

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

November 14, 2007

Board of Regents Meeting 9:00 a.m. – 11:30 a.m. Student Union Ballroom A

1:00 p.m. – 3:00 p.m.

Board of Regents Executive Session Luncheon 11:30 a.m. – 1:00 p.m. Sandia Room

ATTENDANCE:

Regents present:

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

Regent unable to attend:

James H. Koch

President unable to attend:

David J. Schmidly

Vice Presidents present:

David Harris, Executive Vice President, CFO, COO
Paul Roth, Executive Vice President, Health Sciences Center
Viola Florez, Interim Provost and Executive Vice President of Academic Affairs
Michael Kingan, Vice President of Advancement
Walter Miller for Cheo Torres, Vice President of Student Affairs
Helen Gonzalez, Acting Vice President of Human Resources
Paul Krebs, Vice President of Athletics
Ava Lovell, Vice President and Comptroller

Unable to attend:

Terry Yates, Vice President of Research Economic Development

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
Ilse Gay, President, UNM Retiree Association

Unable to attend:
Thelma Domenici, President, UNM Foundation

Others in attendance:
Members of the administration, faculty, staff, the media and others.

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

CONFIRMATION OF QUORUM and ADOPTION OF AGENDA, Regent Fortner

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

APPROVAL OF SUMMARIZED MINUTES OF OCTOBER 9, 2007 UNM BOARD OF REGENTS MEETING

Motion approved unanimously to approve the Summarized Minutes of the October 9, 2007 UNM Board of Regents meeting (1st Chalmers, 2nd Dorman).

ADMINISTRATIVE REPORTS

President's Report, David Harris, EVP of Administration, COO & CFO

- President Schmidly has been in New York City for the annual conference of the National Association of State Universities and Land Grant College ("NASULGC") and today he is in Washington meeting with our federal lobbyist.
- He and I had a good meeting earlier this week with the bonding agencies.
- There are a number of searches to tell you about. In addition to the Provost search, we have begun the national searches for the Vice President for Enrollment Management and for the Vice President for Institutional Diversity, which I believe will be re-titled Vice President for Equity and Inclusion.
- The Provost's office also announces an internal search for acting Dean of Graduate Studies, a two year appointment, while Dean Amy Wohlert serves as interim dean of the Anderson School of Management. There will also be an internal search for an Acting Dean of University College. Dr. Peter White has announced his intention to return to the faculty.
- The University has embarked on an ambitious and aggressive agenda to enhance our administrative processes: group health reform, greater fiscal accountability, budget reform, issuance of institutional bond issues, contracts for commercial land development and updating the institutional master plan. In fact, Dean Roger Schluntz has been leading a visioning Charente of the campus master plan for the past several days and there will be a report issued this afternoon. You are welcome to join me at that final session this afternoon.

- We are pursuing a number of initiatives, so in order to properly align the administration in these endeavors; we are announcing a number of organizational changes.
- Two senior officials have been reassigned to work with our Academic Affairs and Research Units. Noting the importance of solid financial controls in the Academic area, Curt Porter has moved from the budget office to become the Associate Vice President for Budget for Academic Affairs. Andrew Cullen will assume responsibility as acting Associate Vice President for Budget, Planning and Analysis.
- Carlos Rey Romero was chosen in an internal search to be Interim Associate Vice President for Research Administration – a position called for in both of the recent studies of our research operation. I am confident that with the extensive experience in fiscal accountability that Curt, Carlos and Andrew will bring to their positions, we will achieve enormous gains in our effectiveness.
- The deadline for the mail-in ballots for the CNM expansion election to be returned is tomorrow. This is an important election for UNM as a positive vote for CNM will allow construction of the first building that, with the partnership between CNM and UNM, signals the beginnings of the UNM campus in Rio Rancho.
- Finally, a great sports weekend at UNM. In basketball, Lobo women swept the Women's Sports Foundation Challenge at the PIT, beating Northwestern, Dayton and Western Michigan. Lobo men have started their season 2-0, beating Colorado on the road Friday night and then mauling Eastern Washington at home Monday night. Men's soccer won their home finale with 5-1 pounding of San Jose State. And Lobo football pulled out a last minute victory over Colorado State on Saturday. (Attachment #1)

Progress Report on Regents' Goals, Carolyn Thompson, Consultant to President, Strategy & Goals

- It was three months ago when this Board approved the goals for the President. There are 71 indicators on the Key Dashboard report. We will let you know the high level progress that is being made here.
- In August 2007, there was 48% Still Pending. There was only 10% Done and 4% Good Progress.
- As of the 31st of October, now we have Good Progress, Done and Some Progress on the vast majority of indicators.
- The goal I have been charged with working to accomplish is Goal 1. That is the Mission, Vision and Strategic Plan goal. This fall there has been a lot of activity around thinking what must we do to create the connections and relationships and competencies throughout the University to accomplish the goals set forth for the President.
- We are talking about altitude, we are taking about layers and we are talking about how planning was done at this University to date. We want to ensure that our resources are invested wisely and that we are measuring the results of our

investments. We are talking about people's time, energy, the nature of discussions and anything that constitutes a resource.

