

UNIVERSITY OF NEW MEXICO BOARD OF REGENTS

Agenda

June 13, 2017 9:00 AM SUB, Ballroom C

The Board of Regents of the University of New Mexico Meeting in Open Session and Executive Session June 13, 2017, 9:00 AM Student Union Building (SUB), Ballroom C

Executive Session-Luncheon, SUB, Cherry Silver Room

AGENDA

		<u>TAB</u>
l.	Call to Order, Confirmation of a Quorum, Adoption of the Agenda	1
II.	Approval of Minutes: May 11, 2017 regular meeting; May 24, 2017 Budget Summit; and April 18, 2017 regular meeting (minutes were tabled at May 11 meeting)	2
III.	The President's Administrative Report, Interim President Chaouki Abdallah	3
	Public Comment – comments related to items on the agenda (limit 3 min.)	
	Regent Advisors – comments related to agenda items (limit 3 min.)	
	Comments from Regents	
IV.	Election of Officers – Secretary Treasurer	
V.	Regent Committee Reports	
	Consent Docket (Action items on Regent's Committee agendas may move to the Board of Regents' agenda as consent items; the below items are placed on the consent docket by the respective committee chairs; items on the consent docket received unanimous approval in committee; per Regents' Policy 1.2, "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.")	
	1. Finance and Facilities Committee (F&F) Consent Items, Regent Marron Lee, Chair	
	a. Approval of Disposition of Surplus Property for Main Campus for May 2017	C-1
	b. Approval of Annual Renewal of Maui HPCC Lease, Tom Neale, Dir. Real Estate	C-2
	C. Approval of Real Property Disposition: Timberon Lots (2), Tom Neale, Dir. Real Estate	C-3
	d. Approval of Naming Request from the School of Medicine for Naming a Position in the	
	Department of Dermatology, Amy Wohlert, Chair, Naming Committee	C-4
	Health Sciences Center Committee (HSCC), Regent Marron Lee, Chair	
	Action Items	
	1. Request for Approval of the Naming of the Jim and Ellen King Professorship in Dermatology Bill Uher, VP of Development, HSC	4
	2. Request for the Approval of the UNM Hospitals Contracts with Intuitive Surgical, Inc. and	
	Philips Healthcare, Steve McKernan, CEO UNM Hospitals	5
	Finance and Facilities Committee (F&F), Regent Marron Lee, Chair	
	Action Items	
	1. Approval of Smith Plaza/Union Square Renovation, Chris Vallejos, AVP ISS; Lisa Marbury, Exec. Dir., ISS	6
	2. Approval of Capital Outlay Submission to the Higher Education Department	
VI.	Budget Approval – FY 2017-2018 Consolidated Budget (Main Campus, HSC, and Branches)	8

Advisors' Comments (limit 3 min.) 9
 Vote to close the meeting and proceed in Executive Session (Cherry Silver Room on 3rd level of SUB) 1. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property as permitted by Section 10-15-1.H(8), NMSA (1978) 2. Discussion and determination where appropriate of threatened or pending litigation as permitted by Section 10-15-1.H(7), NMSA (1978)
Vote to re-open the meeting and certification that only those matters described in Agenda Items VIII. were discussed in Closed Session and if necessary, final action with regard to those matters will be taken in Open Session.
Adjourn

Minutes of the Regular Meeting of the Board of Regents of the University of New Mexico May 11, 2017 Roberts Room, Scholes Hall Main Campus

Members present

Robert M. Doughty, President; Marron Lee, Vice President; Jack Fortner, Secretary Treasurer; Suzanne Quillen; Tom Clifford; Garrett Adcock; Brad Hosmer

Administration present

Chaouki Abdallah, Acting President; Craig White, Provost and EVP for Academic Affairs; Paul Roth; Chancellor for Health Sciences Center; David Harris, EVP of Administration, COO, CFO; Elsa Cole, University Counsel; Dorothy Anderson, VP HR; Liz Metzger, Controller; Ava Lovell, Sr. Exec. Officer of Finance and Administration, HSC; Eliseo 'Cheo' Torres, VP Student Affairs; Dana Allen, VP Alumni Relations; Steve McKernan, CEO UNM Hospitals; Elizabeth 'Libby' Washburn; Chief Compliance Officer; Amy Wohlert, President's Chief of Staff

Regents' Advisors present

Kathy Guimond, President Retiree Association; Pamela Pyle, President Faculty Senate; Glenda Lewis, President GPSA; James Lewis, President, Alumni Association; Kyle Biederwolf, President ASUNM

Presenters in attendance

Kathy Sandoval-Snider, Director of The Albuquerque Institute for Mathematics and Science; Norma Allen, Director of University Budget Operatons; Chris Vallejos, AVP ISS; Lisa Marbury, Executive Director, Institutional Support Services

Others in attendance

Members of administration, faculty, staff, students, the media and others. Many supporters of the UNM ski team were present.

CALL TO ORDER, CONFIRMATION OF A QUORUM, ADOPTION OF THE AGENDA

Regent President Rob Doughty called the meeting to order at 1:00 PM and confirmed a quorum.

The motion to adopt the agenda passed by a unanimous vote (1st Lee; 2nd Clifford).

APPROVAL OF MINUTES

Student Regent Garrett Adcock requested a modification to the April 18 Board of Regents meeting minutes, to add the request and comments made by Regents after public comments were delivered at the end of the meeting. There was brief discussion and agreement to add to the minutes the Regents' request and comments that were made after Public Comment.

The motion to amend and table the minutes until the next meeting passed unanimously (1st Lee; 2nd Clifford).

THE PRESIDENT'S ADMINISTRATIVE REPORT

Regent President Doughty requested to Acting President Chaouki Abdallah that open his report with the statement he prepared. President Abdallah read the following statement:

"Several months ago I directed Vice-President Paul Krebs to develop cost saving measures that would bring the Athletics Department's budget into balance. I instructed him to consider any and all legal means to accomplish this objective. As has been widely reported, VP Krebs has eliminated a number of positions, has several new donors and eliminated the sport of skiing. All of these actions will lead to a more balanced budget in the department, barring unforeseen problems. With respect to skiing, Mr. Krebs has received relentless, and in my opinion, undeserved criticism for this decision, even though he was following my directions. This is unfortunate. However, substantial good has come from this decision, as those who care about this sport have pledged financial assistance for next year which will allow us to explore long-term financial commitments. So, today I am announcing that we will reinstate skiing for next year while we seek those solutions. This is indeed a good day to be a Lobo student athlete."

Meeting attendees, and those present specifically to express their support for the ski team, applauded after President Abdallah read the statement.

President Abdallah continued his administrative report and addressed the University's ongoing focus on its academic mission. The University is on pace for a record number of baccalaureate degrees to be awarded in the 2016-2017 academic year; the 4-year graduation rate is at a record high, increasing from 15% in 2010-2011 to an anticipated 26% in 2010-2017; the 6-year graduation rate is just under 50%, close to an all-time high; freshman retention eclipsed 80% for the first time for the 2015-2016 cohort. This Spring 2017 graduation will award a projected 3,272 degrees, close to 300 more than last

year. Dr. Abdallah touched on research highlights. About \$150 million is expended every year on research. To put that into perspective, tuition is a little bit less than that, and what is appropriated from the State is about \$160-170 million. So funded research is about a third of the total, along with the non-funded research that a lot of people are doing and serving. The VP for Research was asked to put together a strategic plan that would align with the priorities of the University, and the office for the Vice President for Research is completing that strategic plan. It will be presented to the Regents. President Abdallah spoke briefly about efforts to responsibly address the current fiscal challenges and about recent activities that affirm the effort toward a culture of trust and respect, including main campus participation in national survey on campus sexual violence and branch campus participation in national campus climate surveys, and a recent town hall where President Abdallah heard concerns and answered questions.

Regent Brad Hosmer asked if President Abdallah could give a summary of the questions and concerns expressed at the recent town hall. President Abdallah responded main concerns for staff revolve around questions about pay, compensation, and transparency. From the faculty and health sciences, there are questions around governance and health sciences issues, for example the relationship of UNM Hospital with Bernalillo County, as well as the relationship between Health Sciences and Main Campus. President Abdallah solicited ideas about how to address the fiscal challenges. The answers were posted and the town hall was aired live and a recording is also posted online.

PUBLIC COMMENT (no comments)

ADVISORS COMMENTS (no comments)

COMMENTS FROM REGENTS

Regent Brad Hosmer commented that there is an issue for closed session that relates to outside investigations that were initiated last year and Regents do not have a report yet.

REGENT COMMITTEE REPORTS

CONSENT DOCKET

- 1. Academic/Student Affairs and Research Committee (ASAR) Consent Items
 - a. Form C: Environmental Planning & Design (Gallup)
 - b. Form C: Bachelor of Science in Pharmaceutical Sciences
 - c. Form C: Bachelor of Arts Interdisciplinary Arts
 - d. Program Deletions:
 - i. Entrepreneur Certificate Student (Gallup)
 - ii. Nuclear Medicine Imaging Certificate

Regent Marron Lee motioned to move the following items onto the Consent Docket; Regent Tom Clifford seconded the motion; the vote was unanimous in favor.

The following items were moved onto the Consent Docket:

- 1) HSC item #2, Tab 7, Approval of the All Pueblo Council of Governors' Authorization of Dr. Raymond Loretto to Serve an Additional Term on the UNM Hospital Board of Trustees
- 2) HSC item #3, Tab 8, Approval of Julia Barker and Mary Blessing as Appointees to the Carrie Tingley Hospital Advisory Board
- 3) F&F item #1, Tab 12, Approval of Quarterly Financial Certification Report
- 4) F&F item 3, Tab 14, Approval of Disposition of Surplus Property—April Report
- 5) F&F item #9, Tab 20, Approval of Three STC.UNM Board of Directors Reappointments
- Regent Clifford requested with regard to the Form C, request for approval of Degree Programs, that the questionnaire that Regents have requested, to address for example resource impacts and other types of information in support of proposed programs, be included in the backup materials at future meetings.

The motion to approve the Consent Docket as amended passed unanimously (1st Hosmer; 2nd Lee).

ACADEMIC/STUDENT AFFAIRS AND RESEARCH COMMITTEE

Approval of Spring Degree Candidates

Regent Hosmer asked Pamela Pyle, President of the Faculty Senate, to present the item. President Pyle reported the degrees to be awarded by each school and college.

The motion to approve the Spring 2017 Degree Candidates as presented passed unanimously (1st Hosmer; 2nd Lee).

Approval of the MOA with the Albuquerque Institute for Mathematics and Science (AIMS)

Kathy Sandoval-Snider, Director of AIMS, presented the item. Before presenting, Regent Lee congratulated Dr. Sandoval-Snider on the school's ranking of 43 among public and private schools in the nation. Ms. Sandoval presented several slides. The AIMS started in 2005. In 2007 it welcomed its first 6th grade class after previously only serving 9-12 graders. In 2007 AIMS entered into an MOU with UNM and moved into the current south campus location. That same year the school implemented the teacher evaluation tool that tied to teacher compensation. AIMS has grown to full enrollment of 360 students in 6-12 grades. In 2013 the school was named a U.S. Department of Education Blue Ribbon School, and it has received many other awards. Graduation rate is 93% with 100% of its graduates receiving a minimum of 30 college dual-credit. A total of 210 students have graduated so far, and of those 191 graduated from college within 4-6 years. The students come from all over the State. There are about 30 lottery applications for 1 for one available spot.

Regent Fortner asked about the grade breakdown of the 360 students that attend AIMS. Ms. Sandoval responded there are more sixth graders than ninth graders, but the number tends to decline as the students move up because they realize with the credits they obtain at AIMS, they can graduate earlier if they transfer to another school, for instance an APS high school. Every year, AIMS graduates about 35 to 36 students.

Regent Hosmer commented on data that shows high school student academic accomplishments correlate remarkably tightly with economic (GDP) growth rates. If there is a single answer that could respond to many of the difficulties in New Mexico, economic growth rate, replicating schools like AIMS, we need more. There was also discussion on testing, the use of SBA scores vs. PARCC scores as reliable predictors of college success, the PARCC test being much more rigorous.

There was discussion about the school's diversity. Regent Fortner inquired percentages Native Americans and Hispanics; Ms. Sandoval responded about 10% Native American, 50% Hispanic, and 40% are evenly divided between Asian students and Caucasian. With 20 faculty, many of them are veterans, the school's faculty percentages break out about the same.

Regent Hosmer confirmed the revised and proposed MOA was approved in the ASAR Committee April 6 meeting.

Regent Hosmer moved approval of the MOA; Regent Fortner seconded. There was discussion.

Regent Lee had questions about Section I.C. regarding the number of members as representatives of UNM on the Governance Council being reduced from four to three, and concerns about eliminating the UNM President or the President's designee serving as an ex-officio member. Regent Lee also had concerns about the non-compete clause that was removed in section II: "The parties agree that the relationship set forth in this agreement is exclusive between them. AIMS@UNM shall not enter into a collaborative relationship with another postsecondary institution substantially similar to that provided for herein, and UNM should not affiliate with another charter school in a substantially similar fashion during the term of this Agreement." And she asked that that section be put back in to the MOA. Ms. Sandoval responded that was a clause in the original MOA and it was ok to put it back in. There was discussion about the other concerns regarding the UNM representatives on the board. Ms. Sandoval said the revisions were made primarily because of time issues, those UNM representatives not being able to attend due to time issues. Regent Lee asked for the original wording to be put back into the MOA.

Regent Lee wanted to discuss the dual enrollment requirements as written in the agreement, if there was a change from a 'shall' to a 'may' dual enroll, and it appears throughout the document the tone has shifted from a requirement to dual-enroll to an encouragement to dual-enroll. Ms. Sandoval responded that within the MOA is the charter document, and the charter document has dual-enrollment as a requirement. There was discussion that the original MOA section VII. referred to dual-enrollment and was deleted; however, in the revised document the same wording appears under section II., so it stays in the document. Regent Lee commented she had no issue with that.

Regent Lee requested to make a motion with revisions to the proposed MOA.

Regent Hosmer agreed to withdraw his prior motion; Regent Fortner withdrew his second.

Regent Lee's motion to accept the MOA that reinstates the four UNM representatives and the UNM President or the president's designee as an ex-officio member in Section C., and reinstates the exclusive relationship wording in Section II, passed by a unanimous vote (1st Lee; 2nd Clifford).

HEALTH SCIENCES CENTER COMMITTEE

Approval of the Spring 2017 UNM Health Sciences Center Degree Candidates

This item was not voted upon because the HSC degree candidates are included in the comprehensive list of degree candidates approved, ASAR Committee agenda, Item #1, Tab 4.

Approval of UNM Hospitals Contracts with Cerner Corporation, Siemens Medical Solutions USA, Inc., and CareFusion Solutions, LLC

Steve McKernan presented the item, five procurement items from the hospital. The details were included in the agenda eBook. These were reviewed and approved by the hospital board and the HSC committee. The first one is from Cerner Corporation for CareAware which allows connection of devices with the electronic medical record. The second one is to purchase a Siemens Biograph CT scanner to replace one that is about 11 years old. The third one is purchase of the 1.5 Tesla Siemens MAGNETOM® Aera (MRI). This procurement is to replace a 13-year old scanner. The fourth item is from CareFusion to lease upgraded Pyxis Medication Dispensing Units to replace existing equipment leased from CareFusion. This is a high-security accounting device that is widely used in the country. The fifth one is an application from Cerner Corporation called Powerworks which is a scaled-down medical record software that can be used with other collaborative organizations the principal user is First Choice. It allows providers to share information.

Regent Lee commented on the collaboration qualities of the Cerner Powerworks software and also commented there is a Pyxis machine listed on the obsolete list. There was clarification that machine on the obsolete list with no book value is different from those mentioned in the contracts for approval.

The motion to approve the UNM Hospitals Contracts with Cerner Corporation, Siemens Medical Solutions USA, Inc., and CareFusion Solutions, LLC passed unanimously (1st Clifford: 2nd Hosmer).

Regent Suzanne Quillen inquired why HSC agenda item #5, Approval to Proceed with Detail Planning and Programming for the Modern Medical Facility, was deleted from the original agenda. Regent Lee responded after talking with the leadership and understanding the ramifications of more eyes and more input from everyone on this project, it was decided that, after discussion with Dr. Roth and President Abdallah, that this was something that needed to be reviewed by the Board of Finance prior to coming to the entire Board of Regents. Regent Quillen inquired when the full Board of Regents will hear the item. Regent Lee responded after the Board of Finance has had the opportunity to discuss the contract. Regent Quillen inquired of the date for the Board of Finance to review it. Regent Lee responded David Harris put a request for this to go to the June Board of Finance meeting.

HSC Financial Update (information item)

Regent Lee asked Ava Lovell to give her update. Ms. Lovell presented her report through March 31, 2017, this is three-quarters of the fiscal year. The numbers are right at break-even for the quarters; however, about \$3.5 million of balances will be used by the end of the full year, offset by the booking of all of the Spring tuition which has been recorded and will be spent down. The Hospital will break even, which is not as good as some years, but given the Medicaid cuts and the Molina contract that was a \$40 million hit, coming to a break-even, everyone worked very hard on that.

• Regent Clifford requested future reports have included a year-to-date column to provide a comparison for the current period relative to last year as an aide to see significant variances.

FINANCE AND FACILITIES COMMITTEE

Approval of Quarterly Financial Certification Report and Monthly Consolidated Financial Report for March 2017
The quarterly Financial Certification Report was moved to the Consent Docket (approved). The Monthly Consolidated Financial Report was not presented.

Approval of FY17 Budget Adjustment Requests (BAR) for Main Campus, HSC, and Branch Campuses

Norma Allen presented the item. The original budget was submitted back in May 2016. In December, there was State rescission, a 5% reduction in State appropriations, which amounted to \$15.5 million. A Budget Adjustment Request (BAR), approved by the Regents, was submitted to the State at that time. This is the second BAR, requesting approval for the adjustments since December, 2016. Budgets to actuals numbers are monitored through the Regents' reports routinely presented by University Controller Liz Metzger and Ava Lovell for the HSC. A budget revision must be submitted to the Higher Education Department (HED) by May 1. The HED does allow for a post-May 1 approval. The drivers of the BAR are changes in revenue, use of reserves, increases in restricted contract and grant activity, 'other' expenditures, and changes in transfers. The report supplied in the agenda eBook provided details. The overall change since December 2016 for the entire UNM is a 0.4% increase in expenditures, primarily driven by changes in plant funds and the hospital. Ms. Allen touched on some of the details in her presentation. At Regent Clifford's request, Use of Reserves tables were supplied for each area.

Regent Clifford said it is a good report and he appreciated the staff work on it. There is good news in terms of cost containment and the impact on reserves. Regent Clifford requested confirmation that this whole report will go to the HED.

Ms. Allen responded the particular templates that are presented to Regents will go to the HED and not the entire report. The templates include some narratives as well. Regent Clifford moved approval.

The motion to approve the BAR for Main Campus, HSC, and the Branch Campuses passed by a unanimous vote (1st Clifford; 2nd Doughty).

Approval of Capital Project: Physics & Astronomy Interdisciplinary Science (PAIS)

Chris Vallejos and Lisa Marbury presented the item. The Physics & Astronomy Interdisciplinary Science (PAIS) project is new construction. This project is adding 139,100 gross square feet with an estimated project budget of \$65.746 million. There are four funding streams: \$745.710K from 2014 Severance Tax Bonds; \$700K from 2015 special session Severance Tax Bonds; \$27 million from 2016 General Obligation (GO) Bonds; and \$37.3 million from 2017 UNM Revenue Bonds.

• Regent Clifford inquired the timeline and requested to include in the future a project timeline when these projects are presented to Regents.

Chris Vallejos responded the project is in the design development phase. The next step will be to get Board of Finance approval in July, then start demolition of the current reservoir at the beginning of August. Construction will start in August and go through Fall of 2019.

There was a brief discussion about the bonds. The biggest piece is UNM's own revenue bonds that were sold in January 2017. The 2016 GO Bonds are the only ones that have not been sold yet. Regent Clifford inquired and Mr. Vallejos confirmed that there is funding available to start construction in the Fall.

The motion to approve the Capital Project, Physics and Astronomy Interdisciplinary Science building passed by a unanimous vote (1st Doughty; 2nd Hosmer).

Approval of Naming Committee Request to Name Project Search at UNMH, "The Nene and Jamie Koch Project Search Training Program at UNM Hospital"

Amy Wohlert presented the item. This is a programmatic entity, a request to approve The Nene and Jamie Koch Project Search Training Program at the UNM Hospital. This is a training program for adults with developmental disabilities. It was presented as a possibility to UNM Hospital by former Regent Koch and UNM Hospital took up the challenge of implementing this program which has been enormously successful over the past 4 years in developing skills in adults who want to work but have not been able to find work and develop skills previously. So the program helps develop the skills, find jobs, and then shadow and mentor those adults in those jobs so they can continue to be successful. It is something the Koch's were proud to bring to the State of New Mexico and to UNM, and at this point the program would like to honor the Koch's by naming the program.

Regent Lee commented that Jamie Koch had informed her this program was one with the most meaningful impact and finds it one of his greatest accomplishments.

Regent Fortner motioned to approve the naming request. Regent Fortner added he served on the Board of Regents with Jamie Koch for a number of years. Jamie Koch did a lot of great things for the University and this is probably one of the most important that he did.

The motion to approve the Naming Committee Request to Name Project Search at UNMH, "The Nene and Jamie Koch Project Search Training Program at UNM Hospital" passed by a unanimous vote (1st Fortner; 2nd Clifford).

Approval of Naming Committee Request for Class I Exterior Space

Amy Wohlert presented the item. This is a request that is coming from the Naming Committee, with President Abdallah's approval, for Regents' approval to name a Class I Exterior space, and this refers to the request to name the Dreamstyle Stadium and the Dreamstyle Arena.

Regent Lee commented this is an incredibly generous gift and UNM is lucky to have generous New Mexicans who are willing to support the institution in this manner.

The motion to approve the Naming Committee Request for the naming of the Class I Exterior Space, Dreamstyle Stadium and Dreamstyle Arena, passed by a unanimous vote (1st Doughty; 2nd Fortner).

Discussion and Possible Approval of Restated Bylaws of the UNM Alumni Association

Dana Allen, VP for Alumni Relations, opened by saying there has been extensive work done on this document by the Alumni Association and in partnership with others to update and revise the Association's bylaws. Ms. Allen introduced

James Lewis, President of the Alumni Association and Harold Lavender, President-Elect for the Alumni Association, to further presented the item. Mr. Lewis thank everyone for their support and said they have been working on this document since June 2016. Upon review of the prior documents, a lot of obsolescence was found and so the decision was made to revise the bylaws for compliance purposes and with the aim to enhance the Association's proficiency, effectiveness and productivity. Mr. Lewis specifically thanked Henry Rivera, Rosalyn Nguyen, other board members, Dana Allen, Harold Lavender, and Regent Marron Lee for her review and recommendations. The document is enhanced and workable. Mr. Lavender added he and Regent Lee spent a fair amount of time on the phone going over the document. This was reviewed and discussed in the Finance and Facilities and has been vetted well. This document is a framework that will help the Association move forward, and he thanked Regent Lee for her help.

Regent Lee thanked everyone for their hard work, collaboration and understanding for her concerns on behalf of the Board of Regents.

Regent Clifford thanked those present for their hard work and efforts and also commented on page one article 2 on the purposes, "To promote the professional development of fellow alumni", and added that is a very important area that our alumni can help us to continue the good work of UNM by fostering social networking in a way that can help our graduates succeed in life and also a mutually beneficial relationship with the UNM Foundation. It's important for the Association and the Foundation to work closely together.

Regent Doughty asked when president-elect Harold Lavender will become president of the Alumni Association. Mr. Lewis responded according to the new bylaws that will take place the first day of the new fiscal year, July 1.

The motion to approve the restated bylaws of the UNM Alumni Association passed by a unanimous vote (1st Fortner; 2nd Doughty).

PUBLIC COMMENT (no comments)

ADVISORS' REPORTS

<u>Kathy Guimond</u>, President of the Retiree Association, announced her last Regents' meeting. She thanked the many friends and colleagues present and introduced incoming president, Donna Smith. Ms. Smith's past titles include, Executive Director of the Association of Counties, Director of Risk Management for the State, and came to UNM as Director of Safety and Risk Services, and retired from that position in 2011.

Regent Doughty thanked Ms. Guimond for her service during the past year and welcomed Ms. Smith. Regent Fortner added he has known Kathy Guimond for a long time at UNM, since the time he started serving on the Board of Regent and Ms. Guimond was Chief of UNM Police.

<u>Glenda Lewis</u>, GPSA President, thanked the Regents for a great year and for their service and introduced the new GPSA President, Alaa Elmaoued. Mr. Elmaoued is a medical school student.

Regent Doughty thanked Ms. Lewis for her hard work and for representing her constituency so well. Regent Doughty welcomed Mr. Elmaoued.

Regent Clifford said it had been a pleasure working with Ms. Lewis and added he appreciated her thoughtfulness and the value she brought as an advisor to the Regents. Regent Quillen expressed her thanks to Ms. Lewis for her service and hard work over the past year.

<u>Kyle Biederwolf</u>, ASUNM President, reported it is his last meeting, and he introduced the new ASUNM President, Noah Brooks, an economics student. Mr. Biederwolf thanked the Regents. This has been a tough year with hard decisions for the Regents. He thanked the Regents for the respect they gave to students' opinions.

The Regents thanked Mr. Biederwolf for his hard work over the past year.

<u>Pamela Pyle</u>, Faculty Senate President, reported on continuing projects and events, a Faculty Focus in the Fall, the Regent Adopt-a-College for a day, pairing faculty with Legislators on UNM-day, and involvement with the research office. Ms. Pyle will be Faculty Senate President for the coming year.

Regent Doughty thanked Ms. Pyle for her work and service over the past year.

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

Before closing the meeting, Regent Doughty addressed the closed session agenda:

Regent Doughty moved that the closed session agenda be amended to add as a purpose for the closed session the discussion of limited personnel matters per NMSA 1978, Section 10-15-1(H)(2); Regent Lee seconded the motion; the motion passed with a vote of 6-0-1; Regents Clifford, Hosmer, Adcock, Doughty, Lee and Quillen voted in favor; Regent Fortner abstained.

The vote to close the meeting and proceed in Executive Session passed by a unanimous vote (1st Lee; 2nd Fortner). The meeting closed at 2:32 PM.

Members present during closed session: Rob Doughty, Marron Lee, Brad Hosmer, Jack Fortner, Suzanne Quillen, Tom Clifford, Garrett Adcock.

