HSC Board of Directors, and/or the President of the University.

Additionally, the Chancellor for Health Sciences shall serve as the chief academic officer relative to colleges, schools, programs, and centers at the HSC and is responsible for coordinating, developing, and improving the educational and research programs at the HSC, subject to any limitations imposed in his/her employment contract. In this connection, the Chancellor for Health Sciences will ensure that all HSC educational and research programs meet the standards of the State of New Mexico and all relevant and applicable accreditation bodies. The Chancellor for Health Sciences will oversee the deans of the respective colleges and schools comprising the HSC and the work of the faculty in the colleges, schools, programs, and centers at the HSC. Moreover, with respect to faculty matters at the HSC all references in Faculty Handbook Policies to the Provost or the Provost’s Office shall mean or shall be interpreted to mean the Chancellor for Health Sciences or to the Office of Chancellor for Health Sciences.
3.1. Authority in an Emergency

In the event of an emergency declared by the President as described in RPM 3.2, the Chancellor for Health Sciences, in the exercise of reasonable judgment under the circumstances, is authorized to approve actions as are necessary to safeguard persons or property or to maintain the HSC's educational, research and clinical functions. Such actions shall remain in effect during the state of emergency, unless sooner cancelled by the President.

3.2. Appointment of Additional Officers for the UNM Health Sciences Center

The Chancellor for Health Sciences may appoint such additional deans of the component colleges and schools of the HSC and/or officers of the HSC or the UNM Health System and such agents and employees as the Chancellor for Health Sciences may deem necessary, appropriate and advisable and may delegate to such deans and/or officers as is consistent with Regent policies and policies of the University that are applicable to the HSC.

3.3. Policies and Procedures for the UNM Health Sciences Center

The Chancellor for Health Sciences may issue administrative policies and procedures related to HSC matters for the HSC and for the UNM Health System as long as the polices are not in conflict with policies in the Regents’ Policy Manual, Faculty Handbook, or the University Business Policies and Procedures Manual.

References

University Research Park and Economic Development Act, N.M. STAT. ANN. § 21-28-1 et seq. (1978, as amended); RPM 3.2 “Authority in an Emergency”; RPM 3.4 “Health Sciences Center and Services”; RPM 3.5 “Health Sciences Center Board of Directors”; RPM 3.7 “UNM Hospital Board of Trustees.”

Comments should be sent to BRPM@UNM.edu www.unm.edu/~brpm

Regents' Policy Manual Homepage Table of Contents Section 3 Contents Index UNM Homepage
3.5 Subject: UNM HEALTH SCIENCES BOARD OF DIRECTORS
Adopted: New Policy Draft 12/5/10

Note: This is a new policy establishing the HSC Board of Directors.

Applicability

This policy applies to the clinical, operational, financial, research, and educational affairs of the UNM Health Sciences Center ("HSC") and the UNM Health System established under RPM 3.4.

Policy

The Regents hereby create and designate the "UNM Health Sciences Center Board of Directors" (the "HSC Board of Directors") to oversee and govern the clinical, operational, financial, research, and educational affairs of the HSC and the UNM Health System. The members of the HSC Board of Directors shall act only as a Board, and individual directors shall have no power as such. In all cases, the HSC Board of Directors shall conduct its meetings and affairs in compliance with the New Mexico Open Meetings Act, and its records shall be subject to the New Mexico Inspection of Public Records Act.

1. Composition

The HSC Board of Directors shall consist of seven (7) members appointed by the President of the Regents of Regents as provided in RPM 1.2 and shall consist of the following members:

- Three (3) of the members of the HSC Board of Directors shall be Regents, one of which will be a member of the Regents’ Finance & Facilities Committee described in RPM 1.2; and

- Four (4) of the members of the UNM Health Sciences Center Board of Directors shall be individuals who are not employees or officers of UNM or any of the component schools, colleges, or units of the HSC having the following characteristics: an established record of success in business, education, his or her profession, or research; an understanding of, an appreciation for, and a desire to support the non-profit, educational, and safety-net principles of an academic health center; and, recognized leadership on either a regional, statewide, or nationwide basis in areas of focus of the HSC. In this regard, one of the community members of the HSC Board of Directors shall be the sitting Chair of the UNM Hospitals Board of Trustees.

The members of the initial HSC Board of Directors shall be nominated by a nominating committee consisting of the Chancellor for Health Sciences, a member designated by the President of the Regents, and a member designated by the UNM Hospital Board of Trustees.
Thereafter, the specific terms of office of each member of the HSC Board of Directors and the method and manner for appointment and/or reappointment to the HSC Board of Directors shall be as specified in the HSC Board Bylaws, as defined and described below.

2. Bylaws

At the organizational meeting of the HSC Board of Directors, the members thereof shall adopt Bylaws for the operation of the HSC Board of Directors (the “HSC Board Bylaws”). The HSC Board Bylaws, and any and all amendments thereto, shall be subject to Regent review and approval.

3. Scope of Authority

The Regents hereby delegate, on a continuing basis, to the HSC Board of Directors the responsibility and authority for overseeing and governing the affairs of the HSC and the UNM Health System to the maximum extent permitted by the Constitution and laws of the State of New Mexico, as interpreted, from time to time, by the courts; provided, however, that consistent with the Regents' constitutional and statutory responsibilities, the Regents retain the right to consider, determine, and act upon any matter relating to the HSC and its component units in the exercise of their sound discretion. Subject to the foregoing, the Regents hereby delegate to the HSC Board of Directors as follows:

3.1 The HSC Board of Directors shall have authority to act upon the following:

a. Compliance by the HSC and each of the component schools, colleges, and units within the HSC and the employees thereof with applicable federal and state health care regulatory requirements as well as HSC-wide policies with respect thereto.

b. Compliance by the HSC and each of the component schools, colleges, and units within the HSC and the employees thereof HIPAA, the HITECH Act, the HIPAA Regulations, and the University's HIPAA compliance program as well as HSC-wide policies with respect thereto.

c. The licensure, accreditation, planning, patient care, medical staff matters, quality assurance, and relationship with the component schools and colleges within the HSC and the other component units of the HSC. This shall include monitoring the outcomes of accreditation reviews and other peer evaluations. As to the UNM Hospital, the UNM Cancer Center, and UNM SRMC, review at least annually reports relating to licensure, including special services, accreditation, planning, patient care, medical staff matters including quality assurance, and any appropriate corrective action, and relationships with the schools and colleges comprising the HSC.

d. At appropriate intervals to be determined by the HSC Board of Directors, reports of financial matters relating to each school or college comprising the HSC as well as the Office of Research for the HSC, the UNM Hospital, UNM Cancer Center, UNMMG, UNM SRMC (and such other and future clinical enterprises and/or subsidiaries as may
exist as a part of the HSC) including expenses and revenue by source, patient days and visits, and other pertinent financial data and information and financial planning.

e. The substantive aspects of policies and programs related to the educational philosophy and objectives of the HSC; assessing the HSC's educational and student activities, research activities, and associated support programs for their relationship to the University's mission, vision, and values, as well as quality measures, productivity, and cost; oversight of the manner in which the University's policies are administered as they affect the HSC and HSC faculty.

f. The HSC's strategies in enrollment management, retention, and student diversity at each of its component schools and colleges and in their respective educational programs.

g. Assuring effective input from the HSC student, faculty and staff advisors to the HSC Board.

h. Taking such steps as may be necessary in the interests of the HSC in connection with budget requests and proposed legislation, in the absence of limitations imposed upon the HSC Board by the Regents.

i. Subject to RPM 7.8 (describing financial settlements), claims and/or lawsuits involving the HSC and/or the schools and colleges comprising the HSC, the UNM Hospital, UNMMG, UNM SRMC (and such other and future clinical enterprises and/or subsidiaries as may exist as a part of the HSC) and the development of a loss control program with respect thereto.

3.2 Matters as to which the HSC Board shall review and make recommendations to the Regents for final approval:

a. Strategic planning and master facility planning for HSC clinical, educational, and research enterprise activities. In this connection, the HSC shall coordinate any such strategic plans and/or master facility planning with those under the purview of the President of the University.

b. Developments, including pending legislation, involving significant changes in health care delivery and financing.

c. New degrees, courses, and curriculum changes required by State law or desired by the colleges and schools comprising the HSC to promote academic excellence at the HSC.

d. Tuition and fees to be charged at the colleges and schools comprising the HSC.

e. The establishment or disestablishment of colleges, schools, and graduate divisions, organized multi-campus research units and other major research activities, special training programs, and public service undertakings.
f. Establishing an annual HSC educational and research enterprise strategic plan for the University.

g. Proposing changes to Regents' policies relative to HSC academic and student affairs.

h. The HSC faculty tenure and promotion process to ensure expected outcomes are achieved in attracting and retaining outstanding faculty at the HSC and making recommendations to the Regents with respect to potential improvements thereto.

i. The appointment of individuals to serve as members of the Boards of Directors of UNMMG and UNM SRMC, and such other and future subsidiary corporations formed to support the HSC consistent with the provisions of the URPEDA.

j. The formation of one or more corporations in the future under the URPEDA to support the strategic plans and mission of the HSC and its component units.

k. The transfer of money, personal property, and real property to any one or more URPEDA corporations formed by the Regents to support the HSC and its component units and the proposed terms thereof.

4. Relationship and Reporting to the Board of Regents

With the exception of matters within the jurisdiction of the Regents' Audit Committee, the HSC Board of Directors shall report their recommendations for approval and actions taken to the Board of Regents, as a committee of the whole, at the Regents’ next regularly scheduled meeting. The HSC, the HSC Board of Directors, and the Chancellor for Health Sciences, shall coordinate their activities in the area of capital and operational budgeting, strategic planning, and master facility planning with those of the Board of Regents and its applicable committees and the Office of the President of the University. In this connection, actions and/or recommendations of the HSC Board of Directors in respect of annual capital and/or operational budgeting for the HSC shall be reported to the Board of Regents for normal consideration consistent with procedures established by the Board of Regents relative to the annual capital and/or operation budget of the remainder of the University.

Similarly, the HSC, the HSC Board of Directors, and the Chancellor for Health Sciences shall cooperate and coordinate their activities with those of the Regents’ Audit Committee and of the University’s Internal Audit Department.
All Regent committees established by the Regents for the oversight of the University as a whole shall, if the matter affects or impacts the HSC or the UNM Health System, or is otherwise subject to the jurisdiction of the HSC Board of Directors as set forth in this Policy, shall be presented for review and approval by the HSC Board of Directors prior to presentation to the Regents for final approval.

5. Relationship to Subsidiary Corporations

The respective Boards of Directors of UNMMG, UNM SRMC and any and all other future subsidiary corporations formed by the University to support the mission of the HSC under and pursuant to the URPEDA or any successor statute thereto, shall have authority to manage the affairs of that Subsidiary Corporation within the parameters established by a Memorandum of Agreement to be executed by and between the HSC and each such Subsidiary Corporation to ensure the alignment of the strategic and long-term plans of each of the component units of the HSC. In this connection, the HSC Board of Directors shall oversee, provide strategic guidance, and monitor the clinical, business, research, educational, and development operations of the Subsidiary Corporations as described more fully above.

References

New Mexico Open Meetings Act, N.M. STAT. ANN. § 10-15-1 et seq. (1978); New Mexico Inspection of Public Records Act, N.M. STAT. ANN. § 14-2-1 et seq. (1978); University Research Park and Economic Development Act, N.M. STAT. ANN. § 21-28-1 et seq. (1978, as amended). RPM 3.4 “Health Sciences Center and Services”; RPM 3.6 “UNM Hospital Board of Trustees”; and RPM 3.7 “Institutional Compliance Program.”

Comments should be sent to BRPM@UNM.edu
www.unm.edu/~brpm

RPM 3.5 draft highlighted for Regents 12/6/2010 11:28 AM
3.6 Subject: UNM HOSPITAL BOARD OF TRUSTEES
Revised Policy Draft: 12/5/10

This proposed policy includes portions of current Regents' Policy 2.13 pertaining to the UNM Hospital Board of Trustees. New text shown in *italics and underlined* and deleted text is shown in *strikeout*.

**Applicability**

*This policy applies to the oversight and governance of the clinical, operational and financial affairs of the UNM Hospital.*

**Policy**

Under that certain Lease Agreement for Operation and Lease of County Healthcare Facilities between the Regents and the Board of County Commissioners of the County of Bernalillo (the “County” or the “County Commissioners”), dated as of July 1, 1999, and approved by the New Mexico Board of Finance on August 12, 1999, as amended by that certain First Amendment to Lease Agreement for Operation and Lease of County Healthcare Facilities dated as of November 18, 2004 (as amended, the “Lease”), the Regents are responsible for operation and maintenance of UNMH and the Mental Health Center. The Lease is effective as of October 8, 1999, the effective date of the Agreement Regarding Consent to Lease Agreement entered into between the Regents and the Indian Health Service which was amended by that certain First Amended Agreement Regarding Consent to Lease Agreement dated as of November 18, 2004 (as amended, the “Consent”). The Lease provides, among other things, that the University will have exclusive responsibility and authority to control and manage the UNM Hospital in accordance with terms of the Lease. Consistent with the Regents’ constitutional and statutory responsibilities, the Regents retain the right to consider, determine, and act upon any matter relating to the UNM Hospital. Consistent with provisions of the Lease and for purposes of compliance with federal and state laws and regulations and accreditation standards applicable to healthcare facilities, the Regents are the ultimate governing body of the UNM Hospital.

The Lease provides for appointment of a combined nine-member governing board, which shall be known as the “UNM Hospital’s Board of Trustees” (hereinafter, the “UNMH BOT”) for the non-research, non-educational operations of the UNM Hospital, with such authority and powers as are delegated to the UNMH BOT by Regents’ policy and consistent with applicable federal and state laws and regulations and accreditation standards. The current delegation of authority and powers by the Regents to the UNMH BOT is set forth in Exhibit A to this policy (corresponding to Exhibit F to the Lease). Neither the Regents nor the UNMH BOT itself may change such delegation without prior notification to the County and consultation with the County if the County requests such consultation. Representatives of the UNMH BOT, designated by the chairperson of the UNMH BOT, shall make regular reports to the Regents concerning matters covered by the Exhibit A delegation, reviewed, and recommended by the UNMH BOT for approval to the Regents in accordance with applicable Regent or University Policy.

The Regents will have authority to appoint seven of the UNMH BOT members, and the County Commissioners will have authority to appoint two of the UNMH BOT members. At least one Regent appointed member of the UNMH
BOT will be a Pueblo Indian, as required by the contract between the County and the federal government for provision of care to Native Americans. Voting Board members will not include either County Commissioners or Regent members.

The chief administrative and medical officers of the UNM Hospital are appointed, and may be removed by, the Executive Vice President of Health Sciences. The Vice President of Hospital Operations and Chief Executive Officer of the UNM Hospital is responsible for day-to-day administration and management of the business and administrative operations of, and the clinical operations in support of delivery of medical care by, the UNM Hospital. The Vice President of Clinical Affairs/Senior Associate Dean of Clinical Affairs, School of Medicine, is responsible for medical direction of the UNM Hospital, including, but not limited to, delivery of medical care by, and related activities of, the HSC Medical Staff. They are also charged with reporting to the UNMH BOT regarding matters involving their respective authorities and responsibilities for the UNM Hospital. The Executive Vice President shall have the authority to appoint such other directors or administrators as in his or her judgment are necessary to carry out the functions of the Health Sciences Center.

Relationship to the Board of Regents and to the UNM Health Sciences Center Board of Directors

The Regents may, but are not obligated to, by and through the HSC Board, designate a member of the Regents to attend meetings of the UNMH BOT and/or committee meetings of delegated committees of the UNMH BOT, for liaison purposes, but not as a voting member of the UNMH BOT.

Representatives of the UNMH BOT, as designated by the Chairperson of the UNMH BOT, will make periodic reports to the HSC Board of Directors, at least semi-annually, on matters within the UNMH BOT’s delegated responsibility and will report for ratification, all matters required to be ratified and approved by the governing body under applicable laws, regulations, or accreditation standards and Regents’ policies.

Actions by the UNMH BOT pursuant to this delegation are subject to approval or ratification by the HSC Board as required by applicable federal and state laws and regulations, accreditation standards, and provisions of the Lease. As provided in Section V of the Lease, consistent with the Regents’ constitutional and statutory responsibilities, the Regents will retain the right to consider, determine, and act upon any matter relating to the UNM Hospital in a manner consistent with this Policy. However, neither the HSC Board nor the Regents will modify nor decline to ratify actions by the UNMH BOT, within the scope of the authority and powers delegated by the Regents to the UNMH BOT, except after consultation, with one or more representatives of the UNMH BOT designated by the Chairperson of the UNMH BOT.

References

Hospital Funding Act, N.M.STAT.ANN. §§4-48B-7 and -12 (1978); statutes applicable to Regents’ responsibility for the operation of Carrie Tingley Hospital, N.M.STAT.ANN. §§ 23-2-1 et seq (1978), and the Children’s Psychiatric Hospital N.M.STAT.ANN. § 23-8-1 (1978); 1999 Lease Agreement between Regents and County Commissioners of Bernalillo County as amended by the 2004 First Amendment to Lease Agreement; and the 1999 Agreement Regarding Consent to Lease Agreement between the Regents and the Indian Health Service, and the All-Indian Pueblo Council as amended by the 2004 First Amendment to the 1999 Agreement Regarding Consent to Lease Agreement. (Supersedes: 1996 Resolution Concerning Health Sciences Center;
1998 Supplemental Resolution Regarding the University of New Mexico Hospital Board of Trustees.) (Copies maintained by Office of the Executive Vice President-Chancellor for Health Sciences and the Office of University Counsel); RPM 3.4 "Health Sciences Center and Services."
EXHIBIT A

AMENDED AND RESTATE\N
DELEGATION OF AUTHORITY AND POWERS BY REGENTS TO
THE UNIVERSITY OF NEW MEXICO HOSPITAL BOARD OF TRUSTEES

Draft Revision 12/3/10

Delegation

The authority and powers listed below are delegated by the Regents of the University of New Mexico (the “Regents”) to the University of New Mexico Hospital Board of Trustees, (the “UNMH BOT”), pursuant to Section V of that certain Lease Agreement for Operation and Lease of County Healthcare Facilities dated as of July 1, 1999, as amended by that certain First Amendment to Lease Agreement for Operation and Lease of County Healthcare Facilities dated as of November 18, 2004 (as amended, the “Lease”), effective as of September 9, 2008 [Insert Date] (the “Delegation Effective Date”). This delegation shall continue in effect unless revised as provided in Section V of the Lease. This delegation amends, restates, and supersedes any and all previous delegations and/or conflicting or inconsistent provisions in Regents’ policies existing on the Delegation Effective Date, except for Regents’ policies revising this delegation in accordance with the provisions of Section V of the Lease.

As provided in Section V of the Lease, consistent with the Regents’ constitutional and statutory responsibilities, the Regents will retain the right to consider, determine, and act upon any matter relating to the UNM Hospital and, subject thereto, the Regents hereby delegate the following authority and responsibility to the UNMH BOT it being the intention of the Regents to designate, for licensure, accreditation, and governance purposes, the UNMH BOT as the “governing body” for the UNM Hospital:

1. Oversight and management of the non-research, non-educational operations of the UNM Hospital in a proper and responsible manner so as to enable the UNM Hospital to provide or arrange for provision of high quality healthcare services to patients of the UNM Hospital and to support the teaching and clinical research missions of the HSC; provided, however, that nothing contained in this delegation shall be construed to be a delegation of authority to the UNMH BOT of any matter covered and addressed by the University of New Mexico Labor Management Relations Resolution adopted by the Regents on May 9, 2006 (the “Labor Resolution”).

2. Review and recommend for approval to the UNM Health Sciences Center Board of Directors (“UNM HSC BOD”) Regents, in accordance with applicable Regent or University policy, the UNM Hospital’s operating and capital budgets.

3. Review and approve, or in appropriate circumstances recommend for approval to the Regents in accordance with applicable Regent, UNM HSC BOD, or University policy, the following:

   (a) the procurement by the UNM Hospital of equipment (whether by purchase, lease, or other forms of acquisition[s]);
(b) execution by the UNM Hospital of contracts for services with third parties; or
(c) lease by the UNM Hospital of real estate.

In this connection, the UNM HSC BOD shall establish by resolution, the level of approval authority for the UNMH BOT with respect to Vendor Contracts, leases of real property, Trade Transactions, Third Party Payor Contracts and/or Strategic Transactions within the parameters of what are Approvable Transactions as set forth in Regents Policy 2.13.

4. Review and approval approve, in coordination with the UNM HSC BOD, the UNM Hospital’s operating plan and strategic plan.

5. Review and approval of recommend for approval to the Regents, in accordance with applicable Regent or University policy, policies of the UNM Hospital that require review and approval by the governing body under applicable laws, regulations or accreditation standards; subject to ratification by the UNM HSC BOD; other than policies that are covered by the Labor Resolution.

6. Review and approval recommend for approval to the Regents, in accordance with applicable Regent or University policy and/or applicable accreditation standards, the Medical Staff Bylaws and the HSC Medical Staff Rules and Regulations and amendments thereto.

7. Assurance that the Medical Staff has reasonable policies and procedures in place regarding credentialing of physicians and ancillary providers who practice at the UNM Hospital.

8. Receipt of and action upon recommendations of the Medical Staff related to appointment and reappointment of members of the Medical Staff and the granting of privileges to physicians and ancillary providers who practice at the UNM Hospital or at other patient care facilities as assigned by the HSC. In this connection, all action by the UNMH BOT related to the appointment and reappointment of members of the Medical Staff shall be fully effective at the time of such action, even if the affected medical staff member may have the ability to appeal the same to the Regents under Regents’ Policy 1.5, the Regents shall not have taken action to ratify such action. With respect to “Professional Review Actions” as defined in the Medical Staff Bylaws and related manuals and in applicable federal and state laws, rules, regulations, and accreditation standards, the affected member or members of the Medical Staff shall have such appellate rights as are specified in the Medical Staff Bylaws and related manuals.

9. Receipt of and action upon, as appropriate, periodic reports and recommendations of the Medical Staff and administrators of the UNM Hospital related to quality assurance for patient care delivered at the UNM Hospital.

10. Coordination with and oversight of any advisory/advocacy boards existing or created for UNM Hospital for other than research and education purposes, and establishment of reporting mechanisms between those advisory/advocacy boards and the UNMH BOT.
11. Review and recommendation as to the bylaws of advisory/advocacy boards of UNM Hospital and submission of the bylaws of those advisory/advocacy boards to the Regents for review and approval in accordance with applicable Regents’ policy.

12. Subject to RPM 7.8 (with respect to financial settlements) oversight of claims and/or lawsuits involving the UNM Hospital and, in coordination with the UNM HSC BOD, the development of a loss control program with respect thereto.

12. Oversight of, and action upon, issues involving compliance by the UNM Hospital and the employees thereof with applicable federal and state health care regulatory requirements including, without limitation, billing issues, anti-kickback statute issues, Stark law issues, and other regulatory requirements and with the HSC Institutional Compliance Program as contemplated in RPM 3.7.

13. Oversight of, and action upon, issues involving compliance by the UNM Hospital and the employees thereof with applicable federal and state health care regulatory requirements including, without limitation, compliance with HIPAA, HITECH and the regulations and with the University’s HIPAA compliance program as contemplated in RPM 3.4.

[1] Capitalized terms not otherwise defined in this Exhibit A shall have the meanings ascribed to such terms in Regents’ Policy 2.13.
3.7 Subject: INSTITUTIONAL COMPLIANCE PROGRAM

New Policy Draft: 12/6/10

This proposed policy consolidates some of the information currently in RPM Policies 2.13.3 & 2.13.4. New text is shown in italics and underlined and deleted text is shown in strikeout.

Preamble

As health care costs continue to increase, government scrutiny of health care institutions' activities that implicate federal reimbursements has become the norm. Many rules and regulations govern health care billing and the provision of health care which, if not strictly followed, may result in fraud charges against an institution despite a lack of intent to violate the law. Penalties for even apparently innocent violations can be very steep. Therefore, the development and implementation of health care compliance programs has become standard practice at health care institutions across the country. Operation under such a program is now a necessity for a health care institution to assure itself of its compliance with legal obligations and simultaneously to minimize the likelihood of a government investigation. Compliance programs also serve to promote a high level of ethical behavior, an equally important reason for their use.

Applicability

This policy applies to the academic and clinical programs, facilities and services operating under the University of New Mexico Health Sciences Center (HSC) and its component units, clinics, centers, programs, and subsidiary corporations described in RPM 3.4. This policy also applies to those operations of the University that are deemed to be “health care components” of the University as set forth below.

This policy applies to the University of New Mexico Health Sciences Center (“HSC”) and supplements Regents’ Policies 2.13.1, 2.13.2, 2.13.3, 2.13.4. This policy applies to the components of the University designated as health care components of the University, and to the officers of the University charged with taking action to assure compliance with HIPAA and the Regulations.

Institutional Compliance Program

The HSC will attempt to ensure at all times that its business (internally and with outside contractors) is conducted in accordance with the highest ethical standards and in compliance with various federal and state laws and regulations applicable to its activities. The HSC faculty and staff will conduct themselves ethically and with honesty and integrity, will understand and abide by the legal requirements related to their activities, and will act at all times in the best interests of the HSC, the University, and patients served by the HSC. To fulfill these obligations, the HSC will develop has adopted and implemented an Institutional Compliance Program, which will include all compliance functions related to clinical, research and educational efforts at the HSC. These functions include, without limitation, clinical and clinical trials compliance, human research protection, animal research, biosafety, conflict of interest in research, human subjects protection, use of animals in education and research, export control compliance, research integrity, and fiscal compliance related to billing and federal grants, FERPA, and other educational compliance activities, as described in
Section 5 of Regents policies and corresponding policies set forth in the Faculty Handbook (collectively, the “HSC Institutional Compliance Programs and Requirements”).

The HSC Institutional Compliance Program will emphasize prevention of ethical and legal wrongdoing, focusing on training and open communication between management and staff, will be designed to detect and remedy any compliance problems identified by HSC officials, and will provide mechanisms for assuring the Regents and the University of New Mexico Hospitals Board of Trustees (the “UNMH BOT”) of HSC compliance with applicable laws and regulations. The HSC Institutional Compliance Program will be an ongoing program and a critical responsibility of the HSC leadership; it will be incorporated into the day-to-day functioning of the HSC, and will be updated and revised as societal expectations, and ethical and legal norms, evolve.

HSC officers and managers will be held accountable for the conduct of employees (including volunteer employees) reporting directly to them and for their transactions with outside contractors, and therefore must have a full understanding of the ethical and legal issues affecting the responsibilities of such employees and contractors, ensure that such employees have received appropriate training, and be cognizant of such employees' and contractors' activities. All HSC faculty, staff, and students bear personal responsibility for conducting themselves in compliance with the Institutional Compliance Program, as well as the legal and ethical requirements governing their activities at the HSC, and are expected to take responsibility for educating themselves regarding the ethical and legal environment in which they perform their responsibilities. HSC faculty, staff, and students are also under an affirmative obligation to raise any and all concerns they may have regarding possible unethical or illegal behavior of others in the manner established by the HSC Institutional Compliance Program. HSC faculty, staff, and students who report suspected wrongdoing in good faith will be fully protected from any retaliatory actions.

Failure to comply with the legal and ethical norms affecting an employee's activities, as well as failure to report concerns or reasonable suspicions regarding the conduct of others, may result in disciplinary action, up to and including termination.

HIPAA and HITECH

under the Administrative Simplification subtitle of HIPAA (the “Regulations”) establish a regulatory scheme to protect the confidentiality of personal health care information. The Regulations permit an institution like the University of New Mexico (the “University”) that includes health care components and non-health care components to designate itself a “hybrid covered entity.” As a hybrid covered entity, the University can limit the application of HIPAA and the Regulations to its designated health care components. The purpose of this policy is to (a) designate the health care components of the University that will serve as the “hybrid covered entity” under HIPAA, (b) designate the health care components of the University and the UNM Medical Plan as an “organized health care arrangement,” within the meaning of HIPAA and the Regulations, and (c) delegate the administrative authority to assure that the University complies with HIPAA and the Regulations. The other purpose of this policy is to delegate the administrative authority to assure that the University complies with HIPAA and the Regulations.

Under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and Health Information Technology for Economic and Clinical Health Act, contained in the American Recovery and Reinvestment Act of 2009 (“HITECH Act”), and the regulations issued by the Department of Health and Human Services with respect thereto (collectively, the “HIPAA Regulations”) the University is hereby deemed a “hybrid covered entity” within the meaning of the HIPAA Regulations. Certain components of the University have been designated by the Regents as “health care components” of the University. The “health care components” of the “hybrid covered entity” shall, at a minimum, include, but not be limited to, the HSC and the UNM Health System as described and defined in Section 1 of RPM 3.4 and the Office of University Counsel. Additionally, the University and the UNM Hospital each sponsor self-insured group health benefit plans for the benefit of their respective employees and their dependents and certain other self-insured medical, dental, prescription drug, and vision health...
benefit plans (collectively, the “UNM/UNMH Self-Insured Health Plans”). The UNM/UNMH Self-Insured Health Plans shall be considered an “organized health care arrangement” within the meaning of HIPAA, HITECH Act, and the HIPAA Regulations. As a an organized health care arrangement and covered entity within the University, the UNM/UNMH Self-Insured Health Plans are considered “health care components” within the meaning of HIPAA and the HIPAA Regulations. All components of this organized health care arrangement will comply with HIPAA, HITECH Act, and the HIPAA Regulations, including all informatics technology security.

The President of the University Chancellor for Health Sciences will designate an individual to serve as the HSC Compliance Director to oversee, implement and report on the HSC Institutional Compliance Program and Requirements. Additionally, the President of the University shall delegate to the Chancellor for Health Sciences responsibility to assure compliance with HIPAA, HITECH Act, and the HIPAA Regulations and to designate an individual to serve as the Privacy Officer for the University’s health care components and the organized health care arrangement.

Implementation

Certain components of the University designated by the Regents as “health care components” of the University are listed in Exhibit A to this policy. Exhibit A will be replaced with a resolution of the Regents adopted on an annual basis, that designates the “health care components” of the University.

The Regents, through the UNMH BOT in respect of compliance matters involving the UNMH Facilities and the employees thereof and the Regents’ Health Sciences Committee in respect of all other areas involving compliance matters, will exercise oversight of the HSC Institutional Compliance Program by receiving and evaluating periodic reports provided to the Committee and the UNMH BOT by the HSC Corporate Compliance Director, and by providing policy guidance to the Executive Vice President of Health Sciences and other HSC officials with respect to development and implementation of the HSC Institutional Compliance Program.

References


[Note this text moved from Implementation Section of RPM 2.13.3 to proposed new RPM Policy 3.6J Pursuant to the Lease between the Regents and the Board of County Commissioners of Bernalillo County, as described in Regents’ Policy 2.13 (the “Lease”), the Regents have delegated to the UNMH BOT the authority to review, monitor, and act upon issues involving compliance by the UNMH Facilities and the employees thereof with applicable federal and state health care regulatory requirements including, without limitation, billing issues, anti-kickback statute issues, Stark law issues, and other regulatory requirements, subject to review and ratification by the Regents.]
EXHIBIT A

THE UNIVERSITY OF NEW MEXICO
Health Care Components Designated
As a Hybrid Entity Pursuant to Regulations
Promulgated Pursuant to the Health Insurance Portability & Accountability Act of 1996, As Amended

The University of New Mexico ("UNM"), as a hybrid covered entity under 42 C.F.R. Part 164.504, hereby designates the following operations as health care components for purposes of complying with the Health Insurance Portability and Accountability Act of 1996:

1. The Health Sciences Center (and its component units, centers, and programs as defined in Regents Policy 2.13) and the UNMH Facilities (as defined in Regents’ Policy 2.13), excluding the Tumor Registry and the Office of the State Medical Investigator for the State of New Mexico in fulfilling its statutory duties as coroner.

2. UNM Medical Group, Inc., a New Mexico non-profit and University Research Park and Economic Development Act corporation (“UNMMG”), including, without limitation, any and all clinics operated and/or managed by UNMMG.

3. Telemedicine, telehealth and/or teleradiology programs (including, without limitation, Project ECHO) on all UNM campuses.


5. Center for Family & Adolescent Research.

6. Center for Exercise.

7. Psychology Clinic.

8. Speech and Hearing Sciences.

9. Employee Health Promotion Program.

10. Any and all Lobo Clinics.


12. Office of the University Counsel.

13. Safety and Risk Services Department.

1.2 Subject: STRUCTURE OF THE BOARD OF REGENTS

Adopted: September 12, 1996
Amended: September 9, 2003
Amended: August 10, 2004
Amended: December 14, 2004
Amended: March 14, 2005
Amended: October 10, 2006 Revised Draft 12/5/10

Appointment of Members

The Board of Regents is composed of seven members who are appointed by the Governor of New Mexico, with the consent of the Senate, for staggered terms of six years except for the student regent who is appointed for a two-year term. The Governor and the Secretary of Education are designated as ex-officio, non-voting members, and the Presidents of the Faculty Senate, Staff Council, Associated Students of UNM, Graduate and Professional Student Association, Alumni Association, UNM Retiree Association, UNM Parent Association and the Chair of the UNM Foundation are non-voting advisors.

Removal of Members

Members of the Board of Regents shall not be removed except for incompetence, neglect of duty, or malfeasance in office. A member may not be removed without notice of hearing and an opportunity to be heard. The New Mexico Supreme Court has original jurisdiction over proceedings to remove a member of the Board of Regents in accordance with such rules as the Court may promulgate, and its decision in such matters is final.

Officers

The Board of Regents is required by statute to meet in Albuquerque on the second Monday in March of each year to elect a president, vice-president, and secretary-treasurer. The President presides at all meetings of the Board. When the President of the Board of Regents is absent, the Board of Regents hereby appoints the Vice-President to serve as President pro tern.

Compensation

Members of the Board are not remunerated for their services. They are, however, eligible for travel reimbursement, pursuant to the University's travel reimbursement policies. (See, RPM 7.7 and UBPPM Policy 4030.)

Conflict of Interest

Members of the Board are subject to the "Regent Code of Conduct and Conflicts of Interest Policy." (See, RPM 1.8.)
Orientation of New Members

When a new member is appointed to the Board, the member will receive copies of the Faculty Handbook, the Regents' Policy Manual, and a compilation of current New Mexico statutes pertaining to the Regents. The President will arrange briefing sessions for newly appointed Regents.

Standing Committees and Appointment to Board of Directors

In order to facilitate the work of the Board of Regents, the President of the Board of Regents appoints members to standing committees each year and appoints chairs and vice-chairs of each committee. As provided for in RPM 3.5, the President of the Board of Regents appoints members to the HSC Board of Directors. The President of the Board of Regents shall consult with the Board of Regents concerning such committee appointments to committees and boards. Consistent with the requirements of the University Research Park and Economic Development Act ("URPEDA"), the President of the Board of Regents nominates members to serve on the various Boards of Directors of URPEDA corporations in which the University is a member following the approved bylaws of each such URPEDA corporation and such nominees will be appointed to each such Board upon the vote of a majority of the Regents.

The standing committees of the Board of Regents are Audit; Finance and Facilities; Academic, Student Affairs and Research; and Advancement. The President of the Board of Regents may name other standing committees with the consent of the Board of Regents.

Each standing committee shall consist of three Regent members, and such community and University members as the President of the Board of Regents deems appropriate. A quorum of a Regents' committee consists of a majority of the appointed members of that committee, regardless of whether those in attendance are Regent members or community members. The President of the Board of Regents shall serve as a nonvoting alternate, and may serve as a voting member whenever any of the Regent members are not present.

Each committee shall have a designated vice president responsible for assisting the chair of the committee. The chair of each committee shall be responsible for preparing the agenda for the committee meetings, in consultation with the vice president, the President of the University and the President of the Board of Regents. The President of the University may submit agenda items for the committee to the President of the Board of Regents and the chair of the committee. All action items for the Board of Regents must be first reviewed by a standing committee or by the UNM Health Sciences Center Board of Directors, as the case may be, unless this requirement is waived by the President of the Board of Regents.

The duties and responsibilities of the UNM Health Sciences Center Board of Directors are set forth in RPM 3.5. The duties and responsibilities of the Audit Committee are set forth in RPM 7.3. The other standing committees, duties and functions are determined by the Board of Regents, and shall include at least gathering information, conferring with members of the administration, faculty, staff, student body, and public on the topics within the committee's duties, and making recommendations for action by the Board of Regents. The chairs of the
standing committees (or vice-chairs in the absence of the chairs) shall report the committee recommendations to the Board of Regents at its meetings. Standing committees do not constitute a quorum of the Board of Regents and have no authority to act for the Board of Regents.

_The UNM Health Sciences Center Board of Directors and all_ standing committees will abide by the New Mexico Open Meetings Act.

**Consent Agenda Matters**

Certain matters, or categories of matters, may be referred by the Board of Regents for discussion and recommendation by a standing committee *(and, as appropriate, the UNM Health Sciences Board of Directors)* and thereafter placed on the Board of Regents' consent agenda for approval by the Board of Regents without further discussion. All matters, or categories of matters, within the subject matters regularly assigned to a standing committee *(or, the UNM Health Sciences Center Board of Directors, as the case may be)* shall be deemed to have been referred by the Board to that standing committee. Any member of the Board of Regents shall have the right, upon request, to remove any item from the Board's consent agenda and place the item on the Board's regular agenda for discussion.

**Operations Committee**

In addition to the standing committees, there shall be an Operations Committee which shall consist of the President of the Board of Regents as chair, together with two other Regent members appointed by the President of the Board. The Operations Committee will meet informally, including by telephone conference, to discuss the agenda for upcoming Board of Regents meetings and other items of business likely to come before the Board of Regents. The meetings of the Operations Committee will not be subject to requirements of the Open Meetings Act.

**Ad Hoc Committees**

From time to time the President of Board may appoint ad hoc committees consisting of two or three Regent members to gather information and make recommendations to the Board of Regents about specified matters. Public notice of such meetings will be given and public attendance and participation permitted as deemed appropriate by the committee chair.

**Quorum for Meetings of the Board**

Four of the seven members of the Board shall constitute a quorum for the transaction of business.

**Agenda for Meetings**

The President of the University is responsible for preparation of the written agenda for Board of Regents meetings; the President consults with the President of the Board of Regents about each agenda. Copies of the agenda are distributed to the Regents, the President of the University, other
administrators, representatives of the news media, and other interested parties. To the extent practical, agenda items will contain references to the applicable Board of Regents' policies.

Additions to the agenda may not be made less than 24 hours prior to the meeting, except in case of emergency as defined in the Open Meetings Act. The Board of Regents will consider such emergency changes to the agenda at the beginning of each meeting, but once the Board of Regents formally approves the agenda, it will be followed.

Persons or groups wishing to place an item on the agenda of the Board of Regents, whether for possible Board of Regents action or for purposes of addressing the Board of Regents about an item, must submit a letter to that effect to the President of the Board of Regents via the President of the University not less than two working days prior to the scheduled meeting. Items are typically considered by the appropriate Board of Regents' committee before going to the full Board of Regents. Final decisions to place items on the agenda or to refer items to committee will be rendered by the President of the Board of Regents after consultation with the President of the University.

Conduct of Meetings

Parliamentary procedure shall be governed by the most current revision of Roberts' Rules of Order, except that New Mexico law or other applicable Regents' policies will govern if there is a conflict with Roberts' Rules of Order.

References

Structure: New Mexico Constitution, art. XII, § 13; §§ 21-1-13, 21-7-5, 21-7-6, NMSA 1978.
Meetings: NMSA 1978 §§ 21-1-14, 21-7-5, 21-7-12; Open Meetings Act, § 10-15-1.
2.16 Subject: UNIVERSITY COUNSEL

Adopted: September 12, 1996
Amended: December 14, 2004
Amended: January 9, 2007
Amended: December 6, 2007
Amended: May 28, 2008

Revised Draft 12/5/10 New text is shown in italics and underlined and deleted text is shown in strikeout.

Applicability

This policy applies to the Office of University Counsel, the use of outside legal counsel by the University and requests for legal advice concerning University business from members of the University community. This policy also applies to the initiation of joinder or intervention in litigation or other forms of legal proceedings in the name of the Regents or for or on behalf of the University.

Policy

The President of the University shall, consistent with RPM 3.3, appoint a University Counsel who shall be a member of the New Mexico Bar and shall serve as the chief legal officer to the University, including the UNM Health Sciences Center. University Counsel reports directly to the President of the University and may when appropriate provide advice on legal issues to the Board of Regents. The function of the University Counsel's Office shall be to help the University carry out its mission of teaching, research, and service in compliance with federal and state law and University policies and procedures. The Office shall emphasize preventative strategies for avoiding legal difficulties. The Office shall also defend, or arrange for defense, of the University and, in appropriate cases, its officers and employees, in legal proceedings. The Office shall also defend or arrange for the defense of students against any legal proceedings commenced against them arising from their good faith participation in official University investigations or grievance or disciplinary proceedings, or in official positions, boards or committees (other than as officers or members of chartered student organizations).

The University Counsel, with the approval of the President of the University, is hereby authorized to initiate, join and intervene in legal proceedings in the name of the Regents of the University of New Mexico in routine matters, which do not raise policy issues, such as commercial disputes, collection of amounts due, or trespass on University property; provided, however, that with respect to these routine matters involving the UNM Health Sciences Center, the Chancellor for Health Sciences shall have the authority to approve the initiation of, or joinder or intervention in such legal proceedings. Initiation of, joining and intervening in non-routine legal proceedings must be authorized by the Board of Regents; provided, however, that the President or the Chancellor Executive Vice-President for Health Sciences as the designee of the President, may authorize the initiation, joining, or intervening in legal proceedings that involve medical treatment decisions or care of patients.
It is in the best interest of the University that legal services provided by outside counsel to the University and its components be of the highest quality and delivered in a cost-effective manner. In order to attain these objectives, no component of the University may retain or employ outside counsel except with the prior approval of the President of the University; provided, however, that with respect to the retention of outside legal counsel for the UNM Health Sciences Center or any of its component colleges, schools, units, or subsidiary corporations as defined and described in Section 1 of RPM 3.4, the Chancellor for Health Sciences shall have the authority to approve the retention of outside counsel and the terms of any such retention. The term “component of the University” includes the University, any unit, department or office of the University and any University-affiliated organization of which the University is the sole member or in which the University holds, directly or indirectly, a majority voting interest. The retention, employment and supervision of such outside counsel shall be in accordance with guidelines promulgated by University Counsel and pursuant to a contract for legal services approved by the President of the University, and, in the case of the UNM Health Sciences Center, the Chancellor for Health Sciences.

