

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

April 9, 2009

**Special Board of Regents Meeting
Student Union building, Ballroom B
9:00 a.m. – noon Budget Hearing
1:00 p.m. – 3:00 p.m. Business Meeting**

ATTENDANCE:

Regents present:

Regent Raymond G. Sanchez, President
Jack Fortner, Vice President
Carolyn Abeita, Secretary-Treasurer
James H. Koch
John “Mel” Eaves
Don Chalmers
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
Suzanne Trager-Ortega, Executive Vice President, Provost
Julia Fulgham, Interim Vice President, Research & Development
Marc Nigliazzo, Vice President, Rio Rancho
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 Comptroller
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
Doug Fields
Loyola Chastain, President Staff Council

Judy Zanotti, President Alumni Association
Ashley Fate, President, ASUNM
Maria Probasco, President, Parent Association
Susan Deese-Roberts, President, Retiree Association
Anne Yegge, chair, UNM Foundation
Lauren Holler, representing Christopher Ramirez, GPSA

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

CONFIRMATION OF QUORUM and ADOPTION OF AGENDA, Regent Sanchez

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

BUDGET HEARING, Regent Sanchez

- Special meeting of the Regents of the University, here to review budget proposal and to hear comments from respective constituencies regarding this matter
- Welcome to all, hopefully will move along but not without the due consideration that is due to this budget
- I have had an opportunity to visit with all the constituencies concerned with this budget and appreciate comments made.
- Thank you for the respectful, courteous and positive manner in which this has been handled
- Regents meeting scheduled for April 14th will be canceled, May will be the next meeting
- Introduction of Regent Designee Gene Gallegos and Cate Wisdom, Student Regent Designee

Comment by Regent Abeita

- Thank everyone for their thoughtful and very professional approach; it is a difficult process under the best of circumstances.

2009 Legislative Overview and Funding Environment, David J. Schmidly

Presentation in addition to materials included in Board of Regents book (Tab1)

- Welcome, second budget hearing presided over, most difficult budget environment experienced in my many years
- Summarized a little of the funding environment
- Impacts have been serious on higher education across the country
- Many measures used to cope; tuition increases, enrollment cap, lay offs, etc.
- New Mexico is in better shape than most places but not out of the woods
- Beginning point for writing any budget is priorities; should be able to see clearly that the commitment of resources is in line with the priorities
- Have outlined four strands of important priorities at the University

- Student Success
- Systemic Excellence
- Healthy Communities
- Economic & Community Development
- Breakdown and highlights of 2008-09 Budget
- FY09 Budget Highlights
 - Reallocation of institutional funds
 - Compensation adjustments
 - Faculty compensation 3%
 - Staff compensation increase 2%
 - Graduate student assistance increase
 - Increase to ERB
 - 5% salary increase staff
 - Increase minimum wage to \$9/hr
 - Part time faculty merit increase
 - Teaching assistant salary increase 8%
 - Strengthen Core Mission
 - Increased graduate student positions
 - Minority faculty initiative
 - Enrollment management initiative
 - Extended library hours
 - Marketing and communication initiative
 - Academic department of operating funds
 - Faculty retention
 - Scholarships
 - Prof/Lecturer fellowships
 - Study abroad programs
 - Budget wrote in spring of '08, transition into fall of '08; economic meltdown
- States must balance their budget; governor and legislative leaders informed us there would budget rescission and to prepare, and we did
 - Protect academic programs and faculty hiring
 - Pause and hold program put in place
 - Difficult legislative session, budget reductions, etc.
 - Adjustments made to the I&G
 - Adjustments made to the UNM main campus research and public service projects
- Discussed natural gas price estimates and impact on general fund

(Closed first part of presentation, will continue with second part during presentation regarding the recommended budget plan for the University.)

Regent Eaves

- Money has been taken from the Regent endowment, the three endowments; Winrock, Woodward and Regent, in an effort over the last three years to plug gaps in our budget.

- Regent merit scholars and scholarship funding
- professor lectureship
- study abroad
- student affairs diversity scholarships
- minority faculty hiring
- tuition assistance
- Everyone needs to understand there is now going to be a price associated with that. Last year, for example, about \$6.2M was pulled from the Regent endowments for those types of very worthy academic and scholastic programs.
- During that same year, the investment losses from the Regent endowments were about \$27M because of the down turn.
- It is not sustainable to continue taking money from the Regent endowments for these very worthy programs but these programs are not being funded by the legislature. So we're in a real tight position.
- Just wanted to emphasize what President Schmidly was saying, the budget this year was originally planed to have about \$4.5M additional funds pulled from Regent endowments, slight adjustments to that.
- This represents a commitment by the President and the Regents to try and continue and sustain those very worthy programs that are being funded.
- At the time we are doing this, everyone needs to understand, the UNM Foundation - - the fund balance went from \$330M last July 1 to \$235M at the end of February this year.
- We may have to come back and revisit, we are dealing with projections and best estimates
- May not be able to continue using these endowments to fund these programs unless the market abruptly turns around.

President Schmidly

- Regents have been very generous in their commitment of funds from the endowments to support important activities on the campus that support students and faculty
- Have been cognizant of the issue mentioned as we have built this budget
- If economy continues to fall, in particular investments, then we may have to make further adjustments

Health Science Center and UNMH, Dr. Paul Roth, EVP

- I have been asked to present some general concepts around the HSC budget; I am cutting the presentation considerably to keep my comments under 10 minutes. Will be reviewing how we derive compensation in the HSC, will review revenues, budget assumptions and some opportunities and threats we are anticipating.
- Performance based compensation, have been operating on that basis for 12 years
 - Gathering very specific data down to an individual faculty basis

- Deriving effort reports, metrics in each of the four missions (education, research, patient care and administration). All built on an initial effort in strategic planning.
- Departments that are in difficulty we put on a watch list and monitored.
- Looked at '09 Budget prior to recession
 - Knew that we needed to increase capacity
 - Research, grants and contracts – projecting an increase
 - Reductions in state appropriations
 - Introduced hospital administrative staff
- '10 Budget
 - Breakdown – School of Medicine, College of Nursing, College of Pharmacy, Library, Administrative office and Hospital – then combined budget of the entire HSC
 - We produce our financials in a slightly different way than main campus
 - We do not include in our revenue category our balances

Comments by Regent Koch

On compensation for faculty, that is effort and production, so am I reading it that those faculty members that are outstanding, really producing, get rewarded for that? This has been in effect about 10 years, was it difficult to get everyone on board?

Dr. Roth, yes it was difficult, it took two years.

Is your model being looked at nationally?

Dr. Roth, yes we have become a model nationally.

Did you receive a Research grant to do this?

