

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

September 14, 2010

Board of Regents Meeting 9:00 a.m. – 11:30 a.m. 1:00 p.m. – 3:00 p.m.

Student Union Ballroom C

Board of Regents Executive Session Luncheon

11:30a.m. – 1:00 p.m.

Sandia Room

Attendance:

Regents present:

Raymond G. Sanchez, President
Jack L. Fortner, Vice President
Carolyn J. Abeita, Secretary-Treasurer
Don L. Chalmers
J.E. "Gene" Gallegos
James H. Koch
Cate Wisdom

President unable to attend:

Dr. David J. Schmidly

Executive Vice Presidents present:

Dr. Paul Roth
Provost Suzanne Ortega

Executive Vice President unable to attend:

David W. Harris

Vice Presidents present:

Eliseo Torres, Vice President, Student Affairs
Julia Fulghum, Vice President, R&D
Paul Krebs, Vice President, Athletics
Helen Gonzales, Vice President for Human Resources
Ava Lovell, Vice President and Controller
Stephen McKernan, Vice President, Hospital Operations

Vice Presidents unable to attend:

Josephine Deleon, Vice President, Equity and Inclusion
Carmen Alvarez Brown, Vice President Enrollment Management

University Counsel Present:

Lee Peifer, Interim University Counsel

Regents' Advisors present:

Richard Wood, President, Faculty Senate
 Merle Kennedy, President, Staff Council
 Lissa Knudsen, President, GPSA
 Lazaro Cardenas, Jr., President, ASUNM
 Steven Chreist, President, Alumni Association
 Anne Yegge, Chair, UNM Foundation
 Maria Probasco, President, Parent Association
 Beulah Woodfin for Mimi Swanson, President, Retiree Association

I. Confirmation of a Quorum; Adoption of the Agenda Regent Sanchez

Regent Sanchez presided and called the meeting to order at 9:00 a.m. He confirmed the presence of a quorum and the agenda was adopted. Motion approved unanimously to adopt the agenda (1st Gallegos, 2nd Koch).

He noted the absence of Dr. Schmidly and EVP Harris. Regent Sanchez said he had spoken with Dr. Schmidly who asked the Regent to convey his thanks to everyone who graciously offered prayers, letters and best wishes for his recovery.

Regent Sanchez introduced Henry Nemcik the new president of the UNM Foundation.

II. Approval of Summarized Minutes of the August 10, 2010 BOR Meeting

Motion approved unanimously to approve the minutes and calendar (1st Chalmers, 2nd Koch).

Regent Sanchez pointed out that the minutes of the 8/10/2010 BOR meeting documented Regent Chalmer's request for reports on the Budget Task Force, the Cost Containment Task Force, the Energy Task Force/Lobo Energy, the Provost's Task Force on Academic Mission, and Academic Health and percentage of tenured faculty at each BOR meeting. The reports should be forthcoming as soon as possible.

III. President's Administrative Report, Dr. Roth, Executive Vice President for the Administration

Dr. Roth noted that the "UNM President's Report" was available (attachment 1).

Dr. Roth reported that Dr. Schmidly is still in the hospital. He is in recovery and progressing each day. He is looking forward to returning to Albuquerque in the next several months and, following recuperating here for a little longer, getting "back into the saddle" over the next couple of months.

The HSC is having a series of events that is intended to provide more information regarding the new health reform law. We are having a series of seminars that are especially focusing on certain areas that will impact academic health centers. The 2020 Vision, to be held 9/15/10, is a showcase of programs that will be important so that institutions like ours can be successful in the new era. It is sponsored by

our Office of Health Affairs, Dr. Arthur Kaufman, and the day will end with a presentation by the regional director of the Department of Health and Human Services, Dr. Marjorie McColl Petty, representing Secretary Sebelius. All faculty, staff & students are invited to attend.

