

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

**November 11, 2008
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
Carolyn Abeita, Secretary-Treasurer
John “Mel” Eaves
Raymond Sanchez
Dahlia Dorman, Student Regent
Don Chalmers (via conference phone)

Regents unable to attend:

Jack Fortner, Vice President

President present:

David J. Schmidly

Vice Presidents present:

David Harris, Executive Vice President, CFO, COO
Dr. Paul Roth, Executive Vice President, Health Sciences Center
Suzanne Trager-Ortega, Executive Vice President, Provost
Marc Nigliazzo, Vice President, Rio Rancho
Julia Fulgham, Interim Vice President, Research & Development
Tim Gutierrez, AVP, for Eliseo Torres, Vice President, Student Affairs
Steve Beffort, Vice President, Institutional Support Services
Josephine DeLeon, Vice President, Equity and Inclusion
Carmen Alvarez Brown, Vice President, Enrollment Management
Paul Krebs, Vice President, Athletics
Helen Gonzales, Vice President of Human Resources
Ava Lovell, Vice President and Controller
John Stropp, President, UNM Foundation
Stephen McKernan, Vice President, Hospital Operations

University Counsel present:

Patrick V. Apodaca, University Counsel

Regents' Advisors present:

Howard Snell, President, Faculty Senate
Loyola Chastain, President Staff Council
Christopher Ramirez, President, GPSA
Ashley Fate, President, ASUNM
Judy Zanotti, President, Alumni Association
Thelma Domenici, Chair, UNM Foundation
Susan Deese-Roberts, President, Retiree Association
Maria Probasco, President, Parent Association

Guests:

Allen R. Ettinger, Senior VP, Smith Barney/Citigroup

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

CONFIRMATION OF QUORUM and ADOPTION OF AGENDA and APPROVAL OF SUMMARIZED MINUTES OF OCTOBER 14, 2008 UNM BOARD OF REGENTS MEETING, Regent Koch

Motion approved unanimously to adopt today's agenda and to approve the Minutes of the October 14, 2008 UNM Board of Regents meeting (1st Eaves, 2nd Sanchez).

APPROVAL OF JOINT MEETING MINUTES OF SEPTEMBER 27, 2008 UNM-NMSU BOARD OF REGENTS MEETING, Regent Koch

Motion approved unanimously to approve the Joint Minutes of the September 27, 2008 UNM-NMSU Board of Regents meeting (1st Sanchez, 2nd Eaves).

ADMINISTRATIVE REPORTS

President's Report, David J. Schmidly

- See attached Newsletter for report
- Invitation distributed to Regents for 12/10/08 joint meeting and social of the Boards of UNM, APS, CNM and elected officials from Albuquerque and Bernalillo County
- Dr. Paul Roth reported that UNM School of Medicine has won a national public service award from the Association of American Medical colleges – the Spencer Foreman Award for Outstanding Community Service.

UNM CASH MANAGEMENT REPORT

David W. Harris, Executive Vice President for Administration

- Approximately three years ago, it was recommended that the University engage in a cash management program to improve returns on the University's cash assets
- Conducted an RFP and ultimately Smith Barney (The Ettinger Group) was selected as the leading contender
- Asked Allen Ettinger to come to the meeting today and give a brief presentation on his views on the economy, where UNM stands

Allen R. Ettinger, Senior VP, Smith Barney / Citigroup

- Consultant to the marketplace for approximately 26 years
- Over the last several years, has been the lead consultant on the University's assets which comprise the University of New Mexico's general depository fund, UNMH, 2007 construction fund, 2005 construction fund and the capitalized interest fund
- Facing one of the most tumultuous times in the country's history, financially
- Working closely with UNM representatives
- Understand the aspects of each five pools of money (needs, liabilities)
- Determined term structure and duration of those liabilities would be, what they represented and began to construct a very well documented, highly transparent portfolio of 100% US treasuries government agency senior debt securities
- To our benefit, we have had one of the most defensive, most fiduciary prudent and one of the most conservative portfolios representing the interest and the capital of the University that you could have had in the capital markets, especially in the credit markets
- Credit market, i.e. bond markets, have been one of the most impacted and one of the most impaired out of any asset class in the country
- Proud to say that UNM has had positive rates of returns in each of those accounts, some of those have been extraordinary, beyond the expectations we had set forth for the University because as this crisis evolved there is a propensity in the capital markets to have a "flight to quality" and that "flight to quality" is to US Treasuries
- Portfolio, up until recently, have been 100% treasuries and senior agency paper, exclusively
- As the crisis unfolded and as rates dropped we had a window of opportunity open to us and according to state statutes, as well as covenants and investment policy statement, in the last several weeks in those portfolios where it was permissible and allowable investment, began to incorporate some high quality corporate bonds (Avid Labs, IBM to name two specifically).
- Conclude, UNM has one of the most well documented processes where we worked in the understanding of the term structure duration of those liabilities for both the construction 2005 and 2007 and capitalized interest. We have received a pro forma from one month out to the duration of those liabilities where to date