Dr. Roth, Yes. a percentage of faculty effort/compensation is written into the grant. The objective is 50%, so essentially high performance pays for itself.

You have a pot to subsidize those faculty with no research dollars?

Dr. Roth, dollars can be used for I & G; it is short term money, so we have to be cautious in expanding faculty.

Faculty I & G goes back to the department?

Dr. Roth, historically, deans took received the money, and worked with the Chairs to have the discretionary dollars.

Dr. Schmidly pointed out that UNM operation is not the same as UNMH.

Dr. Roth, we draw from business literature to increase productivity.

Dr. Roth

We have two systems, one is productivity and performance, and there is also merit. That is a qualitative measurement. We have a very detailed rigorous database called the Faculty Activity Database that includes efforts and quantitative measurements of performance. So how many grants have you submitted on the research side? How many hours of education did you generate? How many work units in the clinical venue have you generated and billed for? On top of that, each chair has the ability within the individual department performance plan that we call FIBCI, Faculty Incentive Based

Compensation Initiative, which allows for merit. So if there was an exceptional, a faculty member who consistently published in science, let's say, or nature, which are very, very prestigious journals or received a very significant grant or performed in an exceptional manner and received high evaluations by students in the education venue or did something exceptional clinically, that there would be some margin in there to also supplement compensation based on that merit. It has been going on for 10 years.

- Threats we are trying to be prepared for in fiscal year '10
 - Market driven, number one concern at this point. Increased unemployment directly affects HSC
 - We want to be prepared for a possible recession for '10, we have built our budgets around that assumption
 - Lay offs and cutting compensation is the last thing we want to do
 - Concerned about particular reimbursement, behavioral health for example
 - Impacted by the reduction in funding for statewide trauma fund
 - Stimulus Package – a lot of money out there and we are going to everything that we can to get as much of it as we possibly can
 - Working with main campus to do the same there
 - Created different identification numbers if there is a limit on the number of grants that any institution can submit, we have effectively doubled that by having a separate id number for main campus and a separate id number for HSC
 - Anticipating submitting \$120M worth of grant support from NIH

Regent Koch thanked Dr. Roth, and congratulated him.

Department of Intercollegiate Athletics, Paul Krebs, VP Athletics

- Very good year for athletics
 - Baseball team was ranked 18th in the country
 - Men's and women's golf teams are ranked in the top 35
 - Ski team finished 3rd nationally
 - Men's indoor track finished 16th, outdoor we expect even better
 - Academically, our best semester ever GPA wise
 - Retention is improving
 - APR is improving
 - Graduation rates are making progress
 - Community engagement; Special Olympics, Coach's for Cancer Benefit, and all teams do community service in some form
- Record year for the Lobo Club in terms of number of dollars raised and number of participants
- Football transition is expensive and hit this year's budget hard
- Did face mid-year reductions in state money and imposed mid-year reductions on all sports operating budgets
- Concerned about the climate and our ability to move forward to raise money

- 11% of our money from the state, 6% from student fees, self generate 84% of budget
- As we head into this coming fiscal year, our priorities are to minimize the impact on our student athlete experience; to minimize impact on our competitiveness and to protect jobs
 - Concerned about our ability to raise money and this years budget reflects reductions in ticket sales on the football side and the men's basketball side, somewhat due to the renovation of the Pit and seating loss
 - Operating under the hiring pause at UNM
 - We have built into this budget a 7 ½ % tuition increase, not knowing what the board action was going to be today
 - Taking a hard look at all of our team travel
 - 0 salary increases
 - Eliminated all of our small capital projects around facilities
 - Freeze on technologies
 - Canceled outside consulting contracts
 - We will be one of the first schools in the country that will be eliminating the printing of media guides
 - All sports taking a 10% cut in operating budget
 - Feel very good about our ability to remain competitive

Regent Fortner

What kind of outside consulting contracts were there?

VP Krebs

There are two that come to mind immediately Regent Fortner. One is what we call a "Silent Shopper." We had a national company that would come in once a year and give us feedback on the UNM game experience. Second, we also had a media individual that helped our coaches and did some training with coaches and student athletes on media. Both of those contracts have canceled.

Regent Abeita

Corporate sponsorship, have you seen any impact or change in that and then I have one question about a specific line item – banking fees.

VP Krebs

In terms of the corporate sponsorship, we have a partner, Learfield Sports, and the entity that operates on our campus is called Lobo Sports Properties. They pay us an exclusive rights fee and for those rights fees, they have exclusive control of the media content that we own, also corporate signage, etc. there is a guaranteed rights fee payment to us. They may want to renegotiate at some point given the down turn but to date they continue to make these payments.

In terms of the banking fees, I believe those are fees that we are charged and Ava might be able to help me with that. I think these are internal fees that we're charged based upon the sales.

Ava Lovell

The credit card company charges 1% to 2% of every credit card transaction, we are charged that as any merchant would be.

Academics and Formula Distribution, Provost Suzanne Ortega, EVP

- The planning budget and the budget presentations we will present today reflect a continuation of a performance metric process of resource allocation and strategic planning that began even before I arrived on campus.
- Faculty hiring is our greatest resource and each hiring decision was authorized on the basis of its potential to contribute demonstrably to one of the four key University missions.
- Specifically, each Dean was asked to document the impact of proposed faculty hires on instructional capacity and student success, on research and scholarly activity, on diversity inclusion and equity and community outreach and service.
- We tend to treat these as four separate goals I think it is important to point out that they are fundamentally interconnected. You will hear from the office of research about the importance of the integration of research and education. For example, I will remind you that there are at least three fundamental ways in which the connection between research and education are critical.
 - First, research is the platform for graduate education
 - Second, we know that the hallmark of the education of the future is inquiry based pedagogies
- These core values are at the heart of what has been a semester long process of articulating a set of performance expectations that provide the grounding for not only resource allocation but more importantly for total quality improvement in our efforts to enhance the opportunities for student success.
- In this context, Deans were asked to explore what the impacts of 2%, 5% and 8% cuts would be on their capacities to meet these fundamental core initiatives.
- Also asked, if they were allowed 0% reduction, what internal reallocations might be possible to further enhance important collegiate goals
 - Documented a commitment to their efforts to grow their faculty
 - Commitment to creating more competitive support levels for graduate students and program development
 - Attention to consideration to enrollment growth
- Tried to honor both performance expectations as well as managers need the resources to manage
- Branch campus' also took this approach in developing their budget scenarios, further presentation given by Marc Nigliazzo