For Main Campus, the 21 day official enrollment deadline passed last Friday. The “close to official” enrollment numbers show that the student head count is up by 5.3% for main and branch campuses. Student credit hours are up 5.7% and our National Scholars number is up significantly, 86%.

Regent Koch asked how many students the 5.3% equated to. That answer was not immediately available. The response to his question of how many students were on main campus was 27,700.

Regent Koch suggested holding seminars like 2020 Vision for the business community. UNM/HSC could take the lead in organizing informational meetings regarding health care, insurance, effects on employers—small employers in particular. Dr. Roth will bring it up at the next Chamber of Commerce meeting.

Regent Chalmers asked if the head-count increase of 5.3% was enough to “break us out of the band.” VP Lovell indicated that it is enough to break out of the band and get UNM more money, if the state has any money and if the Formula Task Force does not change the whole band concept.

IV. Comments from Regent’s Advisors

Regent Sanchez requested brevity since most of the reports are in the BOR book.

Faculty Senate, Richard Wood, President (report in BOR eBook).

Dr. Wood noted the passing of Bob Lalicker and Ferenc Szasz.

President Wood said there are several documents in the BOR book that should be noted.

Dr. Wood stated that all the data given in the charts he presented at the last BOR meeting was correct except for the increase in hiring of part-time faculty. Rather than a 60% rise in hiring of part-time faculty, the correct number is between 16% and 17%. The charts may also have given a misleading picture of the ten year pattern of the increase in administrative staff, grades 15-19, due to the conversion to Banner. They are working with IT staff to clarify the data.

Dr. Wood said if there is the possibility of a “harvest” of salaries and benefits above a certain range, it should be levied across the board, not just on administrative salaries and benefits.

Dr. Wood acknowledged that many in the private sector have had to make cuts of 3% or more. At UNM the great majority of budget is in salaries. The operating budget is sometimes 3% or 5% of the total budget. In some cases the 3% cut is equal to, or more than, a department's total operating budget.

Dr. Wood also presented a list of "hard questions" to be considered in these times of budget cuts.

Regent Gallegos asked, "What is the core mission of the University? Could President Wood define it?" Dr Wood responded that is it what professors do with students in the classroom and the laboratory, what advisors do with students struggling to understand what they want to do with their lives and how to get through the university, and what faculty do in the labs and art studios around campus.

Regent Gallegos brought out that no state provides more money (per \$1,000 of personal income) for higher education than New Mexico does. No state except Wyoming provides more money for higher education, per capita. Have we lost sight of the taxpayers? A tug of war between the faculty and the administration does no one any good. The idea that we'd turn off phones instead of cutting unnecessary units, that's not allegiance to the taxpayers and the students, whose tuition has gone up 100% in the last 10 years. The Regents' constituency is not the faculty and the administration, but the taxpayers and the students.

President Wood agreed that New Mexico has been extraordinarily generous to higher education. In his estimation, regents are appointed to their position to defend the core interests of the university. He also pointed out that the faculty hates the idea of cutting funding for graduate students.

Regent Sanchez welcomed UNM Foundation President Nemcik to the meeting.

Staff Council, Merle Kennedy, President (report added to BOR E Book).

GPSA, Brendan Picker for Lissa Knudsen, President (report to be added to E Book).

GPSA would like to contact all TAs, GAs, PAs and RAs on campus to better advocate for their needs. GPSA would like a reconsideration of across-the-board cuts as they affect those at the bottom more drastically than those at the top. Grad students feel administration should be cut to the bare bones before departments are touched. Research is the only source of new money at UNM. Cutting TAs and GAs hobbles that research. Combined with other adjunct faculty, graduate students are teaching nearly 50% of the undergraduate classes at UNM. Each grad student brings in more dollars in formula funding than each undergrad student. Graduate students were not included in the budget discussions but were severely affected.

ASUNM, Lazaro Cardenas, Jr., President (report in BOR eBook).

Mr. Cardenas reminded everyone that Homecoming (Lobo Fever) is coming up. Red Rally will take place right after Homecoming and a community service event, Fall Frenzy, is also coming up.