- 1. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property as permitted by Section 10-15-1.H(8), NMSA (1978)
- 2. Discussion and determination where appropriate of threatened or pending litigation as permitted by Section 10-15-1.H(7), NMSA (1978)
- 3. Discussion of bargaining strategy preliminary to collective bargaining negotiations between the University and certain UNM Hospital collective bargaining units as permitted by Section 10-15-1.H(5), NMSA (1978)
- 4. Discussion and decision, if appropriate, of strategic plans or trade secrets of public hospitals permitted by Section 10-15-1.H(9), NMSA (1978)

VOTE TO RE-OPEN THE MEETING AND CERTIFICATION THAT ONLY THOSE MATTERS DESCRIBED IN THE CLOSED SESSION AGENDA WERE DISCUSSED DURING CLOSED SESSION

The vote to re-open the meeting was unanimous (1st Lee; 2nd Clifford). The meeting re-opened at 3:12 PM.

Regent Doughty certified that only those matters described in closed session agenda were discussed in closed session and the following action was taken in closed session:

"In light of the conclusion of President Frank's contract, The University of New Mexico Board of Regents has met in closed session and has unanimously agreed to the appointment of Chaouki Abdallah as interim president, effective June 1, 2017. He has an outstanding track record of leadership and accomplishment, and the Board has great confidence that he will be able to successfully continue to oversee UNM while we search for the University's next president."

(1st Regent Lee; 2nd Student Regent Adcock; the motion passed by a unanimous vote.)

Approved:	Attest:
Robert M. Doughty III, President	Jack L. Fortner, Secretary/Treasurer

The motion to adjourn passed unanimously (1st Lee; 2nd Hosmer). The meeting adjourned at 3:13 PM.

ADJOURN

Minutes of the Regular Meeting of the Board of Regents of the University of New Mexico April 18, 2017 Hodgin Hall, Bobo Room Main Campus

Members present

Robert M. Doughty, President; Marron Lee, Vice President; Jack Fortner, Secretary Treasurer; Tom Clifford; Brad Hosmer; Suzanne Quillen; Garrett Adcock

Administration present

Paul Roth; Chancellor for Health Sciences Center; Craig White, Provost and EVP for Academic Affairs; David Harris, EVP of Administration, COO, CFO; Elsa Cole, University Counsel; Dorothy Anderson, VP HR; Liz Metzger, Controller; Ava Lovell, Sr. Exec. Officer of Finance and Administration, HSC; Eliseo 'Cheo' Torres, VP Student Affairs; Paul Krebs, VP Athletics; Amy Wohlert, President's Chief of Staff

Regents' Advisors present

James Lewis, President, Alumni Association; Kathy Guimond, President Retiree Association; Pamela Pyle, President Faculty Senate; Danelle Callan, President Staff Council; Kyle Biederwolf, President ASUNM; Glenda Lewis, President GPSA

Presenters in attendance

Manu Patel, Director for Internal Audit; Bruce Cherrin, Chief Procurement Officer; Gregory Cajete, Director for Native American Studies; Tiffany Lee, Assoc. Professor, Native American Studies; Lloyd Lee, Assoc. Professor, Native American Studies; Chris Vallejos, AVP ISS; Eric Weinstein, Managing Dir., AON Albuquerque office

Others in attendance

Members of administration, faculty, staff, students, the media and others.

CALL TO ORDER, CONFIRMATION OF A QUORUM, ADOPTION OF THE AGENDA

Regent President Rob Doughty called the meeting to order at 8:10 AM and confirmed a quorum. There were no amendments to the agenda. Regent Doughty asked for a motion to adopt the agenda.

The motion to adopt the agenda passed by unanimous vote (1st Lee; 2nd Adcock).

APPROVAL OF MINUTES

There were no corrections to the minutes of the March 13, 2017 regular meeting; Regent Doughty asked for a motion to approve the minutes.

The motion to approve the minutes of the March 13, 2017 regular meeting passed by a unanimous vote (1st Lee; 2nd Adcock).

PUBLIC COMMENT (no comments)

ADVISORS COMMENTS (no comments)

COMMENTS FROM REGENTS (no comments)

REGENT COMMITTEE REPORTS

CONSENT DOCKET

Regent President Doughty presented the consent docket. There were no requests to remove the item from the docket for discussion.

- 1. Finance and Facilities Committee (F&F) Consent Items, Regent Marron Lee, Chair
 - a. Approval of the Disposition of Surplus Property for Main Campus for February and March 2017

The motion to approve the Consent Docket item passed by a unanimous vote (1st Lee; 2nd Clifford).

AUDIT AND COMPLIANCE COMMITTEE

Meeting Summary Reports - March 2, March 31 and April 13 meetings (information item)

Manu Patel gave a brief summary of the meeting reports that were included in the agenda eBook. Regent Jack Fortner commented about recent Title IX issues in other universities and said the Title IX is an area that is still developing with respect to how to respond, how to protect the alleged victim, and how to protect the alleged perpetrator. Regent Clifford complemented the internal audit staff that has been presenting excellent materials to the audit and compliance

committee at least quarterly and asked if the audit reports are made available to the other Regents. Mr. Patel responded all of the audit reports are available on the internal audit website. Regent Clifford recommended the reports to the other Regents and added the work the Chief Compliance Officer, Libby Washburn, is doing is excellent. Regent Clifford mentioned the audit done by the State Auditor's Office on indigent healthcare and inquired to Dr. Roth if he will be bringing an update soon to the Regents with regard to the relationship with the county and how UNM will meet the indigent health needs they have been asking about. Dr. Roth responded that an update will be coming soon. Regent Clifford added it was a good report and the general consensus of the State Auditor's Office is that they agreed with UNM's interpretation of the statute in terms of what UNM is required and authorized to do with those funds, but there was a general sense that it still does not answer the questions the county has with regard to the indigent health needs they have here, and so that dialogue should continue.

Approval of the Contract for UNM FY17 Annual Financial Statements Audit

Bruce Cherrin presented the item and Liz Metzger was available to answer questions. The contract is for the external audit of the FY 2016-2017 financials. There was a competitive RFP with proposals solicited on February 1, 2017. There were a total of 4 respondents. The selection committee recommends awarding the contract to Moss Adams/KPMG as the highest ranked offer. Moss Adams will be doing the Main Campus; KPMG will be doing the healthcare. This is a switch from the last few years. They were the most qualified, and the 1-year proposal cost for the FY17 audit is \$860,965 plus NM GRT. This compares to \$885,514 plus NM GRT for the FY16 audit. The FY16 cost is adjusted down for the three component units to be audited by the State Audit Office for FY17.

Regent Clifford commented there was concern from the State Auditor's Office that UNM keep using the same people and there is a rule that mandates changing firms every six-year period. By switching these firms, this is a way to finesse that, and the State Auditor's Office is not thrilled about it, so the decision is to go forward for a year with this current group and at that point take a hard look and make sure there isn't an alternative out there that would honor the State Auditor's rule and still have the highest quality audit. Mr. Cherrin added they are asking for approval up to three years, but in line with what Regent Clifford said, years two and three will be totally at the University's option.

Regent Fortner added there was good competition and the University is getting this at lower cost.

The motion to approve the Contract for the UNM FY17 Annual Financial Statements Audit passed by a unanimous vote (1st Fortner; 2nd Adcock).

ACADEMIC/STUDENT AFFAIRS AND RESEARCH COMMITTEE

Form D: Native American Studies

Dr. Gregory Cajete, Tiffiney Lee and Lloyd Lee presented the item, the Master of Arts Degree proposal for Native American Studies, University College. The proposal outlined the rationale, academic orientation and budgetary requirements for the development of a nationally and internationally prominent Masters and future Ph.D. program in Native American Studies (NAS). The NAS B.A. degree program has already demonstrated significant success in graduating over 200 majors and minors during the past eleven academic years. The focus of the Master of Arts degree will be Indigenous leadership, Self-Determination, and Sustainable Community Building. The purpose of the program is to provide the present and future leader of American Indian nations and other Indigenous peoples with relevant leadership, research and training in community building, policy development and education for sustaining Indigenous communities that meet the highest academic and professional standards while reflecting the needs, circumstances, goals, and concerns of those communities and peoples. Specifics of the curriculum were also presented. Dr. Cajete said this initiative started in 2007 and it has been a long process. A major milestone has been reached with regard to creating a world-class Native American Studies program here at UNM. With support of faculty, students and UNM community, the 23 Tribes of NM, the representatives in the House and Senate, there is confidence this program can be carried out in the most cost effective way, focusing on ten students at a time. The program will be selective about students admitted to the program and it can be done with the current faculty. Dr. Lee added this will be the only online or online-sychronis program of its kind, available across the nation and internationally. The UNM Native American Studies program is very well known.

Regent Hosmer requested more comment on the level of interest in surveys of the program. Dr. Cajete responded several surveys have been performed among current students, alumni, and the 23 Tribes, and there is a significant level of interest in the program primarily because it is preparing the next generation of tribal leadership. It is expected the program will be impactful as the focus is on leadership. There is confidence in the demand; students may even have to be turned away.

Regent Fortner commented on the numbers of Native American students outlined in the proposal; 1,500 enrolled on campus and over 3,000 at the Branches, and he asked how many are taking courses online. Dr. Lee responded many of those students are at the Gallup Branch and many are taking classes face-to-face. This Fall will start a cohort of students taking online courses. Regent Clifford inquired about budget implications. The estimated budget for the first six years of

the program were included in the proposal. Most of the cost will be covered by the existing I&G, roughly \$450K will be covered by existing faculty. Regent Clifford said it looks like a really good program. Regent Hosmer asked for a motion to approve.

The motion to approve the Master of Arts degree for Native American Studies as presented in the Form D passed with a unanimous vote (1st Lee; 2nd Doughty).

FINANCE AND FACILITIES COMMITTEE

Approval of UNM Taos Project: STEMH Technical Career Center Phase II

Chris Vallejos presented the STEMH Technical Career Center Phase II capital project at the UNM Taos Branch on the Klauer Campus. The estimated project cost is \$4.89 million; approximately \$4 million will be funded from the 2016 General Obligation Bond, \$800K from Taos Educational Gross Receipts Tax Account, and \$90K from the 2015 Severance Tax Bond. The project will be an addition of 10,029 square feet to the existing Career Tech Center to further their STEMH program.

Regent Lee inquired about the enrollment growth. Mr. Vallejos stated according to the UNM Taos Branch Campus, the growth in the STEMH programs have increased 43.5% over the last ten years.

Regent Clifford inquired at what step they were in the capital project. Mr. Vallejos stated that once the Board of Regents approves the project it will be presented to the Higher Education Department for approval, and it will then be presented for final approval to the State Board of Finance since it is over \$750K. After all approvals are obtained they will go out for bid and begin construction. The anticipate construction beginning is October 2017 with completion in December 2018.

Regent Clifford stated he would like to hear from the Director of the UNM Taos Branch Campus on their programs. He has received great feedback from lawmakers they are happy with the direction.

The motion to approve the STEMH Technical Career Center Phase II UNM Taos project passed unanimously (1st Clifford; 2nd Doughty).

<u>Discussion and Possible Approval of FY18 Employee Benefits</u>

Dorothy Anderson, Brenda De La Pena, and Eric Weinstein of AON presented the FY 18 Employee Benefit plan changes. They understand there are difficult budget times ahead however, at this point in time and at this stage in the fiscal year it is important they begin moving forward with the plan changes in order to allow faculty adequate time to enroll in benefits prior to the end of the semester. They have vetted the proposed changes through a number of committees on campus including the Faculty and Staff Benefits Committee, Faculty Senate, Staff Council and all parties have agreed their preference at this point is to accept the increase in premiums versus making changes to the plan design. The information presented was included in the agenda eBook.

The first proposed change was to expand the Wellness Incentive Program, "Know Your Health Status." Last year they provided employees a one-time \$200 premium incentive for participation in a biometric screening for wellness. The request is to expand the program to cover spouses and partners \$100 one-time premium incentive for participation. They feel they have established a baseline last year and by expanding it they will be better able to develop programs for some of the most prevalent disease states at UNM.

The second proposed change was to not only defer the scheduled increase in contributions to the VEBA Trust. What has occurred is over the last two years they have asked that the 0.25% increase that was scheduled for the VEBA be deferred. This year would be the third year they would defer that increase. What they are requesting in addition to the deferment is to cap the increase to 0.75% until such time as the VEBA Committee determines a change is needed. The VEBA assets have accumulated and are expected to be at \$31 million at the end of this fiscal year, which is doing very well. The post-retirement health benefits have been discontinued for employees beginning July 1, 2015. Measures have been put in place to address and minimize the unfunded liability.

The third proposed change was in relation to the medical increases for FY18. On February 7th was projected a 5.1% increase for Active Employees, but due to a scheduled 5% shift in premiums for the Pre-65 Retirees their increase was going to be significant at 16%. The average increase for UNM because of that 5% shift was 4.4%. The UNM Retiree Association approached the administration and asked if they could set the premiums equal, and move forward with the 5% shift in contributions to get to the recommendation made in 2014 to fully blend the Pre-65 Retirees. The request was to set the overall premiums the same as the Pre-65 Retirees premiums are significantly higher, and they feel doing that will be able to change the increase minimally for Active Employees and UNM. If there is full blending of the claims information with the Active Employees, the overall increase is 5.1% and the average for Active Employees is 5.7%, a slight increase, but the Pre-65 Retirees costs would decrease significantly to 7.9%. The average increase for UNM would be 4.6%. The 5.1%

increase in premiums is below trend, which makes it a good time to fully blend the Pre-65 Retirees versus waiting another year. Based on this UNM would pay the 4.6%, Active Employees would pay 5.7%, and Pre-65 Retirees would pay 7.9%. The employer portion and cost to UNM for Instruction and General (I&G) Main Campus would be \$637K, and I&G Main Campus cost to Employees would be \$484K. This amount has already been included in the budget projections. The request to move forward will allow programmatic changes, communications, and employees and opportunity to enroll in benefits prior to the end of Spring 2017 semester.

Regent Lee commented due to open enrollment, they are not waiting till Budget Summit to approve this item. Ms. Anderson added open enrollment is scheduled to begin April 26 through May 12.

Regent Clifford commented that background information on the employee benefits were provided to the Regents for their review. It raises a lot of issues which have been addressed by the Board over the last years; a lot of progress has been made. They need to update comparisons to see where the plan stands in terms of competitiveness. He believes it will be helpful next year to get the Regents involved earlier because it is difficult to make changes last minute. The request is a \$2 million increase being committed to a budget that is facing difficulties.

Regent Doughty asked Faculty Senate President Pamela Pyle if faculty was involved in the discussions. Ms. Pyle responded they were involved and found the health care benefits were in the average of their peers. They are supportive of the full blending of the Pre-65 Retirees. The employees will have to raise their costs so she assumes the University would raise their costs as well otherwise it would be unfair. Faculty Senate approves of the proposal.

Regent Doughty asked Staff Council President Danelle Callan if they were also involved in the discussion. Ms. Callan stated they had several meetings and she shared this information at Staff Council meetings. They are supportive of the fully blending of the Pre-65 Retirees and approve of the proposal.

Regent Fortner inquired about retiree health care benefits and if it means the Pre-65 Retirees costs would be more affordable.

EVP Harris stated that was correct. This year was the last scheduled increase of 5%. The retirees met with the administration and made a proposal that they would rather accept the 5% increase but requested they fully implement the fully blended concept for the Pre-65 Retirees this year. The Retiree Association President, Kathy Guimond, was in attendance and the retirees are pleased with the resulting request.

Ms. Guimond stated they appreciate the opportunity to work with the University on this issue. The originally proposed increase was 16% would have tremendous burden on those with fixed incomes. This gets UNM back to where they planned to get back to.

Regent Quillen inquired if they had a plan to reduce the TPO to two, rather than three. Mr. Weinstein responded it was part of a longer-term discussion that had been brought forth; they have reviewed it and consolidated in some ways to two TPAs as Blue Cross Blue Shield is the administrator for UNM Health and their own health plan, along with Presbyterian. While the University has three health care and delivery options, they are in a sense down to two TPAs. The upside gain to consolidating is getting more savings out of the TPAs as TPA fees are generally \$3-4 million on a \$72 million plan.

Regent Quillen inquired about the wellness initiatives and collection of data, if there will be goals set related to the data and incentives for reaching goals. Ms. De La Pena responded last year's results are considered a baseline year for the University because it is the first year using services through Catapult. They did have some identifiable chronic disease management states. With that they know how they can target their efforts with regard to wellness and their plans and services. Ms. Anderson added the participation rate was 35% of those on the plan; they hope that percentage will increase next year. Using the data to set goals and provide incentives is where they would like to get to, tracking metrics at the individual level. They are not there yet this year.

Regent Clifford inquired if the VEBA deferment is saving the University \$2 million by not adding the 0.25% increase. Ms. Anderson responded the VEBA is an equal split between the University and employees so it is approximately \$1 million. The expectation, once they get between \$52-87 million that is when they can begin using the VEBA to pay for those post-retirement benefits. They are doing well on contributions and earnings.

The motion to approve the FY18 Employee Benefits passed by unanimous vote (1st Fortner; 2nd Hosmer).

Monthly Consolidated Financial Report (information item)

Liz Metzger presented the monthly consolidated financial report for the University that was included in the agenda eBook. The financial report was as of February 28, 2017. Ms. Metzger highlighted a few areas of concern. The first area affecting

the bottom line was a significant change in what they anticipated and budgeted related to the effect of the market on the unrealized gains and losses. There was a significant unrealized loss from the month of November 2016 related to the election. Unrealized losses do not affect the University's cash, it is an accounting entry they are required to recognize on their financial statements and it is being monitored. After November, things have stabilized. Looking at March preliminarily, they see the same leveling off but the change in interest rates will be interesting on how they affect their investments. They do have a meeting scheduled with their investment advisor at the end of April to discuss how to best position the University so they don't have any recognized losses. They do not plan on that as those are only recognized once they sell their investments, which is not a part of their investment plan. The other area of update was regarding Athletics budget. A pie graph with the information was presented. The non-endowed spending amount was \$556K positive; those are the sport enhancement accounts for various fundraising programs. Those do not include balances from prior years. The debt service section was almost at a breakeven. Athletics is charged monthly for that debt service. The operations of the Athletics Department, including salaries, sports travel, equipment, and scholarships were at \$700K. Overall, if you combine those sections at the end of February, they are in a small deficit of \$96K.

A graph was presented which detailed the overall balances at a consolidated basis. The overall balance was \$39.5 million positive including Main Campus at \$33 million, Branch Campuses at \$2.8 million, and HSC at \$3.4 million. The second graph was a representation of the consolidated Instruction and General (I&G) position at the end of February. The revenues and expenses offset to a difference of approximately \$40.7 million positive. Main Campus is 90% of the I&G budget, and of that amount at \$36 million, HSC at \$2.2 million and the Branch Campuses at \$2.5 million. Ms. Metzger noted nothing had changed at the end of February in relation to the tuition shortfall. Differential may be under budgeted and fees may still come in over the course of the year, but the main I&G pooled revenue shortfall is still the \$1.5M.

Regent Clifford inquired about the \$2.4 million increase in tuition. Ms. Metzger stated that was in result of the tuition increase that was in effect in the current fiscal year. There was a drop in enrollment but the change in tuition led to that difference.

Regent Clifford inquired about Athletics as there was a \$1.2 million improvement relative to last year based on higher revenues and slightly higher costs. Ms. Metzger is projecting their operations will end at approximately breakeven as opposed to a deficit of \$1.5 million. EVP Harris noted it is due to stronger revenues and the implementation of a number of cost saving measures by Paul Krebs. He is working on other revenue generating ventures.

PUBLIC COMMENT

John Garcia, former tourism Secretary, of Ski NM; Guy Jackson of USSC; Scott Snow, Alumni; Nick Veth, Student Athlete; Noah Brooks, ASUNM president-elect; Katharine Irwin, Student Athlete; Alsaz Praznik, Student Athlete; Mike Lovgey, UNM supporter; Steve Roholt, retired oral surgeon, skier; Scott Dietrich, Skier; Robert Barbera, Alumna; Courtney Altringer, Ski Team Alumna; Mark Eberhart, Ski Team Friend; Tim Fairfield, Alumni; Don McCandless, Alumni; Alan Veth; and Roman Movshovich; spoke in favor of UNM's athletic ski program; respectfully asked to maintain the funding for the UNM Ski Program; asked the regents to reconsider the decision to cut the ski team program and to reinstate it; all of the team members are outstanding student athletes, both academically and in leadership; skiing is an individual sport but is not an individual sport when you ski with the Lobos; urged the University to take some time, at least continue for one more year to rally financial support; a very broad spectrum of the NM community is being active in an outdoor activity that is supported by UNM; this is not the team to cut, this is the team to keep; they are so important, they need more support; this sends a negative message of punishing success and rewarding failure; ASUNM submitted a letter of support; the Regents were urged to examine the root causes that have led to this decision; all who gave comments requested the Regents reconsider the decision to cut the UNM ski team program.

• Student Regent Garrett Adcock requested a report from the athletic department, preferably before the budget summit, to outline, 1) the rationale behind the decision, and 2) what is being asked of other athletic programs to cut costs. If these few student athletes have to sacrifice this much, Regent Adcock requested to know what is being asked of the other student athletes.

Regent Clifford thanked those who came to give comments and those who submitted comments to Regents via email. Everyone has been overwhelmingly polite and considerate, and that is appreciated. This is not a decision that would ever be taken lightly. It is obvious the ski program is a very good program. This is a symptom of the difficulty of the budget situation the University is facing. These decisions are not and will not be made lightly.

Regent Hosmer seconded the comments of Regent Clifford and added the decision caught some of the Regents by surprise also. Regent Hosmer requested decisions of this nature be aired with the Regents sufficiently in advance so Regents have time to fully understand it and be engaged where appropriate.

Regent Lee added this is a highly emotional issue for many, and respect was shown and the understanding of the difficult decision is clear. Regent Lee appreciated the emails and public comments and how they were presented. The Regents will look at this further in the follow-up report Student Regent Adcock requested.

ADVISORS' REPORTS

James Lewis, Alumni Association President reported on recent and upcoming Alumni Association activities. Mr. Lewis noted, as the Alumni Association, they work in dealing with alumni in communicating the various decisions that go on on campus. The Alumni Relations office has an outstanding staff that does a tremendous job. One of their strategic goals is to maximize alumni and student engagement, examples are Donut Days, Trailblazer Ambassadors, Grad Fair, and a Student Recognition reception. They have the Alumni Association Global Education Office with Graduate Studies to develop a new partnership to build the international graduate student experience. The Dinner for 12 events were highlighted. The Alumni Relations office is working on engaging the various chapters around the country to support events. There were events in Dallas, San Francisco, Los Angeles, Chicago, and Denver. They are helping with recruitment and scholarships to tell the UNM story. Lobo Living Room events were highlighted. The Alumni Association will be hosting several Financial Literacy events around NM partnering with the Attorney General's office.

Regent Clifford would like to work with the Alumni Association to host a financial literacy event in Santa Fe, to which Mr. Lewis responded in agreement.

<u>Danelle Callan</u>, Staff Council President reported on recent and upcoming Staff Council Activities. UNM Staff are working hard on the admissions for the next group of Lobos coming in the fall. Staff Council encourages staff to further their educational aspirations and to utilize University benefits. Staff as Students events are held each semester to assist staff in registering for courses. Staff Council elections for grade representatives occurred this month and will be confirmed at the Staff Council meeting. While they wait on final budget numbers from the State, the uncertainty staff feel about the next fiscal year continues to rise. Staff appreciate the Town Hall meetings held by President Abdallah. Ms. Callan commended the Ski Team for their comments and the grace they showed in petitioning the Regents. She personally supports them and many other staff members do as well; there is not an official position at this time from Staff Council.

<u>Pamela Pyle</u>, Faculty Senate President, reported on recent and upcoming Faculty Senate Activities. Regent Lee recently attended a Faculty Senate meeting and it was a great event with good dialogue. Faculty Senate enjoyed meeting with a regent; some faculty feel however that Regents do not voice positive statements about faculty. Ms. Pyle commended the Ski Team on their insightful and entrepreneurial ideas and encouraged them to continue to gather their thoughts. She and many of her colleagues will be recognized for many years of service to the University. Faculty are dedicated to UNM and its students. They are concerned about continued cuts and the holding hostage of the budget at the State level and what it will do to the value of a UNM education.

Kyle Biederwolf, ASUNM President, reported on recent and upcoming ASUNM activities. Mr. Biederwolf applauded the UNM Ski Team on their professionalism in speaking today. ASUNM was able to meet with several student athletes and it was saddening and disheartening to see the sport being cut. The support from the community speaks for itself. They did a poll of students and they have 600 participate and 80% did not agree with the decision. President Elect Noah Brooks and ASUNM will stand in solidarity with our student athletes on the Ski Team. Mr. Biederwolf highlighted the success of the Ski Team Athletes. Women's Ski Team cumulative GPA was 3.92 with only two members not achieving a 4.0. The Men's Ski Team cumulative GPA was a 3.65. Regarding ASUNM, they completed their budget process including 130 student organizations. They allocated \$690K and spent 60 hours on the hearings and deliberations, it passed. Two resolutions were passed by ASUNM included one standing behind undocumented students and one supporting the Rugby Teams to be recognized as varsity status. ASUNM is working to develop a joint statement with other higher education institutions regarding the budget issues in the State related to higher education. They are working on a video related to supporting the Lottery Scholarship and solvency. Spring Storm was held in April and they had a lot of success. Noah Brooks was voted as the next ASUNM President, splitting the election had great results. Mr. Biederwolf will be graduating this semester.

Regent Lee inquired why ASUNM continues to cut Athletics student fees if they support student athletes; there are inconsistencies that are concerning. Mr. Biederwolf responded that the percentage cut this year was across the board and consistent to this year's cut. When they talk about student fees he believes students are doing their part as student fees are going up 10% due to the capital projects. Student fees shouldn't have to increase due to a potential mismanagement of the Athletics budget. Regent Lee said it is difficult when ASUNM cuts Athletics and then requests that programs are saved from cuts. They are in a difficult budget situation and they need to consider the value of what they receive from their fees towards Athletics.

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

The vote to close the meeting was unanimous (1st Lee; 2nd Hosmer.) The meeting closed at 10:14 AM. Closed session was held in the Bobo Room directly after open session. There was not luncheon executive session due to several Regents attending the annual HR service awards banquet. A notice was placed on the door of the Sandia Room on 3rd level of the Student Union Building to notify that closed session would be held in Bobo Room if open session finished before 11:00 AM. Regents Doughty, Clifford, Fortner, Hosmer, Lee, Quillen and Garrett Adcock were present during closed session. University Counsel, EVP David Harris and Acting Provost Craig White were also present.