Marc Nigliazzo

- Two very significant characteristics for all four branch campuses
 - Extremely resourceful
 - Extremely responsive to the communities they serve
- Level of resources received is driven by enrollment, but each campus has three primary sources of revenue
 - State appropriation
 - Local mil levy for each campus
 - Tuition and fees
- All looked at three specific scenarios for budget cuts
- All have done what the University has asked them to do in preparing their scenarios
- Budgets range from \$3.5M (Los Alamos) to \$16.5M (Gallup)
- Percent of I&G varies from institutions
 - Taos receives 51%
 - Valencia receives 60.4%
 - Gallup 62%
 - Los Alamos 65.3%
- Development of campus in Rio Rancho and UNM West – budget was initially derived from extended University, budget used to run the UNM West EU operation – will be the identical budget we will propose for next year, approximately \$1,240,000
- Receives funding from three basic sources
 - Allocation from Provost of approximately \$160,000 (EU allocation)
 - Tuition and fees generated by courses taught at UNM West
 - Lease payments generated from tenant programs housed within UNM West facilities
- Entire Provost allocation plus an additional \$250,000 to \$300,000 a year is budgeted to compensate adjunct faculty who teach courses in UNM West facilities as approved through the departments, schools and colleges on the main campus
- Revenue generated covers 100% of the costs of UNM West staff and operating expenses and no projection for an increase in staff in the coming year
- Developed a number of scenarios on how it would reduce funding if necessary
- Began year uncertain, now projecting a potential surplus at the end of this year
- Finally, purpose this year and on is to provide a base of operations on the west side, a permanent base, to satisfy the Rio Rancho citizens who have themselves voted a gross receipt tax that will provide millions of dollars in support for development of the west side campus.
- Introduction of branch campus representatives

Cheo Torres

- Budget for student services is a bit complicated; number of resources such as I&G, instructional, legislative appropriation, grants, student fees and self-generated user fees.

- Current Student Fee Review Board allocation was honored this year, \$21.27
- Two other sources of funding, one time funding, set aside for student innovative programs; some funding from Pepsi revenue and New Mexico Plan legislative grant. Encourages students to be creative with student activities.
- Main objective where students take the lead is with our Student Life Master Plan; to meet student needs.
- Making progress with facilities and resident life facilities
- Children's campus, waiting list of over 600 families, we have run out of space, funding uncertain
- Student recreational center is being shared with College of Education, recreational services, athletics, and special events – students want to create a stand alone center for student usage. Cost is approximately \$100 per semester
- Student housing and resident life, master plan is being prepared
- We want to create an environment that is relevant to today's students and is user friendly to students and staff

Julia Fulghum

- Started my position last May, the office had developed deficits in FY07 and FY08; range of financial commitments that were not being tracked or being incorporated into budget planning and had grown dramatically
- Efforts have been to establish a team that has been focused on faculty as well as the associated staff and student research efforts; evaluating the structure and personnel required to lead and administrate; completely changing the budget development process; and develop a debt reduction plan. Another year or so in transition of these
- Tried to provide extensive information about the budget and process
- Goals have been to facilitate faculty research efforts, taking advantage of stimulus activities
- Ongoing experiment called "Faculty Research Support Services" that we are continually tweaking, developed in response to ongoing faculty and staff requests for more help
- Research is education – highly praised by HLC site visit team for our existing efforts
- Budget is almost entirely from F&A (Facilities and Administration)
 - Annual F&A generation on main campus varies by 10-15%
- Total projected revenues for FY10 are \$18.5M
- Projected deficit at the end of this fiscal year is \$2.9M, still on track for a balanced budget for this year
- Budget for this year has three components; research support and compliance; F&A investments; and small amount in institutional support.

Regent Koch

Asked if we have any program that weighs the performance and skills based on efforts and proficiency? Provost Ortega explained that is part of the annual review process and

merit evaluation. We are well along in a plan to reach the goals of performance metrics like HSC.

Regent Eaves

Asked if it will measure faculty performance.

Provost Ortega said yes.

Regent Eaves asked how much do faculty teach? Is there an increase in teaching efficiency?

Provost Ortega responded we are aligning faculty efforts with UNM goals.

Budget discussion regarding funding by Regent Koch, Provost Ortega, President Schmidly, Regent Eaves and David Harris. Would like to look at every avenue available before tuition increases.

Research and Public Service Projects, Marc Saavedra, Director of Government Relations

- At this time last year, the legislative post session hearing projected a \$600M new revenue estimate for FY10. It shows you how fast things turned around.
- We took a very conservative approach with our legislative initiatives and our PSPs. Looking to see a drop in estimates as the year continued.
- FY10 operating budget for 62 special projects at main campus, athletics, KNME-TV is roughly \$16,439,200 plus 42 at HSC is \$38,705,500 equals a total operating budget for special projects at \$55,144,700.
- Special Project Assessment Process
 - Evaluation of Research and Public Service Projects
- LFC Recommended an \$11,801,000 reduction
 - Cut to I&G \$7,273,100
 - Main \$5,499,300
 - HSC \$1,431,600
 - Cut to Special Projects
 - Main \$3,380,500
 - HSC \$1,637,200
 - Criteria used - - the committee has concerns about the growth of research and public service projects within the higher education budget as well as the alignment of these projects with state goals and strategic plans. The committee also continues to have significant concerns about accountability and performance outcomes for these projects.
- The committee recommendation reduces FY09 funding levels by 3% for statewide and other activities and 5% for research projects, public service projects and P-20 pipeline projects
- Projects reduced by 50% includes
 - Projects that duplicate

- New projects initiated by the 2009 appropriations bill and designed as recurring by DFA
 - Research and public service projects of \$50,000 or less
- Special projects expansion lump sum funding is eliminated
- LFC did not factor in the Special Schools and HED budget
- After backing out all new workload/line item adjustments, UNM still shoulders 43% of the FY10 budget cuts
- UNM is asking that the recommended budget reductions be exactly proportionate to that of I&G budget
- Strategy: Flexibility to adjust LFC recommended cuts
- HAFRC recommended an \$11,720,600 reduction
 - Cut to I&G \$8,195,400
 - Main \$6,222,200
 - HSC \$1,637,200
 - Cut to Special Projects
 - Main \$3,016,700
 - HSC \$700,400
- Cut in ER&R/"G" to help make up \$1.3M in RPSPs
- SFC recommends an \$11,720,600 Reduction
- Revenues show the shortfall for next year is no longer \$150 but rather \$283M, additional cuts may be possible
- Recommendations:
 - Because LFC FY10 recommended cuts to I&G required the cut to be 100% to the "G" for all higher education institutions statewide
 - Due to continued projected decline to the general fund revenue, OGCR recommends all I&G special project line items be moved into the I&G line item out of special projects at the dollar amount appropriated
 - OGCR and Provost special project process will also evaluate all performance measures for special projects and will recommend cuts based on lack of performance measures met and if special projects do not submit performance measures will automatically be a no funding recommendation

