

Regent Resolutions/Comments

Regent Eaves – Let me just say a few things first. We have prepared a couple of resolutions and the petition that was signed by about 233 faculty members out of about 1,800 and I guess there are about 22,000 employees at UNM but this petition has attempted to cast a shadow over the administration here at the University. Certainly no one would question the right of anyone to petition for perceived grievances that employees, staff or students have. That is one of the most fundamental forms of democracy and certainly everyone has the right to do that. I think the Regents have gone to great lengths to create a system here at the University where everyone can be heard. People are invited to come to meetings and are given a chance to speak if they wish to do so and a chance to participate and there is certainly nothing wrong with a good, wholesome debate.

I think, however, sometimes debate can create impressions in the community and across the University system that are detrimental to the reputation of the University. When those types of issues are raised, I think the Regents have an obligation to point to the record. The petition that was signed focuses very heavily on criticisms of the setting of policies and administering of funds and that of course requires some analysis as to whether or not those issues are correctly being complained about.

I think that anyone who is familiar with the management of a large, complex organization like the University of New Mexico, one of the largest organizations in New Mexico, understands that you have to have top flight management. It's a \$2B plus institution, it can't be run on the cheap, it can't be run without proven professional management. If you're going to talk about executive or administrative compensation, you have to look, in all fairness, to the performance and to the results achieved. You can't just look at salaries, you have to look at the responsibilities, the results and the performance. Unless you balance the dialogue with that kind of an examination, then talking about high salaries really doesn't mean much because people who manage an enterprise of this sort are in high demand if they are effective and if they get good results and the marketplace will dictate what those salaries are going to be. If the University doesn't pay a competitive salary, opportunities will be found elsewhere.

I appreciate the opportunity to discuss this and I guess one other point I would like to make before I get into the resolutions, is that the Regents are charged with the governance of the University by the Constitution. The Regents have taken that very seriously and I think as a result we have an excellent administration with high achievement to date. The policies and the goals are set by the Regents. President Schmidly and Executive Vice President Harris and Executive Vice President Roth and Executive Vice President Suzanne Ortega, really are following, in many cases, the goals and policies set by the Regents. We will discuss that more thoroughly in a moment.

I would like to repeat something that I said at the Finance Committee meeting, it was a quote that Randy Boeglin, Dean of Students, sent over to us with a suggestion that this quote should guide all of our conduct. It is a quote from Abraham Lincoln and I want to

say it again because along with other comments made by Thelma and other people today and the students, it is a good thing to remember:

We are not enemies but friends. We must not be enemies. Though passion may have strained it must not break our bonds of affection. The mystic cords of our memory, when again touched, as surely they will be by the better nature of our angels.

Dean Boeglin recommended that the hope that all members of the UNM family, faculty, administrators, students, Regents, will find a centering around the better nature of our angels. I would like to repeat that because that is the spirit in which we ought to engage in any dialogue, especially this dialogue.

Regent Fortner has a resolution he would like to present.

Regent Fortner – One of the resolutions that I would like to read is regarding Regent Koch and I would like to say a couple things and during the resolution I will also say a couple of things not included in the resolution. The issue of change has been big in the last campaign and change for change sake is never good but real change that furthers the goals and policies of the University are always good. I want to give you a perspective and I think one of the things that I have is perspective. This is my 10th year being on the Board of Regents and certainly a lot of things have changed. Some that were good and some that weren't good but as I look at the staff, the only person who was here 10 years ago when I came on that is still here is _____ Torres.

Some of the change was good and some wasn't but a lot of good change has been brought by Jamie Koch and as I read this resolution you will get perspective on why we are doing this resolution and to give everyone perspective on how we need to work together.

Whereas, since Regent James H. Koch was elected President of the University of New Mexico Board of Regents in August 2003, [prior to Jamie being elected I was President of the Board of Regents] the Regents have rewritten Regents' policies to assure unprecedented open and accessible governance, have opened up the committee process to both constituency and community membership, have invited public participation, and mandated for public review the academic, financial and business undertakings of the University;

[I remember when I first came on the Regent advisors, if you took longer than 15 minutes the position was you were wasting our time. I assure you that the change in the time, the change in perspective have been done by Jamie. In fact, somewhat grudgingly against me because often - - I have to travel for these and I am always nudging him to quit talking so much and quit encouraging other people to talk so much. That is a change that has been good and been done by Jamie.]