government agencies in the last two weeks, corporate bonds have been added to the portfolio to add incremental yield that term structure and duration matched month by month, year by year to those liabilities so you have what is known as a contingent immunization strategy to the portfolio which very simply says that as you receive those liability streams on the '07 and '05 and cap funds, we will rebalance those portfolios to reflect those liabilities so you know that you will not have principle loss, mitigating virtually all principle risk other than the fact that as corporate credits were added, there is a slight degree of credit risk, we received a similar type of operating budgetary schedule for both the general depositor and the hospital that has an average duration of 1.67 years and those portfolios have been exclusively in government and agencies and we are now talking in the general depositories as these corporate spread yields have now risen three to four hundred basis points higher than treasuries, begun to look to add those to the general depository account on a go forward basis.

- Brought two associates, Shaun McShay, President of Ryan Labs who manages both UNMH and general depository and Mark Jara, who is a portfolio manager at McDonald and Company who oversees the 2005, 2007 and capital interest fund.
- UNM should feel very secure, very safe, and very proud of how that portfolio has been invested, how it has been structured, how it is correlated your liabilities, how it is in the highest quality government agency paper available in the market place. We feel as though we have avoided all of the pitfalls, all of the land minds, all of the instances we have all read about and heard about in the media. We have perhaps as secure and protected and safe of a portfolio of all five assets that I am proud and have the privilege to act as one of the stewards of capital on behalf of the University of New Mexico.

HONORARY DEGREE

Regent James H. Koch

- Last year asked Dr. Schmidly to take a look at the procedures for the Honorary Degree awards.

President Schmidly

- Did look at practices of other institutions but we have not arrived at a point where we have had the necessary discussions with all of the constituencies on the campus about how the policy might look going forward. We are at a point now to begin that. As we examine the policy and look to the future, we need to have dialogue with the leadership of the faculty and, of course, we want to have dialogue with the Board and look at this policy in light of what is in the best interest of the University.

Regent Mel Eaves

- I think that needs to be done, had hoped that it would be done before now because we have a meeting coming up of the Honorary Degree Committee and frankly I was disappointed in the way that it was handled last year and I think the system does need to be reviewed and perhaps improved.

Regent James H. Koch

- Would hope that Dr. Schmidly will get with the faculty and look at the procedure, etc., it needs to be looked at.

Howard Snell, President, Faculty Senate

- Surprised, had not heard that there was disappointment with the honorary degree procedures so am caught off guard. We were not involved in any of these discussions.
- Can understand the frustration of spending many hours in a committee to later on have those recommendations not taken.
- Would be happy to work with and examine the policy and discuss what we think is good now and what might improve it.

COMMENTS FROM REGENTS' ADVISORS

Howard Snell, President, Faculty Senate

- Number of administrative visitors to our meetings, feel that flow of information is very helpful
- Planning legislator reception in early December
- Frequent conversations with Provost, VP for Enrollment Management and John Stropp from the UNM Foundation
- Frequent involvement with the Provost Executive Cabinet
- Faculty Senate Budget Committee has been extremely active
- Encouraged to hear that the TA salaries are moving forward
- Preparing a set of comments for the Provost and a task force that is currently working on performance budgeting criteria

Loyola Chastain, President, Staff Council

- Marc Saavedra is going to be attending our meeting in November, making a presentation to the Staff Council on the upcoming legislative session
- We have staff representation on the committee who is going to be studying the job titles here at UNM
- Representation on the Smoke Free Campus Committee
- Staff Council Executive Committee would like to thank President Schmidly for meeting with us recently; grateful to meet with the President and representatives

- We meet today in uncertain economic times for everyone and challenges. The administration is acting prudently to safeguard monies which would be needed in the event of a budget rescission but much remains not well understood and more communication is needed.
- Happy to hear that the TA, GA and faculty adjunct contracts have been restored.
- Several PR issues affecting the University have taken the forum of articles in the *Albuquerque Journal* and the *Daily Lobo* regarding perceptions of excessive spending and unequal distribution of wealth. There is no doubt that attracting quality leadership requires competitive salaries but the same is true for positions at every grade level across the University. Many staff and faculty are working well below market levels.
- Staff Council believes that by working together as a community we can solve our problems in a productive way