- In the past there has been a lot of excellent planning. We are being charged to look at planning at a higher level (higher altitude). The Regents have set forth goals at the 40,000 foot level. They are overarching goals for the President and for this institution. This fall we are looking to create a Strategic Framework that will serve to organize and link all of the planning that takes place at this University.
- The challenge here is to find a way to create linkages to the mission, vision, values and strategy that everyone can link to.
- This is the kind of planning that needs to be driven by the aspiration for the institution and the highest mission that we set for ourselves.
- The Administrative Services Planning is very much the same.
- This is the schematic we will be using over the next few months. By the end of the semester, we are looking to have the framework in a draft state. In the spring, we will be holding some town hall meetings to test this with the public, with our larger community at the University, and to really ask those relationship and connecting questions. (Attachment #2)

First Quarter Research Results, Viola Florez, Interim Provost

- We are currently working on the Research Study Group recommendations.
- We want to build a transparent budget process. President Schmidly asked that an audit be done of the budget, which is ongoing right now.
- We hired an Interim AVP, which is Carlos Romero.
- We are currently consolidating all non-financial compliance services.
- Streamlining financial compliance is a little more difficult. We have a task force looking at this right now.
- We continued to build the personnel. We hired a Manager of Sponsored Project Services. We are in the process of searching for a Contract and Grant Administrator.
- Establishing an Executive Research Advisory Committee is done.
- We worked with the Office of University Counsel to get an attorney assigned to the Sponsored Projects Services office. This has been completed.
- We are in the process of looking at consolidating the AVP position.
- We have been working with the Deans to see how they can set some resources aside to help add new support positions.
- We are continuing to codify policies and procedures for training and cross-training of SPS staff.
- We are working hard to remove bottlenecks in the review and network operating procedures and policies.
- The restructuring of OVPRED into two main functions, sponsored project administration and research development, is in progress.
- We have re-organized the office and I think it is more efficient.
- This year more proposals were submitted by the faculty and the number of awards of increased. We are looking at close to \$55k awards to the University, a 26% increase. (Attachment #3)

COMMENTS FROM REGENTS ADVISORS

Jackie Hood, President, Faculty Senate

- The four Faculty Senates of the main institutions in New Mexico got together and talked about raising faculty salaries up to peer institutions.
- Tom Grusca from Western New Mexico went to the LFC and presented for all of us. Our Faculty Senate Budget Committee is working on this issue. Recruitment and retention of faculty is important. We will probably get a task force together.
- We are making progress on the two policies, the extra compensation policies. We put a Policy Committee in place.
- I have gotten many calls and emails about the golf course issue. This will be a topic of conversation at our next Faculty Senate meeting.

Vanessa Shields, President, Staff Council

- The Council passed a Resolution regarding the feasibility of offering staff/faculty a free or lower cost ABQ Ride, similar to the pilot program for UNM students and now CNM students President Schmidly supports this initiative.
- Also at yesterday's Council meeting, we passed another Resolution regarding parking and transportation and providing additional bus stops.
- The Council and UNM will be hosting the next New Mexico Higher Education Staff Association meeting in January.

Joseph Garcia, President, GPSA

- There will be a Latina/Latino Summit in the spring. It is going to revolve around economic, health care and education. There will be papers published and presented to the next U.S. President.
- I attended the Hispanic Association of Colleges and Universities conference. UNM did an excellent job of recruiting.
- Peer mentoring for graduate students of color in the Office of Institutional Diversity hosted, with President Schmidly, a reception and report on diversity in graduate and professional education.
- We hosted a Hate Crimes forum, which was very well attended with 40-50 students and administrators. I want to thank Patrick Apodaca and Anne Murray for attending and providing their expertise.
- There is a small, but vocal group of graduate/professional students who are personally opposed to me being in this position. There is a recall effort. There is an article on the front page of the Lobo.

Ashley Fate, President, ASUNM

- There are four of the seven agency reports in your packet. The remaining three still have really large events.
- The joint resolution for the Hate Crimes Task Force was passed in the senate.