Whereas the Regents, with Regent Koch's support, guided the UNM Administration through a revision of public records policies that brought the University into compliance with state law, again serving as a model in New Mexico higher education;

[Again that was a change that was not done easily. We had resistance on that, but again, it was something that Regent Koch spearheaded and that we supported.]

Whereas Regent Koch, Regent Sanchez (chair of the President search committee) and fellow Regents directed the most open, inclusive and objective Presidential search and selection of President Schmidly by a search committee of 22 persons that broadly represented the diversity of this campus, faculty, students, staff and community;

Whereas the Search Committee solicited and received unprecedented public input and discussion from all segments of the faculty, students, staff and community organizations that led to an unanimous adoption of the goals for selection of a new President including the improvement and enhancement of diversity and enrollment;

Whereas, the goals adopted by the Search Committee were incorporated into the performance goals unanimously adopted by the Regents for President Schmidly when he was hired as President;

Whereas, the Regents authorized and Regent Koch supported an unprecedented period of capital construction, totaling more than \$1 billion, including the UNM Hospital expansion, the Cancer Research and Treatment Center, the new Centennial Engineering Building, the new School of Architecture building, and many other projects plus the refurbishing of outdated athletic facilities and real estate purchases at Mesa del Sol and in Rio Rancho which will be the site of new campuses and health care facilities which will benefit the students of UNM and the citizens of New Mexico long into the future; therefore,

Be it hereby resolved that the UNM Board of Regents commends and supports Regent Koch for faithfully carrying out the vision and policies of the full Board of Regents, and having full knowledge of the fact [knowing that as one he can do none but as a board he does a lot] ***hereby state that the past actions of Regent Koch, President Schmidly*** [I would say with President Schmidly that change has come. I will tell you that when I talked with President Schmidly, when we were interviewing him because the president we had before him came in and started making changes that a lot of people didn't like and part of his demise. I told President Schmidly as a new president you will come in but I will tell you, I will give you the best advice, there are three people that if you change,

you won't last here very long. You can do whatever changes you make and I said those changes are Paul Roth, you can't change him. If you do, you'll regret it. Two, Paul Krebs, if you change him you will regret it. Three, David Harris, if you change him, you will regret it. We had this discussion in Washington, D.C. and I asked him if he remembered that conversation. He said yes and he has taken that advice to heart.] ***and EVP Harris*** [Again, I singled out Harris because when Julie Weaks left and Julie Weaks left under conditions that were not most favorable to her but she was a world of knowledge and I remember when she left, thinking we're going to be hurting. I don't know that anyone else in New Mexico has the knowledge of the budget, of government together that she did. But low and behold there appeared EVP Dave Harris] ***in implementing policies and administering funds are actions that were taken pursuant to goals and policies unanimously approved by the Board of Regents and that there has been no diversion of institutional funds to pay "excessive" administrative compensation and there has been no cronyism or irregular hiring practices by the administration.***

Be it further resolved that the Board of Regents calls on the entire UNM family to unite in these challenging economic times in our commitment to maintain the highest standards of education, research and patient care for all our students and faculty and the citizens of our state.

As I move that resolution to be adopted I would say this, at the University this is the place for the marketplace of ideas. It is the place for the idea of discussion, continue to have passionate discussions, continue to have heated discussion but remember our goals are the same. One final thing that I would tell you that Jamie did somewhat single handedly and that was when the Governor wanted to decouple tuition from the lottery scholarship Jamie said no and it was a bold move because I know the directive came down and Jamie said no, it's not what is best for the students and it is not what is best for the University.

Again with that, I would move approval of this Regents' Resolution. (1st Fortner, 2nd Eaves).

Regent Eaves – We have one more resolution regarding President Schmidly and EVP Harris. Before I do it I just want to say one thing. The Regents do listen to everyone; faculty, staff, students, community, politicians, governor, everyone. We are all committed and we have all moved in a unanimous fashion in the past. There has never been any dissention on the Board of Regents which I think is really remarkable. I asked you earlier to think about the results and the performance of administrators.

