

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

September 11, 2007

**Board of Regents Meeting 9:00 a.m. – 11:30 a.m. Student Union Ballroom C
Board of 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 (via conference phone)
Dahlia Dorman, Student Regent

President present:

David J. Schmidly

Vice Presidents present:

David Harris, Executive Vice President, CFO, COO
Paul Roth, Executive Vice President, Health Sciences Center
Steve McKernan, Vice President of Hospital Operations
Viola Florez, Interim Provost and Executive Vice President of Academic Affairs
Michael Kingan, Vice President of Advancement
Cheo Torres, Vice President of Student Affairs
Carolyn Thompson, Vice President of Human Resources
Terry Babbitt, Interim Vice President for Enrollment
Paul Krebs, Vice President of Athletics
Rita Martinez-Purson, Interim Vice President for Institutional Diversity

University Counsel present:

Patrick Apodaca, University Counsel

Regents' Advisors present:

Jacqueline Hood, Faculty Senate
Vanessa Shields, President, Staff Counsel
Joseph Garcia, President, GPSA
Ashley Fate, ASUNM
Lillian Montoya-Rael, President, UNM Alumni Association
Thelma Domenici, President, UNM Foundation
Susan Deese-Roberts for Ilse Gay, President, UNM Retiree Association

Others in attendance:

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

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

CONFIRMATION OF QUORUM and APOPTION OF AGENDA, Regent Koch

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

APPROVAL OF SUMMARIZED MINUTES OF AUGUST 13, 2007 SPECIAL MEETING, AND AUGUST 14, 2007 UNM BOARD OF REGENTS MEETING

Motion approved unanimously to approve the Summarized Minutes of the August 13, 2007 Special Meeting of UNM Board of Regents (1st Eaves, 2nd Sanchez).

Motion approved unanimously to approve the Summarized Minutes of the August 14, 2007 UNM Board of Regents meeting (1st Eaves, 2nd Sanchez).

Regent President Koch – Since today is 9/11, I would like us to take a moment of silence in recognition of this date

ADMINISTRATIVE REPORT, President Schmidly

- We had record sales for the game between UNM Lobos and NMSU Aggies. I look forward to more victories as we move through the season.
- In the President's Report, I'd like to highlight the recognition that was received by Dr. Art Kaufman, Vice President for Community Health and Chair of the UNM School of Medicine, Department of Family and Community Medicine. He was recently voted the second recipient of the Five Star Doctor award. That is an International Award of Excellence in health care. The award is given to one recipient worldwide once every three years out of an eligible field of more than 200,000 general practitioners and family physicians. This award brings tremendous recognition to the University and to our medical school.
- I visited the Taos Pueblo with my wife, daughter and two grandchildren. Janet and I visited there while we were on our two day visit to Taos. The Governor there was very gracious and we are going back on Feast Day.
- Earlier this month, the Hispanic Business magazine ranked the best schools for Hispanics across the country. I think we should be very pleased with the rankings of the University of New Mexico. Our Law School was ranked number one in the country. Our Engineering School was ranked fifth; our Medical School was ranked sixth.
- Monday, September the 17th is Constitution Day. Our Law School and the History Department, from 2:30 p.m. – 4 p.m., are hosting a Symposium. They will be providing a free pocket copy of the U.S. Constitution. This is an excellent outreach activity.

- **Fall 2007 Enrollment Report, Terry Babbitt
(Attachment #1)**

Fall 2007 Enrollment, these are as of census date numbers. The head count is the top category. All campuses have a slight decrease of less than $\frac{1}{2}$ % in head count. The Albuquerque campus total has a decrease of about .26 %. The highlight is a decrease in new beginning freshman, larger than expected, about 135 head count, just under 5%. Undergraduate transfers, we did pick-up significant numbers.

Graduate programs, shows a decrease of 77 head count, this is an overall number. The new graduates that went into programs is level. At the Branches, starting with the Gallup Branch, they are down slightly. Los Alamos Branch is down significantly, Taos Branch is down substantially. Valencia shows a good increase. I visited with the Branch Executive Directors yesterday. Many of them have second eight week programs and duel-credit programs that are still in process that they expect to gain some enrollments. Student credits hours, which is the determinant for our funding formula, all campuses just under .3%. Pug Burge can answer questions regarding the Health Sciences Center enrollment. Dr. Dominguez can answer questions regarding Extended University. The programs at Extended University have a good increase from '06-'07. Extended University is going to play an important role in our future enrollment planning.
- Regent Dorman asked if the enrollment is down because fewer students are graduating from high school.
- Last year enrollment reflected that fewer students took the ACT. This year, it is exactly even. That doesn't mean the high school graduates are less, but our market group is exactly even. There is a market shift in freshmen enrollment that our Bridge Scholarship is less than half tuition, it is not the motivating factor that it was eight years ago where students would come to the University and we attached it to the Lottery Scholarship. I think less motivated students, on the borderline, are more likely to go to CNM or a community college where it is cheaper. Non-traditional students is something we consider in our overall enrollment plan. We have tried to arrest the trend of decreasing non-degree students. Our freshmen class is very traditional. Out of 3,000 students, we may have 60 that are not 18 years old.
- Regent Koch – the graduate program has been down every year since I have been on the Regents.
- Terry Babbitt - There has been a trend of decreasing graduate students. Graduate student retention is an issue we have to address and systematically determine what the causes are, just like we do for undergraduates. There are different causes. The important news this year, the number of new students entering our traditional graduate programs has not decreased, but they need to increase. I think what is needed is for us to do planning of enrollment at the graduate level, capacity analysis at college and department level, and work with the deans/department chairs.
- Regent Koch – I have asked this question for $4 \frac{1}{2}$ years and have gotten the same answer for $4 \frac{1}{2}$ years.
- Regent Eaves - What are the long-term projections for enrollment?