References

Appointment and Termination of Key Administrators, RPM 3.3; Student Government, RPM 4.1; Signature Authority for Contracts, RPM 7.8.

Comments should be sent to BRPM@UNM.edu
www.unm.edu/~brpm
3.3 Subject: APPOINTMENT AND TERMINATION OF KEY ADMINISTRATORS

Adopted: September 12, 1996
Amended: December 14, 2004
Amended: December 12, 2006 Revised Draft 12/6/10

New text is shown in italics and underlined and deleted text is shown in strikeout.

Applicability

This policy applies to the appointment, dismissal, compensation, and contract amendment or non-renewal of all executive vice presidents, *the Chancellor for Health Sciences*, vice presidents, the Associate Vice President for Clinical Operations, the Director of Intercollegiate Athletics, and the University Counsel.

Policy

In addition to following the applicable administrative policies and procedures, the President shall subject to the provisions of Section 3 of RPM 3.4 relating to the appointment or dismissal of the Chancellor for Health Sciences inform the Board of Regents prior to appointing, dismissing, setting compensation, and amending or not renewing the contract of all executive vice presidents, vice presidents, the Associate Vice President for Clinical Operations, the Director of Intercollegiate Athletics, and the University Counsel. The President shall also inform the Board of Regents in connection with the appointment, termination, and compensation of other senior or key administrative positions as appropriate, depending on the circumstances surrounding the appointment, termination or change in compensation.

With regard to the recruitment and hiring of all executive vice presidents, *the Chancellor for Health Sciences* (subject to the provisions of Section 3 of RPM 3.4), vice presidents, the Associate Vice President for Clinical Operations, the Director of Intercollegiate Athletics, and the University Counsel, the following guidelines shall be observed, consistent with University policies and procedures:

- A national search shall be conducted unless there are exceptional circumstances and the Regents have been consulted;
- A broadly-representative search committee shall be used;
- Finalists in a competitive process for the position shall participate in interviews which include an open forum on campus for the general University or *Health Sciences Center*, as the case may be, community and interested members of the public.

References

Employment Contracts, RPM 6.9.

Handbook — Recruitment and Hiring of Tier I and Tier II Exempt and Non-Exempt Staff
The Board of Regents adopted a resolution dated September 8, 1987, which includes a provision that the President shall consult with the Regents regarding the appointment or removal of the Carrie Tingley Hospital Administrator and Medical Director.

Implementation

The President shall adopt administrative policies and procedures for the recruitment and hiring of key administrative positions, including but not limited to the positions specified in this policy. The Chancellor for Health Sciences, in conjunction with the Health Sciences Board of Directors, may adopt administrative policies and procedures for the recruitment and hiring of key administrative positions at the Health Sciences Center. Dismissal or contract non-renewal shall be in accordance with University policies and procedures.

Comments should be sent to BRPM@UNM.edu
www.unm.edu/~brpm
7.6 Subject: UNIVERSITY ENTERPRISE BUSINESS ACTIVITIES
Adopted: September 12, 1996 Revised Draft 12/3/10

New text is shown in italics and underlined and deleted text is shown in strikeout.

Applicability

This policy applies to all activities conducted by the University of New Mexico and its affiliated units where fees are charged for providing goods or services to the general public.

Policy

All University business enterprise activities shall be related to the University's mission of providing instruction, research, scholarship, cultural innovation, public service, patient care, and campus support. Some activities within this mission may be organized as separate and distinct business cost centers, with fees charged for providing goods and services that enhance, promote or support the University's mission and meet the needs of students, faculty, staff and patients. Some of these business activities may also be available to the general public. The University shall comply with all applicable laws and regulations concerning its business activities. The governance of business enterprise activities in respect of the Health Sciences Center shall be as set forth in RPM 3.4.

Implementation

The President shall establish administrative policies and procedures to ensure that all business activities are related to the University's mission. Exceptions to the policy may be authorized by the President when clearly in the best interest of the University and the public.

Delegation of Authority

The Executive Vice President for Administration/CFO/COO and the Chancellor Business and Finance (the Vice-President for Health Sciences (in respect of Health Sciences Center activities) shall be responsible for oversight and review of University business activities, including periodic review of all University business enterprise activities. and review of “unfair competition” complaints.

References

University Business Activities, UBPPM Policy 6010

Comments should be sent to BRPM@UNM.edu
www.unm.edu/~brpm
7.8 Subject: SIGNATURE AUTHORITY FOR CONTRACTS
Adopted: September 12, 1996
Amended: March 10, 1997
Amended: December 6, 2007
Amended: August 12, 2008 Draft Revision 11/8/10

New text is shown in italics and underlined and deleted text is shown in strikeout.

Applicability

This policy applies to all members of the Board of Regents, faculty, staff and students.

Policy

The Board of Regents must approve and an officer of the Board of Regents must sign the following types of contracts and documents, after due authorization by the Regents:

1. Contracts between the President and the University;
2. Contracts between the Chancellor for Health Sciences and the University;
3. Bond resolution, notification and certification documents, including certification of bond sale; and/or
4. Any contracts or other documents required by law to be signed by an officer of the Board of Regents.

The Director of Purchasing or designee must sign contracts for the purchase of goods and services, and the authority to do so is hereby delegated.

The President shall have the authority to sign all other contracts and documents (other than contracts or agreements for the purchase of goods and services) for the operation of the University and may delegate this authority. The President's signature authority as set forth above includes the authority to execute certificates representing stocks, bonds, or other securities in order to buy, sell, assign, or endorse for transfer such securities. The President shall also have authority to require additional signatures on contracts for the purchase of goods and services.

It is the official policy of the University to avoid financial settlements of claims and lawsuits against the University except when appropriate. The University shall not agree to pay a financial settlement without (a) an appropriate risk assessment of the case, and (b) written approval by the cognizant Executive Vice President if the University's settlement payment obligation is less than $50,000 or written approval by the President if the University's payment obligations is $50,000 or more. A financial settlement payment by the University of $200,000 or more, must also be approved by the Board of Regents.
The President, or the Executive Vice President *Chancellor* for Health Sciences as the designee, is authorized to enter into affiliation agreements with other patient care facilities to provide educational opportunities.

The signature authority delegated in this policy must be exercised in accordance with other Regents' policies, some of which may require approval of the contract or other document by the Board of Regents.

**References**

Appointment of the President of the University, *RPM 1.4*; Borrowing and Bonding Authority, *RPM 7.10*; The *Health Sciences Center, RPM 2.13*; *UBPPM Policy 2010*

Comments should be sent to BRPM@UNM.edu
www.unm.edu/~brpm
7.14 Subject: RISK MANAGEMENT AND INSURANCE
Adopted: September 12, 1996 Revised Draft 12/3/10

Note: New text is shown in italics and underlined and deleted text is shown in strikeout.

Applicability

This policy applies to all members of the University community and to all property owned or controlled by the University.

Policy

It is the policy of the University to take reasonable steps to avoid accidents or other incidents that could result in injury or death to students, faculty, staff, and visitors, and to protect the physical resources of the University against loss or damage. The University, therefore, will have an active safety and loss prevention program. Because of the unique and distinct manner in which the Health Sciences Center operates and the unique nature of the risks of loss with respect thereto, the governance and oversight of the safety and loss prevention program for the Health Sciences Center (and each of its component colleges, schools, centers, units, and subsidiary corporations as described in Section 1 of RPM 3.4) shall be as described in Section 3i of RPM 3.5 for the Health Sciences Board of Directors and Exhibit A Section 12 of RPM 3.6 for the UNM Board of Trustees. The program will also provide for the proper handling and disposition of hazardous materials, pursuant to applicable laws.

The University will provide opportunities for its students and employees to purchase medical and accident insurance. Liability insurance covering the University and its "public employees," as defined in the New Mexico Tort Claims Act, property and casualty insurance, workers' compensation insurance, and health care liability coverage for health care students are provided by the Risk Management Division, General Services Department, of the State of New Mexico.

The Board shall approve the establishment or elimination of any alternative insurance or self-insurance program.

Implementation

Recognizing that the University's and its "public employees" tort liability to third parties is subject to the immunities and limitations set forth in the New Mexico Tort Claims Act and the Eleventh Amendment to the U.S. Constitution, in cooperation with the Risk Management Division of the New Mexico General Services Department under and pursuant to the New Mexico Tort Claims Act, the University will carry (a) fire and extended coverage insurance on its buildings, heating and cooling systems, and major equipment; and (b) workers' compensation and unemployment compensation as required by applicable law, (c) medical malpractice, professional liability, and comprehensive general liability insurance under the Public Liability...
Fund administered by the Risk Management Division to protect itself and its "public employees," as defined in and consistent with the New Mexico Tort Claims Act; (d) such other and further insurance coverage as may be necessary and appropriate under the circumstances of a particular situation.

The University will offer to all its active and retired permanent faculty and staff employees several different plans of group health insurance coverage which the University co-pays in accordance with state law. University employees may also purchase group life insurance, accidental death and dismemberment insurance, and long-term disability insurance coverage for themselves and their families through the University.

The University will offer one or more health insurance policies to its students each year.

The President shall report annually to the Board on the status and financial condition of the University's risk management and insurance programs. In this regard, the Chancellor for Health Sciences Center shall coordinate reporting for the Health Sciences Center's safety and loss prevention program with the President of the University.

References

Tort Claims Act, § 41-4-1 et seq., NMSA 1978; Workers' Compensation Act, §52-1-1, et seq.; Group Benefits Act, §10-7B-1, et seq.

Comments should be sent to BRPM@UNM.edu

www.unm.edu/~brpm
2.13.1 Subject: HEALTH SCIENCES CENTER QUALITY OF CARE

Adopted: August 14, 1997
Amended: November 9, 1999
Amended: September 9, 2008  To be deleted—draft 12/6/10

Note: This policy is being consolidated into the new Policy 3.6. Any text that is being deleted and not included in the amended Policy 3.6 is shown in strikeout.

Applicability

This policy applies to the quality of patient care delivered by the University of New Mexico Health Sciences Center ("HSC"), and supplements Regents' Policy 2.13.

Policy

Pursuant to that certain Lease between the Regents and the Board of County Commissioners of Bernalillo County, as described in Regents' Policy 2.13, (the "Lease"), the Regents have delegated to the University of New Mexico Hospital Board of Trustees ("UNMH BOT") the authority to review, monitor and act upon issues related to quality assurance for patient care delivered by the UNM Hospital, as identified in Regents' Policy 2.13, subject to review and ratification by the Regents to the extent required by applicable laws, regulations and accreditation standards.

Consistent with the constitutional and statutory responsibilities of the Regents, the right is reserved unto the Regents to consider and determine, if in the exercise of sound discretion it is deemed necessary, any matter relating to quality of patient care delivered at UNM Hospital. The Regents and the UNMH BOT shall exercise their authority in accordance with the Lease; applicable state and federal laws and regulations; Regents' Policies 2.13 and 2.13.2 and other applicable policies and determinations of the Regents; applicable policies of the HSC; the HSC Medical Staff Bylaws, Rules and Regulations; and the standards of The Joint Commission or successor, the Liaison Committee for Medical Education of the American Medical Association and the American Association of Medical Colleges for so long as resources are reasonably available to make compliance with such standards possible.

The Regents, through the authority delegated to the UNMH BOT, shall require the Executive Vice President of Health Sciences (the "Vice President") and designated HSC officials to conduct activities that contribute to the preservation and improvement of quality and efficiency of patient care provided at UNM Hospital, including, but not limited to:

a. Prudent use of HSC resources as evaluated through a continuous utilization review process;

b. Continuous monitoring to assure that all individuals who provide patient care services, including those who are not required to have Medical Staff privileges, are qualified to provide such care;

c. Retrospective review and evaluation of the quality of patient care through valid and reliable patient care evaluation procedures; and
d. Such other measures as may be deemed to be necessary for the preservation and improvement of the quality and efficiency of patient care.

Implementation

The Regents, through the UNMH BOT, shall exercise oversight and overall management of quality of care evaluation and improvement at the UNM Hospital by receiving and evaluating information provided to the UNMH BOT and providing policy guidance to the Executive Vice President and other HSC officials with respect to implementation of recommended improvements or corrective action. The UNMH BOT will receive information regarding quality of care from the Executive Vice President or designee, obtained by the Executive Vice President or designee through various quality committees, task forces, and teams charged with responsibility for assessing various measures of quality of care at UNM Hospital. When considering quality of care evaluation and improvement information concerning the UNM Hospital, the Regents and the UNMH BOT, whether acting jointly or severally, shall be considered a "review organization" within the meaning of the New Mexico Review Organizations Immunity Act, N.M. STAT. ANN. § 41-9-1 et seq. (1978).

References

Regents' Policies 2.13 and 2.13.2; Review Organizations Immunity Act, N.M. STAT. ANN. § 41-9-1 et seq. (1978).

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The University of New Mexico
Albuquerque, New Mexico
2.13.2 Subject: HEALTH SCIENCES CENTER MEDICAL STAFF
Adopted: August 14, 1997
Amended: November 9, 1999
Amended: September 9, 2008 To be deleted—draft 12/6/10

Note: This policy is being consolidated into the new Policy 3.4. Any text that is being deleted and not included in the amended Policy 3.4 is shown in strikeout.

Applicability

This policy applies to the unified Medical Staff of the University of New Mexico Health Sciences Center ("HSC"), and supplements Regents' Policy 2.13.

Policy

Pursuant to the Lease between the Regents and the Board of County Commissioners of Bernalillo County, as described in Regents' Policy 2.13, (the "Lease"), the Regents have delegated to the University of New Mexico Hospital Board of Trustees (the "UNMH BOT") the authority to review, monitor, and act upon issues related to the unified Medical Staff of the UNMH Facilities (as defined in Regents' Policy 2.13) subject to review and ratification by the Regents to the extent required by applicable laws, regulations and accreditation standards.

The Regents, by and through the UNMH BOT, hereby authorize the organization of the Medical Staff to provide clinical services within the scope of their practice, as authorized by appropriate licensure boards of the State of New Mexico, and as authorized by the HSC, and to discharge those duties and responsibilities delegated to the Medical Staff through the UNMH BOT by the Regents.

Consistent with the constitutional and statutory responsibilities of the Regents, the right is reserved unto the Regents to consider and determine, if in the exercise of sound discretion it is deemed necessary, any matter relating to the Medical Staff. The Regents and the UNMH BOT shall each exercise their authority in accordance with the Lease; applicable state and federal laws and regulations; Regents' Policies 2.13 and 2.13.1 and other applicable policies and determinations of the Regents; and the standards of The Joint Commission on Accreditation of Healthcare Organizations or successor; the Liaison Committee for Medical Education of the American Medical Association and the American Association of Medical Colleges for so long as resources are reasonably available to make compliance with such standards possible.

The Regents upon recommendation of the UNMH BOT pursuant to recommendations of the Medical Executive Committee of the Medical Staff, consistent with qualifications for membership and privileges in accordance with Medical Staff Bylaws, Rules and Regulations and procedures will review and ratify the actions taken by the UNMH BOT in connection with the appointment, reappointment, revocation, suspension, and termination of medical staff appointment of members of the Medical Staff, and shall exercise such appellate review rights in accordance with the Medical Staff Bylaws. Medical Staff members, as defined by the Medical Staff Bylaws, shall have appointments in the School of Medicine or other appropriate HSC academic unit. Medical Staff members whose duties are both administrative and clinical shall be subject to the same credentialing and privileging process as for other Medical Staff members.
Only members of the active Medical Staff with admitting privileges may admit patients to inpatient units of the UNMH Facilities. A physician member of the active Medical Staff shall be on duty or on call at all inpatient UNMH Facilities at all times.

The Medical Staff shall be organized into a responsible administrative unit that is accountable to the Regents, by and through the UNMH-BOT. The Medical Staff shall propose, for review and approval by the UNMH-BOT and ratification by the Regents, Bylaws and Rules and Regulations setting forth:

a. Its organization, including the appointment of committees and the selection of officers and chiefs of clinical services;

b. Quality of care protocols;

c. Procedures and qualifications for appointment to the HSC Medical Staff;

d. Procedures and qualifications for the granting of privileges to practice at the UNMH Facilities; and

e. Provisions for review and ratification by the Regents, upon recommendation of the UNMH BOT, of the Medical Staff’s recommendations with respect to appointment, reappointment or termination of appointment to the Medical Staff and the granting or curtailment of Medical Staff privileges.

The Medical Staff Bylaws shall include the provision that the departmental organization of the Medical Staff shall correspond to the departmental, and, if applicable, the divisional organization of the School of Medicine; that the department chairpersons or chiefs of divisions within the School of Medicine shall be the chairpersons of the corresponding department of the Medical Staff; and that the Rules and Regulations of the Medical Staff shall be organized within this framework. The Medical Staff Bylaws and Rules and Regulations shall become effective when ratified by the Regents, after review and approval by the UNMH-BOT, and upon recommendation of the UNMH-BOT. The Medical Staff Bylaws, and Rules and Regulations may not be amended unilaterally by the Regents, the UNMH-BOT or the Medical Staff.

Implementation

The Executive Vice President of Health Sciences will designate a senior HSC official who is a physician member of the Medical Staff (the Vice President of Clinical Affairs/Senior Associate Dean of Clinical Affairs, School of Medicine) with responsibility for medical direction of all the UNMH Facilities, including, but not limited to, delivery of medical care by, and related activities of the Medical Staff, as provided in Regents’ Policy 2.13. This individual and the elected Chief of Staff of the Medical Staff, or their designees, will attend meetings of the UNMH-BOT to provide Medical Staff perspective on issues addressed by the UNMH-BOT, and to serve as liaison between the UNMH-BOT and the Medical Staff. If issues arise that require resolution by a joint conference committee of the UNMH-BOT and the Medical Staff, then members of the UNMH-BOT shall meet with designated members of the Medical Staff to resolve those issues, as provided in the Medical Staff Bylaws.

When considering quality of care evaluation and improvement information concerning the UNMH Facilities and the appointment, reappointment and/or termination of Medical Staff privileges, the Regents and the UNMH-BOT, whether acting jointly or severally, shall be considered a "review organization" within the meaning of the New Mexico Review Organizations Immunity Act, N.M. STAT., ANN. § 41-9-1 et seq. (1978).

References

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The University of New Mexico
Albuquerque, New Mexico
BYLAWS OF THE UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER BOARD OF DIRECTORS

PREAMBLE

WHEREAS, under and pursuant to the authority granted to the Regents of the University of New Mexico, a state educational institution named in Article 11, Section 12 of the New Mexico Constitution (the "University" or the "Regents"), the Regents adopted Regents Policy 2.13 under which the Regents determined to reorganize the governance and management of the UNM Health Sciences Center ("UNM HSC") to ensure that the governance structure for the UNM HSC's clinical, education, and research enterprises is designed to best govern and administer the distinct operations of the UNM HSC and is adaptable to the ever changing, highly-regulated health care environment and scalable to future growth in service of health care needs of the State of New Mexico;

WHEREAS, in Regents Policy 2.13, the Regents created, designated and empowered a seven-member board of directors to oversee and govern the clinical, operational, financial, research, educational affairs of the UNM HSC and pursuant thereto delegated to this Board, on a continuing basis, the responsibility and authority for overseeing, managing, and governing the clinical, operational, financial, research, educational affairs of the UNM HSC to the maximum extent permitted by the Constitution and laws of the State of New Mexico, as interpreted, from time to time, by the courts; and
WHEREAS, the Board (as defined in Article One below), duly appointed by the University, hereby adopts these Bylaws, consistent with the provisions of Regents Policy 2.13, effective on the date of approval of these Bylaws by the Regents.

ARTICLE ONE
NAME

The name of this Board of Directors is the "University of New Mexico Health Sciences Center Board of Directors" (hereinafter called the "Board").

ARTICLE TWO
PURPOSE AND AUTHORITY

Section I. Authority. While the Regents have the exclusive responsibility and authority to control and manage the operations of the UNM HSC and its subsidiary corporations, the Regents have the authority to delegate responsibility for handling the oversight of the clinical, operational, financial, research, educational affairs of the UNM HSC in accordance with the constitutional and statutory responsibilities of the Regents. The Regents reserve the right to consider and determine, if in the exercise of sound discretion it is deemed necessary, any matter relating to the UNM HSC.

Pursuant to Regents Policy 2.13, the Board is authorized by the Regents to provide oversight for governance and authority for overseeing, managing, and governing the clinical, operational, financial, research, educational affairs of the UNM HSC as provided in Regents Policy 2.13 to the maximum extent permitted by the Constitution and laws of the State of New Mexico, as interpreted, from time to time, by the courts. In this connection, the clinical operations of the component schools, colleges, and other component units including, without limitation, the UNM Hospital and its clinics, programs and centers, UNM Medical Group, Inc. and its clinics, programs, and centers, UNM
Sandoval County Regional Medical Center, Inc., and its clinics, programs, and centers (and all other and future clinical operations of the foregoing) shall be operated as an integrated health care delivery system and shall be known as the "UNM Health System." The specific authorities granted to the Board are set forth in Regents Policy 2.13.

Accordingly, the Board will have all powers reasonably necessary to carry out its express responsibilities, as described in Regents Policy 2.13 and will exercise its authority in accordance with:

a. Applicable state and federal laws, rules, and regulations;

b. The standards of the The Joint Commission, the Liaison Committee for Medical Education of the American Medical Association, the American Association of Medical Colleges, the Accreditation Council for Graduate Medical Education, the National Cancer Institute, the Accreditation Council for Pharmacy Education, the Commission on Collegiate Nursing Education, the Accreditation Review Commission on Education for the Physician Assistant, the National Accrediting Agency for Clinical Laboratory Services, Accreditation Council for Occupational Therapy Education, the Commission on Accreditation in Physical Therapy Education, and such other accreditation agencies that accredit the various centers, programs, and services provided at the HSC, for so long as resources are reasonably available to make compliance with such standards possible, and

d. Applicable policies and other determinations of the Regents, as they may be amended and supplemented from time to time.

Section 2. Purpose. The purpose of the Board will be to provide oversight to oversight of the clinical, operational, financial, research, educational affairs of the UNM
HSC in accordance with and in support of the constitutional and statutory responsibilities of the Regents.

Section 3. Conflict of Interest. Board members are subject to conflict of interest policies adopted by the Regents and by the University, and state statutes applicable to conduct of public officials. No member of the Board will use his or her position on the Board for the purpose of obtaining undue advantage for the Board member or for any person or organization in or with which the Board member holds a financial interest or is associated. Board members will exercise their best judgment for and on behalf of the HSC and the UNM Health System, to the exclusion of any personal interest. In this connection, the Board will adopt a conflict of interest policy that implements applicable Regents Policies and state statutes applicable to the conduct of public officials and will provide for annual certification by Board members of their compliance with such policies.

Section 4. Administration.

(a) Identification of Chief Officer for UNM HSC. Day-to-day administration of the UNM HSC is, pursuant to Regents Policy 2.13 conducted by the Chancellor for Health Sciences who will serve in the role of the chief executive officer for the UNM HSC. The Chancellor for Health Sciences will also serve as the Chief Academic Officer for the educational programs at the HSC. The Board recognizes that the Chancellor for Health Sciences shall have such authorities and responsibilities as are set forth in Regents Policy 2.13 and as are delegated to him/her by the Board. The Chancellor for Health Sciences reports to the Board, the University President and to the Regents.
(b) Hiring/Termination/Evaluation of Chancellor for Health Sciences

The decision as to hiring, terminating, and/or evaluating the performance of the Chancellor for Health Sciences shall be as set forth in Regents Policy 2.13.

Section 5. Policies. The Board will adopt such specific policies in furtherance of its oversight responsibilities of UNM HSC as the Board deems necessary, consistent with applicable Regent and University policies and applicable standards, laws and regulations. The Board will not adopt policies that conflict with applicable Regent and/or University policies.

Section 6. Reports to Regents. The Chairperson of the Board or his/her designee shall attend the regular meetings of the Regents and will report to the Regents on actions taken and/or recommended by the Board under and pursuant to its delegated responsibility.

ARTICLE THREE

MEMBERSHIP AND APPOINTMENTS

Section I. Appointment. Pursuant to Regents Policy 2.13, the Board is comprised of seven (7) members as follows: Three (3) members shall be members of the Board of Regents, one of which will be a member of the Regents’ Finance & Facilities Committee described in Regents Policy 1.2, and four (4) members shall be individuals who are not employees or officers of any of the component schools, colleges, units or subsidiary corporations of the UNM HSC having the following characteristics: an established record of success in business, education, his or her profession, or research; an understanding of, an appreciation for, and a desire to support the non-profit, educational, and safety-net principles of an academic health center; and, recognized leadership on either a regional, statewide, or nationwide basis in areas of focus of the UNM

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HSC. In this regard, one of these community members of the Board shall be the sitting Chair of the UNM Hospital Board of Trustees. All members of the Board are appointed by the President of the Regents in accordance with the procedures described in Regents Policy 1.2.

The initial members of the Board shall be nominated to the Regents by a formation nominating committee (the "Formation Nominating Committee") consisting of the Chancellor for Health Sciences, a member designated by the Regents, and a member designated by the UNM Hospital Board of Trustees.

Section 2. Term of Service on the Board. Board members, other than the Regent members of the Board, will be appointed for staggered terms of three (3) years or less. In this connection, the Directors shall be divided into three classes, designated Class A, Class B, and Class C. The Regents members may continue to serve so long as they continue to serve as Regents of the University, subject to the decision of the President of the Regents as to appointment or reappointment as provided in Regents Policy 1.2. The Regent members shall be Class C Directors. The remaining Directors shall be divided equally between Classes A and B. Each class shall consist of one-third of the Directors or as close an approximation as possible with not more than three members having their terms expire on June 30 of each year. Subject to the provisions of Article Three, Section 6 of these Bylaws, the initial term of office of the Directors of Class A shall expire at the annual meeting to be held during fiscal year 2011, the initial term of office of the directors of Class B shall expire at the annual meeting to be held during fiscal year 2012, and the initial term of office of the directors of Class C shall expire at the annual meeting to be held during fiscal year 2013. Subject to the provisions...
Section 3. Vacancies on the Board. Vacancies on the Board will be filled by appointment by the Regents utilizing the processes identified in Regents Policy 1.2, based upon the nomination of the Board nominating committee defined and described in Article Five, Section 2 of these Bylaws. A vacancy shall occur upon the death or incapacity of a Director, or his or her resignation or removal as hereinafter provided. A person appointed to fill a vacancy on the Board will serve for the remainder of the term of the Board member whose position has become vacant and until his or her successor is duly appointed and qualified. In light of the requirement that one of the Regents members of the Board be a member of the Regents Finance & Facilities Committee, if such Regent member is “deemed” to have resigned as described in Article Three, Section 5 of these Bylaws, the vacancy shall be filled by utilizing the processes identified in Regents Policy 1.2, with a Regent member who is a member of the Regents Finance & Facilities Committee.

Section 4. Meetings. The Board will meet at least ten (10) times per fiscal year at a time and place established by the Board for regular meetings. Special meetings may be called by the Chairperson of the Board or at the request of a majority of the Board members then in office, upon written notice of the time, date, place and purpose of the meeting, delivered to the Board members at least three (3) business days in advance of the meeting. Meetings will be publicized, conducted and documented by minutes in compliance with the New Mexico Open Meetings Act, Sections 10-15-1 et seq. NMSA (the “Open Meetings Act”), and consistent with an annual resolution adopted by
the Board pursuant to the Act. Additionally, the records of the Board will be subject to
the New Mexico Inspection of Public Records Act, Sections 14.2.1 et seq., NMSA
("IPRA") and the Regents and University Policies with respect thereto.

Section 5. Attendance, Resignation, and Removal. Board members are ex-
pected to attend regularly all meetings of the Board and of their respective assigned
committees. With respect to non-Regent members of the Board, the Regents may re-
move any one or more any one or more of such community members at any time with
or without cause With.

With respect to the Regent members of the Board, each such Director may be
removed by a majority vote of the Regents at any time with or without cause: provided,
however, that the President of the Regents shall have the right to make an annual ap-
pointment of Regent members of the Board as set forth in Regents Policy 1.2. Such a
Regent Director may resign at any time upon providing written notice to the Chair of the
Board, to the President of the Board of Regents, and to the Chancellor for Health Sci-
ences. In this connection, if any time during his or her term as the Regent Director, the
Regent Director shall for any reason cease to be a duly appointed, qualified and acting
Regent of the University, such fact shall be considered to be a “deemed resignation”
from the Board.

Section 6. Quorum, Voting. A majority of the voting members of the Board
then in office will constitute a quorum at Board meetings. A quorum once attained con-
tinues until adjournment despite voluntary withdrawal of enough Board members to
leave less than a quorum. The Board members may act only as a Board with each
member having one vote; individual Board members are without power to act separately

Deleted: After their appointment, none of the members of the Board will be removed except as set forth in this
Section as to the Regent Directors and for all others for cause specified in a written charge and after full public
hearing on the charge; provided, however, that if a Board member has three consecutive unexcused ab-
sences, the Board will recommend in writing the removal of that Board member to the Regents, and will so notify the Board member.
in the transaction of Board business, except when one of the Board's officers is specifically authorized to act on behalf of the Board. The act of a majority of the Board members present at a meeting at which a quorum is present will be the act of the Board.

**Section 7. Orientation.** All new Board members will receive an initial orientation to the UNM HSC, as well as additional educational programs on the operation of UNM HSC.

**Section 8. Performance.** The Board will evaluate its performance from time to time, but not less than once annually.

**ARTICLE FOUR OFFICERS**

**Section 1. Number, Tenure, Qualification, Election.** The Officers of the Board will be a Chairperson, a Vice Chairperson, and a Secretary, who (other than the Chairperson who will be appointed as provided Article Four, Section 2 below) will be elected annually by the Board at the first regular meeting each fiscal year, to begin their term of office upon election and to serve until their successors are elected and qualified. Vacancies in these offices will be filled by the Board. Officers may serve no more than three terms in succession.

**Section 2. Chairperson.** The Chairperson will preside at all meetings of the Board. The Chairperson shall be appointed by the Regents consistent with the processes identified in Regents Policy 1.2. With the approval of the Board by a majority vote of a quorum of those members present at a meeting, the Chairperson will have the power to appoint committees and committee chairpersons of the Board as necessary and appropriate. The Chairperson and/or his or her designee will represent the Board.
in its relations with University officials, and with governmental and civic organizations and agencies.

Section 3. Vice Chairperson. The Vice Chairperson will serve in the absence of the Chairperson and perform other duties as assigned by the Chairperson.

Section 4. Secretary. The Secretary will supervise the recording of minutes and perform other duties as assigned by the Chairperson.

ARTICLE FIVE
COMMITTEES

Section 1. Standing Committees. With the approval of the Board by a majority vote of a quorum of those members present at the first regular meeting of the Board of each fiscal year, the Chairperson will have the power to appoint members and chairpersons of standing committees of the Board as necessary and appropriate. Members of standing committees of the Board will be appointed at a regular meeting of the Board to serve for a term of one year. The Chairperson of the Regents may appoint one Regent to attend meetings of Standing Committees of the Board to serve as a non-voting liaison representative of the Regents on such committees.

Section 2. Nominating Committee. The Nominating Committee to fill vacancies on the Board as described hereinabove created by term expiration, term limitation, resignation and/or removal, shall consist of two Members of the Board and the Chancellor for Health Sciences. The duties of the Nominating Committee will be to identify, recruit, and nominate to the Regents candidates to serve as community members of the Board that meet the qualifications set forth in Article Three, Section 1 of these Bylaws.

Section 3. Ad Hoc Committees. With the approval of the Board by a majority vote of a quorum of those members present at a meeting, the Chairperson will have the
power to create *ad hoc* committees of the Board and appoint members and chairpersons of *ad hoc* committees of the Board as necessary and appropriate, at any time for special purposes, including, but not limited to, committees to evaluate the performance of the Board and to evaluate and resolve conflict of interest issues.

**Section 4. Committees for UNM HSC.** The Board may establish standing or *ad hoc* committees of the Board to address issues specific to the business, operational, educational, and research needs of the UNM HSC or for other purposes, as it deems appropriate, and may appoint non-voting advisory members to those committees.

**ARTICLE SIX**
**TELEPHONIC PARTICIPATION AT MEETINGS**

Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of a conference phone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means will constitute presence in person at the meeting.

**ARTICLE SEVEN**
**ADOPTION; AMENDMENT**

**Section 1. Adoption.** These Bylaws will become effective upon approval of a majority of the members then in office of the Board and the Regents.

**Section 2. Amendments.** These bylaws may be altered, amended, or repealed or new Bylaws may be adopted by an affirmative vote of a majority of the members of the Board then in office, provided that notice of such alteration, amendment or repeal is included in the notice of such meeting. Any proposed repeal, amendment or alteration will not become effective until approval by the Regents.
Section 3. Review. These Bylaws will be reviewed by the Board at least three years from the date of enactment or revision.

OFFICERS' CERTIFICATE

The undersigned Officers of the Board certify that these Bylaws of the Board were adopted by the affirmative vote of a majority of the Board at a meeting held on________, 2010, at which a quorum was present, and were approved by affirmative vote of a majority of the Regents at a meeting held on____________. 2010, at which a quorum was present.

____________________________
CHAIRPERSON

____________________________
SECRETARY
BYLAWS OF THE UNIVERSITY OF NEW MEXICO HOSPITAL BOARD OF TRUSTEES

PREAMBLE

The Board of County Commissioners of the County of Bernalillo, a political subdivision of the State of New Mexico (the “County” or the “Commissioners”), and the Regents of the University of New Mexico, a state educational institution named in Article 11, Section 12 of the New Mexico Constitution (the “University” or the “Regents”), entered into a Lease Agreement for Operation and Lease of County Healthcare Facilities dated as of July 1, 1999, as amended by that certain First Amendment to Lease Agreement for Operation and Lease of County Healthcare Facilities dated as of November 18, 2004 (as amended, the “Lease Agreement”), pursuant to the Hospital Funding Act, Sections 4-48B-1 et seq. NMSA 1978, as amended, to provide for operation and maintenance of the University of New Mexico Hospital/Bernalillo County Medical Center (the “Hospital”) and the University of New Mexico Adult Psychiatric Center formerly known as the Bernalillo County Mental Health - Mental Retardation Center (the “Adult Psychiatric Center”) by the University. The Lease Agreement was approved by the United States Indian Health Service, on behalf of the federal government and the All Indian Pueblo Council, by a separate agreement with the Regents dated October 8, 1999 (the “Consent to Lease”), and a separate agreement with the Regents dated November 18, 2004 (the “Amended Consent to Lease”). The County supports operation and maintenance of the Hospital and the Adult Psychiatric Center through mill levies approved by registered, qualified voters of the County.

The Hospital is licensed by the New Mexico Department of Health (the “DOH”) as a general acute care hospital. The Adult Psychiatric Center is licensed by the DOH as part of the Hospital, and is certified for purposes of Medicare and Medicaid reimbursement as a distinct part psychiatric unit of the Hospital. The Hospital and the Adult Psy-
chiatric Center are accredited on a systemwide basis by The Joint Commission ("TJC") as clinical components of the University's Health Sciences Center ("HSC"), along with other clinical facilities including the Hospital, the University of New Mexico Children's Hospital, the Adult Psychiatric Center, the UNM Children's Psychiatric Hospital, the Carrie Tingley Hospital, the University of New Mexico Cancer Research and Treatment Center, and the outpatient facilities and clinics operated under the license(s) of the foregoing (collectively, the "UNM Hospital").

Pursuant to the Lease Agreement, the Regents and the Commissioners have established a governing board, called the "University of New Mexico Hospitals Board of Trustees" (the "Board") for the UNM Hospital, with such authority and powers as are delegated to the Board by the Regents, consistent with applicable federal and state laws and regulations and accreditation standards. The current delegation to the Board by the Regents is provided in Exhibit A to these Bylaws.

The Board, duly appointed by the Commissioners and the University, hereby adopts these Bylaws, consistent with the provisions of the Lease Agreement and applicable policies of the Regents, effective on the date of approval of these Bylaws by the Regents.

**ARTICLE ONE**

**NAME**

The name of this Board is the "University of New Mexico Hospital Board of Trustees" (hereinafter called the "Board").

**ARTICLE TWO**

**PURPOSE AND AUTHORITY**

**Section I. Authority.** The University has the exclusive responsibility and authority to control and manage the operations of the UNM Hospital in accordance with terms
of the Lease Agreement and the constitutional and statutory responsibilities of the Regents. The Regents reserve the right to consider and determine, if in the exercise of sound discretion it is deemed necessary, any matter relating to the UNM Hospital. Consistent with provisions of the Lease Agreement and for purposes of compliance with federal and state laws and regulations and TJC accreditation standards applicable to healthcare facilities, the Regents, although retaining authority to consider, determine, and act upon any matter relating to the UNM Hospital, have determined to designate the Board as the “governing body” of the UNM Hospital.

Pursuant to the Lease Agreement, the Board is authorized to provide oversight for non-education, non-research, clinical operations of the UNM Hospital, in accordance with these Bylaws and with applicable policies of the Regents, including the delegation of authority to the Board by the Regents, as provided in Exhibit A, as it may be revised from time to time by the Regents (as amended and restated, the “Delegation”). The non-research, non-educational, clinical operations of the UNM Hospital are essentially those operations related to delivery of routine patient care, including medical and surgical care, diagnostic procedures, psychiatric and mental health care, substance abuse services, rehabilitation, cancer treatment, home health services, and hospice care, to HSC patients. The Board will have all powers reasonably necessary to carry out its express responsibilities, as described in the Delegation.

The Board will exercise its authority in accordance with:

- The provisions of the Lease Agreement and the Consent to Lease;
- Applicable state and federal laws and regulations;
- The standards of the TJC, the Liaison Committee for Medical Education of the American Medical Association and the American Association of Medical Colleges for so long as resources are reasonably available to make compliance with such standards possible;
d. Applicable policies and other determinations of the Regents, as those policies and other determinations may be amended and supplemented from time to time;

e. The Delegation;
f. Applicable policies of the HSC; and
g. The HSC Medical Staff Bylaws, Rules and Regulations.

Section 2. Purpose. The purpose of the Board will be to provide oversight to clinical operations of the UNM Hospital in a responsible and proper manner so as to enable the UNM Hospital to provide or arrange for provision of high quality healthcare services to HSC patients and to support the teaching and clinical research missions of the HSC.

Section 3. Conflict of Interest. No member of the Board will use his or her position on the Board for the purpose of obtaining undue advantage or personal advantage for the Board member or for any person or organization in or with which the Board member is interested or associated. Board members will exercise their best judgment for and on behalf of the UNM Hospital, to the exclusion of any personal interest. Board members are subject to conflict of interest policies adopted by the Regents and by the University, and state statutes applicable to conduct of public officials. In this connection, the Board will adopt a conflict of interest policy that implements applicable Regents Policies and state statutes applicable to the conduct of public officials and will provide for annual certification by Board members of their compliance with such policies.

Section 4. Administration. Day-to-day administration of the UNM Hospital is conducted by the Vice President of Hospital Operations (presently, the Vice President of Hospital Operations also serves as Chief Executive Officer of the Hospital) and the Vice President of Clinical Affairs/Senior Associate Dean of Clinical Affairs, each of which
reports to the University’s Executive Vice President for Health Sciences (who also serves as the Dean of the School of Medicine). The Vice President of Hospital Operations is responsible for administering and managing the business, administrative, and the clinical operations in support of delivery of medical care at the UNM Hospital, in compliance with applicable federal and state laws, rules, regulations, and accreditation standards, and, subject thereto, the Lease, the Consent to Lease, the Amended Consent to Lease, and the Federal Contract, as amended, and all applicable Regent policies, University policies, and UNM HSC policies, and/or UNM Hospital policies. The Vice President of Clinical Affairs/Senior Associate Dean of Clinical Affairs, School of Medicine is responsible for medical direction of the UNM Hospital, including, but not limited to, delivery of medical care by, and related activities of, the HSC Medical Staff in accordance with the HSC Medical Staff Bylaws, Rules and Regulations, and in compliance with applicable policies, standards, laws and regulations. They are also charged with reporting to the Board regarding matters involving their respective authorities and responsibilities for the UNM Hospital, including matters related to provision of quality care at the UNM Hospital.

Section 5. Policies. The Board will adopt such specific policies in furtherance of its oversight responsibilities of UNM Hospital as the Board deems necessary, consistent with the Delegation and applicable Regent and University policies and applicable standards, laws and regulations. The Board will not adopt policies that conflict with the Delegation or applicable Regent and/or University policies.

Section 6. Reports to the UNM Health Sciences Center Board of Directors. The Chairperson of the Board or his/her designee shall attend the regular meetings of the UNM Health Sciences Center Board of Directors (the “HSC Board of Directors”) and
will report to the HSC Board of Directors on actions taken by the Board under and pursuant to its delegated responsibility.

**Section 7. Reports/Discussions with Commissioners.** The Regents and the Board will establish mechanisms to provide periodic discussions with the Commissioners at least annually regarding Hospital/Adult Psychiatric Center operations and quality of care, and to promptly notify the Commissioners of any circumstances that might adversely affect the ability of the University to provide medically necessary care to medically indigent patients of the County, as described in the Lease Agreement.

**Section 8. Reports to All Indian Pueblo Council.** The Regents, by and through the HSC Board of Directors, and the Board will also establish mechanisms to provide periodic discussions with the All Indian Pueblo Council at least twice annually regarding Hospital operations and quality of care, as described in the Consent to Lease and the Amended Consent to Lease.

**ARTICLE THREE**

**MEMBERSHIP AND APPOINTMENTS**

**Section 1. Appointment.** Pursuant to the Lease Agreement, the Board is composed of nine (9) members. Two (2) members are appointed by the Commissioners, and seven (7) members are appointed by the Regents. One of the members appointed by the Regents will be a Pueblo Indian, who is nominated by the All Indian Pueblo Council. The members of the Board will include a broad representation of the community served by the UNM Hospital.