Christopher Ramirez, President, GPSA

- Great news to hear from President Schmidly that contracts for graduate teaching assistants and part time faculty will be signed for spring 2009
- Dr. Torres commit funds to start a pool of money for scholarships for graduate and professional students
- Would like to encourage the administration to revisit the pause on student employment

Ashley Fate, President, ASUNM

- See attached packet including information regarding legislation
- Resolution 1-F, in praise of the libraries and all they have been doing and reflects the students appreciation
- Bill 9-F, asking that students vote to increase GPA requirements for presidential and vice-presidential candidates
- Bill 10-F proposes the ASUNM fee be increased from \$20 to \$23, because the number of student organizations on campus is growing
- Election coming up November 19, 2008
- Craft studio holding their 45th Annual Craft Fair, longest running ASUNM tradition
- Allocated six, \$500 scholarships to outstanding students

Judy Zanotti, President, UNM Alumni Association

- UNM Alumni continues to work and partner with other organizations
- UNM Alumni and Lobo Club hosted a tail gate in Las Vegas this past weekend prior to the Lobo game
- Attending upcoming meeting in San Francisco for alumni
- Supported the UNM Student Letterman's Association in their "Run for Relief" on November 2, 2008, supports children with cancer, \$3,800 was raised

- Focused on legislative efforts. Next Monday night Marc Saavedra will present the legislative briefing, for alumni, student leaders, staff and administrators
- Monday, February 2, 2009, will host legislative reception in Santa Fe

Thelma Domenici, Chair, UNM Foundation

- Goal for fundraising was \$95M for 2008-09 and we are \$19.9M as of this date
- Board of Trustees, fall meeting held October 24, 1008
- Held orientation of six new trustees; Chris Chant (Albuquerque), Dennis Burns (LaPaz), Steve Durkovich (Santa Fe), Melissa O'Rourke (Texas), Orcelia Zunniga Forbes (Portland) and Jim Maddox (Hobbs)
- Board is pleased to see increased attendance at UNM leadership at dinner and reception
- Investment committee recently held and report created, will give full report to Regents next month

Susan Deese-Roberts, President, UNM Retiree Association

- Recently attended the Association of Retiree Organizations in Higher Education (AROHE) in Los Angeles. Relatively new association, reflecting the fact that many universities are forming retiree associations.

Maria Probasco, President, UNM Parent Association

- Family weekend, last weekend, very successful
- As a member of the NM Family Parent Involvement Advisory Council, will be at the capital during Parent Involvement Day on Thursday, February 12, 2009
- Started and did approach the student resident center for them to give us names of students that may have no place to go during Thanksgiving and will be matching those students with other parents in the Albuquerque area so those students will spend Thanksgiving with a family
- Last fundraising event we were able to raise \$8,000
- Future meetings, UNM Parent Association Board Meeting, November 13, 2008 at University House
- Tentative schedule for strategic planning session for February of 2009

COMMENTS FROM REGENTS

Regent Abeita

- Will have a difficult time during the legislative session and would like to thank everyone for their acknowledgement of the tough economic situation we are in and everyone's commitment to work together as we move forward.

- In order to cooperate and work together in these difficult times, it is going to take good communication. Appreciate everyone's comments and commitment to work together.

CONSENT AGENDA

Regent Eaves

- F&F met on November 4, 2008 and present Consent Agenda from that meeting. As usually, if any of the Regents wish to comment on or discuss any of the items on the Consent Agenda we will certainly do so, otherwise, I am going to restrict my discussion of those items to two items. One is found at Tab 9, and it is not a huge item, but the Regents might remember that we have had some serious difficulties with the deferred compensation plans here at the University. It ended costing the University a lot of money because they had been improperly structured. But I just wanted to call your attention to the fact that new Treasury regulations are requiring the adoption of some new planned documents which will allow university employees who have employment contracts that permit it, to defer compensation from their salary on a pre-tax basis.
- Item number 10 is a major item; it is the UNM Medical Group annual report for the year ending June 30, 2008. There is a detailed report here you can read but I wanted to call your attention to one thing. This Medical Group is obviously a new organization that was formed a year ago and it is now the practice group at the Health Science Center. You will notice in the report that they processed charges of \$239M during the '08 fiscal year which is a 12.8% over the previous year. The collection rate has also increased and of that money there were payments to the UNM School of Medicine to support clinical education and research mission of \$66.9M which is a \$6.3M increase over the previous year and above budget. This is a major source of income for the University and the Health Science Center and a very small amount of the money at the Medical School comes from state appropriations.
- Other than that, nothing else to say about the other items and would move approval.