- Terry Babbitt - We work in 5 year projections, and it is a fairly level enrollment. Those strategies can change depending on what our goals are, if our goals are student success first, meaning retention and graduation rates, then we are going to have to make some changes for students who are struggling, do start in a gateway program, such as CNM. That typically lends itself to level enrollment. If enrollments become more important like in 1997, when ever we had record drops, then we came up with the Bridge Scholarship that paid full tuition. We could restore a Bridge Scholarship type program that got our freshmen back up to 3,100. It is a \$2 million cost. High school graduation looks very level. High school projections are not as bad as they once were. We do have a bench marking with our CHE peer group, our overall enrollment are roughly level with our peers. Our freshmen classes are a little smaller than our flagship type peers.
- President Schmidly – We are in the process of doing an enrollment management plan that will take into consideration all of these factors. The first snapshot of this plan will be available in October. It will be brought back to the Board for discussion and approval. We will have a five year projection.
- Regent Koch – On the graduate programs, we get more money? David Harris confirmed. I hope that at this time next year we are looking at an increase.
- President Schmidly – We will do all that we can. Having been a graduate dean, graduate enrollment often tracks the job market. When the job market is good, enrollment declines, when students graduate with their bachelor's degree, they often graduate with debt and will take a job instead of going to graduate school. We need to do a detailed analysis to see if we are having that kind of impact in our graduate programs. What you are seeing in graduate programs is a nationwide trend.
- Pug Burge - Health Sciences Center, under medical students, 38% of our students are under-represented. We broke these numbers out by the different colleges. Under the School of Medicine we have the medical students, which includes 12 MD/PhD students, our undergraduate students, and our graduate and PhD students. The category of resident physicians are not counted. College of Nursing numbers compared to Terry's number are right on. College of Pharmacy numbers are about the count of 40 higher than Terry's numbers. Those are primarily non-traditional students.
- Regent Koch – are we recruiting nursing gradates for our hospital?
- Dr. Roth – we have a nationally renowned model that is being used by many other facilities around the country in the way that we are recruiting. One of the unfortunate realities in recruiting nurses is that very often young graduates, when they get into academic health centers or larger hospitals, will have a nutrition rate of nearly 50% after the first year. When we look into the causes of that, it is most often that the types of patients that these young graduates have to manage are extraordinarily complex and very stressful. UNM Hospital created a program about 3 or 4 years ago that is built on the same model as building residency programs. We have a special track out of our College of Nursing that feeds into a special one year residency program. Graduates are not immediately assigned full patient care responsibilities and are under the mentoring of a senior nurse.

- Regent Koch – Could we start reimbursing them for the tuition if they stay at the hospital for a specific amount of time?
- Steve McKernan – We do sponsor scholarships for nursing students. We will give them a stipend and they commit to two years of service at UNM Hospital. We are short 100 nurses. We just attracted 50 nurses from the summer class. We do pay a signing bonus which helps the nurses pay off their loans. We negotiate that with the nurses when they come on and they have to stay a term. We have a close collaboration between the College of Nursing and the Hospital. The Hospital is supporting 11 positions from the Hospital nursing staff, about 30 or 40 people, who are serving as adjunct professors and a variety of other positions. We are getting about 70% of the graduates out of the College of Nursing right now who are taking up positions in the Hospital. Almost all of them are on scholarship or take the signing bonus.
- Dr. Roth – we are very understaffed for physicians. Each year I have been going to the Legislature asking for base adjustments to our ING. To have the numbers of physicians we needed to staff the Hospital would require \$15 million dollars. Over these last several years, last two sessions, I have been able to bring in \$2 million each year. I will be requesting continued incremental support. We are particular short in the area of hospitalists. Historically hospitals in this country operate on skeleton crews during the night. Our residency program, about 3 - 4 years ago, had to go down to 80 hours a week due to national mandate. The average work week for a resident at that time was 100 – 110 hours a week. The physicians that remained had to work additional hours to compensate. I don't know the percentage of how many graduates we hire from our medical school. Overall, the average number of our graduates from our medical school and residency programs, average about 25% - 28% for those who remain in the state. We strongly encourage that graduates to do their residency here across all fields. The selection process into the residency program is not fully under the control of the University. There is a program called MATCH. Medical students apply for slots into residency; they submit a rank order of their preferences to a third party. It is this national service that selects the students.