Voting Board members appointed by the Commissioners and the Regents will not include any County Commissioners or any Regents. Not more than one physician from the active HSC Medical Staff may be appointed to the Board by the Regents.
Board members will be appointed for staggered terms of three (3) years or less, and will be appointed in such a manner that the terms of not more than three members expire on June 30 of each year. Board members who have served one full three-year term may be reappointed for not more than one additional consecutive three-year term. Each member of the Board will serve until his or her successor is duly appointed and qualified. Vacancies on the Board will be filled by appointment by the Commissioners or the Regents, depending on which body appointed the Board member whose Board service has terminated. A person appointed to fill a vacancy on the Board will serve for the remainder of the term of the Board member whose position has become vacant and until his or her successor is duly appointed and qualified.

Section 2. Ex Officio Members. The University's President, the University's Executive Vice President for Finance and Administration, the Associate Vice President for Finance and Administration (HSC), the Vice President of Clinical Affairs/Senior Associate Dean of Clinical Affairs, School of Medicine, the Vice President of Hospital Operations (or their respective functional successors to each of these positional ex-officio members of the UNMH BOT), and the Chief of Staff of the HSC Medical Staff will serve as ex officio members of the Board without vote. The Commissioners will have the right to appoint one or more non-voting ex officio members to the Board, and a current listing of any ex officio members so appointed in writing by the Commissioners shall be maintained by the Secretary to the Board.

Section 3. Meetings. The Board will meet at least quarterly at a time and place established by the Board for regular meetings. Special meetings may be called by the
Chairperson of the Board or at the request of a majority of the Board members then in office, upon written notice of the time, date, place and purpose of the meeting, delivered to the Board members at least three (3) business days in advance of the meeting. Meetings will be publicized, conducted and documented by minutes in compliance with the New Mexico Open Meetings Act, Sections 10-15-1 et seq. NMSA (the “Act”), and consistent with an annual resolution adopted by the Board pursuant to the Act.

Section 4. Attendance and Removal. Board members are expected to attend regularly all meetings of the Board and of their respective assigned committees. After their appointment, none of the members of the Board will be removed except for cause specified in a written charge and after full public hearing on the charge; provided, however, that if a Board member has three consecutive unexcused absences, the Board will recommend in writing the removal of that Board member to the Regents, through the HSC Board of Directors, or the Commissioners, depending upon which body appointed the member, and will so notify the Board member.

Section 5. Quorum, Voting. A majority of the voting members of the Board then in office will constitute a quorum at Board meetings. A quorum once attained continues until adjournment despite voluntary withdrawal of enough Board members to leave less than a quorum. The Board members may act only as a Board with each member having one vote; individual Board members are without power to act separately in the transaction of Board business, except when one of the Board’s officers is specifically authorized to act on behalf of the Board. The act of a majority of the Board members present at a meeting at which a quorum is present will be the act of the Board.
Section 6. Orientation. All new Board members will receive an initial orientation to the UNM Hospital, as well as additional educational programs on the operation of UNM Hospital.

Section 7. Performance. The Board will evaluate its performance from time to time, but not less than once annually.

ARTICLE FOUR
OFFICERS

Section 1. Number, Tenure, Qualification, Election. The Officers of the Board will be a Chairperson, a Vice Chairperson, and a Secretary, who will be elected annually by the Board at the first regular meeting each fiscal year, to begin their term of office upon election and to serve until their successors are elected and qualified. Vacancies will be filled by the Board. Officers may serve no more than three terms in succession.

Section 2. Chairperson. The Chairperson will preside at all meetings of the Board. With the approval of the Board by a majority vote of a quorum of those members present at a meeting, the Chairperson will have the power to appoint committees and committee chairpersons of the Board as necessary and appropriate. The Chairperson and/or his or her designee will represent the Board in its relations with University officials, and with governmental and civic organizations and agencies.

Section 3. Vice Chairperson. The Vice Chairperson will serve in the absence of the Chairperson and perform other duties as assigned by the Chairperson.

Section 4. Secretary. The Secretary will supervise the recording of minutes and perform other duties as assigned by the Chairperson.
ARTICLE FIVE

MEDICAL STAFF

Clinicians (i.e., physicians and/or other licensed independent practitioners) practicing at the UNM Hospital will all be members of the organized Medical Staff of UNM Hospital (as defined in the Medical Staff Bylaws and related manuals, as they exist from time to time), duly appointed in accordance with the Delegation and with the Medical Staff Bylaws, and pursuant to recommendations of the Medical Executive Committee of the Medical Staff and the Board. Only a member of the active Medical Staff with admitting privileges may admit patients to inpatient UNM Hospital. Only licensed practitioners with privileges, reviewed and approved by the Board as set forth in the Delegation, may assume responsibility for the care of patients in UNM Hospital, consistent with the privileges accorded to those licensed practitioners.

ARTICLE SIX

COMMITTEES

Section 1. Standing Committees. With the approval of the Board by a majority vote of a quorum of those members present at the first regular meeting of the Board of each fiscal year, the Chairperson will have the power to appoint members and chairpersons of standing committees of the Board as necessary and appropriate. Members of standing committees of the Board will be appointed at a regular meeting of the Board to serve for a term of one year. The Chairperson of the Regents may appoint one Regent to attend meetings of Standing Committees of the Board to serve as a non-voting liaison representative of the Regents on such committees.

Section 2. Ad Hoc Committees. With the approval of the Board by a majority vote of a quorum of those members present at a meeting, the Chairperson will have the power to create ad hoc committees of the Board and appoint members and chairpersons of ad hoc committees of the Board as necessary and appropriate, at any time for special
purposes, including, but not limited to, committees to evaluate the performance of the Board and to evaluate and resolve conflict of interest issues.

Section 3. Committees for UNM Hospital. The Board may establish standing or ad hoc committees of the Board to address issues specific to the business, operational, and clinical needs of the UNM Hospital or for other purposes, as it deems appropriate, and may appoint non-voting advisory members to those committees.

ARTICLE SEVEN

ADVISORY AND ADVOCACY COMMITTEES AND/OR BOARDS

The Board will be responsible for coordination with and oversight of any advisory/advocacy committees existing or created for UNM Hospital for non-research and non-education purposes, and will establish reporting mechanisms between those advisory/advocacy committees and the Board.

To the extent that any advisory board currently existing or created for UNM Hospital meets the definition of an “affiliated organization” within the meaning of Regents’ Policy 7.17 and/or N.M. STAT. ANN. § 6-5A-1 (1978) (each, a “Qualifying Affiliated Organization,” and, collectively, the “Qualifying Affiliated Organizations”), the Board shall take the initial steps to ensure compliance with such policies and such statute and to develop reporting mechanisms between each such Qualifying Affiliated Organization and the Board. Additionally, the Bylaws of each such Qualifying Affiliated Organization, and any and all amendments thereto, shall be subject to the review and recommendation for approval to the Board, and for final approval by the Regents, through the HSC Board of Directors.
ARTICLE EIGHT

VOLUNTEER SERVICES

Section 1. Authorization. The Board will authorize volunteer organizations in aid of the operations of the UNM Hospital, subject to review and approval of bylaws of those volunteer organizations by the Board and by the Regents, and subject to HSC policies as authorized by the Executive Vice President of Health Sciences and/or the Vice President of Hospital Operations.

Section 2. Purpose. The primary purpose of volunteer organizations is to promote and advance the welfare of UNM Hospital and HSC patients through ways and means approved by the Executive Vice President of Health Sciences or designee, and subject to applicable law and policies of the Regents, the HSC Board of Directors, the University, and UNM Hospital. The primary goals of such volunteer organizations are:

a. To function as supplemental fund-raising agencies of UNM Hospital;

b. To provide service in a volunteer capacity; and

c. To improve community understanding of UNM Hospital’s mission and programs.

Section 3. Policies. Policies applicable to members of such volunteer organizations will provide, at a minimum, that:

a. The scope of volunteer activities will be delineated in policies and procedures of UNM Hospital.

b. Volunteers may assist with patient care only under direct supervision of appropriate personnel of UNM Hospital and after appropriate, documented in-service training.
c. Volunteers may not perform procedures permitted only by a licensed health care provider.

d. No volunteer under 16 years of age may give direct patient care.

ARTICLE NINE

TELEPHONIC PARTICIPATION AT MEETINGS

Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of a conference phone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means will constitute presence in person at the meeting.

ARTICLE TEN

QUALITY OF CARE

The University will operate the UNM Hospital as an integrated health care delivery system and will adhere to standards of the TJC and applicable standards of organizations responsible for accreditation of health care professional educational programs, as long as resources are reasonably available so as to make it possible to comply with such standards.

The University and the Board will ensure that quality and utilization of care provided at the UNM Hospital are consistently and systematically monitored in accordance with applicable TJC standards and federal and state laws and regulations, as well as prevailing standards of care in comparable healthcare institutions.

The Board will exercise oversight of quality of care evaluation and improvement at the UNM Hospital by receiving and evaluating information provided to the Board and
by providing policy guidance to HSC officials with respect to implementation of recommended improvements or corrective action. The Board will require specific review and evaluation activities to assess, preserve and improve the overall quality and efficiency of patient care at the UNM Hospital, including, but not limited to, quality assurance, utilization review, risk management and safety functions.

ARTICLE ELEVEN

ADOPTION; AMENDMENT

Section 1. Adoption. These Bylaws will become effective upon approval of a majority of the members then in office of the Board and the Regents.

Section 2. Amendments. These bylaws may be altered, amended, or repealed or new Bylaws may be adopted by an affirmative vote of a majority of the members of the Board then in office, provided that notice of such alteration, amendment or repeal is included in the notice of such meeting. Any proposed repeal, amendment or alteration will not become effective until approval by the Regents, by and through the HSC Board of Directors.

Section 3. Review. These Bylaws will be reviewed by the Board at least three years from the date of enactment or revision.

OFFICERS’ CERTIFICATE

The undersigned Officers of the Board certify that these Bylaws of the Board were adopted by the affirmative vote of a majority of the Board at a meeting held on __________, 2010, at which a quorum was present, and were approved by affirmative vote of a majority of the Regents at a meeting held on ______________, 2010, at which a quorum was present.
EXHIBIT A

AMENDED AND RESTATED
DELEGATION OF AUTHORITY AND POWERS BY REGENTS TO
THE UNIVERSITY OF NEW MEXICO HOSPITAL BOARD OF TRUSTEES

Delegation

The authority and powers listed below are delegated by the Regents of the University of New Mexico (the “Regents”) to the University of New Mexico Hospital Board of Trustees, (the “UNMH BOT”), pursuant to Section V of that certain Lease Agreement for Operation and Lease of County Healthcare Facilities dated as of July 1, 1999, as amended by that certain First Amendment to Lease Agreement for Operation and Lease of County Healthcare Facilities dated as of November 18, 2004 (as amended, the “Lease”), effective as of [INSERT DATE] (the “Delegation Effective Date”). This delegation shall continue in effect unless revised as provided in Section V of the Lease. This delegation amends, restates, and supersedes any and all previous delegations and/or conflicting or inconsistent provisions in Regents’ policies existing on the Delegation Effective Date, except for Regents’ policies revising this delegation in accordance with the provisions of Section V of the Lease. As provided in Section V of the Lease, consistent with the Regents’ constitutional and statutory responsibilities, the Regents will retain the right to consider, determine, and act upon any matter relating to the UNM Hospital and, subject thereto, the Regents hereby delegate the following authority and responsibility to the UNMH BOT, as the “governing body” for the UNM Hospital:

1. Oversight and management of the non-research, non-educational operations of the UNM Hospital in a proper and responsible manner so as to enable the UNM Hospital to provide or arrange for provision of high quality healthcare services to patients of the UNM Hospital and to support the teaching and clinical research missions of the HSC; provided, however, that nothing contained in this delegation shall be construed to be a delegation of authority to the UNMH BOT of any matter covered and addressed by the University of New Mexico Labor Management Relations Resolution adopted by the Regents on May 9, 2006 (the “Labor Resolution”),

2. Review and recommend for approval to the UNM Health Sciences Center Board of Directors (“UNM HSC BOD”), in accordance with applicable Regent and/or University policy, the UNM Hospital’s annual operating and capital budgets.

3. Review and approve, or in appropriate circumstances recommend for approval, in accordance with applicable Regent, UNM HSC BOD, or University policy and the annexed approval matrix, the following:

Capitalized terms not otherwise defined in this Exhibit A shall have the meanings ascribed to such terms in Regents’ Policy 2.13.

Deleted: 2.13.
(a) the procurement by the UNM Hospital of equipment (whether by purchase, lease, or other forms of acquisition);

(b) execution by the UNM Hospital of contracts for services with third parties; or

c) lease by the UNM Hospital of real estate.

In this connection, the UNM HSC BOD shall establish by resolution, the level of approval authority for the UNMH BOT with respect to Vendor Contracts, leases of real property, Trade Transactions, Third Party Payor Contracts and/or Strategic Transactions within the parameters of what are Approvable Transactions as set forth in Regents Policy 2.13.

4. Review and approve, in coordination with the UNM HSC BOD, the UNM Hospital's operating plan and strategic plan.

5. Review and approval of policies of the UNM Hospital that require review and approval by the governing body under applicable laws, regulations or accreditation standards, subject to ratification by the UNM HSC BOD, other than policies that are covered by the Labor Resolution.

6. Review and approval, in accordance with applicable Regent or University policy and/or applicable accreditation standards, the Medical Staff Bylaws and the Medical Staff Rules and Regulations and amendments thereto.

7. Assurance that the Medical Staff has reasonable policies and procedures in place regarding credentialing of physicians and ancillary providers who practice at the UNM Hospital.

8. Receipt of and final action on recommendations of the Medical Staff related to appointment and reappointment of members of the Medical Staff and the granting of privileges to physicians and ancillary providers who practice at the UNM Hospital or at other patient care facilities as assigned by the HSC. In this connection, all action by the UNMH BOT related to the appointment and reappointment of members of the Medical Staff shall be fully effective at the time of such action, even if the affected Medical Staff member may have the ability to appeal the same to the Regents under Regents Policy 1.5. With respect to “Professional Review Actions” as defined in the Medical Staff Bylaws and related manuals and in applicable federal and state laws, rules, regulations, and accreditation standards, the affected member or members of the Medical Staff shall have such appellate rights as are specified in the Medical Staff Bylaws and related manuals.

9. Receipt of and action upon, as appropriate, periodic reports and recommendations of the Medical Staff and administrators of the UNM Hospital related to quality assurance for patient care delivered at the UNM Hospital.

10. Coordination with and oversight of any advisory/advocacy boards existing or created for UNM Hospital for other than research and education purposes, and estab-
lishment of reporting mechanisms between those advisory/advocacy boards and the UNMH BOT.

11. Review and recommendation as to the bylaws of advisory/advocacy boards of UNM Hospital and submission of the bylaws of those advisory/advocacy boards to the Regents for review and approval in accordance with applicable Regents' policy.

12. Management and oversight of claims and/or lawsuits involving the UNM Hospital and, in coordination with the UNM HSC BOD, the development of a loss control program with respect thereto.

13. Oversight of, and action upon, issues involving compliance by the UNM Hospital and the employees thereof with applicable federal and state health care regulatory requirements including, without limitation, billing issues, anti-kickback statute issues, Stark law issues, and other regulatory requirements and with the HSC Institutional Compliance Program as contemplated in Regents' Policy 2.13.

14. Oversight of, and action upon, issues involving compliance by the UNM Hospital and the employees thereof with applicable federal and state health care regulatory requirements including, without limitation, compliance with HIPAA and the regulations and with the University’s HIPAA compliance program as contemplated in Regents’ Policy 2.13.

Deleted: 2.13.3.
Deleted: 13.
Deleted: Regulations
Deleted: 2.13.4.
Deleted: Regent Participation on UNMH BOT/Communication with the Regents/Regent Ratification of Actions Taken by UNMH BOT 4

1. The Regents may designate a member of the Regents to attend meetings of the UNMH BOT and/or committee meetings of delegated committees of the UNMH BOT, for liaison purposes, but not as a voting member of the UNMH BOT.

2. Representatives of the UNMH BOT, as designated by the Chairperson of the UNMH BOT, will make periodic reports to the Regents, at least semi-annually, on matters within the UNM BOT’s delegated responsibility and will report for ratification, all matters required to be ratified and approved by the governing body under applicable laws, regulations or accreditation standards and Regents’ policies.

3. Actions by the UNMH BOT pursuant to this delegation are subject to approval or ratification by the Regents as required by applicable federal and state laws and regulations, accreditation standards, and provisions of the Lease. As provided in Section V of the Lease, consistent with the Regents’ constitutional and statutory responsibilities, the Regents will retain the right to consider, determine, and act upon any matter relating to the UNM Hospital. However, the Regents will neither modify nor decline to ratify actions by the UNMH BOT, within the scope of the authority and powers delegated by the Regents to the UNMH BOT, except after consultation with one or more representatives of the UNMH BOT designated by the Chairperson of the UNMH BOT. In this connection, all such agenda items shall be processed through the Executive Vice President of Health Sciences and the University President per policy.
AMENDED AND RESTATED BYLAWS
OF
UNM MEDICAL GROUP, INC.

ARTICLE I:
NAME, PURPOSES, POWERS AND RESTRICTIONS

Section 1: Name. The name of the Corporation shall be:
UNM MEDICAL GROUP, INC.


Section 2: Purposes. The Corporation is organized by the Regents of the University of New Mexico (the “Regents”) exclusively for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or with corresponding provisions of any future United States Internal Revenue Code (hereinafter, the “Code”). Specifically, the Corporation is organized to facilitate and enhance the clinical, educational, and research functions of the faculty of the University of New Mexico School of Medicine (“UNM SOM”) and in connection therewith, the medical staffing of health care facilities in support of and under the operating aegis of the Health Sciences Center of the University of New Mexico (“UNM HSC”); to secure clinical, and office facilities in which to house and support such health care facilities; to secure equipment and supplies in connection with such health care facilities; to perform business functions related to staffing such health care facilities, including, without limitation, employment, payroll, contracting, and fiscal services; and to perform other functions as reasonable to promote the social welfare of New Mexico through the advancement of health care.

The purposes stated in these Bylaws are limited to those purposes that come within the meaning of and comply with Section 501(c)(3) of the Code or with corresponding provisions of any future Code. In furtherance of the charitable, educational and scientific purposes specified in this Article I, the Corporation is organized, and at all times hereafter shall be operated, exclusively for the benefit of, to perform the functions of, or to carry out the purposes of, the University of New Mexico. To that end, the Corporation shall be operated, supervised, or controlled by the University of New Mexico.
Section 3: **Powers and Restrictions.** The Corporation shall have as powers its stated purposes and all powers implicit in its stated purposes or granted by law to non-profit corporations in the State of New Mexico qualified under Section 501(c)(3) of the Internal Revenue Code and the University Research Park Act, N.M. STAT. ANN. § 21-28-1 et seq., and without limiting the generality of the foregoing to take and hold, by bequest, devise, gift, purchase, lease, or any other means, any property, whether real, personal, tangible or intangible, without limitation as to amount or value; to sell, convey and dispose of any such property or the income therefrom for any of the before-mentioned purposes, without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received, the Articles of Incorporation, these Bylaws of the Corporation, or any laws applicable thereto.

No part of the net earnings of the Corporation shall inure to the benefit of any private individual, and no part of the activities of the Corporation shall consist in carrying on propaganda, or otherwise attempting to influence legislation or participating in or intervening in any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision of the Articles of Incorporation or these Bylaws, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code and the related Regulations as they now exist or as they may hereafter be amended, or by any organization contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as they now exist or as they may hereafter be amended.

Upon the dissolution or other termination of the Corporation, no part of the property of the Corporation nor any of the proceeds thereof shall be distributed to, or inure to the benefit of any private individual, any individual Regent or any Officer or Director of the Corporation, but all such property and proceeds shall, subject to the discharge of valid obligations of the Corporation and to applicable provisions of law and the Articles of Incorporation, be disposed of as directed by the Board of Directors of the Corporation and by the Regents as provided in the Articles of Incorporation.

**ARTICLE II:**

**MEMBER AND MEMBERSHIP**

Section 1: **Members.** The Regents, as a body corporate, shall be the sole member (the "Member") of the Corporation. The Regents shall have all the rights and privileges granted to it by the New Mexico Nonprofit Corporation Act, the University Research Park and Economic Development Act, the Articles of Incorporation, and these Bylaws.

Section 2: **Annual Meeting of the Member.** The Annual Meeting of the Member for the election of Directors, and for the transaction of such other business as properly
shall come before the meeting, shall be held following the close of the fiscal year of the Corporation and within sixty days of the delivery to the member of the Corporation's final audit for such fiscal year as provided for under these Bylaws, but in no case later than December of each year.

Section 3: **Special Meetings.** Special Meetings of the Member shall be called at any time by the Regents. A Special Meeting may be requested by the President and Chief Executive Officer of the Corporation or upon Resolution of the Board of Directors.

Section 4: **Place of Meetings.** All meetings of the Member shall be held at such places within the State of New Mexico as shall be specified in the respective notices of such meetings or waivers thereof.

Section 5: **Notice of Meetings.** Notice of the Annual Meeting and of every Special Meeting described hereinabove shall be served personally or by mail on the members of the Regents, not less than ten (10) days nor more than fifty (50) days before the meeting. All notices shall state the place, day and time where the meeting is to be held and notices of Special Meetings shall also state the purpose or purposes for which the meeting is called. If mailed, such notice shall be directed to each Regent at the address of each Regent as it appears on the books or records of the Corporation. Additionally, notice is deemed given if made by electronic communication.

The Member, as a body corporate, may waive notice of a meeting by executing and filing in the corporate records a written waiver of notice. The attendance of any Regent at any meeting shall constitute a waiver of notice of the meeting, except where a Regent attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6: **Action of Members Without a Meeting.** Any action required or permitted to be taken at a meeting of the Member, or any action which may be taken at a meeting of the Member, may be taken without a meeting if a consent in writing, setting forth the action is signed by the Member.

**ARTICLE III:**
**BOARD OF DIRECTORS**

Section 1: **Management.** The affairs and the property of the Corporation shall be managed by the Board of Directors (the "Board"). The Directors shall act only as a Board, and individual Directors shall have no power as such.

Section 2: **Annual Meeting.** The Annual Meeting of the Board for the election of Officers (as hereinafter defined) and for the transaction of such other business as prop-
erly shall come before the meeting shall be held as soon as practicable following the Annual Meeting of the Member; provided, however, that an organizational meeting of the Board, for the election of Officers and transaction of other business, may be held after the first appointment of the voting Directors enumerated in Article III, Section 8(a) – (c), of these Bylaws. Such Annual Meeting of the Board shall be a general meeting and open for the transaction of any business within the powers of the Board without special notice of such business, except in any case where special notice is required by law, by the Articles of Incorporation, or by these Bylaws.

Section 3: Regular Meetings. Regular Meetings of the Board shall be held at such places within the State of New Mexico as shall be specified by the Board of Directors, one of which shall be designated as the Annual Meeting. Such Regular Meetings shall be held not less frequently than one each fiscal quarter and shall be general meetings and open for the transaction of any business within the powers of the Board without special notice of such business, except in any case where special notice is required by law, by the Articles of Incorporation, or by these Bylaws.

Section 4: Special Meetings. Special Meetings of the Board shall be called at any time by the Secretary upon the request of the President and Chief Executive Officer of the Corporation or upon the request of no less than one-quarter of the Directors then in office.

Section 5: Place of Meetings. All meetings of the Board shall be held at such places within the State of New Mexico as shall be specified in the respective notices of such meetings or waivers thereof.

Section 6: Notice of Meetings. Notice of every Annual or Regular Meeting of the Board shall be served personally or by mail on each Director not less than ten (10) days nor more than fifty (50) days before the meeting. Notice of every Special Meeting shall be served personally or by mail on each Director not less than two (2) days before the meeting. Notices or waivers of notice do not need to state the purpose or purposes for which the meeting is called, but shall state the time and place of the meeting. If mailed, such notices shall be directed to each Director entitled to notice at his address as it appears on the books or records of the Corporation. Additionally, notice is deemed given if made by electronic communication.

A Director may waive notice of a meeting by executing and filing in the corporate records a written waiver of notice. The attendance at any meeting shall constitute a waiver of notice of the meeting, except where a member attends for the expressed purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
Section 7: Quorum. At all meetings of the Board of Directors the presence of a majority of the Directors then in office shall be necessary and sufficient to constitute a quorum, and except as otherwise provided by law or by these Bylaws, the act of a majority of the Directors present at a meeting at which there is a quorum shall be the act of the Board.

Section 8: Number, Composition, and Election of Board of Directors. The Corporation shall have not less than three (3) nor more than twenty-six (26) Directors, as determined by the Member by resolution (each a “Director” and collectively, the “Directors”). Pursuant to the requirements of the University Research Park and Economic Development Act, the Member, by and through the Regents, will appoint all Directors. The Directors shall include the following individuals, who shall be voting Directors:

(a) The Dean of the UNM SOM;

(b) The Senior Associate Dean for Clinical Affairs of UNM SOM;

(c) At least 30 days prior to the Annual Meeting of the Member, or at least three (3) days prior to the Member’s consideration of the first appointment of the Positional Directors, the Committee of Chairs of the UNM SOM may nominate six individuals from among its members to serve as Directors; the Member shall consider such nominees at the Annual Meeting and, if acceptable to the Member, may, upon a majority vote of the Regents, appoint such individuals to serve as Directors of the Corporation; provided, however, that, in the event that the Member finds any one or more of the nominees unacceptable, the Committee of Chairs of the UNM SOM shall nominate another individual or other individuals from among its members for the Member’s consideration at a Special Meeting of the Member and, if such substitute nominee is acceptable to the Member, may, upon a majority vote of the Regents, appoint such individuals to serve as Directors; provided, further, however, that if after two (2) consecutive rounds of any such nomination with respect to a particular Director vacancy covered by this subsection, the Regents find such nominees unacceptable, then the Regents may select and appoint a member or members of the UNM SOM Committee of Chairs to serve as Director(s) of the Corporation;

(d) At least 30 days prior to the Annual Meeting of the Member, or at least three (3) days prior to the Member’s consideration of the first appointment of the Positional Directors, the Physician Advisory Group or any successor or...
ganization of the Corporation may nominate to the Dean of the UNM SOM who, if he concurs in the nomination, shall nominate to the Member two (2) individuals from among its members to serve as Directors; the Member shall consider such nominees at the Annual Meeting and, if acceptable to the Member, may, upon a majority vote of the Regents, appoint such individuals to serve as Directors of the Corporation; provided, however, that, in the event that the Member finds any one or more of the nominees unacceptable, the Dean of the UNM SOM shall nominate another individual or other individuals from among the members of Physician Advisory Group or any successor organization of the Corporation for the Member's consideration at a Special Meeting of the Member and, if such substitute nominee(s) is acceptable to the Member, may, upon a majority vote of the Regents, appoint such individuals to serve as Directors; provided, further, however, that if after two (2) consecutive rounds of any such nomination with respect to a particular Director vacancy covered by this subsection, the Regents find such nominee unacceptable, then the Regents may select and appoint a member of the Active Medical Staff of the UNM Hospitals to serve as a Director of the Corporation; and

(c) At least 30 days prior to the Annual Meeting of the Member, or at least three (3) days prior to the Member's consideration of the first appointment of the voting Directors, the Dean of the UNM SOM may nominate one (1) independent non-faculty member to serve as a Director, subject to the Member's Conflict of Interest policies; the Member shall consider such nominees at the Annual Meeting and, if acceptable to the Member, may, upon a majority vote of the Regents, appoint such individuals to serve as Directors of the Corporation; provided, however, that, in the event that the Member finds a nominee unacceptable, the Dean of the UNM SOM shall nominate another individual for the Member's consideration at a Special Meeting of the Member and, if such substitute nominee is acceptable to the Member, may, upon a majority vote of the Regents, appoint such individual to serve as a Director; provided, further, however, that if after two (2) consecutive rounds of any such nomination with respect to a particular Non-Positional Director vacancy, the Regents find such nominees unacceptable, then the Regents may select and appoint an individual who is independent and not a faculty member of the UNM to serve as a Director of the Corporation.

Section 9: Vacancy. Except as otherwise provided in this Section 9, any vacancies occurring among the Directors shall be filled by the Member at a Special Meeting. A vacancy shall occur upon the death or incapacity of a Director, or his or her resignation or removal as hereinafter provided. Subject to the provisions of Section 11 hereinbelow, each Positional Director shall continue as a Director only for so long as such individual occupies the position qualifying him/her for said appointment, or until his/her earlier death or resignation. With respect to the Non-Positional Director,
identified in Section 8(e), if a vacancy shall have occurred as a result of removal by the Member as set forth in Section 11, prior to the appointment of a replacement Director, the members of the Clinical Department where such individual served or serves as a Chair, shall have an opportunity to nominate to the Member an individual to serve in replacement of the individual removed as a Director and, if acceptable to the Member, shall be appointed to serve as a Director to serve out the remaining term of the individual replaced. A vacancy shall be filled for the remainder of the unexpired term of the Director whose death, incapacity, resignation or removal gave rise to the vacancy.

Section 10: Term of Office of Directors. The Initial Directors named in the Articles of Incorporation shall serve until the voting Directors enumerated in Article III, Section 8(a) - (c) of these Bylaws shall have been first appointed by the Member and qualified. The directors shall be divided into three classes, designated Class A, Class B, and Class C. Each class shall consist of one-third of the directors or as close an approximation as possible. In this connection, one of the Positional Director identified in Section 8(d) shall serve as a Class B director and one of the Positional Directors identified in Section 8(d) shall serve as a Class C director. The Dean of the UNM SOM shall serve as a Class B Director and the Senior Associate Dean of Clinical Affairs shall serve as a Class A Director. The remaining Positional Directors shall be divided into the three (3) classes in as close an approximation to one-third as possible. The initial term of office of the directors of Class A shall expire at the annual meeting to be held during fiscal year 2008, the initial term of office of the directors of Class B shall expire at the annual meeting to be held during fiscal year 2009, and the initial term of office of the directors of Class C shall expire at the annual meeting to be held during fiscal year 2010. Directors may be relected for any number of terms. All Directors shall serve in their respective offices until their successors are appointed and qualified.

Section 11: Resignation and Removal of Directors. Any Non-Positional Director may be removed by a majority vote of the Regents at any time with or without cause and with or without notice at a meeting of the Member. Any Non-Positional Director may resign at any time upon providing written notice to the President and Chief Executive Officer and to the Member.

With respect to the Positional Directors, each such Positional Director may be removed by a majority vote of the Regents for good cause with prior written notice to such Positional Director. In this connection, “good cause” shall mean:

(a) The failure of such Positional Director to continue in the position giving rise to such Positional Director’s appointment as a Director as set forth in Sections 8 and 9 of this Article;
(b) The inability of such Positional Director to substantially perform his/her material duties as a Director by failing to attend three (3) consecutive Quarterly Meetings of the Board;

c) Willfully engaging in illegal conduct or gross misconduct, which is materially and demonstrably injurious to the Corporation. For purposes of this provision, no act or failure to act on the part of such Positional Director shall be considered "willful", unless it is done in bad faith or without reasonable belief that such Positional Director's action or omission was in the best interests of the Company.

Section 12: Compensation and Expense Reimbursement. The Directors shall not receive compensation for their services as directors but the Board may authorize reimbursement for reasonable and necessary expenses incurred by Directors in connection with the performance of their duties in accordance with policies to be established by the Board.

Section 13: Indemnification.

(a) Any person made a party to any action, suit or proceeding by reason of the fact that he, his testator or intestate, is or was a Director, Officer or employee of the Corporation, or of any corporation which he served as such at the request of the Corporation, shall be indemnified by the Corporation against the reasonable expenses, including attorney's fees, actually and reasonably incurred by him in connection with the defense of such action, suit or proceeding, civil or criminal, in which he is made a party by reason of being or having been a Director or Officer. The indemnification may include any amounts paid to satisfy a judgment or to compromise or settle a claim, or incurred in connection with any appeal of any such action, suit or proceeding. A Director, Officer or employee shall not be indemnified in relation to matters as to which it shall be adjudged in such action, suit or proceeding on the basis that he has breached or failed to perform the duties of his office and the breach or failure to perform constitutes willful misconduct or recklessness. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which any such Director, Officer, or employee may be entitled as a matter of law.

(b) Expenses incurred in defending any action or proceeding for which indemnification is required pursuant to this Section 13 following authorization thereof by the Board shall be paid by the Corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it shall ultimately be determined that the indemnified party is not entitled to be indemnified as authorized in this Section 13.

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(c) The indemnification provided by this Section 13 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, to the extent that additional rights to indemnification are authorized in the Articles of Incorporation.

(d) The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of the New Mexico Non-Profit Corporation Act or the New Mexico University Research Part and Economic Development Act.

Section 14: Action Without A Meeting. Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board, or of any Committee thereof, may be taken without a meeting if all members of the Board or Committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board or Committee. Written consents representing actions taken by the Board or Committee may be executed by telex, telecopy or other facsimile transmission, and such facsimile shall be valid and binding to the same extent as if it were an original.

Section 15: Telephonic Meetings. Unless otherwise restricted by the Articles of Incorporation or these Bylaws, members of the Board of Directors, or any Committee, may participate in a meeting of the Board, or any Committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

ARTICLE IV:
OFFICERS

Section 1: Number of Officers. The Officers of the Corporation shall be a Chairman of the Board, a President and Chief Executive Officer, one or more Vice-Presidents, a Secretary, and a Chief Financial Officer (together with the additional officers appointed pursuant to Section 3 below, shall be referred to individually as an "Officer” and collectively, as the “Officers”). One person may hold two of the aforesaid
Section 2: **Election of Officers.** Except for those Officers serving by virtue of their position (the "Ex-Officio Officers"), the Officers shall be elected annually at each Annual Meeting of the Board by a plurality of the votes cast and may succeed themselves in office. Except for the Ex-Officio Officers, each person elected as an Officer shall continue in office until the next Annual Meeting after his election, or until his successor shall have been duly elected and qualified, or until his earlier death, resignation or removal in accordance with these Bylaws. Except for Ex-Officio Officers, vacancies of Officers caused by death, incapacity, resignation, removal, or increase in the number of Officers may be filled by a majority vote of the Board at a Special Meeting called for that purpose or at any regular meeting. As to the Ex-Officio Officers, any Ex-Officio Officer may be removed from his/her office for “good cause” as defined in Section 11 of Article III of these Bylaws.

Section 3: **Additional Officers.** The Board, after consultation with and the concurrence of the President and Chief Executive Officer, at any meeting may by resolution appoint such additional Officers and such agents and employees as it may deem advisable. The Board may delegate to any Officer or Committee the power to appoint such subordinate Officers or agents and to determine their terms of office.

Section 4: **Removal of Officers.** Except for the Ex Officio Officers, any Officer may be removed at any time with or without cause and with or without notice, by a vote of the majority of the Board at any meeting of the Board.

Section 5: **Chairman of the Board.** The Chairman of the Board shall be elected from among the Directors; provided, however, that in all cases, the Chairman of the Board shall be the Dean of the UNM SOM. The Chairman of the Board shall preside at all meetings of the Members of the Board and shall have such other powers and duties as may be assigned to him from time to time by the Board or as prescribed by these Bylaws.

Section 6: **President and Chief Executive Officer.** The President and Chief Executive Officer shall have general supervision over the affairs and property of the Corporation and over its several Officers, and shall generally do and perform all acts incident to the office of the President and Chief Executive Officer, and shall have such additional powers and duties as may from time to time be assigned to him by the Board. When authorized by the Board, the President and Chief Executive Officer may sign and execute, in the name of the Corporation, deeds, mortgages, promissory notes, security agreements, pledge agreements, financing statements, bonds, contracts or other instruments authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other Officer or...
Section 7: The Vice-Presidents. The Board may elect one or more Vice-Presidents. At the request of the President and Chief Executive Officer, or in his absence or disability, the Vice-Presidents, in the order designated by the Board and the President and Chief Executive Officer, shall perform all the duties of the President and Chief Executive Officer and, when so acting, shall have all the powers and be subject to all the restrictions upon the President and Chief Executive Officer. When authorized by the Board, any Vice-President may also sign and execute, in the name of the Corporation, deeds, mortgages, bonds, contracts, or other instruments authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board, or by these Bylaws to some other Officer or agent of the Corporation. The Vice-Presidents shall perform such other duties as from time to time may be assigned to them by the Board and/or by the President and Chief Executive Officer.

Section 8: Chief Financial Officer. The Chief Financial Officer shall report to the President and Chief Executive Officer and shall have charge and custody of, and be responsible for, all the funds of the Corporation and shall keep or cause to be kept and shall be responsible for the keeping of accurate records of the assets, liabilities and transactions of the Corporation. He/she shall deposit all moneys and other valuable effects of the Corporation in the name of and to the credit of the Corporation in accordance with accounting procedures approved by the Board, consistent with the policies of the UNM, in such banks, trust companies, or other depositories as may be approved by the Board. He/she shall disburse the funds of the Corporation based upon proper vouchers for such disbursements. In general, he shall perform all the duties incident to the office of Chief Financial Officer and such other duties as may from time to time be assigned to him by the Board of Directors and/or the President and Chief Executive Officer. If required by the Board, the Chief Financial Officer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board shall determine. The expense of such bond shall be paid by the Corporation.

Section 9: Secretary. The Board shall elect a Secretary who shall report to the President and Chief Executive Officer and act as Secretary of, and keep the Minutes of all meetings of the Board and of the Member in one or more books provided for that purpose; and whenever required by the President and Chief Executive Officer, shall perform like duties for any Committee, provided that in the absence of the Secretary, the Member or a majority of the Directors present at any meeting thereof may designate any person to act as Secretary for such meeting. The Secretary shall see that all notices are duly given in accordance with these Bylaws and as required by law; he shall be custodian of the Seal of the Corporation and shall affix and attest the Seal to any and all documents specifically or generally authorized by the Board to be executed on behalf of
the Corporation under its Seal. He shall have charge of the books, records and papers of the Corporation relating to its organization as a Corporation, and shall see that all reports, statements and other documents required by law are properly kept or filed, except to the extent that the same are to be kept or filed by the Chief Financial Officer. In general, he shall perform all the duties incident to the office of Secretary and such other duties as may from time to time be assigned to him by the Board and by the President and Chief Executive Officer.

ARTICLE V:
COMMITTEES

Section 1: Executive Committee. A majority of the initial Directors set forth in the Articles of Incorporation, present at a meeting of the Board at which there is a quorum may initially appoint an Executive Committee to serve during the interim until the first Annual Meeting of the Board, and thereafter, the Executive Committee shall be appointed annually at the Annual Meeting of the Board by a majority of the Directors present at a meeting of the Board at which there is a quorum. The Executive Committee shall consist of the Chairman of the Board, the Senior Associate Dean of Clinical Affairs of the UNM SOM, and one of the members of the Board referenced in Section 8(c) of Article III. The Chairman of the Board shall serve as the chairperson of the Executive Committee and the Senior Associate Dean of Clinical Affairs of the UNM SOM shall serve as vice chairperson of the Executive Committee. Vacancies in members of the Committee may be filled by a majority of the Directors present at a meeting of the Board at which there is a quorum, with the concurrence of the President and Chief Executive Officer. Except for those members serving on the Executive Committee by virtue of their office, any member of the Executive Committee may be removed from membership on said Committee at any time with or without cause by a vote of the majority of the Directors present at any meeting of the Board at which there is a quorum.

The Executive Committee shall, during the intervals between meetings of the Board, possess and exercise all of the powers of the Board in the management of the affairs and property of the Corporation, except that the Executive Committee may not take or possess the authority to take any of the actions proscribed in Section 7 of this Article. The presence of a majority of the members of the Executive Committee shall be necessary and sufficient to constitute a quorum, and the act of a majority of the members of the Executive Committee present at a meeting at which there is a quorum shall be the act of the Executive Committee. The Executive Committee shall keep full and fair records and accounts of its proceedings and transactions. All actions by the Executive Committee shall be reported to the Board at its next meeting succeeding such action and shall be subject to revision and alteration by the Board, provided that no rights of third persons shall be affected by any revisions or alteration.
Section 2: Finance Committee. A majority of the whole Board may appoint a Finance Committee consisting of at least three Directors and such Committee shall recommend or determine the form, time, and manner in which funds of the Corporation shall be invested, as such majority shall authorize. The Board shall enact rules and regulations for governance of the Finance Committee and the Finance Committee shall report to the Board as the Board shall require.

Section 3: Audit Committee. A majority of the whole Board will appoint an Audit Committee consisting of at least three Directors, one of whom will be one of whom will be the Non-Positional Director appointed pursuant to Section 8(e) of Article III of these Bylaws who shall chair the Audit Committee. The basic purpose and responsibility of the Audit Committee shall be to advise and assist the Board in fulfilling its responsibilities to the Corporation and the Member in connection with monitoring the integrity of this Corporation’s financial statements, financial and accounting practices, internal controls, business ethics, and compliance with laws, regulations, and policies that may have a material impact on the financial statements of the Corporation. In this connection, the Audit Committee will review and assess the qualitative aspects of financial reporting, the Corporation’s processes to manage business and financial risk, and compliance with significant applicable legal, ethical, and regulatory requirements. The Audit Committee shall, when necessary, work in collaboration with the Internal Audit Department of the Member and shall report to the Board as the Board shall require and to Audit Committee of the Regents as the Regents may require.

Section 4: Other Committees. A majority of the Directors present at a meeting of the Board at which there is a quorum may from time to time, by Resolution, create such other Committees of Directors, Officers, UNM SOM faculty members or employees, with such functions, powers, and duties as the Board shall determine. The Board shall enact rules and regulations for the governance and authority of any such Committee; provided, however, that any Committee appointed pursuant to this section which is not comprised of all Directors shall not have the power of the Board.

Section 5: Minutes of Committees. Each Committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required. All actions by any Committee formed as provided in this Article V, other than the actions by the Audit Committee, shall be reported to Executive Committee of the Board at its next meeting succeeding such action and shall be subject to revision and alteration by the Executive Committee of the Board and ultimately, the Board.