Howard Snell, comments regarding the outstanding treatment received at UNMH.

Motion approved unanimously to approve items listed on Consent Agenda. (1st Eaves, 2nd Sanchez).

- A. Disposition of Surplus Property on List Dates October 22, 2008
- B. Approval of Contracts:
 - Cross Country Staffing
 - OR Nurses Inc.
 - MGA Healthcare New Mexico. Inc.
 - RN Network
 - Dell Computers Inc.

- PPD Utilities Division-British Petroleum
Internal Medicine/Cardiology-Comp Health
- C. Approval of:
Capital Project for UNM Valencia Campus: Site Improvements Phases I & II
Capital Project for Stadium Renovation
Capital Project for Art Museum Renovation
Capital Project for Law School Underground Piping Replacement Project
Consultant Selection for Planning Services for New Student Recreation Center
- D. Approval of:
Real Property Purchase for UNMH SW Mesa Clinic Site
Renovation and Expansion of 2811 Campus Drive NE for relocation of UNM Real Estate Dept.
- E. Approval of 403(b) Plan Documents (see notes above)
- F. Approval of Annual Report for the UNM Medical Group
- G. Approval of Election of UNM Medical Group Board of Directors
Class A Directors (2 year term ending 6/30/2010)
Robert Katz, M.D.; Pope Moseley, M.D.; Michael Richards, M.D.;
Loretta Cordova de Ortega, M.D.; Martha McGrew, M.D.; Samuel Keith, M.D.
Class B Directors (3 year term ending 6/30/2011)
Paul B. Roth, M.D.; Gerald Landgraf; John Russell, M.D.; Frederick Rupp, M.D.;
R. Steven Padilla, M.D.; Howard Yonas, M.D.; P. Thomas Williams, M.D.

REGENT COMMITTEE REPORTS

Finance & Facilities

Regent Eaves

- Tab 12, Approval of Sandia Foundation Building Proposal. Estimated cost of \$10.9M, UNM will have the option to purchase building at any time during lease term. First real step towards our Rio Rancho campus. Committee recommends approval.

Motion approved unanimously to approve the Sandia Foundation Building Proposal. (1st Eaves, 2nd Sanchez).

Regent Eaves

- Tab 13, Approval of Change of Use – UNM 2007 System Revenue Bond Proceeds, presentation by David Harris. Ask Regents for permission to develop a plan to reconfigure the debt and realign it in ways that debt service can be generated. Would work with underwriter counsel to develop appropriate documentation and bring this back to a future Regent meeting. This was just

- alerting you to the fact; did list three potential projects that may be subject to some realignment - the football stadium, the cogeneration facility and part of the parking structure money. An effort on our part to indicate that we don't think we are going to generate the kind of revenue that we had originally hoped for with this RFP that we did so we do need to move forward and solidify this bond issue.
- Regent Abeita – Question about the appropriateness or whether this was allowable to reconfigure, realign, reallocate under the transactions that were established already. We have a reference that bond counsel has said that this was appropriate.
 - David Harris – I would want to have documentation from the bond counsel, principally with the approval of the governing body for the security of the bond holders. I think it is very important that we get a letter from our bond counsel and we bring that forward to the Regents once we have determined the appropriate configuration and then we will have that for the protection of the bond holders.
 - Regent Eaves – I did bring that up with David and as a matter of fact in the committee we instructed them to get written opinion of bond counsel on the legality of this procedure so that is one of the requirements that we have made.
 - Regent Abeita – Thank you, I would feel more comfortable once we had that before we make the decision,
 - Regent Eaves, with that proviso, I would move that we approve the authority to reallocate those bond proceeds in an amount not to exceed \$30M

Motion approved unanimously, with the stated proviso, to approve the authority to reallocate bond proceeds in an amount not to exceed \$30M. (1st Eaves, 2nd Sanchez).