- **Demilitarization Response**

- President Schmidly– At the April meeting of the Board of Regents, a citizen coalition approached the Board of Regents with a proposed resolution to limit research at the University of New Mexico. At that time, the Board of Regents asked that I have the proposed resolution reviewed by the appropriate administrative offices at UNM. That has been done and the Board has requested I give this brief statement on its behalf. A survey of our funded research projects reveals that UNM is not conducting any classified war weapons-related research on its campus.
- As the state's flagship Institution for higher learning, and the state's only University designated by Carnegie Classifications of Higher Education Institutions as a Research University with Very High Research Activity, we will continue to protect the University's core values, which includes the academic freedom of our students and faculty to pursue individual research initiatives.

- The Academic Freedom Value Statement as adopted by the UNM Board of Regents states, “As a center of knowledge, the University adheres to the doctrines of academic freedom and free speech. The University will continue to protect the exploration of ideas and will encourage inquiry and creative activity by students, faculty and staff.”

Motion approved unanimously to approve President Schmidly’s response as the University of New Mexico’s Board of Regents response (1st Fortner 2nd Eaves).
(Attachment #2)

PUBLIC COMMENT

- Jeanne Pahls – My husband’s name is Bob Anderson. One year ago, on September 29th; there was a conference here. The speakers were in favor of resurrecting the reliable replacement warhead, which would have been an undoing of the Non-proliferation Treaty. I was pregnant with twins, after 4 ½ years of fertility treatments. My husband came to that conference. He spoke up about the unethical nature of the conference. A police officer walked up to him and said I am going to charge you with battery and then you will be banned from the University. He proceeded to put my husband in a choke hold, throw him on the ground, kneel on him and put handcuffs on him so tightly that they cut his arms. I got a phone call that my husband had been arrested and charged with battery. An hour and a half later I was in the doctor’s office and they told me the heart beat of both of my twins were gone. Things that happen at this University have great ripple effects on the people around it. I left the doctor’s office and went to bond my husband out. I waited in the jail parking lot, still have morning sickness, until 6:30 a.m.
- When he got home I found cuts on his arm and a huge bruise on his chest. I have two speeches here by Governor Richardson. One of them says, “To get others to take the Non-Proliferation Treaty seriously we need to take it seriously ourselves.” You Regents were appointed by the Governor to watch this University, to be the consciences of this University. Does the Governor mean what he says? Does he hold you accountable? My husband cares about this University. He is a graduate, he was a teacher here. He spoke of his concerns and you ignored him. Eventually he was denied teaching classes here. Now he is banned, he has been charged with a felony. Our babies are dead. You should have been questioning such a conference. He was doing the job that you should have been doing.
- A year has passed, a Resolution has been submitted. How many people in this room were in favor of that Demilitarizing Resolution? Would you stand up? How many people in this room were not in favor of the Demilitarizing Resolution? People have approached you, a Resolution was submitted, meetings were requested; you blew off all of it. Nothing has happened. You are not doing your job as the public conscience of this University. Bob Anderson is the conscience of this University. I am proud of what he did. Not only for speaking up, but because he cared about it more than anyone in this room. Fortunately for everyone

- involved, the reliable replacement warhead appears to be dead in the water. It's not getting any funding, despite the efforts of the panel last year. What happens next time when some war profiteer sees an opportunity to reap a big profit from some horrible weapon? And gets its' token professor at UNM to organize something that will undermine U.S. national policy or a treaty? Will UNM be for sale to the highest bidder? Or will you be the conscience of UNM?
- Robb Chavez – I am representing the Demilitarize UNM Task Force, which was formed in response to the April meeting. Thank you President Schmidly for addressing the Resolution, but in effect you didn't really address it. Our group would like more specifics as to why the three points of the Resolution were rejected. I have seen references to UNM in various publications having to do with defense research. The concept of academic freedom, when it is distorted into allowing people to research weaponry, is unconscionable. Will there be a way to negotiate this Resolution and continue the discussion? Jeanne Pahls and concerned citizens met with Interim President David Harris in February. After the April meeting, we sent a letter to Chairman Koch. We made ourselves available for private consultations.
 - I hope, through President Schmidly, make open the possibility that we can continue some negotiation on military research. The three points that we originally offered in the Resolution were: a statement of regret on the part of the University, to begin a 3-year phase-out program to reduce the contracts with military agencies, and create a citizen oversight committee. I am disappointed that the President's statement did not address these issues and gave a boiler plate statement about academic freedom and core values. We are prepared to begin a series of town hall meetings. The public would soon be in a position to understand how the University handles the intellectual property, including weapons research or weapons applications that are created on the campus. Also, the public would be made aware of how University research can verge into potential international treaty violation. I think there is a wide spread concern in the community about these issues and we are not going to go away. I hope we can continue some type of meaningful negotiation. I would appreciate some response.
 - President Schmidly – The University did take your Resolution very seriously. We analyzed all of our research projects. We also analyzed everything that is contained on your website. The information outlined on the organization's website does not put the contracts and grants into any type of context. As a result, the University is unable to comprehensively address each of the points on their site. With an open dialogue with members of the coalition and UNM administrators we will work to address any and all concerns related to research programs. So we would be interested in having further dialogue with you.
 - Robb Chavez – Who at the University or what division do we continue the dialogue? Would it be directly through the Regents or through some office?
 - Regent Koch – It will not be through the Regents. It would be with our President who runs the University. It will be up to him as to who will be doing that dialogue. As you realize, we have been in transition with our president. In April, Dr. Schmidly took this issue and has been dealing with this issue.