VOTE TO RE-OPEN THE MEETING AND CERTIFICATION THAT ONLY THOSE MATTERS DESCRIBED IN THE CLOSED SESSION AGENDA WERE DISCUSSED DURING CLOSED SESSION

The vote to re-open the meeting was unanimous (1st Adcock; 2nd Lee). The meeting re-opened at 10:57 AM.

There was certification that only those matters described in the closed session agenda were discussed in Closed Session and there was one item upon which action was taken during closed session.

The motion to uphold in part, findings from the Student Conduct Committee, and that a year suspension was appropriate; as such, Lobos for Christ is eligible to reapply for charter immediately, passed by a unanimous vote (1st Lee; 2nd Fortner).

<u>ADJOURN</u>

Regent Doughty asked for a motion to adjourn the meeting. The motion to adjourn the meeting passed unanimously (1st Lee; 2nd Hosmer). The meeting adjourned at 10:57 AM.

Robert M. Doughty III, President	Jack L. Fortner, Secretary/Treasurer

Minutes of the Board of Regents of the University of New Mexico Budget Summit Meeting May 24, 2017 School of Law, Bratton Hall North Campus

Members present

Robert M. Doughty, President; Marron Lee, Vice President; Tom Clifford; Garrett Adcock

Members not present

Brad Hosmer; Suzanne Quillen; Alex O. Romero

Administration present

Chaouki Abdallah, Interim President; David Harris, EVP of Administration, COO, CFO; Craig White, Provost and EVP for Academic Affairs; Paul Roth; Chancellor for Health Sciences Center; Elsa Cole, University Counsel; Ava Lovell, Sr. Exec. Officer of Finance and Administration, HSC; Dorothy Anderson, VP HR; Liz Metzger, Controller; Eliseo 'Cheo' Torres, VP Student Affairs; Gabriel Lopez, VP for Research; Dana Allen, VP Alumni Relations; Chief Compliance Officer; Amy Wohlert, President's Chief of Staff; Pamina Deutsch, Policy Office Director

Regents' Advisors present

Pamela Pyle, Faculty Senate President; Alaa Elmaoued, GPSA President; Kyle Biederwolf, ASUNM President; Rob Burford, Staff Council President-Elect

Presenters in attendance

Terry Babbitt, AVP Enrollment Management; Norma Allen, Director of University Budget Operations; Nicole Dopson, Financial Officer, Operating Group; Brad Hutchins, Deputy Athletic Director; Vahid Staples, Budget Officer; Joe Cecchi, Dean of the School of Engineering; Dean Mathewson, Co-Dean of the School of Law; Daniel Ortega, Director, Master of Studies in Law Program; Alice Letteney, Chief Executive Director for UNM Valencia; Cindy Rooney, Chief Executive Director for UNM Los Alamos; Steve McLaughlin, Regents' Professor and Chair Dept. of Emergency Medicine

Others in attendance

Members of administration, faculty, staff, students, the media and others.

CALL TO ORDER, CONFIRMATION OF A QUORUM, ADOPTION OF THE AGENDA

Regent President Rob Doughty called the meeting to order at 1:08 PM; a quorum was confirmed. Regent Doughty stated the following modifications to the agenda:

- Move advisor comments, public comment, and comments from Regents forward to after President Abdallah's introduction and legislative update
- Move approvals of tuition and differential tuition proposals to occur directly after presentations of each of the respective items.

The motion to adopt the amended agenda passed by a unanimous vote (1st Lee; 2nd Clifford).

INTRODUCTION AND LEGISLATIVE UPDATE

President Abdallah started with an update on the budget. The total Higher Education General Fund is about \$779.3 million and of that, UNM is about \$291 million. The proposal is for about a 1% decrease, which will be about \$184.5 million for Main Campus, \$88.2 million for HSC, and \$19.1 million for the Branches. The Main Campus will be about \$175.8 million for I&G, \$2.6 million for Athletics, \$1.1 million for KNME; and about \$5.0 million for all other Research and Public Service Projects (RPSPs). The special session is meeting today and a budget will be expected out of the session in the next day or so, after which time the Governor will have a period to review it. The final budget is expected to be out by next week. This UNM budget has been built on the assumption of the 1% decrease of State Appropriations.

Regent Clifford commented any decisions made today should probably have some contingency language built in to the decision. President Abdallah responded the Regents will approve at this meeting the tuition and it will be used to upload the budget. The final budget document will be approved at the June 13 Board of Regents meeting.

President Abdallah addressed the history of the State Appropriations budget. The year 2009 was a peak, UNM was receiving a total of about \$334 million, and the amount is down 12.84%, about \$43 to about \$291 today. State Appropriations have decreased in the last decade by 9%, or about \$30 million. The University has been receiving less from the State, but has continued to invest in the academic mission and as a result has obtained record numbers in graduation rates and retention rates. The case can be made that despite UNM down from its peak in State Appropriations, the University has been a good steward of its budget in trying to target the academic mission. After saving efforts such as hiring freezes and centralizing services, more cuts however are still necessary. Part of additional cuts will be a 1% pay cut President Abdallah and the EVPs have agreed to take in their salaries. Additionally, there will be about \$200K elimination

in administrative costs, primarily by not filling positions. Some reserve balances will have to be used, but increased revenues are also necessary. Among UNM's 22 peer institutions, UNM is 3rd from the bottom in tuition and fee amounts charged [EXHIBIT A]. The point is that UNM is delivering a very high quality education at a lost less charge compared to the majority of its peer institutions. Additionally, within the State, tuition and fees as a percentage of median household income are 15.4%, again 3rd lowest among its 22 peers [EXHIBIT A].

Regent Clifford inquired the tuition revenue trend over the past ten-year period. President Abdallah responded that over the past ten years, there was a time when enrollment went up a little, which was helpful in balancing the budget. Overall tuition revenue has gone down about \$10 million, from \$140 million to \$130 million. Tuition rates have had on average over the past 8 years an increase of 4%. There was discussion on whether that is a compounded rate. President Abdallah stressed that for every 1% decrease in State Appropriations, the offset in tuition revenue would need to be 2% increase. Regent Clifford said he thinks it is more a 1.5% increase. There was discussion about affordability and total cost of attendance.

• Regent Clifford said he would like to see more information about total cost of attendance for different groups of students.

Regent Doughty asked President Abdallah to explain who was involved on the Budget Leadership Team (BLT) and the charge for the committee. President Abdallah responded the BLT is an assembly of a representative group, with students, faculty, administration and others with technical knowledge. The BLT starts to meet in the summer to prepare for the next budget and many meetings are held throughout the year. This year, six groups were formed to look at six different aspects of the budget. Recommendations from the BLT are made to the President.

ADVISORS' COMMENTS

Faculty Senate President, Pamela Pyle, spoke about value and how people are willing to pay for what is deemed valuable. Additionally, recognition of contributions is important, even in tough economic times.

ASUNM President, Noah Brooks, urged the Regents to not raise tuition. Over the past year, student have been faced with a lot of economic uncertainty. The reduction of the Lottery Scholarship support from 90% to covering only 60% of tuition will add to students' financial burden on over 7,000 UNM students and their families, resulting in up to \$1,300 out of pocket per student per year. Mr. Brooks urged the Regents to allow students time to adjust to the lowered Lottery Scholarship support before increasing tuition. Additionally, the student fee recommendations that will be presented today, cut funding from important programs to increase funding to \$4 million for athletics.

Regent Clifford inquired the student representation on the Budget Leadership Team (BLT). Provost White responded former ASUNM President, Kyle Biederwolf, was a student representative along with GPSA President on the BLT. Regent Clifford inquired the decision process and if the decisions were by consensus. Provost White confirmed of the BLT tuition vote, the ASUNM President was the only one who voted not in favor.

GPSA President, Alaa Elmaoued, spoke on behalf of graduate and undergraduate students who will be affected by the proposed differential tuition requests, and urged Administration and Regents speak to the students of the respective departments. Students who are not covered with assistantships will be greatly disadvantaged. President Abdallah responded 20% of differential tuition revenues will be set aside for student aid.

Staff Council President-Elect, Rob Burford, reported that the staff support the BLT recommendations. The staff and faculty have gone for a number of years with no raises. There are reports of improved graduation rates and those student successes are a result also of staff efforts.

PUBLIC COMMENT (no comments)

COMMENTS FROM REGENTS (no comments)

MAIN CAMPUS

Budget Overview and I&G Scenarios

Provost Craig White presented the item but first spoke more about the Budget Leadership Team (BLT). The BLT is a representative group from across the University. The team was split into groups to look at different aspects of the budget development, specifically: long-term strategic revenues; cost allocations with one goal shifting costs off of I&G; tuition and fees; branch campuses; FY18 budget build group; and a revenue enhancements group is looking at the long-term. Some of these groups will continue their work, specifically the ones looking at a longer-term sustainable budget. Today's presentations are primarily from the cost allocation and tuition and fee work. Provost White referred to slides that were

provided in the agenda eBook [**EXHIBIT B**]. The overall estimate in terms of a projected deficit is \$8.886 million. Provost began his address of the deficit by talking first about the revenue drivers, the largest being State Appropriations and Tuition & Fee revenue, both of which are down compared to last year's budget as well as the revised budget. Mandatory student fee revenue is up, this is pre-approved with a large part is going to debt service. Miscellaneous revenues and transfers is also up. Provost White addressed the expense side, the primary increases are utilities and the expenditure of the mandatory student fees. Other increased items under the expense category are: healthcare fixed costs (\$955K); Department of Justice compliance (\$168K); faculty promotions (\$280K); and Presidents' initiatives (\$700K).

Regent Lee inquired if UNM Press is under President's initiatives. President Abdallah responded one-year support for the Press. There are other initiatives, one is a veterans' initiative. They will all be academic initiatives. Regent Lee added with respect to UNM Press, UNM takes on costs for an entity that is utilized by the entire State. There was discussion about the UNM Press.

Regent Clifford stated it is more helpful to take out the mandatory student fee as a source and use of funds, and then one can see more clearly that the revenue side is down about \$5 million and the expense side is up about \$3.9 million, which gives the \$8.9 million total gap. Looking at the revenue lines, the tuition decrease is the biggest impact. Terry Babbitt responded the tuition impact takes into account a higher impact due to the lottery, an impact on a larger senior class, and a higher graduation rate. At this point, the assumption is the lottery scholarship will cover approximately 60% of tuition. That comes to about a \$1,500 annual net cost addition. Lottery Scholarships effect about 7-8,000 UNM students annually, a little more than a third of the undergraduates. Regent Clifford stressed this is an important factor when considering tuition changes.

Regent Doughty asked President Abdallah to address the impact of increased graduation rates, the 4-year graduation rate now approaching 23%. President Abdallah made a tongue-in-cheek comment the best university model is to admit students and never graduate any one of them. Basically, the more efficient the university, the more new students need to be brought in or a stop to students leaving along the way, and there has been much effort toward retention. UNM is graduating more students than it ever has. Since the numbers of incoming students from within the State are decreasing, there has been increased effort toward recruiting from out-of-state as well as from elsewhere, for example non-traditional students. Recruitment is working, but there has been a decline in the non-traditional student population. President Abdallah will encourage more emphasis on supporting recruitment of non-traditional students, with for example online courses and veteran's initiatives. The goal for the longer-term is for UNM's reputation to go up, attracting more students, keeping more students and graduating more students. It's better to focus on reducing attrition of students, because those students are already here.

Regent Clifford inquired the cost to the student per year when they do not graduate. President Abdallah responded it is about \$60-65K per year, taking into account lost salaried income from entering the marketplace.

Regent Lee inquired if the 'graduate in four years, receive the last semester free' model that was introduced by Regent Doughty has helped with retention rates. Dr. Babbitt responded this plays an important role in the tuition model that will be proposed. This is the first semester of having students in the finish-n-four initiative, and several hundred are taking advantage of this. Prospective students are coming in very interested in this. The last semester free adds real value to the student. Regent Lee commented the living on campus requirement for freshmen starting Fall 2018 should impact retention and graduation rates. Dr. Babbitt confirmed there is no one factor that contributes to graduation rates, but a combination and it depends on the individual student, but regarding the freshmen living on campus requirement, they will track that to evaluate the effect on graduation rates.

Budget Savings Initiatives

Provost White introduced the item and then introduced Nicole Dopson and Noma Allen to talk about the savings initiatives in the areas of I&G expense/cost reductions, main campus hiring moratorium and vacancy savings, and consolidations and reorganizations. Ms. Dopson addressed the expense and cost reduction strategies. The focus was on expenditures that have a limited effect on the academic mission and encouraging organizations to utilize resources outside of I&G. The bottom line savings is \$2.6 million, a lot of which comes from food and travel. Regarding attrition, there is a \$700K estimate for additional gained from attrition. This will bring total costs reductions to over \$3 million. [EXHIBIT C]. Ms. Dopson addressed the vacancy savings. In September a hiring freeze was initiated and a hiring review process began. Any vacancies needed approval to be filled. As of today, vacancy savings in Academic Affairs has been \$1.8 million, eliminating over 66 positions; in President's organization, a savings of over \$200K in the President's organization, eliminating 3.5 positions; in EVP for Administration's organization, a savings of almost \$1 million, eliminating 14 positions. [EXHIBIT D]. The positions eliminated are both I&G and non-I&G positions.

Norma Allen presented the individual consolidations and reorganization efforts, and the last 3-year trend of main campus staff I&G budgeted FTEs. Over the past 3 years, 278 positions have been dropped, of which are 69 over the past year. [EXHIBIT E]

Regen Clifford responded that it would be helpful to see this translated into actual savings, and added when talking about reductions the focus needs to be on funded positions. Regent Clifford requested to see the savings in terms of total estimated compensation cost per person for the funded positions.

Provost White clarified this portion of the presentation focused on the breakdown of the \$2.9 total reduction on the expenditure side. Regent Clifford added the presentation made in April regarding savings through attrition reported much higher numbers. Ms. Dopson responded the prior reports on workforce reduction assumed not only attrition but also layoffs in scenarios assuming no tuition increases. Workforce reduction was a plug to balance a budget assuming no tuition increase.

Regent Lee asked for clarification that this proposal was or was not showing savings through attrition only. Ms. Dopson clarified the proposed \$700K savings would be through annual staff attrition only. Regent Lee asked for comment on how we are doing on consolidation efforts. There was discussion about ongoing and future consolidation efforts, including ongoing efforts in the IT area. President Abdallah commented about the connectedness of organizations and functions within the University; it is important to prioritize, but an overall view is necessary.

<u>Athletics</u>

Brad Hutchings and Vahid Staples presented the item. Over 80% of the athletic budget comes from self-generating revenues. Those revenues have been effected by tough economic times and external factors. Ticket sales, advertising, corporate sponsorships and concessions have all been effected by the slow economic recovery in the State. On the expense side, tuition increases directly increase scholarship expenses, which is untypical for most departments at the University. Healthcare premiums and utilities have been a constant increase and also directly affect the unit. Athletics gets hit also in the area of reduced State Appropriations. Mr. Hutchins said a budget committee has been created to look at ways to reduce expenses while increasing revenues. Several budget saving outcomes came as a result and are reflected in the FY18 budget. Some of the budget details are: elimination of nine positions; the elimination of I&G Learfield Tickets partnership; increased camp fees; vacant positions are on a pause and hold; new-hires start at lower salaries; reduction in event management expenses; and charging the tennis club for PPD services. Mr. Hutchings discussed details of [EXHIBIT F].

Regent Doughty inquired how the athletic department estimate anticipated ticket sales for men's basketball and football. Looking at FY17 projections and actuals, there is a \$1.6 million deficit, and Regent Doughty asked how they can miss the mark so much. Mr. Hutchins responded that two years ago there was around \$1.6 million of football revenue. Season ticket holders are anticipated and then having two home games at the beginning of the season will help momentum in sales. Estimates are based on prior years' sales and future ticket prices. Affordable price points are important and whether the team is winning is another important factor in ticket sales. Budgeted ticket sales for this next year are more in line.

Regent Clifford commented the expenses remained flat compared to the FY17 budget. He had the idea there would be cost containment efforts undertaken in athletics. Mr. Staples clarified the FY17 budget column on [EXHIBIT F] shows the revised budget. Regent Clifford asked for the original FY17 budget numbers in order to see reductions from the original budget numbers. There was discussion about the \$146K transfer out of revenue to main campus. That is primarily to pay for band support. Regent Clifford asked if the debt service is reflected in the budget to which Mr. Staples responded it is not. It is about \$2.4 million per year.

Student Regent Adcock inquired how the new student athlete insurance expense will be reflected in the budget. Mr. Hutchins responded the details are currently being negotiated with UNM Health Sciences and he could get the details to Regent Adcock soon. Student Regent Adcock also why there was a huge overage of football equipment between FY17 and FY18 budgets. Mr. Hutchins responded that line item was not budgeted before; the team had not had new uniforms in five years and some were bought. The hope is to spread that out year over year.

Regent Doughty inquired where the funds from the Dreamstyle naming are budgeted. Mr. Hutchins said it is reflected as a gift and is in the fundraising numbers in the FY17 actuals and shows up under naming rights in the FY18 budget.

Regent Clifford expressed concern the personnel line item shows an increase of \$295K from FY17 revised budget to FY18 budget. Mr. Hutchins said he would get the details of that to Regent Clifford.

Regent Lee addressed the special events revenue line item. There was discussion of the limitations within the arena for being able to host special events, namely no roof rigging for hanging lights and an inadequate sound system.

Tuition Proposal

Terry Babbitt presented the item. Dr. Babbitt chaired the BLT tuition modeling sub-committee which had faculty, student and staff representation. Over the years there have been tuition models that contributed to student success improvements and it is the understanding the proposed model supports student success and affordability. What is happening in strategic tuition planning nationwide is that differentiation in higher education pricing is an essential element for consumers and institutions. That is why the recommendation is not an across the board tuition increase. There are all kinds of differentiations, primarily program related and based on outcomes. Aligning price with costs and affordability brings transparency and supports access to universities. Upper division courses in the major (300 & 400 level) are of higher value for content expertise and also taught by tenure track instructors in much smaller classes. Not recommending a tuition increase for lower division courses allows for maintaining lower costs in the first year and mitigates other big ticket items such as room and board, minimizes loan default damage and builds momentum during post-secondary students' most vulnerable time. This model is not new, there is differentiation going on, some of them by programs, some by program and level. At Texas Tech, for a student to get the estimated cost, they have to put in every course in a tuition calculator. This particular model is more in line with what Colorado State does, charging everywhere from \$50-90 extra per credit hour. Michigan State has an upper division premium of exactly \$30 per credit hour. Differentiation is more the norm now than the exception.

The proposed model is a \$23 per credit hour upper division premium curriculum surcharge in addition to regular tuition for upper division classes. The premium will be assessed at the course level. It is much like a differential tuition. Courses that are not upper division (300 & 400 level) will not have the proposed \$23 per credit hour premium charge. After financial aid is invested in the most vulnerable students, for example Pell students, those students will in effect see only approximately a 2.4% increase and that will be due to fee increases only. Fee increases are about \$200 annually. That group will be over 12,000 students. [EXHIBIT G]. There was discussion that the graph includes combined tuition and fee impact. The Regents said it should show tuition impact only, so the 12,000+ students, many of them vulnerable, after receiving financial aid will in effect see a 0% tuition increase. Altogether there are about 4,700 Pell students who are estimated to receive financial aid and after financial aid would in effect see no tuition increase, only the fee increase of about \$200 per year.

Regent Clifford commented that the Lottery Scholarship reduction in support will be layered onto this and he asked how many students taking upper division classes would be impacted. The proposed premium will impact about 7,000 students and about a third of those will also see a lottery scholarship impact. There was discussion. With regard to the Lottery Scholarship impact, there is a separate fund for financial aid to Pell students. There was discussion about other students' who would need to pay as much as \$2,500 per year more and in those cases, if they need financial assistance, reasonable loan options are available. A good rule of thumb for loan debt being to not borrow more than the first year post-graduation expected salary. Average debt amount is currently \$22K and so is not overly burdensome if average annual post-graduation salary is \$40K.

President Abdallah added that this is where the Finish-n-4, with the last semester free, will be impactful and any tuition increase would be a wash.

Student Regent Adcock inquired if this there was consideration whether this tuition model could affect attrition. Dr. Babbitt said that was looked at and of concern. Right now, in junior and senior years, there is about an 8% attrition rate which is very low compared to the first two years.

Dr. Babbitt addressed the proposed graduate tuition proposal [**EXHIBIT H**]. The University's graduate enterprise is extremely valuable. UNM is one of only 74 of the highest research activity universities in the country and this is because of the graduate enterprise in conjunction with the research. The tuition proposal is a 5% across the board tuition increase and a \$23 per hour premium curriculum charge for graduate programs with no differential including Arts & Sciences, College of Education, College of Fine Arts, University Libraries and University College, and a free increase of 4.64 to \$68.20. The proposed 5% increase has to do with the value of the undergraduate. UNM peers average 20% separation in undergraduate versus graduate tuition, UNM is at 4-5% separation, so the 5% increase is to raise the graduate tuition. The \$23 premium is similar to a differential.

There was discussion about the tuition proposals.

Regent Clifford summarized that the identified shortfall is roughly \$8.9 million, and the proposal is to close that gap with about \$5.6 million of tuition revenue enhancement, and then cover another \$3.3 million out of cost reductions. Regent Clifford said he would be much more comfortable if there were a more balance approach between the tuition increase and the cost reductions, for example \$4.5 from each, tuition and cost reduction. It would be a 20% shift. That should be achievable. Communicating that there are efforts on the cost side are very important. Regent Clifford proposed a \$4.4 million revenue enhancement number and for that to come out of the undergraduate and graduate premium that is being

suggested. That would be around \$18 per credit hour and Regent Clifford said he was prepared to make that a formal proposal. President Abdallah commented that any additional cuts are going to hurt. There are probably inefficiencies in the system but anything right now is going to have to go to ask the colleges to come up with \$1 million, and this could have long-term negative effects.

Regent Doughty said there are two very different views. Students are adamantly opposed; faculty supports. The BLT has done a great job. The State has cut 7% and to make up for that, translates to 10% for the University. There was discussion.

Norma Allen clarified the proposed tuition enhancement gross amount is \$7 million, and nets to \$5.6 million. There was discussion.

Regent Clifford moved approval of a \$17 per credit hour premium on upper division undergraduate courses, and a \$17 per credit hour premium on graduate classes that do not currently charge a differential tuition, and a 5% increase in graduate tuition; Regent Lee seconded. There was more discussion.

Student Regent Adcock requested to consider dropping the 5% increase in graduate tuition to 4% since about 60% of the graduate students will see a 12.5% overall increase in tuition. There was more discussion. The premium increased slightly to offset the reduction from 5% to 4% of the across the board graduate tuition increase.

Regent Clifford offered a friendly amendment; Regent Lee accepted the amendment.

The motion to approve a 0% increase in undergraduate tuition, an \$18 per credit hour premium on upper division undergraduate courses, a 4% increase in graduate tuition, and an \$18 per credit hour premium on graduate classes that do not currently charge a differential tuition, passed unanimously (1st Clifford; 2nd Lee).

Regent Doughty commented the Board of Regents will come back at the currently scheduled June 13 Board of Regents regular meeting to approve the final consolidated budget.

Student Fee Review Board Proposal

President Abdallah presented the item [EXHIBIT I]. Every single organization asked for more funds, and probably none of the programs got the amount they initially requested. The SFRB does a really good job in analyzing funds for these organizations, looking at number of students, how many students benefit, the importance to the general student body, etc. The SFRB provided its recommended proposal for the breakdown of student fees. The SFRB's recommendation went to the Budget Leadership Team. The BLT recommends to the President and then the President recommends to the Board of Regents. In this case, President Abdallah took the BLT's recommendation which was the same as the SFRB recommendation, and shaved funds from each organization to shore up funds to athletics to the \$4 million funding level. There was discussion.

The motion to accept the student fee recommendation as presented by President Abdallah passed unanimously (1st Lee; 2nd Clifford).

Differential Tuition Requests - School of Engineering

Dr. Cecchi presented the item and referred to slides that were made available in the agenda eBook. The request is for approval of a differential tuition of \$50 per credit hour for both resident and non-resident tuition for graduate students in the School of Engineering (SOE). There currently is not a differential tuition for graduate SOE courses. The revenues of the UNM SOE have not kept pace with the rising costs of delivering high-quality, research-driven graduate engineering and computer science degree programs. It is increasingly difficult to recruit and retain outstanding faculty. It is also a challenge to recruit high-quality graduate students and they are the workforce of the robust research enterprise while they earn their Masters and PhDs. Among UNM's graduate programs, 70-80% of MS and PhD students are supported either by their companies, as TAs, or in most cases, by tuition and stipend support from faculty research contracts. The SOE proposes a graduate differential tuition of \$100 per credit hour to be phased in over two years. The proposal translates into an average differential tuition of \$1200 per hear for the typical graduate course load of 6 credit hours per semester, 12 hours per year. The SOE's graduate engineering and computer science programs are among the only professional graduate programs at UNM that do not have differential tuition. Dr. Cecchi discussed more details. Faculty research contracts and grants provides the largest source of graduate student support. The SOE faculty generate over \$33 million per year in external research contracts and grants, leveraging the \$16 million per year in the I&G funding received by more than a factor of two. A major use of this external research funding is to support graduate students, including tuition, fees, and a stipend. Additional support comes from employers, TAs, Gas, and Pas leaving only 20-30% of graduate students unsupported. With the proposed 20% financial aid set aside, the amount of differential tuition that unsupported students would pay would vary from zero to about \$33 per credit hour, depending on the number of unsupported students. The proposed resulting SOE graduate tuition is 24% below the AY 16-17 average of the 22 peer institutions, which places UNM

15th in tuition among the 23 schools. Despite this, the SOE ranks 10th out of the 23 schools in annual research expenditures per faculty. The SOE ranks 12th out of the 23 schools in the current US News graduate programs rankings. All of the differential tuition revenues will be allocated to graduate educational expenses and actual allocation will depend upon budget needs, except for need-based aid which will be 20% of the total revenues. Dr. Cecchi showed an example breakdown of how \$1.2 million in revenues could be spent. There was further discussion.