Regent Eaves

- Tab 14, Approval of I & G Harvesting/Deficit Balances Report and Current Budget Status
- David Harris – Regents' Policy 1.1 and 7.2 require the administration each year to give a report of year end fund balances of a plan for harvesting of I & G balances and then a report of deficits that were carried at the end of the fiscal year, see Tab 14 where each is addressed and Attachment 3.
- Howard Snell – If the central reserves were at the recommended 5%, in other words, if we had the \$8,642,000 in central reserves, would that mean then that the I & G Harvesting proceeds would be used for something else or we would not do I & G Harvesting?
- David Harris – Our plan for the I & G Harvesting this year before this financial challenge has presented itself, was that the President was going to recommend to the Regents, he had been working with the Provost, with a plan to reallocate that money for tenure track faculty lines. Currently our plan is to put that on hold until we see when things bottom out but, yes, you're exactly right. Those funds would be available for reallocation.
- Howard Snell – So, this is actually a Regent question I suppose, the two activities, the building the reserves and the I & G Harvesting, while they are related at this time they are not related by your policy, is that correct?

- Regent Koch – that is correct.
- David Harris – that is correct.
- Howard Snell – So in other words the I & G Harvesting is probably something we look forward to no matter what, whether we had sufficient reserves or not?
- David Harris – I think it is - - when we started the harvesting it was obviously because our balances were dangerously low. I think we believe now that our balances are manageable and certainly pursuant to Regent approval and the President’s recommendation, I believe that these balances could be available for reallocation.

Motion approved unanimously to approve I & G Harvesting/Deficit Balances Report and Current Budget Status. (1st Eaves, 2nd Koch).

Regent Eaves

- Tab 15, Approval of Fiscal Watch Report and Monthly Financial Report
- Ava Lovell – First Quarter Financial Report for the University of New Mexico, Tab 15. At the quarter we have two reports – regular monthly financial report and then a report that is required by the HED which has the same information and the same quarter, same timing but in a very different format. We run through this report and ask your approval to send that statutory report up to the HED.

Motion approved unanimously to approve Fiscal Watch Report (1st Eaves, 2nd Sanchez).

Regent Eaves

- Tab 16, Approval of Medical Staff Appointments and Reappointments. All of the approvals were previously processed through the Hospital Board of Trustees

Motion approved unanimously to approve Medical Staff Appointments and Reappointments (1st Eaves, 2nd Sanchez).

Regent Eaves

- Information Items - Tab 17, Maintenance for the UNM Championship Golf Course
- Bruce Cherrin – This is an extension of a contract that was approved months ago to outsource the Championship Golf Course. We have now added the North Golf Course to that RFP in an additional amount of \$450,000. I understand the concern had to do with the employees which have all been placed in other places.
- Regent Eaves – There was a newspaper article about employees losing their jobs over there, tell us what is happening over there with the employees being effected.
- Bruce Cherrin – I understand they have been placed in other positions or offered jobs by the contractor.

- President Schmidly – I want to make a comment that that was the intent all along. There was never any intention that the workers at the golf course would not be properly accommodated with other positions either with the company that would manage the golf course or elsewhere in the institution. Is that not correct Helen?
- Helen Gonzales – Yes that is correct. That is part of our process any time any employee faces such a situation and we were working with each of the employees.
- David Harris – I think there is a little more to the history of it. Last year the University hosted the NCAA Women’s Championship. The golf course was not, in our opinion, in a state of playability that would have enhanced our image so there was a decision to bring the contractor on board along with the employees to have an enhanced work force and bring the golf course up to speed. Of course we incurred a deficit as a result of that which I just reported. The concept is we would like to not have that deficit or have it as a manageable level so it became obvious to us that either one or the other one would need to move to a different assignment. I think the easiest path was for the employees because they would have reinstatement privileges to move onto other roles and that is what we did but there was never any intention to put anybody out of work. And the golf course, in fact, I think is in great condition now.

Regent Eaves

- Information Items - Tab 18, Quarterly Report of the Student Investment Fund
- Amy Wohlert – The Student Fund exceeded its benchmark but the market conditions in general have gone down. Taken this opportunity to expand our student investment program.

Regent Eaves

- Information Items - Tab 19, UNMH Dashboard Report
- Steve McKernan – Consistent with what we have been seeing for the last 18 months, quick review of report. Especially thanks to David and his leadership, the hospital, going through the University in its investments, had these very conservative investments so our hospital is not having to deal with the same situation many hospitals in the United States are dealing with because they had these more risky investments that they lost money on. We had very solid investments so that has worked out very well for the hospital so we are able to focus on the operations of the hospital and not have to go back and retool around with our balance sheets so that is very important for the hospital.