Section 6: Meetings and Action of Committees. Meetings and actions of Committees shall be governed by, and held and taken in accordance with, the provisions of Section 5 of Article III (place of meetings), Section 14 of Article III (by telephone), Section 3 of Article III (regular meetings), Section 4 of Article III (special meetings) Section 6 of Article III (notice and waiver of notice), Section 7 of Article III (quorum), and Sec-
tion 14 of Article III (action without a meeting) of these Bylaws, with such changes in
the context of such provisions as are necessary to substitute the Committee and its
members for the Board of Directors and its members; provided, however, that the time
of regular meetings of Committees may be determined either by resolution of the Board
of Directors or by resolution of the Committee, that Special Meetings of Committees
may also be called by resolution of the Board of Directors and that notice of Special
Meetings of Committees shall also be given to all alternate members, who shall have the
right to attend all meetings of the Committee. With the exception of the Audit Com­
mittee, the Board of Directors may adopt rules for the governance of any Committee not
inconsistent with the provisions of these Bylaws.

Section 7. Limitations of Powers of Committees. None of the Committees of
the Board created as provided in this Article V shall have the power or authority to (a)
amend, alter or repeal these Bylaws, (b) elect, appoint or remove any member of any
Committee or any Director or Officer of the Corporation, (c) amend the Articles of In­
corporation, restate the Articles of Incorporation, adopt a plan of merger, or adopt a
plan of consolidation with another corporation, (d) authorize the sale, lease, exchange
or mortgage of all or substantially all of the property and assets of the Corporation, (e)
authorize the voluntary dissolution of the Corporation or revoke proceedings thereof,
(f) adopt a plan for the distribution of the assets of the Corporation, (g) amend, alter or
repeal any resolution of the Board which by its terms provides that it shall not be
amended, altered or repealed by a Committee, or (h) as otherwise provided by law,
these Bylaws or by resolution of the Board. The presence of a majority of the members
of any such Committee formed by the Board as provided in this Article V shall be ne­
cessary and sufficient to constitute a quorum, and the act of a majority of the members
of any such Committee present at a meeting at which there is a quorum shall be the act of
such Committee.

ARTICLE VI:
AUDIT

An annual audit of unlimited scope of all of the operations of the Corporation
shall be conducted by a Certified Public Accountant, and a copy of that audit report and
any support documents requested shall be made available to the Member, the President
of the University, the Executive Vice-President for Finance & Administration of the
University, the Chancellor for Health Sciences of the UNM HSC, the Dean of the UNM
SOM, the Audit Committee of the Regents, and the New Mexico Public Regulation
Commission.
ARTICLE VII:
MISCELLANEOUS PROVISIONS

Section 1: **Offices.** The Board may establish, from time to time, one or more offices of the Corporation at any place or places within the State of New Mexico, and may maintain such office or offices for such period or periods of time as it may deem expedient.

Section 2: **Fiscal Year-End.** The Fiscal Year of the Corporation shall end on June 30 in each year.

Section 3: **Commercial Paper.** All checks, drafts and other orders for the payment of money out of the funds of the Corporation shall be executed on behalf of the Corporation by such Officer or Officers, or employee or employees, as the Board may, by Resolution, from time to time determine.

Section 4: **Deposits.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust company or other depositories as the Board with the concurrence of the President and Chief Executive Officer may from time to time select or as may be selected by any Officer or employee of the Corporation to whom such power may from time to time be delegated by the Board with the concurrence of the President and Chief Executive Officer; and for the purpose of such deposit, any Officer or any employee to whom such power may be delegated by the Board with the concurrence of the President and Chief Executive Officer, may endorse, assign and deliver checks, drafts and other orders for the payment of money which are payable to the order of the Corporation.

ARTICLE VIII:
SEAL

The Corporate Seal of the Corporation shall be circular in form and shall have inscribed around the border the name of the Corporation, and in the center, the words "Corporate Seal, State of New Mexico 2007" shall be inscribed. If and when so directed by the Board, a duplicate of the seal may be kept and used by such other Officer or employee of the Corporation as may be designated.
ARTICLE IX:
AMENDMENT OF BYLAWS

The Bylaws may be amended by the Board of Directors at any Annual, Quarterly, or Special Meeting. Directors shall be entitled to at least ten (10) days' notice in writing by mail, or in person of the meeting time and place at which the amendment is to be voted upon. The written notice must include a copy of the proposed amendment. No amendment to the Bylaws shall be effective until approved by the Regents. These Bylaws may also be amended in whole or in part by formal action of the Regents acting as the Member.

We certify that the above Bylaws of the Corporation were adopted by the Board of Directors on February 14, 2007, and approved by the Regents on February 14, 2007, and the above and foregoing Amended and Restated Bylaws of the Corporation were adopted by the Board of Directors on October 1, 2010, and approved by the Regents on November 7, 2010.

Chairman of the Board

Secretary

APPROVED BY THE REGENTS OF THE UNIVERSITY OF NEW MEXICO ON _____________, 2010

President of the Board of Regents of the University of the New Mexico
The Chairs of the Clinical Departments of the UNM SOM; and

(f) The Director of the UNM Cancer Research & Treatment Center.

In addition to the foregoing, pursuant to the requirements of the University Research Park Act, the Member, by and through a majority vote of the Regents, will appoint the following individuals to serve as non-voting ex-officio Directors (each, an “Ex-Officio Director” and, collectively, the “Ex-Officio Directors”):

(g) The Chief Executive Officer of the UNM Hospitals;

(h) The Executive Dean of the UNM SOM;

(i) The Executive Medical Director of Inpatient Operations of the UNM HSC;

(j) The Executive Medical Director of Ambulatory Care Services of the UNM HSC;

(k) The Executive Medical Director of Children’s Services of the UNM HSC;

(l) The Executive Medical Director of Cancer Services of the UNM HSC;

(m) The Executive Medical Director of Behavioral Health Services (Children and Adult); and

(nl) The Executive Medical Director of Quality/Safety of the UNM HSC.

Chief Operations Officer. The Chief Operations Officer shall be the Senior Associate Dean of Clinical Affairs of the UNM SOM. The Chief Operations Officer shall report to the President and Chief Executive Officer and shall have general supervision over the operations of the Corporation and over its several Officers, and shall generally do and perform all acts incident to the office of Chief Operations Officer, and shall have such additional powers and duties as may from time to time be assigned to him by the Board with the concurrence of the President and Chief Executive Officer. When authorized by the Board and the President and Chief Executive Officer, the Chief Operations Officer may sign and
execute, in the name of the Corporation, deeds, mortgages, promissory notes, se­
curity agreements, pledge agreements, financing statements, bonds, contracts or
other instruments authorized by the Board and with the concurrence of the
President and Chief Executive Officer, except in cases where the signing and exe­
cution thereof shall be expressly delegated by the Board, and with the concur­
rence of the President and Chief Executive Officer, or by these Bylaws to some
other Officer or agent of the Corporation.

Section 8:
AMENDED AND RESTATED BYLAWS
OF
UNM SANDOVAL REGIONAL MEDICAL CENTER, INC.

ARTICLE I: NAME

The name of the Corporation shall be:

UNM SANDOVAL REGIONAL MEDICAL CENTER, INC.


ARTICLE II: MEMBER AND MEMBERSHIP

Section 1: Members. The Regents, as a body corporate, shall be the sole member (the "Member") of the Corporation. The Regents shall have all the rights and privileges granted to it by the New Mexico Nonprofit Corporation Act, the University Research Park and Economic Development Act, the Articles of Incorporation, and these Bylaws.

Section 2: Annual Meeting of the Member. The Annual Meeting of the Member for the election of Directors, and for the transaction of such other business as properly shall come before the meeting, shall be held following the close of the fiscal year of the Corporation and within sixty days of the delivery to the member of the Corporation’s final audit for such fiscal year as provided for under these Bylaws, but in no case later than December of each year.

Section 3: Special Meetings. Special Meetings of the Member shall be called at any time by the Regents. A Special Meeting may be requested by the President and/or the Chief Executive Officer of the Corporation or upon Resolution of the Board of Directors. Conduct of Special Meetings is in the sole discretion of the Member.

Section 4: Place of Meetings. All meetings of the Member shall be held at such places within the State of New Mexico as shall be specified in the respective notices of such meetings or waivers thereof.
Section 5: Notice of Meetings. Notice of the Annual Meeting and of every Special Meeting described hereinabove shall be served personally or by mail on the members of the Regents, not less than ten (10) days nor more than fifty (50) days before the meeting. All notices shall state the place, day and time where the meeting is to be held and notices of Special Meetings shall also state the purpose or purposes for which the meeting is called. If mailed, such notice shall be directed to each Regent at the address of each Regent as it appears on the books or records of the Corporation. Additionally, notice is deemed given if made by electronic communication.

The Member, as a body corporate, may waive notice of a meeting by executing and filing in the corporate records a written waiver of notice. The attendance of any Regent at any meeting shall constitute a waiver of notice of the meeting, except where a Regent attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6: Action of Members Without a Meeting. Any action required or permitted to be taken at a meeting of the Member, or any action which may be taken at a meeting of the Member, may be taken without a meeting if a consent in writing, setting forth the action is signed by the Member.

ARTICLE III:
BOARD OF DIRECTORS

Section 1: Management. The affairs and the property of the Corporation shall be managed by the Board of Directors (the “Board”). The Directors shall act only as a Board, and individual Directors shall have no power as such.

Section 2: Annual Meeting. The Annual Meeting of the Board for the election of Officers (as hereinafter defined) and for the transaction of such other business as properly shall come before the meeting shall be held as soon as practicable following the Annual Meeting of the Member; provided, however, that an organizational meeting of the Board, for the election of Officers and transaction of other business, may be held after the first appointment of the voting Directors enumerated in Article III, Section 8(a) - (e) of these Bylaws. Such Annual Meeting of the Board shall be a general meeting and open for the transaction of any business within the powers of the Board without special notice of such business, except in any case where special notice is required by law, by the Articles of Incorporation, or by these Bylaws.

Section 3: Monthly Meetings. Monthly Meetings of the Board shall be held at such places within the State of New Mexico as shall be specified by the Board of Directors, one of which shall be designated as the Annual Meeting. Such Monthly Meetings shall be general meetings and open for the transaction of any business within the powers of the Board without special notice of such business, except in any case
where special notice is required by law, by the Articles of Incorporation, or by these Bylaws.

Section 4: Special Meetings. Special Meetings of the Board shall be called at any time by the Secretary upon the request of the President and/or the Chief Executive Officer of the Corporation or no less than one-quarter of the Directors then in office.

Section 5: Place of Meetings. All meetings of the Board shall be held at such places within the State of New Mexico as shall be specified in the respective notices of such meetings or waivers thereof.

Section 6: Notice of Meetings. Notice of every Annual or Monthly Meeting of the Board shall be served personally or by mail on each Director not less than ten (10) days nor more than fifty (50) days before the meeting. Notice of every Special Meeting shall be served personally or by mail on each Director not less than two (2) days before the meeting. Notices or waivers of notice do not need to state the purpose or purposes for which the meeting is called, but shall state the time and place of the meeting. If mailed, such notices shall be directed to each Director entitled to notice at his address as it appears on the books or records of the Corporation. Additionally, notice is deemed given if made by electronic communication.

A Director may waive notice of a meeting by executing and filing in the corporate records a written waiver of notice. The attendance at any meeting shall constitute a waiver of notice of the meeting, except where a member attends for the expressed purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 7: Quorum. At all meetings of the Board of Directors the presence of a majority of the Directors then in office shall be necessary and sufficient to constitute a quorum, and except as otherwise provided by law or by these Bylaws, the act of a majority of the Directors present at a meeting at which there is a quorum shall be the act of the Board.

Section 8: Number, Composition, and Election of Board of Directors. The Corporation shall have not less than three (3) nor more than ten (10) Directors, as determined by the Member by resolution (each a “Director” and collectively, the “Directors”). Pursuant to the requirements of the University Research Park and Economic Development Act, the Member, by and through the Regents, will appoint all Directors. The Directors shall include the following individuals, who shall be voting Directors:

In these Bylaws, the Directors appointed by virtue of their positions as described in Section 8(a) through (3) and (b) hereinabove shall be referred to individually as a “Positional Director,” and, collectively, as the “Positional Directors.” Additionally, in these Bylaws, the Directors appointed...
(a) The Chancellor for Health Sciences of the UNM HSC (the "Chancellor");

(b) The CEO, UNM Hospitals;

(c) The Vice President of Clinical Affairs of the UNM HSC (the "VP Clinical Affairs");

(d) The Dean of the UNM School of Medicine (the "UNM SOM Dean") or, if the UNM SOM Dean is the same person as the Chancellor, then the Executive Vice Dean of the UNM SOM;

(e) At least 30 days prior to the Annual Meeting of the Member, or at least three (3) days prior to the Member’s consideration of the first appointment of the Positional Directors identified in Section 8(a) through (d) hereinabove, the Board of Trustees of UNM Hospitals may nominate one individual to serve as a Director, subject to the Member’s Conflict of Interest policies; the Member shall consider such nominee at the Annual Meeting and, if acceptable to the Member, may, upon a majority vote of the Regents, appoint such individuals to serve as a Director of the Corporation; provided, however, that, in the event that the Member finds a nominee unacceptable, the Board of Trustees of UNM Hospitals shall nominate another individual for the Member’s consideration at a Special Meeting of the Member and, if such substitute nominee is acceptable to the Member, may, upon a majority vote of the Regents, appoint such individual to serve as a Director; provided, further, however, that if after two (2) consecutive rounds of any such nomination with respect to a particular Non-Positional Director vacancy, the Regents find such nominees unacceptable, then the Regents may select and appoint an individual who is independent and not a faculty member of the UNM to serve as a director of the Corporation;

(f) At least 30 days prior to the Annual Meeting of the Member, or at least three (3) days prior to the Member’s consideration of the first appointment of the Positional Directors identified in Section 8(a) through (d) hereinabove, the Board of County Commissioners of Sandoval County (the "Sandoval County Commission") may nominate one individual to serve as a Director, subject to the Member’s Conflict of Interest policies; the Member shall consider such nominee as described in Section 8(a), (i), (g), and (i) shall be referred to individually as a "Non-Positional Director" and, collectively, as the "Non-Positional Directors". With respect to the Positional Directors, it is acknowledged that the job titles associated with such Positional Directors may change over time and, therefore, it is intended that the successor job title to the current, specified job title shall be deemed to apply to such Positional Directors without the necessity of amending these Bylaws.
at the Annual Meeting and, if acceptable to the Member, may, upon a majority vote of the Regents, appoint such individuals to serve as a Director of the Corporation; provided, however, that, in the event that the Member finds a nominee unacceptable, the Sandoval County Commission shall nominate another individual for the Member's consideration at a Special Meeting of the Member and, if such substitute nominee is acceptable to the Member, may, upon a majority vote of the Regents, appoint such individual to serve as a Director; provided, further, however, that if after two (2) consecutive rounds of any such nomination with respect to a particular Non-Positional Director vacancy, the Regents find such nominees unacceptable, then the Regents may select and appoint an individual who is independent and not a faculty member of the UNM to serve as a director of the Corporation;

(g) At least 30 days prior to the Annual Meeting of the Member, or at least three (3) days prior to the Member's consideration of the first appointment of the Positional Directors enumerated in Article III, Section 8(a) - (d) of these Bylaws, the Board of Directors of UNM Medical Group, Inc. may nominate one of its members to serve as a Director, subject to the Member's Conflict of Interest policies; the Member shall consider such nominee at the Annual Meeting and, if acceptable to the Member, may, upon a majority vote of the Regents, appoint such individual to serve as a Director of the Corporation; provided, however, that, in the event that the Member finds such nominee unacceptable, the Board of Directors of UNM Medical Group, Inc. shall nominate another one of its members for the Member's consideration at a Special Meeting of the Member and, if such substitute nominee is acceptable to the Member, may, upon a majority vote of the Regents, appoint such individual to serve as a Director; provided, further, however, that if after two (2) consecutive rounds of any such nomination with respect to a particular Non-Positional Director vacancy, the Regents find such nominees unacceptable, then the Regents may select and appoint an individual who is a member of the Board of Directors of UNM Medical Group, Inc. to serve as a director of the Corporation;

(h) The then sitting Chief of the Medical Staff of UNM Sandoval Regional Medical Center duly elected by the active medical staff of the same; and

(i) At least 30 days prior to the Annual Meeting of the Member, or at least three (3) days prior to the Member's consideration of the first appointment of the Positional Directors enumerated in Article III, Section 8(a) - (d) of these Bylaws, the members of the Board shall nominate one (1) individual who is a resident of Sandoval County, New Mexico and who is not a an employee of the Corporation, the University of New Mexico, the University of New Mexico Hospital, UNM Medical Group, Inc. or Sandoval County, New Mexico to serve
as a Director, subject to the Member’s Conflict of Interest policies; the Member shall consider such nominee at the Annual Meeting and, if acceptable to the Member, may, upon a majority vote of the Regents, appoint such individual to serve as a Director of the Corporation; provided, however, that, in the event that the Member finds such nominee unacceptable, the Board shall nominate another individual who meets the qualifications identified in this Section 8(i) for the Member’s consideration at a Special Meeting of the Member and, if such substitute nominee is acceptable to the Member, may, upon a majority vote of the Regents, appoint such individual to serve as a Director; provided, further, however, that if after two (2) consecutive rounds of any such nomination with respect to a particular Non-Positional Director vacancy, the Regents find such nominees unacceptable, then the Regents may select and appoint an individual who meets the qualifications identified in this Section 8(i) to serve as a director of the Corporation.

Section 9: Vacancy. Except as otherwise provided in this Section 9, any vacancies occurring among the Directors shall be filled by the Member at a Special Meeting. A vacancy shall occur upon the death or incapacity of a Director, or his or her resignation or removal as hereinafter provided. Subject to the provisions of Section 11 hereinbelow, each Positional Director shall continue as a Director only for so long as such individual occupies the position qualifying him/her for said appointment, or until his/her earlier death or resignation. A vacancy shall be filled for the remainder of the unexpired term of the Director whose death, incapacity, resignation or removal gave rise to the vacancy.

Section 10: Term of Office of Directors. The Initial Directors named in the Articles of Incorporation shall serve until the voting Directors enumerated in Article III, Section 8(a) - (f) of these Bylaws shall have been first appointed by the Member and qualified. The directors shall be divided into three classes, designated Class A, Class B, and Class C. Each class shall consist of one-third of the directors or as close an approximation as possible. In this connection, one of the Non-Positional Directors shall serve as a Class B director and one of the Non-Positional Directors shall serve as a Class C director. The Chancellor shall serve as a Class B Director, CEO, UNM Hospitals shall serve as a Class A Director, the Vice President of Clinical Affairs shall serve as a Class A Director, and the Dean UNM SOM (or the Executive Vice Dean, as may be appropriate under the circumstances) shall serve as a Class B Director. The remaining Directors shall be divided into the three (3) classes in as close an approximation to one-third as possible. The initial term of office of the directors of Class A shall expire at the annual meeting to be held following the end of fiscal year 2010, the initial term of office of the directors of Class B shall expire at the annual meeting to be held following the end of fiscal year 2011, and the initial term of office of the directors of Class C shall expire at the annual meeting to be held following the end of fiscal year 2012. After the initial terms specified above for each Class of Director, Directors shall serve for a term of not
more than three (3) years from and after their election by the Regents and may be reelected for any number of terms. All Directors shall serve in their respective offices until their successors are appointed and qualified.

Section 11: Resignation and Removal of Directors. Any Non-Positional Director may be removed by a majority vote of the Regents at any time with or without cause and with or without notice at a meeting of the Member. Any Non-Positional Director may resign at any time upon providing written notice to the Chairman of the Board and to the Member.

With respect to the Positional Directors, each such Positional Director may be removed by a majority vote of the Regents for good cause with prior written notice to such Positional Director. In this connection, “good cause” shall mean:

(a) The failure of such Positional Director to continue in the position giving rise to such Positional Director’s appointment as a Director as set forth in Sections 8 and 9 of this Article;

(b) The inability of such Positional Director to substantially perform his/her material duties as a Director by failing to attend three (3) consecutive Monthly Meetings of the Board;

(c) Willfully engaging in illegal conduct or gross misconduct, which is materially and demonstrably injurious to the Corporation. For purposes of this provision, no act or failure to act on the part of such Positional Director shall be considered “willful” unless it is done in bad faith or without reasonable belief that such Positional Director’s action or omission was in the best interests of the Company.

With respect to the Director serving as a result of Section 8(a) (the “Regent Director”), such Director may be removed by a majority vote of the Regents at any time with or without cause and with or without notice at a meeting of the Member. The Regent Director may resign at any time upon providing written notice to the Chairman of the Board and to the Member. In this connection, if any time during his or her term as the Regent Director, the Regent Director shall for any reason cease to be a duly appointed, qualified and acting Regent of the University of New Mexico, such fact shall be considered to be a “deemed resignation” from the Board of Directors of the Corporation.

Section 12: Compensation and Expense Reimbursement. The Directors shall not receive compensation for their services as directors but the Board may authorize reimbursement for reasonable and necessary expenses incurred by Directors in connection with the performance of their duties in accordance with policies to be established by the Board.
Section 13: Indemnification.

(a) Any person made a party to any action, suit or proceeding by reason of the fact that he, his testator or intestate, is or was a Director, Officer or employee of the Corporation, or of any corporation which he served as such at the request of the Corporation, shall be indemnified by the Corporation against the reasonable expenses, including attorney's fees, actually and reasonably incurred by him in connection with the defense of such action, suit or proceeding, civil or criminal, in which he is made a party by reason of being or having been a Director or Officer. The indemnification may include any amounts paid to satisfy a judgment or to compromise or settle a claim, or incurred in connection with any appeal of any such action, suit or proceeding. A Director, Officer or employee shall not be indemnified in relation to matters as to which it shall be adjudged in such action, suit or proceeding on the basis that he has breached or failed to perform the duties of his office and the breach or failure to perform constitutes willful misconduct or recklessness. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which any such Director, Officer, or employee may be entitled as a matter of law.

(b) Expenses incurred in defending any action or proceeding for which indemnification is required pursuant to this Section 13 following authorization thereof by the Board shall be paid by the Corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it shall ultimately be determined that the indemnified party is not entitled to be indemnified as authorized in this Section 13.

(c) The indemnification provided by this Section 13 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, to the extent that additional rights to indemnification are authorized in the Articles of Incorporation.

(d) The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of the New Mexico Non-Profit Corporation Act or the New Mexico University Research Part and Economic Development Act.
Section 14: **Action Without A Meeting.** Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board, or of any Committee thereof, may be taken without a meeting if all members of the Board or Committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board or Committee. Written consents representing actions taken by the Board or Committee may be executed by telex, telecopy or other facsimile transmission, and such facsimile shall be valid and binding to the same extent as if it were an original.

Section 15: **Telephonic Meetings.** Unless otherwise restricted by the Articles of Incorporation or these Bylaws, members of the Board of Directors, or any Committee, may participate in a meeting of the Board, or any Committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

**ARTICLE IV: OFFICERS**

Section 1: **Number of Officers.** The Officers of the Corporation shall be a Chairman of the Board, a President and Chief Executive Officer, one or more Vice-Presidents, a Secretary, and a Chief Financial Officer (together with the additional officers appointed pursuant to Section 3 below, shall be referred to individually as an "Officer" and collectively, as the "Officers"). One person may hold two of the aforesaid offices. With the exception of the Chairman of the Board, Officers need not be Directors.

Section 2: **Election of Officers.** Except for those Officers serving by virtue of their position (the "Ex-Officio Officers"), the Officers shall be elected annually at each Annual Meeting of the Board by a plurality of the votes cast and may succeed themselves in office. Except for the Ex-Officio Officers, each person elected as an Officer shall continue in office until the next Annual Meeting after his election, or until his successor shall have been duly elected and qualified, or until his earlier death, resignation or removal in accordance with these Bylaws. Except for Ex-Officio Officers, vacancies of Officers caused by death, incapacity, resignation, removal, or increase in the number of Officers may be filled by a majority vote of the Board at a Special Meeting called for that purpose or at any regular meeting. As to the Ex-Officio Officers, any Ex-Officio Officer may be removed from his/her office for "good cause" as defined in Section 11 of Article III of these Bylaws.

Section 3: **Additional Officers.** The Board, at any meeting may by resolution appoint such additional Officers and such agents and employees as it may deem...
such subordinate Officers or agents and to determine their terms of office.

Section 4: Removal of Officers. Except for the Ex Officio Officers, any Officer may be removed at any time with or without cause and with or without notice, by a vote of the majority of the Board at any meeting of the Board.

Section 5: Chairman of the Board. The Chairman of the Board shall be elected from among the Directors; provided, however, that in all cases, the Chairman of the Board shall be the Chancellor. The Chairman of the Board shall preside at all meetings of the Members of the Board and shall have such other powers and duties as may be assigned to him from time to time by the Board or as prescribed by these Bylaws.

Section 6: President and Chief Executive Officer. The President and Chief Executive Officer shall have general supervision over the affairs and property of the Corporation and over its several Officers, and shall generally do and perform all acts incident to the office of the President and Chief Executive Officer, and shall have such additional powers and duties as may from time to time be assigned to him/her by the Board. When authorized by the Board, the President and Chief Executive Officer may sign and execute, in the name of the Corporation, deeds, mortgages, promissory notes, security agreements, pledge agreements, financing statements, bonds, contracts or other instruments authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other Officer or agent of the Corporation.

Section 7: The Vice-Presidents. The Board may elect one or more Vice-Presidents. At the request of the President and Chief Executive Officer, or in his absence or disability, the Vice-Presidents, in the order designated by the Board, shall perform all the duties of the President and Chief Executive Officer and, when so acting, shall have all the powers and be subject to all the restrictions upon the President and Chief Executive Officer. When authorized by the Board, any Vice-President may also sign and execute, in the name of the Corporation, deeds, mortgages, bonds, contracts, or other instruments authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board, or by these Bylaws to some other Officer or agent of the Corporation. The Vice-Presidents shall perform such other duties as from time to time may be assigned to them by the Board and/or by the President and Chief Executive Officer, as the case may be.

Section 8: Chief Financial Officer. The Chief Financial Officer shall report to the President and Chief Executive Officer and shall have charge and custody of, and be responsible for, all the funds of the Corporation and shall keep or cause to be kept and shall be responsible for the keeping of accurate records of the assets, liabilities and

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Deleted: President. The President, subject to the Chief Executive Officer shall have supervision over the affairs and property of the Corporation and over its several Officers, and shall generally do and perform all acts incident to the office of the President, and shall have such additional powers and duties as may from time to time be assigned to him by the Board. When authorized by the Board, the President may sign and execute, in the name of the Corporation, deeds, mortgages, promissory notes, security agreements, pledge agreements, financing statements, bonds, contracts or other instruments authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other Officer or agent of the Corporation.

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transactions of the Corporation. He/she shall deposit all moneys and other valuable effects of the Corporation in the name of and to the credit of the Corporation in accordance with accounting procedures approved by the Board, consistent with the policies of the UNM, in such banks, trust companies, or other depositories as may be approved by the Board. He/she shall disburse the funds of the Corporation based upon proper vouchers for such disbursements. In general, he shall perform all the duties incident to the office of Chief Financial Officer and such other duties as may from time to time be assigned to him by the Board. If required by the Board, the Chief Financial Officer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board shall determine. The expense of such bond shall be paid by the Corporation.

Section 2: Secretary. The Board shall elect a Secretary who shall report to the President and Chief Executive Officer and act as Secretary of, and keep the Minutes of all meetings of the Board and of the Member in one or more books provided for that purpose; and whenever required by the President and Chief Executive Officer, shall perform like duties for any Committee, provided that in the absence of the Secretary, the Member or a majority of the Directors present at any meeting thereof may designate any person to act as Secretary for such meeting. The Secretary shall see that all notices are duly given in accordance with these Bylaws and as required by law; he shall be custodian of the Seal of the Corporation and shall affix and attest the Seal to any and all documents specifically or generally authorized by the Board to be executed on behalf of the Corporation under its Seal. He shall have charge of the books, records and papers of the Corporation relating to its organization as a Corporation, and shall see that all reports, statements and other documents required by law are properly kept or filed, except to the extent that the same are to be kept or filed by the Chief Financial Officer. In general, he shall perform all the duties incident to the office of Secretary and such other duties as may from time to time be assigned to him by the Board and by the President and Chief Executive Officer.

ARTICLE V: COMMITTEES

Section 1: Executive Committee. A majority of the initial Directors set forth in the Articles of Incorporation, present at a meeting of the Board at which there is a quorum may initially appoint an Executive Committee to serve during the interim until the first Annual Meeting of the Board, and thereafter, the Executive Committee shall be appointed annually at the Annual Meeting of the Board by a majority of the Directors present at a meeting of the Board at which there is a quorum. The Executive Committee shall consist of the Chairman of the Board, the President and Chief Executive Officer, and the Chairs of the Committees appointed by the Board. Vacancies in members of the Committee may be filled by a majority of the Directors present at a meeting of the Board at which there is a quorum. Except for those members serving on the Executive
Committee by virtue of their office, any member of the Executive Committee may be removed from membership on said Committee at any time with or without cause by a vote of the majority of the Directors present at any meeting of the Board at which there is a quorum, but only upon the recommendation of the Chairman of the Board.

The Executive Committee shall, during the intervals between meetings of the Board, possess and exercise all of the powers of the Board in the management of the affairs and property of the Corporation, except that the Executive Committee may not take or possess the authority to take any of the actions proscribed in Section 7 of this Article. The presence of a majority of the members of the Executive Committee shall be necessary and sufficient to constitute a quorum, and the act of a majority of the members of the Executive Committee present at a meeting at which there is a quorum shall be the act of the Executive Committee. The Executive Committee shall keep full and fair records and accounts of its proceedings and transactions. All actions by the Executive Committee shall be reported to the Board at its next meeting succeeding such action and shall be subject to revision and alteration by the Board, provided that no rights of third persons shall be affected by any revisions or alteration.

Section 2: Finance/Strategic Planning Committee. A majority of the whole Board may appoint a Finance/Strategic Planning Committee consisting of at least three Directors and such Committee shall recommend or determine the form, time, and manner in which funds of the Corporation shall be invested, as such majority shall authorize. The Board shall enact rules and regulations for governance of the Finance Committee and the Finance/Strategic Planning Committee shall report to the Board as the Board shall require.

Section 3: Audit Committee. A majority of the whole Board will appoint a Audit Committee consisting of at least three Directors, who will be three of the Non-Positional Directors appointed pursuant to Section 8(c), (f), (g) and (i) of Article III. The basic purpose and responsibility of the Audit Committee shall be to advise and assist the Board in fulfilling its responsibilities to the Corporation and the Member in connection with monitoring the integrity of this Corporation's financial statements, financial and accounting practices, internal controls, business ethics, and compliance with laws, regulations, and policies that may have a material impact on the financial statements of the Corporation. In this connection, the Audit Committee will review and assess the qualitative aspects of financial reporting, the Corporation's processes to manage business and financial risk, and compliance with significant applicable legal, ethical, and regulatory requirements. The Audit Committee shall, when necessary, work in collaboration with the Internal Audit Department of the Member and shall report to the Board as the Board shall require and to Audit Committee of the Regents as the Regents may require.
Section 4: Other Committees. A majority of the Directors present at a meeting of the Board at which there is a quorum may from time to time, by Resolution, create such other Committees of Directors, Officers, or other faculty members or employees, with such functions, powers, and duties as the Board shall determine. The Board shall enact rules and regulations for the governance and authority of any such Committee; provided, however, that any Committee appointed pursuant to this section which is not comprised of all Directors shall not have the power of the Board.

Section 5: Minutes of Committees. Each Committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required. All actions by any Committee formed as provided in this Article V, other than the actions by the Audit Committee, shall be reported to Executive Committee of the Board at its next meeting succeeding such action and shall be subject to revision and alteration by the Executive Committee of the Board and ultimately, the Board.

Section 6: Meetings and Action of Committees. Meetings and actions of Committees shall be governed by, and held and taken in accordance with, the provisions of Section 5 of Article III (place of meetings), Section 14 of Article III (by telephone), Section 3 of Article III (regular meetings), Section 4 of Article III (special meetings) Section 6 of Article III (notice and waiver of notice), Section 7 of Article III (quorum), and Section 14 of Article III (action without a meeting) of these Bylaws, with such changes in the context of such provisions as are necessary to substitute the Committee and its members for the Board of Directors and its members; provided, however, that the time of regular meetings of Committees may be determined either by resolution of the Board of Directors or by resolution of the Committee, that Special Meetings of Committees may also be called by resolution of the Board of Directors and that notice of Special Meetings of Committees shall also be given to all alternate members, who shall have the right to attend all meetings of the Committee. With the exception of the Audit Committee, the Board of Directors may adopt rules for the governance of any Committee not inconsistent with the provisions of these Bylaws.

Section 7. Limitations of Powers of Committees. None of the Committees of the Board created as provided in this Article V shall have the power or authority to (a) amend, alter or repeal these Bylaws, (b) elect, appoint or remove any member of any Committee or any Director or Officer of the Corporation, (c) amend the Articles of Incorporation, restate the Articles of Incorporation, adopt a plan of merger, or adopt a plan of consolidation with another corporation, (d) authorize the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation, (e) authorize the voluntary dissolution of the Corporation or revoke proceedings thereof, (f) adopt a plan for the distribution of the assets of the Corporation, (g) amend, alter or repeal any resolution of the Board which by its terms provides that it shall not be amended, altered or repealed by a Committee, or (h) as otherwise provided by law, these Bylaws or by resolution of the Board. The presence of a majority of the members
of any such Committee formed by the Board as provided in this Article V shall be necessary and sufficient to constitute a quorum, and the act of a majority of the members of any such Committee present at a meeting at which there is a quorum shall be the act of such Committee.

ARTICLE VI:
AUDIT

An annual audit of unlimited scope of all of the operations of the Corporation shall be conducted by a Certified Public Accountant, and a copy of that audit report and any support documents requested shall be made available to the Member, the President of the University, the Vice-President for Business and Finance of the University, the Chancellor, the Dean of the UNM SOM, the Audit Committee of the Regents, and the New Mexico Public Regulation Commission.

ARTICLE VII:
MISCELLANEOUS PROVISIONS

Section 1: Offices. The Board may establish, from time to time, one or more offices of the Corporation at any place or places within the State of New Mexico, and may maintain such office or offices for such period or periods of time as it may deem expedient.

Section 2: Fiscal Year-End. The Fiscal Year of the Corporation shall end on June 30 in each year.

Section 3: Commercial Paper. All checks, drafts and other orders for the payment of money out of the funds of the Corporation shall be executed on behalf of the Corporation by such Officer or Officers, or employee or employees, as the Board may, by Resolution, from time to time determine.

Section 4: Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust company or other depositories as the Board may from time to time select or as may be selected by any Officer or employee of the Corporation to whom such power may from time to time be delegated by the Board; and for the purpose of such deposit, any Officer or any employee to whom such power may be delegated by the Board may endorse, assign and deliver checks, drafts and other orders for the payment of money which are payable to the order of the Corporation.

ARTICLE VIII:
SEAL
The Corporation shall have no corporate seal.

ARTICLE IX:
AMENDMENT OF BYLAWS

The Bylaws may be amended by the Board of Directors at any Annual, Quarterly, or Special Meeting. Directors shall be entitled to at least ten (10) days' notice in writing by mail, or in person of the meeting time and place at which the amendment is to be voted upon. The written notice must include a copy of the proposed amendment. No amendment to the Bylaws shall be effective until approved by the Regents. These Bylaws may also be amended in whole or in part by formal action of the Regents acting as the Member.

We certify that the original Bylaws of the Corporation were adopted by the Board of Directors on September 30, 2009, and approved by the Regents on August 11, 2009 and the above and foregoing Amended and Restated Bylaws of the Corporation were adopted by the Board of Directors on October 2010, and approved by the Regents on November 7, 2010.

Chairman of the Board

Secretary

APPROVED BY THE REGENTS OF THE UNIVERSITY OF NEW MEXICO ON

President of the Board of Regents of the University of the New Mexico

-15-
Date: November 22, 2010

To: Bruce Cherrin, Chief Procurement Officer
Purchasing Department

From: Debra L. Fondino
Associate Director, University Services

Subject: Equipment Disposition – November 2010

Attached for your review and submission to the Board of Regents is the Surplus Property Disposition Detail list for the month of November, 2010.

Consistent with UNM Board of Regents Policy 7.9 and the Disposition of Surplus Property Act, 13-6-1, NMSA 1978, and based upon documentation submitted by the UNM departments responsible for the equipment, I certify that the equipment identified on the list is worn-out, unusable or obsolete to the extent that the items are no longer economical or safe for continued use by the University. I recommend that the items be deleted from UNM’s inventory and disposed of in accordance with the above noted Regents Policy and Surplus Property Act.
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Disposition Count: 24

Disposition Asset Value: 265,404.00

Disposition Book Value: 12,946.27
November 19, 2010

Additional Notes to Surplus listing dated 11/19/10:

1 - **Assets# 257913 and # 257912** constitute a Sun Computer File Server and storage rack that were part of an older ticketing system at UNM Ticketing Services. As a Unix-based system, they are outdated and will not work in the current Windows environment. In addition, maintenance would cost $125 per hour if something were to fail.

2 - **Assets# 241193, 241194, 241196, 241197, 241198, 241199, 241202 and 256801** are 11-year old projectors and a 2002 Mobllian One (Mobile Classroom) from the Technology Education Center, College of Education. They are being surplussed because they are outdated and obsolete. The mobile classroom also had hard drive and power supply failures.

3 - **Assets# 225151, # 226312 and # 225623** were all purchased in FY 1997 and are a SUN Computer system, a Princeton camera system and a Princeton multi-channel analyzer/detector, respectively. None of the items work; the Department of Physics & Astronomy has received verification from Princeton Instruments stating that the camera system and analyzer/detector are not repairable because parts are no longer available.

4 - **Asset# 253208** is a 10-year old Dell PowerEdge 4400 Server used by the Educational Technology Services Group at the School of Medicine. Considered to have a life span of 5 years, it has become obsolete.

5 - **Asset# 178741** is a 1987 Sorvall Refrigerated Centrifuge. It is no longer in working condition and the department has not been able to get it operable for several years. The Division of Gastroenterology is now conducting more experiments and needs the space for other equipment.

6 - **Asset# 266543** is a 2004 IBM Computer Server which served as the old LIBROS system in the University Libraries. They have since upgraded to a new system and the Server is obsolete.

7 - **Asset # 213126** is a 1995 Wheatstone Analog Sound Mixer Console from KUNM. It had been in use 24 hours per day from date of installation and over 1/3 of its functions have failed. Repairs are no longer possible since parts and service are no longer supported by the manufacturer. Note: its replacement will be Digital, in line with current industry standards.

8 - **Asset # 227861** is a 1997 IBM Computer Server that was the hardware for the Police Department’s (PD) software system from New World. It is the system that allows the PD to enter the data of reports into the police records system. It was replaced by an IS/800 Computer Server purchased in 2004. Note: this IBM was kept to transfer the information over to the new equipment and is now considered to have no further use.
MEMORANDUM

To:         David Harris, Executive Vice President for Administration
From:       Bruce Cherrin, Chief Procurement Officer
Subject:    Contract Approval
Date:       November 29, 2010

The following is being submitted for approval per Regent Policy 7.4. This will need to proceed to the full Board of Regents.

University of New Mexico Hospital

1. Lawson Software

   Source of Funds:     UNM Hospitals Capital Budget
                        UNM Hospitals Operating Budget

   Description:
   Replacement of the current 18 year old finance and human resource system including purchasing, accounts payable, human resources management, payroll, fixed assets, cash, materials management and financial reporting modules with a real-time enterprise resource planning and accounting system from Lawson Software. Replacement system will provide an integrated, real time software solution for all non-academic, clinical enterprise functions which include the financial applications from above with integration with GHX, Novation, inventory, fixed asset management, surgical high-value purchasing / card preference system, plus complete suite of Human Resource applications including staff scheduling, evaluations, performance tracking and business metrics.

   Applications are integrated to improve operational effectiveness, departmental efficiency, and eliminate redundant processes and intensive manual efforts that are presently encountered with the existing separate systems. This integrated solution will support the entire health system including our projected capital and facilities expansion to SRMC facility as well as the UNMMG needs. All entities will be on a single software platform, financial results can be consolidated to enable overall business decisions for the healthcare enterprise. The integration will significantly shorten the time it takes to finalize the results for monthly operations as well as prepare the financial reporting.
The single financial database with its integration to GHX and Novation will gain a higher level of control for purchasing the "right item at the right price" for the entire enterprise and support the reduction of inventory and allow for improved asset management.

The current Ross system is fragmented with parts of the original system now owned by other software vendors. The Ross system itself is supported by Now Systems so the future of this 18 year old system is uncertain. We have investigated the use of Banner with the company and with clients. Banner/Sungard Campus Software, providing highly integrated solutions in the higher education campus arena, provides no modules nor has any clients in healthcare or hospital settings.

Process:
RFP 148-09. UNMH received five proposals. Vendor selected based on highest points awarded for selection criteria (price, financial modules, integrated functionality for all modules).

Costs:

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<td><strong>Total five year costs:</strong></td>
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Total Capital Costs of $5,320,648
Total Operating Costs of $1,463,573

2. Cerner Corporation

**Source of Funds:** UNM Hospitals Capital Budget
UNM Hospitals Operating Budget

**Description:**
Request for Expansion to Full Electronic Prescribing. In the UNMH electronic medical record (EMR), physicians in outpatient clinics currently enter patients' prescriptions directly into the electronic record; however, the EMR system then produces the prescription using a printer and "tamper-proof" paper.

In order to improve security and controls over the prescribing process, the American Recovery and Reinvestment Act (ARRA) requires end-to-end electronic transactions for all Rx's except Schedule II drugs in order for healthcare providers to demonstrate "meaningful use" of their EMR. Schedule II pharmaceuticals will likely be incorporated into the electronic prescribing process in 2012.

This new capability will entirely avoid the need to print the Rx; instead transmitting it directly to the pharmacy of the patient's choosing. Our physicians estimate a savings of at least 1.5 minutes per Rx and possibly as great as 3.5 minutes since workflow complicates when a number of prescriptions are being printed on a shared printer. There is also nurse time that is often spent on phone with the pharmacist as well as printer support, supplies and maintenance time that will be avoided with totally electronic prescriptions.