Student Regent Adcock inquired if the \$23 tuition premium was a proposal at the time this differential was developed and if so, could the SOE settle with the \$23 tuition premium rather than the differential it is proposing. Dr. Cecchi said when the differential proposal was developed, they were not aware of the \$23 premium proposal; however, that would be insufficient and far short of the \$100 that the SOE needs. There was clarification that funds from differential tuition go directly into the college.

Regent Lee commented the engineering students are fully employable when they graduate and inquired if anything is being done to retain those students in the State of New Mexico. Dr. Cecchi responded organizations like STC.UNM foster employment with their support of start-up companies in the State. President Abdallah added that many of the students do get recruited to work in the national labs in New Mexico.

Student Regent Adcock commented on behalf of the graduate students who work under federal or similar-type grants and inquired if the research contracts are written such that funding will cover increases in tuition. Dr. Cecchi responded this would require a case by case analysis, but in general his understanding is the labs would cover the increase. In some cases, tuition increases are incorporated when proposals are renewed. This was also discussed with the students in a town hall.

President Abdallah commented that UNM is so much less expensive than other universities, for instance in California, that receive similar-type grant funding, implying that grant proposals requesting funding for tuition increases will still be very much under other tuition amounts that are funded at other universities.

The motion to approve the School of Engineering graduate tuition differential passed by a unanimous vote (1st Lee; 2nd Adcock).

See [EXHIBIT J]

<u>Differential Tuition Requests - School of Law</u>

Dean Mathewson presented the item. Dean Mathewson opened by welcoming the Regents to the School of Law; this may very well be the first time the Board of Regents have held a meeting at the School of Law and so it is an exciting day. Dean Mathewson turned the presentation over to Daniel Ortega, director of the Master of Studies in Law (MSL) program. Mr. Ortega referred to slides that were provided in the agenda eBook. There is a lot of need for legal knowledge, particularly in highly-regulated fields. The primary goal of this new degree program is about enhancing job skills of mid-career professionals and recent college graduates. The application pool bares that out, and most of the applicants intend to take this program on a part-time basis. For the upcoming year, 5 part-time and 1 full-time NM resident have been admitted. Ten more applications are awaiting review, all are New Mexico residents. There is also a wide-range of career fields represented. The size of the program is dictated to a degree by the American Bar Association (ABA), it acquiesces in non-JD degrees, it does not approve them. The UNM School of Law got a letter of acquiescence from the ABA allowing up to ten students. The school will keep an enrollment goal of 8 FTE students, including part-timers, to avoid a major change in the 9:1 student to faculty ratio which is a major strength of this law school with one of the best ratios in the country. This program represents quite a change for the law school in its seventy years of operation. This new degree is the first since the law school's founding in 1947. Mr. Ortega discussed the impacts of the MSL, including more access to legal education in NM; keeping talented students in NM for in-stat jobs; and enhancing skills and performance for current job promotion or new jobs. There is the suggestion that those who will hold this degree with have a premium in their earnings. Studies show that on average people with master's degrees with earn approximately \$400K more in their careers than those with a bachelors, which could be about \$200K for those mid-way through their career. Compared to the 86-hours required for a JD degree, this curriculum is 30 credit hours. A full-time student can do it in three semesters. Graduates of this program cannot take the bar exam or practice law. In follow-up to a comment Regent Lee made in the committee meeting, graduates of this degree cannot take the NM bar exam, but they would be able to take it in 7 other states, California, Vermont, Virginia, Washington, Maine, New York and Wyoming. However those who take those bar exams without a JD degree have only a 28% passage rate.

The request is to extend the existing differential tuition for the JD program to the MSL program. The current JD differential tuition is \$352.34 per credit hour for residents and \$527.05 per credit hour for non-residents. All MSL courses are taught by JD faculty, so the cost of instruction is the same for both degree programs. Approximately \$35K will be generated the first year and with 8 FTE students would generate approximately \$85K per year. When the differential request was posted

on the MSL website, no comments were received with regard to the tuition level. Potential applicants are aware of the tuition and there have been no negative comments.

Dean Mathewson commented the MSL program was approved by the Board of Regents in April 2015. The financial projections presented at that time included the tuition differentials. If the differential tuition is not approved and with the current accepted applicants for the upcoming year, the program will have to be operated at some time at a loss.

Regent Clifford inquired about the criterion in the policy that addresses charging differential tuitions. Nicole Dopson responded the costs of the program need to be demonstrated and also that upon graduating the student has potential to make a higher income allowing quicker pay-off of any added debt incurred. Some accreditation standards could cause higher costs. Regent Clifford asked if administration was comfortable this program meets all of those criteria. Provost White responded for this professional degree, the criteria are met.

Regent Lee commented she does not support this program. She would support it if was attached to current student enrollment here at the University. An attorney has to take continuing legal education because the law changes, and taking a snapshot in a master's program on how the law works is disingenuous when the argument for making a higher salary is used. Regent Lee said she would support this if it was allowed as a supplemental to currently enrolled students, who are in for example the healthcare field, and dove-tailing it on a current degree, much like a BA/MD. A Masters of Law on its own, we don't know what effect it will have in other jurisdictions. There is also the issue of quality control and keeping the standards for legal representation very high in New Mexico.

There was discussion about the value of the MSL versus the value of a JD degree. Regent Clifford said it doesn't seem the MSL would be as valuable as the JD.

The motion to approve the School of Law differential tuition for Master of Studies in Law failed to pass with a vote of 2-2; Regents Adcock and Doughty voted for; Regents Clifford and Lee voted against (1st Adcock; 2nd Doughty).

BRANCH CAMPUSES - Los Alamos Tuition/Fee Proposal and Valencia Tuition/Fee Proposal

Provost Craig White introduced the item. UNM-Valencia and UNM-Los Alamos are requesting tuition increases. UNM Valencia is requesting a 3.99% (\$3.00 per credit hour in tuition only with no fee increase) increase in resident tuition and fees and a 4.78% increase in non-resident tuition and fees; UNM Los Alamos is requesting a 3.73% (\$3.00 per credit hour in tuition only with no fee increase) increase in resident tuition and fees and a 3.85% increase for non-resident tuition and fees. [EXHIBIT K]

Provost White introduced Dr. Alice Letteney, Chief Executive Director of UNM-Valencia to speak about the tuition and fee proposal for UNM Valencia. Dr. Letteney said that the UNM Valencia Advisory Board did pass this tuition and fee request. UNM Valencia is looking at a \$580K cut due to reduced State Appropriations as well as some downturn in enrollment. To address this reduction, six positions have been cut, one full-time faculty, 5 full-time administrative and student services, and 3 staff members have been reassigned to take on additional duties. Total cuts of \$385K in expenditures have been made, some of the cuts are also due to utilities savings. The Valencia Advisory Board follows a tuition policy, and that policy takes into account a number of factors such as enrollment and inflationary factors. The board reviewed the policy, plugged the numbers and the \$3.00 tuition increase is the result. This will add \$71K of revenue. Dr. Letteney made an announcement that the Upward Bound Grant was recently accepted for 5-years. This will result in \$275K per year to bring high school students up to college level. Over 20% of the operating budget this year is Contract & Grants. Much effort is made to bring in as much federal and private monies as possible. There is also a lot of scholarship money; 47% of students are on Pell grants.

Regent Clifford asked for clarification in the revenue generation from the proposed tuition increase. Dr. Letteney confirmed the estimated would be about \$71.4K. Regent Clifford inquired if the \$385K of cuts is from prior year FY17 budget to current year FY18 budget, to which Dr. Letteney confirmed. Regent Clifford said he supported that.

Provost White introduced Dr. Cindy Rooney, Chief Executive Director of UNM-Los Alamos (UNM-LA) to speak about the tuition and fee proposal for UNM-LA. Los Alamos is also asking for a \$3.00 per credit hour increase in resident tuition. Because UNM-LA is the smallest branch, this will bring in only \$36.3K, which is enough to support a 0.5 FTE faculty member. Over the last 5 years, as faculty has left UNM-LA has replaced them with adjunct faculty. This will help toward core faculty. The amount UNM-LA is losing from the State compared to last year is \$130.3K.

Regent Clifford inquired about cost containment measures and trends in costs. Dr. Rooney responded overall expenses are going down. There is heavy reliance on grants, and when that soft money, versus I&G money, expires a lot of the times those activities simply cannot be continued. So total expenses, which includes grant funding, are going down. There is hope in about 3 new grants, so that might change. Total budget will be at about \$5.5 million. The mil levy that passed is

allowing UNM-LA to continue at about the same level. In communications to support the mil levy, it was communicated there was need for funds to cover the lost State Appropriations, and those funds would be used to restore some of the faculty positions that had been lost and to continue some of the programs that had begun on grant funds. One example is the cyber-security program that started six years with and NSF grant fund, and there is effort to continue that program and fund new positions that were previously funded with grant funds.

Regent Clifford to see the budgets with multiple-year trends.

The motion to approve the Branch Campus Tuition and Fee proposals passed by a unanimous vote (1st Adcock; 2nd Lee).

HEALTH SCIENCES CENTER

Budget Overview and I&G Scenario

At the meeting, it was decided the materials provided for this item would not be presented. Regent Clifford thanked Dr. Roth and Ava Lovell for the HSC budget slides provided. The only HSC item to be approved at this meeting was the differential tuition request, so it was decided in the interest of time to go straight into that presentation. The HSC budget would be approved at the budget approval meeting.

<u>Differential Tuition Requests - Emergency Medical Services</u>

Steve McLaughlin, Chair of the Department of Emergency Medicine, presented the item. Materials were included in the agenda eBook. The UNM EMS Academy is designated by statue as the lead Emergency Medical Services training agency for New Mexico. Over the last several years, the program has seen over 35% increase in graduates and retention, and it is expected the number will keep growing. These are accredited programs, professional programs, and they have unique elements in that the students are heavily taught by physicians, so there is a faculty expense there. As well, there is use of labs to teach procedures and the use of life-like manikins. There currently are not differential tuition charges in the program. The request is for a tuition differential of \$60 per credit hour to support the EMS Bachelors of Science degree. This will apply for 3rd and 4th year only and would generate approximately \$190.8K. If approved, the differential tuition will go into effect the upcoming academic year beginning in the Fall 2017 semester. The additional \$60 per credit hour in comparison to 10 EMS or similar degrees would still have the UNM EMSA in the lowest 3 for tuition costs, and well below the median of all compared institutions. This differential has been communicated to students by various means and they have shown overall support. The program is set up so that the student can work in the 3rd and 4th year as a paramedic, so this can offset the cost of addition tuition. This has also allowed an over 99% job placement rate within three months of graduation. The necessary increased revenues will be used to support faculty expense, support staff, operating expenses and simulation equipment, all of which are necessary for training future EMS professionals. Additionally, this will benefit increasing accreditation standards, required physician involvement and specific instructor-student ratios. Ten percent of the tuition differential revenues will be set aside for student financial aid.

Regent Lee commented the over 99% job placement rate within three months of graduation is huge, and she inquired regarding job placement if the program tracks where students go after graduating. Dr. McLaughlin responded that looking over the last 5 years, over 90% stay in New Mexico to practice EMS.

The motion to approve the tuition differential for the Emergency Medical Services Bachelor of Science Degree passed by a unanimous vote (1st Lee; 2nd Clifford).

The motion to adjourn the meeting passed unanimously (1st Lee; 2nd Clifford). The meeting adjourned at 4:53 PM. Approved: Attest: Robert M. Doughty III, President Regent Secretary/Treasurer

Peer Tuition & Fee Rates

UNM Peer Institution Tuition and Fees 2016-17

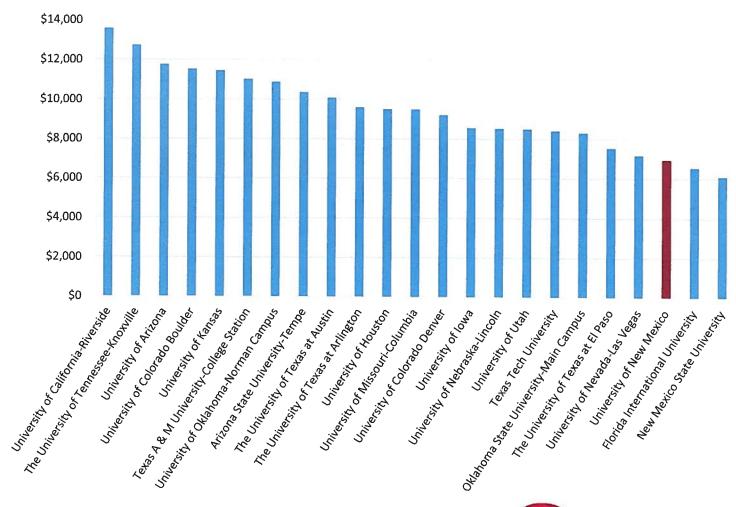




Exhibit B

	Ma	In Campus				
有的是国际的国际	Budget Recom	mendation Su	ımmary			
	FY 18 Budg	et (In Thousa	nds)			
	Fiscal Year 2017 Original	Change	Fiscal Year 2017 Revised	Change	Fiscal Year 2018 Original	% Change
Revenues			The state of the s	The second secon		A
State Appropriations	186,231	-9,312	176,919	-1,593	175,326	-0.9%
Tuition Revenue	134,308	-1,500	132,808	-3,174	129,633	-2.4%
Mandatory Student Fees	35,137	-275	34,862	2,875	37,737	8.2%
Miscellaneous Revenues and Transfers	-10,522	2,116	-8,406	-1,451	-9,857	17.3%
One-Time Use of Reserves	o	О	0	1,000	1,000	N/A
Subtotal Revenues	345,154	-8,971	336,183	-2,343	333,840	-0.7%
Health Sciences Center Transfer	-16,844	338	-16,506	70	-16,437	-0.4%
Total Sources of Funds	328,309	-8,633	319,677	-2,274	317,403	-0.7%
Expenses						
Base President/Administration	7,317	251	7,067	25	7,042	0.3%
Base-Academic Affairs	171,716	-5,363	166,353	768	167,121	0.5%
Base-EVP for Administration	43,046	-1,540	41,506	376	41,881	0.9%
Base-Must Funds (Fringes, Insurance, etc.)	53,909	-617	53,292	-73	53,219	-0.1%
Utilities	17,185	-587	16,597	587	17,185	3.5%
Mandatory Student Fees	35,137	-275	34,862	2,875	37,737	8.2%
Fixed Costs - Health Care	0	0	. 0	955	955	N/A
Department of Justice Compliance	n	n	n	168	168	N/A
Faculty Promotions	0	0	0	280	280	N/A
President's Initiatives	o	o	0	700	700	N/A
Total Use of Funds	328,309	-8,633	319,677	6,612	326,289	2.1%
Balance	U	U	U	-8,886	-8,886	

Exhibit C

FY18 EXAMPLE OF SUBCOMMITTEE RECOMMENDATIONS (in thousands)

TES EXPLAINED ET SOBEOMINITTEE RECOMMENDATIONS (III tilousalius)			
	Amount	Committee/Subcommittee	Fund Type
Revenue Enhancements - Recurring	Airiouric	Committee/ Subcommittee	runu rype
Tuition Options (Model Changes):			
Current Tuition Model + \$23 per Credit Hour for All Upper Division +5% Tuition Increase for Graduate Students +\$23 per Graduate Credit Hour for Hours That Currently Do Not Have a Differential (80% of \$7M)	5,589	Tuition and Fee	
Total Revenue Enhancements	5,589		
Expense/Cost Reductions - Recurring		Contract to the second	
Food and Business Meals	551	Cost Reallocation	I&G Only
Travel and Per Diem (25% of I&G Total)	640	Cost Reallocation	I&G Only
Administrative Overhead - Public Service	200	Cost Reallocation	
Administrative Overhead on Research and Public Service Projects (RPSPs) 5%	252	Budget Development	
UNM Cellular Options (Basic Phone Plan or Reimbursement up to \$50)	79	Cost Reallocation	All UNM
50% Reduction of Sick Leave Sell Back - I&G 25% of total (estimated). Full Elimination in FY19.	100		All UNM
Reduction in Foundation Allocation	128	Budget Development	I&G Only
Alumni Relations	213		I&G Only
Graduated Leave Accrual - Version 2: No savings until FY 19	0	Budget Leadership Team	All UNM
Dispute Resolution and Faculty Ombudsman - Move to Misc. Fringe	238	Cost Reallocation	I&G Only
Upper Administration Salary and Workforce Reductions	200		
Total Expense/Cost Reductions	2,600		
Workforce Reduction Options - Recurring	心室缺乏更		15m7 至4m (w
Reorganization/Attrition (estimated)*	696		
Total Workforce Options	696		
Potential Resources and Cost Savings to Offset Projected Shortfall	8,886		
FY 18 Projected Shortfall	-8,886		
Net Total	0		
Notes:	P20 91010 1 00 yeste, germana 120 101 120 120 120 120 1		

^{*} Regular Faculty Average for 1 FTE: \$82,000. Regular Staff Average for 1 FTE: \$50,000. Regular staff includes exempt, non-exempt and administrator positions.

Exhibit D

Vacancy Savings

- Academic Affairs-A majority of staff vacancy savings was pulled back centrally for positions in FY17. The total amount to date (March 2017) is \$1,843,636.
 Academic Affairs has eliminated 66.36 FTEs permanently; 40 of these positions were vacant in the prior fiscal year and absorbed by the original FY17 budget reduction. The remaining 26.36 FTE were eliminated throughout FY17, which amounts to \$1,046,711.
- President's Organization-\$214,868 vacancy savings (3.5 positions) for the FY
 17 mid-year pullback and FY permanent 18 budget reduction
- EVP for Administration-\$956,935 (14 positions) were eliminated and these savings were applied to meet the FY 17 mid-year pullback and the permanent FY 18 budget reduction. Also, in order to meet the FY 18 preliminary budget, an additional workforce reduction of \$110,551 was applied to EVP for Administration.



Exhibit E

Consolidation and reorganization savings also contributed to budget reductions. The following are the most significant efforts:

- Consolidation of Center for Teaching and Learning, Graduate Resource Center and the Center for Academic Program Support (total savings \$80K)
- Extended Learning Field Centers reorganizing to Division of Enrollment Management (total savings of \$320K)
- Consolidation of fiscal services through the Academic Affairs Fiscal Shared Service Center (total savings \$1.3M)
- Reorganization of UNM West to the Health Science Center (total savings \$1M)
- IT Efficiencies and Effectiveness Initiatives-6 positions eliminated/repurposed



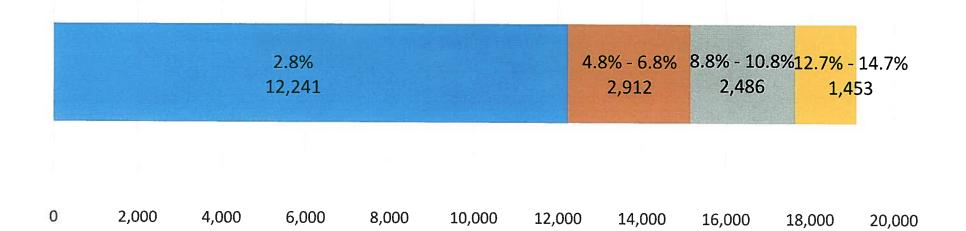
FY'17 & 18 ATHLETIC DEPARTMENT BUDGET

The University of New Mexico

	Athletic Departme	ent		
	FY17 Budget	FY17 Actuals	FY18 Bu	ıdget
			Changes	
Revenue:				
NCAA/Mountain West Conference	5,450,392	6,650,392	(250,392)	5,200,000
Media Rights/Sponsorship	4,990,500	4,990,500	(300,000)	4,690,500
Men's Basketball Tickets	4,800,000	3,943,079	(600,000)	4,200,000
Student Fees	4,000,000	3,980,078	(120,000)	3,880,000
Fundraising	3,000,000	3,480,000	100,000	3,100,000
State General Fund	2,782,900	2,643,800	(165,600)	2,617,300
Football Tickets	2,000,000	1,219,857	(100,000)	1,900,000
Facility Rental/Merchandise/Misc/GIK	2,861,376	2,564,428	(179,750)	2,681,626
Game Guarantees/Hawaii Travel Subsidy	1,075,000	1,125,000	25,000	1,100,000
Concessions	900,000	900,000	-	900,000
Parking	690,000	562,977	(65,000)	625,000
Special Events	683,000	745,695	2,000	685,000
Licensing	500,000	500,000	25,000	525,000
Commissions	450,000	450,000	<u>-</u>	450,000
Women's Basketball Tickets	400,000	317,565	(70,000)	330,000
Other Sports Tickets	147,000	110,000	(32,000)	115,000
Transfers to/from Campus	(258,472)	104,528	112,429	(146,043
Naming Rights	-	_	300,000	300,000
Training Room Billing	-	-	200,000	200,000
Total	34,471,696	34,287,899	(1,118,313)	33,353,383
Expenses:				-
Personnel	13,827,526	13,394,526	(295,000)	13,532,526
Grant-in-Aid	4,978,647	5,201,067	137,525	5,116,172
Sports	5,883,763	6,441,992	(585,000)	5,298,763
Events Management/Facilities	2,184,782	2,084,498	(7,276)	2,177,506
Administrative	7,596,978	7,263,627	(248,562)	7,348,416
Total	34,471,696	34,385,710	(998,313)	33,473,383
Net		(97,811)	(120,000)	(120,000)

\$23 Per Credit Hour Upper Division Premium

Percent Tuition Increase & Number of Students Impacted from \$23 Premium Curriculum Charge After Financial Aid Initiative



UNDERGRADUATE STUDENTS

Exhibit H

Graduate Premium

It is critical to retain higher value for graduate programs by applying the same premium curriculum charge as undergraduate. The graduate proposal is 5% tuition increase; \$23 per hour premium curriculum charge for graduate programs with no differential including Arts & Sciences, College of Education, College of Fine Arts, University Libraries and University College; and a fee Increase of \$4.64 to \$68.20.

Annual Graduate Impact of 5% Tuition Increase & \$23 Premium Curriculum Charge for Schools and Colleges With No Differential Tuition								
	Current	Proposed	Difference	% Change				
6 Hours	\$3890.16	\$4378.21	\$488.05	12.5%				
9 Hours	\$5835.24	\$6567.32	\$732.08	12.5%				
12 Hours	\$6483.60	\$7297.02	\$813.42	12.5%				





PRELIMINARY

THE UNIVERSITY OF NEW MEXICO MAIN CAMPUS FY 2017-18 STUDENT FEES

Uı	ndergraduate l	Resident Annua	l Cost
% Inc	rease	Dollar	Increase
12 Hours	15 Hours	12 Hours	15 Hours
7.30%	11.75%	\$101.28	\$195.60

				ator /450 —	7.30%	11.75%	\$101.28	\$195.60
	FY 20	16-17	FY 20	017-18	FY 2	017-18	FY 2	017-18
Requestors of Student Fees	Bud	lget	SFRB - Recommendation		BLT - Recommendation		Recommendation	
	Original	Revised	Increase	Budget	Increase	Budget	Increase	Budget
		SA ISSA A	(Decrease)		(Decrease)		(Decrease)	
Student Activity Fees	A	В	C	B+C	ment D activity	B+D	THE ELECTION	B+E
Student Activity Fees Student Health and Counseling	4,578,571	4,542,737	135,834	4,678,571	135,834	4,678,571	92,306	4.005.040
New Mexico Union	2,358,960	2,340,498	18,462	2,358,960	18,462	2,358,960	(3,485)	4,635,043 2,337,013
UNM Childrens Campus	378,764	375,800	2,964	378,764	2,964	378,764	(560)	375,240
Center of Academic Support (CAPS)	332,965	330,359	22,606	352,965	22,606	352,965	19,322	349,681
UNM Public Events (Popeiov)	180,000	178,591	(13,591)	165,000	(13,591)	165,000	(15,126)	163,465
Recreational Services	837,704	831,148	6,556	837,704	6,556	837,704	(1,238)	829,910
Student Govt. Accounting Office	179,808	178,401	21,407	199,808	21,407	199,808	19,548	197,949
Global Education Office	49,116	48,732	384	49,116	384	49,116	(73)	48,659
LGBTQ Resource Center	131,759	130,728	5,281	136,009	5,281	136,009	4,016	134,744
Women's Center	107,000	106,163	837	107,000	837	107,000	(159)	106,004
Career Services	32,858	32,601	257	32,858	257	32,858	(49)	32,552
KUNM	62,222	61,735	487	62,222	487	62,222	(92)	61,643
Community Learning & Public Service	112,000	111,123	877	112,000	877	112,000	(165)	110,958
American Indian Student Services	95,750	95,001	749	95,750	749	95,750	(142)	94,859
Project for NM GS of Color	50,160	49,767	(39,767)	10,000	(39,767)	10,000	(39,860)	9,907
Music Bands	73,000	72,429	571	73,000	571	73,000	(108)	72,321
Theatre and Dance	31,651	31,403	(4,285)	27,118	(4,285)	27,118	(4,537)	26,866
El Centro De La Raza	174,369	173,004	1,365	174,369	1,365	174,369	(257)	172,747
African American Student Svc AASS	91,768	91,050	(4,282)	86,768	(4,282)	86,768	(5,089)	85,961
CASAA/COSAP	19,234	19,083	(138)	18,945	(138)	18,945	(314)	18,769
Student Activity Center	31,120	30,876	244	31,120	244	31,120	(46)	30,830
College Assistant Migrant Program	35,000	34,726	274	35,000	274	35,000	(52)	34,674
College Enrichment Program	25,000	24,804	196	25,000	196	25,000	(37)	24,767
Graduate Resource Center	90,000	89,296	704	90,000	704	90,000	(133)	89,163
Medicine Bow - HSC Campus	9,646	9,571	(9,571)	0	(9,571)	0	(9,571)	0
Parking & Transportation Services	0	0	50,000	50,000	50,000	50,000	49,535	49,535
Subtotal - Student Activity Fees	10,068,425	9,989,626	198,421	10,188,047	198,421	10,188,047	103,634	10,093,260
Graduate Allocation Fund (GAF)	40.700	40.004						
GPSA Student Bearing Fund	46,760	46,394	366	46,760	366	46,760	366	46,760
GPSA Student Research Grant ASUNM/GPSA	89,134	88,436	698	89,134	698	89,134	698	89,134
ASUNM - Accounting office	40,162	39,848	244	40.400	244	40.400		40.400
ASUNM ACCOUNTING OFFICE	850,000	843,347	314 6,653	40,162	314	40,162	314	40,162
GPSA	300,950	298,594	2,356	850,000 300,950	6,653 2,356	850,000	6,653	850,000
Debt Service/Other	300,930	230,334	2,300	300,930	2,330	300,950	2,356	300,950
Debt Service-ERP Project Fee	2,352,180	2,333,770	18,410	2,352,180	18,410	2,352,180	18,410	2 252 400
Debt Service-Facility Fee	14,689,317	14,574,350	3,114,967	17,689,317	2,704,967	17,279,317	2,704,967	2,352,180 17,279,317
Univ Library Acquisitions	800,000	793,739	16,261	810,000	16,261	810,000	2,704,967 8,725	802,464
IT Initiatives	1,900,000	1,885,130	14,870	1,900,000	14,870	1,900,000	(2,807)	1,882,323
Athletics	4,000,000	3,968,694	(88,694)	3,880,000	(88,694)	3,880,000	31,306	
Subtotal - GAF/Debt/ASUNM/GPSA	25,068,503	24,872,302	3,086,201	27,958,503	2,676,201	27,548,503	2,770,988	4,000,000 27,643,290
Total - MC/HSC Current Funds	35,136,928	34,861,928	3,284,622	38,146,550	2,874,622	37,736,550	2,874,622	37,736,550
SFRB - One Time Funding								
LoboRESPECT	0	0	40,000	40,000	40,000	40,000	40,000	40,000
ENLACE - Division of Equity and Inclusion	0	0	95,000	95,000	95,000	95,000	95,000	95,000
Libraries	75,000	75,000	(60,000)	15,000	(60,000)	15,000	(60,000)	15,000
Information Technologies	20,000	20,000	(20,000)	0	(20,000)	0	(20,000)	0
LGBTQ Resource Center	7,500	7,500	(2,500)	5,000	(2,500)	5,000	(2,500)	5,000
Parking & Transportation Services	50,000	50,000	(50,000)	0	(50,000)	0	(50,000)	0
Center of Academic Support (CAPS)	37,500	37,500	(37,500)	0	(37,500)	0	(37,500)	0
Community Learning & Public Service	19,201	19,201	(19,201)	0	(19,201)	0	(19,201)	0
SFRB Website	0	0	2,000	2,000	2,000	2,000	2,000	2,000
Medicine Bow	17,000	17,000	(17,000)	0	(17,000)	0	(17,000)	0
Green Fund, Office Sustainability	0	0	17,788	17,788	17,788	17,788	17,788	17,788
Total - MC/HSC SFRB One Time Funding	226,201	226,201	(51,413)	174,788	(51,413)	174,788	(51,413)	174,788
Grand Total - Main Campus/HSC	35,363,129	35,088,129	3,233,209	38,321,338	2,823,209	37,911,338	2,823,209	37,911,338

Note: 0.93% adjustment (reduction) to Student Activity Fees

EXMbit J

FY 18 Main Campus Graduate Differential Tuition Requests

	RESI	DENT	NON-RE	SIDENT						
School of Engineering										
Current	<u>Proposed</u>	\$ Change	% Change	Current	Proposed	\$ Change	% Change			
\$0.00	\$50.00	\$50.00	N/A	\$0.00	\$50.00	\$50.00	N/A			

In addition, a differential tuition of \$100 will be assessed on hours 1-6 of dissertation.