UNM Foundation Chair, Anne Yegge (report in BOR eBook).

Ms. Yegge announced that Michael Kingan has accepted a position in Singapore. She thanked him for his service and said he will be missed.

Regent Sanchez and the BOR acknowledged Mr. Kingan's excellent work.

Regent Chalmers congratulated the Foundation on their report that fundraising appears to be significantly ahead of last year.

Alumni Association President, Steve Christ (report in BOR eBook).

Mr. Christ noted the passing of Karen Abrams' father.

Alumni chapters across the US are conducting their "Green Chile Roast" fundraiser, with over 5 tons of green chile being shipped. Austin TX will receive the most, followed by Washington DC, Chicago, a couple locations in California, and Atlanta.

Parent Association President, Maria Probasco (report in BOR eBook).

Parents are the biggest advocates for UNM. The association asks that the regents reconsider any tuition or student fee increases. The association will be supporting Bond D.

Retiree Association President, Beulah Woodfin (report in BOR eBook).

Ms. Woodfin noted that she is not the President of the Association. Mimi Swanson had to resign and the new president will be Cindy Steward. Ms. Steward will be traveling this fall so other members of the board will be covering her obligations.

V. Regents' Comments

Regent Sanchez thanked the Regents' Advisors for their reports and comments.

He expressed concern regarding Ms. Knudsen's statement that graduate students were not included in budget discussions. He'd like that verified. If the graduate students were not contacted it is unacceptable.

Dr. Wood noted that the cuts were discussed in individual departments, so that is where graduate students would have been included.

Regent Chalmers: Budget and budget cuts are no longer a spring-time agenda item only. Budget cuts are the big issue and all advisors touched on them. The 3.2% budget cut we are dealing with pales in comparison to what may be coming—possibly another 5%. Next year we have to fill the hole that one-time monies filled this year—I think about \$12 million. I find Dr. Woods’ comments stimulating. This is not a Regents’ problem, it’s everybody’s problem. Everyone should be involved and I hope I don’t hear people saying, next year, that they were not involved. The regents and administration do not have a monopoly on good ideas. A good question for all of us is, “What is the core of this university?”

VI. Public Comment

Liza Minno Bloom: Speaking on behalf of graduate student employees, to emphasize the centrality of graduate students here, in terms of the day to day functioning of the university, along with the innovation, the young ideas and the research approaches they bring to the classroom. At least anecdotally, grad students (along with part time instructors) teach up to 50% of the classes, freeing up tenured faculty to continue their research, a huge source of revenue to UNM.

Regent Gallegos would like data to support the assertion that 50% of undergraduate classes are taught by graduate students.

Ms. Bloom said no one seems to have the data. Provost Ortega committed to getting the numbers.

Clare Daniel spoke in support of continued funding for graduate assistantships.

Megan McRobert, Council Chair of GPSA, said that she finds it incredible that budget cuts in academics are being discussed at the same time as a new \$2 million baseball stadium. She understands there are nuances in the budget that account for it, but is still concerned.

Regent Sanchez stated that there is a misconception he would like to try to dispel: Severance Tax money cannot be used for general operations. It is a separate item that is meant for capital improvements which the legislature appropriates for a specific purpose, to build a facility. Those funds cannot be used for salaries. He asked everyone to please keep in mind the difference between money that must be used for capital outlay and that which can be used for the running of general government.

Regent Wisdom asked how much of graduate student salaries are covered by the research funds brought in by the professor the students are doing research for.

Ms. McRobert said she believes it varies by department. She thanked Provost Ortega for committing to provide the number of classes graduate students are teaching.

Jakob Schiller said that while grad students carry a lot of the burden here, it is also a great opportunity for them to be able to teach here. While understanding that they have different lines of funding, it is still difficult to hear of new facilities for athletics while talking of budget cuts for academics.