- David McCoy – I am the Executive Director for Citizen Action. My background is as an environmental attorney. Our group monitors Sandia National Laboratories for its nuclear and hazardous waste and weapons production. I think that the University being involved in research that is weapons related is not a socially useful function. There is a lot of research that may not be classified, but is used for weapons research. The problem with these weapons production operations is that we have tremendously contaminated communities at all Department of Energy sites, including Sandia National Laboratories, there is air, water and soil contamination. There have been no studies performed for this community to determine what the pollution has done from that site. There is storage of over 1,900 atomic bombs at the site. I believe this all leads to a misdirection of educational resources. There is a corruption of legislative and regulatory processes that are brought about by the more than \$6 billion that flows into New Mexico annually. I deal with Freedom of Information requests. Trying to pry information from the federal government is a lengthy process. There is a lack of information about these projects.
- Andrew Marcum – I am a PhD student in American Studies and the current president of the American Studies Graduate Students Association. This is not an issue of academic freedom. This is an issue of what the University research priorities are. I know there is great work and great research going on at this University every day that benefits humanity. I also feel there is too much emphasis on the interest of the world's largest weapons makers and not enough emphasis on the interest and needs of the people of New Mexico that this University is meant to serve. We are prepared to continue a dialogue. There is a growing awareness among the student body of the research priorities. We are not going away. We want the specific points of the Resolution addressed.
- Janet Greenwald – Academic freedom has its boundaries. We met those boundaries when we found out what Nazi scientists had done in WWII. I think we should have an ongoing task force. This issue is not going away.
- Richard Sais – Everything I wanted to say has been said. I just want to show my support to these people and my support to you. I hope after a year of so many discussions you come to realize that this is very important. Many of us don't know what you know about what's going on. There are many (?) around the state about contamination from mining and also from many plants that contaminate the communities. As an undergraduate and many of my friends at this University, want the New Mexican community to be healthier. We want the money to go to education and have better buildings at the University, and cheaper costs. I think you can make this possible in partnership with students and professors. I hope we move on in the right direction. We don't want another 9/11, not in New York, not in Chile. We have to stop completely on any type of research on nuclear developments.

Motion approved unanimously to adopt Dr. Schmidly report (1st Koch, 2nd Eaves).

COMMENTS FROM REGENTS ADVISORS

Jackie Hood, President, Faculty Senate

- We had a faculty retreat. We had a presentation on University governance and shared governance. We broke into small discussion groups to discuss how we can enhance shared governance through our committee structures and better communications.
- President Schmidly came to our Operations Committee last week. Provost Florez will be there today. I have been working personally with the committees.

Vanessa Shields, President, Staff Council

- I have two things in the binder: the Catastrophic Leave Resolution which the Staff Council passed. We conducted a survey and had over 1,000 responses, over a 20% response rate. Staff wants to keep this program at UNM. In the Resolution we are asking that we are able to contribute more than eight hours, up to a maximum of 20 hours. If people are able to contribute more to this program, maybe it will become solvent.
- We have provided a response to the Hate Crimes. I will take any questions.
- Our next meeting is September 18th and we are going to discuss alternative transportation options. We will also have a member from OEO to discuss civil rights and sexual harassment and a campus-wide training they are proposing.
- I attended the Higher Education Department meeting where Secretary Dasenbrock laid out six of his objectives for the next coming year. One was to have a common application for all the state universities online and free to in-state residents. Two, to encourage two-year students to continue onto a four-year education. Three, to offer more options to students to pursue the degrees that they want. Four, offer four-year programs where none currently exist. Five, the transfer of online courses. Six, enable students to take courses to complete degrees without having to re-locate.
- President Schmidly – Yesterday we had a presentation by Carolyn Thompson to our executive team regarding catastrophic leave. We put a small group of senior executives together to evaluate this Resolution.