School of Law										
Current	<u>Proposed</u>	\$ Change	% Change	Current	Proposed	\$ Change	% Change			
\$352.34	\$352.34	\$0.00	0.00%	\$527.05	\$527.05	\$0.00	0.00%			

This request is to expand the current differential tuition for the Juris Doctor (JD) program to the new Master of Studies in Law (MSL) program.



Exhibit K

FY 18 Branch Campus Proposed Tuition & Fees

(Per Credit Hour)

				(1 01 01	cait Hour,	/			
	RESIDENT NON-RESIDENT								
				GAL	LUP				· · · · · · · · · · · · · · · · · · ·
,	Current	<u>Proposed</u>	\$ Change 9	6 Change		Current	Proposed	\$ Change	% Change
Tuition	\$70.10	\$70.10	\$0.00	0.00%	Tuition	\$185.76	\$185.76	\$0.00	0.00%
Fees	\$10.40	\$10.40	\$0.00	0.00%	Fees	\$10.40	\$10.40	\$0.00	0.00%
Total	\$80.50	\$80.50	\$0.00	0.00%	Total	\$196.16	\$196.16	\$0.00	0.00%
				LOS A	LAMOS				
- E	Current	Proposed	\$ Change 9	6 Change		Current	Proposed	\$ Change	% Change
Tuition	\$79.00	\$82.00	\$3.00	3.80%	Tuition	\$219.00	\$227.50	\$8.50	3.88%
Fees	\$1.50	\$1.50	\$0.00	0.00%	Fees	\$1.50	\$1.50	\$0.00	0.00%
Total	\$80.50	\$83.50	\$3.00	3.73%	Total	\$220.50	\$229.00	\$8.50	3.85%
				TA	os		i,ui e		
	Current	Proposed	\$ Change 9	<u>6 Change</u>		Current	Proposed	\$ Change	% Change
Tuition	\$75.00	\$75.00	\$0.00	0.00%	Tuition	\$195.00	\$195.00	\$0.00	0.00%
Fees	\$3.00	\$3.00	\$0.00	0.00%	Fees	\$3.00	\$3.00	\$0.00	0.00%
Total	\$78.00	\$78.00	\$0.00	0.00%	Total	\$198.00	\$198.00	\$0.00	0.00%
				VALE	NCIA				
	Current	Proposed	\$ Change 9	6 Change		Current	Proposed	\$ Change	% Change
Tuition	\$71.50	\$74.50	\$3.00	4.20%	Tuition	\$200.24	\$210.00	\$9.76	4.87%
Fees	\$3.75	\$3.75	\$0.00	0.00%	Fees	\$3.75	\$3.75	\$0.00	0.00%
Total	\$75.25	\$78.25	\$3.00	3.99%	Total	\$203.99	\$213.75	\$9.76	4.78%
							The state of the s	T	TATI
Yat	NEW	MEXIC	\mathbb{C}	Section 400 and a section of the sec			han 16		
-	an Williams W. W	AT BEING BARY							

CONSENT DOCKET

(Action items on Regent's Committee agendas may move to the Board of Regents' agenda as consent items; the below items are placed on the consent docket by the respective committee chairs; items on the consent docket received unanimous approval in committee; per Regents' Policy 1.2, "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.")

1. Finance and Facilities Committee (F&F) Consent Items, Regent Marron Lee, Chair

a. Approval of Disposition of Surplus Property for Main Campus for May 2017
b. Approval of Annual Renewal of Maui HPCC Lease, Tom Neale, Dir. Real Estate
c. Approval of Real Property Disposition: Timberon Lots (2), Tom Neale, Dir. Real Estate
d. Approval of Naming Request from the School of Medicine for Naming a Position in the Department of Dermatology, Amy Wohlert, Chair, Naming Committee



University Services

University Services Business Operations UNM Surplus Property UnivServ Shipping and Receiving UNM Mailing Systems UNM Records Management http://www.unm.edu/~univserv/

Date:

May 30, 2017

To:

Bruce Cherrin, Chief Procurement Officer

Purchasing Department

From:

Marcos Roybal - Manager, Administrative Operations

University Services

Subject:

Surplus Property Disposition - May 2017

Attached for your review and submission to the Board of Regents are the Surplus Property Disposition Detail list for the month of May 2017.

Consistent with UNM Board of Regents Policy 7.9 and the NM 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 monthly 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 NM Surplus Property Act.

University Services – Disposition of Surplus Property May 2017



Board of Regents' Finance & Facilities Committee

Viemo	Asset Tag	Department	Description	Manufacturer	Model	Purchased	Total Cost (\$)	NBV (\$)	Disposal Method
1	N00012909	Athletics Football	Digital Editing System	DVSport	GameDay	8/16/2007	\$62,400.00	\$0.00	Beyond Repair
2	N00013385	PPD Special Activities	Van	Ford	Senator Transit	10/17/2007	\$45,625.00	\$1,900.85	Obsolete
2	238465	PPD Automotive	MV S.U.V.	Chevrolet	SUBURBAN	9/16/1999	\$39,978.00	\$0.00	Obsolete
2	253701	PPD Automotive	MV BUS	BlueBird	B1VC 1800	1/11/2002	\$39,788.00	\$0.00	Obsolete
2	218557	PPD Automotive	MV S.U.V.	Dodge	RAMWAGON	7/6/1996	\$31,685.00	\$0.00	Obsolete
2	260060	PPD Automotive	MV TRK UNDER 1 TON	Ford	F350 Crew Cab	3/21/2003	\$29,343.00	\$0.00	Obsolete
2	215385	PPD Automotive	MV S.U.V.	Chevrolet	SUBURBAN	9/9/1995	\$21,673.00	\$0.00	Obsolete
2	252688	PPD Automotive	MV PASSENGER CAR	Ford	Crown Victoria	10/19/2001	\$21,030.00	\$0.00	Obsolete
2	217996	PPD Automotive	MV VAN	Dodge	RAM WAGON	4/29/1996	\$19,831.00	\$0.00	Obsolete
2	204847	PPD Automotive	MV TRK OVER 1 TON	Ford	U24EXPLORER	4/13/1994	\$18,256.00	\$0.00	Obsolete
2	265552	PPD Automotive	MV PASSENGER CAR	Chevrolet	IMPALA	3/16/2004	\$16,684.00	\$0.00	Obsolete
2	265553	PPD Automotive	MV PASSENGER CAR	Chevrolet	IMPALA	3/16/2004	\$16,684.00	\$0.00	Obsolete
2	179003	PPD Automotive	MV S.U.V.	Chevrolet	3/4 TON	11/20/1987	\$16,132.00	\$0.00	Obsolete
2	228933	PPD Utility Main	MV PASSENGER CAR	Chevrolet	MALIBU	2/28/1998	\$15,095.00	\$0.00	Obsolete
2	255034	PPD Automotive	MV PASSENGER CAR	Ford	Taurus	4/26/2002	\$15,007.00	\$0.00	Obsolete
2	242572	PPD Automotive	MV PASSENGER CAR	Ford	TAURUS	7/13/2000	\$14,560.00	\$0.00	Obsolete
2	N00031705	PPD Automotive	Vehicle	Toyota	Sienna Mini Van	7/1/2011	\$14,000.00	\$2,166.43	Obsolete
2	222142	PPD Automotive	MV TRK UNDER 1 TON	Chevrolet	GM4	2/28/1997	\$11,736.00	\$0.00	Obsolete



Board of Regents' Finance & Facilities Committee

/lemo	Asset Tag	Department	Description	Manufacturer	Model	Purchased	Total Cost (\$)	NBV (\$)	Disposal Method
	N00010819	NMTR Faculty #1	Server	HP	G5 Rack Server	2/1/2007	\$9,085.20	\$0.00	Obsolete
	N00004391	NMTR Administration	SERVER	Dell	POWEREDGE	1/7/2005	\$8,870.88	\$0.00	Obsolete
	170993	PPD Automotive	MV TRK UNDER 1 TON	Chevrolet		1/1/1986	\$7,500.00	\$0.00	Obsolete
	N00024404	Taos Facilities	Audio/Visual - CAPITAL	CDWGov	Cooling Rack	2/15/2010	\$7,330.00	\$0.00	Obsolete
	143103	PPD Automotive	MV TRK UNDER 1 TON	Ford	COF	1/1/1981	\$6,664.00	\$0.00	Obsolete
	N00010480	IM Epidemiology	Computer	Dell	Precision 690 MT	1/23/2007	\$6,581.47	\$0.00	Obsolete
	N00007112	PPD Utility Main	Server	Dell	PowerEdge 2800	4/3/2006	\$6,406.25	\$0.00	Obsolete
	N00007168	UC Student Academics	Large Format Printer	HewlettPac	DesignJet 800 PS	4/10/2006	\$6,329.00	\$0.00	Obsolete
	801657	CRTC	COMPUTER PRINTER	HewlettPac	8100	8/26/1999	\$5,371.00	\$0.00	Beyond Repair
10	N00022844	NMTR Faculty #1	224-4858-Dell Precision	Dell	Precision T5500	9/11/2009	\$5,204.94	\$0.00	Obsolete
	N00033490	PPD Automotive	Vehicle		Ambulance		\$0.00	\$0.00	Obsolete
							Total Asset Disposition (#)		29
							Total Capitalization (\$)		\$518,849.74
							Total Net Book Value (\$)		\$4,067.28









2003



2004



2006



PARTMENT OF ATHLETICS
LOBO FOOTBALL OFFICE
L. F. "TOW" DIEHM
ATHLETICS FACILITY
MSCO4 2670

UNIVERSITY OF NEW MEXICO
BUQUERQUE, NM 87131-0001

OLL FREE: 1-800-547-4066
PHONE: 505-925-5710
FAX: 505-925-5719

UNIVERSITY OF NEW MEXICO

University of New Mexico – Athletic Video Department Surplus Items

The following item needs to be picked up for surplus: Digital Editing System

Asset # N00012909

Date of Purchase: 8/20/2007 Original Value: \$62,400

This is our old Football server and is no longer functional or compatible with our current video system and needs to be surplused.



Chris Crooks, Video Coordinator

Yvonne Otts, Director of Business Operations

Asset N00012909 Description
Digital Editing
Software

Acq. Cost \$62,400.00

NBV 0.00 Date 2007



MEMO

Date: 5/24/2017

TO: UNM Board of Regents

From: Jeff Brumfield, Supervisor, Automotive Dept.

Re: 2017 Surplus Vehicle Auction

Assets# 179003, 143103, 170993, 204847, N00033490, 215385, 217996, 218557, 222142, 228933, 238465, 242572, 252688, 255034, 260060, 265553,

265552, N0003 1705, 253701, N000 13385.

This is an annual auction for all of the vehicles from UNM and may include golf carts and riding mowers.

All vehicles have been used to the point of exhaustion. Whether the reason for disposal is old age or now too expensive to repair.

New Mexico Compilation Commission

13-6-1. Disposition of obsolete, worn-out or unusable tangible personal property.

- A. The governing authority of each state agency, local public body, school district and state educational institution may dispose of any item of tangible personal property belonging to that authority and delete the item from its public inventory upon a specific finding by the authority that the item of property is:
 - (1) of a current resale value of five thousand dollars (\$5,000) or less; and
- (2) worn out, unusable or obsolete to the extent that the item is no longer economical or safe for continued use by the body.
- B. The governing authority shall, as a prerequisite to the disposition of any items of tangible personal property:
 - (1) designate a committee of at least three officials of the governing authority to approve and oversee the disposition; and
- (2) give notification at least thirty days prior to its action making the deletion by sending a copy of its official finding and the proposed disposition of the property to the state auditor and the appropriate approval authority designated in Section 13-6-2 NMSA 1978, duly sworn and subscribed under oath by each member of the authority approving the action.
- C. A copy of the official finding and proposed disposition of the property sought to be disposed of shall be made a permanent part of the official minutes of the governing authority and maintained as a public record subject to the Inspection of Public Records Act [Chapter 14, Article 2 NMSA 1978].
- D. The governing authority shall dispose of the tangible personal property by negotiated sale to any governmental unit of an Indian nation, tribe or pueblo in New Mexico or by negotiated sale or donation to other state agencies, local public bodies, school districts, state educational institutions or municipalities or through the central purchasing office of the governing authority by means of competitive sealed bid or public auction or, if a state agency, through the surplus property bureau of the transportation services division of the general services department.
- E. A state agency shall give the surplus property bureau of the transportation services division of the general services department the right of first refusal when disposing of obsolete, worn-out or unusable tangible personal property of the state agency.
- F. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D or E of this section, the governing authority may sell or, if the property has no value, donate the property to any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.

- G. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D, E or F of this section, it may order that the property be destroyed or otherwise permanently disposed of in accordance with applicable laws.
- H. If the governing authority determines that the tangible personal property is hazardous or contains hazardous materials and may not be used safely under any circumstances, the property shall be destroyed and disposed of pursuant to Subsection G of this section.
- I. No tangible personal property shall be donated to an employee or relative of an employee of a state agency, local public body, school district or state educational institution; provided that nothing in this subsection precludes an employee from participating and bidding for public property at a public auction.
- J. This section shall not apply to any property acquired by a museum through abandonment procedures pursuant to the Abandoned Cultural Properties Act [18-10-1 to 18-10-5 NMSA 1978].
- K. Notwithstanding the provisions of Subsection A of this section, the department of transportation may sell through public auction or dispose of surplus tangible personal property used to manage, maintain or build roads that exceeds five thousand dollars (\$5,000) in value. Proceeds from sales shall be credited to the state road fund. The department of transportation shall notify the department of finance and administration regarding the disposition of all property.
- L. If the secretary of public safety finds that the K-9 dog presents no threat to public safety, the K-9 dog shall be released from public ownership as provided in this subsection. The K-9 dog shall first be offered to its trainer or handler free of charge. If the trainer or handler does not want to accept ownership of the K-9 dog, then the K-9 dog shall be offered to an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 free of charge. If both of the above fail, the K-9 dog shall only be sold to a qualified individual found capable of providing a good home to the animal.

History: 1953 Comp., § 6-1-7.1, enacted by Laws 1961, ch. 100, § 1; 1979, ch. 195, § 2; 1984, ch. 47, § 1; 1987, ch. 15, § 1; 1989, ch. 211, § 6; 1995, ch. 181, § 1; 1998, ch. 16, § 1; 2001, ch. 317, § 1; 2007, ch. 57, § 4; 2012, ch. 10, § 1; 2013, ch. 9, § 1.

Real Estate Department

Memo

To:

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

From:

Thomas M. Neale, Director of Real Estate TMN

Date:

May 31, 2017

Re:

Annual Renewal of Maui HPCC Lease

The terms of the Lease Agreement (the "Lease") for the Maui High Performance Computing Center (the "Center" or "Maui HPCC") located at 550 Lipoa Parkway, Maui Research and Technology Park in Kihei, Maui require that the Regents notify the Trustee ("The Bank of New York Mellon Trust Company, N.A.") of its intention to either renew or not renew the Lease annually for each fiscal year.

On May 31, 2001 the University of Hawaii ("UH") was awarded the contract to operate and manage the Center by the Air Force Research Laboratory beginning October 1, 2001. In conjunction with the award of this contract, the University of New Mexico ("UNM") transferred control of the facility to UH, through its subsidiary, The Research Corporation of the University of Hawaii ("RCUH"), by means of a sublease agreement having ten (10) annual lease terms, expiring on September 30, 2011. Two additional Amendments were executed, extending the term through September 30, 2013, at which point UH and RCUH involvement was concluded.

On October 1, 2013, UNM entered into an occupancy agreement directly with the United States of America ("Government"), expiring May 31, 2014. The term length was dictated to adhere to an authorization ceiling, with the intent to execute a longer-term sublease in response to Occupant's Solicitation for Offer. The procurement process with the Government was completed in February 2015 and a new sublease ("Sublease") was executed. The Sublease has annual renewal options through September 30, 2018.

The Government is in the approval process to exercise their renewal option for the period beginning on October 1, 2017 and ending on September 30, 2018. Prior to notifying the Trustee of our intent to renew, the Real Estate Department will insure that we have received written notice of the annual renewal by the Government.

Based on the Government's renewal notice, we are recommending that the Regents renew the Maui HPCC Lease (in order to maintain the Government Sublease), and to evidence such renewal by the adoption of the following <u>resolution:</u>

The Regents ("Regents") of the University of New Mexico ("UNM"), as Lessee, hereby authorize annual renewal of the Lease Agreement dated October 1, 2000 for the UNM Maui High Performance Computing Center (the "Center") with the Bank of New York Mellon Trust Company, N.A., as Lessor and Trustee, for Fiscal Year 2017-2018 beginning July 1, 2017 and ending June 30, 2018 (the "Lease"), based upon its finding that amounts have been or will be budgeted and authorized for payment of all Base Rentals and such Additional Rentals as are estimated to become due under the terms of the Lease. The Regents further find as follows: (1) United States of America ("Government") has entered into a mutually acceptable arrangement with UNM to provide Government with access to the Center, pursuant to which the amounts necessary to pay Base Rentals and Additional Rentals will become available, budgeted and authorized for such payments; (2) pursuant to the Sublease Agreement between UNM and the Government, Government has the right to occupy the facility through September 2018; and (3) in the event that amounts necessary to pay Base Rentals and Additional Rentals are not otherwise available, then pursuant to Sections 5.2 and 5.4 of the Lease, the Regents will notify Lessor that available funds are insufficient to satisfy UNM's obligations when next due and that amounts necessary to pay Base Rentals and Additional Rentals shall be made from the Supplemental Rentals Reserve Fund.

Real Estate Department

Memo

To:

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

From:

Thomas M. Neale, Director of Real Estate TMN

Date:

May 31, 2017

Re:

Real Property Disposition: Timberon Lots (2)

In December 1972, Katherine Smith donated six (6) lots within the Timberon Subdivision, in Otero County, New Mexico. Timberon is a 13,000 acre vacation home community located approximately 30 miles south of Cloudcroft in the southern Sacramento Mountains. The area was first developed in the 1960's and lot absorption and population growth has been minimal. There are approximately 358 full-time residents in 186 households. Each lot is 17,500 square feet, or 0.40 acre.

The Real Estate Department (RED) has received two separate purchase offers. The lots are identified as Lot 31, Block 85, Unit 8, and Lot 86, Block 82, Unit 8, Timberon Subdivision. Lot 31 contains 0.40 acre and Lot 86 contains .47 acre. The negotiated sales price is \$4,000 per lot with all closing costs and commissions paid by the buyer. Each lot was appraised at \$3,500 in March 2017.

The Real Estate Department is requesting approval of the Regents to sell the two lots.



May 24, 2017

TO: UNM Board of Regents Finance and Facilities Committee
FROM: Rick Holmes, Office of the University Secretary

SUBJECT: Approval of naming request from the School of Medicine

Upon recommendation of Aimee Smidt, Associate Professor and Chair, Department of Dermatology, School of Medicine, Health Sciences Center, the University Naming Committee approved the naming of the item listed below:

The creation of the "Jim and Ellen King Professor in Dermatology."

(3.2.5 Endowed Chairs and Professorships; 2.2 Private Financial Support).

Please place this item on the next Finance and Facilities Committee meeting agenda for consideration.

Thank you.

Attachment

Thursday, May 11, 2017

To: University Naming Committee

Colleagues:

I respectfully submit this request to create the "Jim and Ellen King Professor in Dermatology".

This endowed position will support the activities of a board-certified dermatology faculty member with a specialty in melanoma and melanocytic lesions. In addition to providing high quality clinical care and teaching expertise, the holder of this position will be expected to provide leadership in community education aimed at prevention and early identification of melanoma and related skin cancers, and to work collaboratively to promote melanoma surveillance and awareness.

Mr. and Mrs. King are committing to \$500,000 gift to establish this fund.

Thank you for your consideration of this request.

Aimee Smidt, MD

Associate Professor and Chair

May 15, 2017 Date:

To: University of New Mexico Naming Committee

Bill Uher, VP for Development, UNM Foundation From:

RE: Supportive Documentation for Naming a Position in the Department of Dermatology

Prepared for the benefit of the committee, this memo provides background on Ellen J. and James N. King, who with a gift commitment offer to name the Jim and Ellen King Professor of Dermatology.

Jim King joined Bradbury Stamm in 1972. Rising quickly through the ranks, he became President and an Owner of the company in 1979., Bradbury Stamm grew and expanded in the 1980's and 1990's to become the largest construction firm in New Mexico with projects in more than 11 states (currently, the company is focusing entirely on New Mexico projects). The company has an impressive list of completed projects in the Albuquerque area including Isotopes Park, the ABO BioPark Aquarium, the Albuquerque Museum, the University of New Mexico Alumni Memorial Chapel and the Casino at the Downs. Throughout his tenure, Jim reinforced Bradbury Stamm's 85-year reputation in the construction industry as a company that stands for integrity, honesty, and quality. In 2011, Jim was succeeded as President of Bradbury Stamm by his daughter, Cynthia Schultz. Since this time, he has served as Chairman of the Board.

Ellen graduated from West Mesa High School in Albuquerque and has a BA from Northern Arizona University. Jim has a BBA in Accounting from the University of Notre Dame, and is a UNM Alumnus, having graduated with a JD in Law from UNM in 1972. Jim has served as a director of the UNM Alumni Association and as the chairperson for the Associated General Contractors-UNM Endowment, which created the AGC Endowed Chair in 1984, establishing a lifelong partnership between UNM and the local AGC membership.

Both and Jim and Ellen and long-time residents of Albuquerque and are seen as reputable business leaders and generous philanthropists within the community. Their affiliations include the Albuquerque Community Foundation Investment committee, Albuquerque Economic Development, Accion New Mexico, and the Presbyterian Hospital Center Foundation, New Mexico Symphony Orchestra, and the Albuquerque Civic Light Opera.

Jim and Ellen have established a long tradition of giving back to UNM. Their support has spanned many areas of the institution including Alumni Relations, Athletics, the Cancer Center, the office of the President, and the VP for Enrollment Management. To date, their largest single contribution to UNM has been a gift to the School of Engineering in 2016 to create the Jim and Ellen King Dean of Engineering and Computing.



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UNM Hospital Board of Trustees May 2017 Recommendation to HSC Committee June 2017

Approval

(1) Intuitive Surgical, Inc.

Ownership:

Intuitive Surgical, Inc. 1020 Kifer Road Sunnyvale, CA 94086-5304 **Officers Information:**

President and CEO: Gary Guthart, PhD Chairman of the Board of Directors: Lonnie Smith

Source of Funds: UNM Hospital Capital and Operating Budget

Description: Request approval to purchase a da Vinci Robotic Surgery System and maintenance agreement. This system is being requested to replace current 9 year-old robotic console that is outdated technology and will no longer be supported after August of 2017. The da Vinci Surgical system enables surgeons to perform delicate and complex operations through a few small incisions. Powered by robotic technology, the system translates the surgeon's hand, wrist and finger movements into precise movements of surgical instruments. Robotic-assisted surgery is a surgical option that benefits the patient including less blood loss, fewer complications, shorter hospital stays, smaller incisions for minimal scarring and faster recovery.

Process: Sole Source which will meet its 30-day posting period on June 16, 2017.

The da Vinci Robotic Surgery System is currently utilized by Otolaryngology (ENT), Gynecology (GYN), Urology, and Cardio Thoracic. Physicians supporting the upgraded technology include the following: Irene Agostini MD, Chief Medical Officer, Satyan Shah, MD, Director of Robotic Surgery, Andrew Cowen, MD (ENT), Teresa Rutledge, MD (GYN), and Mohammed Hassan, MD (Cardio Thoracic).