Regent Eaves

- Information Items - Tab 20, UNMH CEO Report
- Steve McKernan – Will let you read and will answer any questions on that.
- Regent Abeita – I have a couple of questions actually and I think it is because I had to leave the HSC meeting early. When you say you’ve got an increase in the emergency room visits, are those really attributed to actual emergencies or

because there are folks that are using the emergency room for I guess other non-emergency types of illnesses. Again, because they are not insured, they don't really have any other kind of resource and they are now using the emergency room that way.

- Steve McKernan – Both would be the answer. We are seeing an increase in true emergencies and we are seeing an increase in a number of people that do not have access to adequate primary care and or have urgent care type needs. So we are working in two regards. One is that we are building a new clinic up on Central and Texas, right between Wyoming and Pennsylvania, and we hope to have that clinic open in the January, February time frame and we are going to use extended hours on that and do six days a week and hopefully pick up some of the population from that neighborhood. Also emphasizing enrollment with that population into the UNM Care Program so they can get financial assistance that they receive for the care at that clinic. We are going to have a pharmacy up there, we are going to have radiology up there, we are going to have a lab drawing station up there and we are going to have behavioral health services up there so it is going to be a very comprehensive clinic. One of the action items you took earlier today was the purchase land from the city out at Unser and Central so the other side of the red line. It is real important, we believe, to keep our clinic on bus routes. We would hope in about nine to twelve months to be able to go up with a clinic in that neighborhood and that would also offer a new primary care access point. The third thing we are looking at is actually revamping some area in the hospital to create a separate urgent care away from the emergency room so those patients can actually have a fast track area that they can go to and be able to be seen there more conveniently than having to enter the emergency room. You're dealing with all different kinds of stuff so it is just more complex.
- Regent Abeita – I have one more question, you talked about enrollment in the UNM Care but in the report there is a reference about the state suspending enrollment of new applicants in the program so how does that work because of the budget constraints?
- Steve McKernan – It is actually an excellent question. The financial health of the hospital has been very dependent up on the increases in enrollment in the SCI Program. In the month of November we actually saw a decrease in that enrollment. We peaked out at 11,400 members and we are now down to 11,000 members in that for November. We are going to see decline probably in the range of 400-500 members each month. We get paid \$250 per member, per month to be on that program. Last year, fiscal year 2008, we saw about \$22M in revenue to the hospital from that program. So we are taking people who previously were in the financial assistance program and we received \$22M to take care of them. We expect that amount to go down about \$8M this year so we will have \$8M less revenue at the hospital to treat the same population that we had before. Although we also expect, because of the hard financial times, that enrolment in the UNM Care Program is actually going to accelerate this fall and going into next year. So we expect to have a greater burden with less financial support for that and we are trying to model that out and see what it does on our finances. The thing that we are dealing with is right now we have tremendous demand, the balance sheet of

- the hospital is strong, our finances, we have a net margin, so we are doing well. So in one way we believe we need to expand to meet the service needs of the community but at the same time we are staring down a situation in which we are going to receive less support from the state to be able to take care of that population. I think when we get into the spring we'll be back to the Regents to talk about what that means to the hospital.
- Regent Eaves – Not on the subject you were just talking about but I have another question, the *New York Times* had a large article over the weekend focusing on something that had been done at St. Joseph's Hospital in Phoenix where they had involuntarily shipped back to Mexico, Mexican citizens who were not legally in the country who had come into the emergency room or had children that came into the emergency room with very serious illnesses and they shipped them back to Mexico. Apparently this is an issue that has been rising around the country, we are not doing any of that are we?
 - Steve McKernan – Let me outline what the policy of the University of New Mexico Hospital is. We are covered under the federal law, entalla (sp?), so that requires us to treat any patient with an emergency situation. We are required to do what is called a MSE, medical screening exam, and we do that for every patient that ever enters our premises. So that is really defined as, as soon as they come on the property of the University we are responsible to do that. What we offer for people who are undocumented is consistent with what is called the PWORA or the Welfare Reform Act of 1996 and that allows the hospital to offer financial assistance to anyone who is undocumented as long as the situation is emergency, is a communicable disease or requires an immunization and our policies are set up to do that. For other folks who become identified as undocumented and we don't go out and try and figure out who is and who is not but in the course of the regular application for financial assistance we become aware of that, we offer an alternative program in which if that person would regularly qualify for financial assistance, except in this case they are undocumented, what we do is discount their bill down to the hospital costs which we take I think 40% to 45% off and then we set those patients up on a payment plan and then we require the same co-pay as we would require in the UNM Care Program which was \$5, \$15 or \$25 dollars. So they effectively get access to the hospital for treatment of those services as in UNM Care but then they would have a bill after and then we'll go down to about \$20 or \$25 per month for payment of that bill. We do not charge interest and as long as somebody stays current on their bill paying then we will continue to manage that accounts receivable at that hospital. We believe it is about a progressive a financial assistance as there exists in the county although Dr. Roth and I have been discussing this and tomorrow I have headed off to the National Association of Public Hospitals and that is one of our topics for discussion which all the big public hospitals are trying to deal with.
 - Regent Eaves – I think that is great and I was generally aware of most of that. The part that I was asking about particularly was this repatriation of Mexican citizens to Mexico and the initiative taken by the hospital, particularly St. Josephs, to accomplish that.