Joseph Garcia, President, GPSA

- We had our first GPSA meeting. We had 20 departments represented. A Resolution was presented regarding the end of the occupation in Iraq. Funds that are used from the state of New Mexico in regards to taxes that could be used for social development. We had a two hour discussion regarding the Resolution. We passed the Resolution asking for the end of the occupation in Iraq. We have a lack of National Guard support in New Mexico and the treatment of the National Guard by the U.S. Army in terms of racist treatment. We looked at graduate funding and how more federal funds, more state money, could be applied towards retention and recruitment of graduate/professional students. We were supported by the senator and city councilman.

- I have been working with the City Council in regards to potential bio-preserve research. The Resolution will be potentially passed by the City Council next week.
- We met with President Schmidly to discuss the support of the Graduate Student Loan Act. We garnered Dr. Schmidly's support. We also discussed student and faculty housing issues and graduation rates for athletes.
- A group of students from GPSA met with Senator McSorley to discuss his support of student research grants.
- I have been in contact with a senator regarding the Energy Policy Act of 2005 which has a stipulation for providing federal funding for Hispanic servicing institutions.
- There have been roughly 23 alleged attacks on Indian male students near the Frontier and Bookstore area. I don't have any facts, but I wanted you to be aware of this situation.
- President Schmidly – We discussed the alleged attacks on Indian students at our executive meeting. Cheo Torres and a number of people will be working with our police department and APD to bring that situation under control.

Ashley Fate, President, ASUNM

- Our Ad-Hoc Committees are working on Communications, Johnson Field and Energy Efficiency. For communications, we want to do outreach to our students about the great programs that available to students on campus that they may not know about, the resurfacing of Johnson Field, and energy efficiency on campus. Two of these are legislative priorities.
- We are about to launch a student satisfaction survey regarding the recent ranking in the Princeton Review of UNM having the most inaccessible faculty in the nation. We will survey a broader range of students with a broader range of questions.
- It has come to my attention that there is movement in this University to start charging students for printing. I would really like to discourage this in a public forum.
- Dr. Schmidly – I hope as you develop your student satisfaction survey that you interact with Vice President Babbitt. We had extensive discussion at the executive team about this Princeton survey. We wanted to do some follow-up surveys. Bring your printing concern to the executive meeting and we'll see if we can address it right away. I want to compliment the students on this energy efficiency initiative. We have become a signatory to the Collegiate Conservation Pack. We are in the final stages of negotiating a contract with an energy conservation firm that would put energy managers on this campus.
- Regent Koch – I recommend that we hire an outside company to conduct the student satisfaction survey to give it greater credibility.

Lillian Montoya-Rael, President, UNM Alumni Association

- The Hall of Honor banquet was held on September 6th for alumni lettermen. Congratulations to President Koch.
- Homecoming 2007, “Everyone’s a Lobo” is September 25th – 29th. There will be a number of events all to culminate with the Homecoming game against BYU.
- There are UNM Lobo flags hanging around campus, about 40 or 50. They are provided by the Alumni Association.
- We will co-sponsor a UNM football tailgate party in Arizona on the 15th of September.
- Several alumni chapters are roasting chili, 7,500 pounds will be roasted to raise money for student scholarships.
- Our annual Legislative Appreciation Reception will be held January 28th.
- We had about 40+ alumni come for Welcome Back Days to serve free hotdogs and chips to about 4,000 returning students.
- The Board of Directors of the Alumni Association will be meting on September 27th.
- The Zia Award recipients will be honored at the Homecoming All University Breakfast. The Lobo Award will go to Dr. Vi Florez.

Thelma Domenici, Chair, UNM Foundation

- Many stakeholders, including representatives from the Foundation, the alumni Association, and UNM schools, colleges and units, have participated in our work to develop a budget model to pay for the increased level of fundraising activity in the campaign. This model is being presented to you today. On behalf of the Foundation board, I thank you for your consideration of this important policy work and recommend your approval.
- Foundation staff and the board members have been very involved in preparing for and staffing numerous events related to the President’s introduction to New Mexico and the Foundation Planned Giving Office is co-hosting with the UNM Retirees’ Association a tea for the President to meet and greet members of the retirees’ group.
- We have a program called thank you calling program. Volunteers make phone calls to specific donors to the University who may not have constant contact with the University. We have re-connected with donors who can’t come to campus.
- Our Annual Fall Board Meeting, Reception and Dinner are scheduled for October 26th. The meeting will be held at the Hibben Center from 2:00 p.m. – 5:00 p.m. The Reception will be held at the Maxwell Museum from 6:15 p.m. – 7:30 p.m., followed by dinner. We are honoring our second group of Emeriti Board members.
- Recently, myself and another Foundation board member attended an all day training session which was scheduled for the Chief Development officers. My purpose in participating was to determine if this specific type of training would be beneficial for our board members.

- I have one question for the Regents regarding our Investment Committee. We would like to make a full report from our Chair quarterly. Let us know if you want the report more often.