Previous Contract: Item purchased nine years ago.

Previous Term: N/A Prior purchase was Equipment purchase

Previous Contract Amount: N/A

Contract Term: Service Agreement is a five (5) year agreement.

Termination Provision: Either party may terminate this agreement if the other party breaches a material term or condition and fails to cure the breach following thirty (30) days or may be terminated without cause upon thirty (30) days written notice by either party.

Contract Amount: Total cost is \$3,005,000. Equipment and shipping is \$2,289,000 and maintenance agreement is \$179,000 per year for years two through five for a total of \$2,289,000 capital and \$716,000 Operating.

(2) Philips Healthcare

Ownership: 3000 Minuteman Road Andover, MA 01810 Officers Information:

CEO: Frans van Houten

Source of Funds: UNM Hospital Capital Budget

Description: Request approval to purchase from Philips Healthcare equipment to replace the current cardiac monitoring equipment in University of New Mexico Hospital. The current equipment in the hospital is approximately 10 years old and is at end of life or approaching end of life. Replacement parts are difficult to obtain. The proposal is to replace approximately 750 monitors throughout the system with state-of-the-art monitoring capabilities. The project is planned to take place over a two to three year period. The current system is in need of updating to reflect changes in patient care including end tidal carbon dioxide monitoring.

The requested equipment provides technology that will improve workflow and monitoring capability of all patient populations from neonates to adults. Features include an early warning system that alerts nursing personnel to changes in patient condition allowing appropriate interventions and improved patient care. Philips monitoring equipment associates well with the technology in the neuroscience intensive care unit. This capability will continue to set UNMH apart as a facility for advanced neurological/neurosurgical patient care.

It is anticipated that there will be needed upgrades to support wireless technology that will enable monitoring of the patient as they travel through the hospital from unit to testing areas (i.e. Radiology). The technology allows for advancing patient care to current industry standards and providers and nurses flexibility and input into how patients are monitored. Expanded telemetry capabilities will allow for early ambulation of patients thereby improving patient safety and improve patient satisfaction by allowing patient mobility.

Process: Quotes received from Vizient (formerly Novation) GPO vendors:

- 1. GE Healthcare
- 2. Philips
- 3. Spacelabs

Purchase to be made under Philips Vizient contract #CE3035.

Previous Contract: GE Healthcare

Previous Term: N/A

Previous Contract Amount: N/A

Selection Criteria: Monitor committee members as well as hospital staff including physicians, registered nurses, clinical engineering, and representatives from informatics evaluated monitoring equipment from the three vendors. Voting members of the monitor committee made their selection based on needs of their particular patient populations and feedback from their constituents. Interviews with facilities that have purchased both Philips and Spacelabs monitors were conducted to discuss their experience with the products and service provided by the vendors.

Total Cost: \$15,000,000 ~ estimated



MEMORANDUM TO ADVANCE COMMITTEE AGENDA ITEM TO THE BOARD OF REGENTS THE UNIVERSITY OF NEW MEXICO

DATE: May 30, 2017

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

FROM: Chris Vallejos, AVP Institutional Support Services

RE: Requested Approval

RECOMMENDED ACTION:

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

1. Request for Project Approval for Smith Plaza/Union Square Renovation

Please see attached summary.

cc: Lisa Marbury, Executive Director, Institutional Support Services R. Henrard, A. Coburn, C. Martinez, L. Chance, A. Straquadine – PDC

REQUEST FOR CAPITAL PROJECT APPROVAL for SMITH PLAZA / UNION SQUARE RENOVATION UNIVERSITY OF NEW MEXICO June 6, 2017

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 Smith Plaza / Union Square Renovation on Central Campus.

PROJECT DESCRIPTION:

Smith Plaza and Union Square Renovation including infrastructure improvements will revitalize the gathering space or 'great room' for students, faculty and staff at the heart of our historic campus. The renovation of this 3.3 acre plaza and associated exterior space will provide a safe and accessible exterior space with better functionality in the center of the campus. This renovated outdoor living area will encourage informal gatherings as well as accommodate special events.

Based on analysis of the existing conditions and configuration of the Plaza and associated exterior spaces, completed in the spring of 2016, this project will address reconfiguration of existing plaza open spaces, ramps and stairs for enhanced accessibility, navigation and safety, and additionally improving infrastructure distribution including lighting, electricity and internet. The replacement of deteriorating hardscapes, and integration of vegetative spaces including shaded lounge areas will also be included in this project scope.

PROJECT RATIONALE:

Smith Plaza is an outdoor living room in which all of the campus community can study, work, and socialize. It is one of the University's significant outdoor space, yet is currently underutilized because of limitations in accessibility and lack of infrastructure integration including electricity, lighting and irrigation. This renovation has an added benefit of enhancing the student experience and recruitment efforts for the University.

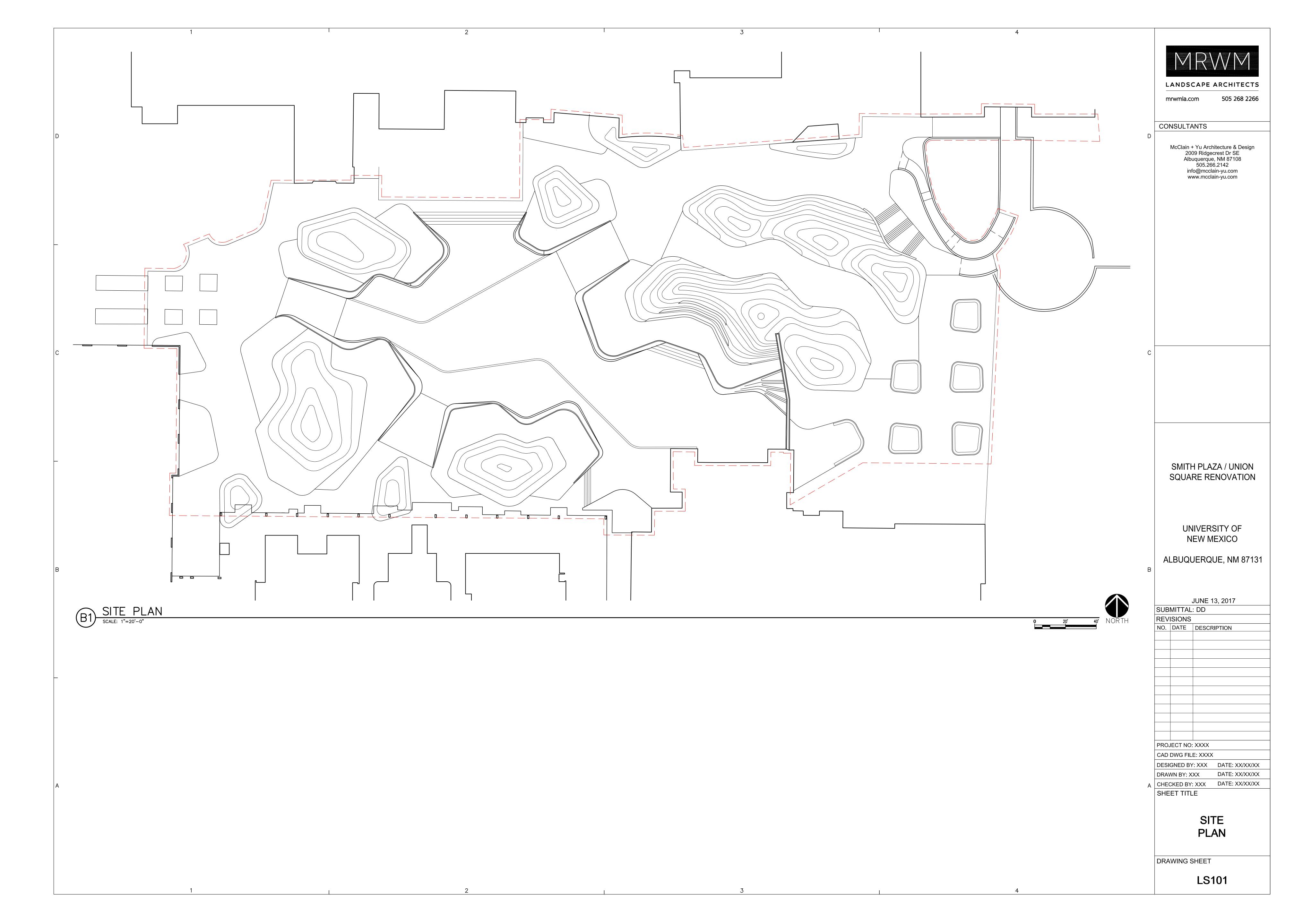
Reconfiguring the circulation will allow for people of various ambulatory needs to move through the space side by side promoting inclusivity for a diverse range of users. Reconfiguring this circulation, provides an opportunity to address aging infrastructure including lighting and paving installed more than 40 years ago. The brick and concrete paving is beyond its useful life and can result in serious hazards for persons traversing the space.

FUNDING:

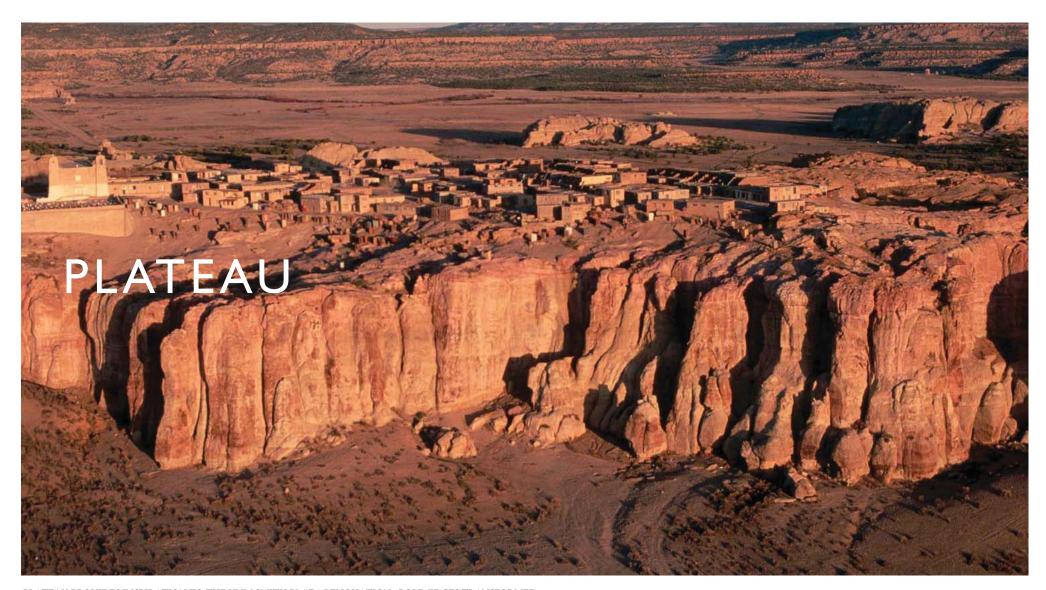
The total estimated Project Budget is \$3 Million:

- \$2 Million is funded from 2016 Institutional Bond
- \$1 Million is funded from 2017 Institutional Bond





INSPIRATION



PLATEAU PROVIDES INSPIRATION TO THE UNM SMITH PLAZA RENOVATION. BOLD EDGES TRANSFORMED BY HUMAN OCCUPATION GIVES A BEAUTIFUL REFERENCE TO OUR STRENGTH OF PLACE AND PERSON.

