

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

April 10, 2007

**9:00 a.m. – 11:30 a.m., 1:00 p.m. – 3:00 p.m., Student Union Ballroom B
Regents Executive Session/Luncheon, 11:30 a.m. – 1:00 p.m., Sandia Room**

ATTENDANCE:

Regents present:

James H. Koch, President
Jack Fortner, Vice President
Carolyn Abeita, Secretary-Treasurer
John “Mel” Eaves
Raymond Sanchez
Don Chalmers
Dahlia Dorman, Student Regent

Acting President present:

David Harris

Incoming President

Dr. David J. Schmidly

Vice Presidents present:

Paul Roth, Executive Vice President, Health Sciences Center
Reed Dasenbrock, Provost and Executive Vice President of Academic Affairs
Michael Kingan, Vice President of Advancement
Terry Yates, Vice President for Research
Carolyn Thompson, Interim Vice President of Human Resources

University Counsel present:

Patrick Apodaca, University Counsel

Regents’ Advisors present:

Howard Snell for Virginia Shipman, Faculty Senate
David Groth, President, Staff Counsel
Joseph Garcia, President, GPSA
Brittany Jaeger, ASUNM
Roberto Ortega, President, UNM Alumni Association
Robert Bovinette, Foundation

Others in attendance:

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

Regent Koch presided over the meeting and called the meeting to order at 9:00 am.

CONFIRMATION OF QUORUM and ADOPTION OF AGENDA, Regent Koch

Motion approved unanimously to adopt today's agenda (1st Eaves, 2nd Abeita).

APPROVAL OF SUMMARIZED MINUTES OF MARCH 12, 2007 UNM BOARD OF REGENTS MEETING

Motion approved unanimously to approve the Summarized Minutes of the March 12, 2007 UNM Board of Regents meeting (1st Chalmers, 2nd Fortner).

PRESENTATION TO UNM REGENTS BY: DEMOCRACY FOR NEW MEXICO, LOS ALAMOS STUDY GROUP, PROGRESSIVE ACTION COALITION

- *Robb Chavez* – I am a member of Democracy for New Mexico. A correction to the agenda, there is a fourth group also presenting: Stop the War Machine. There is a history to why we are here today. This was started by the University allowing the Office of Policy, Security and Technology on September 29th of last year to have a one-sided forum. One of the major incidents - there was a former UNM professor, Robert Anderson, who was arrested. As a result, there was an outpouring of community concern and support for Mr. Anderson at the October 10th Regents Meeting.
- In November and early December, there were four meetings in five weeks; two of them were Regents Meetings; there were two other meetings. There was a review of Mr. Anderson's arrest, but it was inconclusive. It is my understanding that President Harris promised that if there was an indication of wrong doing, that he would attempt to have the charges dropped. The charges against Mr. Anderson are still pending. What we have today is a Resolution that was previously presented asking certain things of the Regents; the Resolution will be presented today. Before this was presented in the context of Public Comment, today this is actually an agenda item. The Resolution contains three action items for the Regents.
- *Paul Eichhorn* – let me summarize the major points of the Resolution. Point one, statement of where we are. In a quest for lucrative research dollars, the focus of our University has turned into a weapon research facility. These are complex systems whose components are not always obvious, but you can smell them because they are classified, requiring the Freedom of Information Act to learn about.
- Point two and three on the Resolution state the problem. These military programs divert focus of the University from genuine interest of the state and its citizens and they violate the moral and legal obligations of our country. Point four gives two solid instances of moral and legal peril. The violation of treaties and secondly, the feeding of a ravenous future arms race. We have had a problem about making dissent of this. We are in a moral crisis and need a Resolution. We need to make a choice between the

culture of war, racing to oblivion, and one of peace and sustainability. Our Resolution, which I hope we adopt, repudiates the September 29th Reliable Replacement Warheads symposium and it offers a solution to the sneaky militarization of our University.