Susan Deese-Robert for Ilse Gay, President, UNM Retiree Association

- As a retired faculty member, I continue to teach on campus. I teach at the freshmen learning communities. In a few minutes, about 18 students will be coming in with my teaching partner. We are finishing a unit about the difference between high school and college. They are here today as part of their class assignment.
- One of the ideas we might want to pursue is when and where retirees might be able to contribute to some of those task forces.
- We are a member of the Association of Retiree Organizations in Higher Education. We are exploring the option of a membership category for non-UNM higher education retirees residing in the Albuquerque area. We will have a proposal for our members at our annual meeting.
- We have a Legislative Committee that is working with the New Mexico Association of Educational Retirees. One of the issues for the upcoming Legislative session is an ad-hoc increase in the cost of living adjustment for all retirees.

EXTRA COMENSATION AND OUTSIDE COMPENSATION TASK FORCE REPORT, Dr. Virginia Shipman

- In my final report I recommended that the Board appoint a task force to review the current policies that had been in effect for many years. We have been meeting since the beginning of the year. We have read numerous university policies across the country on extra-compensation. We were stipulated by our differences to new and formed understandings, but also increasingly aware of the complexities of the issues involved. We have made significant progress in the revisions we are drafting, including some guidelines, because policy without procedures doesn't mean much. Our current plan is that we are intending to present to the Faculty Senate Operations Committee in the next 10 days our draft of this policy. We want critical review. Any policy we have is a living document.
- Regent Koch – thank you for your hard work. I would like to have this done by October. I would also like you to take it to the Administration. It needs to go to Dr. Schmidly.

APPOINTMENTS TO THE BOARD OF THE NEW MEXICO LAMBDA RAIL, Sandra Liggett, Senior Associate University Counsel

- New Mexico Lambda Rail, Inc. is a corporation created to manage the New Mexico University Research Consortium's role in operating New Mexico's membership in the National Lambda Rail Inc. and to perform research, education,

and economic development functions in connection with high performance computing, scientific, and computational and network research capabilities in New Mexico. The original Lambda Rail board members are appointed by the three research universities and by the governor. And then they are presented to the three boards of the universities for approval in accordance with the Lambda Rail bylaws and the Research Park Act. There are 13 members that are presented to the Board of Regents today for approval. We have Jack McIver and Barney Maccabe here who are UNM's board members to be appointed.

Motion approved unanimously to approve the appointments to the Board of the New Mexico Lambda Rail, Inc. (1st Sanchez 2nd Eaves).

APPOINTMENTS TO THE BOARD OF THE NEW MEXICO CONSORTIUM,
Sandra Liggett, Senior Associate University Counsel

- NMC, Inc. is a corporation organized and exclusively operated for the benefit of, to perform the functions of, and to carry out the purposes of the New Mexico Research Consortium to facilitate and expand research cooperation between New Mexico's three research universities, to attract research resources to New Mexico and to manage them. NMC shall, in particular, manage the universities' role in operating the Institute for Advanced Studies and otherwise perform research and educational functions in connections with Los Alamos National Laboratories. It is an eight member board, including two members appointed by each of the three research universities, as well as external members. In this case they are from Los Alamos National Laboratory. External Members (Los Alamos) Terry Wallace, Alan Bishop: NM Institute for Mining & Technology, Peter Gerity, Van Romero: NM State University, Garrey Caruthers, Vimal Chaitanya: UNM, Jack McIver, Viola Florez.

Motion approved unanimously to approve the appointments to the Board of the New Mexico Consortium, Inc. (1st Sanchez 2nd Eaves).

COMMENTS FROM REGENTS

- Regent Dorman – I just want to commend all our advisors today, we have had some really wonderful reports.
- Regent Koch - In regards to our meeting with NMSU, in our next meeting we will have language in regards to the task force we want the Legislature to setup. In was a great meeting, we had a lot of cooperation. Both Boards are cooperating together.

ADVANCEMENT COMMITTEE, Don Chalmers, Chair

- No report, we did not have a meeting. We will have a meeting in October.

DEVELOPMENT COMMITTEE, Don Chalmers, Chair

- We did have a very productive meeting on the 30th of August. The Committee endorsed the capital campaign timeline.
- We got a final fundraising report for last year of \$72.5 million.
- We also approved the fundraising goal for fiscal year 07/08. We increased the goal for next year to \$80 million dollars.

AUDIT COMMITTEE, Raymond Sanchez, Chair

- The Audit Committee met on August 23rd. The report in your book tells you exactly what we did; the audits we approved for publication are listed there.
- We reviewed the staffing of the Audit Committee. We have a new auditor full-time. No action items, just information.