Think about where we are right now in the midst of the greatest economic crisis since the Great Depression. People who work at this institution, who study here, are very fortunate indeed. It is like an island of stability in a very turbulent sea. For example, the unemployment in this country now is almost unprecedented since the Great Depression. I

was stunned a while ago when I heard Helen Gonzales we had a 100 applicants for every open position at this University. I think a year ago it was 8 or 9 or 10, I am not sure what the numbers were but that is a reflection of what is going on. People want to work here because it is an island of stability. The Regents and President Schmidly and the Executive Vice Presidents, everyone involved, have worked very hard to create that stability, to preserve the quality of the academic mission, to avoid large increases in tuition. There have been no lay offs, there have been no reductions in pay. Look around you in the whole world, it's a blood bath out there but it is not blood bath at UNM. There has been no cut in programs, there has been no interruption of the capital construction program. UNM's financial condition is very sound. You will hear Ava Lovell in a minute talk about that, we talked about that at the Finance Committee, we have a very sound financial position here and it is because of the moves that have been made by management to anticipate the problem, to create fund balances and to use them wisely. Everyone in this nation is taking enormous hits in their 401(K), retirement plans, New Mexico State Retirement Plan has had a huge hit. The 529 Plan to put aside money for children's education has lost about half its value. People are struggling yet the management at this university which supervises about \$470M in unrestricted balances - - we came through this period when everyone else is getting massacred in the market place and we had no losses in our unrestricted fund balance that was invested very wisely in assets that did not appreciate in value. That is because of good management. The list goes on but there is no one who can say there is a financial crisis at the University of New Mexico because it is not true. When we hear talk about crisis of confidence, I think we have to put all of this in perspective as to what we have here and what a special place this. To illustrate why you have to balance high salaries against performance and results, this resolution I would like to present:

Whereas, because the UNM Board of Regents in open session created performance goals for President Schmidly, which included the direction for him to reverse the trend of declining enrollment, President Schmidly created the Enrollment Management Division under a Vice President, which consolidated admissions, financial aid and registration resulting in an increase of 25.76% in graduate student enrollment, an increase of 59% in freshman class applications for the spring of 2009 and an increase of 10% in the size of this year's freshman class over last years; and,

Whereas, because the Regents directed President Schmidly to focus on diversity in hiring and student enrollment to better reflect our student body and our state, President Schmidly recruited and hired four female senior administrators including two Hispanics, expanded minority recruitment and doubled the number of National Hispanic scholars; and,

Whereas, under the leadership of Executive Vice President Harris (formerly acting president) and President Schmidly and the UNM Foundation Board of Directors, the annual private support for the

University has more than doubled since FY 2003/04 from \$41.8 million to \$85.5 million in FY2007/08. During this time \$291.9 million was raised, growing the University's consolidated investment fund from \$222.4 million to \$330.5 million, while at the same time allocating \$58.7 million in spending distributions to support scholarship and student success; and,

Whereas, the UNM Regents and Executive Vice President Harris initiated, and President Schmidly supported and implemented, the program to reorganize and consolidate administrative functions of Main Campus and the HSC in six key areas – Finance, Facilities, Legal, IT, Risk Management and HR, which eliminated duplication while dramatically increasing efficiencies and quality of service, some specific examples of which are listed on Exhibit A attached hereto; and,

[Exhibit A has some remarkable numbers on it. I am not going to read all of Exhibit A but the unrestricted I&G budget since '03 has grown from \$193 million to \$287 million, a 48.1% increase. There have been two bond issues of \$455 million and \$192 million to support construction on campus for academic, public service, teaching and hospital space. UNM has received approximately \$279 million in capital appropriations or 137.39% increase during the last six fiscal years which is an amazing result. UNM, beginning in 2006 has maximized it's operational and capital investment returns by adhering to the public tenants of public finance; preservation of capital, liquidity and return. That is what I was talking about a while ago when I said that with assets under management, hundreds of millions of dollars, UNM has avoided losses which are common to the State of New Mexico and private institutions and other institutions of higher education.