- *Vicki Johnson* – I am a graduate of the University of New Mexico in Computing and Information Sciences. I thank you for my education. What you see around the room here are reproductions of military contracts that were obtained through the Freedom of Information Act. The request was for contracts with military agencies and the University of New Mexico; hundreds of contracts were supplied covering the 80's and 90's. Some excerpts (leaving out Sandia and Los Alamos) are listed on the slide. One of the more recent budget appropriations to the University Strategic Partnership is for the Defense Threat Reduction Agency. If you go to the Defense Threat Reduction Agency website, it states that the University Strategic Partnership focuses on six topic areas, the first is promoting the next generation of weapons of mass destruction expertise.
- In 2006, Domenici helped appropriate \$5 - \$6 million dollars for New Mexico higher education institutions for this particular agency. SDI Research at UNM, here are some excerpts from the contracts. Starfire Research at UNM, here are excerpts from the contracts. The New York Times has done an article on Starfire Research -- its basic thrust is an anti-satellite weapon. Airborne Laser Research at UNM; the Boeing website: The Airborne Laser will...accurately point and fire the high-energy laser, destroying enemy missiles...weapons related research done here at UNM. Electromagnetic weapons related research at UNM; here we have a contract with the objective to develop liquid plasma sources as the basis for possible advanced electromagnetic weapons and possible development of simulators of nuclear weapons effects.
- In 2004, in a study of where DOD defense funds go, I looked at Hispanic serving universities. Universities that have more than 25% Hispanic population. UNM was number two in the nation for recipient of funds from the DOD. One contract was with the Air Force and this contract was to influence the student's choice of careers in defense related engineering. This contract mentions urban minorities, mentions Chicano and Indian students as participants and discusses how talks given by weapons lab personnel will open to these students the world of engineering.
- After getting my bachelor's at UNM, I went on to Stanford, I went on to New York University to get an MBA in Finance, and I worked in the Silicon Valley. I am an entrepreneur. For me the world of engineering was not defense contracts. I have had a wonderful career and I very much appreciate the basis I got for it at UNM. I left New Mexico because I did not want to work for defense contractors, and I am very thankful that as a student at UNM, I was not asked to work on contracts and projects such as these. I think we can offer our students a better future by reducing the number of dollars and contracts that are coming from military sources.

- *Gregg Mello* – I am the Director of the Los Alamos Study Group. I am a graduate of Harvard University in Engineering and Regional Planning. We are here this morning because we are concerned that the University of New Mexico is too much of what it shouldn't be and not yet enough of what it could be and should be. What UNM should not be, in our view, is intellectually, financially and politically subordinate to institutions which are at best indifferent and at worst a considerable cause of our state's social and environmental problems and the world's. Our water supplies are greatly overcommitted and our institutions have not absorbed the reality of global warming, its impact on the state, what we can do about it. That impact will be social, will be economic, and intellectual and moral. The University of New Mexico should be leading the way forward intellectually, but I am afraid we're not. There should be intellectual resources here who are independent, who can think for themselves.
- This is a graph, the red line shows the real dollar increase in weapons funding just at Los Alamos National Laboratories. This blue line is our state's relative standing in per capita personal income relative to other states. The two curves diverge. We have a problem here of subordination of the state's leadership and institutions; two entities which are controlled from afar and don't have the best interest intellectually, morally or economically of our state in mind.
- *Mike ()* – I am a retired mathematician; actually I work at UCLA's Institute for Pure and Applied Mathematics during the summer. I was formerly the Chief Scientist and Director of the Research Institute for Advanced Computer Science. I am not speaking as an expert in international law. I do believe however that UNM should comport itself in a manner that is consistent with international treaties signed by the United States. This is an area for experts, but it is also an area that should be transparently open for frequent and regular public review and comment. The key to the effectiveness of the Treaty on Nonproliferation of Nuclear Weapons, enacted in 1970, and reaffirmed indefinitely, may be the willingness of the nuclear weapons states to fulfill the promises that they made in Article VI. It is important for UNM to set an example for the community and its students by its adherence to the law.
- *Andrew Marcum* – I am a PhD student in American Studies here at the University of New Mexico. Last fall, not long after Bob Anderson was removed from this campus and banned for expressing concerns over this University's involvement with weapons makers, I and a number of other members of the community had an opportunity to sit down with Interim President Harris and Provost Dasenbrock. We expressed our concerns over the events of the 29th and our larger concerns over UNM's close ties to weapons makers and defense contractors. The view was expressed to me at that time that these things were complicated, which I understand. These things are complicated in such a way that the University couldn't know where these research dollars that were coming from weapons makers and defense contractors were going to go or what the fruits of that kind of

research would be. It may not be weapons related, we just can't be sure. I thought at that time and expressed the view that that is concerning to me because as a public university and as a public trust, I believe that the University of New Mexico should be aware of what the research going on here is going to do, what the consequences of that research will be, what the intent behind that research is.