Lillian Montoya-Rael, President, UNM Alumni Association

- Lobos for Legislation hosted a Legislative Reception on 11/8/07. We had well over 40 people in attendance, including several area legislators. We are going to have the Legislative Briefing on 11/26/07. Carlos Romero and others will be joining us and we will be talking about priorities for the next session and how the Alumni Association can help the University.
- The Legislative Appreciation Reception will be held on 1/28/08 in Santa Fe at the El Dorado Hotel.
- The Alumni Association and UNM Lobo Club co-sponsored a UNM Football Tailgate on 11/3 07 when the Lobos took on TCU. There were 120 Lobo fans that showed up.
- The Student Lettermen sponsored its 8th annual Run for Relief and raised over \$4,000. The money will be donated to an endowment administered by the Santa Fe Community Foundation for cancer victims.
- The Howler will be sent out in December via email. The Mirage Magazine is also scheduled to be mailed out in December and there will be an article about President Schmidly.

Thelma Domenici, Chair, UNM Foundation (absent)

- Foundation Report distributed.

Ilse Gay, President, UNM Retiree Association

- The Retiree Association would be very enthusiastic in the future about being involved in discussions about what a retirement village might look like.
- I did want to get on the record a motion that was passed at our meeting on 11/7/07. "Whatever we might feel as individuals on the proposed North Campus Retirement Village, the Retirees Association Board of Directors takes no stand on the proposed (or issue) as a board or as representative of the Retirees Association."

APPOINTMENT OF MANAGEMENT RECOMMENDATIONS AND LABOR RECOMMENDATION TO UNM LABOR MANAGEMENT RELATION BOARD.

Helen Gonzalez, Acting Vice President Human Resources

- I am here before you to ask you to approve the appointment of Peter Mallery to the UNM Labor Board. He was recommended by both labor and management's selections.

Motion approved unanimously for approval of the appointment of Peter Mallery to the UNM Labor Management Relations Board on behalf of management at University of New Mexico (1st Eaves, 2nd Sanchez).

COMMENTS FROM REGENTS

- None

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

- No report.

CONSENT AGENDA

- **Not Applicable**

ADVANCEMENT COMMITTEE, Don Chalmers, Chair

- Approved the Minutes from the 4/12/07 Advancement Committee meeting.
- President Schmidly presented the University's Vision, Goals and Strategies to the Committee members to educate them on the University's directions.
- The Committee discussed with President Schmidly the make-up of the Committee itself and whether it is accomplishing the ends it set out to accomplish. The Committee generally agreed that it was kept informed, but the broader, business community remained relatively unfamiliar with UNM's direction.
- The Committee agreed to explore the possibility of business community forums at which UNM representatives would speak to the business community about opportunities at UNM for partnership, as well as present information on what the University is doing within the community that impacts the Albuquerque and Rio Rancho areas.
- The business community forums would likely commence in January 2008 with a forum to be held somewhere downtown with easily accessible parking, early in the evening to allow for people to spend about an hour and a half interfacing with UNM representatives before they get home.

DEVELOPMENT COMMITTEE, Don Chalmers, Chair

- Approved the Minutes from the 8/30/07 Development Committee meeting.
- President Schmidly presented the University's Vision, Goals and Strategies to the Committee members to educate them on the University's directions.
- The Committee heard about the strategy for funding the comprehensive capital campaign. This included increasing the basis points on the endowment from 90 to 110 with the possibility of going as high as 115 during the life of the campaign. Additionally, there will be revenue generated by capturing the short-term interest revenues on unexpected endowment funds.
- The Committee listened to Vice President Kingan present his plans for a National Campaign Steering Council whose aim would be to offer advice, advocacy and volunteer leadership to UNM's campaign. The make-up of the Steering Council would consist of a large number of individuals from across UNM as well as various UNM Foundation Board members. Additionally, he

plans to form a President's Campaign Strategy Council which will work to assess strategies for maximizing the potential of the largest gifts.

- Pam Hurd-Knief presented to the Committee on where the Development Office stood with respect to its current fund-raising levels and how it measured up to our year-end goal of \$80M. At that date the Office has raised approximately \$12M which puts it above last year's total for this point in the year.
- The Committee heard about the alteration of UNM's Planned Gift policy. The modification of the policy would allow for planned or estate gifts to be counted towards the campaign totals if the donor's age is 65 or older by the end of the campaign date or if the donor consist of multiple parties, that the average age of the donors be 65 by the end of the campaign.
- The Committee heard about Vice President's Kingan's efforts to secure campaign counsel through use of an external consultancy group. A "request for proposals" was in the process of being generated and disseminated to the business community for proposals as to how best assess the climate for giving to UNM and provide on-going counsel to UNM during the life of the campaign.