Another shining example is the Health Science Center. In 2004 it posted operational losses of \$17 million. It is now reporting a net income of \$16.2 million for FY2008 and through six months of this year it is at \$8.7 million in positive income, to better serve the citizens of New Mexico.

I am not going to read this whole Exhibit A but I want to say those are just a few selected examples of the success of President Schmidly, EVP Harris, EVP Roth and the team that supports them. To go on with the resolution.

Whereas, at the direction of the UNM Board of Regents, Regents Koch and Sanchez and Vice President Harris and our entire legislative team successfully obtained an increase in the Building Renewal and Replacement formula funding from 40% to 70%resulting in increased allocations for higher education statewide and an additional \$4.4 million for UNM and an increase of 75% in BR&R funding for UNM; therefore,

Be it hereby resolved that he UNM Board of Regents commends and supports President Schmidly and Executive Vice President Harris for

both having made major progress in achieving the goals established by the Board of Regents in open session and agreed upon in open votes.

Further, let it be hereby resolved that the Board of Regents has full and total confidence in the ability and in the leadership of President Schmidly and Executive Vice President Harris to successfully carry out their duties and responsibilities to the University of New Mexico.

Again with that, I would move approval of this Regents' Resolution. (1st Fortner, 2nd Eaves).

Dr. Paul Roth, Executive Vice President for Health Sciences Center – President Koch and Members of the Regents, President Schmidly – I think it would be remiss of me to not review with you some of the comments that I had made at F&F and again at the HSC Regents Committee. I think the HSC as an organization has been kind of conspicuous in that we have not really had a lot to say about what may be going on at Main Campus but I would like to share with you what I believe to be the fairly dominant perspective of both the faculty and the staff.

As has been mentioned, the HSC has been extraordinarily successful these last several years. We have received national awards, international acclaim for a lot of our work done by our faculty and many of the programs. In addition, our faculty has grown incredibly. Our teaching programs have expanded, our research enterprise has flourished. There was a reference to what our situation was back in 2003-2004. We were not alone across the country as teaching hospitals and medical schools facing a lot of reimbursement challenges from Medicare and Medicaid and while those other teaching hospitals and clinical faculty in these other academic health centers went through what we did, they faltered. We came together instead as an academic community. We brought our faculty together, our staff together and our administration. Today we are stronger than we have ever been before. Our faculty and staff could not have done that without the strong support of the Regents, the trust in us by President Schmidly and the incredible financial expertise and governmental experience of David Harris.

As was also mentioned, the University of New Mexico has about 2,000 faculty. 935 of those faculty are faculty in the HSC. There is about 10,500 regular, full time staff. If you include the hospital in those numbers, about 7,000 are staff at the HSC. Over the past several days I have had the chance to visit with staff and faculty leaders including Steve McKernan, CEO of the Hospital, Dr. Cheryl Wilman, the director of the Cancer Center, Dr. Katz who heads up our Medical Group and our Practice Plan. I have met separately with Dean Ridenaur from the College of Nursing who in turn met with all of her faculty. I have met with Dean Pipper who subsequently received input from his faculty in the College of Pharmacy. I met separately with all of the Chairs in each of the departments of the School of Medicine. There was a separate meeting with all of the department administrators in those departments. We asked an open-ended question - - what is your perception? How do you feel about some of the concerns raised by the faculty and staff on main campus?

For the most part we all got about three sets of responses. First, they were unaware of what was happening on main campus or didn't care. Those who were aware had two comments, first, they did not feel there was an internal crisis. Folks had concerns about the general economy, the problems that we are all facing. They are concerned about keeping their jobs, not because of the internal issues of the University but because of the problems and challenges facing every family in the United States and they were thankful for their jobs. The second response was, "Why can't they all just get along?" "Why can't they sit at the same table and just have a discussion and do what is right?" Particularly at this time when the country is in a crisis and when the State of New Mexico is in a similar crisis. Particularly when all of this is being played out at the exact same time that the legislature is in session. This does not make sense to the average staff of faculty member in the HSC.