- More broadly, I expressed the view that as a public university and a public trust, the university should consider the consequences of that research as it benefits or doesn't benefit the state and the people of this state. I believe that the University should not be using its scientific genius, its research capabilities to benefit the world's largest weapons makers. But, instead it should utilize those talents and resources to benefit the people of this state, to address problems around global warming and to develop renewable energy resources more aggressively, to address the problems of poverty and hunger and education that this state faces. The events of the 29th and the subsequent conversations have sparked a conversation, not only here on campus, but across the state of New Mexico, so I brought with me many letters from organizations and religious leaders and UNM alumni from across the state urging you to support the Resolution before you. I am also working to inform the student body of this conversation. I have started a petition of support for the Resolution which has now 200 signatures from students.
- *Sebastian Pais* – I am an ASUNM Senator, undergrad student here at UNM. I come here before you to tell you that by saying do we need these types of contracts here at the University of New Mexico and by deciding to keep these types of contracts, we are reproducing a colonial mentality. So, we are going to stay tied to these types of pressures from large corporations, from this nation. And if tomorrow, if these corporations are from all nations, we'll stay tied to them anyway because we are looking after the money. We have to start looking after ourselves and what is more beneficial for our citizens in the state and the nation. So, as a student here, I would like you to know what is most beneficial for us is keeping infrastructure working, keeping our buildings safe, keeping the windows shut when it's cold, having a good cooling system in the summer, having more money for education, having more students involved in the community, having more students able to stay here. I believe that this is an ethical problem. I would have to say that we will have to go to the Ethics Commission. I want to appeal to your own ethics and see that building these weapons instead of education is a crime. Providing these companies with the brilliant minds of New Mexico, for them to have these weapons to kill and threaten others is a crime.
- *Carla Josephson* – I am a parent of two students here at the University and I will probably be transferring here in the fall also. All of us share in the responsibility for what has happened to our schools, our universities and our country. We handed the keys to our universities to the military industrial complex years ago. What has this so-called partnership done for

New Mexico? More children live in poverty here than in any other state. The citizens of New Mexico face crushing problems with poverty, health care, education and transportation, despite the huge amounts of money that is poured into this state by the federal government and contractors. We face an ecological crisis because of the climate change and we face a coming water war. Universities build knowledge and share it. We need to regain control and take responsibility for the intellectual property that is created here at UNM. We are asking for the ability to participate in this process.

- We want to look at existing models at other universities. We want to help you create new models. We want to find new sources of revenue elsewhere in private industry; we want to create new partnerships that will better serve the citizens of New Mexico. All of us have a responsibility to help find better solutions. We ask for more accountability and more transparency in this contract process. We want a structure for ongoing citizen participation in this process; particularly we want a three-year phase out. We would like to help UNM find the profit in peace. We want you to reach a decision on our Resolution before the beginning of the fall semester. We view this as a beginning in a process we want full participation in.
- Regent Koch thanked the speakers. We've gone 39 minutes. As I told your group earlier, I appreciate very much that if people want to address us other than a Public Comment; it is easier if you contact us with an agenda item. We have your Resolution and we will take it under advisement, and will continue the dialogue.

ADMINISTRATIVE REPORT, David Harris, Acting President

- This month the Greater Albuquerque Chamber of Commerce presented its third annual corporate citizenship awards. Our very own Regent Don Chalmers received the Kinney Award, which recognizes someone who embodies the late Mayor Kinney's traits which include leadership, acting as a mentor, nurturing and serving the community.
- Results in the recently concluded Legislative Session – about four years ago we formed a more coordinated approach to actually developing priorities and presenting those priorities to the Legislature. I think we have shown improvement each and every year, particularly for the finances of the Health Sciences Center. We have expanded our special projects by over \$5 million dollars. We received 5% compensation increase for faculty and staff. We improved our capital outlay appropriations substantially. There was a bill authorizing our Regents to impose a surcharge on athletic events, which permits us to enter into bonded debt to improve our athletic facilities. Most importantly, the City of Rio Rancho was authorized to impose a ¼ -cent gross receipts tax to help construct a higher education facility in Rio Rancho which we believe could yield as much as \$30 million dollar. Our Budget Summit affords each and every

person in the campus community to have a voice in forming these priorities.

- The April 9th, 2007 issue of Hispanic Outlook recognized UNM as a leading institution in the country for Hispanic students.