FINANCE & FACILITIES COMMITTEE, Mel Eaves, Chair

- The Finance and Facilities Committee met on September 6th. The Committee voted to submit the following items as part of the Consent Agenda: Items A, B, C, D, F and H.
 - A. Disposition of Surplus Property on List Dated June 28, 2007, July 19, 2007 and August 23, 2007 (Consent)
 - B. Approval of: (Consent)
 - a) Neurobiology Research Facility Addition to Domenici Hall
 - b) Central Campus Domestic Water System Renewal – Phase 5
 - c) Central Campus Electrical Distribution System Upgrade to 12.47KV, Phase 5
 - d) UNMH BBRP Pediatric Themed Nurses Stations
 - e) UNMH Dermatology MOHS Lab, HVAC
 - C. Approval of: (Consent)
 - a) Division of Neonatology-Ambulance Transport by SevenBar Flying Service, Inc.
 - b) Physical Plant Utilities Division-Purchase and Installation of Second Cogeneration Unit.
 - c) Champion Golf Course Supplemental Maintenance Contract
 - D. Approval of Real Property Purchases and Lease Renewals: (Consent)
 - a) 8200 Central Ave SE (1.65 acres of vacant land, SW corner)
 - b) Lockheed Martin Building, 1155 University SE
 - c) Center for Development and Disability (CDD), 2300 Menaul Blvd
 - d) Center for Alcoholism, Substance Abuse and Addiction (CASAA)
 - e) UNMH Community Based Clinics (SE Heights)
 - E. Approval of Comprehensive Campaign Funding Proposal
 - F. Approval of STC Board of Directors Appointment (Consent)
(Fred Mondragon, John Stichman)
 - G. Approval of Lobo Development Corporation

- H. Approval of UNM Operating Portfolio Modification to the University's Investment Policy Statement (Consent)
- I. Approval of Parameter Resolution for FY 2007/08 Institutional Bond Sale
- J. Approval of Request for Internal Audit

Motion approved unanimously for approval of the Consent Agenda items A, B, C, D, F, and H (1st Eaves, 2nd Sanchez).

E. APPROVAL OF COMPREHENSIVE CAMPAIGN FUNDING PROPOSAL,
Michael Kingan

- We are asking for three measures: One, increase the basis points that we pay on the earnings on the endowment, from 98 basis points to 110 basis points with the option of going up to 115 basis points in subsequent campaign years. Two and three are recommendations to retain 100% of the earnings on all of our short-term spending accounts.
- Regent Eaves – In regard to the first action item, I asked a question on the legality on this increase, to the extent that it might impact gifts to the University and endowments. Michael has given me a good explanation of what has been done here in the past. The Committee recommended approval subject to getting the legal questions resolved; which I'm sure will happen.

Motion approved unanimously for approval of the three recommendations for the Comprehensive Campaign Funding Proposal (1st Eaves, 2nd Koch).

G. LOBO DEVELOPMENT CORPORATION, Regent Eaves

- The next item involves the approval of the articles and bylaws of this new entity, Lobo Development Corporation. It will be formed under the University Research and Economic Development Act. It will develop UNM property, primarily for commercial purposes for the benefit of the University. The University is the sole member of the LLC. The Regents will be asked to appoint nine members. The benefits are outlined in the memo in your book. The Articles of Incorporation and Bylaws are in your book. The initial board would be Don Chalmers, Mel Eaves, President Schmidly, David Harris, Dr.Paul Roth, and Steve Beffort.

Motion approved unanimously for approval of the Lobo Development Corporation (1st Eaves 2nd Sanchez). (**Attachment #3**)

I. APPROVAL OF PARAMETER RESOLUTION FOR FY 2007/08
INSTITUTIONAL BOND SALE , Regent Eaves

- This will be information only. We will act on the Parameter Resolution next month. There is a timeline on the last page of the handout.

- Andrew Cullen – The 07/08 bond issue is still a work in progress. President Schmidly and Regent Koch brought up the fact that we no longer had included in the proposed bond issue luxury suites for the football stadium. They asked us to revisit this possibility. VP Krebs is currently working with an architect to go ahead and scope that project.
- Paul Krebs - We are looking at options for additional suites. Cost is a very real concern. Our initial information indicates that there is an additional market for suites. We are trying to verify how large that market is and what the price points would be given what's going on with the renovations to the PITT.
- Regent Koch – Every letterman, man or women, is the one that contributes to the success of University Athletics. When you have had the opportunity to look at the lettermen rooms at other universities, it is a big recruiting tool and it is very important to recognize those lettermen. We have only 300 lettermen that belong to the lettermen's club, out of over 2,000 lettermen. These people are potential donors.
- Andrew Cullen – We also have proposed parking structures in this next bond issue. In coordination with that, we would like to go ahead and propose monies for a comprehensive signing package, map package, to be at all the gateways to the University. It would lead you to common destinations.
- President Schmidly – I think that is extremely important as we make the campus student friendly and more accessible to parents.
- Regent Eaves – Our next Finance Committee meeting will be held at University Arena. We are also going over to the University Stadium. The architect and consultants working on these projects are going to be there to explain the plans. The date is October 2nd; all Regents are welcome to attend.