To estimate savings, we are using 1.5 minutes to be recovered per Rx and a base of 3,500 prescriptions daily. The resulting 21,000 hours of physician time saved each year at a very modest opportunity-cost of $100 per hour results in a $2,100,000 annual opportunity. The annual maintenance and subscription cost for the software is $207,000 which will result in availability dollars of $1,900,000 to the UNMH system.

Cerner Corp., the software vendor for the UNMH electronic medical record is just completing the code for this electronic prescribing capability and our intention is to implement before the end of this fiscal year in order to increase the security for all the non-Schedule II outpatient prescribing volume which at minimum is 3,500 Rx's per day.
MEMORANDUM TO ADVANCE COMMITTEE AGENDA ITEM TO THE BOARD OF REGENTS THE UNIVERSITY OF NEW MEXICO

DATE: November 29, 2010

TO: David W. Harris, EVP for Administration, COO & CFO

FROM: Vahid Staples, Budget Officer, Office of Planning, Budget & Analysis

RE: Requested Approvals

RECOMMENDED ACTION:

Recommend to the Board of Regents Finance and Facilities Committee the following:

1. Request for Capital Project Approval for Clinical Neurosciences Core Renovation

2. Request for Capital Project Approval for UNM Gallup Gurley Hall Backfill

Please see attached summaries and drawings.

cc: Chris Vallejos, Associate VP, Institutional Support Services
Mary Kenney, Robert Doran - PCD
W. Turner, C. Martinez, R. Henrard, T. Sanchez – OCP
Melissa Vargas, Strategic Planner, Provost’s Office
Jane Ellen Smith, Chair, Psychology Department
Mary Vosevich, Director, Physical Plant Department
Mark Manzutto, Manager of Remodel/Lockshop/Sign Shop, Physical Plant Dept.
Ron Petranovich, Manager, Physical Plant & Facilities, UNM Gallup Branch Campus
This is a sole source procurement from Cerner Corp., the software developer of our EMR. They are in partnership with SureScripts, a nationwide pharmacy “e-Network” that interconnects pharmacy systems with provider systems and provides communications services. Costs, other than the initial software purchase and implementation, are monthly fees based upon the number of UNMH licensed providers that write Rx’s.

Costs:
- FY 11 Software license, installation, implementation, fees: $83,721
- FY 11 - FY 15 Monthly ASP (Application Service Provider) fees: $207,000
- Total five year costs: $1,118,721

Total Capital Costs of $83,721
Total Operating Costs of $1,035,000

University of New Mexico

3. REQUEST FOR APPROVAL TO USE CONSTRUCTION MANAGER AT RISK (CM at Risk) FOR BASEBALL STADIUM PROJECT

The Educational Facility Construction Manager at Risk Act [12-1-124.1 NMSA 1978] states CM at Risk delivery method may be used when a governing body determines that it is in its interest to use that method on a specific educational facility construction project, provided that the CM at Risk shall be selected pursuant to the provisions of that section.

PROJECT DESCRIPTION:
The proposed scope of work for the University Baseball Stadium would provide additions and improvements to existing Lobo Field over three phases of projects. Phase 1 includes a new stadium facility with a core of 750 to 1,200 spectator seats, expandable for 3,000 spectators in future phases, new turf grass, new home and visitor dugouts, batting cage, fence and nets, new press box and temporary or portable restrooms. As additional funding is received, additional scope will be included for fan amenities (such as Permanent Restrooms, Concessions, Landscaped Fan Plaza and Team Store), Coaches Offices, Player Lounge, Video Board and Sound System, Field Lighting, and Field Level Suites.

FUNDING:
The total estimated Project Budget is $4,000,000:

$2,000,000 is funded from 2010 Severance Tax Bonds
$2,000,000 is funded from Athletic Department Development
REQUEST FOR CAPITAL PROJECT APPROVAL for
CLINICAL NEUROSCIENCES CORE RENOVATION
UNIVERSITY OF NEW MEXICO
December 14, 2010

REQUESTED ACTION:
In accordance with Section 7.12 of the Board of Regents Policy Manual and as required by the New Mexico Higher Education Department and New Mexico State Board of Finance, project approval is requested for UNM Main Campus, Logan Hall, Clinical Neurosciences Core Renovation.

PROJECT DESCRIPTION:
The project will design, construct and equip the Psychology Department's outdated neuroscience research space into a state-of-the-art Clinical Neuroscience Core (CNC) facility. The project will renovate approximately 9,470 GSF of the second floor of Logan Hall. Included are clinical neurosciences laboratories, a transcranial stimulation lab, imaging and data analysis spaces, collaborative/computerized work areas, faculty and staff offices, a library, a multi-use room and support spaces.

The renovation will include minor asbestos abatement, and demolition of the existing walls and most of the infrastructure (leaving only the structure & exterior walls) to accommodate the new CNC floor plate. Modifications to the building HVAC systems are included in the project and an additional exhaust fan will be provided for the existing second floor animal holding area to better control odors from these spaces.

Infrastructure work will include minor plumbing and fire sprinkler modifications; a new fire alarm system for the second floor; and restroom upgrades to meet current code requirements. There will also be new exterior window openings to provide natural day-lighting along with new sustainable finishes and lighting to help meet a LEED Silver minimum Certification.

PROJECT RATIONALE:
The consolidation and upgrade of the UNM Clinical Neuroscience facilities will enhance existing research programs within the Psychology Department, provide interactive access to genetic and neuro-imaging data from Mind Research Network (MRN), facilitate the translation of research into professional practice, and create opportunities for collaboration (e.g. in the substance abuse area) across different areas of psychology (e.g. clinical, cognitive, neuroscience). The CNC will also support future opportunities for additional extramural funding to expand translational research.

FUNDING:
The total estimated Project Budget is $5,584,723:

- $4,964,723 is funded from the National Institutes of Health American Recovery and Reinvestment Act G20 Grant
- $620,000 is funded from UNM Institutional Matching Funds
REQUEST FOR CAPITAL PROJECT APPROVAL for
UNM GALLUP GURLEY HALL BACKFILL
UNIVERSITY OF NEW MEXICO
December 14, 2010

REQUESTED ACTION:
In accordance with Section 7.12 of the Board of Regents Policy Manual and as required by the New Mexico Higher Education Department and New Mexico State Board of Finance, project approval is requested for Backfill and upgrading of various portions of Gurley Hall on the Gallup Campus of University of New Mexico.

PROJECT DESCRIPTION:
This project will provide minor renovations to approximately 30,000 square feet in this 1974 era building. Included in the project is new flooring, lighting, paint, furniture and some wall realignment. These items will provide new gathering space and meeting space for students, tutoring, counseling and advising offices, as well as flexible office space.

PROJECT RATIONALE:
With the addition of the new Technology Center and Classroom building there is a need for backfill repair and realignment of spaces within Gurley Hall. The main lobby will be retrofitted with better seating and computer access points to modernize the common areas. The existing bookstore has never received an upgrade and the addition of modern shelving and merchandise displays will accommodate increases in sales and student traffic. Many of the existing offices throughout the building will be improved and modernized. The lower floor of the Gurley building will now be subject to additional student traffic so the flooring will be improved and the areas will be realigned for better occupancy and use.

FUNDING:
The total estimated Project Budget is $870,000:

• $870,000 is funded from 2009 Mckinley County General Obligation Bonds
Memo

To: David W. Harris, EVP for Administration, COO & CFO
From: Kim D. Murphy, Director of Real Estate
Date: December 1, 2010
Re: Strategic Student Housing Plan (American Campus Communities)

We are pleased to transmit for review and action by the Regents Finance & Facilities Committee the Strategic Student Housing Plan prepared by American Campus Communities (see attached). As you may recall the Strategic Housing Plan is an important deliverable from ACC under the terms of the Master Agreement dated November 1, 2009 between the Board of Regents, Lobo Development Corporation (“LDC”) and American Campus Communities (“ACC”). The approval of this Plan is required before ACC may proceed with any particular phase of student housing development.

The Master Agreement provides that the Strategic Housing Plan first be submitted to Lobo Development Corporation for its review and approval. LDC will be meeting Friday, December 3, 2010 to consider the Plan. We have reviewed the Plan and have provided comments to ACC. The attached document incorporates the suggested modifications; and UNM staff (Student Affairs and Real Estate Department) is recommending approval.

Representatives of ACC will be in attendance at the Regents F&F meeting to present the Plan and answer any questions.
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Section 1: Executive Summary
Section 2: Strategic Housing Plan Context
Section 3: Strategic Housing Plan
Section 4: Market Analysis
Section 5: Facilities Analysis

SECTION 1: Executive Summary
EXECUTIVE SUMMARY

The strategic housing plan provides a defining vision that will guide the development of the communities and create the best project for the University of New Mexico (UNM) and its students. This document defines the projects’ development objectives with the goal of achieving the five key strategic goals outlined by President David Schmidly upon his arrival at UNM: healthy communities, student success, systemic excellence and economic and community development.

Student Housing Plan Objectives

A good strategic housing plan is a living document that responds to a diverse student body at the various stages of higher education. The plan should be able to change in response to campus development, enrollment trends and the market. It is also important that it have certain key objectives that are agreed upon at the onset so that any changes do not deviate too much from its strategic purpose. American Campus Communities (ACC) has identified four key objectives for the Student Housing Plan that will shape the main campus developments:

- Improve the quality of UNM’s student housing communities through:
  - Modernizing the product for current and future student needs;
  - Introducing a multi-tiered unit product cycle;
  - Incorporate living-learning features that facilitate academic achievement and improve graduation rates;
- Create phasing scenarios that bring new communities online with minimal disruption to UNM’s existing housing capacity and revenue

The Strategic Housing Plan is the framework that will introduce modern first-year residence halls with accommodations, prices and amenities that will energize the on-campus market and attract new and Transfer students to UNM on-campus housing.

- Increase UNM’s on-campus undergraduate residency rates
- Incorporate recreation, dining and parking facilities that serve the residential communities and programmatically connect to the larger campus

This process started as a way to modernize UNM’s residential communities and dynamically evolve the market and benefit students and the University. This process started with the development of Component F’s Lobo Village, which will be opening fall 2011. This new community will offer modern apartment accommodations for upper-division undergraduates on the South Campus.

This plan focuses on Component II which encompasses the development of new first- and second-year housing products on UNM’s Central Campus. Component II’s development program delivers more than 3,000 beds in two-to-three phases. This strategic housing plan has a detailed program for its Phase I and offers development components and phasing scenarios for phases.

Modernizing equivalent accommodations should not be accomplished as a means to create more rental cost for students. Rather, the goal is to offer more value, features and amenities in the new accommodations with similar rental rate parameters. Please see Section 3: Strategic Housing Plan for more information.

Market Overview

Off-campus Housing

In July 2009, the Princeton Review ranked UNM’s residence halls as ninth in their Dorms like Dens survey. UNM’s traditional residence halls (units, community features, etc.) do not compare well, either regionally or nationally, to products at other institutions, yet the residence halls have rents comparable to more modern facilities. While some existing halls should remain, the majority need to be redeveloped. ACC’s review of the University’s traditional residence halls found that, while functional, they generally have extensive maintenance and system upgrades required.

Developing new on-campus housing will provide UNM a modern product to help recruit and retain students. The new residence halls will be designed with living-learning communities in mind so that UNM’s first-year residence life program can be fully realized.

As shown below, UNM houses a much lower percentage of overall students as well as first-year students than its peer institutions. The new residence halls will introduce students to UNM’s graduated product cycle that will help retain students on campus past their first year.

The need for a defined product cycle is most evident when evaluating the number of existing freshmen living in non-traditional residence halls and the attrition of students who stay in on-campus housing as sophomores and beyond. Currently over 50 percent of all suite- and apartment-style housing on-campus is occupied by first-year students. This situation undermines the first-year experience and creates little incentive to return to on-campus housing as a sophomore, evidenced by the fact that only 11 percent of sophomores live on-campus in comparison to 32 percent of freshmen.

Off-campus Housing

The majority of the off-campus student housing market is around the campus is antiquated. As a group, the existing off-campus options do not offer compelling products or features. None of the off-campus housing that students live in provide residence life programs in any manner to support student development and help students graduate.

Implementation

UNM’s existing residence halls need to be modernized and a product cycle needs to be implemented that encourages student retention. ACC believes that by providing attractive living-learning residence halls on main campus a few things will be able to be accomplished:

- Students will be housed in residence halls that support a first-year living experience.
- Suite and apartment-style communities like Student Residencias Center and Redondo Village Apartments will house upper-division students. More students will have the opportunity to live in these communities because first-year students will not be living in them.
- The new residence halls will help with the recruitment of first-year and retention of sophomore students.

Please see Section 4: Market Analysis for details on our findings.

| Comparative Residency Rates (reduced by first-year on campus residence) |
|-----------------|-----------------|-----------------|-----------------|
| Institution     | First-year Market | Resident Market | Percent of First-year |
| Dartmouth        | 2,906            | 2,474           | 86%              |
| Duke             | 2,589            | 2,247           | 87%              |
| Stanford         | 2,218            | 1,978           | 89%              |
| Massachusetts    | 2,040            | 1,748           | 86%              |
| UW              | 1,944            | 1,666           | 86%              |

All rates reflect 2009-2010 academic year numbers
Facilities Overview

Section II: Facilities Analysis presents in-depth studies pertaining existing residence halls (Alvarado, Coronado and Santa Ana Halls) affected by Component II. These studies were commissioned by UNM and conducted by an expert third-party. ACC has used these studies to form opinions on the existing residence halls regarding their viability as redevelopment or renovation candidates.

Questions Regarding This Proposal

Please direct all questions and/or comments regarding this proposal to:

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SECTION 2: Strategic Housing Plan Context
STRATEGIC HOUSING PLAN CONTEXT

UNM's Student Housing History

Residence Halls

The majority of the University of New Mexico's (UNM) current residence hall communities were developed in a 12-year period from 1957 to 1969. With the exception of the Laguna/DeVargas Complex (1969, 366 beds) that has suite-style units with shared bathrooms, all the other communities are traditional residence halls with semi-suite units and floor bathrooms. These communities include: Alvarado (1965, 162 beds), Coronado (1959, 406 beds), Hokona (1957, 256 beds), Santa Anna (1965, 164 beds), and Santa Clara (1964, 162 beds).

Apartments

UNM's apartments are newer than its residence halls, have a great deal of design variety, but are not ideal in their unit product type, design or construction materials used. The Student Family Housing complex (1975, 296 beds) consists of one- and two-bedroom apartment and two- and three-bedroom townhome units. The Student Residence Center has six-bedroom, two-bedroom apartment units (1992, 467 beds). Redondo Village Apartments (2001, 391 beds) has four-bedroom, one-bedroom apartments. Lobo Village (opening Fall 2011, 864 beds) will have four-bedroom, four-bathroom units. Units at all the apartment communities have kitchens and living rooms.

Peer Comparison

UNM's current and future housing options should be re-evaluated comprehensively from a rental and production perspective. As shown in the chart below and on the following unit comparison page, units at UNM's residence halls, to a lesser extent, apartment communities have less space and fewer features than on-campus student housing at its regional peers: in many cases, however, they trend toward the higher price range compared to peers. The communities chosen for comparison represent the most recently developed housing for each institution.

Please see Section 4: Market Overview for more information on UNM's on-campus housing.
ARCHITECTURAL PRECEDENT

The form and function of the University of New Mexico's existing student housing reflect the influence of the architect John Gaw Meem, and his expressions of the Spanish Pueblo Revival Style. These influences are reflected in:

- Campus's pedestrian orientation:
  - Clear and intuitive pedestrian circulation structures
  - Parking at the perimeter of the campus to establish a clear and convenient pedestrian precinct internal to the campus
  - Promotion of human scale with building heights averaging three-to-four stories tall
  - Buildings' massing often delineates enclosed courtyards and terraces
  - Buildings' sensitivity to existing adjacent areas, campus and neighborhood, with respect to density, height and scale
  - Building placement that defines and articulates usable open spaces

Architectural Precedents

We will draw from UNM's Meem-influenced Spanish Pueblo Revival, Territorial and Northern New Mexico styles to create principles that will guide the character of Component II's first phase. The future's community will include:

- Ascending mass
- Large walls
- Earth-tone colors
- Organic footprints where possible
- Covered porches as connectors and shelter from inclement weather
- Enclosed courtyards and terraces defined by low-rise walls or shrub massing and judicious plantings to create an oasis
- Use of courtyards as organizing elements of building plans
- South, southeast-oriented pedestrian spaces to extend seasonal outdoor use capturing sun and blocking wind
- Sun protection of windows on south facing façades with fenestrations or deep recesses.
- Solar orientation of buildings to respect sustainable energy consumption.

The future community is intended to be respectful of the UNM heritage and design traditions and take into consideration the historic character of the main campus while maintaining human scale, pedestrian connectivity and orientation of horizontal building forms.

The architecture will carefully balance horizontal and vertical elements, stepping multi-story buildings with parapets and balcony or elevated brick walls finished in earthy materials such as stucco. This massing is reminiscent of the adobe walls used by the Pueblo style architecture and incorporates the appearance of deep set or shaded windows and doors.

This construction type uses flat roofs and articulates the drainage of the roofs through scuppers or canals. Frequently, massive timber or other wood components—heavy doors, window frames, ceiling beams, porch posts, lintels or projecting wooden roof beams (vigas)—are used for their functional purposes. We will consider strategic opportunities to use these types of elements or contemporary interpretations as visual relief to the mass of the building. Whereas adobe or earth-tone colors will predominate, the occasional introduction of terracotta and/or blue accents will provide visual interest and emphasis of a hierarchy of architectural elements.
STRATEGIC HOUSING GOALS

Key Considerations

A good strategic housing plan is a living document that responds to a diverse student body at the various stages of higher education. The plan should be able to change in response to campus development, enrollment trends and the local student housing market. It is also important that it have certain key objectives that are agreed upon at the onset so that any changes do not deviate excessively from its strategic purpose. American Campus Communities (ACC) has identified four key considerations that will shape the future communities and meet UNM's larger objectives:

- Improving Housing Value
- Academic Excellence
- Campus Integration
- Student Life

Improving Housing Value

"There is also a crucial need to improve the student housing situation and offer more opportunities for students to reside on campus. Additionally, we need to improve the current dormitory situation, where many of the dorms were constructed in the 1950s and 60s, by renovating and/or replacing the existing dormitory inventory while increasing the available beds for students to reside on campus.

The first housing priority would be to target the undergraduate population to develop a strong community on campus. The lifestyle of students today demands apartment-style residence halls that are conveniently located, affordable, and comparable to off-campus apartments."

David J. Schmldly

UNM in the 21st Century: A New President's Vision

In July 2009, the Princeton Review, a well known and influential company that studies institutions of higher education, ranked The University of New Mexico's (UNM) residence halls ninth in their Dorms Like Dungeons survey, UNM's residence halls, community features, etc. do not compare well, either regionally or nationally, to products at other institutions, yet the residence halls have rents comparable to more modern facilities. Also, as shown on the peer institution unit comparison chart on the first page of this section, UNM students pay more for units with less features.

As new residential product is introduced into the on-campus portfolio, it will become necessary to continually evaluate existing accommodations from a rental rate value perspective. Any future new and/or renovated communities should also be competitive with features and price with the housing at peer institutions. These communities should have modern units and community spaces that are attractive to today's students. There should be a variety of units that will offer students multiple price points and create a multi-tiered unit product cycle for students.

Academic Excellence

"A major challenge for UNM is our graduation and retention rates."

David J. Schmldly

UNM in the 21st Century: A New President's Vision

Any future communities need to create environments where students can excel academically. This can be done by designing communities with features that help in the facilitation of academically-oriented residence life and living-learning programs. As shown below, UNM houses a much lower percentage of overall students as well as first-year students than its regional peers. Currently, 56 percent of all suite-and apartment-style housing on-campus is occupied by first-year students. This situation undermines the first-year experience and creates little incentive to return to on-campus housing as a sophomore, evidenced by the fact that only 31 percent of undergraduates live on-campus in comparison to 32 percent of freshmen.

From this analysis, space and feature planning for the new or renovated communities can be done using ACUHO-I's 21st Century Project's subdivision of community. This division, community spaces and features are classified by their function, whether they are public or private and if they facilitate privacy or socialization. This classification is used to determine where a particular feature or space best fits into a community.

| Comparative Residency Rates Related to Principal Interconnections |
|-------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|              | freshman students | First-Year Students | First-Year Students | First-Year Students | First-Year Students |
|             | full-time        | on-campus        | off-campus        | on-campus        | off-campus        |
| Arizona State University | 25.5% | 21.6% | 13.9% | 13.9% | 13.9% |
| Arizona State University (Durango Campus) | 26.0% | 21.6% | 13.9% | 13.9% | 13.9% |
| New Mexico State University | 14.8% | 13.9% | 13.9% | 13.9% | 13.9% |
| University of New Mexico | 25.5% | 21.6% | 13.9% | 13.9% | 13.9% |
| All units reflect 2009-2010 academic year students |

Future communities need to expand UNM's housing product choices so students will have unit types and amenities that grow with them. If done properly, students will have attractive and compelling reasons to stay on campus their entire time, including an undergraduate. Research supports that the longer students live on campus, the more likely they are to do well academically, graduate and become active alumni.

Subdivision of Community

Home Unit spaces and features shared between two-to-four residents

Street Floor entry spaces and features shared between 30 to 60 residents

Neighborhood Community spaces and features shared among all community residents (typically 150-200)

Village Community spaces and features shared with all students within a five-minute walk

- What is the target student body segment?

David J. Schmldly

UNM in the 21st Century: A New President's Vision

Improving student life through design is done by careful creating spaces that logically demarcate public and private spaces and their functions. We know that any new communities should incorporate recreation and dining facilities that serve the residential communities and programmatically connect to the larger campus, but we needed a planning methodology to plan these spaces. Our team has approached the Strategic Housing Plan using space planning principles conceptualized by ACUHO-I's 21st Century Project. We looked at the following questions to ensure the kind of complex interrelationships of spaces that characterize successful housing communities are considered at UNM:

- What are the programming goals?
- What features best serve the students?
- What amenities and features are needed to meet UNM and students' expectations?
- How new or renovated communities affect student recruitment efforts?
The Home
This is the base level for a new community that focuses on unit types and unit-level features. Unit features are first determined by assessing what levels of privacy and supervision are appropriate for the target students. Those answers help determine if a unit has a living room or kitchen and if its bedrooms and bathrooms are shared or private. By delineating these features, the general unit type needed becomes clear (e.g., semi-suite, suite, apartment, townhome, etc.).

Generally, there is less privacy in units when a community is oriented toward first- and second-year students. Rather, features and amenities are saved for Street (floor or wing) or Neighborhood Levels (entire community) to encourage socialization and bring students out of their units.

The Street
The Street Level refers to a floor or wing of a building, which usually houses 30-60 residents. Typical features include kitchens, laundry rooms, lounges or study rooms that are shared by the entire wing or floor. First- and second-year communities typically have more amenities at the street level than communities geared toward juniors or seniors.

The Neighborhood
The Neighborhood encompasses an entire community, whether it is one or a series of buildings. Features at this level serve the entire community and any guests. Number and type of features at this level vary widely. The number of features are typically minimal when an institution has ample student life facilities near a community, such as a dining hall, recreation center or student union. Otherwise, it’s not uncommon to find a fully amenitized community when it is programmatical or physically remote from a campus’s residential core. Common features at this level can include items such as floor kitchens, laundry facilities, fitness centers, management offices, large lounges and game rooms, business centers, and classroom theaters.

The Village
The Village level refers to either an entire campus or campus region. In this case it refers to the residential portion of Central Campus that is within a five-minute walk. Features at this level are open to either all on-campus residents or the entire student body. Large standalone student centers, unions, dining halls or recreation centers often help the majority of the features.

Planning Diligence
To confirm our assumptions and expand our understanding of UNM, ACC utilized a planning diligence process to compile information from students’ opinions and perceptions regarding current accommodations, price points and decision-making process. ACC enacted this process through student surveys, focus groups and a design summit. The focus groups have traditionally provided the greatest insight into the consumption habits of students and as such ACC has recently completed six additional focus groups.

A large portion of the discussion was based on unit design feedback and focused on what students liked/detest and what was considered appropriate for freshmen housing.

The students had predominantly lived on campus (more than 80 percent) and many had returned to campus after their freshman year. In asking why students returned to campus after their freshman year, the most common answers were proximity to classes and being employed by Resident Hall Association. Many students said they moved off campus because they had an apartment-style room as a freshmen and found this accommodation in the off-campus market for less money on a monthly basis.

ACC shared a combination of residence hall, suite-style and apartment-style units with students to assess, indicating not only what they found positive or negative but also what they thought was appropriate. The overwhelming consensus was that it is important for freshmen to live in residence halls, and that once this happens more students will stay on campus because beds will be available in suite- and apartment-style halls.

Students reported believing that units that improved visual privacy and shared restrooms within the unit, not hall-style, would be more attractive to incoming students. Some students expressed a concern that if students lived in the proposed new units as freshmen they would become “spoiled” and that the units should be held for sophomores. When discussing how much money students believed the units should rent for within the current market, 100 percent felt the proposed units merit a price premium over the existing residence halls.

In regard to amenities, the students expressed that they should be developed at a larger context than for individual buildings. A general disappointment in the available on-campus housing amenities was expressed. Students believed the best design for new amenity packages would include building amenities for laundry, study space, lounge space with soft seating and outdoor green areas, but that larger amenities like theaters and fitness rooms should be placed in a centralized community center.

ACC asked questions specific to technology as requested by the UNM information technology department and the students answered in nearly uniform fashion. All students want to receive the most possible support and freedom in using the internet and reported that their demand is highest during the evening. Most students report they will be bringin between four and six network devices to campus.

Surveys
The online student survey was administered using UNM’s survey provider, Student Voice, and was distributed by e-mail to the UNM student body. The survey was open for 16 days beginning May 8, 2009, and ending May 23, 2009.

In total more than 880 completed responses to the online survey were received. Students were incentivized to respond by giveaway prizes (Wii game systems, iPod shuffle, iPod nano). All emails for student surveys were distributed by the University of New Mexico’s Student Affairs Department.

The response ratio of 3.5 percent of the 25,000 student body is considered an ideal sample. The data compiled supports the thesis of students moving into off-campus housing because on-campus housing is antiquated and does not provide a graduated product cycle.

Focus Groups
The initial focus groups were administered on May 22, 2009 in three sessions with 61 UNM students. ACC engaged an additional six focus groups with 50 UNM undergraduates and 16 high school students on September 21 and 22, 2010.

These focus groups focused on the Component II development and as such primarily engaged first- and second-year students as well as local high school seniors. All of the sessions were scheduled for one hour and facilitated by one person while another captured the
A large portion of the discussion focused on how decisions would be made on determining where students enrolled and how they would decide to live on campus or off campus. More than half the students in these focus groups had visited universities and were active in the decision making process of where to attend college. Many of the students expressed a desire to leave the state of New Mexico but all of the students said that finances would ultimately determine where they enrolled. Parental influence in the decision of where to enroll was evident; as only one student said he/she would be paying for college without help from family.

As a general rule, the students in these focus groups typically reported residing in homes in which they have their own bedroom and bathroom and had an expectation of some level of privacy within their unit and restroom. The consensus was that private bedrooms would be the preferred unit, not shared bedrooms and anything with a full-size bed would be best. The students were interested in on-site amenities that focused on developing community and creating an academic environment. Generally, these students were less interested in gaming areas than in study/social lounges.

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In order to collect response data in real time, ACC incentivized student attendance with Starbucks gift cards as well as snacks and drinks during the focus groups.

Please note that the benefit of the focus groups is the anecdotal dialogue given is confirmed by response tracking by the Turning Point technology. The statistical value of the data is relatively insignificant.

Once the primary residential objectives for the project had been determined, the groups met once again to re-interpret the objectives through the following key tenets:

- Technology
- Innovation
- Sustainability
- Flexibility

Area with

On September 21 and 22, 2010, ACC conducted six focus group sessions as one means to help better develop student housing for Component II. Each day ACC held two focus groups on the UNM main campus and traveled to one high school to talk with students. The six focus groups included:

- High school students
- Freshman – currently living on campus
- Freshman – currently living off campus
- Undergraduate – currently living on campus
- Undergraduate – currently living off campus
- Seniors – currently living on campus

The focus groups were conducted utilizing an interactive software called Turning Point that collects real-time feedback from focus group participants. The data collected is discussed during the focus group sessions and also can be used to identify student thoughts and preferences about housing.

In addition to the data collected through Turning Point, the following notes summarize supplemental information gathered through open discussion with students in the focus groups.

High School Students

- The first focus group was made up of nine seniors who plan on attending college from St. Pius High School.
- The second focus group was made up of seven juniors and seniors who plan on attending college from Rio Rancho High School.

- A large portion of the discussion focused on how decisions would be made on determining where students enrolled and how they would decide to live on campus or off campus.

- More than half the students in these focus groups had visited universities and were active in the decision making process of where to attend college. Many of the students expressed a desire to leave the state of New Mexico but all of the students said that finances would ultimately determine where they enrolled. Parental influence in the decision of where to enroll was evident; as only one student said he/she would be paying for college without help from family.

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SECTION 3: Strategic Housing Plan

STRATEGIC HOUSING PLAN

Overview

The Strategic Housing Plan's (SHP) goal is to modernize the University of New Mexico's (UNM) residential communities and dynamically evolve the market and benefit students and the University. This process started with the development of Component I's Lobo Village, which will be opening fall 2011. This new community will offer modern apartment accommodations for upper division undergraduates on the South Campus.

This plan focuses on Component II which encompasses the development of new first- and second-year housing products on UNM's Central Campus. Component II's development program delivers more than 3,000 beds in two-to-three phases. This strategic housing plan has a detailed program for its Phase I and offers development components and phasing scenarios for Phase II.

Approach

"There is also a crucial need to improve the student housing situation and offer more opportunities for students to reside on Campus."

David J. Schwindley
UNM in the 21st Century: A New President's Vision

As described in the previous section, American Campus Communities (ACC) has identified four key considerations shaping UNM's SHP: Improving Housing Values, Academic Excellence, Campus Integration and Student Life.

Improving Housing Values

Improving the quality of UNM's student housing communities through:
- Modernizing the housing product for current and future student needs.
- Offering more visual privacy in units.
- Creating additional features and amenities at all community levels.
- Introducing a multi-tiered unit product cycle.
- Creating phasing scenarios that bring new communities online with minimal disruption to UNM's overall housing capacity and revenue.

It should be noted that modernizing equivalent accommodations should not be accomplished as a means to create more rental cost for students. Rather, the goal is to offer more value, features and amenities in the new accommodations with similar rental rate parameters to existing communities.

The new communities will improve students' academic success through:
- Incorporating living-learning features into the new communities that facilitate academic achievement and improve graduation rates.
- Increasing UNM's on-campus undergraduate residency and retention rates by increasing UNM's housing capacity, instituting a student housing cycle and having a competitive product.

Campus Integration

The new communities should be seamlessly integrated into the campus by:
- Operating the new communities so they are fully integrated and seamless with UNM's existing student communities.
- Programmatically connecting new and existing communities.
- Improving the connections in and around the Johnson Core area.
- Preserving and incorporating historic and culturally significant buildings and features into a revitalized eastern Central Campus.

Lessons Learned

The design and development of the new communities will affect both residents and non-residents as it will add additional features and amenities to the residential portion of UNM's Central Campus. ACC has used the principals of ACUHO-I's 21st Century Project to strategically plan the incorporation and division of spaces and features that will serve the new residential communities and programmatically connect to the larger campus.

As described in the last section, this plan uses ACUHO-I's 21st Century Project's planning model to delineate features, functions and spaces from the unit level to the campus level. To that end we have organized this section to follow the 21st Century Project's model:

Home Level: Component II's unit design and rationale is explained within the context of expanding UNM's housing product cycle.

Street & Neighborhood Level: Component II, Phase I's development program is described.

UNM Student Housing, Component II: Strategic Housing Plan
In detail with emphasis on using spaces to create community.

Village Level: Component II, Phase II will have a number of facilities that serve both the new residential communities and larger residential portion of Central Campus. This plan will show the thought behind these spaces and features.

Community Subdivision Analysis: At the end of this plan, we have a space analysis that shows the distribution of features and amenities at both new and existing communities within the 21st Century Project’s model.

Other Items
In addition to the nuts and bolts of the plan, this section presents a demand analysis and operational scenarios. The demand analysis will confirm and expand on the logic behind Component II’s 3,000-bed scope. The operational scenarios presented show a range of management structures that could guide the operations of the project.
Component II, Phase I Units

Phase I's unit types will create efficient shared and private semi-suite accommodations that encourage first-year students to engage in their community while still offering students some amount of personal privacy. Unit A, for instance, creates visual privacy in a double-accommodation unit. The subdivided bathroom allows all residents to share the facility comfortably.

Unit A (710 SF)
Two-bedrooms, One-bath Semi-suite
(Four shared accommodations with subdivided bath)

Features:
- Four extra-long twin beds with headboards
- Four desks with computer space
- Four desk chairs
- Four four-drawer dressers (underneath bed)
- Four spacious closets
- Four nightstand/bookcases
- Phone, CATV and data connections
- Four vanities and medicine cabinets
- Bath
- Toilet
- Two microfridges
- Two entertainment centers

Unit B (419 SF)
Two-bedroom, One-bath Semi-suite
(Two private bedrooms with subdivided bath)

Features:
- Two extra-long twin beds with headboards
- Two desks with computer space
- Two desk chairs
- Two four-drawer dressers (underneath bed)
- Two spacious closets
- Two nightstand/bookcases
- Phone, CATV and data connections
- Two vanities and medicine cabinets
- Bath
- Toilet
- Two microfridges
COMPONENT I, PHASE I

The first housing priority would be to target the undergraduate population to develop a strong community on campus.

— David J. Schmidly
UNM in the 21st Century: A New President’s Vision

Component II, Phase I Development Program

Phase I will redefine the experience on Central Campus’s residential housing core as well as the northern border of Johnson Field. The Phase I community will have new modern residence hall-style units with visual privacy and community features and amenities that create a living-learning environment for first- and second-year students. Our development goals for this phase are:

- Create a community with high-quality features and amenities to help recruit new and retain current students
- Provide rental rates similar to comparable on-campus accommodations
- Include living-learning features that enhance UNM’s residence life program
- Structure the project so that total project costs remain both off-balance sheet and off-credit.

Phase II Resident Kiosks:

We have assumed the following for Phase I in all four scenarios:

- Delivery of housing for occupancy in August 2012
- A unit mix of:
  - 75 percent two-bedroom, one-bathroom, double-occupancy semi-suite (Unit A): 730 SF; four residents
  - 25 percent two-bedroom, one-bathroom, single-occupancy semi-suite (Unit B): 419 SF; two residents
- Construction cost based on adjusted Component I pricing that assumes:
  - Residential prevailing wage
  - Project will be certified LEED Silver
  - The tree on Lower Johnson Field will remain undisturbed

Component II, Phase I Program

<table>
<thead>
<tr>
<th>Units</th>
<th>Bath</th>
<th>Size</th>
<th>Total Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Bedroom / 1 Bathroom (shared bedrooms)</td>
<td>184</td>
<td>236</td>
<td>710</td>
</tr>
<tr>
<td>2 Bedroom / 1 Bathroom (private bedrooms)</td>
<td>122</td>
<td>264</td>
<td>419</td>
</tr>
<tr>
<td>Total Residents</td>
<td>306 units</td>
<td>268 beds</td>
<td>181,958 SF</td>
</tr>
<tr>
<td>Community Center</td>
<td>3,900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Area Amenities (1,900 SF per building)</td>
<td>7,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Circulation</td>
<td>45,446</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance Shop</td>
<td>2,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Residents</td>
<td>306 units</td>
<td>268 beds</td>
<td>240,759 SF</td>
</tr>
</tbody>
</table>
Component II, Phase I Proforma Summary

Overview:
Total units / beds: 306 units / 980 beds

Development Budget Summary:
<table>
<thead>
<tr>
<th>Component</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Soft Cost</td>
<td>$1,420,854</td>
</tr>
<tr>
<td>Hard Costs</td>
<td>$33,087,704</td>
</tr>
<tr>
<td>Total Development Cost</td>
<td>$34,507,558</td>
</tr>
<tr>
<td>Project level / corporate finance costs</td>
<td>$1,614,391</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$36,121,949</td>
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</tbody>
</table>

Operating Budget - Year 1 (2012):
<table>
<thead>
<tr>
<th>Component</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$5,181,063</td>
</tr>
<tr>
<td>Expenses</td>
<td>($1,986,252)</td>
</tr>
<tr>
<td>Net Operating Income (before reserves)</td>
<td>$3,224,811</td>
</tr>
</tbody>
</table>

Bed Count Impact:
- Beds Taken Off-Line (Santa Ana and two SRC buildings) (238)
- Total Beds Added: 980
- Net Change in Bed Count: 742

Demand Analysis

More than 3,000 beds could be developed under this plan depending on the rate of absorption. Of this number, approximately 800 would be replacement beds and 2,200 would be new beds. Using the graduated product cycle described on the page 8 of this section, UNM can increase its on-campus residency rates in line with its institutional peers and house students in communities appropriate to their residence life needs.

Current Supply

<table>
<thead>
<tr>
<th>Stage</th>
<th>First Year</th>
<th>Sophomore</th>
<th>Junior &amp; Senior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Enrolled</td>
<td>4,566</td>
<td>4,365</td>
<td>11,555</td>
</tr>
<tr>
<td>Current On-campus Residency Levels</td>
<td>32%</td>
<td>40%</td>
<td>51%</td>
</tr>
<tr>
<td>Current Number Living on Campus</td>
<td>1,266</td>
<td>544</td>
<td>347</td>
</tr>
<tr>
<td>Current Beds Available</td>
<td>1,205</td>
<td>1,244</td>
<td>-</td>
</tr>
<tr>
<td>Current Under or Excess Demand</td>
<td>256</td>
<td>(700)</td>
<td>347</td>
</tr>
</tbody>
</table>

Future Supply

<table>
<thead>
<tr>
<th>Stage</th>
<th>First Year</th>
<th>Sophomore</th>
<th>Junior &amp; Senior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Enrolled</td>
<td>4,566</td>
<td>4,365</td>
<td>11,555</td>
</tr>
<tr>
<td>Future On-campus Residency Levels</td>
<td>50%</td>
<td>40%</td>
<td>51%</td>
</tr>
<tr>
<td>Future Number Living on Campus</td>
<td>2,283</td>
<td>814</td>
<td>924</td>
</tr>
<tr>
<td>Future Beds Available</td>
<td>2,300</td>
<td>1,809</td>
<td>864 (South Campus)</td>
</tr>
<tr>
<td>Future Under or Excess Demand</td>
<td>(17)</td>
<td>31</td>
<td>60</td>
</tr>
</tbody>
</table>

Comparative Residency Rates (undergraduate on-campus residence)

<table>
<thead>
<tr>
<th>Institution</th>
<th>Total Undergraduate</th>
<th>Full-time Living on Campus</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of New Mexico</td>
<td>22,204</td>
<td>11,555</td>
<td>52%</td>
</tr>
<tr>
<td>University of Arizona</td>
<td>24,206</td>
<td>11,200</td>
<td>46%</td>
</tr>
<tr>
<td>University of Colorado</td>
<td>23,000</td>
<td>12,500</td>
<td>54%</td>
</tr>
<tr>
<td>University of Southern California</td>
<td>22,000</td>
<td>11,500</td>
<td>52%</td>
</tr>
</tbody>
</table>

All values reflect Fall 2019 academic year enrollment.
Approach

To create a seamless relationship for Component II's communities and existing UNM on-campus housing, ACC and UNM will need to define the relationship in numerous ways. This plan does not define the relationship but identifies key areas and presents a framework to make decisions.

The main objective of the management program is to provide student residents with the optimal living-learning experience while ensuring we meet UNM's standards and overall objectives. ACC divides management services into four areas in which we focus to meet this objective:

- Residence life and student development
- Facilities maintenance
- Business operations
- Marketing and leasing

Each division outlined above provides an opportunity for ACC and UNM to work together to create a seamless experience for the student. We believe our management philosophy is in alignment with UNM and will be working with UNM to further refine the items that define our management philosophy for the Component II projects:

- Create and maintain academically oriented communities focused on students' educational, cultural, and social development.
- Collaborate with UNM's departments, programs and general campus community to promote student connections, opportunities and development.
- Establish a code of conduct that emphasizes respect for self and others, and encourages students to accept both the freedom and responsibility inherent in community living.
- Maintain our communities' physical condition by providing residents with a high-quality product that exceeds their needs and consumer expectations.
- Support residents in times of crisis and personal need through emergency response and referral to the appropriate institutional services and resources.

We understand the importance and benefits of a meaningful residence life and student development program at every level of our organization. Our commitment to create meaningful residence life programs in conjunction with UNM will help in providing the seamlessness between new and existing communities.

UNM's residence life professionals have the option to implement their own program or customize a community-specific residence life program in partnership with ACC.

ACC will customize our residence life program to meet UNM's specific residence life objectives and student needs. The design of our residence life program starts with your residence life manual and is developed to seamlessly integrate into UNM's program.

ACC believes that the care and concern that residents show for their community is a direct reflection of management's level of care and work maintaining the community. The responsibilities of the entire staff include:

- Maintaining the property's daily curb appeal to the highest standards
- Responding to resident work orders in a timely fashion
- Developing and administering preventative maintenance programs to ensure the long term preservation of the asset
- Identifying, prioritizing and undertaking capital improvement projects that maintain or enhance the quality and value of the property
- Preparing for and administering the move out, make ready and move-in processes

Component II will have a customized pro-active maintenance program plan that details tasks done daily, weekly, monthly, at turn, and annually. These types of operations will need to be coordinated with the existing efforts of the UNM facilities team so that duplicative efforts are being avoided.

Business Operations

Student housing is a highly specialized, operationally intense business. It is especially challenging from a business operations perspective. Unlike any other sector of real estate, packaged, off-the-shelf accounting and operational software systems are not available for student housing.

ACC developed and refined the nation's premier student housing business platform, operational systems and policies. Our operational system can handle:

- Accounting and rent collection
- Customer service and complaint resolution
- Maintenance requests and follow-up
- Lease administration
- Room assignments and key procedures
- Move-in and move-out procedures

We have the ability to share our operational platform with UNM's on-campus housing if that is a goal of the University. Sharing our platform could be as simple as ACC creating and maintaining the websites for existing UNM housing or ACC being responsible for the on-campus maintenance and facilities management.