AUDIT COMMITTEE, Raymond Sanchez, Chair

- Approved the Minutes from the 8/23/07 Audit Committee meeting.
- Reviewed the status of the Internal Audit Recommendations Past Due and Cleared or Not Past Due.
- Reviewed the schedule of audits in process and budget to actual audit hours for as of 9/20/07.
- Reviewed the coordination of the audit function with the University Physicians Group.
- Reviewed the Internal Audit Department's FY07 Annual Report.
- Discussed the need for additional audit resources and requested a funding plan. Asked that COO David Harris work with the Audit Committee to look at the functions of the Audit Committee and streamline the process.
- Reviewed the Director's quarterly report.
- Received a presentation on the results of the FY07 external financial audit. The audit is not a public document until approved by the State Auditor. This item was tabled.
- Approved two audits for publication: 2007-34, The University of New Mexico Assessment of Art Collection Management and 2005-15, University Governance.
- Approved the FY08 audit work plan.
- Recommends bringing the UNM Hospital internal audit function in house. This item has been deferred to a later date for discussion.

FINANCE & FACILITES COMMITTEE, Mel Eaves, Chair

- A. Disposition of Surplus Property on list dated 10/17/07

Motion approved unanimously for approval of the Disposition of Surplus Property on list dated 10/17/07 (1st Eaves, 2nd Sanchez).

B. Approval of Software System Acquisition: SunGuard HE's Advance and IFAS

Motion approved unanimously for approval of the Software System Acquisition: SunGuard HE's Advance and IFAS (1st Eaves, 2nd Abeita).

C. Approval of: Domenici Center for Health Sciences Education Phase II

Motion approved unanimously for approval of the Domenici Center for Health Sciences Education Phase II with Regent Eaves noting no action on the naming of these phases. (1st Eaves, 2nd Sanchez).

D. Approval of:

- a) UNM Institutional Advancement-SunGard Higher Education (duplicate item, approved above)
- b) Hartford Life Group

Motion approved unanimously for approval of the Hartford Life Group (1st Eaves, 2nd Chalmers).

- c) Fast Staff Inc.

Motion approved unanimously for approval of the Fast Staff Inc. (1st Fortner, 2nd Abeita).

E. Approval of Report on Annual Savings and Fund Balances, as of 6/30/07.

- Andrew Cullen – In accordance with Regents' Policy 7.2 and University Business Policy 7000, an examination was just recently completed. The total I&G balance is \$13.84M, up \$570k from last fiscal year. The designated fund balances increased \$2.69M. The undesignated fund balance decreased \$2.13M.
- The major increase occurred in the Provost's area.
- The Health Sciences Center has substantial fund balances and increased them by \$6.32M during the fiscal year for a total year end fund balance of \$60.6M.
- Overall, the University continues to have a healthy financial position, with the exception of the relatively small fund balance in the undesignated area of the University.
- The undesignated balance of \$3.55M represents only 1.3% of total I&G expenditures. This percentage fell. In FY06, it was approximately 40%.
- We don't anticipate receiving any new I&G dollars, any workload dollars, until at least FY11.

- It is recommended at this time that the Transfer of Savings be approved by the Regents for implementation.

Motion approved unanimously for approval of the Transfer of Fund Balances (1st Eaves, 2nd Chalmers). (Attachment #4)

- F. Approval of Real Property Purchases and Leases:
- a) Real Property Purchase: 120 Vassar SE

Motion approved unanimously for approval of Real Property Purchase at 120 Vassar SE (1st Eaves, 2nd Sanchez).

- b) Lease with Option to Purchase Real Property 1001 Martin Luther King Jr. Blvd. NE

Motion approved unanimously for approval of Lease with Option to Purchase Real Property at 1001 Martin Luther King Jr. Blvd. NE (1st Eaves, 2nd Chalmers).

- c) Final Renovation/Lease Proposal from Sandia Foundation : Former Social Security Building

Motion approved unanimously for approval of Final Renovation/Lease Proposal from Sandia Foundation: Former Social Security Building (1st Eaves, 2nd Dorman).

- G. Capital Project Approval: Renovation at former Social Security Building

Motion approved unanimously for approval renovations to the former Social Security Building (1st Fortner, 2nd Dorman).

- H. Capital Project Approval: Renovation/Partial Relocation of Lands West Parking

Motion approved unanimously for approval of renovation/partial relocation of Lands West Parking (1st Eaves, 2nd Chalmers).