VII. Approval of Lobo Development Amendment to Bylaws, Regent Jamie Koch
(report in BOR eBook)

Motion approved unanimously to change the Lobo Development Corporation Bylaws as specified in the Second Amendment to the Bylaws (1st Koch, 2nd Chalmers).

VIII. Regent Committee Reports

Finance and Facilities Committee, Regent Don Chalmers, Chair

A. Consent Agenda (Finance and Facilities Committee meeting 9/1/2010)

Motion approved unanimously to approve consent agenda item #1; item #2 subcategories 1 through 4; item #3 subcategory 2, the capital project; item #4 and item #5 (1st Chalmers, 2nd Gallegos).

Discussion: Regent Sanchez stressed that item #3 subcategory 1 (Architect Selection for Baseball Stadium) is not a part of this motion. That item was moved to the Action Item agenda.

1. Disposition of Surplus Property on list dated 8/20/2010, Bruce Cherrin, Procurement Officer (report in BOR eBook)
2. Approval of Contracts (reports in BOR eBook):
 - 1) UNMH-Philips-Medline, Inc.
 - 2) UNMH-Hologic
 - 3) 3M Health Information Systems
 - 4) City of Albuquerque
3. Approval of (reports in BOR eBook):
 - 1) Architect Selection for Baseball Stadium (moved to an action item)
 - 2) Capital Project for UNMH Cancer Research and Treatment Center Neuro Clinic Backfill Renovation

4. Approval of Quasi Endowment Account for UNM Foundation for the Department of Emergency Medicine, Mike Richards, Chair, Dept. of Emergency Medicine (report in BOR eBook)
5. Approval of Appointments to UNM Labor Management Relations Board, Helen Gonzales, VP HR (report in BOR eBook)

Reappointment of Carol Oppenheimer, George Cherpelis and Kathy McCorkel.

B) Action Items

Approval of Architect Selection for Baseball Stadium (moved from Consent Agenda), Chris Vallejos, AVP, Institutional Support for Vahid Staples, Budget Office.

Motion approved unanimously to approve the architect selection for the baseball stadium (1st Chalmers, 2nd Koch).

Discussion: The stadium renovation is expected to increase participation and drive revenues for Athletics. Mr. Vallejos described the process followed in selecting the architect and said the project is a phased approach which already has \$2 million in funding from 2010 Severance Tax Bonds. He stated VP Krebs noted to him there is \$1 million in fundraising active and they are actively seeking another million, for a \$4 million renovation. Mr. Vallejos introduced Robert Doran, University Architect. Mr. Doran noted that Design Plus has done 160+ projects in baseball alone.

It was confirmed to Regent Koch that the funding was at the behest of Governor Richardson. Mr. Vallejos also affirmed that the fee structure for this renovation is an all-inclusive fee. There will be no change orders and the fee is equal to about 4.65% of the total project. It was negotiated down from their “Best and Final” due to the economic conditions. The new two-step process first qualifies architects based on their experience with the type of facility, and then invokes a competitive bid on an all-inclusive fee.

6. Discussion and Approval of 3.2445 percent FY11 General Fund Reduction, Paul Roth, EVP HSC, Suzanne Ortega, EVP Academic Affairs, Provost, Andrew Cullen, AVP Budget, Ava Lovell, Vice President and Controller, Curt Porter, AVP Budget-Academic Affairs (reports in BOR eBook, attachments distributed at meeting)

Motion approved unanimously to approve the FY11 budget reduction of 3.2445% (1st Chalmers, 2nd Fortner).

Regent Sanchez, “Based on the information before us, we are approving the budget reduction of 3.2445, correct?” Regent Gallegos said, “Yes, this is the FY11 budget.”