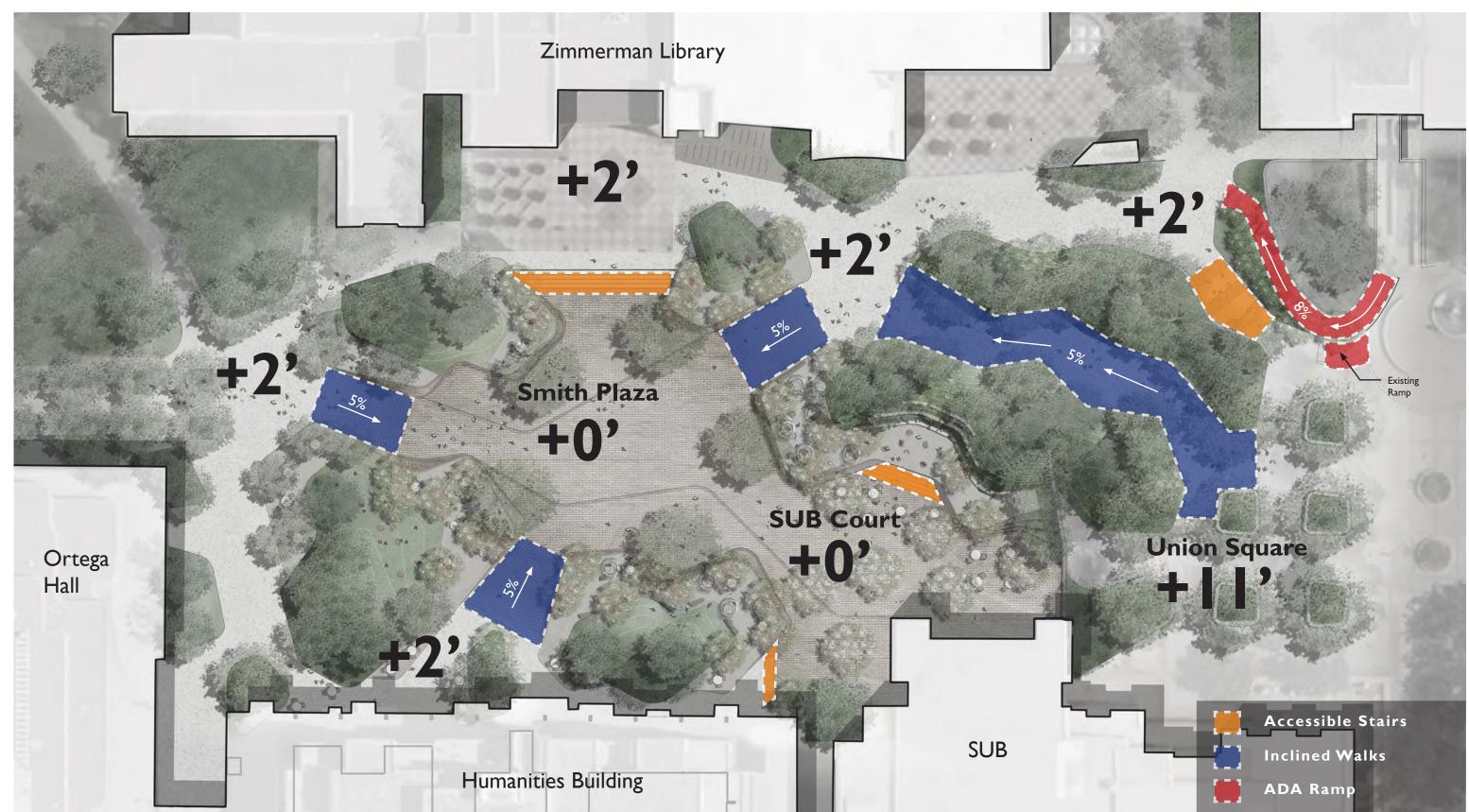
Contextual Plan



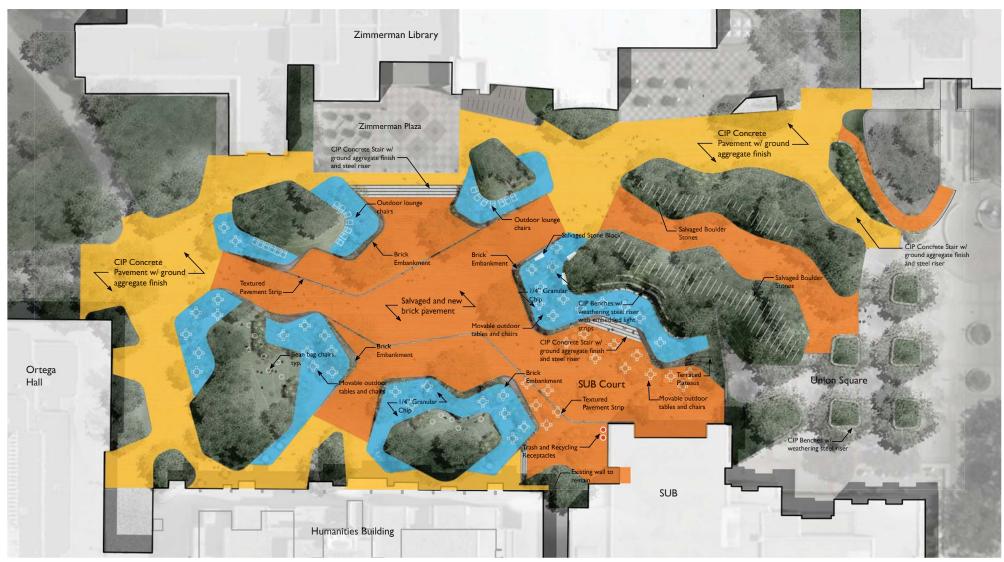
Illustrative Plan



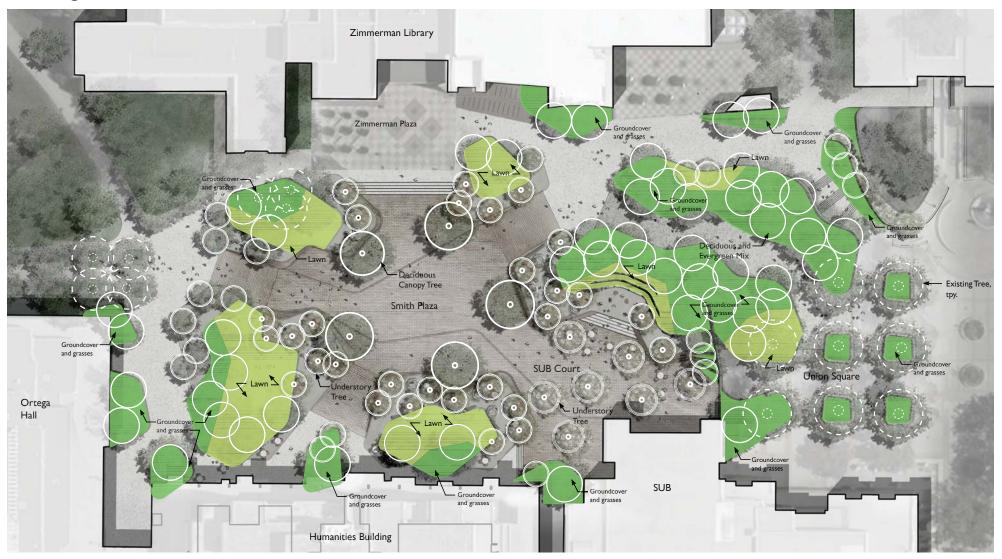
Accessibility & Elevations



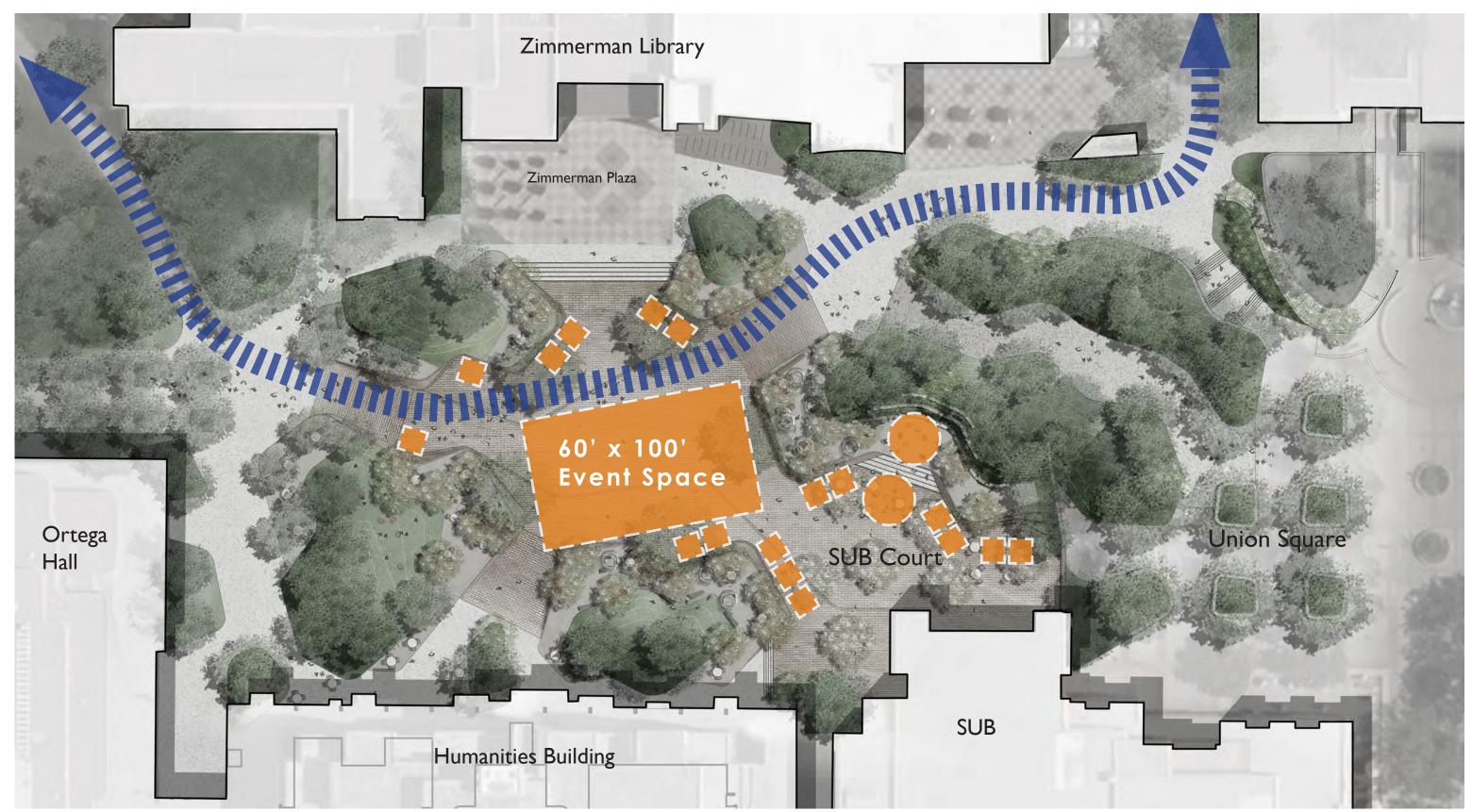
Materials & Furnishings



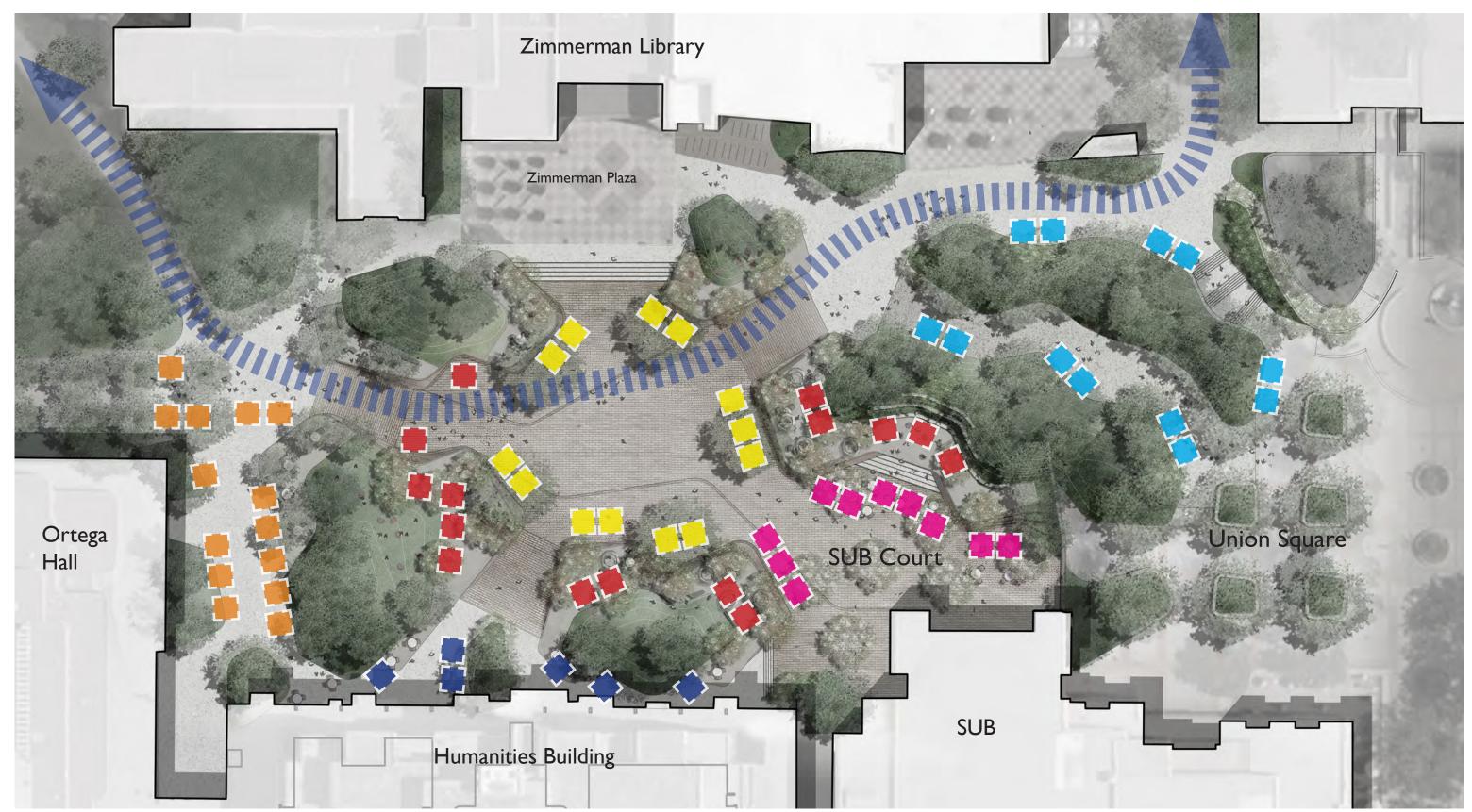
Planting



Major Event Space & Fire Lane

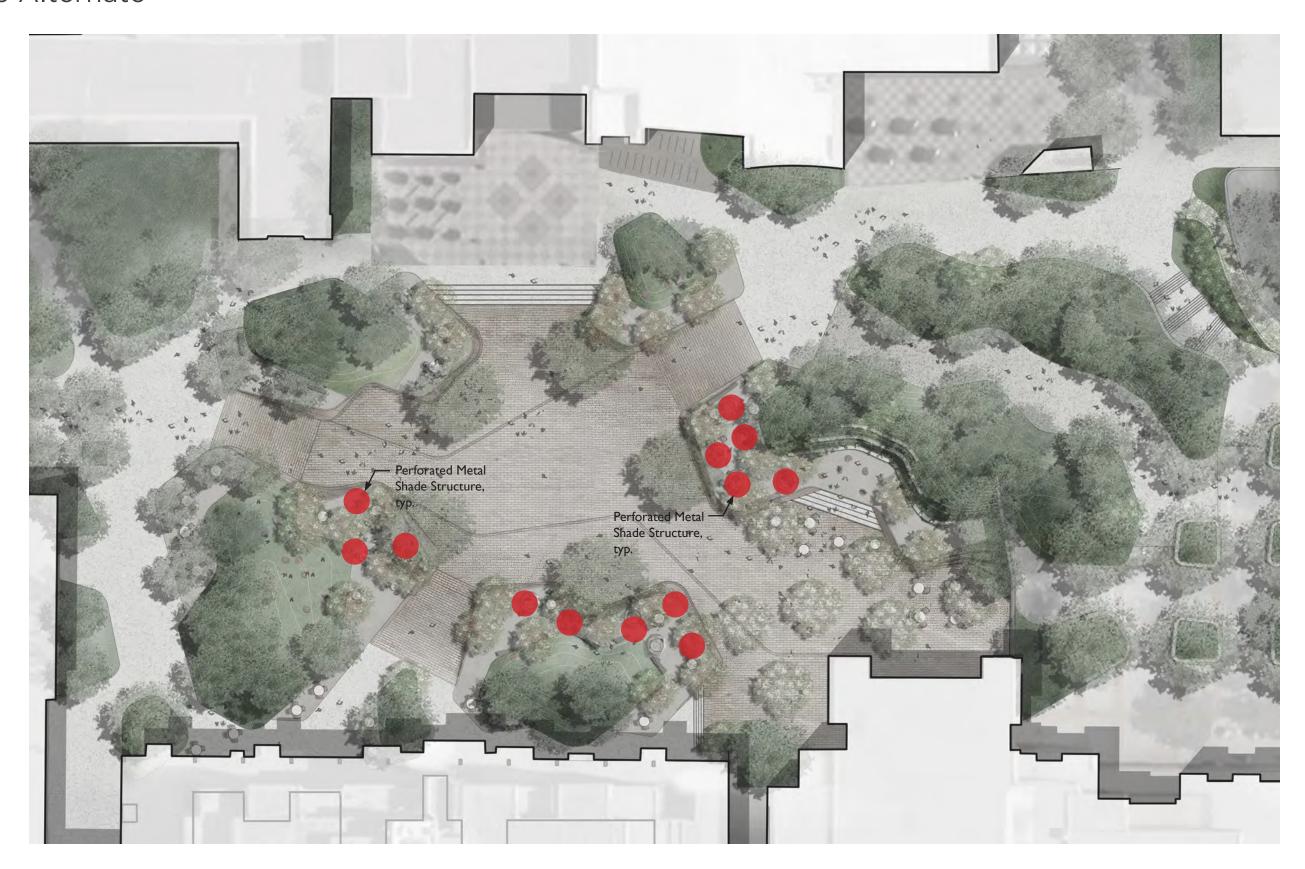


Auxiliary Event Space & Fire Lane



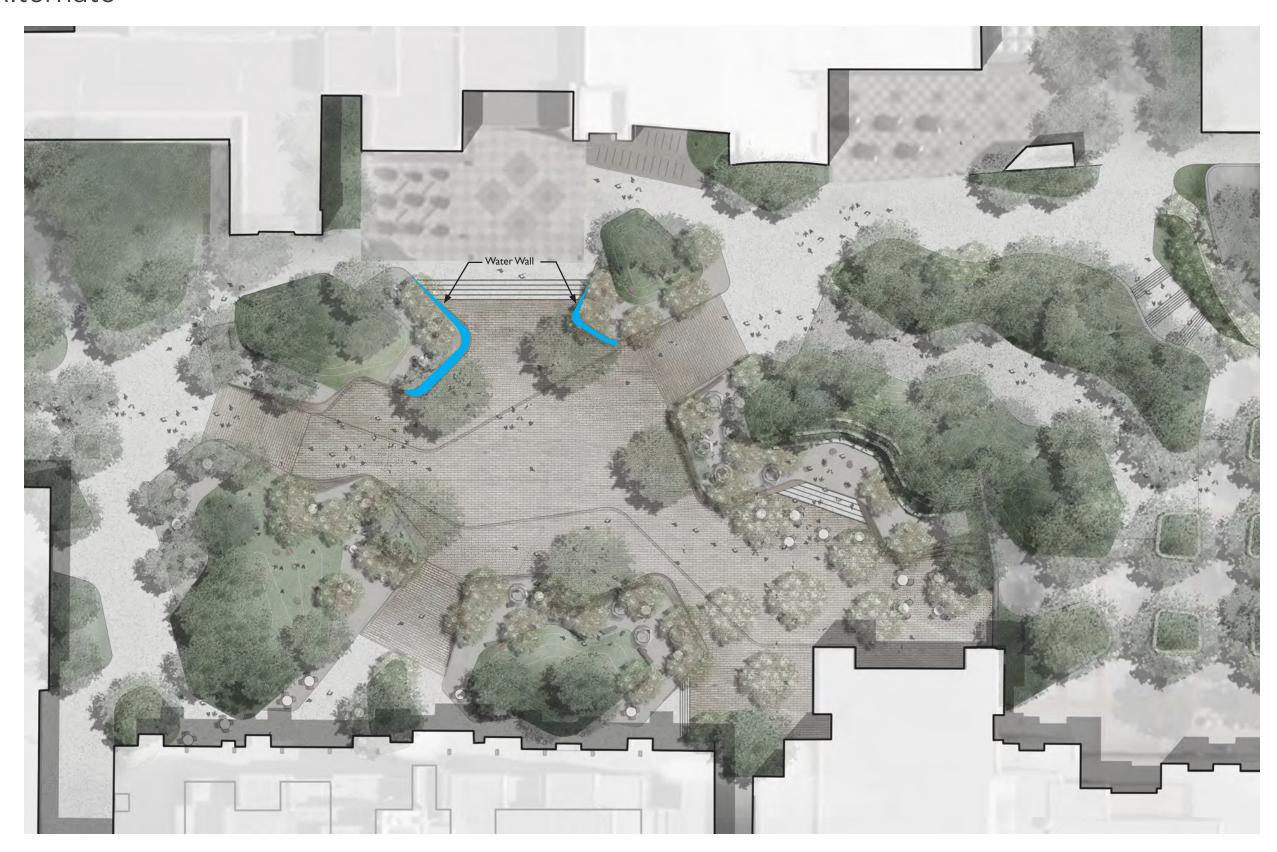
SHADE ELEMENTS

Additive Alternate



WATER ELEMENTS

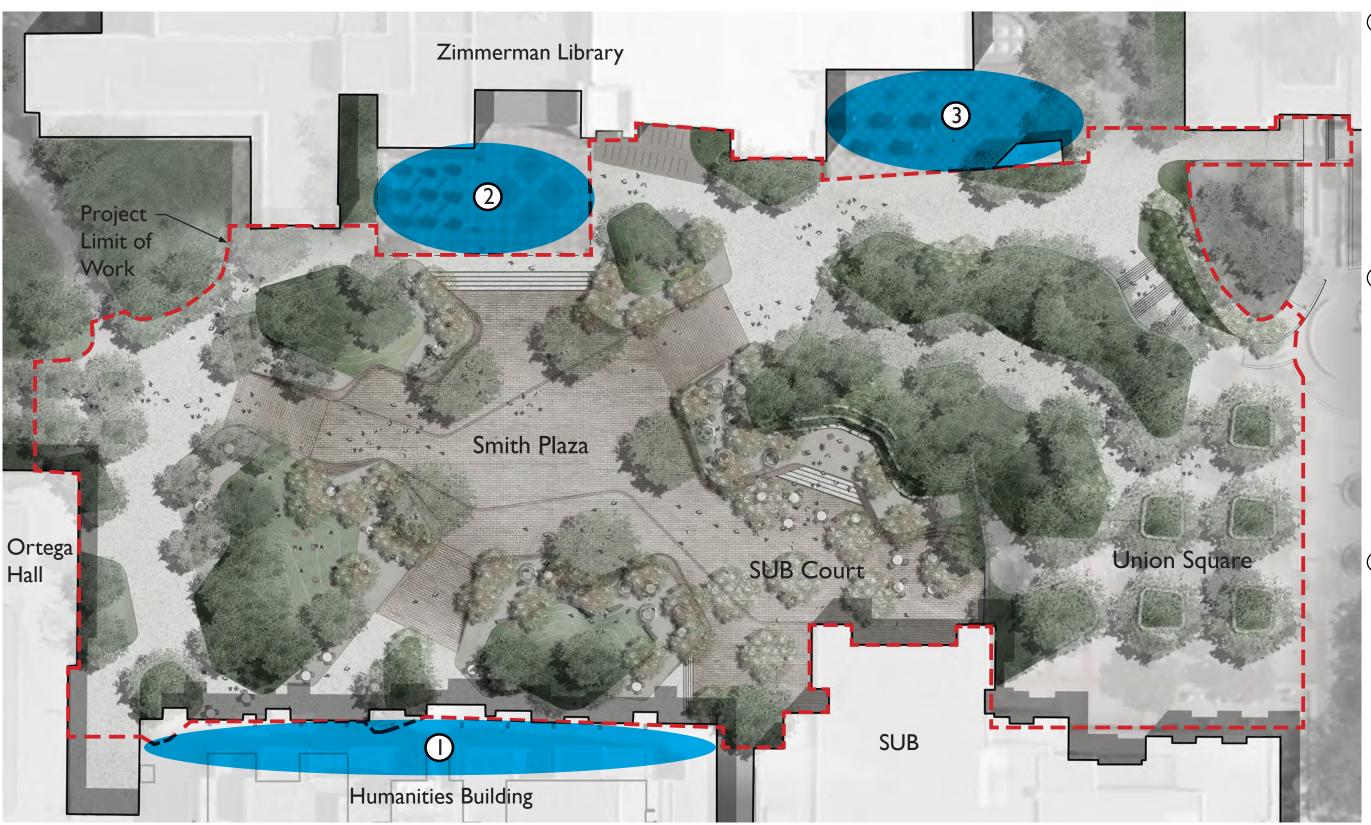
Additive Alternate



LIGHTING ELEMENTS



Project Area and Out-of-Scope Adjacent Improvement Opportunities



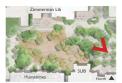
- (I.) <u>Humanities Interface:</u> Activate covered portion of Humanities. Programming considerations are bicycle storage, food service pop-up, art installation/ exhibit, color illumination and replacement of exterior ceiling and brightly contrasting painted elements. Removal of select site walls to improve connective to plaza.
- (2.) Zimmerman Address: Space refresh to improve connection and programming support to Smith Plaza Design. Removal of existing benches and tall pots for increased visibility. Potential location for art installation or outdoor learning space. Replacement of pavers and color selection more consistent with Smith Plaza or redistribution of existing paver pattern layout.
- 3. Zimmerman South: Improve sense of space and activity south of Zimmerman. Replacement of pavers and color selection more consistent with Smith Plaza or redistribution of existing paver pattern layout. Consider programming with wellness area or covered outdoor learning environment. (example: landscape forms)

Program & Character



View to Zimmerman from Union Square





View to Zimmerman from SUB





View to Smith Plaza from Duck Pond





View of SUB Amphitheater Plateau





View across SUB Plaza from Humanities







MEMORANDUM TO ADVANCE COMMITTEE AGENDA ITEM TO THE BOARD OF REGENTS THE UNIVERSITY OF NEW MEXICO

TO: Members of the Finance and Facilities Committee

THRU: Chaouki T. Abdallah, Acting President

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

FROM: Chris Vallejos, Associate Vice President, Institutional Support Services

Lisa Marbury, Executive Director, Institutional Support Services

DATE: May 25, 2017

RE: Approval of Capital Outlay Submission to the Higher Education Department

RECOMMENDED ACTION:

Attached for your perusal and possible approval is the Capital Outlay request package of 2018-19 projects that must be submitted to the Higher Education Department (HED).

The list anticipates a General Obligation Bond package in the 2018 Legislative session, and takes into consideration the significant facility and infrastructure needs of the institution and projects that can be completed in discreet phases. In total the attached list is comprised of eight projects as listed on the attached spreadsheet. These projects have been coordinated throughout the campus.

We look forward to your feedback on capital projects request as the University of New Mexico advances its facility improvements initiative.

Thank you for your consideration

cc: N. Allen, Associate Director, V. Staples, Budget Officer, Budget Planning & Analysis, R. Henrard, A. Coburn, L. Chance, C. Martinez, T. Murray Allred, Planning Design & Construction

UNIVERSITY OF NEW MEXICO CAPITAL OUTLAY PLAN

	ESTIMATED PROJECT COST	2018 APPROPRIATION REQUEST	PREVIOUS APPROPRIATION	PRIVATE FUNDS & OTHER FUNDS	Potential UNM BONDS
MAIN CAMPUS & HSC FACILITIES					_
COLLEGE OF FINE ARTS RENEWAL & REPLACEMENT	\$30,000,000	\$3,000,000	\$0	\$0	\$0
CHEMISTRY RENOVATION - PHASE II	\$16,000,000	\$16,000,000	\$0	\$0	\$0
NURSING/PHARMACY BUILDING REPLACEMENT	\$22,750,000	\$22,750,000	\$0	\$0	\$0
SUBTOTAL	\$68,750,000	\$41,750,000	\$0	\$0	\$0
GALLUP BRANCH MULTI PURPOSE FACILITY/CAREER TECH EDUCATION CENTER CLASSROOM RENOVATION/SITE IMPROVEMENTS	<i>\$2,000,000</i> \$500,000	<i>\$1,500,000</i> \$375,000	<i>\$0</i> \$0	<i>\$500,000</i> \$125,000	<i>\$0</i> \$0
LOS ALAMOS BRANCH SUSTATINABILITY, INFRASTRUCTURE, & CLASSROOM UPGRADES	\$1,000,000	\$750,000	\$0	\$250,000	\$0
LIBRARY & LOFT RENOVATIONS	\$500,000	\$375,000	\$0	\$125,000	\$0
TAOS BRANCH NATURAL RESOUERCES CENTER	\$4,000,000	\$3,000,000	\$0	\$1,000,000	\$0
VALENCIA BRANCH					
NO REQUEST	\$0	\$0	\$0	\$0	\$0
BRANCH SUBTOTAL	\$8,000,000	\$6,000,000	\$0	\$2,000,000	\$0
TOTAL	\$76,750,000	\$47,750,000	\$0	\$2,000,000	\$0

TAB 8 Budget Approval

FY 2017-2018 Consolidated Budget (Main Campus, HSC, and Branches)

Home page: http://budgetoffice.unm.edu/

Link to the ebook:

http://budgetoffice.unm.edu/assets/documents/budget/2017opcapitalbook.pdf

FY 2018 Budget Planning



June 13, 2017

Paul B. Roth, MD, MS, FACEP Chancellor UNM Health Sciences Center

Ava J. Lovell, MHA, CPA
Senior Executive Officer
for Finance & Administration
UNM Health Sciences Center

Introduction

Paul B. Roth, MD, MS, FACEP Chancellor UNM Health Sciences Center









UNM Health Sciences Center

Vision

The University of New Mexico Health Sciences Center will work with community partners to help New Mexico make more progress in health and health equity than any other state.







Mission

We will:

Provide an opportunity for New Mexicans to obtain an excellent education in health sciences.

Advance health discovery and innovation in the most important areas of human health.

Ensure that all populations in New Mexico have access to the highest quality health care.

Values

Our mission is guided by our values of:

- Excellence in education, patient care and research
- Commitment to service, quality and safety
- Integrity and accountability
- Respect and compassion for all people
- Teamwork and collaboration
- Providing hope for those we serve

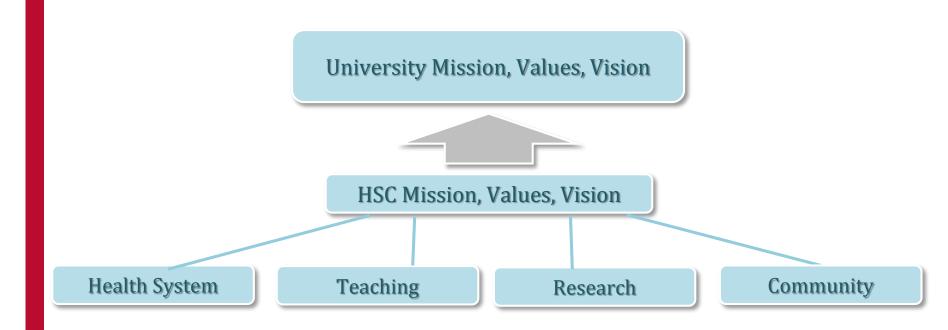
Strategic Goals

- 1. Improve public health and health care to those we serve
- 2. Build the workforce of New Mexico by providing a premier education
- 3. Translate our research and discoveries into clinical or educational practice
- 4. Provide the environment to enable our people and programs to do their best
- 5. Deliver high quality clinical care and service while being accessible to all New Mexicans
- Nurture and embrace an environment of diversity, integrity and transparency





Strategic Framework: Integration with the University



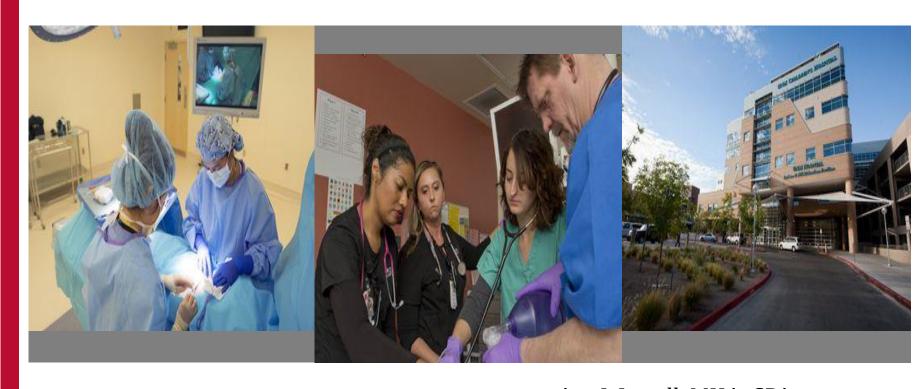


Issues & Challenges



Budget Planning FY 2018

June 13, 2017



Ava J. Lovell, MHA, CPA Senior Executive Officer for Finance & Administration



UNM HSC Academic Enterprise

FY 2018 – Financial Assumptions

Revenues

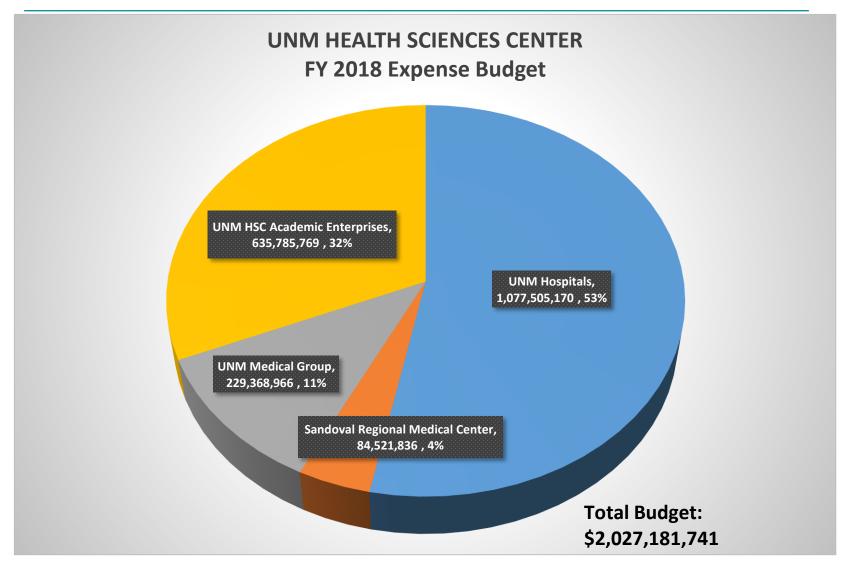
- Decrease in overall State Funding (General Fund Line Items) totaling 1.0%
- Cancer Center will implement a non-recurring \$1M use of reserves in accordance with 2018 Special Session HB1

Expenses

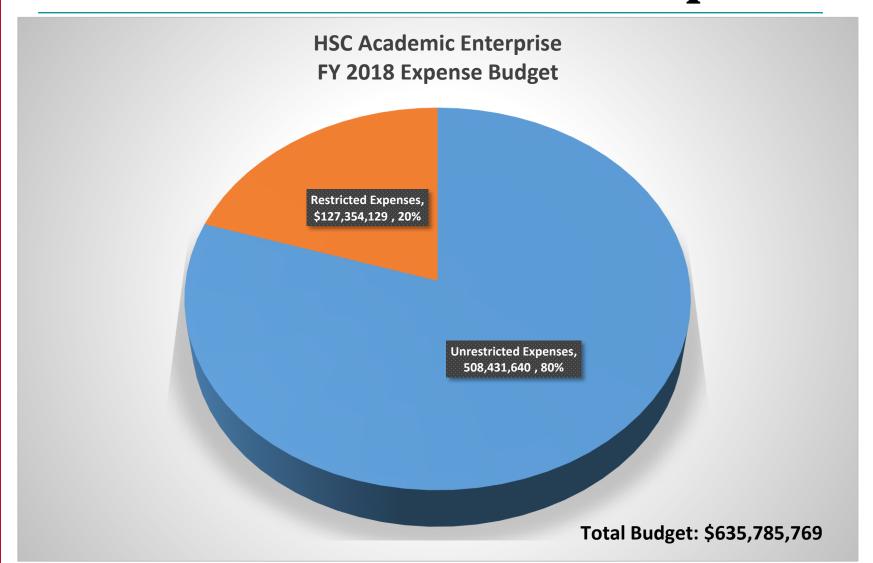
- Salary increases for HSC Faculty adjust to 25th percentiles where possible (approximately \$3M)
- Group Health Insurance increase 4.6%
- HSC utilities increase 0.2%
- Utilities and Operations/Maintenance for Health Education Phase 3
- College of Pharmacy Dean search and start-up package
- College of Nursing Dean search and start-up package



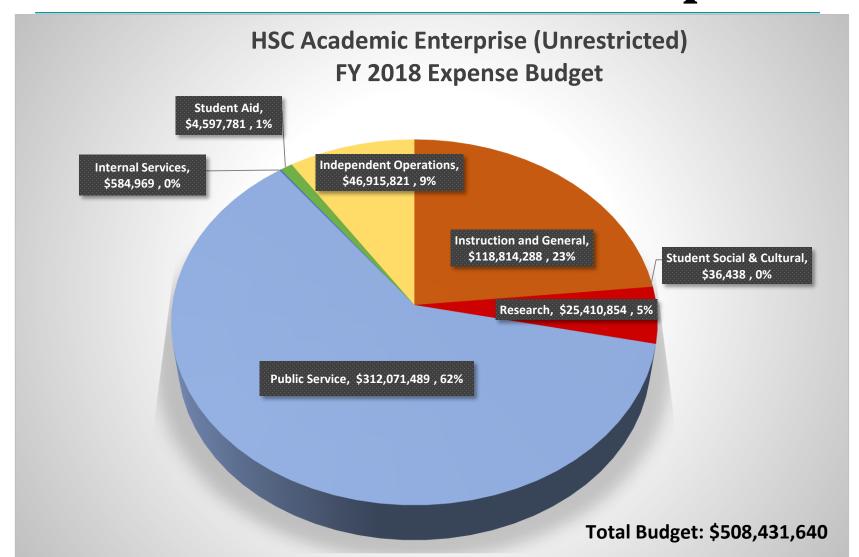
UNM Health Sciences Center



UNM HSC Academic Enterprise



UNM HSC Academic Enterprise





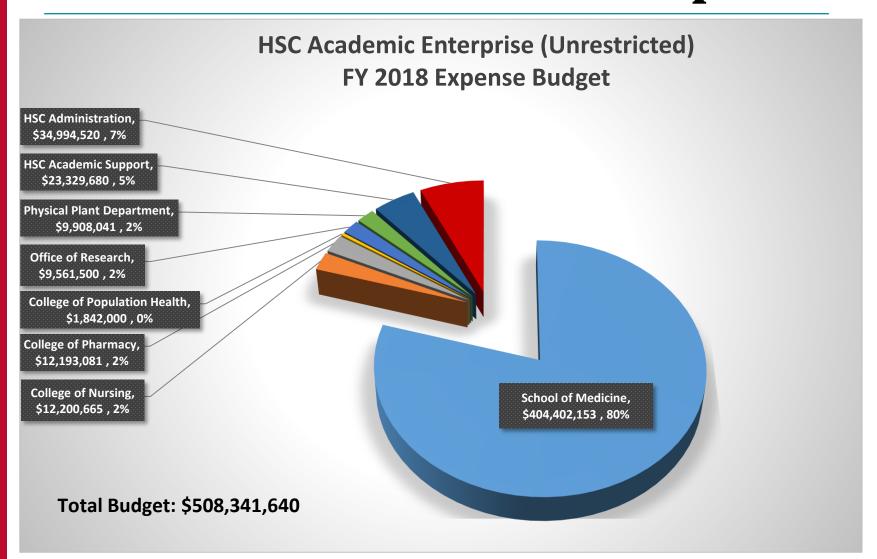
HSC FY 2018 General Fund Appropriations*

	FY 2017	FY 2017	FY 2018	
General Fund Appropriations	Original	Special Session	HB 1	% Change
HSC I&G	60,816,400	57,775,600	57,201,100	-6%
SPECIAL PROJECTS				
Cancer Center	2,625,800	2,494,500	2,469,500	-6%
Carrie Tingley	5,198,100	4,938,200	4,888,800	-6%
Children's Psych	7,115,600	6,759,800	6,692,200	-6%
Hepatitis C, Project ECHO	2,091,700	1,987,100	2,017,200	-4%
Native American Health Center	268,000	254,600	252,000	-6%
Native American Suicide Prevention	97,300	92,400	91,400	-6%
Newborn ICU	3,268,800	3,105,400	3,074,300	-6%
Nurse Expansion	1,076,400	1,022,600	1,012,300	-6%
Nurse Education, Graduate	1,610,500	1,530,000	1,514,700	-6%
Office of the Medical Investigator	5,005,000	4,754,800	4,707,200	-6%
Pediatric Oncology	1,271,800	1,208,200	1,196,100	-6%
NM Poison & Drug Info Center	1,548,400	1,471,000	1,456,200	-6%
Residencies, General Surgery/FCM	327,300	310,900	307,700	-6%
Residencies, Internal Medicine	1,042,500	990,400	980,400	-6%
Residencies, Psychiatry	393,600	373,900	370,100	-6%
Special Projects Subtotal	32,940,800	31,293,800	31,030,100	-6%
Total General Fund Appropriations	93,757,200	89,069,400	88,231,200	-5.9%

^{*}Excludes \$2,859,100 of Tobacco Settlement Appropriations that were not cut from FY 2017 to FY 2018



UNM HSC Academic Enterprise





FY18 How are savings applied to Institutional Support Mandatory Costs?