- I. Approval of Fiscal Watch Report (Attachment #5)

- Ava Lovell – The Consolidated Total Operations Current Funds as of 9/30/07. The first column is the full-year budget as approved by the Regents. The second column is actual year-to-date. The third column is a subtraction between the two previous columns. The fourth column is the benchmark column.
- Our Actuals are \$4M favorable through the first quarter.
- Total net for Clinical Operations about \$11.1M.

- Public Service has Actuals of \$2.3M favorable.
- We do have the balance to cover the challenges at the Health Sciences Center.
- For Student Aid, we have 48% Other Expenses because we have not paid out our grants and aid. We will break even by year-end.
- Auxiliaries are making money right now and will even out. Athletics is showing a loss. We recognize revenue as the games are played.
- Sponsored Programs break even.
- Our net income, through the first quarter, for the entire University, is \$42M.

Motion approved unanimously for approval of the Fiscal Watch Report (1st Eaves, 2nd Sanchez).

Information Items:

- J. Monthly Consolidated Financial Report Month Ending 9/30/07 (Attachment #6)
- We are preparing an RFP to go out to bid to redo our employee benefits. We are asking for fully insured carriers to bid, self-insured carriers to bid, on what we want. The proposal should go out on Monday.
 - We are looking to see if there is any benefit to self-insure or change the way we finance our benefits, keeping that money in-house, paying the claims ourselves and thereby getting some cash float and maybe reducing the profit we are paying to the insurance companies. It would be for the University, excluding the Hospitals.
 - Governmental Accounting Standard Statement No. 45 – this requires us to, this year in '08, we will have to book and disclose our liability in regards to medical, dental benefits and life insurance. We have to have an actuary evaluation. Our balance is favorable. Our unfunded total liability over the next 30 years is \$91.9M.

HSC – HEALTH SCIENCES, Jack Fortner, Chair

Motion approved unanimously for approval of permanent appointments to UNM Medical Staff (11/2/07) (1st Fortner, 2nd Dorman).

Motion approved unanimously for approval of permanent reappointments to UNM Medical Staff (11/2/07) (1st Fortner, 2nd Sanchez).

Motion approved unanimously for approval of the expansion of privileges for Dr. David Graeber (1st Fortner, 2nd Dorman).

Information Items:

- A. UNMH Dashboard Report, Steve McKernan, VP of Hospital Operations – Patient Days YTD are at 32,400, which is a substantial increase. Outpatient visits are up a little. Emergency Room is up substantially. Births are up about 100. UNM Care Enrollment is still at 28,000. Our Income before Non-Recurring Items is \$1.1M, which is up over the prior year. Total Net Income is at \$10.657M. Days Cash on Hand is at 44 and Net Accounts Receivable at about 41. Total Paid FTE's are \$3,727.
- B. UNMH CEO Report – focuses on the activity levels at the Hospital and the number of employees that we have. We just had a major upgrade in our pharmacy clinical system. We are now focused on going to computerized physician order entry and in-patient nurse documentation. These are the gold standards in hospitals. On our quality initiatives we attended the annual UHC Quality and Safety meeting. We are improving.

PUBLIC COMMENT

- None

Executive Session was held from 11:30 a.m. – 1:00 p.m. in the Sandia Room.

Motion approved unanimously to close the meeting and to proceed into Executive Session at 11:00 a.m. (1st Sanchez 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 potential purchase, acquisition or disposal of real property, pursuant to Section 10-15-1H (8), NMSA (1978).
- C. 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).
- D. Discussion and determination where appropriate of personally identifiable information about any individual student, pursuant to Section 10-15-1H (4), NMSA (1978).
- E. Vote to re-open the meeting.
- F. Certification that only those matters described in Agenda items A, B, C and D 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 12:53 p.m. (1st Fortner 2nd Chalmers).

Motion approved unanimously to certify that only those matters described in Agenda items A,B,C, and D were discussed in Executive Session. (1st Chalmers, 2nd Eaves)

Motion approved unanimously to decline student appeal discussed. Denial will be communicated via certified letter signed by Regent Fortner. (1st Abeita, 2nd Eaves).

Motion approved unanimously to certify organizational changes listed in the memo from COO David Harris to President David Schmidly. (1st Abeita, 2nd Fortner).

Motion approved unanimously to adjourn the meeting at 12:58p.m. (1st,Eaves, 2nd Fortner).

Adjournment

Regent James H. Koch
President

Regent Carolyn J. Abeita
Secretary/Treasurer

Attachments:

1. President's Report
2. Progress Report on Regents' Goals
3. First Quarter Research Results
4. Report on Annual Savings and Fund Balances
5. Fiscal Watch Report
6. Monthly Consolidated Financial Report Month Ending 9/30/07

File: Regents Minutes 11-14-07