Administration and President Direct Reports, David Harris, EVP

Utility Costs (Steve Beffort)

- Utilities – Water, natural gas, electricity, diesel and sewer
 - Utilities are delivered to campus (PNM, Gas Company, City of Albuquerque) – delivered to individual units, central and north campus; a combination of local utility plus UNM's District Energy System or exclusively by DES
- Water Usage – Irrigation – provided by UNM owned wells and Bernalillo County Water Authority
- Natural Gas – multiple uses – delivered by appropriate natural gas company

- Electricity – lighting for all typical building applications, outdoor and street lighting, athletic and recreation fields, well pumps, HVA, and IT applications – provided by appropriate utility or UNM DES generation.
- Diesel fuel – utility cost – used to power emergency electrical generation throughout campus.
- Sewer system – City of Albuquerque public utility provided through a fee structure
- Infrastructure – owned, operated and maintained by UNM PPD
 - 2001-06 UNM invested \$60+M in upgrades
 - Debt service is \$4.5M a year, paid by PPD
- Billing rates for individual utilities are developed by PPD
- Revenue to pay costs for utilities comes from State of NM I&G formula allocations, student tuition, non I&G facility operating budgets, HSC and UNMH
- Challenges – rising costs issues – PNM, natural gas, water and growth in square footage of the campus
- Energy and water conservation – UNM has made commitment to conservation; since 1994 reduced water consumption by 25%; since 2000 reduced energy production by 24%; Lobo Energy conservation program implemented
- FY09 Funding Sources, \$26.M, Expenses \$30.8 - \$4M deficit
- Budget projections for FY '10 are break even, assuming current budget scenario is adopted
 - No projected rate changes
- Uncertainties impacting utility costs
 - Weather – fuel costs – conservation – change in square footage

Benefits and Retirement (Helen Gonzales)

- Insurance Benefits – for the first time in a very long time, employer contribution has not increased this year. We pay about 62% of the costs and that has not increased, very good news. National average increase is approximately 10%.
- HB854 increases employee contributions to the retirement plan by 1 ½%, decreases the employer contribution and state withholds 1 ½ % from our budget, for two years, excludes employees making less than \$20,000 per year

Parking and Transportation (Steve Beffort)

- No parking rate increase

President/Administrative Direct Reports (David Harris)

- The General Appropriations Act contained a provision that all universities funded under the formula should decrease their G spending by 5 ½% next year. While roughly 25% of the G spending at the university occurs on the academic side of the university, the president directed us to absorb the entire reduction in the administrative side so as to better preserve the core missions of the university.
- Proposing to absorb the entire \$2.265M reduction with the President's direct reports and with my own direct reports. Proposing to eliminate permanently 21

positions that are vacant. This proposal is a permanent reduction in administrative spending.

FY-10 Budget Scenarios (Tuition and Fee Recommendation and Salary Guidelines, David J. Schmidly

- These are very excruciating decisions, given the economic situation that we all face and they need to be taken with the most serious consideration which I believe is happening today. FY09-10 budget scenario -
 - State General Fund Decrease, (\$7,182,457)
 - Required Use of Funds, (\$3,953,701)
 - Strengthen Core Mission, (\$5,127,482)
 - Revenue Sources, \$11,120,250
 - Total tuition & fees increase, \$6,722,770
 - Fee Allocation Specified \$1,579,380
 - Balance 0
- Recurring and new initiatives
 - FY09 Unfunded Initiatives and FY10 Initiatives: Provost contingency for enrollment growth, faculty promotions, current funding shortfall for FY10 scholarships, Washington, DC internship programs, new faculty positions, advising initiative - \$5,548,571
- Lower spending in endowments
- Summarize comments from constituencies
 - Deans supportive of what we proposed
 - Trying to manage budget without harvesting any balances
 - Tried to give Deans as much flexibility as possible
 - Faculty Senate and Staff Council both raise concerns about ERB employee contributions, very sensitive to that
 - Parking increase to -0-
 - Self-insurance model is incredible
 - Graduate students were interested in fellowships and travel grants
 - City bus pass program covered
 - Students on academic advising initiatives, students were comfortable as long as we created some uniform format for consistency
- Nothing like tough times to cause you to reconfigure what you're doing – with this budget we can meet our challenges and leverage our opportunities.

Student, Faculty, Staff and Constituent Comments

Lauren Koller (for Christopher Ramirez) GPSA

- Christopher drafted a memo that outlines some of the resolutions passed at the most recent council meeting and it appears that some of those concerns as far as funding for fellowships and assistantships have been addressed. In particular, I think we would still urge some sort of a regional and peer institutions as far as

how assistantships are distributed, what departments are receiving fund and what those packages look like so that we can continue to be competitive and provide support for students but who are also teachers, project assistants, and graduate assistants as well.

Ashley Fate

- I just wanted to touch on the advisement issue and I am glad that this is something being addressed. We wanted to make it very clear that we don't presume to understand how much money it would cost to fix the problem advisement is currently under. We don't know if it is going to cost money to fix the problem but we want to make sure it is understood that we see advisement as an area that can be improved upon and something that needs a face lift. We don't know how much that will cost and we don't know what to anticipate from that but really hope there will be a uniform process in that. Advisement becomes something that is reliable and students feel comfortable using.

Leo Romero, Dean of School of Law

- I quickly add that the Law School is requesting additional tuition, consistent with our past practice of a tuition differential, a compact with the students whereby the additional tuition goes back to the Law School. Approximately a third of that will be devoted to scholarship assistance to help the students who have financial needs to be able to deal with the increase in tuition.

Loyola Chastain, Staff Council (Elisha Allen introduced as incoming President)

- I appreciate you looking into the 1.5% ERB contribution. We do understand how difficult that is, it is a salary reduction for the staff and faculty but I feel good that President Schmidly is going to look into a mid-year maybe salary increase for lower paid employees so that they can make up some of that later on. If that is a possibility that would be a tremendous effort and we appreciate that.
- Would like to thank everybody – David Harris, Steve Beffort, etc. for not going through with the parking fee increase. That would have been an additional salary reduction so every little bit helps and not having a fee increase for the parking is great.
- As far as the voluntary furloughs, we did give some ideas about that to HR, we talked to Andrew Cullen about it a little bit and a way that people can actually accomplish that in giving back to the university in a way of having a specific project they want to give. Maybe they want to give to utilities and say I want to be able to turn the lights when I come into work, those kinds of things that might make it more palatable for people to be able to do that.
- All in all, we do appreciate the effort that was made and I think the staff is going to come out all right in the end with this. We know it is very difficult and we do appreciate the hard work that has gone into making this the least amount of a hit as possible.