COMMENTS FROM REGENTS ADVISORS

Howard Snell for Virginia Shipman, Faculty Senate

- The Faculty Senate was active in the Budget Summit preparations. Virginia continues to chair a committee on extra-compensation for outside consulting. This committee will soon have a draft of new/revised procedures for faculty extra-compensation. The Faculty Senate continues to work on restructuring Faculty Senate committees. We would like to see the Regents embrace a long-range plan to look at the chronic under-compensation that is characteristic of faculty at UNM. Under-compensation takes two forms: constant lag behind peer institutions and professional expectations for obtaining tenure that are impossible to fulfill in the nine-month contract.

David Groth, President, Staff Council

- We are right in the middle of elections. Turnout has been very good so far. We did it electronically for upper grades and lower grades are paper ballots. 40% - 45% turnout for votes. Celebrating Staff Week comes up in June this year. The Staff Picnic is on the 23rd of June at Isotopes Park. The pancake breakfast with HR is on Monday morning. There will be lots of events during the week. It's a great chance for managers to let staff know what a great job they are doing here at the University at no cost to them.

Joseph Garcia, President, GPSA

- At the Budget Summit we gave recommendations for increasing assistantships for graduate and professional students and the need for housing for graduate and professional students. We had a GPSA meeting this past Saturday. Melanie Armstrong was re-elected Chair of the Council. She manages the operations of the GPSA Council. We passed two Resolutions to support ongoing initiatives here at UNM. The most important one is the safety and security initiative supporting the UNM Police and supporting Chief Guimond. The other Resolution goes with the Master Plan that is currently being re-evaluated. In regards to service, graduate students, as well as undergraduate students are trying to incorporate service into the curriculum. The continued dialogue is in regards to the importance of service to our study.
- Dr. Schmidly commented that one of the things he would like to do as soon as he arrives is to have an inventory of safety and security measures across the entire institution. He would look forward to any detailed information Joseph might have from the graduate student perspective about individual items they could consider to improve security and safety. Also to be addressed will be the UNM master plan to enhance housing opportunities for graduate students.

Brittany Jaeger, President, ASUNM

- Elections are happening tomorrow. ASUNM is pleased to announce that for the first time we are trying on-line elections. There will be a new president in my seat tomorrow at 7:00 p.m. At the Legislative Session we were successful at achieving our initiatives, most importantly the zero tuition credit. We were successful at retaining the Lottery Scholarship as it is. The majority of the students in New Mexico are on the Lottery Scholarship. My number one goal is lights on Johnson Field and we were successful in raising \$260k from the State Legislature for the lights. I have meetings next week on how we are going to put lights on Johnson. An initiative that was mentioned yesterday at the Academic and Student Affairs Committee meeting - I hope that ASUNM along with GPSA and the rest of the University supports increasing work/study funding for students on this campus. We have our largest service initiative coming up this April 21st. It is Spring Storm. We have about 1,500 people signed up right now. This Thursday there will be a recognition reception for outstanding students at the University of New Mexico. This is my final meeting and I truly loved serving as ASUNM President for two years.
- Dr. Schmidly commented that he talked with Acting President Harris yesterday after Brittany had made her presentation; when the students return in the fall, we will have full lighting up at Johnson Field. He personally thanked Brittany for her leadership.

Roberto Ortega, President, UNM Alumni Association

- The mission of the association is to serve as a bridge between UNM alumni and the University to ensure continued success of the University and to enrich the lives of all the alumni. We consider ourselves a partner of the University and all of its constituents. Some of the goals we have are to foster enduring involvement with the University, and as such we are hosting this week a student recognition reception at which Brittany will be honored among other students. Another goal we have is to enhance services and benefits for alumni. Our Campus Grads Program sponsored a SUB Promotional Day for all faculty and staff, which took place on March 23rd. Coupon books were distributed.
- We are now soliciting nominations for our Board of Directors. The dedicated volunteer members of this governing board help ensure that your alumni association stays strong, relevant and effective. We're seeking both in-state and out-of-state representatives. Another goal we have is to communicate effectively with our diverse group of alumni. Your spring Mirage issue will be mailed April 17th. We invite the new grads to a Presidential Reception immediately following commencement. Another goal we have is to encourage community service and leadership among alumni. We participate in Habitat for Humanity. We are incorporating Young Alumni as well to provide an Advisory Committee to us. They are forming teams to participate in the

Making Strides Against Breast Cancer event. They are also joining together with us for Trailblazers to help Restoration Ministries Church. Finally, another goal we have is with the Lettermen's Association. They hosted an Egg Hunt at the UNM Duck Pond. We ask you to mark your calendars for June 8th - that is the day I pass the gavel and the new president will be sworn in. We will have our Volunteer Thank You event where we will recognize Senator Leonard Lee Rawson, Representative Daniel Silva and Representative Lucky Varela who have served in the state Legislature for 20 years.