Discussion: Dr. Roth, standing in for EVP Harris, said that Andrew Cullen would be presenting an overview for Main Campus, Ava Lovell would present for HSC and Curt Porter would present for the Provost. Mr. Harris asked Dr. Roth to mention the Special Provision in House Bill 2 of the last session of the legislature which authorized the governor, during this current fiscal year in the event that the General Fund forecast indicated that revenues would be insufficient to cover appropriations for the current year that, with the approval of the State Board of Finance, to reduce General Fund allotments. There was a special board meeting of the Dept. of Finance & Administration on Aug. 12, 2010, which approved that decision on the part of the governor. For higher education, that meant that there would be 3.2445% reduction in the allotments. For UNM, for Main Campus, the impact would be slightly in excess of \$6 million. For the HSC, since we have special funding through the Tobacco Settlement Funds, there was an additional over 10% reduction in funding through that fund for an impact on the HSC of about \$3.7 million. For the branch campuses, another approximately \$620 thousand. So for the entire university this 3.2445% budget reduction amounts to about \$11 million. As Regent Chalmers mentioned earlier and EVP Harris likes to speak to this, use of one-time monies to cover recurring expenses is a structural imbalance. For the current fiscal year, there was a use of a little more than \$13 million of non-recurring funds that have been allocated to recurring expenses. That is before we consider the additional \$6 million as a result of these cuts today. We are looking at some substantial financial crises that will very likely impact us in FY12 even if there were no further reductions. We fully anticipate that there will be possible sizable, permanent cuts to our state funding.

Mr. Cullen assured the Board that, while the Power Point presentation does not look exactly like the material in the packet because they don't show up well in a Power Point presentation, the numbers all track to exactly what is in the original material.

Mr. Cullen, AVP Budget: As Dr. Roth referenced, the overall cut to the UNM budget is about \$9.6 million. Working your way up, you see the branch reduction, the Health Sciences reduction; the RPSP reduction for Main Campus is broken out separately. I can tell you what we'll be doing there is reducing the individual line item budgets for those RPSPs by 3.2% accordingly. We'll focus our discussion today, at least, my discussion will focus on that \$5.694 million budget reduction.

Mr. Cullen: After several reductions and recessions, we've determined a methodology on the split, or how much the divisions within the university will have to cut from their budget. Those divisions primarily being the President's organization; the Provost's organization which includes Student Affairs; the EVP for Administration's (David Harris) organization and then the Development office. Typically, when I refer to Academic Affairs I am speaking about the Provost and Student Affairs, when I refer to the

Administration, I am talking about the President's and EVP for Administration's organizations and Development. We have developed a methodology to split the \$5.6 million cut between Academic Affairs and the Administration. The proposal that you see does so proportionally.

Regent Gallegos asked where staff fit in.

Mr. Cullen: There are staff throughout the university. Typically, when we hear "staff" we're referring to administrators. Certainly within the Administration we are all administrators, or staff. Within Academic Affairs, you have faculty but then you have a lot of staff that support that faculty.

Regent Koch asked if when we are talking about cutting more in administration, we are talking about cutting administration and staff.

Mr. Cullen: Certainly eliminating staff positions is part of the equation, but I can tell you there are positions in Academic Affairs that are filled by staff that have been eliminated. Within Administration, there are administrators and staff. Within Academic Affairs, we have faculty, but then we have a lot of staff that work within academic departments to support the efforts of Academic Affairs & faculty, researchers. So staff at all levels, within Administration and Academic Affairs, have been affected by these cuts.

Dr. Roth: Staff are the fundamental way in which this university can get its work done. Whether we're talking about a faculty member in a laboratory, in a classroom, Andrew in Administration, we do not have a separate category of cuts that are specific to staff, per se. What Andrew, Ava and Curt will be presenting are reductions that will impact all aspects of their operations. Staff are everywhere and we're totally dependent in all of our missions because we have staff who actually implement the operations and provide the support for the missions of the institution.

Regent Gallegos: There is no question about the need for staff. I think what we're trying to get a handle on, are there 4 to 1 under Administration to 1 that's in academics, and the reason for this when we're cutting, it's a difference between cutting 3% off where some people are making \$100 thousand and staff who are making \$40 thousand. Can you give us a ratio, that data, so that we know the impact particularly on those people who are in the lower pay grades?