Douglas Fields, Faculty Senate

- Howard did tell me that he already talked about some things but he asked me to read three items and then I have an additional couple of items. We wish to take this opportunity to clarify several points regarding the budget proposal and the process by which future proposals could be developed. Several months ago we made a set of suggestions regarding budget processes and we are happy to recognize that several of those suggestions have worked. Academic programs have been favored. The Board of Regents will be approving the budget as a whole and some efforts were made to allow the constituency groups and the administration to work together on a completed budget proposal.
- At our last budget summit in 2008 strong statements made by some regents suggested that requests by faculty and staff for compensation increases drove increases and tuition at UNM. I believe the phrase as, “on the backs of the students.” Howard and I feel it is worth noting that this year with no requests for raises and an effective decrease in take home compensation for a majority of the faculty and staff, the proposed increase in tuition is basically the same as last years. In the future, we need to find a way for constituency groups to be significantly involved in the development of the budget proposal early enough so that suggestions can be incorporated before all available funds have been committed.
- My question to Steve, utilities is certainly a problem. One of the things that Howard and I have both been saying is that this separation of incomes, revenues and expenses between I&G and other non-I&G related things is somewhat artificial. For instance, I noticed in the athletics budget that only \$153,000 went to the plant fund. I find it a little bit hard to believe that that was the total of their utility bills.
- I am glad to hear that the Regents want to look at all funds to reduce tuition as HLC pointed out the faculty here are very concerned about students and teaching and research and the contributions to knowledge. One of the things that the students also pay is fees and so I think a great deal of care needs to go into what those fees are used for and oversight in that. I know that ASUM and other people are involved in that process.
- I do have a little bit of concern with the self-insurance although I am very happy and congratulate Helen and her group on what they have done and appreciate the initiative by Jamie and David to begin that. I have some concern on the oversight of the self-insurance funds. In other words, we’re going to be paying insurance premiums, the University will be putting insurance premiums into a fund and that fund needs to be well protected with some oversight and I believe that also translates into our uncommitted I&G funds, that there needs to be good oversight into those funds as well - - who decides what those funds are used for and how that decision process is made I think could use some good policies by the Board of Regents. Thank you.

Comment by Regent Koch to Doug Fields – You are totally correct. What happened when we went self-insured in the State for workers comp, etc. they didn’t watch that fund as well as they should and your comments are 100% accurate. If you don’t watch that balance, it some times gets very nice to go pick it out because it is there and your remarks

on that I am glad to hear because it really needs to be supervised properly because it is a pot somewhere along the line somebody might want to grab.

Comment by President Schmidly – It is our intention to put that into a lock box and I think that removes any concern that it can ever be tapped into.

Comment by Regent Sanchez – In regard to that ERB comment, all of us are taken aback by that. Senator Smith said when this was done, he tied into Senate Bill 181, which had been passed in 2005, but he said the reason for that was in lieu of having to lay people off, having to furlough people or having to trim back on their paid holidays, HB854 was a mathematical gimmick he said to avoid all of the above. But in essence, employees are paying in their money for deferred compensation plan that they can use once they retire so there was a lot of thought put into that one. It's unfortunate that it came at the time that it came. Thank you very much for your considered opinion relative to that and your acceptance of the fact there is very little we can do under this budget scenario to correct it at this time. Thank you all very much for your comments, I appreciate it.

Maria Probasco, Parents Association

- The Parent Association did submit a report and since November we have been very diligent in expressing our concern regarding the downturn of the market and what impact it is having on families. Of course the loss of employment is a big issue when you see 6,000-7,000 losing their jobs on a monthly basis and also the loss of funds in the educational savings accounts that parents had put aside for their students. We had to make adjustments in their lives and it goes back to its not how much you have, it's what you do with it. Right now what a lot of families are doing is how they can sacrifice more so they can see their students walk the line with a degree that they deserve.
- In our report we had a (end of tape) with the student groups and that is improving the services when it comes to advisement and trying to offer all the degree graduation requirements. This way students will graduate, we prefer in four years, although five years would be a good ratio for us took compared to six or seven years. However, advisement is critical because parents and students have expressed concerns in that area and also making sure that they do get that quality education that will help them graduate on time.
- We are very concerned that even in years of prosperity this University did not increase student fees or student tuition; however there is a recommendation on the table to do just that during these very hard economic conditions.
- We do appreciate the Board of Regents, President Schmidly and administration for giving us the opportunity to even express our opinion. We are one year this month and we do appreciate that and all the steps that have been taken to move the University forward under these difficult conditions but we would appreciate it also if you would reconsider if not the entire fee, maybe minimizing or reducing that fee at this time. Thank you so much.

Comment by President Schmidly – I would share a little bit about what Maria said, I agree with that. That it is difficult to think about tuition increases at this time but it is

also difficult to think about absorbing the kinds of cuts that we would have to absorb, the impact that would have on our faculty and our ability to offer the sections so that these students can graduate and move through on time. What happens when you can't do that, you delay graduation rates. The delay in a graduation is far more expensive to a student than the increase in tuition and fees if they are making progress on their degree.

I would like to see if any of my team has anything they would like to add.

Comment by Provost Ortega – I want to speak on behalf of Dean and faculty colleagues and the students who enrich our lives to say that we have had long and pointed discussions all fall and well into the spring that focused on this question. In a resource constrained environment, what are the strategies we can use to increase instructional capacity and therefore access at the same time we maintain the high quality educational experience that our students need and deserve. We have made enormous progress on moving forward to very strategic and focused decisions about the best strategies for meeting these dual needs. We have made remarkable commitments to instructional efficiencies but with attention to making sure that we create the robust research and educational environment that our students need. The commitment to additional faculty moves us in this direction. Indeed students, especially those who are moving onto graduate and professional schools routinely talk to the importance of faculty mentors in their lives and in their future careers. We are absolutely committed to developing an integrated advising system that doesn't let our students fall through the gaps between freshman year and transition to major and careers. Each one of the new initiatives and the ongoing initiatives directly speak to the question of access and excellence and I really strongly encourage realizing that there are always tough choices to understand the importance for our future of creating the leaders that the state of New Mexico deserves. Thank you.

President Schmidly - Our case is rested Mr. Chairman.

Regent Questions and Comments and Final Action Relative to Tuition, Fees and Salary Guidelines

Regent Abeita

- Just for clarification purpose, this is based on David's presentation, you talked about cutting FTEs and you have one position in the police department that is cut, but yet on the other side the President has police department and security staff listed as funding area here. Is there some inconsistency because we have it listed here as a cut and yet we're asking for funding here.