Robert Bovinette, Chair, UNM Foundation

- The primary mission of the Foundation is to manage the assets of the University and to help raise private support. On the fundraising side, as of this morning, we have raised \$45.9 million dollars, which is 75% of our \$61 million dollar goal for this fiscal year. I am pleased to report that at next week's meeting, Ms. Domenici will be elected Chair of the Foundation Board. She will be officially representing the Foundation at next month's meeting. I appreciate the opportunity to serve the Foundation of the University. The sole beneficiary is the University. We do our work best working in partnership with the senior executive team of the University.
- Gary Gordon stated that the fund continues to prosper and stewardship of it continues to go well. We passed a milestone at the end of February - the fund went over \$300 million dollars in the consolidated funds. Doug Brown, former Regent, continues to serve on our Investment Committee, is a faithful member and always has great advice. Robert Goodman has been on the committee for a long time, and he is leaving the Foundation Board and cycling off. One of the best decisions our committee has made in the last couple of years is to hire Hammond Associates, and Beth Johnson is here representing Hammond Associates, which is our consulting firm.
- Beth Johnson – this has been an amazing opportunity for us to work with the University of New Mexico Foundation. You have two Reports. The Report I will not speak to is the Fourth Quarter Report. I will speak about the Report that has your name of it. The Investment Objective of the Foundation is on page 3. Last year there was a spending rate of 4.86%, and we are assuming an inflation rate of 2.5%, and we are also assuming an administrative fee of .98% to run the Foundation. We are calculating the long-term need to be almost 8.4%. We project this portfolio will return - long-term is 20+ years - is 9.10% and 10-year return is 7.90%. This percentage is conservative. This assumes that the entire portfolio is invested in a market that has no additional manager. We think the market will moderate going forward; therefore, that's why we have a lower return for the next 10 years and a higher return for the next 20 years. Beth reviewed the charts exhibited in the Investment Report.
- Comment by Regent Koch and Regent Eaves on the opportunity for Foundation Board members to contribute to the Foundation. Mr. Bovinette noted that a minimum of \$2,500 is expected and also that all members had yet to fulfill the obligation. Regent Koch noted that Dr. Schmidly brings great experience and expertise to raising revenue for a university via a foundation.

COMMENTS FROM REGENTS

- Regent Chalmers noted we will be at \$55M for our FY 06/07 Goal once the Robert Wood Johnson Foundation Grant is fully counted (\$18.5M). Our fundraising goal for this year is \$61M. By our next meeting this figure should be in our revenue report total.
- Regent Fortner (referring to Faculty Senate remarks) noted it is not the extra compensation for the faculty that is the issue; it is the amount of time they spend away from their teaching duties is what this task force is all about. I hope at some point in time we end up with a long-term strategic plan to get faculty up to peer compensation.
- Regent Koch would like to congratulate all the Regent Advisors for all the service you have provided. That is why we have Regent Advisors, to provide advice.
- David Harris commented that, regarding the anti-nuclear group, there were a couple of things they said I should have clarified: I think we made a commitment to them, not a promise, that they could have access to all of our records. They did not need to file a FOIA request. Our records are open. I think the gentleman stated that our records were inconclusive. But, I think it is important to recognize that they were not incomplete. They had access to all of our records. The other thing he stated was that I promised to review whether the University had committed any wrong doing in this matter and also to consider whether to recommend dismissal of charges. In fact I believe University Counsel has been involved in discussions with Dr. Anderson's lawyer. It is important to recognize the facts of the case as we move forward.

CONSENT AGENDA: FINANCE & FACILITIES MEETING, Regent Mel Eaves, Chair

March Meeting:

- A. Disposition of Surplus Property on List Dated January 31, 2007 and February 15, 2007
- B. Approval of:
 - a) Architect Selection for College of Education
 - b) Revision to Central Campus Domestic Water Removal
- C. Approval of Resolution of Bond Sale: UNM Gallup Campus
- D. Approval of Naming of Athletics Administration Building (Removed)
Note: Regent Eaves stated that this item D is not on the Consent Agenda.
- E. Approval of Intervention in PNM Electric Rate Case pending before NMPRC
- F. Approval of Intervention in PNM Electric Efficiency Program Case pending before NMPRC

Motion approved unanimously to approve the actions of the Finance & Facilities Committee as indicated in the Consent Agenda, items A, B, C, E and F (1st Eaves 2nd Koch).