(Attachment #4)

J. APPROVAL OF REQUEST FOR INTERNAL AUDIT, Regent Eaves

- This is a request I made as Chair of the Finance & Facilities Committee. Much information has been circulated concerning the alleged overexpenditure in the Office of the Vice President for Research and Economic Development. Owning to the fiduciary responsibility of the Board of Regents, I believe it is critical that an independent entity analyze the finances of this office and make recommendations to rectify the situation. It is particularly curious that the two research operations at UNM, namely HSC and Main Campus operate under entirely different Business models, and that one operates in the black while the other does not. It is imperative that we establish a single business plan so that the Regents and the Administration can make informed financial decisions in the future. As a first step, I am calling for Internal Auditor to review this situation and make findings known to the Regents and the President as soon as possible.

Motion approved unanimously for approval of the Request for Internal Audit to review the alleged overexpenditures in the office of the Vice President for Research and Economic Development (1st Eaves, 2nd Abeita).

- The Audit Committee has been requested to do a number of special audits by the Regents and by the then Acting President Harris. They are really overextended staff-wise. This is going to put one more request on their shoulders. I would like to suggest we need to be sensitive about the budget and staffing.

Information Items:

K. Monthly Financial Report

- Regent Eaves - You have been given a handout of the Summary of the Regents Consolidated Financial Report and a detailed Consolidated Total Operations Report.
 - Ava Lovell – The Summary of the 12 months ended June 30, 2007. These are unaudited results. Instruction and General Business ended the year with \$1.1 million dollars more revenue than expense. This favorability stems from a 3% salary vacancy savings and a 6% non-salary operating expense savings to budget. Our Unrestricted Operations ended in a deficit. That deficit is being worked on with a reduction plan. Clinical Operations ended the year \$33.6 million net revenue. The Hospital is about \$23.2 million of that and half of that Hospital income is non-recurring money used for specific equipment and for the new Hospital building. The School of Medicine had some strong results in patient care revenue. Unrestricted Public Service has a negative ending balance. This is a 3-year contract, we got all the money up front two years ago and then we have to spend that money each year and it shows as a negative. Independent Operations has broken even. Student Aid we ended with about \$400,000 favorable. Student Activities had a little bit of a loss. Auxiliaries and Athletics overall broke even. Sponsored Programs broke even. That leaves us with a total net favorable revenue from unaudited operations of \$35.6 million for the 12 months ended 6/30/07.
 - David Harris – I would like to announce that Ava has been selected to be the Controller of the University, for both HSC and Main Campus.
 - Bill Britton was recognized and received a round of applause. He will be retiring.
- (Attachment #5)**

HSC – HEALTH SCIENCES, Jack Fortner, Chair

Motion approved unanimously for approval of permanent appointments to UNM Medical Staff (9/7/07) (1st Eaves 2nd Abeita).

Motion approved unanimously for approval of permanent reappointments to UNM Medical Staff (9/7/07) (1st Dorman 2nd Abeita).

Motion approved unanimously for approval of the expansion of privileges for Maureen Small, MD (1st Sanchez , 2nd Abeita).

Information Items:

- A. UNMH Dashboard Report, Steve McKernan – Patient Days are up about 10%. Discharges are up 13%. Length of Stay is down. Our clinic visits are about the same as the prior year. Emergency room is up. Our Operations are up 10%. Our births are up 6%. We had a significant increase in enrollment in the UNM Care and UNM SCI program. The SCI program is working very well giving insurance to the uninsured in Bernalillo County. The Hospital had a positive net margin of \$37,000 for the first month. With recurring items, it was about \$1 million. Days cash on hand are up from 40 to 48. Days in accounts receivable are down from 59 to 49. Total number of FTEs is up almost 200 over the prior year.
- B. UNMH CEO Report – The real big issue at the Hospital is the activity levels. We are extraordinarily busy and are aggressively hiring. As we opened the new building and added capacity we are seeing a large inflow of patients.

Executive Session was held from 11:45 a.m. – 1:00 p.m. in the Sandia Room.

Motion approved unanimously to close the meeting and to proceed into Executive Session at 11:45 a.m. (1st Koch 2nd Abeita).

- 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. Vote to re-open the meeting.
- D. Certification that only those matters described in Agenda Item A & B were discussed in Executive Session and if necessary, ratification of actions, if any, taken in Executive Session.

Motion approved unanimously to reopen the meeting at 1:05 p.m. and certify that only those matters described in Agenda items A & B were discussed in Executive Session.

Motion approved unanimously to adjourn at 1:06 p.m. (1st Koch, 2nd Abeita)

Regent James H. Koch
President

Regent Carolyn J. Abeita
Secretary/Treasurer

Attachments:

1. **Enrollment Report**
2. **Demilitarization Response**
3. **Lobo Development Organization By-Laws and Articles of Incorporation**
4. **FY 2007/08 Institutional Bond Sale**
5. **Monthly Financial Summary and Report.**

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