David Harris

- I don't believe it is an inconsistency because we're not cutting sworn officers. His proposal is to add new sworn personnel, we're reducing non-sworn personnel. This was a two year commitment that was made last year, it's collaboration between HSC and main campus.

Regent Abeita

- So the FTE that is listed here is not an officer?

David Harris

- It is not duplicative.

Regent Chalmers

- Mr. Chair, Dr. Schmidly, in trying to minimize any tuition increase that might be necessary and I think all of us feel a responsibility to try to at least look that way, I have heard two things. One, was the fund balances and very frankly, with all due respect, I can't be in favor of that just because I don't know what's in the fund balances. I know there are some restrictions but there is also, it looks like it's the same dollars there but money is flowing in and flowing out ever year so it's not like we have frozen dollars, at least very many to my knowledge there.
- The other main reason is what Dr. Schmidly said, I am just afraid we are going to be back here in a special regent's meeting after budget cuts may be coming from the state that are going to come out of left field and we're not going to have any place to go. Maybe with some research between now and then, we may be able to have some flexibility in that area. I just have a real problem getting into the fund balances as a way to reduce an ongoing tuition increase. David Harris, you said maybe look at some of the initiatives, the \$5.5M in new money that we are talking about and I would just ask Dr. Schmidly your opinion if there is anything – in looking at the students, the parents association and everybody wanting to minimize – is there any way that any of those could be cut without really hurting the integrity of your general initiatives in trying to improve the University.

President Schmidly

- I was just looking at them earlier. I think we could if it was the pleasure of the board to reduce tuition from 5 ½ % to 5%. If you sanded each of those initiatives 10%, if you shaved them, then that would allow us to come in with a tuition right at 5%. If you sand them any more than that I think you have to be careful about whether there is enough in there for them to be effective. So that is certainly one possibility. That 5% tuition as opposed to 5 ½% would be right there where other large institutions in the state are.
- I think one thing that we need to be cautious about is plugging a lot of this budget with one time money. I think David Harris gave us some very good advice. We have got a lot of one time money we are using now. We are only able to use this BRR money because we got some legislative relief. When that relief goes away then we're not going to have the ability to continue to use that money for the purposes we are using it now. Then the fund balance flexibility, whatever we have could be important to us in the fall.
- From my point of view, sanding the initiatives is a better strategy than some of this other stuff.

Regent Chalmers

- Just as another comment, I would be more in favor of that, I could see that happening. I do have concern, by the way, you mentioned BRR, just because we can use the BRR money to help plug a hole, doesn't mean the need for the BRR doesn't go on. We're going to have some deferred maintenance at some point in time we're going to have to own up to. That concerns me as well.

David Harris

- One of the things that I failed to mention because I don't like to bring a lot of attention to myself, but one of the areas where the Higher Learning Commission applauded us was in the improvement of our facilities. Not just generally, but the general upkeep. We have made a tremendous investment in the last ten years into the facilities of the University so I think a one year rest is not going to hurt but a permanent change would be damaging.

President Schmidly

- Obviously, what we are hoping for here is that by protecting the classroom and investing in enrollment management as we have the last two years, we are going to grow out of the band and hopefully continue to exceed the band. What we are going to have to do is as that enrollment growth comes in, we are going to have to take some of that money and plug some of these issues like money we are using for BRR right now. That's what my concern is.

Regent Eaves

- I think everybody has done a really great job on the budget. The collaboration that has gone on with faculty, staff and students and all the constituency groups - - President Schmidly you have done a great job because you have really taken a knife to the administrative expenses and I think it is just about as good as it can get except on the tuition question. That is what it all comes down to right now and that certainly is what I am focused on. I have spent a number of days myself working on this and I am satisfied with everything except I am not satisfied that we are doing the right thing on tuition. I would like to hear from Lauren and Ashley their feelings about the tuition. We are at 5.5% now, you and your parents are going to be paying it. There may be some ways to shave it down but are you satisfied where it is or would you like to see the Regents try to cut that?

Ashley Fate

- Of course that is a very difficult question and that is why we are here. When you look at these initiatives and you look at say academic advisement on this initiatives list and we have clearly said that is one of the things that we are really concerned or we could even say that is the thing we are primarily concerned about. We talk about reducing tuition and then, in effect, reducing the advisement initiative, are we hurting ourselves more in the long run by saying that we would rather have tuition decreased by cutting these programs? So I understand why this is such a difficult question and the position you are in. That being said, I think that 5.5%, 5.9% with fees included, is fairly reasonable, considering all of the initiatives we will be receiving as a result of those increases. I agree with you Maria, 100%, that it is very difficult to look at tuition and fee increases in the face and it's something that nobody really wants to incur but when you look at the cost benefit of what we will be receiving for our money, I think to that end we're getting a deal.

Lauren Koller

- I would just like to read briefly from the memo that we issued so that I can properly represent the interest and the opinions of the GPSA members. The GPSA council representatives also express concerns over the proposed increase in tuition and fees, primarily because that is higher than the state legislature's tuition credit and that GPSA would like the UNM Office of Planning, Budget and

Analysis to work with HED and LFC to insure that future tuition increases use the same data and formulas. Understanding that tuition increases are the reality that we are working with and making sure those can be as reasonable and manageable as possible is our concern here.

Regent Eaves

- Could we put slide #18 up again? David Harris and Andrew Cullen have convinced me that we really shouldn't consider the I&G balances and I am convinced that is correct. I am also convinced that David's suggestion that if we're going to do anything, we do it with these initiatives. I might add, and I am repeating myself, but Dr. Schmidly said there is about \$4M coming out of the Regent endowments for a whole different list of initiatives, very worthy and most of which were funded last year so we are funding recurring items out of our Regents endowment at a time when the endowments are decreasing. I am not suggesting that we reconsider that, I think we're going to do that, but these are some new things that are really on the table. I guess the question comes down to do we shave this? Do we cut some of them out? Or do we go with a 5.5 tuition increase? I favor lowering the tuition if we can and I am pretty sure we can do that. Looking at the list Maria and Ashley, most of those items, many of them are directed towards student success and I would like to have your thoughts on that list specifically. Not just yours but Doug, Loyola and anyone else, is there anything on this list we would like to set aside or shave down to lower tuition? This is a collaborative process, this is the decision time, we are going to be voting in a minute. If you want to tell us to reconsider some of those items, this is your chance, in exchange to lowering tuition. And if you don't think we need to do it, we probably won't. I.