Motion approved unanimously to approve the naming of the Athletics Administration Building in honor of former regent Colleen Maloof (1st Eaves 2nd Fortner).

April Meeting:

- A. Monthly Financial Report, Ava Lovell, informational report
- B. Disposition of Surplus property on List Dated March 23, 2007
- C. Contract Approval:
 - a) UNMH – Aquila Technologies, computer systems in the new wing
 - b) McKesson Automation
 - c) Cardinal Health Pharmaceutical Distributor
 - d) Stryker Orthopedics
- D. Approval of:
 - a) UNM-Taos/Klauer Campus Infrastructure – Phase II

Motion approved to unanimously approve the actions of the Finance & Facilities Committee as indicated in the Consent Agenda, items B, C, and D (1st Fortner 2nd Sanchez).

- E. Approval of Resolution to allow UNM Regents to be excluded from Security Clearance Requirements
 - Item E was not acted on in the Committee meeting. Regent Eaves had raised some questions over the language in item 4 of the Resolution. He has been assured that this language is necessary to avoid each regent having to get a security clearance, which involves a lot of time and effort. This language is unusual in that it prevents the regents from having access to the information, which is rather unusual here at the University, and he has no problem with the language now.

Motion approved to approve the Resolution to allow regents to be excluded from security clearance and to amend the Resolution to include the Executive Vice President of the Health Sciences Center as a member of the executive group that is listed in paragraph one (1st Koch 2nd Sanchez).

Note: Regent Fortner voted **no** to approve the Resolution to allow regents to be excluded from security clearance.

REGENT COMMITTEE REPORTS

ACADEMIC/STUDENT AFFAIRS & RESEARCH COMMITTEE, Regent Raymond Sanchez, Chair

- UNM's NCA re-accreditation is on course. The comprehensive site visit will take place on April 6th – 8th, 2009, with full report provided to the Regents.
- Two presentations at Academic, Student Affairs and Research will be made available to the Regents - the Service Video by Dr. Peter White and Report on Native American Students by Pam Agoyo.

ADVANCEMENT COMMITTEE, Regent Don Chalmers, Chair

- No report. The next meeting is scheduled April 12, 2007.

DEVELOPMENT COMMITTEE, Regent Don Chalmers, Chair

- No report. The next meeting is scheduled April 12, 2007.

AUDIT COMMITTEE, Regent Raymond Sanchez, Chair

- Audit Committee met April 9, 2007, and the report includes the following:
- Approved the minutes from the January 8, 2007 Audit Committee meeting.
- Disapproved release of reports before presentation to Audit Committee for approval.
- Approved rescheduling the July 9, 2007 Audit Committee meeting to August 13, 2007.
- Tabled approval of FY07 External Auditor Financial Audit to obtain additional information regarding contracting process.
- Approved Revised Internal Audit Department Performance Measures for FY08.
- Reviewed the status of Internal Audit Recommendations Past Due and Cleared or Not Past Due.
- Tabled approval of two audits.
- Approved two audits for publication: Chemical Nuclear Engineering – Audit of Allegations Regarding Misuse of Federal Funds and University of New Mexico – Taos Audit of Over-Awarding Financial Aid.
- Reviewed the schedule of audits in process and budget to actual audit hours. Forty-two percent of the completed or in process audits originated from the risk-based audit plan.
- Recessed Audit Committee meeting to reconvene in Executive Session at 2:15 p.m., April 10, 2007, in the University of New Mexico Student Union Building, Ballroom B.

HSC – HEALTH SCIENCES, Regent Jack Fortner, Chair

Motion approved unanimously to approve the permanent appointments (March 2, 2007) for Medical Staff (1st Abeita 2nd Chalmers).

Motion approved unanimously to approve the reappointments (March 2, 2007) for Medical Staff (1st Chalmers 2nd Abeita).

Motion approved unanimously for expansion of privileges for Dr. Ricardo Falcon (1st Abeita 2nd Chalmers).

Motion approved unanimously to approve the permanent appointments (March 22, 2007) for Medical Staff (1st Fortner 2nd Chalmers).

Motion approved unanimously to approve the reappointments (March 22, 2007) for Medical Staff (1st Fortner 2nd Chalmers).