Managing A Lease

There is no greater example of ACC's expertise and efficiency than in the area of marketing and leasing. We begin each management assignment by conducting in-depth market research to ensure we fully understand every aspect of the market and properly identify current and emerging opportunities and competitors:

- We first identify and analyze all current student housing product offerings in the market
- Next, we determine where the subject community fits within the market from a product positioning and pricing perspective
- Finally, all current and emerging variables are analyzed related to increases or decreases in supply and demand, such as new off-campus communities or enrollment changes from evolving admission policies

After completing an in-depth market analysis, we develop a strategic marketing plan that includes:

- Specific marketing message based on our product position and pricing strategy
- Market segmentation with identification of targeted student segments prioritized in the order of their likelihood to lease at the subject community
- Identification of marketing mediums to be utilized in delivering the message to each targeted student segment along with frequency and scope parameters

- Development of a complete marketing budget, schedule and a detailed action plan related to full implementation of the marketing plan

After implementing a community's strategic marketing plan, we utilize our proprietary Leasing Administration and Marketing System (LAMS™) to administer and monitor the implementation of the marketing plan and subsequent leasing activities. LAMS™ is a sophisticated, web-based system customized for student housing. We developed it internally to provide a real-time link from our home office in Austin, Texas, to each of our managed properties. Our corporate marketing and leasing staff is able to administer and monitor the following areas on an up-to-the-minute, real-time basis:

- Monitoring traffic and building our prospect database — Whether it be from walk-ins, telephone inquiries, website hits, attendance at promotional events, etc.
- Prospect follow-up — All follow-up to students and parents is automatically generated, disseminated and monitored by LAMS™ and on-site staff.
- Measuring marketing effectiveness — We continually evaluate which marketing mediums and related expenditures are driving traffic and producing actual leases. We continually make adjustments to the marketing plan and relocates marketing dollars accordingly.
- Leasing statistics — We monitor absorption by unit type, leasing velocity compared to same periods in prior years, and an array of proprietary statistical comparisons that indicate

![LAMS](image-url)
when pricing adjustments are necessary

- Future period rent rolls — Rent rolls for the upcoming academic period are automatically generated by LANS™ based on current and projected leasing results, providing accurate cash flow forecasting and reliable budgeting.

Leasing and marketing could provide an interesting operational synergy between ACC and UNM. These opportunities would ultimately need to be defined in the ground lease and could impact the way management, facilities maintenance, staffing are being defined within the relationship. ACC would market any new communities within the current rent range paid by students on-campus. We will also work with UNM to determine how existing communities can be rebranded and rates adjusted to reflect UNM's updated graduated product cycle.

ITEMS FOR FURTHER CONSIDERATION

As the Strategic Housing Plan continues to evolve in the future certain items should be brought forward for consideration based on the changing dynamic of UNM, the student population, market conditions, etc. We have identified three areas that to be discussed and decided during Component II’s predevelopment process.

Architectural and design:
The plan for Component II, Phase I envisions an architectural style in the theme of Pueblo Revival Style based on the principals of John Gaw Meem. Our team will work with UNM to determine if Component II, Phase II continues to use this architectural theme and what types of features should be brought forward from Phase I in regards to building massing, elevations, color palette, etc.

The plan does not currently envision any improvements to upper Johnson Field regarding re-orientation of the fields, use of berms, outdoor seating, tree planting, adding new pedestrian walkways, etc. Our team is exploring any of these or other modifications to Johnson Field with UNM.

A key planning principal in developing student housing is always pedestrian circulation. The future phases of housing on UNM's Central Campus would circulate differently if a portion or all of Redondo Road was closed to vehicular traffic. This would open up many possibilities for the reorientation of Johnson Field and student housing.
MARKET ANALYSIS

American Campus Communities (ACC) has collected quantitative and anecdotal market information through a market study, online student surveys and focus groups.

Market Overview

In July 2009, the Princeton Review ranked 11M Imagine, safety of New Mexico’s (UNM) residence halls as ninth in their Dorms Iike Dungeons survey. UNM’s residence halls (units, community features, etc.) do not compare well, either regionally or nationally, to products at other institutions, yet the residence halls have rents comparable to more modern facilities. While some existing halls should remain, the majority need to be redeveloped. ACC’s review of the University’s traditional residence halls found that many have extensive deferred maintenance and need system upgrades.

Enrollment

UNM has had moderate growth at all its campuses. It had a total enrollment of 27,700 in fall 2010, which is up almost 8 percent. First-time freshman increased 5.4 percent in Fall 2010 and 23 percent over the past three years. In addition, UNM has increased its percentage of full-time undergraduates by 6.2 percent in the same period.

In addition to growing in size as an institution, UNM’s student demographic is becoming more traditional in nature comprised of younger students that are taking more credit hours per semester. In fall 2009 full-time students made up approximately 71 percent of UNM’s enrollment. UNM’s main campus has a strong residential history that emphasizes the need for additional modern and affordable student housing to be made available in the Albuquerque market.

UNM is also recruiting high-quality first-year students. Of its incoming fall 2010 students, more than 48 percent graduated in the top quarter of their high-school class and the average high school GPA of the incoming class is 3.28.

UNM’s enrollment is expected to continue to grow to more than 30,000 by the 2015-2016 academic year.

In evaluating peer institutions it is clear that UNM houses a much lower percentage of overall students as well as first-year students than its regional peers. Currently more than 56 percent of all suite- and apartment-style housing on-campus is occupied by first-year students. This situation undermines the first-year experience and creates little incentive to return to on-campus housing as a sophomore, evidenced by the fact that only 11 percent of sophomores live on-campus in comparison to 32 percent of freshmen.

The majority of the off-campus student housing market in and around the campus is antiquated. As a group, the existing off-campus options do not offer compelling products or features. None of the off-campus housing that students live in provide residence life programs in any manner to support student development and help students graduate.
ON-CAMPUS COMMUNITIES

Santa Clara Hall

Santa Clara Hall is an adobe-style, co-ed residence hall that offers double accommodations.

**Property Type:** Traditional residence hall

**Number of Beds:** 370 capacity

**Accommodations:** Double occupancy, community bath

**2010-11 Semester Rates:** $2,411

**Meal Plan:** Required

**Lease Term:** Academic year

**Community Features:**
- Traditional-style residence hall
- All double occupancy rooms
- Co-ed living on same floors
- Rooms furnished with one standard bed, desk and chair (per person)
- Two Closets and ample storage space
- Free cable television
- Internet connection
- Air conditioning
- Shared laundry and kitchen facilities
- Community bathrooms

**Facility Analysis:**
The building is structurally sound and well-built, with an older and simple HVAC system, that is inefficient compared to modern standards but quite reliable. The main upper roof was replaced approximately 10 years ago and a new fire alarm system was recently installed in 2009.

The facility could continue to proceed on a limited budget for the next several years and provide adequate functionality. However, the building is antiquated and still lacking in code compliance and electrical infrastructure, with minimal wheelchair accessibility upgrades, and most of the vertical building envelope (flopad and windows) is at the end of their lifecycle. Interior finish and asbestos abatement should also be included as part of a complete renovation project if the building is to remain in long-term use.

**2010-11 Semester Rates:**
- $2,411

Coronado Hall

Coronado Hall is a unique octagon-shaped residence hall offering double and single rooms. A co-ed hall with 432 students, Coronado is known for its active Community Association that organizes many fun events throughout the year. Coronado is located across the street from Johnson Recreation Field and the volleyball and tennis courts.

**Property Type:** Traditional residence hall

**Number of Beds:** 432 capacity

**Accommodations:** Single and double occupancy

**2010-11 Semester Rates:**
- $2,700 single
- $2,411 double

**Meal Plan:** Required

**Lease Term:** Academic Year

**Community Features:**
- Traditional style residence hall
- Doubles and singles
- A sink in every room
- Co-ed living by floor
- Rooms furnished with one bed, desk and chair (per person)
- One storage closet (per person)
- Free cable television
- Internet connection
- Air conditioning
- Shared kitchen and laundry facilities
- Community bathrooms

**Facility Analysis:**
The building is structurally sound and well-built, with an older and simple HVAC system that is inefficient compared to modern standards but quite reliable.

Unlike most of the other 1950s and 1960s dormitories, some building system upgrades have been performed over the years. In the early 1990s, the windows were replaced with double-pane units. Also at this time, the main electrical switchgear and panels were replaced and some fire alarm and sprinkler components were added. Additional electrical circuits and internet and cable outlets were added to the dorm rooms and common areas in 2006.

The facility could continue to proceed on a limited budget for the next several years and provide adequate functionality. However, the building is antiquated and lacking in accessibility upgrades, the roof and doors are at the end of their lifecycles, and the stucco facade and window sills would benefit from a cosmetic refresh. Installation of a fire alarm panel and pull stations are recommended to enhance the existing fire protection systems. Interior floor finish and asbestos abatement should also be included as part of a renovation project if the building is to remain in long-term use.
Alvarado Hall

Alvarado is a traditional adobe-style residence hall offering double accommodations. This hall is co-ed, with men and women living on separate floors. Alvarado Hall is located within walking distance of the recreation fields, as well as the tennis and volleyball courts.

**Property Type:** Traditional Residence Hall

**Number of Beds:** 170 capacity

**Accommodations:** Double Occupancy

**2010-11 Semester Rate:** $2,411 double

**Meal Plan:** Required

**Lease Terms:** Academic Year

**Community Amenities:**
- Traditional-style residence hall
- Double rooms
- Co-ed living on separate floors
- Rooms furnished with one bed, desk and chair (per person)
- Two closets, shelving, and ample storage space
- Free cable television
- Internet connection
- Air conditioning
- Shared laundry and kitchen facilities
- Community bathrooms

**Facility Analysis:**
The building is structurally sound and well-built, with an older and simple HVAC system, that is inefficient compared to modern standards but quite reliable. The facility could continue to proceed on a limited budget for the next several years and provide adequate functionality. However, the building is antiquated and lacking in code compliance and electrical infrastructure, with minimal fire alarm and wheelchair accessibility, and the entire building envelope (roof, facade, and windows) is at the end of their lifecycle. Interior finish and asbestos abatement should also be included as part of a complete renovation project if the building is to remain in long-term use.

Santa Ana Hall

Santa Ana is an adobe-style, co-ed residence hall with double accommodations. With a population of only 170 student residents, Santa Ana is a great study environment and close-knit community.

**Property Type:** Traditional Residence Hall

**Number of Beds:** 170 capacity

**Accommodations:** Double occupancy

**2010-11 Semester Rate:** $2,411 double

**Meal Plan:** Required

**Lease Terms:** Academic Year

**Community Amenities:**
- Traditional-style residence hall
- All double-occupancy rooms
- Co-ed living on same floors
- Rooms furnished with one standard bed, desk and chair (per person)
- Two closets and ample storage space
- Free cable television
- Internet connection
- Air conditioning
- Shared laundry and kitchen facilities
- Community bathrooms

**Facility Analysis:**
The building is structurally sound and well-built, with an older and simple HVAC system, that is inefficient compared to modern standards but quite reliable. The main upper roof was replaced approximately ten years ago and a new fire alarm system was recently installed in 2008. The facility could continue to proceed on a limited budget for the next several years and provide adequate functionality. However, the building is antiquated and still lacking in code compliance and electrical infrastructure, with minimal wheelchair accessibility upgrades, and most of the vertical building envelope (facade and windows) is at the end of their lifecycle. Interior finish and asbestos abatement should also be included as part of a complete renovation project if the building is to remain in long-term use.
Laguna/DeVargas Complex

Laguna/DeVargas Halls offer suite-style living accommodations to both men and women on an alternating suite basis. Suite-style floor plans have a variety of configurations with built-in solid wood closets and a shared private bathroom. Laguna/DeVargas Halls are located next to La Posada Dining Hall.

Property Type: Suite-style accommodations

Number of Beds: 304 capacity

Accommodations: One single room, two double rooms with shared study area and bathrooms

2010-11 Semester Rate: $2,823 single; $2,533 double

Meal Plan: Required

Lease Term: Academic Year

Community Amenities:
- Suite-style double and single rooms
- Two or four rooms sharing a bathroom
- All suites have access to group study areas
- All bedrooms furnished with one bed, desk, chair, and bookcase (per person)
- Carpeted rooms & suites
- Closets
- Free cable TV
- Internet connection
- Air conditioning
- Shared laundry and kitchen facilities

Property Analysis:
The building is structurally sound and well-built, with an older and simple HVAC system, that is inefficient compared to modern standards but quite reliable. The facility could continue to proceed on a limited budget for the next several years and provide adequate functionality. However, the building is lacking in code compliance and electrical infrastructure, with minimal wheelchair accessibility upgrades, and the building envelope (façade) is at the end of its lifecycle. Interior finishes and asbestos abatement should also be included as part of a complete renovation project if the building is to remain in long-term use.

Redondo Village Apartments

Redondo Village is an apartment facility featuring four single bedroom units with interior entrances. Residents within an apartment are either all men or all women, but the floors are mixed. Redondo students can request to live with a group of friends in a modern environment. RVA hosts the freshman Living & Learning Communities (LLC), the Global Learning Community and Combined BA/MD Degree Program.

Property Type: Apartments

Number of Beds: 402 capacity

Accommodations: Four single rooms with shared living room, kitchen and bathroom

2010-11 Semester Rate: $3,267

Meal Plan: Not required

Lease Term: Academic Year

Community Amenities:
- All single bedrooms
- bedrooms are individually air-conditioned andKeyed for privacy and security
- Apartments consist of a kitchen, living-dining area, segmented bathroom, and four single bedrooms
- Bedrooms furnished with loftable bed, desk and chair, stackable chest of drawers and bookcases
- Stove, fridge and microwave
- Carpeted bedrooms and living areas
- Free cable TV
- Internet connection
- Accessibility for disabled persons

Property Analysis:
The building could use cosmetic exterior updates but is structurally sound. Currently the exposed stairwells, window systems and laundry facility need capital investment. This building does not need a complete renovation and because of its product, upper-division apartments, and the existing debt remaining on the building RVA should be considered for replacement only in the last phases of redevelopment.
Student Residence Center

The Student Residence Center is a 14-building co-ed complex, comprising 84 apartments with 6 single bedrooms each. The SRC complex is popular because of its central location and its exterior open-style front and rear entrances. Students often request to live with a group of friends in this high-demand, modern environment. SRC is located near La Posada Dining Hall, Johnson Field and the SRC Commons Building.

Property Type: Apartments

Number of Beds: 497 capacity

Accommodations: Six single rooms with shared living room, kitchen and two bathrooms

2010-11 Semester Rate: $3,267

Meal Plan: Not required

Lease Term: Academic Year

Community Amenities:
- Apartment-style residence hall
- Six single bedrooms per apartment
- 24-hour student information desk
- Each apartment has a living room, dining room, kitchen, two bathrooms and six individual bedrooms
- Carpeted bedroom and living areas
- Stove, fridge and microwave provided
- Bedrooms are furnished with bed, desk and chair, chest of drawers and bookcase
- Each bedroom is individually air-conditioned, and keyed for privacy and security
- Free cable TV
- Free internet connections
- Shared laundry facilities
- Accessibility for disabled persons

Facility Analysis:
The building could use cosmetic exterior updates but is structurally sound.

This building does not need a complete renovation and because of its product, upper-division apartments, and the existing debt remaining on the building IRA should be considered for replacement only in the last phases of redevelopment.
## Off-Campus Communities

**Broadstone Towne Center**

1801 Gibson Blvd, Southeast
Albuquerque, NM 87106
(505) 243-6688

- 260 units
- 442 beds
- 97 percent occupied (429 residents)
- 1.58 miles from campus edge
- 2.1 miles from main campus core
- Three-story buildings
- 55 percent of residents are students
- Managed by Alliance

**Ratings** (one-to-five scale; one = poor, five = excellent)
- Overall: 5
- Landscaping & aesthetic appeal: 5
- Distance to campus: 3

**Unit Amenities**
- Carpeting
- Ceiling fans
- Central heat and air
- Faux hardwood flooring
- Fireplace
- Garbage disposal
- Ice maker
- Microwave
- Oven
- Private bedrooms and bathrooms
- Refrigerator
- Stove
- Washer/dryer in unit

**Community Amenities**
- 0.5 miles to UNM's shuttle
- Barbecue pits
- Clubhouse
- Fitness center
- Garage parking
- Hot tub
- On-site management and maintenance
- Resort-style swimming pool
- Surface parking
- Tennis court
- Television lounge

**Lease**
- Six- to 15-month leases
- $50 application fee
- $100 Move-out fee
- $500 security deposit

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Beds per Unit</th>
<th>Total Beds</th>
<th>Size</th>
<th>2010-11 Base Rent Per Unit</th>
<th>2010-11 TIC per Unit</th>
<th>2010-11 TRHC per Unit</th>
<th>Furnished?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom / 1 Bath</td>
<td>74</td>
<td>1</td>
<td>74</td>
<td>672</td>
<td>$490</td>
<td>$690</td>
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<td>2 Bedroom / 2 Bath</td>
<td>89</td>
<td>2</td>
<td>178</td>
<td>1,147</td>
<td>$605</td>
<td>$894</td>
<td>$605</td>
<td>NO</td>
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<tr>
<td>3 Bedroom / 3 Bath</td>
<td>49</td>
<td>3</td>
<td>148</td>
<td>1,808</td>
<td>$658</td>
<td>$950</td>
<td>$658</td>
<td>NO</td>
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<td>3 Bedroom / 3 Bath</td>
<td>20</td>
<td>3</td>
<td>60</td>
<td>1,808</td>
<td>$658</td>
<td>$950</td>
<td>$658</td>
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<tr>
<td>Total/Average</td>
<td>240 units</td>
<td>642 beds</td>
<td>1,808 SF</td>
<td>560</td>
<td>$658</td>
<td>$950</td>
<td>$658</td>
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</table>

**Citadel**

1520 University Northeast
Albuquerque, NM 87102
(505) 243-2494

- 233 units
- 233 beds
- 97 percent occupied (226 residents)
- 0.84 miles from campus edge
- 1.38 miles from main campus core
- Two-story, walk-up buildings
- 33 percent residents are students
- Managed by Roger Cox & Associates

**Ratings** (one-to-five scale; one = poor, five = excellent)
- Overall: 2
- Landscaping & aesthetic appeal: 2
- Distance to campus: 4

**Unit Amenities**
- Carpeting
- Central heat and air
- Garbage disposal
- Private bedrooms and bathrooms
- Oven
- Refrigerator
- Stove

**Community Amenities**
- Fitness room
- Laundry facilities
- Near to UNM shuttle stop
- On-site management and maintenance
- Surface parking
- Swimming pool (summer only)

**Lease**
- 3-, 6-, 9- and 12-month leases
- $25 application fee
- $300 security deposit
- Pets allowed
- Students get $20/month rent discount, which is reflected in the Unit Mix chart below

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Beds per Unit</th>
<th>Total Beds</th>
<th>Size</th>
<th>2010-11 Base Rent Per Unit</th>
<th>2010-11 TIC per Unit</th>
<th>2010-11 TRHC per Unit</th>
<th>Furnished?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>233 units</td>
<td>233 beds</td>
<td>511 SF</td>
<td>5642</td>
<td>$658</td>
<td>$668</td>
<td>$658</td>
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</table>

---

**Market Analysis**

- Student Housing, Component II: Strategic Housing Plan
- Market Analysis 10

- Student Housing, Component II: Strategic Housing Plan
- Market Analysis 11
Netherwood
801 Locust Place Northeast
Albuquerque, NM 87102
(505) 842-6640

Overview
- 200 units
- 271 beds
- 99 percent occupied (268 residents)
- 0.8 miles from campus core
- Three-story buildings
- Majority of residents are students
- Managed by Roger Cox & Associates

Features (one-to-five scale: one = poor, five = excellent)
- Overall: 3
- Landscaping & aesthetic appeal: 3
- Distance to campus: 3

Utilities
- Paid by Landlord
  - Sewer
  - Trash collection
  - Water

- Paid by Tenant
  - Gas
  - Electricity
  - Furniture
  - Internet
  - Phone

- Six, nine and 12-month leases
- Three-month lease at $50/month premium
- $25 application Fee
- $150 security deposit
- Pets allowed

Unit Amenities
- Carpeting
- Central heat and air
- Garbage disposal
- Private bedrooms and bathrooms
- Oven with range
- Refrigerator
- Stove

- Clubhouse
- Surface parking
- Garage parking ($55/month)
- Access gate
- Laundry facilities
- Game room
- Swimming pool (year round)
- Hot tub
- Study rooms
- Free DVD rentals
- Close to UNM shuttle stop

Unit Mix

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Beds per Unit</th>
<th>Total Beds</th>
<th>Size</th>
<th>2010-11</th>
<th>2011-11</th>
<th>2012-11</th>
<th>Furnished?</th>
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</thead>
<tbody>
<tr>
<td>1 Bedroom / 1 Bath</td>
<td>64</td>
<td>1</td>
<td>64</td>
<td>620</td>
<td>575</td>
<td>577</td>
<td>592</td>
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<td>1 Bedroom / 2 Bath</td>
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<td>45</td>
<td>640</td>
<td>600</td>
<td>600</td>
<td>602</td>
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<td>Total/Average</td>
<td>200</td>
<td>271 beds</td>
<td>775 SF</td>
<td>5475</td>
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</table>

Sun Village
801 Locust Place Northeast
Albuquerque, NM 87102
(505) 842-6640

Overview
- 572 units
- 723 beds
- 97 percent occupied (702 residents)
- 1.3 miles from campus edge
- 2.1 miles from main campus core
- Two-story, walk-up buildings
- Majority of residents are students
- Managed by FPI Management

Features (one-to-five scale: one = poor, five = excellent)
- Overall: 3
- Landscaping & aesthetic appeal: 3
- Distance to campus: 3

Utilities
- Paid by Landlord
  - Gas
  - Sewer
  - Trash collection
  - Water

- Paid by Tenant
  - Cable
  - Electricity
  - Furniture
  - Internet
  - Phone

- Four- to 18-month leases
- Leases vary by building
- Pets allowed
- $35 application Fee
- $100 security deposit

Unit Mix

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Beds per Unit</th>
<th>Total Beds</th>
<th>Size</th>
<th>2010-11</th>
<th>2011-11</th>
<th>2012-11</th>
<th>Furnished?</th>
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</thead>
<tbody>
<tr>
<td>1 Bedroom / 1 Bath</td>
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<td>2</td>
<td>288</td>
<td>654</td>
<td>654</td>
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<tr>
<td>1 Bedroom / 1 Bath-</td>
<td>134</td>
<td>1</td>
<td>134</td>
<td>654</td>
<td>654</td>
<td>654</td>
<td>654</td>
<td>No</td>
</tr>
<tr>
<td>1 Bedroom / 1 Bath-L</td>
<td>143</td>
<td>1</td>
<td>143</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>No</td>
</tr>
<tr>
<td>2 Bedroom / 1 Bath</td>
<td>146</td>
<td>2</td>
<td>292</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>No</td>
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<tr>
<td>2 Bedroom / 1 Bath-</td>
<td>146</td>
<td>2</td>
<td>292</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>No</td>
</tr>
<tr>
<td>Total/Average</td>
<td>573</td>
<td>705 beds</td>
<td>635 SF</td>
<td>5465</td>
<td>5465</td>
<td>5465</td>
<td>5454</td>
<td>No</td>
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</tbody>
</table>
Facilities Analysis

Overview

Based on studies commissioned by the University of New Mexico (UNM), ACC has assessed UNM’s existing residence halls affected by Component II and their viability as renovation candidates. Please see the following pages for the executive summaries from these reports.

It is ACC’s opinion that the building is structurally sound and well-built, with an older and simple HVAC system that is inefficient compared to modern standards but quite reliable. The facility could continue to proceed on a limited budget for the next several years and provide adequate functionality. However, the building is antiquated and lacking in code compliance and electrical infrastructure, with minimal fire alarm and wheelchair accessibility, and the entire building envelope (roof, façade, and windows) is at the end of their lifecycles. Interior finish and asbestos abatement should also be included as part of a complete renovation project if the building is to remain in long-term use.

Saving Money

It is ACC’s opinion that the building is structurally sound and well-built, with an older and simple HVAC system, that is inefficient compared to modern standards but quite reliable. The main upper roof was replaced approximately 10 years ago and a new fire alarm system was installed in 2009. The facility could continue to proceed on a limited budget for the next several years and provide adequate functionality. However, the building is antiquated and still lacking in code compliance and electrical infrastructure, with minimal wheelchair accessibility upgrades, and most of the vertical building envelope (façade and windows) is at the end of their lifecycles. Interior finish and asbestos abatement should also be included as part of a complete renovation project if the building is to remain in long-term use.

It is ACC’s opinion that the building is structurally sound and well-built, with an older and simple HVAC system, that is inefficient compared to modern standards but quite reliable. The facility could continue to proceed on a limited budget for the next several years and provide adequate functionality. However, the building is antiquated and lacking in code compliance and electrical infrastructure, with minimal fire alarm and wheelchair accessibility, and the entire building envelope (roof, façade, and windows) is at the end of their lifecycles. Interior finish and asbestos abatement should also be included as part of a complete renovation project if the building is to remain in long-term use.
1. EXECUTIVE SUMMARY

1.1. PROPERTY INFORMATION AND GENERAL PHYSICAL CONDITION

The property information is summarized in the table below. More detailed descriptions may be found in the various sections of the report and in the Appendices.

<table>
<thead>
<tr>
<th>Property Information</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>Alvarado Hall, 2100 Campus Boulevard, Northeast (Building 127), Albuquerque, New Mexico 87131</td>
</tr>
<tr>
<td>Year constructed:</td>
<td>1965</td>
</tr>
<tr>
<td>Current owner of property:</td>
<td>University of New Mexico</td>
</tr>
<tr>
<td>Management Point of Contact:</td>
<td>Brain Ward, Manager, Physical Plant &amp; Facilities</td>
</tr>
<tr>
<td>Management Point of Contact:</td>
<td>Residence Life &amp; Student Housing</td>
</tr>
<tr>
<td>Management Point of Contact:</td>
<td>505.277.8248 phone</td>
</tr>
<tr>
<td>Management Point of Contact:</td>
<td>505.277.0056 fax</td>
</tr>
<tr>
<td>Property type:</td>
<td>University Housing</td>
</tr>
<tr>
<td>Building square footage:</td>
<td>36,305</td>
</tr>
<tr>
<td>Number of residential units:</td>
<td>87</td>
</tr>
<tr>
<td>Number of buildings:</td>
<td>One</td>
</tr>
<tr>
<td>Number of stories:</td>
<td>Three with basement</td>
</tr>
<tr>
<td>Building construction:</td>
<td>Cast-in-place concrete columns, beams, and floors; concrete and masonry walls</td>
</tr>
<tr>
<td>Roof construction:</td>
<td>Flat roof with built-up membrane and gravel ballast</td>
</tr>
<tr>
<td>Exterior finishes:</td>
<td>Stucco with precast concrete lintels and sills</td>
</tr>
<tr>
<td>Heating and/or Air-conditioning:</td>
<td>Central forced air heating and cooling utilizing central plant (off-site) supplied steam and chilled water to single air handling unit with VAV boxes and pneumatic controls for distribution system. Roof-mounted economizers and fresh air intake systems. Heat exchangers for conversion of steam to hot water for HVAC and domestic hot water distribution systems.</td>
</tr>
<tr>
<td>Fire and Life Safety:</td>
<td>Older system utilizing smoke detectors, limited pull stations, emergency lighting and exit signs that does not meet current codes. UPS system for battery back-up power located in basement. Corridor wall-mounted fire extinguishers and cabinet fire department hose connections from exterior fire department connections. No fire sprinkler systems installed.</td>
</tr>
</tbody>
</table>

Date of report: March 31, 2010
On site Date: March 17, 2010
Point of Contact (POC): Robert Pedroza, Facility Operations Manager
Facility Condition
Audit

Property Information

Assessment and Report Prepared by:
Shannon Vogt, Project Manager
Jim Craven, Mechanical Engineer
Jackie McDowell, Civil Engineer

Reviewed by:
Matthew Anderson
mfanderson@emgcorp.com
800.733.0660 x 7615

Generally, the property appears to have been constructed within industry standards in force at the time of construction. The property appears to have been well maintained in recent years, albeit on a limited capital improvement budget, and is in fair overall condition.

According to property management personnel, the property has had a limited capital improvement expenditure program over the past three years, primarily consisting of limited as-needed HVAC, roof, and facade patching repair. Supporting documentation was not provided in support of these claims but the limited work is evident.

It is EMG’s opinion that the building is structurally sound and well-built, with an older and simple HVAC system, that is inefficient compared to modern standards but quite reliable. The facility could continue to proceed on a limited budget for the next several years and provide adequate functionality. However, the building is antiquated and lacking in code compliance and electrical infrastructure, with minimal fire alarm and wheelchair accessibility, and the entire building envelope (roof, façade, and windows) is at the end of their lifecycle. Interior finish and asbestos abatement should also be included as part of a complete renovation project if the building is to remain in long-term use. For the purpose of this assessment, EMG will assume that the building is part of the campus’s continuing student housing plans and the recommendations and associated cost estimates will reflect such.

1.2. Special Issues and Follow-Up Recommendations

As part of the FCA, a limited assessment of accessible areas of the building(s) was performed to determine the presence of mold, conditions conducive to mold growth, and/or evidence of moisture. Property personnel were interviewed concerning any known or suspected mold, elevated relative humidity, water intrusion, and mildew-like odors. Sampling is not a part of this assessment.

No significant suspect mold and/or evidence of interior moisture was observed, i.e., beyond the presence of very small quantities found at commonly found locations such as grout and ceilings in showers, shower lines, and other frequently wet areas in representative readily accessible areas of the property. No further action or investigation is recommended regarding mold at the property.

1.3. Opinions of Probable Cost

Cost estimates are attached at the front of this report (following the cover page).

These estimates are based on invoice or Bid Documents provided either by the Owner/facility and construction costs developed by construction resources such as R&S. Inters and Intachall and Swift, EMG’s experience with past costs for similar properties, city cost indexes, and assumptions regarding future economic conditions.

Due Diligence for the Life Cycle of Real Estate.
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1.3.1. Methodology

Based upon site observations, research, and judgment, along with referencing Expected Useful Life (EUL) tables from various industry sources, EMG opines as to when a system or component will most probably necessitate replacement. Accurate historical replacement records, if provided, are typically the best source of information. Exposure to the elements, initial quality and installation, extent of use, the quality and amount of preventive maintenance exercised, etc., are all factors that impact the effective age of a system or component. As a result, a system or component may have an effective age that is greater or less than its actual chronological age. The Remaining Useful Life (RUL) of a component or system equals the EUL less its effective age. Projections of Remaining Useful Life (RUL) are based on continued use of the property similar to the reported past use. Significant changes in tenants and/or usage may affect the service life of some systems or components.

Where quantities could not be derived from an actual take-off, lump sum costs or allowances are used. Estimated costs are based on professional judgment and the probable or actual extent of the observed defect, inclusive of the cost to design, procure, construct and manage the corrections.

1.3.2. Replacement Reserves

Replacement Reserves are for recurring probable expenditures, which are not classified as operation or maintenance expenses. The replacement reserves should be budgeted for in advance on an annual basis. Replacement Reserves are reasonably predictable both in terms of frequency and cost. However, Replacement Reserves may also include components or systems that have an indeterminable life but, nonetheless, have a potential for failure within an estimated time period.

Replacement Reserves exclude systems or components that are estimated to expire after the reserve term and are not considered material to the structural and mechanical integrity of the subject property. Furthermore, systems and components that are not deemed to have a material effect on the use of the property are also excluded. Costs that are caused by acts of God, accidents, or other occurrences that are typically covered by insurance, are not considered.

Replacement costs are solicited from ownership/property management, EMG’s discussions with service companies, manufacturers’ representatives, and previous experience in preparing such schedules for other similar facilities. Costs for work performed by the owner’s or property management’s maintenance staff are also considered.

EMG’s reserve methodology involves identification and quantification of those systems or components requiring capital reserve funds within the assessment period. The assessment period is defined as the effective age plus the reserve term. Additional information concerning system’s or component’s respective replacement costs (in today’s dollars), typical expected useful lives, and remaining useful lives were estimated so that a funding schedule could be prepared. The Replacement Reserves Schedule presupposes that all required remedial work has been performed or that monies for remediation have been budgeted for items defined in the Deficiency Cost Table.

Due Diligence for the Life Cycle of Real Estate.
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3
Executive Summary
Alhambra Residence Hall
2018/2019

<table>
<thead>
<tr>
<th></th>
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<tr>
<td>1.1 Assessability</td>
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<td>$105,192.29</td>
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<td>1.2 Drainage Systems and Geothermal</td>
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<tr>
<td>1.3 Heating</td>
<td>$105,192.29</td>
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<td>1.4 Exterior Walls</td>
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<td>1.5 Exterior Windows and Doors</td>
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</tr>
<tr>
<td>7.1 Building Heating, Ventilating, and Air Conditioning (HVAC)</td>
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</tr>
<tr>
<td>7.2 Building Fireproofing</td>
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<td>7.3 Flex Protection Systems</td>
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<td>7.4 Interior Fixtures</td>
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<td>Interior, Inaccessible</td>
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<tr>
<td>Total, Realized (URM, remodeled unknown)</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
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<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>
Facility Condition Audit
of Coronado Hall
301 Girard Boulevard Northeast (Building 155)
Albuquerque, New Mexico 87131

Prepared By:
EMG
222 Schilling Circle, Suite 375
Ham Valley, Maryland 21031
800.733.0660
410.785.6220 (fax)
www.emgcorp.com

EMG Project #: 92825.10R-002.017
Date of Report: May 6, 2010
On site Date: April 26, 2010

EMG Contact:
Matthew Anderson
Program Manager
800.733.0660, x7613
m.anderson@emgcorp.com

Due Diligence for the Life Cycle of Real Estate
www.emgcorp.com

Facility Condition Audit
of Coronado Hall
301 Girard Boulevard Northeast (Building 155)
Albuquerque, New Mexico 87131

Executive Summary

1.1. Property Information and General Physical Condition

The property information is summarized in the table below. More detailed descriptions may be found in the various sections of the report and in the Appendices.

<table>
<thead>
<tr>
<th>Property Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address: Coronado Hall, 301 Girard Boulevard Northeast (Building 155), Albuquerque, New Mexico 87131</td>
</tr>
<tr>
<td>Year constructed: 1959</td>
</tr>
<tr>
<td>Current owner of property: University of New Mexico</td>
</tr>
<tr>
<td>Management Point of Contact: Residence Life &amp; Student Housing</td>
</tr>
<tr>
<td>Contact: Brian Ward, Manager, Physical Plant &amp; Facilities</td>
</tr>
<tr>
<td>Phone: 505.277.8248, Fax: 505.277.0936</td>
</tr>
<tr>
<td>Property type: University Housing</td>
</tr>
<tr>
<td>Building square footage: 93,880 sq ft</td>
</tr>
<tr>
<td>Number of residential units: 252</td>
</tr>
<tr>
<td>Number of buildings: One</td>
</tr>
<tr>
<td>Number of stories: Three with basement (called &quot;ground floor&quot;)</td>
</tr>
<tr>
<td>Building construction: Cast-in-place concrete columns, beams, and floors; concrete and masonry walls</td>
</tr>
<tr>
<td>Roof construction: Flat roofs with emulsion-coated built-up membranes; limited black EPDM single-ply rubber</td>
</tr>
<tr>
<td>Exterior Finish: Stucco</td>
</tr>
<tr>
<td>Heating and/or Air conditioning: Central forced air heating and cooling utilizing central plant off site supplied steam and chilled water to individual two-pipe fan coil units in all occupied spaces. Relief vents in corridor ceilings for fresh air. Temperature control is by integral thermostats and a pneumatic energy management system for seasonal change-over from heat to cool. Single packaged electric heat pump unit for lobby office mounted on roof with wall thermostat. Roof-mounted exhaust and fresh air intake systems. Heat exchangers for conversion of steam to hot water for HVAC and domestic hot water distribution systems with chemical feed and pressure pumps.</td>
</tr>
</tbody>
</table>

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## Property Information

<table>
<thead>
<tr>
<th>Fire and Life/Safety</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire and alarm systems with smoke detectors, smoke light alarm horns, battery powered emergency lighting and exit signs.</td>
<td></td>
</tr>
<tr>
<td>Consider wall-mounted fire extinguishers. Dry-pipe standpipes in stair towers, roof and in wall-mounted hose cabinets throughout.</td>
<td></td>
</tr>
<tr>
<td>Exterior fire department connections. Wet-pipe fire sprinklers are installed in the basement service areas and trash chutes only.</td>
<td></td>
</tr>
</tbody>
</table>

### Rate of Service:
April 26, 2010

### Point of Contact (POC):
Robert Profcco, Facility Operations Manager

### Assessment and Report Prepared By:
Shannon Voigt, Project Manager
Jim Craven, Mechanical Engineer
Jackie McDowell, Civil Engineer

### Reviewed by:
Matthew Anderson
mfanderson@emgcorp.com
800.733.0660 x 7613

The facility protection switchgear was added to the dorm in the 1990’s. The facility protection switchgear was added to the dorm in the 1990’s. It is in fair condition.

The property appears to be well maintained in recent years, albeit on a limited capital improvement budget, and is in fair overall condition.

According to property management personnel, the property has had a limited capital improvement expenditure program over the past three years, primarily consisting of interior renovations to the first floor television lounge and “The Underground” basement area, and limited as-needed HVAC and façade patching repair. The tops of the parapet walls were all reportedly patched in 2007. Supporting documentation was not provided in support of these claims but the limited work is evident.

It is EMG’s opinion that the building is structurally sound and well-built, with an older and simple HVAC system that is inefficient compared to modern standards but quite reliable. Unlike most of the other 1950’s and 1960’s dormitories, some building system upgrades have been performed over the years. In the early 1990’s, the windows were globally replaced with double-paned units. Also at this time, the main electrical switchgear and panels were replaced and some fire alarm and sprinkler component systems were added. Additional electrical circuits and internet and cable outlets were added to the dorm rooms and common areas in 2006. The facility could continue to proceed on a limited budget for the next several years and provide adequate functionality. However, the building is antiquated and lacking in accessibility upgrades, the roof and doors are at the end of their lifecycles, and the stucco façade and window sills would benefit from a cosmetic refresh. Installation of a fire alarm panel and pull stations are recommended to enhance the existing fire protection systems. Interior floor finish and asbestos abatement should also be included as part of a renovation project if the building is to remain in long-term use. For the purposes of this assessment, EMG will assume that the building is part of the campus’s continuing student housing plans and the recommendations and associated cost estimates will reflect such.

### 1.2. Special Issues and Follow-Up Recommendations

As part of the Facility Condition Audit, a limited assessment of accessible areas of the building was performed to determine the presence of mold, conditions conducive to mold growth, and evidence of moisture. Property personnel were interviewed concerning any known or suspected mold, elevated relative humidity, water intrusion, or mildew-like odors. Sampling is not a part of this assessment.

Developing mildew or mold was observed in the following areas:
- Along most of the ceiling-mounted insulated pipes in the main basement mechanical room (approximately 60 linear feet on three pipes), presumably the result of interior leaks or a build-up of condensation.
- Through the concrete ceiling slab above the basement floor in the south wing, in the back-of-house storage areas adjacent to the student-renovated common spaces known as “The Underground.”

The leaks appear to be the result of bathroom plumbing or other utility leaks above, with associated areas of discoloration and bubbling, peeling and flaking paint. See Sections 6.2 and 7.2 for additional information.

After ensuring the sources of moisture above have been addressed, any associated suspect mold or mildew should be removed and abated by the on-site maintenance staff as part of the property’s routine maintenance program. With the insulated piping, extreme care should be taken to avoid disturbing surrounding possible asbestos-containing materials. Such persons should receive training in accordance with OSHA on proper clean up methods, personal protection, and potential health/safety hazards. The cost of this work is not included in the cost tables.

The presence of mold in exterior and interior environments is normal and unavoidable. Exposure to mold or mold producing materials can be hazardous and should be avoided. The presence of mold does not necessarily constitute an exposure. This assessment does not constitute a comprehensive mold survey of the Project, and any conclusions are based solely on conditions readily observable in accessible areas.

No other significant suspect mold and/or evidence of interior moisture was observed (i.e., beyond some older stained ceilings tiles and the presence of very small quantities found at common floor locations such as grout and ceilings in showers, shower lines, and other frequently wet areas) in representative readily accessible areas of the property. No further action or investigation is recommended regarding mold at the property.

### 1.3. Opinions of Probable Cost

Cost estimates are attached at the front of this report (following the cover page).

These estimates are based on Invoice or Bid Documents provided either by the Owner/facility and construction costs developed by construction resources such as R.S. Means and Marshall and Swift. EMG’s experience with past costs for similar properties, city cost indexes, and assumptions regarding future economic conditions.
1.3.1. Methodology

Based upon site observations, research, and judgment, along with referencing Expected Useful Life (EUL) tables from various industry sources, EMG opines as to when a system or component will most probably necessitate replacement. Accurate historical replacement records, if provided, are typically the best source of information. Exposure to the elements, initial quality and installation, extent of use, the quality and amount of preventive maintenance exercised, etc., are all factors that impact the effective age of a system or component. As a result, a system or component may have an effective age that is greater or less than its actual chronological age. The Remaining Useful Life (RUL) of a component or system equals the EUL less its effective age. Projections of Remaining Useful Life (RUL) are based on continued use of the Property similar to the reported past use. Significant changes in tenants and/or usage may affect the service life of some systems or components.

Where quantities could not be derived from an actual take-off, lump sum costs or allowances are used. Estimated costs are based on professional judgment and the probable or actual extent of the observed defects, inclusive of the cost to design, procure, construct and manage the corrections.

1.3.2. Replacement Reserves

Replacement Reserves are for recurring probable expenditures, which are not classified as operation or maintenance expenses. The replacement reserves should be budgeted for in advance on an annual basis. Replacement Reserves are reasonably predictable both in terms of frequency and cost. However, Replacement Reserves may also include components or systems that have an indeterminable life but, nonetheless, have a potential for failure within an estimated time period.