Douglas Fields

- I don't see anything on here that doesn't directly impact student success and the academic environment on the campus. Narrowly looking at this list is probably not the way I would approach looking for funds to reduce tuition. You have look at many of the other items already.
- Regent Eaves – I am relying heavily on David, Andrew and President Schmidly. Yes I have, the Regents have really gone much further than we should into the Regent endowments, we can't go there. The administrative budget has been cut drastically. My question to David a while ago was, where would you look if we didn't look at the I&G balances? I understand why he didn't think we ought to do that because we are talking about recurring expenses and going into those balances which are one time balances probably, is not very prudent. I am open to suggestions but I don't know where else to look. It sort of comes down to this list if we aren't going to touch I&G balances.

Douglas Fields

- My apologies to VP Krebs because I always seem to be hitting on Athletics, but in the athletic budget I see \$1.5M in mandatory student fees. I see \$2.7M in state general fund money, but that is not in our area to change. So \$100,000 transfer from the endowment and at the same time in the expenses, I see the personnel costs have increased to approximately \$12M from approximately \$6M a few years ago. So in other words, this narrow focus on academic issues looking for

money to decrease tuition is too narrow in my opinion, but I understand there are other issues as Regents you need to take into account.

Regent Eaves

- The athletics is sort of like Health Sciences, we could look at Health Sciences too but it's self-funding over there. On the student fees for athletics, we don't control that, the students vote on that, it's not up to us to do anything about that. I think realistically today it comes down to this list and I think everything on the list looks to me that it's important, I would just like feedback from the rest of you as to what you think.

Loyola Chastain

- I don't really see anything here that we can cut. I am very concerned; we have a pause and hold with the staff right now. I am very concerned that we are going to continue with the pause and hold because there are departments that are not fully staffed and need to be fully staffed and are not going to be fully staffed. So I can't see how doing anything, any cutting in here is going to help that. I am more afraid that less tuition means layoffs so I would say all of the things here are things that we need to deliver to the students and remain whole as a university.

Regent Koch

- We've got a \$2 billion dollar budget, we're sitting here arguing about \$400,000. If on a \$2 billion dollar budget we're saying that we can't find \$400,00 to make student fees at 5%, I guess we can argue all day but it seems to me that the simple solution would be to vote for 5% increase and let them find where the money is.

Regent Eaves

- I'll make the motion. I move that tuition increase be 5%.

Regent Chalmers

- Second

Regent Sanchez

- Any discussion? What I am hearing is these are essential programs to benefit students.

Regent Chalmers

- In discussion, what I thought I seconded was a 5% increase and we leave it to the administration to shave and if it's 10% of these programs, it's their choice.

Regent Eaves

- It's their choice, we leave it to their discretion. That's the intent.

President Schmidly

- That is very acceptable to the administration.

Regent Eaves

- Ashley, Lauren?

Lauren Koller

- I think it is hard to have a discussion about where we should make cuts when everything is a priority and everything is there for a reason. Again, we would just go back to looking at how to make tuition increases manageable and how to help students cope with those increased costs because we do understand that is the reality we have here and to continue being the institution that we are, there are going to be rises in costs. If we do make that decision, how to lessen the blow to

students who are facing those costs every semester and are living on loans for the most part.

Ashley Fate

- I don't have anything to add to that.

Maria Probasco

- I was going to say as a comfort zone, when the federal government issued the stimulus funds, a lot of those funds will take over the cuts for BRR and I am sure there is a lot of funding coming down for infrastructure. So when we are looking at budget cuts, we should be looking at the total program, not just these initiatives that help students graduate in a timely manner. There are so many things out there we can be looking at. I am with you Regent Koch, when you have a \$2 billion dollar budget and we're sitting here splitting hairs about \$400,000 which is ½ %, it's sad to me to see that especially when we know that we have stimulus funds coming down to make up for some of those deficits when it comes to our buildings and infrastructure. I do appreciate you all for helping parents better cope with all of these expenses we have to deal with.

Regent Sanchez

- What I am hearing is, the administration has said that is something they can do and most of us agree that with and would say with that sort of a budget we shouldn't be focusing on any one group, we should be looking at the entire picture and find out where we are going to, that is the sentiment I am hearing. Am I pretty much correct?

David Harris

- Just a clarification on the motion, does that include the mandatory fees imbedded in the plan or is that just tuition? You still have to deal with the fee structure.

Regent Eaves

- The motion does not concern fees, just tuition, at the administrations discretion.

Regent Abeita

- I have a question for the Provost, does this encompass the flexibility that you were talking about? Does this still give you the flexibility you need?

Provost Ortega

- It absolutely includes the flexibility. Again, the deans feel very strongly that the outline initiatives are important and successful and important to faculty and student success but appreciate the flexibility in managing how we move forward, the answer is yes.

Regent Abeita

- The reductions that would need to be made would be done, again, with the participation of everyone involved.

Regent Sanchez

- Any other discussion? Any objections?

Motion approved unanimously to approve tuition increase of 5% (1st Eaves, 2nd Chalmers).

Motion approved unanimously to approve entire budget submitted, except for tuition change (1st Eaves, 2nd Fortner).

Regent Sanchez

- The process that we just went through came about because the former President of this Board, Jamie Koch, felt that we needed to have a collaborative process in place. We were able to use the internet, which is an interesting way to address the entire concept of the budget. I heard what you said Doug, relative to time and the ability to get involved. This was meant to provide the ability to have that interchange. It may work better in the future, but Jamie, thank you for having thought of it and putting it in place because it does give us a way to interact, even though it's not face to face, there will be more face to face interaction. I have been told that and assured of that by everyone within the administration. Those of you whom I had an opportunity to speak with last week, the commitment was that we would also be open to visiting with you on issues that directly impact you. The idea is to go to your president, your deans, and visit along the chain of command. I want to thank you Jamie for putting this process in place. It didn't go exactly as you wanted but what did happen is we did have communication, conversation and somewhat of a consensus was reached today, and that is what is so important, so thank you.

Regent Koch

- The only comment I would like to make is the first time I said the Regents would be involved in this budget was six months ago. I want to thank the administration, David Harris and the constituents. This is my sixth budget, this is the first time I feel real comfortable that I have been able to vote on a budget. Hopefully in the coming years we can improve where we are. Obviously, our problem was a short time frame and I still believe we could have had a little more time. I just want to compliment everybody, I knew it would work. I didn't know how it would work but I know people had concerns about it. I appreciate all the groups participated, I read all of your material and you had a chance to present it. I hope this sets in the future an even stronger participation from everybody and maybe a little bit longer time and there are a lot of questions that come up. What I really appreciated was the constituent's reports, to be able to read through what they were saying before I made my judgment. So I just wanted to thank everyone.