Information Items:

- A. UNMH Dashboard Report: Steve McKernan, CEO, UNMH
We are running at 70,225 for patient days. Discharges are about 14,000. Clinic Visits are at 219,000. ER visits are actually down from the prior year, but stable. Operations are up a little from the prior year. Births are at 2,200, up about 6% from prior year. Our statistics are moving up at about 5%-6% across the board in all of our activities. UNM Care Program has an enrollment of 18,000. UNM Care Initiative Program has about 2,600. Net margin for the Hospital is \$1,700,000.00 loss. Total net margin for the Hospital is \$4,500,000.00. Average length of stay is very stable. We are seeing a more acute group of patients in the Hospital this year compared to the prior year. Net revenue per employee is at about \$103,000.00, compared to \$97,000.00 last year.
- B. UNMH CEO Report:
We are focused on the move into the facility. The dedication was done a week and a half ago. We are on track for early June to be fully moved in. We are going to bring on 60 new beds with the new wing. This is dependent on our ability to recruit and retain nurses. We are up 81 nurses this year over the prior year. We could use 100 new nurses for the Hospital.

PUBLIC COMMENT

- None

Motion approved unanimously to approve going into Executive Session at 10:57 a.m. (1st Sanchez 2nd Dorman).

EXECUTIVE SESSION:

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

- B. Discussion and determination, where appropriate, of matters subject to attorney-client privilege pertaining to threatened or pending litigation pursuant to Section 10-15-1 H (7) NMSA (1978).
- C. Discussion of strategic and long range business plans of public hospitals pursuant to Section 10-15-1.H (2) NMSA (1978).
- D. Vote to re-open the meeting.
- E. Certification that only those matters described in Agenda Item XI were discussed in Executive Session and if necessary, ratification of actions, if any, taken in Executive Session.

Board of Regents Meeting Re-Opened:

Motion approved unanimously to re-open the Board of Regents Meeting at 1:13 p.m. (1st Koch, 2nd Fortner)

- Patrick Apodaca –University Counsel
This is an agreement between Bernalillo County and the Regents of the University of New Mexico that provides for the orderly termination of the University’s making a contribution to the Medicaid Fund on behalf of the county. The county has an obligation to make the contribution to the fund and will resume doing so for periods after January 1, 2007.

Motion approved unanimously to approve the Resolution between Bernalillo County and the Regents of the University of New Mexico providing that the revenue from the 1/16 GRT shall be dedicated to the court supported Medicaid fund pursuant to Statewide Healthcare Act. (1st Eaves 2nd Fortner).

- The March 29, 2007 letter from Dr. Santa Falcone to the Board of Regents be deemed to constitute a request under # 6.8 (a) of the Faculty Handbook for review by the Board of Regents of the March 9, 2007 decision of the Academic Freedom and Tenure Committee in the matter of Santa Falcone, Associate Professor, School of Public Administration, Complainant, vs. Provost Reed Dasenbrock, Provost and EVP for Academic Affairs, Respondent (the “AF&T decision”).
- The Board of Regents grants the request of Dr. Falcone for review of the AF&T decision.
- A panel comprised of Regent Eaves, Regent Sanchez, and Regent Abeita be appointed to consider, pursuant to # 1.5 of the Regents’ Policy Manual and # 6.8 © of the Faculty Handbook, the record of the hearing upon which the AF & T decision is based and any written briefs and oral arguments the panel may request and then to recommend a decision to the Board of Regents.

Motion approved unanimously (1st Eaves 2nd Fortner).

**APPROVAL OF FY 2007-08 BUDGET CONSIDERATIONS, INCLUDING
RECOMMENDED ACTIONS FOR CHANGES IN TUITION & FEES
(REGULAR AND SUMMARY) AND EMPLOYEE COMPENSATION**