Dr. Roth: VP Gonzales could break out for the entire university where staff fit in the salary ranges. The details of the 3.2% have not been worked out yet. We'll defer to Ava and Curt and perhaps Provost Ortega would like to speak more to the academic side of it, but it reflects what Dr. Wood mentioned earlier that in some instances some departments have elected to use non-salary funds to address some of the recessions, so it may not impact staff at all. Those are decisions that I think we are asking the individual units to make. I don't think

we can make an across the board assumption that, for the whole university, salaries will go down by that amount proportionally across all units.

Dr. Ortega: Staff that directly support academics units that report to me are part of the Academic budget. Those staff that are part of the administrative team are part of the Administrative portion of the budget. So staff are not routinely budgeted on the administrative side of the house, the staff in my units are budgeted as part of the Academic budget. I don't know the overall ratio of staff in administration and elsewhere, but let's be clear that staff are budgeted under the Academic umbrella when they directly support the units that report to me.

Regent Sanchez: Let's just understand that in each college and each division there-in, that there are faculty and there are staff and when the 3.244% cut is implemented it's going to reach down through all those levels, whether it be faculty, supporting staff within each of those colleges. Within Administration, we have the same thing. Within the different divisions of Administration, there are those who are the VPs and they have staff who support them. When those cuts come down they are going to be impacted depending on what each of those divisions within them decide. That's what I understand, that we are delegating to everybody to do, to look for those cuts. Let's move on. It would be good information to have, what the percentage or proportion is.

Mr. Cullen: We can certainly follow up with that type of information. Key to the conversation is what portion of the cut is going to be assumed by Academic Affairs and what is going to be assumed by the Administration. Total original base budget I&G is a total of \$191 million. You'll notice that we took the pooled fringe benefits, insurance and utilities out of the equation, it's about \$61 million. We agreed early on with Academic Affairs that there was no sense in cutting those fixed costs. It would most likely just run them into a deficit position. So the \$61 million was proportionally allocated to the Administration bringing it up to about \$59 million, and then to Academic Affairs. And then what we decided at that point is Academic Affairs receives approximately 77.5% of those I&G dollars and the balance to Administration, so we divvied up the 3.2% split in that proportion, about \$1.3 million for Administration and \$4.4 million for Academic Affairs. As a side note, in the BOR packet there is detailed information on the original base budgets and what the cuts mean to each of the colleges and departments that receive I&G funding. Furthermore, there is information regarding the President's organization, regarding EVP Harris's organization, on specifically the cuts involved within those divisions. I can tell you that David Harris has pulled together all of his direct reports and those who report directly to the President, we have outlined what the cuts mean to their individual departments and we are now receiving information back on how those cuts will impact service levels in those organizations and we're considering whether or not those departments can absorb those cuts or whether some departments need to bear less of the cut and other pick up more of the cut. Again, the message from EVP Harris is very clear. This 3.2% reduction,

although it's deemed a recession right now, is being viewed as a permanent reduction. It's very likely that the legislature will begin in January with a base budget allocation to higher education at the beginning of January 2011 less the 3.2% and then we'll see cuts from that point moving forward. Our instructions, within Administration, the President's organization, is to look at making permanent cuts right now to deal with that inevitability. To reiterate, the cuts between Academic Affairs and Administration are proportionate to the original allocation less the fixed costs. Right now, there is no use of unbudgeted tuition. We recommend leaving that unbudgeted tuition banked until we know more of what's going to happen for 2012.