RECESS

Regent Sanchez

- That concludes our budget portion; we still have business before the Regents. We are going to recess for about a half an hour.

Motion approved unanimously to recess and reconvene at 2:15 pm (1st Sanchez, 2nd Koch).

Motion approved unanimously to reopen the meeting at 2:15p.m. (1st Koch, 2nd Abeita).

BUSINESS MEETING, Regent Sanchez

Approval of Contracts, Bruce Cherrin, Chief Procurement Officer and Steve McKernan, CEO UNMH

- UNMH – PETNET Solutions
 - Isotopes we use for nuclear medical scans for patients (\$500,000 - \$600,00 per year)
- UNMH - Sunbelt Staffing
 - Agency staffing

Motion approved unanimously to approve PETNET Solutions Contract and Sunbelt Staffing Contract (1st Eaves, 2nd Abeita).

- UNMH – Cerner Corporation Electronic Medical Record Remote Housing Hardware
 - Very large contract, approximately \$3M per year for six and a half years
 - Last meeting we did not have the legal contract completely worked out, sole source agreement had to be run through legal counsel
 - We have gotten all the comments from the task force, responded to all of those, visited with Regents.
 - Good contract for hospital, will increase our reliability of being able to service our electronic medical record in the hospital
 - With same company that provides the electronic medical records software

Regent Eaves

- Carolyn and I visited with Scot Sauder and Patrick Apodaca, gave them our concerns after we studied the contract. They went back and got quite a number of changes, brought the changes back to us and said we thought they looked good. There were changes like rights to terminate, waiving of termination penalties, right to terminate in the event Cerner wasn't doing their work properly, ownership of data, things like that.
- Satisfied and would recommend it to the rest of the Board.

Motion approved unanimously to approve Cerner Corporation Electronic Medical Record Remote Housing Contract (1st Eaves, 2nd Abeita).

- University Services – UNM Copier Management Program
 - Renewal of a contract, every eight years
 - Manages the University copiers on campus
 - Award to five vendors, both local and national

Motion approved unanimously to approve UNM Copier Management Program Contract (1st Eaves, 2nd Chalmers).

- UNM Dental Benefits Insurance Carrier
 - Have been self-insured on dental for number of years, have been with Delta Dental
 - Two finalists; Delta Dental and United Concordia
 - Scores were tied for the two, **recommend we continue with Delta Dental**
 - Costs will go down \$170,000 next year, which we will put into the insurance reserve
 - United Concordia came in with a little bit lower bid, about \$200,000 less but after evaluating their entire RFP, we determined that some of their payments to dentists would be lower, therefore our employees would have to make up the difference
 - Many of the dentists on United Concordia's panel were not dentists used by our employees

Motion approved unanimously to approve UNM Dental Benefits Insurance Carrier (Dental Dental) (1st Eaves, 2nd Dorman).

Approval of Capital Projects and Architect Selection, Miguel Hidalgo, Office of Capital Projects

- Parking Structures and Lobo Health Care Clinic
 - Two separate structures, one constructed on Lot C; accommodate 450 spaces. Other site is called the "beeper" site; accommodate 820 spaces.
 - Total project amount \$29,750,000, to be funded by the University of New Mexico bonds that have been issued for these specific projects
 - Questions by Regents Fortner, Chalmers and Abeita
 - Original number was 2,700, ended up at 1,300; study shows we need 2,700, looking for funds for 1,400 in another project
 - EVP Harris stated that when VP Krebs came with his amended plan on the football stadium, he wanted to send \$5M back, that \$5M has been integrated into this plan.
 - Structure self-funds
 - In one structure, retail space and Lobo Clinic included, between 7,000 and 10,000 square feet
 - Had discussions about being able to accommodate future academic facilities within that area of the structure
 - Lobo Clinic, full service with x-ray clinic

Motion approved unanimously to approve Parking Structures and Lobo Health Care Clinic project and reallocation of bond funds from the Athletic Department to be used on

this structure, pursuant to Resolution approved by University Counsel and President Schmidly (1st Eaves, 2nd Dorman).

- Zimmerman Library
 - Infrastructure improvements by providing a fire suppression system at west wing, 28,000 square feet, total project cost is \$900,000, funded from UNM Insurance Claims settlements.

Motion approved unanimously to approve Zimmerman Library First Floor West Wing Fire Suppression System Completion (1st Eaves, 2nd Koch).

- UNM-Gallup, Calvin Hall Infrastructure
 - Infrastructure improvements, mechanical systems
 - Improvements to HVAC systems, will complete major infrastructure improvements that have been deemed necessary at Calvin Hall
 - Total budget \$1,300,000; \$900,000 is appropriated from the New Mexico State General Obligation Bond issue for this project, remaining comes from UNM BRR Gallup funds.

Motion approved unanimously to approve UNM Gallup, Calvin Hall Infrastructure Improvements (1st Eaves, 2nd Fortner).

Approval to Establish the Museum of Southwestern Biology Bird Division Quasi Endowment, Brenda Claiborne, Dean Arts and Sciences

- Request approval for a quasi endowment for the Bird Division of the Museum of Southwestern Biology
- Introduction of Bill Uhler, Director of Development and Professor Tom Turner, Director of Museum

Regent Eaves expressed his concerns regarding the administrative fees in the agreement, should be discussed further by the Regents.

Motion approved unanimously to approve to establish the Museum of Southwestern Biology bird Division Quasi Endowment (1st Chalmers, 2nd Fortner).

Approval to Endowment Funds Portfolio for Anderson School of Management, Amy Wohler, Dean of Anderson School of Management

- Referenced handout, introduction of Dr. Emanuel Morales-Carmargo and Paula Blacher

Motion approved unanimously to approve Endowment Funds Portfolio for Anderson School of Management (1st Chalmers, 2nd Fortner).

Approval of Honorary Degree Candidates, Dr. John Geissman

- Pleased to present three outstanding candidates for the Honorary Degrees from the University to be awarded at spring commencement in 2009.
 - Mr. Robert J. Stamm, Mr. Jay Wright and Mr. Tim McElvain

Motion approved unanimously to approve Honorary Degree Candidates (1st Chalmers, 2nd Abeita).

ADJOURNMENT

Motion approved unanimously to adjourn meeting at 2:55 p.m. (1st Fortner, 2nd Abeita).

Regent Raymond G.Sanchez
President

Regent Carolyn J. Abeita
Secretary Treasurer

Attachments:

1. Budget Summit Presentation “Challenge and Opportunity” (tab 1)
2. Division of Student Affairs Budget Hearing Presentation (tab 4)
3. Branch Campus Report (tab 4)
4. FY 09 Legislative Session Summary (tab 5)
5. GPSA Resolution (tab 8, d)

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