- Steve McKernan – The reason I went through all that is we have a good program so the need to do repatriation isn't there.
- Regent Eaves – Good.
- Steve McKernan – In the event that a patient requests that, we have a formalized process of working with the Mexican consulate here in Albuquerque. So, with the full family permission, with the desire, with the same rules we would use in the United States, i.e. there is a doctor to doctor transfer, so the doctor in Mexico must accept the patient, it is all worked out. It is coordinated through the consulate; there are occasions if the patient desires it, that we will facilitate a transfer back but other wise if the patient does not desire it we keep the patient here.
- Regent Eaves – That is great, thank you. That concludes the F&F Committee Report.

Academic/Student Affairs & Research Committee

Regent Sanchez

- Tab 21, Approval of Posthumous MA Degree for Scot Hudson

Motion approved unanimously to approve Posthumous MA Degree for Scott Hudson. (1st Eaves, 2nd Dorman).

Regent Sanchez

- Tab 22, Approval of 2008 Degree Candidates, as listed by Regent Sanchez

Motion approved unanimously to approve 2008 Degree Candidates. (1st Sanchez, 2nd Eaves).

Regent Sanchez

- Tab 23, Approval of Proposed AAS Degree in Applied Technology. There were some questions about that in terms of financing, those have been answered.

Motion approved unanimously to approve Proposed AAS Degree in Applied Technology. (1st Abeita, 2nd Eaves).

Regent Sanchez

- Information Items - Tab 24, Official Enrollment Report
- Carmen Alvarez-Brown presentation, Tab 24
- President Schmidly – The highlights for me as President in this Enrollment Report are on page 1, the increase of new beginning freshmen and new graduate students. If we continue those trends in our freshmen population then we are going to make some significant achievements over the next several years.

- Regent Koch – Rail Runner is going to be starting in December and I noticed that Santa Fe has about 1,500 students. Are you going to look into the possibility of working with the Rail Runner to where students from Santa Fe could come down on a daily basis to our school?
- Carmen Alvarez-Brown – I believe there are plans already for us to be addressing that sir. I have to look at it in terms of using the transportation. It is more important from enrollment perspective is that we are reaching out to those students, creating a relationship with them very early on so that they will want to come here.
- Regent Koch – I have seen the schedule on that Rail Runner, I would suggest that you look at that. I think there might be a golden opportunity for us for those students that could stay at home because of the cost riding down and it would seem to me that we could get with the Rail Runner and maybe have a special deal for those students. I don't think we need to study it too long, I think we need to move on that very quickly because I do believe there would be a lot of students from Santa Fe that financially riding the Rail Runner down would be very advantageous to them and you might be able to increase enrollment considerably.
- Carmen Alvarez-Brown – I promise the next time I will give you a report on my relationship that I will build with them to make sure it happens.
- Howard Snell – Just a quick question about branch campuses, do branch campuses have their own enrollment band or do they contribute to ours?
- President Schmidly – They have their own enrollment bands.
- Howard Snell – So they have actually moved up then?
- President Schmidly – Just because they grew that amount doesn't necessarily mean that they have come out of the band.

Regent Sanchez

- I have asked Terry to give us a short discussion about the **new admission standards and the discussion that was held last meeting**. Again, I preface his remarks with the fact that these are just discussions and we are still vetting the issue, it remains to be vetted among the community although my understanding is that we have already gone out and had some significant and in depth discussions with members of the community relative to this issue. Terry has assured me that they are going to continue these discussions before any formal recommendations are made to the board.
- Terry Babbitt
This is a brief update of the discussion of UNM admission standards. The foundation of this discussion is to create an admission pathway to UNM that deemphasizes test scores and improves preparation through high school performance and curriculum. A slight increase in GPA requirements improves persistence and an increase in the number of college preparatory units required improves completion rates. We have also introduced a weighted gap strategy that widens access and promotes the state dual credit program. The admission pathway has been expanded to include partnerships not only with CNM but UNM branches

and state community colleges. We continue to communicate with many on-campus and off campus student, faculty, and community groups about the proposal. (Many groups were specifically mentioned.)