Replacement Reserves exclude systems or components that are estimated to expire after the reserve term and are not considered material to the structural and mechanical integrity of the subject property. Furthermore, systems and components that are not deemed to have a material effect on the use of the Property are also excluded. Costs that are caused by acts of God, accidents, or other occurrences that are typically covered by insurance, rather than reserved for, are also excluded.

Replacement costs are solicited from ownership/property management, EMG’s discussions with service companies, manufacturers’ representatives, and previous experience in preparing such schedules for other similar facilities. Costs for work performed by the ownership’s or property management’s maintenance staff are also considered.

EMG’s reserve methodology involves identification and quantification of those systems or components requiring capital reserve funds within the assessment period. The assessment period is defined as the effective age plus the reserve term. Additional information concerning system’s or component’s respective replacement costs (in today’s dollars), typical expected useful lives, and remaining useful lives were estimated so that a funding schedule could be prepared. The Replacement Reserves Schedule presupposes that all required remedial work has been performed or that monies for remediation have been budgeted for items defined in the Deficiency Cost Tables.

http://www.astfacts.net/Reports/ExecutiveSummary.aspx

5/6/2019
1. EXECUTIVE SUMMARY

1.1. PROPERTY INFORMATION AND GENERAL PHYSICAL CONDITION

The property information is summarized in the table below. More detailed descriptions may be found in the various sections of the report and in the Appendices.

<table>
<thead>
<tr>
<th>Property Information</th>
<th>Santa Ana Hall, 2710 Campus Boulevard Northeast (Building 71), Albuquerque, New Mexico 87131</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year constructed:</td>
<td>1965</td>
</tr>
<tr>
<td>Current owner of property:</td>
<td>University of New Mexico</td>
</tr>
<tr>
<td>Management Point of Contact:</td>
<td>Residence Life &amp; Student Housing, 505.277.6248 phone, 505.277.6045 fax</td>
</tr>
<tr>
<td>Property type:</td>
<td>University Housing</td>
</tr>
<tr>
<td>Building square footage:</td>
<td>45,615</td>
</tr>
<tr>
<td>Number of residential units:</td>
<td>87</td>
</tr>
<tr>
<td>Number of buildings:</td>
<td>One</td>
</tr>
<tr>
<td>Number of stories:</td>
<td>Three with basement</td>
</tr>
<tr>
<td>Building construction:</td>
<td>Cast-in-place concrete columns, beams, and floors; concrete and masonry walls</td>
</tr>
<tr>
<td>Roof construction:</td>
<td>Flat roof with TPO single-ply rubber membrane</td>
</tr>
<tr>
<td>Exterior finishes:</td>
<td>Stucco with precast concrete lintels and sills</td>
</tr>
<tr>
<td>Heating and/or Air-conditioning:</td>
<td>Central forced air heating and cooling utilizing central plant (off site) supplied steam and chilled water to single air handling units with VAV boxes and pneumatic controls for distribution system. Roof-mounted exhaust and fresh air intake systems. Heat exchangers for conversion of steam to hot water for HVAC and domestic hot water distribution systems.</td>
</tr>
<tr>
<td>Fire and Life Safety:</td>
<td>Recently installed fire and alarm systems with pull stations, smoke detectors, strobe light alarm horns, emergency lighting and exit signs, UPS system for battery back-up power located in basement. Corridor wall-mounted fire extinguishers and cabinet fire department hose connections from exterior fire department connections. No fire sprinkler systems installed.</td>
</tr>
</tbody>
</table>

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The facility appears to have been constructed within industry standards in force at the time of construction. The property appears to have been well maintained in recent years, albeit on a fairly limited capital improvement budget, and is in fair overall condition.

According to property management personnel, the property has had a fairly limited capital improvement expenditure program over the past three years, primarily consisting of a new fully addressable fire alarm system, replacement of the lower roof membranes, and limited as-needed HVAC and façade patching repair. Supporting documentation was not provided in support of these claims but the work is evident.

It is EMG’s opinion that the building is structurally sound and well-built, with an older and simple HVAC system, that is inefficient compared to modern standards but quite reliable. The main upper roof was replaced approximately ten years ago and a new fire alarm system was recently installed in 2009. The facility could continue to proceed on a limited budget for the next several years and provide adequate functionality. However, the building is antiquated and still lacking in code compliance and electrical infrastructure, with minimal wheelchair accessibility upgrades, and most of the vertical building envelope façade and windows are at the end of their lifecycle. Interior finish and asbestos abatement should also be included as part of a complete renovation project if the building is to remain in long-term use. For the purposes of this assessment, EMG will assume that the building is part of the campus’s continuing student housing plans and the recommendations and associated cost estimates will reflect such.

1.2. Special Issues and Follow-Up Recommendations

As part of the FCA, a limited assessment of accessible areas of the building(s) was performed to determine the presence of mold, conditions conducive to mold growth, and/or evidence of moisture. Property personnel were interviewed concerning any known or suspected mold, elevated relative humidity, water intrusion, or mold-like odors. Sampling is not a part of this assessment.

No significant suspect mold and/or evidence of interior moisture was observed (i.e., beyond the presence of very small quantities found at commonly found locations such as grout and sealers in showers, shower lines, and other frequently wet areas) in representative readily accessible areas of the property. No further action or investigation is recommended regarding mold at the property.

1.3. Opinions of Probable Cost

Cost estimates are attached at the front of this report following the cover page.

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EMG 3

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EMG 4
<table>
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<tr>
<td>2.2 Accessibility</td>
<td>$124,980</td>
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<td>$30,750</td>
<td>$30,750</td>
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<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$1,519,750</td>
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<tr>
<td>4.4 Exterior Walls and Doors</td>
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<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
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<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$960,800</td>
</tr>
<tr>
<td>3.3 Exterior Windows and Doors</td>
<td>$136,080</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$1,360,800</td>
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<tr>
<td>7.1 Building Heating, Ventilating, and Air-Conditioning (HVAC)</td>
<td>$35,580</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
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<td>$30,750</td>
<td>$355,800</td>
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<tr>
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<td>$700</td>
<td>$30,750</td>
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<td>$30,750</td>
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<td>$30,750</td>
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<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$7,000</td>
</tr>
<tr>
<td>6.1 Interior Finishes</td>
<td>$277,650</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$2,776,500</td>
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<tr>
<td>Totals, Unclassified</td>
<td>$5,450,100</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$30,750</td>
<td>$54,501,000</td>
</tr>
</tbody>
</table>

Totals, Exclusive (ELC, comp reps, etc.) $55,450,200 $30,750 $30,750 $30,750 $30,750 $30,750 $30,750 $30,750 $30,750 $30,750 $55,501,277
EMG RESUME

SHANON VOLGT
Project Manager

Education

- BS, Mechanical Engineering, Penn State University, 1993
- MS, Construction Engineering & Management, University of California, 1999

Project Experience

- San Diego County, San Diego, CA - As Project Team Leader, Mr. Vogt coordinated the assessment and delivery schedules, consumed the ReCap databases to fit client-specific needs, and performed assessments on county facilities. The scope included over 200 buildings on 150 sites and was over six months in duration. His leadership work helped EMG complete this project on schedule and within the budget.
- San Bernardino County, San Bernardino, CA - As Project Team Leader, Mr. Vogt coordinated the assessment and delivery schedules and performed assessments on county facilities. The scope included over 100 buildings on 30 sites and was over three months in duration. His efforts helped EMG complete this project on schedule and within the budget.
- Paradise Valley Hospital, National City, CA - Mr. Vogt served as the Project Manager on the Property Condition Evaluation of Paradise Valley Hospital in suburban San Diego. The campus included 13 buildings, including the main hospital and a nursing home, totaling over 400,000 square feet on over 25 acres. The client found his observations critical to their final purchase decision.
- Building Engineering Reports: Denver, Kansas City, Los Angeles, Portland, Seattle, St Louis - As a Project Manager, Mr. Vogt performed in-depth week-long assessments on federal facilities throughout the country. He reviewed the condition of the various mechanical systems and developed thorough reports and cost estimates. The client found his observations critical to their financial capital planning.
- Park Shore Wakiki, Honolulu, HI - Mr. Vogt served as the Project Manager on the Property Condition Evaluation of a high-rise hotel building in downtown Honolulu. The client found his observations critical to their final purchase decision.

EMG

PROFESSIONAL EXPERIENCE

1993-Present, McDowell Engineering, Inc., Facilities Engineer

1984-1988, Chavez-Grieves Engineers, Staff Engineer


PROFESSIONAL QUALIFICATIONS

Greater than twenty six years of experience in a large variety of civil engineering projects including management, planning, and design of projects for streets, airports, traffic control, right-of-way acquisition, subdivisions, water lines, sanitary sewer lines, storm sewer facility design, retention and detention pond design, park facilities, city planning, drainage structures, and grading of a large variety of sites. She designed over 25 miles of sewer line and sewer line rehabilitation in Albuquerque. Ms. McDowell recently completed the City of Albuquerque FY 94 Sewer Line Rehabilitation Project No. 4438.90, which consisted of the rehabilitation of 25,000 LF of sewer line ranging in size from 8" to 15".

She has completed over 1,000 projects throughout New Mexico and California and is extremely familiar with the development process for the City of Albuquerque and Bernalillo County. Ms. McDowell has had the opportunity to work on many projects, which have included civil engineering packages consisting of site plans, grading plans, utility plans, and related detailing.

She has been involved in numerous residential subdivision designs which have included involvement with developers from the property acquisition phase through final construction of all the infrastructure necessary to begin building homes.

Education & Experience:

BS Civil Engineering, Construction Option, University of New Mexico, 1984
Registered Professional Engineer, State of New Mexico, #10083

1984-1988, Chavez-Grieves Engineers, Staff Engineer


1993-Present, McDowell Engineering, Inc., President, Senior Engineer

DUE DILIGENCE FOR THE LIFE CYCLE OF REAL ESTATE.
TAB 6

**Action Item 6**

Recommendations for Consent Agenda Items on full Board of Regents’ Agenda

*(Don Chalmers, Chair, Finance and Facilities Committee)*
MEMORANDUM

TO: Members of the Board of Regents’ Finance & Facilities Committee
THRU: Dr. Paul Roth, Acting President
FROM: Executive Budget Steering Committee
DATE: December 9, 2010

SUBJECT: Outline for the Main Campus Three-Year Financial Strategic Plan

In an effort to inform and engage the campus community in the development of the University’s FY12 budget, attached please find the Outline for the Main Campus Three-Year Financial Strategic Plan. The Plan was developed by the Executive Budget Steering Committee, under the direction of Acting President Roth, and at its core is meant to serve as a guiding template to coordinate the various constituency groups’ effort in the budget development process.

In addition to the items contained in the plan, we look forward to discussing two other budget development options/initiatives, the pull-back of administrative fund balances to the respective EVP’s and an evaluation of the current pause and hold strategy, that could greatly aid the university in the development of the FY12 and subsequent fiscal year budgets. Thank you for your consideration.
MEMORANDUM

TO: Members of the Board of Regents
THRU: Dr. Paul Roth, Acting President
FROM: Executive Budget Steering Committee
DATE: December 9, 2010
SUBJECT: Outline for the Main Campus Three-Year Financial Strategic Plan

Preamble

The mission of the University of New Mexico is to serve as New Mexico’s flagship institution of higher learning through demonstrated and growing excellence in teaching, research, patient care, and community service. This is our purpose. UNM’s core values are the principles that guide our decisions, actions and behaviors and these cannot be compromised for short-term expediency. It is important to state these once again, as we are accountable for upholding them through the best and worst of times:

- Excellence demonstrated by our people, programs, and outcomes, as well as by the quality of our decisions and actions.
- Access with Support to Succeed that gives all who desire the opportunity to take full advantage of the wealth of resources at UNM and to be fully included in the UNM community.
- Integrity that holds us accountable to our students, the community, and all who serve UNM’s mission, to manage our resources wisely and keep our promises.
- Diversity that enlivens and strengthens our university, our community, and our society.
- Respectful Relationships that build trust, inspire collaboration, and ensure the teamwork that is essential to UNM’s success.
- Freedom of speech, inquiry, pursuit of ideas, and creative activity.
- Sustainability so that as we meet the needs of the present, we are not compromising the well-being of future generations.

It is vital that we keep front and center these concepts that speak to the value of New Mexico’s premier academic institution and that must drive our decisions as we face the significant financial challenges that lie ahead.
Recommendations for Consent Agenda Items on full Board of Regents Agenda
MEMORANDUM

To: David Harris, Executive Vice President for Administration

From: Bruce Cherrin, Chief Procurement Officer

Subject: Contract Information

Date: November 29, 2010

The following contracts have been submitted for information to the Regents Finance and Facilities Committee per Regents Policy 7.4.

University of New Mexico

1. Physics and Astronomy – Micro Systems Engineering
Purchase of the Forward VerTeX (FVTX) detector which is one of two inner silicon detector systems planned for the PHENIX upgrade to be installed at Brookhaven National Laboratory’s Relativistic Heavy-Ion Collider (RHIC). This purchase order (P0099517) covers the purchase of high-density interface flex circuits (480 custom-made cables) which are an upgrade to existing equipment. Per Dr. Douglas Fields of the Physics and Astronomy Department, “It is next to impossible to describe the purpose of these high-energy collider physics experiment parts in layman’s terms.”

Source of Funds: Grant received from Brookhaven National Laboratory

Total Cost: $252,460.00
MEMORANDUM

TO: Members of the Board of Regents’ Finance & Facilities Committee

THRU: Dr. Paul Roth, Acting President

FROM: Executive Budget Steering Committee

DATE: December 9, 2010

SUBJECT: Outline for the Main Campus Three-Year Financial Strategic Plan

In an effort to inform and engage the campus community in the development of the University’s FY12 budget, attached please find the Outline for the Main Campus Three-Year Financial Strategic Plan. The Plan was developed by the Executive Budget Steering Committee, under the direction of Acting President Roth, and at its core is meant to serve as a guiding template to coordinate the various constituency groups’ effort in the budget development process.

In addition to the items contained in the plan, we look forward to discussing two other budget development options/initiatives, the pull-back of administrative fund balances to the respective EVP’s and an evaluation of the current pause and hold strategy, that could greatly aid the university in the development of the FY12 and subsequent fiscal year budgets. Thank you for your consideration.
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TO: Members of the Board of Regents

THRU: Dr. Paul Roth, Acting President

FROM: Executive Budget Steering Committee

DATE: December 9, 2010

SUBJECT: Outline for the Main Campus Three-Year Financial Strategic Plan

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- Access with Support to Succeed that gives all who desire the opportunity to take full advantage of the wealth of resources at UNM and to be fully included in the UNM community.
- Integrity that holds us accountable to our students, the community, and all who serve UNM’s mission, to manage our resources wisely and keep our promises.
- Diversity that enlivens and strengthens our university, our community, and our society.
- Respectful Relationships that build trust, inspire collaboration, and ensure the teamwork that is essential to UNM’s success.
- Freedom of speech, inquiry, pursuit of ideas, and creative activity.
- Sustainability so that as we meet the needs of the present, we are not compromising the well-being of future generations.

It is vital that we keep front and center these concepts that speak to the value of New Mexico’s premier academic institution and that must drive our decisions as we face the significant financial challenges that lie ahead.
I. Internal Assessment

A. Our budgets will need to accommodate the use of $13 million of one-time monies for recurring expenses, the FY11 3.2% state rescission, a projected 5% state budget reduction in FY12, potential increases in various fixed costs, and the need to infuse additional funds into various essential academic programs. Initial estimates target the shortfall at $28.0M, absent the incremental increases in fixed costs such as health care, insurance and utilities, and the desired strategic budget increases in academic programs, both of which are not yet quantified.

B. Many academic programs are already on the brink of not being able to deliver a quality curriculum and/or conduct meaningful research.

C. Morale is extremely low among faculty and staff due to confusion as to how we will all address the extraordinary fiscal challenges, and on the heels of two years of internal conflict.

D. Several groups are already working on a number of approaches to help address our budgetary problems but are unaware of an overarching plan or even of each other’s activities.

II. Comprehensive Action Plans

A. A Financial Strategic Plan encompassing both reductions in expenses and revenue enhancements must be developed by 4/1/2011 in preparation for the 4/8/2011 Regents’ meeting to approve the FY12 tuition and fee increase. In order to meet these firm deadlines, we must be prepared to make final decisions regarding specific budget cuts and increases in tuition and fees by early March so executive leadership has the necessary information available to balance the budget when final legislative appropriations levels are known at the close of the legislative session on March 19, 2011.

B. This Plan must be phased in over a three-year period. With this understanding, the budget challenges and needs for strategic academic reinvestment become manageable.

C. With numerous groups working on strategies that address the budget challenges, this plan will lay the groundwork to assure that these efforts are coordinated, and that they flow into the final strategic financial decision-making process.

D. The Plan must be widely communicated, with all constituents bearing the responsibility of accurately reflecting the facts involved in the decision-making and implementation processes.
III. Guiding Principles

A. After implementation of the FY11 3.2% rescission, the university will mitigate against further reductions in fundamental teaching and research programs while continuing to support infrastructure and core services that aid our academic mission.

B. There will be no further “across the board cuts” after the current 3.2% rescission.

C. To the extent possible, the university will protect the core academic programs. If such cuts are necessary, they will be guided by strategic priorities.

D. There will be broad input and consensus building between administration, faculty, staff and students prior to the Regents adopting this Plan.

E. This will be a painful but fair and transparent process that will be sensitive not only to essential programmatic needs but to individuals as well.

IV. Plan

A. EVP Harris will develop Revenue Enhancement Strategies (Attachment #1) with broad input from the President’s Strategic Advisory Team (PSAT) by 12/17/2010. A key component of the revenue strategies will be a proposed four-year tuition plan that will aid in the development of a tiered reinvestment program in core academic departments and services.

B. The Provost will develop Academic Affairs Cost Containment Strategies (Attachment #2) by identifying essential teaching and research programs within Colleges through broad input from the Deans and faculty by 12/17/2010.

C. EVP Harris will develop Further Cost-Cutting Strategies (Attachment #3) in the President’s administrative units and the overall Administration by 12/17/2010.


E. VP Krebs will identify further cost cutting strategies in the Athletics Department by 12/17/2010.

F. Our objective is to have a definitive list of financial options by 1/15/2011—approximately the start of the State Legislative session. To do so, initial drafts of all the above strategies will be discussed and vetted with Deans’ Council, Faculty Senate, Staff Council and undergraduate and graduate students before submission to EVP Harris by 12/21/2010. EVP Harris will then consolidate them into a unified, preliminary Three-year Strategic Financial Plan by 1/5/2011 and submit the Plan to the President for his approval. The President will then
submit the plan to the Regents for adoption during their 1/11/2011 Regents’ meeting, including assumptions for the FY13 and FY14 budgets which detail 1) expenditure reduction plans, 2) the phase-out of current one-time revenues, and 3) a phased tuition and fee increase plan to address core academic programs and services. The approved preliminary plan will serve as overall discussion points for the University's General Legislative Strategy during the upcoming legislative session (Attachment #4).
Attachment #1: Revenue Enhancement Strategies

A. Overall short-term and long-term tuition strategies
   1. What are our benchmarks
      a. Listing of Peers
      b. Goal – 50%/75%/100% of peers
   2. Fixed yearly percentage increase - if so, how much?
   3. Guaranteed tuition strategy, is it reasonable?
   4. Role of differential tuition and strategy related to its use
   5. Relationship to tuition credit – should UNM model its proposed tuition strategy under different assumptions about the tuition credit?
   6. Should we develop a strategy of a total tuition plus fee percent increases?

B. Fee strategy - Integrated with tuition strategies
   1. Student Fee review board working group report
   2. Follow up on next steps regarding fee proposals
   3. Relationship between:
      a. University-wide “Comprehensive Fees”
      b. Curriculum and course fees
   4. Should we develop a strategy of total tuition plus fee percent increases?
   5. Do we need to include assumptions about escalating costs for core initiatives/programs such as library acquisitions, Student Health Center, Scholarships and Tuition Waivers?

C. Alternative revenue strategies
   1. Summer session tuition-sharing model
   2. Facilities rental
   3. Auxiliaries – cost-sharing opportunities (Housing pays for some of the costs of student services that take place within residence halls)
   4. Administrative overhead to Research, HSC, Auxiliaries, Athletics and Branches
   5. Miscellaneous Fringe Benefit Payroll Tax use of funds
   6. Lobo Development: Development revenues generated – prepayment of bonds?

Attachment #2: Academic Affairs Cost Containment Strategies/LFC Audit Implementation

1. Academic Program Prioritization
2. Academic Administration and Student Support prioritization and review
3. Deans’ instructional efficiencies strategies
4. Relationship between enrollment growth and revenue study
5. Analysis of the current Pause & Hold strategy within Academic Affairs to determine feasibility of permanent implementation, with the acknowledgement that core academic programs will be protected

6. PSAT initiatives/recommendations
   a. Consolidation of email and calendaring system -- need full business plan with more precise estimates of cost savings and how those saving will be apportioned/budgeted
   b. Strategy with respect to I&G subsidies for non-I&G entities
   c. Deans’ suggestions for improvements in business processes need development and assessment for potential cost savings
   d. Others?

Attachment #3: Administrative Cost-Cutting Strategies

1. Clarify assumptions about energy costs and future increases
2. Analyze the benefits portfolio for mission “centrality” and consider alternative employer/employee funding mix/strategies for current and future employees
3. Continued improvements in procurement and review of services
4. Models for cost savings from a mandatory furlough program
5. Analysis of the current Pause & Hold strategy within Administrative units to determine feasibility of permanent implementation, with the acknowledgement that core services will be protected

Attachment #4: General Legislative Strategy

1. The University of New Mexico will begin discussing common ground with other higher education institutions
2. Overall strategies will continue to be developed as conversations continue with constituents groups; however, two concepts that must be addressed include:
   a. Equalizing cuts across 2- and 4-year institutions
   b. Reevaluation of Higher Education Formula & Tuition Credit
November 29, 2010

TO: Board of Regents Academic Student Affairs and Research Committee

FROM: Rick Holmes, Office of the University Secretary

SUBJECT: Fall 2010 Degree Candidates

The Faculty Senate approved the Fall 2010 Degree Candidates at the November 23, 2010 Faculty Senate Meeting.

Included is the list of the Fall 2010 Degree Candidates. Please do not publish the candidates that are on the privacy flag list.

Degree Candidate Summary*

<table>
<thead>
<tr>
<th>Degree Candidate</th>
<th>Count</th>
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<tbody>
<tr>
<td>Doctoral and MFA Degree</td>
<td>80</td>
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<tr>
<td>Master's Degree</td>
<td>328</td>
</tr>
<tr>
<td>Bachelor's Degree</td>
<td>1653</td>
</tr>
<tr>
<td>Associate's Degree</td>
<td>43</td>
</tr>
<tr>
<td>Total</td>
<td>2104</td>
</tr>
</tbody>
</table>

*Final number of conferred degrees will be slightly lower due to changes in student degree status that occur until the end of the semester.

Please place this item on the next Board of Regents ASAR Committee meeting agenda for consideration.

Thank you.

Attachment
TO: Cheo Torres, Vice President for Student Affairs
FROM: Debbie Morris, Director of Student Activities
DATE: November 18, 2010
RE: ASUNM Constitutional Amendment Fall 2010 Election

The amendment listed below was approved in the ASUNM Election held on November 17, 2010. The vote count was as follows:

**Amendment I**
Amendment I would raise the minimum cumulative GPA for any student holding an ASUNM office, position or agency from a 2.0 to a 2.5.

<table>
<thead>
<tr>
<th>Yes</th>
<th>1058</th>
<th>86% Approved</th>
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</thead>
<tbody>
<tr>
<td>No</td>
<td>169</td>
<td>14%</td>
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</tbody>
</table>

**Amendment II**
Amendment II would raise the minimum cumulative GPA for the ASUNM President and Vice-President from a 2.5 to a 3.0. They must have a 3.0 at the time of their candidacy to be eligible to hold the respective position.

<table>
<thead>
<tr>
<th>Yes</th>
<th>946</th>
<th>80% Approved</th>
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<tbody>
<tr>
<td>No</td>
<td>239</td>
<td>20%</td>
</tr>
</tbody>
</table>

Melanie Baise has already reviewed the amendment and found no legal concerns.

If this could be placed on the agenda for the December 1st Student Affairs/Academic Affairs sub-committee meeting that would allow these qualifications to be in place for the spring 2011 ASUNM elections. Lazaro will be able to address any questions the Regents may have concerning the amendments.

Please let me know if I can provide you with any further information.

cc: Melanie Baise, Associate University Legal Counsel
    Lazaro A. Cardenas, ASUNM President
    Joseph Colbert, ASUNM Vice President
The University of New Mexico-Taos

Student Government Constitution

Adopted November 10, 2010

PREAMBLE

We, the students of The University of New Mexico-Taos, in order to appropriately organize the responsibilities of participatory governance in joint effort among students, faculty, staff and administration of UNM-Taos do hereby establish this University of New Mexico-Taos Student Government Constitution.

The University of New Mexico-Taos Student Government Constitution and any actions taken under this Student Government Constitution are subject to the laws of the United States of America and the State of New Mexico in accordance with the policies and regulations formulated by The University of New Mexico-Taos Administration and the University of New Mexico Board of Regents.

ARTICLE I. Name

The name of this organization shall be The University of New Mexico-Taos Student Government (UNMTSG).

ARTICLE II. Purpose

The purpose of the UNMTSG is to represent the interests and concerns of the student body of The University of New Mexico-Taos and to fairly and judiciously expend such funds as are available for student clubs, activities and initiatives under the guidance of advisors, UNM-Taos business office and UNM policies and procedures.

ARTICLE III. Membership

The UNMTSG is comprised of nine members elected at large from The University of New Mexico-Taos student body. UNMTSG members must be enrolled in at least six (6) credit hours in freshman and/or sophomore level courses at The University of New Mexico-Taos. Members of UNMTSG must maintain a minimum grade point average of 2.0 and be in good academic standing, i.e. not presently serving a probationary or suspension period. Any member of the UNMTSG who fails to meet the minimum grade point average and/or is placed on academic probation or suspension will automatically be ineligible to remain a member of the UNMTSG.

ARTICLE IV. Election Process
UNMTSG elections for all nine members shall be held annually during the Fall semester. All candidates for election to the UNM-Taos Student Government must follow procedures set forth in the Student Government Elections Code, which is part of the UNMTSG Bylaws. The nine candidates receiving the highest number of votes will become the new members of the UNMTSG. Election results shall be certified and newly elected Senators shall take the oath of office no later than seven days following the election unless an official protest is filed, in which case outgoing Senators shall remain in office until the protest has been resolved, and meetings shall be chaired by an Advisor.

ARTICLE V. Terms of Office

The term of office for UNMTSG members will be from one annual election to another.

UNMTSG members are eligible to run for re-election and to serve for a maximum of two terms. An appointment to finish out a term vacated for any reason shall count as one full term.

ARTICLE VI. Vacancies

Any vacancies in the membership of the UNMTSG will be filled by appointment by majority vote of the seated government after the vacancy has been posted campus-wide and applications have been accepted. Such appointments shall be made within 45 days of the vacancy.

Appointee shall serve the balance of the unexpired term.

ARTICLE VII. Resignation and Removal

Any UNMTSG member may resign at any time by giving written notice of such resignation to the Student Government. UNMTSG members who are no longer in attendance at The University of New Mexico-Taos are deemed to have resigned. Such resignations will be verified by the Student Government Advisor(s).

A Student Government member may be removed by majority of the remaining UNMTSG members for any of the following reasons:

1. Non-attendance at regular or special meetings, emergency meetings, designated trainings, committee meetings or scheduled events a total of three times in a term without the excusal of the President of Student Government. UNMTSG President shall, along with UNMTSG Advisor, be responsible both for notifying any member in danger of removal and notifying the Senate of pending action in a timely manner.

2. Gross misconduct, willful neglect of office, or inability to discharge duties pursuant to procedures set forth in the bylaws.
3. Failure to meet the minimum requirements of membership enumerated in Article III above shall result in automatic removal (no vote of the body required).

A member removed from office by the UNMTSG is suspended from membership through the end of the original term to which the member was elected.

ARTICLE VIII. Meetings

Regular meetings of the UNMTSG are held not less than once a month during the Fall and Spring semesters and as needed during the summer session, and are open to the public in compliance with the New Mexico Open Meetings Act. Committee meetings of the UNMTSG shall be chaired by a Student Government member, and minutes are kept and made available to the UNMTSG at their next regular meeting. Special meetings, emergency meetings, workshop meetings where no action may be taken, committee meetings and executive sessions may be called from time to time pursuant to the New Mexico Open Meetings Act.

Quorum necessary for the transaction of Student Government business in a nine member body will be five (5). If membership decreases to eight a quorum will still be five (5). If the membership is seven or six a quorum will be four (4). Membership of five or four members will require three (3) for a quorum. A body comprised of fewer than four members that has not filled vacancies with appointed members shall be required to call a general election to re-form.

ARTICLE IX. Committees

The President of UNMTSG may create and appoint members to standing and/or ad hoc committees with the advice and consent of a majority of UNMTSG members present. Committees shall be comprised of at least one member of UNMTSG who will facilitate and record the work of the committee, with reports made to the full UNMTSG in a timely manner.

ARTICLE X. Decision Making Process

All issues brought before the UNMTSG unless otherwise designated in Bylaws, Constitution or parliamentary authority are decided by the process of a simple majority vote.

ARTICLE XI. Administrative Duties and Responsibilities

The specific administrative duties and responsibilities of the UNMTSG members are:

1. Members are responsible for carrying out the mission of the UNMTSG and serving as a liaison between students and administration.
2. Members are responsible for participating in activities of the UNMTSG, including but not limited to meetings, committee hearings, trainings and general advocacy for students.

3. Members are responsible for understanding the policies, procedures and administrative regulations of UNM and UNM-Taos, and those State and Federal laws which relate to their activities.

4. Members are responsible for providing documentation of all actions on a regular basis to advisors, business office and other appropriate governing bodies of The University of New Mexico-Taos to maintain communication within the college community. Members will meet regularly with the Student Government Advisor(s).

5. The Student Government Advisor is responsible for the placement, supervision, and removal of any staff serving the Student Government, consistent with The University of New Mexico-Taos policies and procedures.

6. The Student Government Advisor is responsible for the overall management of the student government center area, including the office space and equipment.

7. Members will make recommendations through advisors to the Administration of proposed campus projects that are of concern to students.

ARTICLE XII. Finance

Section 1: Authority and Source

1. The UNMTSG shall exercise control over its finances in accordance with this Constitution, the Bylaws, The University of New Mexico and The University of New Mexico-Taos regulations as they apply to funds of The University of New Mexico-Taos and applicable federal and state law.

2. Funds approved by the UNM-Taos Executive Director and placed in the Student Government account shall be derived from a percentage of designated student government fees levied on each enrolled lower division student at The University of New Mexico-Taos by the University of New Mexico Board of Regents. Additional income may be derived from fundraising enterprises of the UNMTSG. Said fundraising enterprises must have approval of Student Success Director before implementation.

Section 2: Authorization of University of New Mexico-Taos Student Government Fee

1. A fee shall be levied on each student enrolled in lower division (100-200) courses at The University of New Mexico-Taos in an amount authorized by the University of New Mexico Board of Regents. Said fee shall be divided between a Student Government operating account and a second account allocated to student-oriented services as determined by UNM-Taos Executive Director.
ARTICLE XIII. Financial Duties and Responsibilities

1. Members are responsible for the prudent decision-making, disbursement, authorization, and financial oversight of UNMTSG revenues and expenditures. The UNM - Taos Administrative Finance Office has final oversight and approval of UNMTSG expenditures.

2. Members are responsible for approving all allocations to The University of New Mexico-Taos student clubs and organizations.

3. Members are responsible for establishing and maintaining contact with the Finance Office, and being fully aware of the UNMTSG financial status at all times.

4. Members are responsible for receiving and reviewing monthly financial statements, provided by the Finance Office, of all revenues and expenditures related to UNMTSG funds.

5. Members are responsible for developing budgets and maintaining financial reports on all Student Government-initiated activities.

6. After each Annual Election previous government members will provide to incoming members an accounting of assets and complete financial accounting of the treasury citing balance, funds available and encumbrances.

7. UNMTSG may not solicit funds, goods or services on behalf of UNM-Taos, its students, organizations or others without express written permission from the UNM-Taos Development Office.

ARTICLE XIV. Conflict of Interest

UNM-Taos Student Government members shall maintain the highest standards of business ethics.

Conflict of interest shall be defined by the following paragraph adapted from the UNM Conflicts of Interest policy #3720, to wit:

UNMTSG members are expected to perform their duties faithfully and efficiently and never give rise to suspicion of improper conflict with interests of the college or in carrying out their duties as representatives of the student body. UNMTSG members must avoid any conflict of interest that may affect their independent judgment in the impartial performance of their duties and may not use their positions to enhance their direct or indirect financial interest or use confidential information for anyone’s private gain.

Should a question of conflict of interest arise, that question shall be resolved by a majority vote of the UNMTSG subject to oversight by Student Success Director. Should it be determined that there is, indeed, a conflict of interest, the member with a conflict shall not be allowed to vote on the issue at hand.

All hiring and bid processes in which the UNMTSG is involved are subject to state law as well as University policy regarding fair hiring and purchasing.
ARTICLE XV. Dispute Resolution

The University of New Mexico-Taos Student Government shall, in its bylaws, establish a means to resolve disputes arising under this Constitution and bylaws. The dispute resolution mechanism may be a student court, a form of alternative dispute resolution, or a combination thereof. A discretionary appeal shall be provided.

ARTICLE XVI. Ratification and Amendments to Constitution

The UNMTSG Constitution will become effective and deemed ratified upon the approval of a supermajority of sixty percent of the current members in good standing of the Student Government followed by approval of a simple majority of the voting student body and the approval of the University of New Mexico Board of Regents.

All proposed amendments to this Constitution must also be approved by a supermajority of sixty percent of the entire UNMTSG followed by a simple majority of the voting student body. Any amendment so adopted must be approved by the University of New Mexico Board of Regents before becoming effective.

ARTICLE XVII. Bylaws

1. The UNMTSG may adopt bylaws or amendments thereto which must be approved by a supermajority of sixty percent of the current members in good standing of the Student Government. Additional requirements to pass or amend bylaws may be set forth in the UNMTSG Bylaws.
2. The UNMTSG Bylaws and amendments shall be subject to review and approval by the University Counsel as to form and consistency with applicable law and regulations before becoming effective.
3. Bylaws to implement this Constitution may be adopted so long as they are not inconsistent with the spirit or letter of the provisions of this Constitution.

ARTICLE XVIII. Interpretation

In the event that a question of interpretation of the contents of this Constitution or its amendments should occur, the interpretation will be considered by a Dispute Resolution Committee consisting of the UNMTSG, the Student Government Advisor(s) and the Student Success Director. Their interpretation of this Constitution may be appealed to the Executive Director of The University of New Mexico-Taos by any member of the Dispute Resolution Committee within seven calendar days of the ruling.
Chapter 1
Executive Summary

Biomedical engineering (BME) is one of the fastest growing engineering fields and a key area of U.S. competitiveness around the globe today. Many established New Mexico businesses are already involved in offering services and products in biomedical engineering, and they need locally-trained graduates. Accordingly, students within the state want to be trained in the field. However, no such programs are offered anywhere in New Mexico. Hence, these students leave the state to pursue degree programs elsewhere, such as those at the state-run flagship universities of Arizona, California, Colorado, Texas, and Utah, all of which have thriving degree programs in BME. BME workers have been identified as a critical missing element of the state of New Mexico’s workforce (source: "Work in New Mexico: New Mexico Career Clusters Guidebook", State of New Mexico, 2006). To avoid a brain drain of talented New Mexican's to other states, and to stimulate the state economy in a vibrant area by providing a talented local workforce, it is proposed that the University of New Mexico offer advanced degrees in BME.

The propose BME degree program will be synergistic with the BME research program at UNM funded by the State of New Mexico. This synergy will be evident as the research program will provide a training venue for BME students and BME students will provide a source of talented researchers for the research program.

This proposal represents the fruition of funding provided to UNM by the NM Legislature to develop a plan for introducing a new advanced degree program in BME at UNM. The proposal describes the details of those plans and the accomplishments to date in securing all necessary resources for launching the new program. It is proposed that the state approve a new Master's of Science degree program in BME. This proposal is being moved forward in tandem with a new BME concentration in the Ph.D. in Engineering degree, which does not require state approval. Together, the M.S. and Ph.D. programs will form a complete graduate program in BME. The success of these efforts will complement an already successful research program in BME at the University of New Mexico, and thereby strengthen UNM and the State of New Mexico simultaneously.
Chapter 2
Purpose of the Program

2.1 Objective

The purpose of this proposal is to establish a master's of science (M.S.) degree program in Biomedical Engineering (BME) at the University of New Mexico. This graduate degree program will educate and train our best students in the exciting new field of BME. Just as importantly, it will foster the production and application of new knowledge in an area that impacts the health and well-being of all New Mexico citizens. Furthermore, BME is a growing field and, by providing skilled local workers in BME, this program will drive development of the NM economy.

What is biomedical engineering?

This phrase refers to the application of engineering principles and tools to problems of medical or biological significance. Though the scope of biomedical engineering is very broad, key subtopics within biomedical engineering are clinical engineering, medical imaging, orthopedic engineering, rehabilitation engineering, systems physiology, bioinstrumentation, biosensors, biomaterials, biomechanics, cellular engineering, tissue engineering, and biomolecular engineering. The output of the practicing biomedical engineer typically takes the form of a tangible product, such as a prosthetic, an engineered skin graft, a biosensor, a surgical tool, or an engineered protein. A remarkable number of key advances in medicine have been invented by engineers or engineering-oriented medical researchers, such as angioplasty, flu test kits, MRI, blood counters, endoscopic surgery, artificial hearts, blood dialysis machines, x-rays, and artificial limbs.

The proposed program will build upon our current collaborative efforts with local and regional industry and academic leaders engaged in state-of-the-art biomedical engineering research. These researchers are employed at TriCore Reference Labs in Albuquerque, Los Alamos National Laboratory (LANL), Sandia National Laboratories (SNL), and elsewhere. The program will be implemented by a productive and well-qualified group of faculty from SOE and selected other individuals. Many new courses have been created to support the proposed master's degree. These courses will also be available to undergraduate students and candidates for the Ph.D. in Engineering with a concentration in Biomedical Engineering.

The proposed degree program follows the pattern of most other programs in the U.S. in which the master's degree is granted specifically in the topical area of "biomedical engineering", whereas the Ph.D. is granted in Engineering with a concentration in biomedical engineering. (In parallel with the present effort to establish a master's degree in BME at UNM, there is an effort to add BME to the list of approved concentrations within UNM's long-standing degree "Ph.D. in Engineering", but this parallel effort does not entail creating a new degree, hence does not require state-level approval.)

May 6, 2010 - UNM BME Program Proposal
The proposed BME program is envisioned to eventually address many topics in the area of BME. We anticipate growing the program by developing one focus area at a time and addressing new BME subtopics with additional focus areas as the need arises and resources are secured. Initially, the program will offer only one focus area, namely Molecular and Cellular Systems. Future focus areas will be drawn from areas of strength of the UNM School of Engineering. Current candidates for new focus areas include "Biomedical Imaging", "Biomechanics", "Biocomputing", and "Bioelectrocatalysis and Biofuel Cells". There is active teaching and research in all four of these areas, and there are faculty interested in developing them as new focus areas.

2.2 Program is consistent with the role and scope of UNM

An objective of UNM's strategic plan, as approved by the Regents and faculty, is to:

"evaluate and restructure UNM's support for graduate education and raise the effectiveness and stature of our programs."

The proposed BME program is a direct response to this objective. In the past three decades, virtually all universities in the U.S. and abroad have begun to offer specific degree programs in BME. The University of New Mexico is one of only a handful of flagship state universities that does not currently offer an advanced degree program in BME. Notably, the state of NM does not have a graduate program in BME. This prevents the State of NM and UNM from providing specific training in BME to compete for many of the top students and faculty. To compete favorably with other universities for federal funds and for high quality students and faculty, it is imperative that UNM offer a master's of science degree program in BME.

The proposed degree program is consistent with UNM's mission of providing graduate education and training in technical and scientific areas that are critical to the economy of the State of New Mexico, specifically, and to the U.S. economy generally. Our proposed program brings together a superlative combination of BME courses, labs, research programs, and a statewide network of biomedical engineering partners. This program will promote the acquisition and application of new knowledge in BME. It will produce highly trained and skilled graduates well-qualified to move into academic, industrial or federal BME-oriented positions of employment.

An advanced degree program in BME will make it possible for UNM to prepare students for biomedical engineering careers. This training will prepare students for positions in academia and in laboratories across the nation and worldwide, where they will discover and create breakthroughs in medicine, biomedical engineering and basic scientific fields. Such programs will make UNM more competitive for research and training grant funding from NSF, DOE, NIH and other sources, and enhance UNM's research and training partnerships with other institutions, federal and state programs, and private industry. It will also enhance UNM's ability to attract and retain world-class faculty. In summary, the proposed graduate degree program supports UNM's entire vision of growth and service to the citizens of New Mexico.

Dr. Arup Maji, the Interim Dean of the School of Engineering, is fully committed to ensuring that this program will succeed. As the designated Contact Person for this proposal, he can answer questions about the program by e-mail at arup@unm.edu, or by phone at 505-277-5521.
2.3 Proposed program is an institutional priority

The School of Engineering places a high priority on establishing the proposed master's of science program in biomedical engineering. This is demonstrated by the extent to which research and graduate education in BME is already taking place in laboratories and classrooms across campus and at several UNM research centers, most especially the Center for Biomedical Engineering (CBME), which was formed to specifically pursue BME research at UNM and in NM. Furthermore, the Provost has made it one of her priorities to create a new master's degree program in BME.