Mr. Cullen: There is a lot of data, we are a large organization. As relates to the allocations made to Academic Affairs, to Student Affairs, to the President's organization, Administration, and so forth, is to look at what's happened over the last ten years. The data is from the operating and capital budget plan book that is approved during each and every budget cycle. You can see from since 2002 instruction, at least budgeted, within our HED document has grown 50%, Academic Support, where many of the staff reside under Academic Affairs, 45.85%, Student Services just under 42%, Institutional Support 47%. It's worth noting here that the Institutional Support number really dates back to between '07 and '08, so it is pre-'08 levels. The cuts that we've made to date have taken Institutional Support, i.e. much of the Administration, back to pre-FY08 levels. Utilities have grown modestly. The \$40 million dollars shown is inflated by the \$2 million necessary to get utilities out of a deficit. "This right here, has about \$5 million in stimulus dollars, excuse me, does not include about \$5 million which is being substituted with stimulus dollars in a restricted area. These stimulus dollars that we're referring to, that we are getting from the state, just show up in a different part of the budget."

Mr. Cullen: We've acted proactively to avoid costs or just reduce our budgets. Regarding energy conservation efforts, since May '08 about \$8.7 million in cost avoidance. We have almost 1.3 million square feet in additional space and dealt with an approximately 15% increase for our utilities as a result of the PNM rate case. Health care premiums, some of this has to do with the university going to a self-insurance model. However, over the last 3 years the average increase is about 2% for UNM, the national average is about 9.67%. This is a savings to UNM and employees. Parking fees have been flat since FY09. In a typical year you're looking at a 3%-5% increase, again, maximizing employee take-home pay. Overall decrease in staff within the Administration, in '09 we had 1258 staff members, July 2010 we had 1212, a decrease of 3.66%.

Mr. Cullen: The opportunities are becoming more & more difficult to realize. What it's going to mean is impacted service levels from the organizations that support our core teaching and research missions. As far as facility maintenance, you're going to see less preventive maintenance effort, less weekend coverage for repairs, see your offices cleaned less and possibly the

grass mowed less frequently. As far as financial services, it will really have to do with turn-around time; how quickly they are able to turn around Purchase Orders, payroll adjustments, and getting back with people over the phone when they have somewhat unusual transactions occur. For Human Resources, eliminate non-hiring services, such as Staff as Students, Services Awards and Appreciation, employee discounts, and reduced operating hours of the HR Service Center. IT—delayed response time for support, access and reduced customer service hours.

Mr. Cullen: The proposal you have before you recommends dealing with the cuts equally at this time. We think of the core as teaching, research and health care. As important, in order to make those things happen, the administrative functions are vital to make these things happen. They have to do with mandatory state & federal compliance, campus safety, sanitation, repairs and utilities, health benefits, IT infrastructure (for teaching and research), statewide healthcare and producing pay checks. As for un-budgeted tuition, I believe it is wise to “bank” it—there is too much uncertainty at the state level regarding revenues. And it is unlikely we’ll see any more federal stimulus money coming to states to help with state budgets. We have one-time monies built in to the FY10 budget that we’ll have to deal with on a permanent basis. The Administration is going forward with permanent cuts at this time. Dealing with the immediate recession, you could look at balances, but being proactive now and looking at how you’ll fund the permanent recession seems like the wise thing to do.

Ava Lovell, VP & Controller: The HSC plan to deal with these recessions is in your book. The methodology is to equally share in the cuts across all areas; mission areas and support areas. For FY11, we backed out the non-I&G funding since it is the state funding that is being cut and the fixed costs like utilities, insurance and audit expenses. We calculated the percentage of the total remaining expense budget by unit and applied this percentage to the I&G General Fund line item reduction. The total cuts, including Tobacco Settlement Funds cuts, equal \$3,744,798. To remember what we have already done, in 2009 we had our first 2.5% cut (\$2.5 million), in FY 10 the base budget was cut 3.01% and in FY 10 we saw recessions of almost \$5.7 million. In 2011 the original budget was cut 3.5%. Now we’re working on the recession of 3.2445%, \$3.7 million. The total of these cuts and recessions is \$18,787,612. We add back in the FY09 non-recurring recession of \$2.5 million and we have made permanent cuts of \$16,231,212 at the HSC. We have not used one-time money in any of our budgets. Everyone has cut permanently.