- David Harris –we had a Budget Summit on March 30th. We had four Regents in attendance. We did not advance a specific proposal from the administration with respect to tuition or compensation. We used the Summit as an opportunity for input from the constituent groups. We have a specific proposal today to advance to the Regents. It calls for a 3.8% tuition increase, which would be accompanied by the fee increases that we talked about previously.
- Dr. Schmidly – I thank the Board for an opportunity to make a few comments. I am pleased with this budget. The Budget Summit was the most open process I have ever seen for discussing and developing a budget. It is an outstanding way of doing it and I would want to continue with it. When I get to the University of New Mexico, it will be my third Presidency. This is without question the best budget scenario I have ever come into. We had a \$20 million dollar deficit at Oklahoma State University. To come into a situation where we are able to provide a 5% compensation package, to have capital funding from the Legislature, is a very gratifying situation for any new President.
- As I went through the interview process I talked about things that I thought were very important to strengthen at the University. First and foremost among those was the need to improve our graduation rate. We need to place an emphasis on student success. So I ask that the budget this time play off the task force that the Provost had led to come up with some recommendations for actually getting in and doing some concrete things that would address this graduation rate challenge and help our students be more successful. This budget also allows us to establish a division of enrollment management and to dramatically improve our student recruiting. Given the demographic challenges we are going to face in New Mexico in the next decade, that is very important to the financial future of the University. It will help us keep costs down in the future if we are able to keep our enrollment moving forward positively. We all talked about the importance of diversity at the University, particularly diversifying the faculty and the administration. We are able to do all this with a 3.8% tuition increase, which is remarkable. We are fortunate to have a Legislature in a state that respects higher education.
- I want to say to the students, I heard the message loud and clear on Johnson Field, we will have lighting on Johnson Field when you return.
- Oklahoma State is looking at 14.5 % tuition increase.
- Regent Koch commented that Dr. Schmidly remembers what he said in interviews and he follows through with what he said. Regent Koch thanked Dr. Schmidly for his input.
- Regent Koch commented on our peer universities and their tuitions: Texas Tech University is \$5, 622 with a 6.3% increase; Colorado State is \$4,718 with a 3.4% increase; Arizona State is \$4, 688 with a 6.4% increase; Utah is \$4,642; New Mexico is \$4,326 with a 3.8% increase, Texas El Paso is \$4,302, New Mexico State \$4.230.

- Teachers salaries: the faculty at UNM will be at \$73,269; at Texas Tech will be \$69,039, at New Mexico State will be \$60, 653; at Eastern New Mexico will be \$50, 386; at Highlands will be \$48,906.
- If you take a look at these numbers, with our tuition and our faculty salaries, you'll see that we are doing pretty well.
- Curt Porter reviewed the Administrative Proposal and the Comparison of Undergraduate Resident Tuition & Fee Rates. The numbers on the Administrative Proposal were the same numbers at the Budget Summit. There are write-ups for each of the new initiatives. Total funded with tuition is about \$3.48 million dollars which amounts to a 3.8% increase. We also have some scheduled fee increases. Total funded with fees is a little under 1.6% for a total of 5.38%. We have a differential tuition for the Law School, it is 5% increase. The School of Architecture and Planning, there is a proposal that has been previously approved. The College of Nursing wants to go to a trimester and treat the summer like a regular semester with regular tuition. The 5% pool of funds that is available for both faculty and staff includes adjunct and tenure faculty, with a range of 2% to 8%.
- It was commented that the salary paid to the new coach is not an I&G appropriation. We are not taking from scholarships or faculty salaries. The Athletic Department has an entirely separate budget. The Athletic Department supports itself. If athletics does not make a profit, then you have to make adjustments. Football and Basketball fund other sports. The public is demanding we have a winning program.
- Regent Eaves reviewed the New Money Initiatives. These are issues/needs that were spotted by Dr. Schmidly. The Regents have gotten on board with Executive Cabinet to fund these initiatives. There is a written explanation of each initiative in the hand-out.
- The Board of Regents Resolution read as follows:

Whereas, the Board of Regents of the University of New Mexico must annually set tuition and fees in accordance with Section 4.7 of the Regents' Policy Manual; and

Whereas, in setting the tuition and fee rates, the Board approves the total tuition and fees paid by various categories of students;

Be It Resolved that by adoption of this Resolution the Board of Regents approve an increase in resident undergraduate tuition in the amount of 3.8%, 1.6% in fees, and concomitant increases in other rates as described in the attached schedule; and

Be it Further Resolved that by adoption of this Resolution, the Board of Regents approve differential tuition increases for the Law School and School of Architecture and Planning and special summer rates for the College of Nursing, as described in documents attached; and

Be it Further Resolved that in approving these increases the Board is approving a \$1.12 per year increase in the Student Activity Fee as endorsed by the Student Fee Review Board and reconfirming its prior actions in approving a \$56 per year increase in the Facility Fee and a \$13 per year increase in the Athletic Fee.

Be it Further Resolved that the Board approved a 5.0% average compensation increase for faculty and staff within the guidelines attached.

Motion approved unanimously to approve the Resolution of the Board of Regents to adopt the Budget (1st Koch 2nd Fortner).

Motion approved unanimously to adjourn the meeting at 2:00 p.m. (1st Eaves, 2nd Chalmers).

Regent James H. Koch, President

Regent Carolyn J. Abeita,
Secretary/Treasurer

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