Finally, one of the 13 "Regents' Goals for the President" in UNM's 2008 Strategic Long-range Plan is a call for economic development. This goal is directly supported by the proposed Biomedical Engineering master's degree program, as it will enlarge the local recruiting pool of talented biomedical engineers, enhance the attractiveness of New Mexico to outside companies considering relocating here, and stimulate a more robust local BME infrastructure. Details of these anticipated positive effects are provided below.
Chapter 3
Justification for the Program

3.1 Need

The need for improved medical treatments provided by biomedical engineering is becoming critically important in the lives of all U.S. citizens. As new medical crises arise and the cost of effective treatment increases, the improved medical treatments and cost efficiencies offered via biomedical engineering are becoming critical for our children, our parents, and ourselves. These demands are only heightened by the needs of the aging U.S. population.

The number of biomedical engineering jobs will increase by 21 percent over the next decade, which is the highest growth rate of any engineering discipline (source: U.S. Department of Labor reports that Occupational Outlook Handbook, 2008-2009).

As an economic development engine, biomedical engineering is fast-growing and profitable. It is a major component of the U.S. economy today. In the first 5 months of 2009 alone, the U.S. ran a trade surplus in biotech of more than $3 billion (source: U.S. Dept. of Commerce, 2009). Hence, we have an excellent competitive advantage in this area over other countries.

Not surprisingly, more than three-fourths of all U.S. economic development organizations rank biomedical/biotechnology in their top two priorities. More than 40 states have economic development programs targeting the industry (source: Brookings Institute, Center on Urban & Metropolitan Policy, 2002).

With regards to the local economy, we in the state of New Mexico have the advantage of having a major research hospital, a major research university, and two national laboratories all within about 100 miles of each other. This density of research drives significant entrepreneurship in many areas and, as all the institutions have strong interests in biomedical engineering, it should be a driver for investment in biomedical engineering in the state of NM.

Federal funding agencies also recognize the importance of biotech. In 2002, the National Institutes of Health (NIH) established a new institute dedicated to fund biomedical engineering research, the "National Institute for Biomedical Imaging and Bioengineering". In its first year,
the new institute was appropriated $111 million. By 2009, this had nearly tripled to over $311 million (source: http://officeofbudget.od.nih.gov/pdfs/FY11/Actual%20Obligations%20by%20NIC%201997-2009.pdf). In contrast to the NIH, BME funding levels at the National Science Foundation (NSF) are far harder to quantify. However we know anecdotally that the NSF just launched a new program area in biosensing, and that the budget for NSF's Division of Chemical, Bioengineering, Environmental, and Transport Systems increased from $109 to $159 million dollars from FY08 to FY09 (source: "CBET Division Overview" at http://www.nsf.gov/eng/cbet/programs/). Clearly, experts at the NIH and NSF are trying to increase funding allocations for biotech research because they recognize that the heavy and continuous demand for new technology will be satisfied, either in the U.S. or elsewhere, and that it is in our nation's interest to be on the leading edge of this important field.

A BME degree program at UNM can help meet this need.

Across the U.S. there are over 100 biomedical engineering graduate programs. They are found at every leading university in the United States, and most flagship state universities (Table 3.1). In contrast, doctoral or master's program in biomedical engineering are not offered at any

<table>
<thead>
<tr>
<th>School</th>
<th>Undergraduate degrees</th>
<th>Graduate degrees</th>
<th>Source</th>
</tr>
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<tbody>
<tr>
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<td>University of Alabama</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
</tr>
<tr>
<td>AZ</td>
<td>University of Arizona</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
</tr>
<tr>
<td>CA</td>
<td>UC Berkeley</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
</tr>
<tr>
<td>CA</td>
<td>Univ. California Los Angeles</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
</tr>
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<td>University of Colorado Boulder</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
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<td>BS in BME</td>
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<td>none</td>
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</tr>
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<td>GA</td>
<td>University of Georgia</td>
<td>BS in Bioengineering</td>
<td>none</td>
</tr>
<tr>
<td>HI</td>
<td>University of Hawaii</td>
<td>BS in Bioengineering</td>
<td>MS in Bioengineering</td>
</tr>
<tr>
<td>IL</td>
<td>University of Illinois</td>
<td>BS in BME</td>
<td>MS, Ph. D. in Bioengineering</td>
</tr>
<tr>
<td>IN</td>
<td>Indiana University</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
</tr>
<tr>
<td>IA</td>
<td>University of Iowa</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
</tr>
<tr>
<td>KS</td>
<td>University of Kansas</td>
<td>Bioengineering concentrations within BS ChE and ME.</td>
<td>MS, Ph. D. in Bioengineering</td>
</tr>
<tr>
<td>KY</td>
<td>University of Kentucky</td>
<td>none</td>
<td>MS, Ph. D.</td>
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<tr>
<td>ME</td>
<td>University of Maine</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
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<tr>
<td>MD</td>
<td>University of Maryland</td>
<td>BS in BME</td>
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<tr>
<td>MA</td>
<td>University of Massachusetts Dartmouth</td>
<td>none</td>
<td>MS, Ph. D.</td>
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<tr>
<td>MI</td>
<td>University of Michigan</td>
<td>BS in BME</td>
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<td>MN</td>
<td>University of Minnesota</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
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<td>NE</td>
<td>University of Nebraska</td>
<td>BS in Biological Sys Eng</td>
<td>Ph.D.</td>
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<td>NV</td>
<td>University of Nevada Reno</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
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<td>NJ</td>
<td>Rutgers University</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
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<td>NY</td>
<td>SUNY Stony Brook</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
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<td>NC</td>
<td>University of North Carolina</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
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<td>OH</td>
<td>Ohio State University</td>
<td>none</td>
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<tr>
<td>OK</td>
<td>University of Oklahoma</td>
<td>BS in Bioengineering</td>
<td>MS, Ph. D.</td>
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<tr>
<td>OR</td>
<td>Oregon Health Sci University</td>
<td>none</td>
<td>MS, Ph. D.</td>
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<tr>
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<td>University of Pennsylvania</td>
<td>BS</td>
<td>MS, Ph. D.</td>
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<tr>
<td>RI</td>
<td>University of Rhode Island</td>
<td>BS</td>
<td>MS, Ph. D.</td>
</tr>
<tr>
<td>SC</td>
<td>University of South Carolina</td>
<td>BS</td>
<td>MS, Ph. D.</td>
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<tr>
<td>SD</td>
<td>University of South Dakota</td>
<td>none</td>
<td>MS, Ph. D.</td>
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<tr>
<td>TN</td>
<td>University of Tennessee</td>
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<td>MS, Ph. D.</td>
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<td>TX</td>
<td>University of Texas</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
</tr>
<tr>
<td>UT</td>
<td>University of Utah</td>
<td>BS in BME</td>
<td>MS, Ph. D. in Bioengineering</td>
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<td>VA</td>
<td>University of Virginia</td>
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<td>MS, Ph. D.</td>
</tr>
<tr>
<td>WA</td>
<td>University of Washington</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
</tr>
<tr>
<td>WI</td>
<td>University of Wisconsin</td>
<td>BS in BME</td>
<td>MS, Ph. D.</td>
</tr>
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</table>
school in the State of New Mexico. New Mexico is one of only 13 flagship state universities in
the U.S. which do not currently offer a BME program (the others are AR, AK, DE, ID, LA, MS,
MO, MT, NH, ND, WV and WY). Although training in the repair of medical equipment is
offered at two community colleges in our state (Doña Ana and NMSU-Alamogordo) neither
program provides the scope of training of a master's program.

For those students determined to live in New Mexico, and to be trained in biomedical
engineering, their only choice is to create an ad hoc biomedical engineering program, taking
whatever relevant courses they can find, and getting whatever on-the-job training they can. For
all such students, this is impractical, inefficient and unsatisfactory. As a consequence, most New
Mexico students with BME career aspirations tend to exit the state, or abandon their BME career
plans. The BME program proposed here will remedy this problem.

3.2 Justifications for establishing a graduate program in biomedical engineering

The overarching justification for establishing this new program is that the State of New
Mexico and its citizens will benefit from it.

Specifically, the BME program will:

- train students for BME jobs already in New Mexico
- create economic growth
- satisfy students' strong demand for BME training
- fix the "informal BME program"
- retain New Mexico's biomedical engineering talent
- enhance collaborations with local national laboratories
- promote UNM's stature in creating and applying new knowledge
- improve the integration of research and education at UNM

Each of these benefits is discussed in detail below.

A. Train students for BME jobs already in New Mexico

There are a large number of biotech companies in New Mexico that require a trained
workforce (Table 3.2), all of whom will benefit from the proposed program. Some of these
companies are growing very quickly, and thus have a particularly acute need for trained
employees. For instance, in December 2008, the Albuquerque biotech firm TrueTouch
Technologies, which manufactures and sells blood alcohol testing devices, was cited by New
Mexico Business Weekly as the single fastest-growing small business in the state, increasing its
headcount from 3 to 10 in just two years. Also on the list was biotech firm Lumidigm Inc., which
increased its headcount from 12 to 27 in the same time period. Percentage increases such as
these are unsustainable without trained graduates.

It is no surprise, therefore, that recruiters from local industry have indicated their strong
interest in the establishment of a BME graduate degree program at UNM in order that they might
hire graduates from that program (letters of support, Appendix A). That message has been
reiterated by both Sandia and Los Alamos national labs (Appendix A). It is clear that as the
Table 3.2

New Mexico companies and research centers that will benefit from the BME program, ranked by number of employees resident in the State of New Mexico

<table>
<thead>
<tr>
<th>Company</th>
<th>Product</th>
<th>NM employees</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trifcore Reference Laboratories</td>
<td>Clinical reference laboratory</td>
<td>&gt;1000</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>UNM Health Sciences Center</td>
<td>Research</td>
<td>750</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>Lamson &amp; Johnson/Eliron Endo-Surgery</td>
<td>Surgical tool sterilization and packaging</td>
<td>550</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>Lovelace Biomedical &amp; Environmental Research Institute</td>
<td>Research</td>
<td>540</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>O&amp;O BioPharmaceuticals Manufacturing, LLC</td>
<td>Sterile injectables manufacturing</td>
<td>350</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>Los Alamos National Laboratory</td>
<td>Bioresearch &amp; development</td>
<td>200</td>
<td>Los Alamos</td>
</tr>
<tr>
<td>Sandia National Laboratories</td>
<td>Bioresearch &amp; development</td>
<td>100</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>Mind Research Network</td>
<td>Brain imaging research</td>
<td>110</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>AMD Wavelength Sciences LLC</td>
<td>Eye surgery devices</td>
<td>50</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>Voz Scientific</td>
<td>Microwave and laser sources</td>
<td>36</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>Lunigam, Inc.</td>
<td>Robotic systems</td>
<td>28</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>UNM Center for Biomedical Engineering</td>
<td>Research &amp; development</td>
<td>20</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>Varilight</td>
<td>Non-invasive diabetes tests</td>
<td>18</td>
<td>Albuquerque</td>
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<tr>
<td>IntuiTouch Corp.</td>
<td>Flow cytometry technology</td>
<td>12</td>
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<tr>
<td>TelTrac Technologies</td>
<td>Blood alcohol testing devices</td>
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<tr>
<td>Eco Sensors Inc.</td>
<td>Ozone monitors for sterilization</td>
<td>7</td>
<td>Santa Fe</td>
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<tr>
<td>Vista Therapeutics</td>
<td>Nanowire-based biosensors</td>
<td>5</td>
<td>Santa Fe</td>
</tr>
<tr>
<td>Mesa Biotech LLC</td>
<td>Drug development</td>
<td>7</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>Biomedex Inc.</td>
<td>Early cancer diagnostics</td>
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<td>Albuquerque</td>
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<tr>
<td>Therapeutic Inc.</td>
<td>Protein synthesis</td>
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<td>Albuquerque</td>
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<td>Avanica Medical Devices, Inc.</td>
<td>Surgeons</td>
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<td>Albuquerque</td>
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<td>Environ Corporation</td>
<td>HEPA filtration systems</td>
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<td>Albuquerque</td>
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<tr>
<td>SensO Inc.</td>
<td>Gene expression software</td>
<td>4</td>
<td>Santa Fe</td>
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<tr>
<td>Intellifase</td>
<td>Lab automation</td>
<td>4</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>STAR Cryogenics</td>
<td>Magnetic sensors</td>
<td>3</td>
<td>Santa Fe</td>
</tr>
<tr>
<td>Mesa Analytics &amp; Computing LLC</td>
<td>Drug discovery software</td>
<td>3</td>
<td>Santa Fe</td>
</tr>
<tr>
<td>BioAssist Consulting Services Inc.</td>
<td>FDA consulting</td>
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<td>Albuquerque</td>
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<tr>
<td>Canico LLC</td>
<td>R&amp;D for overexpression &amp; protein isolation</td>
<td>2</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>Affinix Technologies Inc.</td>
<td>Human performance sensors</td>
<td>N/A</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>LifeScience Systems Inc.</td>
<td>Surgical tools</td>
<td>N/A</td>
<td>Roswell</td>
</tr>
<tr>
<td>OSI Biosystems</td>
<td>Diagnostic assays</td>
<td>N/A</td>
<td>Santa Fe</td>
</tr>
<tr>
<td>InLight Solutions</td>
<td>Non-invasive diagnostics</td>
<td>N/A</td>
<td>Albuquerque</td>
</tr>
<tr>
<td>Keckel Corporation</td>
<td>Hyperspectral imaging</td>
<td>N/A</td>
<td>Rio Rancho</td>
</tr>
<tr>
<td>Biosense Inc.</td>
<td>Drug discovery software</td>
<td>N/A</td>
<td>Santa Fe</td>
</tr>
<tr>
<td>Calera Pharmaceuticals</td>
<td>Drug &amp; biomarker screening</td>
<td>N/A</td>
<td>Los Alamos</td>
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</tbody>
</table>

Grand total: 1822

Primary source: "New Mexico Business Weekly 2000 Rank of Lists". Also: Angel Gonzalez, Albuquerque Plaza Manager, Johnson & Johnson; Lucy Visco, Director of Human Resources, O&O BioPharmaceuticals Manufacturing, LLC; and Spencer Fox, CEO, Voz Scientific.

national labs continue to work to fight bioterrorism, develop medical diagnostics and treatments, and research biofuels, they will need engineers trained in BME.

Finally, biomedical engineering is a major growth industry in the United States. It is imperative that we train New Mexico students to participate in this burgeoning field. A new BME degree program at UNM will expand the state’s recruiting pool, and in turn make the state more attractive to new companies moving in, and enhance the competitiveness and growth of BME companies already here.

B. Create economic growth

In the early 1980s, Intel Corporation made a decision to locate a semiconductor chip factory in Rio Rancho. The decision to do so was based on the fact that New Mexico ranked at the top of Intel’s site selection criteria. Most of the conditions which led to Intel’s selection of Rio Rancho still exist today. For instance, Albuquerque was then a short non-stop flight away from Silicon Valley; we are now a short non-stop flight away from 2 of the 3 major U.S. centers of biotechnology, namely San Diego and the San Francisco Bay Area (the third is Boston). We have an excellent climate, a low cost of living, a natural environment that is relatively immune from natural disasters such as earthquakes, wildfires, hurricanes, tornadoes and volcanoes (recall the eruption of Mt. St. Helens in the 1980s which caused Intel’s semiconductor chip factories to close temporarily in Portland, Oregon). We have a workforce that tends not to job-hop from
company to company, or state to state. We offer competitive tax and revenue bond incentives. We have an outstanding medical school and hospital at UNM, with a superb faculty engaged in a variety of biomedical research. In short, we have nearly all of the ingredients for being selected by the next biotech "Intel". But Rio Rancho would never have been considered by Intel if the Albuquerque metropolitan area did not have a local university with strong teaching and research programs in electrical engineering, chemistry, chemical engineering and physics. So too New Mexico will never be considered by a major bioengineering company so long as there is no BME degree program at UNM. The proposed degree program is intended to fill a critical gap that can put the state in contention for new site selections by growing companies.

The development of the BME program will improve New Mexico's reputation as a key participant in the biomedical engineering field. As the demand for BME professionals increases, and the new BME program meets this demand, then New Mexico will benefit from increased revenue. More specifically, the many biotech companies already in the state will benefit materially from a program in biomedical engineering at UNM in the form of technical assistance from in-state BME faculty, and in a larger biotech infrastructure and network. Many of these companies already employ UNM graduates and former postdoctoral fellows. These companies have indicated their interest in the proposed BME program and in hiring from its pool of graduates. A list of these companies is included in Table 2.

In summary, the proposed educational program will improve New Mexico's attractiveness to numerous companies, new and old, based on improved availability of highly trained graduates, collaborations with faculty, available technology and facilities, and a highly supportive state environment.

C. Satisfy students' strong demand for BME training

There is constant demand for technical developments in biomedical engineering. This demand is fueled by the prosperity of the biotech industry, and by government and citizen interest in improving health care. In turn, there is unrelenting demand for individuals trained in the field of biomedical engineering. According to a May 2009 report by the National Scientific Foundation, biomedical engineering continues to be "one of the fastest-growing engineering fields and has more than doubled in size since 2000." The number of Ph.D. degrees granted in this field increased nearly 250% over the nine-year period ending 2006. An advanced degree in BME prepares students for internships and career opportunities at national labs, hospitals, medical institutions, academia, industry, government regulatory agencies and healthcare institutions. Hence, it is seen by students as a highly attractive field with good job opportunities, good job stability and good wages -- precisely what we want in New Mexico.

UNM students know these facts, and naturally they are eager to be trained in BME.

For more than a dozen years, UNM faculty have taught various courses in biomedical engineering (Table 3.3). The large number of students enrolled in these courses is evidence of students' avid interest in BME, especially when one considers that none of the students had any prospect of receiving a BME degree at UNM or anywhere else in the state.

The student enrollment numbers shown in Table 3.3 are for courses taken solely as electives. Even within UNM's existing chemical engineering undergraduate major, many students study for and receive a B.S. in Chemical Engineering with a concentration in biomedical engineering.
Table 3.3  
Number of students enrolled in BME-relevant courses taught in the UNM School of Engineering, Spring 1999-Spring 2010.

<table>
<thead>
<tr>
<th></th>
<th>Spring 99</th>
<th>Fall 99</th>
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<th>Fall 09</th>
<th>Spring 10</th>
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<td>Bioengineering Seminar</td>
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<td>Biosensors: Fundamentals and Applications</td>
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<td>Introduction to Medical Physics</td>
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Source: UNM Office of the Registrar; Spring 2010 figures provided by the instructors.

A Department of Labor report indicates that a graduate degree is required for many entry level jobs in this field (source: U.S. Occupational Outlook Handbook, 2008–2009).

Perhaps even more remarkable is that the student chapter of UNM’s Biomedical Engineering Society now has over 40 active members at UNM. This Society is a national professional organization founded in the 1960s to promote BME research and education. (UNM’s chapter is notable for high levels of participation by female and minority students.) Of course, none of UNM’s members have any immediate prospect of receiving a degree in biomedical engineering. Undaunted, they have organized themselves into a society for the purpose of enhancing their prospective professional careers in biomedical engineering.

If launched, the BME master’s degree program will enable UNM to compete successfully
in attracting talented graduate students to one of the fastest growing fields in science, engineering and industry. It will enhance student recruitment at UNM with a degree program that is in large demand. And it will lead to a sizeable increase in the number of students enrolled in BME courses.

D. Fix the "informal BME graduate program"

Many UNM engineering graduate students currently pursue BME training despite the absence of a BME degree program. The scholastic interest of these students simply does not coincide with any degree program UNM now offers, but nevertheless they remain committed to graduating from UNM with BME training. Fortunately, many BME-relevant courses are taught within the School. So these students routinely cobble together as best they can an informal program of BME graduate study. In this sense, the School is already "doing BME", but in a scattered and disjointed way. Obviously this is not how we want to serve our student population. Indeed, the current situation forces students to take more than a few irrelevant courses merely to fulfill the requirements of whatever second-best degree program they are in. Even worse, none of the BME-relevant courses they can take are offered in the context of a carefully designed BME curriculum.

Establishing a new BME graduate program immediately remedies these problems. With a new graduate degree program, students will be able to pursue a coherent course of study customized for their BME training, with each course offered in the context of a unified curriculum. The relevance and completeness of that curriculum has been established by a group of more than a dozen UNM professors who know the field thoroughly, know the core courses which must be taught, and know which elective courses should be offered. Details of this new curriculum are in the proposed catalog copy shown in Appendix C.

E. Retain New Mexico's Biomedical Engineering Talent

Currently, we lose resident New Mexico students to other states' BME programs. Moreover, our ability to recruit students from other states is handicapped by the absence of a master's degree program to which out-of-state students can be recruited.

Most new BME knowledge and intellectual property in the state is produced as a result of scientific engineering, not as a result of deals, mergers, or acquisitions. If we want to grow our state's biotech economy, we need to grow it at home. And the first step in that process is to nurture students who are thoroughly adept at conducting BME-specific scientific engineering. These students can be either native-born or recruited beyond our borders. But either way, students are at the root of our success.

A group of a dozen or so UNM faculty spent significant time discussing and planning the curriculum for the new degree program proposed here. They have been motivated to do so for various reasons, which include a strong desire to boost the statewide economy and improve citizen health through biotech. They also have a keen interest in their own students' well-being, and in the quality of students they can attract to their labs. Indeed, the availability of a masters degree program in BME is important for both the recruiting and training of their own students. In turn, these students are the foundation of each professor's success as a researcher and recipient of federal grants, for it is well-recognized that faculty success depends on student success. If the BME graduate program is approved, then UNM will do a far better job recruiting and retaining
in- and out-of-state students. We will reduce the pressure that causes most of our BME-focused students to exit the state. As our existing BME faculty become more successful, this will enable recruiting additional quality faculty, drive more industrial interactions, and create more biomedical engineering entrepreneurship opportunities.

F. Enhance collaborations with local national laboratories

Sandia National Labs (SNL) and Los Alamos National Lab (LANL) are heavily involved in biomedical engineering related disciplines to accomplish their national security missions in reducing the threat of bioterrorism and the development of sustainable energy such as biofuels. UNM's proximity to SNL and LANL is a golden opportunity for our students to conduct research at these prestigious labs via internships and summer employment, and for faculty to engage in research collaborations there. Already, some BME researchers at LANL and SNL have appointments at UNM, and some groups of UNM professors and national lab scientists pursue joint research in biomedical engineering. The proposed BME program will stimulate an expansion of such engagements. These kinds of collaborative efforts, with these scientists in particular, are important because they expose UNM to the sort of difficult but important BME problems that are only being tackled at the national labs. Also, the local national laboratories (LANL and SNL) are enthusiastic about hiring graduates from the proposed program (Appendix A). The absence of a BME program at UNM is an impediment to realizing the above opportunities.

G. Promote UNM's stature in creating and applying new knowledge

The proposed program fits well with New Mexico's long-standing role in conducting cutting-edge science education and research. The proposed program will introduce a coherent curriculum that stimulates the creation of new knowledge and insights for new applications, both on and off campus. It will bolster the faculty's efforts in creating knowledge and developing new applications. In sum, the development of the BME program at UNM will help maintain and grow New Mexico's prominence in biomedical engineering.

If launched, this will be one of a very few BME graduate programs at federally-designated Hispanic Serving Institutions.

Medical sciences ($16.5 billion) and biological sciences ($9.2 billion) accounted for more than one-half of all R&D at universities and colleges in this fiscal year (source: NSF, Survey of R&D Expenditures at Universities and Colleges, FY07). These two fields have held the two largest shares of academia's R&D performance total throughout the survey's history. By establishing a new BME graduate program at UNM, we enable UNM to compete more effectively for these research dollars.

H. Improve the integration of research and education at UNM

UNM's lack of a BME degree program is contrary to the persistent requests of the National Science Foundation (NSF) and the National Institutes of Health (NIH), two important national funding agencies, that we integrate our research with education. Once the BME degree program is established, UNM will be in an improved position to do so, and thereby improve our success in securing research grants.
3.3 Duplication

There are no formal BME degree programs in New Mexico. The nearest institutions that offer BME degree programs are, to the north, University of Colorado at Boulder; to the west, Arizona State University; and to the east, University of Texas at Austin. UTEP is in the process of introducing a new advanced degree program in BME.

To maximize the effectiveness of any biomedical engineering degree program, the offering institution should be situated close to a medical school. UNM's main campus is contiguous with the UNM Health Sciences Center, and is the only such campus in the state so situated.
Course and Curricular Fees

Policies

Course and curricular fees at UNM are determined by the policies spelled out in the Regents Handbook 4.7, “Tuition and Fees,” and the University Business Policies and Procedures Manual 8210, “Tuition and Related Fees.” The relevant portion of the latter is included as Appendix A to this report.

Broadly speaking, “course” fees are fees tied to the specific costs of delivering certain courses with distinctive expenditures. Examples include the travel costs of a field trip, the cost of particular supplies (art or lab), special instructional materials (manuals) or private instruction (music lessons). Since they literally fund the costs associated with the provision of a specific class, course fees are typically expended in the semester in which the costs are incurred.

“Curriculum” fees, by contrast, are tied to equipment or staff costs related to an entire course of study. Examples include IT requirements of various colleges (e.g., the unique software requirements of Architecture and Planning or Anderson School of Management); unique equipment costs (e.g., piano studios or engineering labs), or the specific technical staff required to maintain the labs and make them accessible to students.

By policy, the Regents set the level of all tuitions, and fees that apply to all students. Course and curricular fees that apply to a specific course of study, and may be assessed at the class, department, or college level, are reviewed and authorized by the Office of the Provost on the main campus or the Office of the EVP for Health Sciences at the HSC.

Procedures

A request to implement or change a course or curricular fee usually originates in an academic department. Proposals are submitted on a required template (attached as Appendix B) that gives the necessary technical data, along with a projected budget and description of the fee’s intended use. These are reviewed at the college level and require the authorization of the cognizant dean before being submitted to the Office of the Provost.

The review of a course or curricular fee proposal at the Provost’s level has two components:

1. A review for eligibility, per the definitions of UBPP 8210. We make sure the description of the fee conforms with the uses prescribed in the policy, and that the projected budget is rational and defensible.
2. A consideration of the fee’s impact on students, either in terms of scope (e.g., assessing a large fee for a single course) or scale (e.g., curricular fees that would affect large numbers of students). **Fee approvals are not automatic.** In practice, most eligible course fee requests are approved; but curricular fees proposals are often amended or deferred for consideration in the larger context of tuition/fee decisions in the spring.

**Review**

By policy (UBPP 8210.3.6), the colleges are to review their course fee collections and expenditures at least every two years, in order “to ensure that expenses are allowable, allocable, reasonable, and timely.” A summary of this year’s reviews is attached as Appendix C.

**Transparency**

Course fees are published in each semester’s registration schedule (now wholly online) and linked to every appropriate class, so that when students enroll they get a real-time calculation of the cost of their course of study. Any student may request a specific accounting of the fees they’ve been charged for any course or curriculum (UPBB 8210.3.7).

**Scope**

Course and curricular fees are important parts of the funding streams for most colleges and schools. UNM’s main campus units collected $3,494,000 in course and curricular fees in FY 10. Proportionally, that represents 2.8% of their total I&G budgets. Course fees are a relatively small portion of the average student bill. According to data from the Bursar’s Office, the average course and curriculum fee paid per undergraduate last fall was $67.66, slightly less than 2.6% of their total tuition and fee bill.

**Other Considerations**

As noted above, the choices UNM makes about course and curriculum fees are part of a larger set of questions regarding tuition and fees, and the most effective and fair way to pay for the education of our students. In broad terms we frame those questions in two ways.

1. **Within the portion of I&G funding that is borne by our students, what should be funded by “tuition” and what should be funded be “fees” of some sort?** The principal constraints in this consideration include:
   
   a. New Mexico’s statutory definition of tuition and fees, designed to ensure that schools will not abuse the Lottery Success Scholarship and its restrictions (Appendix D);
   b. The Lottery Scholarship itself, which by definition only applies to “tuition”; and
c. The state “tuition credit” calculation, which in effect uses tuition increases to shift the cost burden of higher education away from the state and toward the students. (It does not apply to fees.)

Though the pressures in this calculation are mixed, on balance they favor fee over tuition structures were possible. Fees are more transparent to students – they can see exactly what they’re paying for – and more under the direct control of the university and its departments. The primary disadvantage to fees, of course, is that they are not covered by the Lottery Success Scholarship that supports 30% of UNM undergraduates.

2. Within the university’s total budget for academic programs (I&G), what portion should be borne by the students and what by the state and other sources? The principal constraints in this consideration include:

a. The long-standing policy of the state of New Mexico, to fund higher education by a combination of very high taxpayer investment and very low student investment. ¹

b. The net effect of the funding practice above, combined with the manner in which the state’s portion is allocated across NM colleges and universities, which means that UNM’s total I&G revenue significantly lags that of similar institutions in the region and the nation.

¹ Figures from the “State Higher Education Finance” report published annually by the State Higher Education Executive Officers at http://www.sheeo.org/.
Conclusion

Course and curriculum fees are a small but important part of the cost and funding structure of a UNM education. This fall a task force of students, staff, and administrators has been reviewing the UNM's policies on general fees that apply to all students. Our hope is that these reviews, in conjunction with a more strategic and long-range consideration of tuition at UNM, will help position the university and its students for success, and make our budgeting more predictable and more transparent for everyone involved.
Appendix A

8210
TUITION AND RELATED FEES
Effective Date: Spring Semester 1993
Revised: 05/08/98, 06/22/06, 06/19/09
Subject to Change Without Notice

Authorized by Regents Policy 3.1 "Responsibilities of the President"

1. General

The University of New Mexico Board of Regents set tuition and fee rates annually. The "tuition" portion is committed to the revenue pool that supports the Instructional and General Budget. The "fee" portion is assessed to all students and is committed to various student services.

The University charges tuition and fees on a per-credit-hour basis for students taking up to twelve (12) credit hours in the fall and spring semesters and six (6) credit hours in the summer session. A flat rate is charged to students in the School of Medicine and full time students taking twelve (12) through eighteen (18) credit hours in the fall and spring semesters and six (6) through nine (9) credit hours in the summer session. Full time students are charged additional tuition at the per-credit-hour rate for all hours in excess of the full time range. A flat rate is also charged for dissertation hours.

A "course fee" is a separate fee associated with a specific course. A course fee covers the cost of additional or unusual materials or services required for a course. Refer to Section 3. herein for additional information on course fees. Course fees are not set by the Board of Regents; they are approved by the Provost/Executive Vice President for Academic Affairs or the Executive Vice President for the Health Sciences Center.

***

3. Course Fees

Course fees are fees that are charged upon registration to students enrolling for specific courses. They are not included in the "fees" portion of "tuition and fees," which are paid by all students. Course fees are intended to help defray costs specifically associated with certain courses and are not intended to replace general operating costs, which are paid from tuition. All students who pay course fees must benefit from the fees collected. Course fees include class fees and curriculum fees.

3.1. Class Fees

A class fee is a fee charged to support the instructional needs of a specific course. The fee is used to pay for required, uniquely identifiable materials or services provided to students that
3.4. Authorization to Assess Course Fees

Assessment of course fees requires the approval of the Provost/Executive Vice President (EVP) for Academic Affairs or the Executive Vice President (EVP) for Health Sciences for HSC courses. Requests for all course fees must be reviewed and approved by the appropriate dean or branch director prior to submission to the applicable EVP for approval. Repeated approval is not required each semester unless a change in the fee, course title, or index number is needed.

3.5. Publication of Course Fees

All course fees, along with a brief rationale, must be published in the "Schedule Of Classes."

3.6. Review of Course Fees

Colleges, schools, and departments must review course fees at least every two (2) years to ensure that expenses are allowable, allocable, reasonable, and timely. The Provost’s Office will submit summary findings of these reviews annually to the Board of Regents.

3.7. Accountability to Students

Students may submit a written request to the Provost’s Office requesting accountability of course fees assessed. The request should state the specific fee and in the case of class fees the specific course number and semester. The Provost’s Office will respond to the student as soon as possible but no later than sixty (60) days after receipt of the request.

4. Responsibility and Authority

Tuition and fees are paid at the Cashiers Department. The Bursar's Office is responsible for the following functions:

- Collecting tuition and fees and course fees.
- Charging tuition and fees.
- Processing staff and assistantship tuition waivers.
- Billing outside organizations and agencies.
- Approving deferred payment agreements.
- Distributing tuition, fee, and course fee revenue.
- Billing students.
- Collecting of any unpaid balances (including referral of accounts to a collection agency).

The Provost's Office is responsible for the following functions:

- Approving course fees.
- Publishing course fees in the "Schedule Of Classes."
- Reviewing course fees periodically.
- Responding to students requesting accountability of course fees assessed.
Appendix B  
THE UNIVERSITY OF NEW MEXICO - SPECIAL COURSE FEES APPROVAL FORM

INSTRUCTIONS:
Special course fees are appropriate only when there are unique costs associated with a course or when there are physical residuals that students take away from the course. An example of the first case might be in a laboratory class. An example of the second would occur if a piece of art, created by the student, were taken away at the end of the class. Course fees cannot be used to pay teaching assistants or instructors.

All requests for fee increases or new fees must be fully justified financially, by matching projected fee revenues to the purposes specified. Examples and blank budget forms are provided on the attached sheet. Feel free to modify or use additional budget forms as necessary. Please submit three copies to the Associate Provost for Academic Affairs for approval.

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<td>Account Number:</td>
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<td>Subject Code &amp; Course Number</td>
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REQUICKED APPROVAL SIGNATURES

Chair  
_________________________ /_/  
Dean / Director  
_________________________ /_/  
Approved  
Vice Provost for Academic Affairs  

Chair (if cross-listed)  
_________________________ /_/  
Dean / Director (if cross-listed)  
_________________________ /_/  
FOR BURSAR'S OFFICE ONLY  
Processed By  
_________________________ /_/  

Chair (if cross-listed)  
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Dean / Director (if cross-listed)  
_________________________ /_/  
FOR OFFICE OF THE REGISTRAR ONLY  
Processed By  
_________________________ /_/  

Deadlines for receipt of requests:
Spring Last week of October
Summer Last week of February
Fall Last week of February
AN ACT

RELATING TO HIGHER EDUCATION; DEFINING TUITION AND FEES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 21-1-4 NMSA 1978 (being Laws 1971, Chapter 235, Section 1, as amended) is amended to read:

"21-1-4. TUITION AND GENERAL FEE CHARGES--
DEFINITIONS.--

A. The state educational institutions set forth in Article 12, Section 11 of the constitution of New Mexico and their branches, community colleges as provided in Chapter 21, Article 13 NMSA 1978 and technical and vocational institutes as provided in Chapter 21, Article 16 NMSA 1978 shall charge tuition, which is in addition to general or other earmarked fees, as provided by law.

B. "Tuition" means the amount of money charged to students for instructional services, which may be charged per term, per course or per credit. "Tuition" does not include required general or other fees.

C. "General fee" means a fixed sum charged to students for items not covered by tuition and required of such a proportion of all students that the student who does not pay the charge is an exception. General fees include fees for matriculation, library services, student activities, student union services, student health services, debt service and athletics. An institution may charge fees in addition to general fees that are course-specific or that pertain to a smaller proportion of students.

D. During the regular academic year, "full-time student" means a student who is taking twelve or more credit hours in one semester or quarter. Full-time students during the academic year shall be charged tuition at rates provided
by law.

E. During the summer session, "full-time student" means a student who is taking at least a minimum number of credit hours, which minimum is in the same proportion to twelve credit hours as the duration and normal credit-hour load of the summer session in the particular institution is to the duration and normal credit-hour load of the institution's regular semester or quarter. Full-time students in the summer session shall be charged tuition at resident and nonresident rates in each institution, which rates shall be in the same proportion to the full-time resident and nonresident rates of that institution for the regular semester or quarter as the minimum number of credit hours is to twelve hours.

F. "Part-time student" means a student who is taking fewer than the minimum number of credit hours in a semester, quarter or summer session required for full-time student status. Part-time students shall be charged tuition at rates per semester credit hour or quarter credit hour as provided by law.

G. The higher education department shall define resident and nonresident students for the purpose of administering tuition charges in accordance with the constitution and statutes of the state and after consultation with the appropriate officials of the institutions concerned. Each institution shall use the uniform definitions so established in assessing and collecting tuition charges from students."
## Review of Course Fees
Fiscal Year 2009 and Fiscal Year 2010

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### REMAINING BALANCE

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**Fiscal Year 2009 and Fiscal Year 2010**

**School/College:** UNM - Los Alamos

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<td></td>
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</tr>
<tr>
<td>Salaries</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Payroll Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>$18,233</td>
<td>$18,164</td>
</tr>
<tr>
<td>Travel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication Charges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>$13,061</td>
<td>$10,115</td>
</tr>
<tr>
<td>Plant Maintenance</td>
<td>$144</td>
<td>$599</td>
</tr>
<tr>
<td>Utilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENSE</strong></td>
<td>$31,460</td>
<td>$28,878</td>
</tr>
</tbody>
</table>

**REMAINING BALANCE**

$
### Summary for Main Campus Units Above

**REVENUE**

<table>
<thead>
<tr>
<th></th>
<th>FY09 - Actuals</th>
<th>FY10 - Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Fees</td>
<td>$742,740</td>
<td>$834,911</td>
</tr>
<tr>
<td>Sales &amp; Services</td>
<td>2,608</td>
<td>10,543</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>45,394</td>
<td>58,093</td>
</tr>
<tr>
<td>Transfers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer From Research</td>
<td></td>
<td>2,500</td>
</tr>
<tr>
<td>Transfer to Public Service</td>
<td>(27,439)</td>
<td></td>
</tr>
<tr>
<td>Transfer From Public Service</td>
<td></td>
<td>245,036</td>
</tr>
<tr>
<td>Transfer To Plant Fund Minor</td>
<td>(128,398)</td>
<td></td>
</tr>
<tr>
<td>Transfer to Plant Fund Major</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allocations</td>
<td>(1,016)</td>
<td>(3,202)</td>
</tr>
<tr>
<td>Balance Forward</td>
<td>388,570</td>
<td>524,870</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>$1,150,857</td>
<td>$1,544,353</td>
</tr>
</tbody>
</table>

**EXPENSES**

<table>
<thead>
<tr>
<th></th>
<th>FY09 - Actuals</th>
<th>FY10 - Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$32,282</td>
<td>$40,841</td>
</tr>
<tr>
<td>Payroll Benefits</td>
<td>5,786</td>
<td>4,256</td>
</tr>
<tr>
<td>Supplies</td>
<td>395,027</td>
<td>738,983</td>
</tr>
<tr>
<td>Travel</td>
<td>1,707</td>
<td>4,660</td>
</tr>
<tr>
<td>Student Costs</td>
<td>399</td>
<td>5,811</td>
</tr>
<tr>
<td>Research Costs</td>
<td>1,025</td>
<td>790</td>
</tr>
<tr>
<td>Communication Charges</td>
<td>12,071</td>
<td>8,176</td>
</tr>
<tr>
<td>Services</td>
<td>20,106</td>
<td>16,116</td>
</tr>
<tr>
<td>Plant Maintenance</td>
<td>21,790</td>
<td>15,930</td>
</tr>
<tr>
<td>Utilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Expense</td>
<td>59,783</td>
<td>43,187</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>62,751</td>
<td>103,366</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSE</strong></td>
<td>$612,729</td>
<td>$1,002,115</td>
</tr>
</tbody>
</table>

**REMAINING BALANCE**

<table>
<thead>
<tr>
<th></th>
<th>FY09 - Actuals</th>
<th>FY10 - Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$538,129</td>
<td>$542,238</td>
</tr>
</tbody>
</table>
### Sample course fee budget per student

**Art Studio 100**

<table>
<thead>
<tr>
<th>Proposed fee</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Drawing materials</td>
<td>30.00</td>
</tr>
</tbody>
</table>

**Projected expenses**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 pencils @ 2.00/ea</td>
<td>10.00</td>
</tr>
<tr>
<td>4 drawing tablets @ 5.00/ea.</td>
<td>20.00</td>
</tr>
</tbody>
</table>

**Total projected expenses per student**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.00</td>
</tr>
</tbody>
</table>

### Sample course fee budget per section

**Biology 100**

<table>
<thead>
<tr>
<th>Proposed fee</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lab supplies and equipment</td>
<td>20.00</td>
</tr>
</tbody>
</table>

**Projected enrollment**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
</tr>
</tbody>
</table>

**Projected revenue**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>500.00</td>
</tr>
</tbody>
</table>

**Projected expenses**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>500 microscope slides (10/student)</td>
<td>100.00</td>
</tr>
<tr>
<td>2 microscopes (1/10th of cost of $1,000 @ 10 yr. replacement cycle)</td>
<td>200.00</td>
</tr>
<tr>
<td>Cultures</td>
<td>200.00</td>
</tr>
</tbody>
</table>

**Total projected expenses per section**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>500.00</td>
</tr>
</tbody>
</table>
exceed the costs of supplies normally provided. Class fees may be approved and implemented if they cover any of the following expenses:

- Cost of activities related to a course (e.g. field trip, tickets to off-campus lecture or event).
- Private instruction and models (e.g. guest speakers, models, tutors).
- An object or product of value retained by the student (e.g. artwork, safety gear).
- Expendable class costs (e.g. specialized equipment or materials, risk management, laboratory supplies, or expendable products).

3.2. Curricular Fees

A fee charged to support curricular needs in the department, college, or school. This fee funds short-term and long-term needs for the purpose of instructing students, including technology, broadly shared materials and equipment, and other expenses relevant to multiple courses in a program. A curriculum fee can be assessed as a per-credit-hour fee or pre-determined flat fee. Curricular fees may be approved and implemented if they meet any of the following conditions:

- Expendable curricular costs (e.g. computer hardware and software, networking components, cameras, projectors and recorders, maintenance fees, sound equipment, musical instruments, laboratory equipment).
- Personnel costs associated with curriculum support (e.g. technical staff support, training course development, etc.)
- Gross anatomy program support.
- Student progress assessments, clinical or practical skills assessments, and standardized patient costs.
- Supplemental instruction programs.
- Support of program research requirements and travel to present research.
- Medical education computer support including provision of tutorial and standardized patient computer interface (HSC only).
- Develop, install, and maintain technology capabilities in lecture halls & classrooms.

3.3. Payment of Course Fees

Approved fees are collected by the University Cashiers Department. Academic departments are not authorized to collect course fees directly from students. Course fees are refunded according to Section 2.9, herein. Departmental requests to waive all or part of a course fee must be sent to the Bursar's Office. The request must include a justification for the waiver.
Materials will be issued at the meeting.