Historically, in spite of the fact that we all face minute by minute crunch of our duties as staff, scientists and health care providers, we always can find time to talk to each other and for all of us to be playing a part and finding solutions for common problems. We would never attempt to resolve conflict by communicating through the media but instead through two way communication and actively pursuing common ground, build on meaningful dialogue and then acting in a unified fashion, all of us together. What guides us as an academic community at the HSC can be best described in our annual, mandatory training. Every faculty, every staff member at the HSC must be trained in three areas; HIPAA training around patient confidentiality; a code of conduct and training around compliance. The very first part of that training in compliance is called "Promoting a culture of integrity and professionalism." I thought I would just read to you the very first sentence of that training. It says, "The UNM Health Sciences Center strives to foster an environment that promotes patient care, learning, research and productivity through relationships based on courtesy, civility and respectful communication."

I would hope that all of us in the HSC would urge all of the parties that are currently in dispute to embrace this philosophy. I think that sentiment has been raised now in multiple arenas around the room today and we would be strongly in support of actually behaving in that fashion. Now we have members, leaders of the HSC with us today, Steve McKernan from the Hospital, Dean Pipper unfortunately had a procedure done today and Don Godwin from the College of Pharmacy is here, Dean Ridenaur had to leave and Regent Chalmers you would be happy to know she is working with the Hospital figuring out ways to expand the nursing work force. Jeff Griffith, our Executive Vice Dean from the School of Medicine and Pug Burge, who interacts on a regular basis with our staff are all here and with the permission of the Regents, I would invite any one of them if they would like to supplement what I just stated.

Jeff Griffith – President Koch, Members of the Board, President Schmidly – I am Jeff Griffith, I am the Executive Vice Dean of the School of Medicine. Literally, not a day goes by either in my administrative role or in my role as a faculty member, educator, researcher or mentor, that I don't have the opportunity to speak with my colleagues about what is going on at the institution. There are a lot of things that faculty are concerned

with on our side of the street, it is our upcoming LCME review, finishing phase three of our Domenici Building, the reduction in federal research funds, the incoming class in 2010, our BMD students. In all of these discussions with faculty and staff, I can tell you personally from my own interactions, not once in any of these discussions has anyone raised the issue of an internal crisis, impending financial crisis, or expressed any lack of confidence in the leadership of the institution, including Executive Vice President Harris, President Schmidly or Regent Koch. What I think they are concerned about is the very contentious, acrimonious personal and very visible and public conflict that is coming at a time that is very inopportune. As Dr. Roth mentioned with the legislature in session, this is a time that we should be working together to deal with the very formidable problems external to the University that confront us and not focusing on our personal differences. Thank you very much.

Donald Godwin - President Koch, President Schmidly, Members of the Board, my name is Donald Godwin, I am the Associate Dean for Professional and Graduate Education at the College of Pharmacy. Dean Pipper came here a little over five years ago and he put me on as Assistant Dean at the time, I was promoted since, and I would just like to read a statement about some of the things we have done over the last five years. Including doubling our research funding, doubling our research space, 50% increase in the number of faculty. We are in the third year of implementing a brand new, state of the art pharmacy curriculum for the students and we also have the exciting new cooperative pharmacy program with New Mexico State University. Dean Pipper and the College of Pharmacy wants to thanks the Regents for supporting our requests for a differential tuition that allowed us to implement the new curriculum. Also, the Regents, Presidents Office and the New Mexico Legislature for supporting the cooperative pharmacy program. President Koch, President Schmidly, EVP Harris and EVP Roth have been specifically supportive and over all our faculty, staff and students are engaged and enthusiastically endorse the University's leadership. Thank you.

Regent Abeita – I think it is important we support our leadership. Again, mainly because of the actions that have been taken have been as a result of goals that were established by the Regents. Again, those goals were established possibly in a time when we had more resources but a lot of the actions were things that were necessary and needed so I think that is one of the other points to make. The other thing that we need to remember is we need to support our leadership because we need to move together as a unified community. Of course, this is not at the expense of collaboration and communication. Statements of support are not meant to do that and I think what we have also seen here from some of the reports from Julia is the impact of collaboration across the University. We have heard the positive effects of collaboration from the HSC side so I think we need to remember that as well. Again, this is why we have these presentations to the Board of Regents to let everyone know that there are all of these kinds of activities and collaborative efforts that are going on and having very positive effects and so we really do need to keep that at the forefront.