- Regent Abeita – I was concerned about the outreach and the communication more particularly in the rural and disadvantaged areas so even though you have sent out letters to all of these schools I would really ask that you make an additional effort to speak with these schools that are in areas with high Native American populations, some of the smaller areas because they are struggling with these standards so I would ask that you make an extra effort, not just rely on the written communication with them and get their feed back because they need to gear up their student bodies as well so I would just encourage that.
- Terry Babbitt – We have identified, certainly by county and school district, the schools with high diversity enrollments, particularly Native American, Hispanic, and VP Brown has that information that she will speak with the Provost about, we are going to target. I did emphasize those schools in our mailing communication but certainly at your recommendation we are finalizing a strategy that we visit with a good representative of those schools personally.
- President Schmidly – What we need to do long term is to create alignment of enrollment standards and tuition policy to incentivize student success because that is our number one goal and these conversations are a first step in that direction. As we proceed with this we will be incentivizing better performance in high school, that is crucial. That turns out to be the best predictor of student success at the University. We will be incentivizing students to make better use of their senior year. In my conversations with the superintendents, one of the biggest concerns they have is students tend to slough off a little that senior year. This kind of approach incentivizes it. If we can create more consistency in our tuition programs so that we incentivize students to graduate in six years or less. The key factor in the cost of higher education is not tuition, it is time to degree because it takes X amount of money to live and go to school and so every year you extend the time it takes to get a degree you are adding to the cost more than just simply in tuition. I could not agree with Regent Sanchez more. The key here is communication and conversation but it is also to get everyone to understand the focus here is doing those things that will allow students to succeed better. Not putting them in positions where they are disadvantaged and can't succeed. I think we are moving in a good direction, moving at a good pace. We just need to continue the communication we have all talked about and working positively with everyone in the state so when we finalize whatever we are going to do, we can clearly look each other in the eye and say it was all done with one factor in mind, the success of students.
- Maria Probasco – As a parent association we believe that the University is definitely on the right track on this.
- Chris Ramirez – Question regarding alignment with our branch campus.
- Terry Babbitt – Alignment of standards is a university wide initiative that has to take place.

- Regent Sanchez – Also discussed at the meeting - UNM student faculty ratio, also discussed process to increase faculty salaries.

Audit Committee

Regent Sanchez

- Tab 25, Audit Committee Report, October 21, 2008

Motion approved unanimously to accept the Audit Committee Report (1st Abeita, 2nd Dorman)

HSC – Health Sciences

Regent Fortner

- No report.

PUBLIC COMMENT

Elena Bastea, Professor Architecture Department, UNM

- Happy to be here and am also a UNM parent, our older son graduated from the School of Engineering two years ago. I am here to communicate with you some of the discussions we have had among our colleagues in Architecture and Planning and to also emphasize that some of our concerns are actually very much in keeping with the concerns the president of the Staff Council reported earlier.

Motion approved unanimously to adjourn the meeting and proceed in Executive Session at 11:10 a.m. (1st Sanchez, 2nd Dorman).

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

- 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 and determination where appropriate of FY 08 External Financial Audit matters, pursuant to Section 12-6-5, NMSA (1978).
- D. Vote to re-open meeting

Motion approved unanimously to reopen the meeting at 1:01 p.m. (1st Koch, 2nd Abeita).

- E. Certification that only those matters described in Agenda Item XII were discussed in Executive Session and if necessary, ratification of actions, if any, taken in Executive Session.

Motion approved unanimously confirming no action was taken and only those items described in Agenda item XII were discussed (1st Sanchez, 2nd Abeita).

Motion approved unanimously to adjourn the meeting at 1:05 p.m. (1st Sanchez, 2nd Abeita).

ADJOURNMENT

Regent James H. Koch
President

Regent Carolyn J. Abeita
Secretary Treasurer

Attachments:

1. President's Administrative Report, tab 3
2. 403B Plan Documents, tab 9
3. Election of UNM Medical Group Board of Directors, tab 11
4. Fiscal Watch Report, tab 15
5. Approval of Proposed AAS Degree in Applied Technology, tab 23