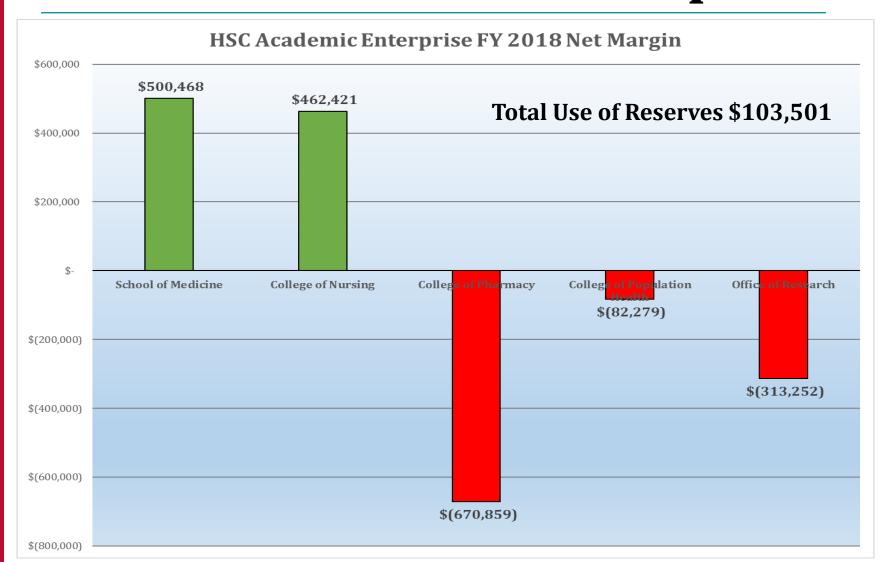
Institutional Support New costs to be absorbed by reallocation of current cost savings

- Mandatory
 - Insurance (Group Health, Gen Liability, Property): \$158,000
 - Microsoft License Fees: \$44,700
 - Utilities Inflation: \$211,900
 - Utilities, Health Education Bldg. III: \$300,000
 - Operations & Maintenance, Health Education Bldg. III: \$170,900
 - Audit Fees (new contract): \$30,000
 - UNM West operations to relieve Main Campus \$940,000
- Expansion/Reductions (significant)
 - Healthy Neighborhoods ABQ: \$257,000
 - Democracy Collaborative: \$80,000
 - Center for Innovation in Health & Education: \$122,550
 - Office of Population Health Management: \$120,000
 - University Counsel, legal nurse consultant and new Claims Management Attorney: \$196,300
 - Net Recurring Salary/Benefits Savings: (\$531,200)
 - Net recurring non-salary reallocations (\$628,950)

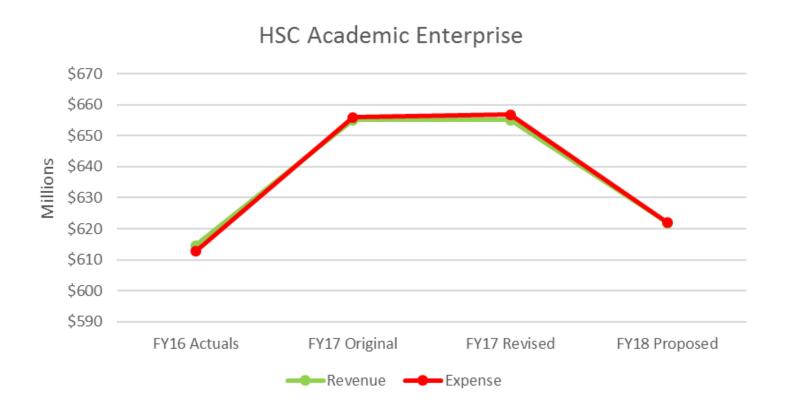
Total new costs: \$2,100,150



UNM HSC Academic Enterprise



HSC Academic Enterprise FY17 and FY18 Net Margin Are in the Red Primarily Due to State Appropriation Cuts





UNM HSC Academic Enterprise

Comparative Analysis: Prior Year - Current Year - Next Year (In thousands)

	FY 2016 Actuals	FY 2017 Revised Budget	FY 2018 Budget	Percent Change 2017-18
Revenues	\$582,504	\$608,846	\$623,225	2.4%
Expenses	574,458	617,217	635,786	3.0%
Transfers - (Capital/ Recruitment/ Startup/ Scholarships)	(5,420)	5,097	12,457	
Net Margin	\$2,626	(\$3,274)	(\$104)	



HSC FY 18 Unrestricted and Restricted Budget

(rounded to thousands)

Source of Funds
Tuition and Fees
State Appropriations
Federal and State Grants and Contracts
Private Gifts, Contracts and Grants
State and Local Bonds
Sales, Services and Other Revenues
Restricted Grant and Contract Revenues
Use of Reserves
Total Sources

Use of Funds By Category
Salaries and Benefits
Other Expenses
Capital Projects and Maintenance
Restricted Grant and Contract Expenditures
Debt Service
Total Use of Funds

2016 Original Budget	2017 Original Budget	2018 Original Budget	2017 to 2018 Variance Amount	2017 to 2018 Variance Percentage
\$ 14,840	\$ 17,351	\$ 18,046	\$ 695	4%
90,647	88,776	83,423	(5,353)	-6%
36,070	41,947	41,089	(858)	-2%
2,384	2,301	5,026	2,725	118%
-	-	-	-	N/A
328,734	356,196	360,744	4,548	1%
124,759	115,382	127,354	11,972	10%
933	(5,333)	104	5,437	-102%
\$ 598,367	\$ 616,620	\$ 635,786	\$ 19,166	3%

2016 Original Budget	Ori	017 ginal dget	2018 Original Budget	١	17 to 2018 Variance Amount	2017 to 2018 Variance Percentage
\$ 393,034	\$ 42	19,758	\$ 428,514	\$	8,756	2%
69,480		71,419	70,603		(816)	-1%
11,094		10,061	9,315		(746)	-7%
124,759	1	15,382	127,354		11,972	10%
-		-	-		-	N/A
\$ 598,367	\$ 63	L6,620	\$ 635,786	\$	19,166	3%



HSC FY 18 Unrestricted and Restricted Budget

(rounded to thousands)

Use of Funds By Exhibit

Instruction and General

Student Social

Research

Public Service

Internal Services

Student Aid

Auxiliaries

Athletics

Independent Operations

Restricted Grant and Contract Expenditures

Capital Outlay

Renewals and Replacement

Debt Service

Total Use of Funds

Beginning Reserves

Ending Reserves

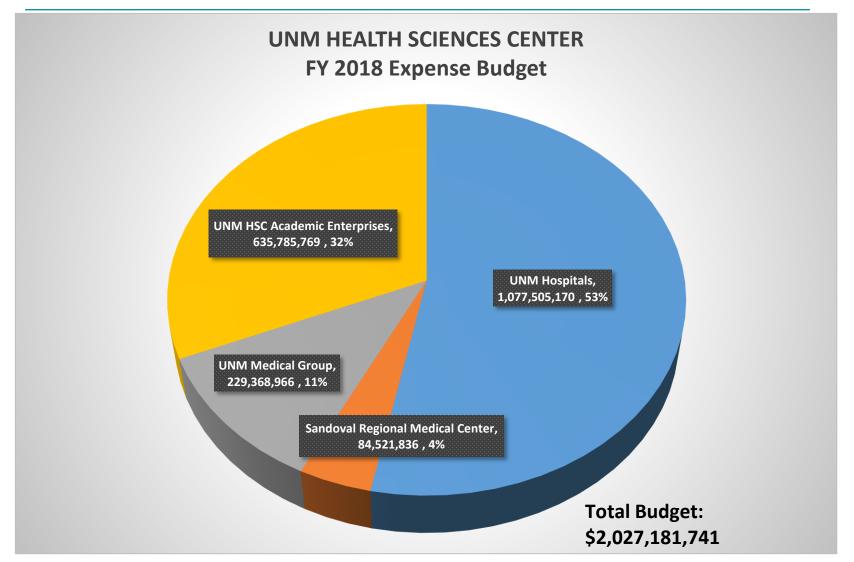
Net Change in Reserve

2016 Original Budget		2017 Original Budget	2018 Original Budget	2017 to 2018 Variance Amount	2017 to 2018 Variance Percentage
\$ 121,211	\$	123,778	\$ 118,814	\$ (4,964)	-4%
52		72	36	(36)	-50%
23,656		25,379	25,411	32	0%
281,091		301,257	312,071	10,814	4%
381		558	585	27	5%
4,515		4,695	4,598	(97)	-2%
-		-	-	-	N/A
-		-	-	-	N/A
42,702		45,499	46,917	1,418	3%
124,759		115,382	127,354	11,972	10%
-		-	-	-	N/A
-		-	-	-	N/A
-		_	-	-	N/A
\$ 598,367	\$	616,620	\$ 635,786	\$ 19,166	3%

45,558	63,959	61,411
44,625	69,292	61,307
(933)	5,333	(104)



UNM Health Sciences Center



UNM Hospitals

FY 2017 Revised Budget to FY 2018 Projected Budget - Revenue Changes

- UNMH volume increases \$16.5 million
- Revenue Cycle improvements \$14.7 million
- Additional Revenue Cycle improvements \$3.0 million
- Cancer Center volume increases \$8.1 million

UNM Hospitals

Revenue Roll forward

	FY	2017 Revised Budget	FY 20	018 Projected Budget
Operating Revenue prior fiscal year end	\$	897,544,372	\$	926,714,916
Payer Decreases due to reduced Mcaid Rates		(33,704,162)		-
Volume Increases		26,113,582		16,481,633
Revenue Cycle Improvements		22,579,331		14,716,510
Additional Revenue Cycle Improvements		-		3,000,000
Cancer Center Revenue Increases		3,226,889		8,086,020
Medicare Enacted Cuts		-		(2,811,500)
Prior year cost report settlements, non recurring		1,424,622		(3,180,354)
Prior year DSH reversal, non recurring		18,203,574		-
IME Increase		8,513,543		-
GME Increase		10,980,060		-
IME IGT Increase		(17,166,895)		-
GME IGT Increase		(11,000,000)		-
Operating Revenues fiscal year end	\$	926,714,916	\$	963,007,225



UNM Hospitals

FY 2018 – Financial Assumptions

Increased Expenses

- UCP/Housestaff/Medical Services \$10.2M
- Medical Supplies contracted vendor increases and Cancer Center volume increases - \$7.9M
- Other Expenses (i.e. Equip., Purch. Serv., UCP Costs) \$4.3M

Non Operating Revenues and Expenses

- Mill levy 2.4% increase
- State Appropriations anticipated 1.0% decrease
- Interest Expense decrease as per debt service schedule



Sandoval Regional Medical Center

FY 2018 - Financial Assumptions

Revenues

- Operating Revenue increases \$5.9M
- Impact of loss of \$6.2M Mil levy

Expenses

- Salaries & Benefits decrease of \$4.5M
- Medical Supplies increases due to budgeted volume increases \$1.4M
- Equipment/Occupancy/Depreciation increase of \$1.1M
- Purchased Services/Other increase of \$1.7M



UNM Medical Group

FY 2018 – Financial Assumptions

Revenues

- Volume growth of 5.5%
- Revenue cycle improvements of \$1.0 million
- No other reimbursement changes

Expenses

- Purchase of Physician services/salaries increase of \$9.5 million, or 6%
- Overhead cost increase (2.9%) was held to 50% of patient service revenue increase (7.7%)



FY18 How are savings applied to fund the Clinical Enterprise Needs?

Medical Service needs are funded through a combination of facility and professional revenue enhancements, and volume increases

- Faculty/SOM Medical Service Gaps in 2018
 - Anesthesiology faculty retention and FTEs \$535K
 - Urgent and Critical Care (ED) \$225K
 - Dermatology MOHS and LOO \$220K
 - Internal Medicine LOO and FTEs \$1,058K
 - FCM LOO and FTEs \$344K
 - Surgical Services Increase \$2,160K
 - Support for Neurology and Palliative \$217K
 - OMF Surgery \$195K
 - Pediatric Urology \$67K
 - Faculty Salary 25th percentile \$2,000K
 - Above Totals \$7,021K



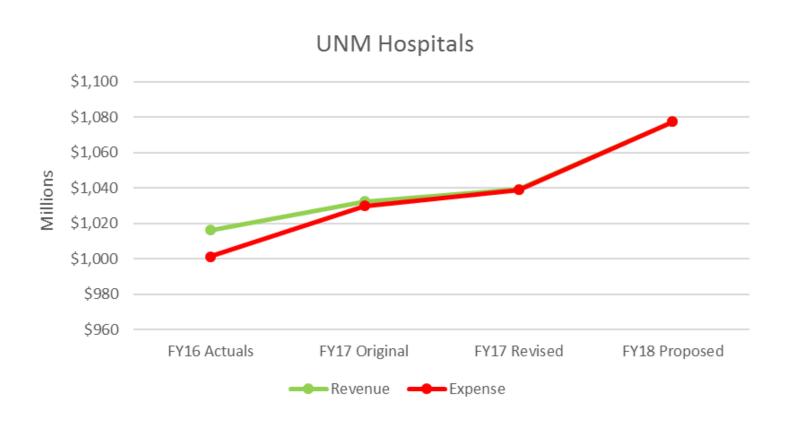
FY18 How are savings applied to fund the Clinical Enterprise Needs?

SRMC budget adjustments are a combination of cost and program reductions, and revenue enhancements

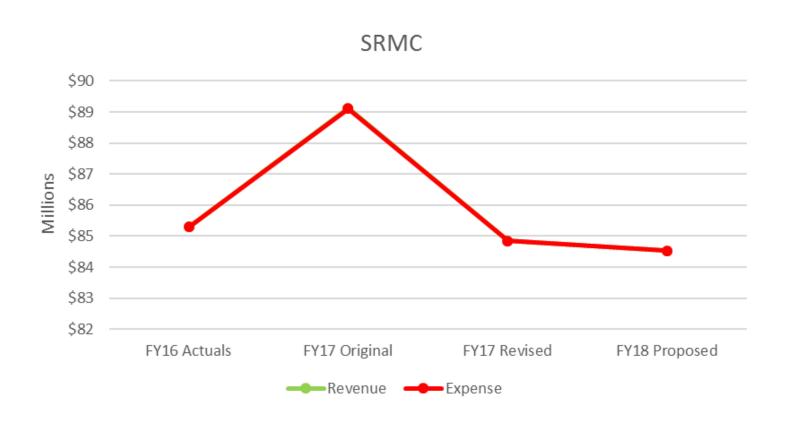
- Mil Levy Loss (\$6.2 million)
- Operating Revenue enhancements \$5.9 million
 - Discharges incr 384 (9.4%) Surgeries incr 687 (16.9%); IV
 Radiology incr 88 procedures (4.5%); Outpatient incr
 4,579 visits (11.2%); Add PET CT 500 procedures;
- Cost savings due to FTEs reduction (49) \$4.5 million
- Cost increases due to volume increases and program changes (\$4.2 million)
- The net margin for SRMC is breakeven



UNM Hospitals FY16 Net Margin has disappeared due to Medicaid cuts from HSD and Molina/United contracts

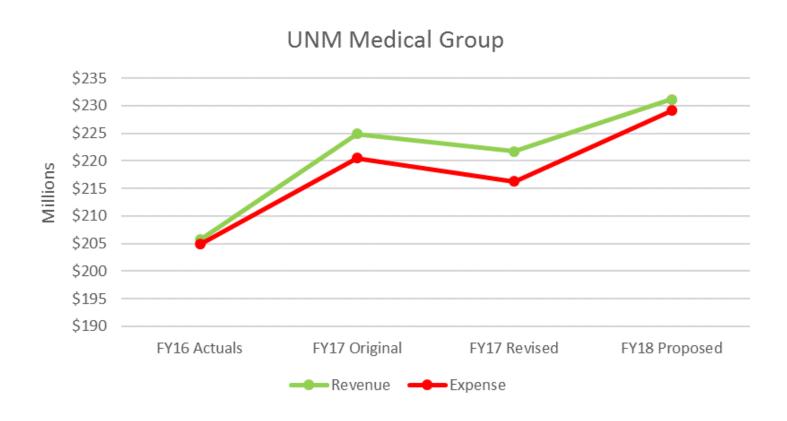


Sandoval Regional Medical Center Net Margin Has Remained Breakeven but Revenues and Expenses Will Decline in FY18 Due to the Loss of the Mil Levy





UNM Medical Group FY17 Net Margin is Driven Completely by Nonrecurring Meaningful Use Revenue - Used to Invest in the Lovelace/UNM Rehabilitation Facility





UNM Health System

FY 2018 Budget

(In thousands)

	UNM Hospitals	UNM Medical Group	UNM Sandoval Regional Medical Center	UNM Health System 6/30/2018 Total
Revenues	\$1,077,509	\$229,396	\$84,525	\$1,391,430
Expenses	1,077,505	225,246	84,522	1,387,273
Net Margin before Non-Recurring Items	\$4	\$4,150	\$3	\$4,157
Capital Initiatives/ Meaningful Use Revenue/ Health Insurance - OPEB/ Use of UNMMG Reserves	-	(4,123)	-	(4,123)
Net Margin	\$4	\$27	\$3	\$34



Questions?





Board of Regent Report UNM Alumni Association & Alumni Relations Office June 13, 2017

Strategic Goals

Goal: Maximize alumni and student engagement

Student Engagement

- •Alumni Welcome at 11 Lobo Orientation Lunches throughout summer.
- •UNM Alumni Homecoming Art Competition: Sophomore Kathleen Coucke was announced as the winner of the inaugural Homecoming Art Competition. Her piece, "Desert Hillside" will be created into the official 2017 Homecoming Poster.

Alumni Engagement/Calendar

- •Chapter leaders from across the country and throughout campus participated in the Annual Chapter Council Meeting June 8 with training and collaboration opportunities to increase their alumni engagement.
- •The Alumni Veterans Chapter partnered with UCAM and created a short film to celebrate UNM's military history, thank service men and women for their service and remember our fallen Lobos. The film was shared Memorial Day weekend with excellent engagement across social media.
- •Atlanta Chapter: May 18 Meet and Eat, Sun in My Belly Restaurant, founded by alumna, Alison Lueker-Ritter; 32 attended.
- Austin Chapter: May 13 Annual Spring Wine Tasting and Wildflower Tour, Driftwood Area; 14 attended.
- •Dallas Chapter: May 19 Witherspoon Distillery Tour, featuring alumnus, Chris Leurig '14
- •Denver Chapter: June 3 New Mexico Night at the Colorado Rapids, supporting Albuquerque Sol player, Ricardo Perez vs. Lobo alum, Nico Hansen from the Columbus Crew SC, 7pm at Dicks Sporting Goods Park.
- •Las Vegas Chapter: May 20 Ice Cream Festival at Springs Preserve; 15 attended.
- •Los Angeles Chapter: May 6 Cinco de May Weekend at Olvera Street, Union Station Tour and lunch at Las Golondrinas; 12 in attendance; July 2 Padres/LA Dodgers Baseball game at PetCo Park.
- •San Diego Chapter: May 26 Lobo Meet Up for NM Red & Green Cuisine Food Truck at Groundswell Brewery; July 2 Padres/LA Dodgers Baseball game at PetCo Park.
- •Seattle Chapter: May 20 Afternoon at the Seattle Sounders FC vs. Real Salt Lake game, to support former Lobo, O'Neill Fisher; 32 attended.

Alumni Chapter Green Chile Roast Dates

- August 12 Austin Chapter, Pease Park
- August 20 Las Vegas Chapter, Carlitos Burritos
- August 26 Chicago Chapter, TBD
- August 27 Los Angeles Chapter, Arroyo Verde Park
- ●August 27 San Diego Chapter, TBD
- •September 9-10 Washington DC Chapter, Fortuitous Farms
- •October 7 Atlanta Chapter, Decatur Square Pub

Lobo Living Room: August 2, 2017 at Dreamstyle Arena: Inside Look at Lobo Basketball, with Coach Paul Weir and Coach Mike Bradbury.

Golden Graduates and Heritage Club Weekend

- •May 12 Campus Tour for members of the Class of 1967 and Heritage Club; 16 attended.
- •May 12 Reception and Dinner for induction of Class of 1967 into the Heritage Club at Hodgin Hall Alumni Center; 30 attended.
- •May 13 Graduation Commencement, Wise Pies Arena (aka The Pit), 9 am. The Class of 1967 and Heritage Club will commence the ceremonies by marching in golden robes; 14 attended.
- •Note: 75th Anniversary for alumna, Laura Bradshaw Grissom, A&S; attended lunch with Department of English Chair, Anita Obermeier; personal tour and recognition at Office of the Registrar, where she worked for 25 years; participated in Commencement ceremony.

The **Office of Graduate Studies** and **Alumni Relations Office** are partnering to improve international alumni data. The first focus will be alumni from India with future emphasis on China and Latin America.

UNM Alumni Association Statewide Outreach

Los Alamos, NM, May 4: Consumer Security: Protecting the Citizens of New Mexico The New Mexico Attorney General's Office Policy and Community Outreach Program along with the UNM Alumni Association presented a Consumer Security presentation in Los Alamos. Topics included: recognizing the red flags of financial scams, consumer online safety, crime prevention, identity theft and fraud. UNM alums Patrick Stewart, Shaylyn Garcia Roy, Lynn Southard and Brad Hill from the Attorney General's Office presented the program. The Director of UNMLA, key communication and marketing staff and directors of LA adult education programs attended the presentation. 13 alumni and citizens attended the presentation.

Greater Albuquerque Area Alumni Chapter (GAAAC) Community Service:

community service.

January-May, 2017:

- Volunteered in the winter and spring for Donut Days
- Volunteered for UNM May Commencement
- Volunteered for Alumni Association New Grad Bash

Social Events:

May 2, 2007. Baseball Tailgate: UNM vs Aggies

- •GAAAC and YA organized a tailgate before the UNM Baseball game against NMSU
- •32 alums and community attended the tailgate

Goal: Increase alumni advocacy for UNM

Lobos for Legislation worked side-by-side with UNM Government Relations during the long 60-day legislative session from January to March. The committee's role was limited this year due to New Mexico's budget constraints. The committee focused on reaching out and contacting New Mexico state legislators through the customized *Lobo Tracks* system.

Five teams of alumni frequented the round house and advocated for UNM's priorities:

- 53 of 70 Representatives were contacted, with 89 total contacts made by alumni during the session
- 27 of 42 Senators were contacted, with 110 total contracts made by alumni during the session

Legislator Awards

Lobos for Legislation bestowed the 2017 Distinguished Legislator Service Award to Senator
 Jacob Candelaria on June 9 at the Alumni Association Volunteer Thank You Reception

Lobos for Legislation Events

• Lobos for Legislation is organizing a summer Legislative Home Reception in Santa Fe, NM

Lobos for Legislation Leadership

Coleman Travelstead will chair Lobos for Legislation in 2017-18

Goal: Maximize benefits of technology

Website May 2 to May 25

Pages	Unique Views
Total Page Views	7,316
1. Home Page	1,275
2. Awards	243
3. Graduation	217
4. Benefits	207
5. Chapters	202

Online Community May 2 to May 25

New registered members	204
Unique profile updates	238
Unique logins	84
No. of event registrations	226

Broadcast Emails

In May, the Alumni Relations Office sent 13 emails, including the Howler on May 4 and reminder emails for events.

No. of addressees*	Opens	Clicks	Unique Clicks	Bounces	Unsubscribes
105,740	20,050	1,504	1,123	1,389	122

^{*} Total number of people sent to (people can receive multiple emails to comprise this total

Social Media statistics for May 2017:

	Facebook	Twitter	Instagram
Followers (as of 5/24/17)	6,684	2,152	619
Posts	26	26	24
Total impressions for the month	2,005,252	35,800	2,413
Link clicks	_	63	_
Average daily interactions	927	_	_
Average followers reached weekly	4,004	_	_

Goal: Invest in a strategic and collaborative communications and marketing program

Howler Statistics

The Howler monthly e-newsletter continues to average a 15% open rate (about 12,700), with an average of 800 click throughs per issue.

 The May issue featured: Spring 2017 graduation celebrations and Golden Graduate & Heritage Club Weekend activities; Alumni Association Citizenship and Trailblazer of the Year award recipients; link to watch Lobo Living Room presentations on line; and upcoming chapter events.

Mirage Magazine

In the Spring 2017 edition, and the communications for its promotion, we asked alumni to opt-in to digital delivery. The Alumni Association is also moving to a digital delivery, via email, only for all oncampus faculty and staff at the University. Mirage mailing preference updates continue to come in.

Mirage Delivery Preference Submissions May 2 to May 25

	Alums	Faculty	Staff	Non-Alum
Email	13	1	1	0
Print	11	0	0	1
Both Print/Email	1	0	0	0
REPLIES for May	25	1	1	1

Mirage Delivery Preference TOTALS

	Alums	Faculty	Staff	Non-Alum
Email	258	11	39	6
Print	41	1	8	3
Both Print/Email	19	1	6	1
TOTAL REPLIES	318	13	53	10

Traffic Sources May 2 to May 25

Source	No. of Visits
Mirage Web Page	66
April Howler	16
Delivery Preferences	8
Mailer	8
Website Search	1

Marketing & Communications

May 2017 had 4 active integrated marketing and communications plans created and executed – including graphic design of collateral pieces and website updates and forms to take RSVPS, etc – in support of events and programs, including:

- 1. New Grad Communications
- 2. Golden Grads
- 3. Mirage Magazine Communications
- 4. Donut Days

There are 6 integrated marketing and communications plans in the production process for June 2017, including Homecoming 2017 communications and the annual Chapter Green Chile Roasts.