Regent Gallegos: This proposal is for a split of 77.5% to 22.5%. Do you have a history of how all the prior recessions/reductions have been split?

Mr. Cullen: The cuts for Main Campus since Fall FY09, including RPSPs, are just under \$26 million, about 12.22% of the base budget of ’09. Since that

time Academic Affairs has absorbed about \$4.8 million of that total, or about 23.7% and the Administration about \$6.77 million (33.6%). We used BR&R dollars, one-time dollars, of \$1.892 million or 9.4%; we used stimulus dollars of \$3.741 million (18.5%) and then unbudgeted tuition in FY10 of about 14.7% or \$3 million. One time dollars, unbudgeted tuition, stimulus funds, BR&R were used. The majority of it was between Academic Affairs, almost 24%, and Administration, almost 34%. Academic Affairs gets about $\frac{3}{4}$ of the slice and Administration receives about $\frac{1}{4}$. Dr. Wood noted today, there is acknowledgement on campus, that the Administration has borne the majority of the cuts to date, taking us back to pre-2008 levels.

Regent Wisdom: Have you already removed the costs to increase the number of sections we had to offer from the unbudgeted tuition? Is there a profit right now?

Mr. Cullen: We were anticipating enrollment growth during the budget cycle in the spring and we budgeted about \$500 thousand in money to the Provost's organization to deal with that.

Curt Porter, AVP Budget-Academic Affairs: The Power Point is in your book. On August 6th, the Deans submitted to the Provost Communication plans about how they would deal, in their colleges, with this 3.2% recession. Those plans called for communication about the budget problems from Deans to Chairs and from Chairs to faculty with feedback loops back to the deans. Decisions about GAs and TAs were made down at that level and came back up to the Deans. The Provost received the Deans' plans on the 10th and 13th of Sept. The first slides were prepared before these plans were received, the 2nd two are new, after the 9/1 presentation to the F&F Committee.

Mr. Porter: I'll skip to the end; after the 3.2% recession, the processes that the Provost has put in place dealing with the longer term decision, how we get to 8.2% by next July 1st, and the Provost has initiated a 4 pronged approach across campus to help us start dealing with this on some very tight time lines. The Deans must deliver instructional efficiency plans by the end of Oct. A review of non-degree granting academic programs and services with self-studies due by early Nov. and final recommendations due by Feb. All administrative offices: the VPs offices, the VP for Equity and Inclusion office, the VP for Enrollment Management, administrative offices within the Provost office, all the programs in Student Affairs will all be under review. Degree-granting programs are under a program prioritization process, a flagging process looking at degree production to help come to the answers of what are core programs on the academic side of the institution. The Provost has called for white papers from anyone in academic affairs that wants to collaborate on any ideas for possible reorganizations and cost savings, initial papers due by mid-Oct. Getting those ideas with merit back to people for their final ideas and final action on them by the Faculty Senate by the 1st of Feb.

Mr. Porter: I'd like to compliment the Deans on the communications plans in each college—they were developed in the 3 weeks since the semester started in order to involve faculty. On the slide, the numbers next to each college tie back to Andrew's sheet about how much is each college's share of the 3.2445%. Then we are trying to map out the different strategies the different deans are saying they are employing to meet their cuts: operating costs, use of fund balances and postponing faculty hires are the three most-submitted plans. The reduction in GAs and TAs is primarily centered in the College of Arts & Sciences although one other college has proposed some amount of that. The Provost indicated in conversations yesterday that the level of reduction of GA & TA positions in Arts & Sciences is unacceptable. We will work with the deans to develop other options, and I think that they have some other options on the table, too. I think they just sent along what came up from their department heads in a very short time frame, and GAs TAs should have been involved down at the department level, which they weren't, and I'm sure they will be now. There may be some reduction in GA/TA positions when this is all over, but the level as being proposed in the plans that we received I can pretty much assure you will not happen. I just want to emphasize that whether the money comes from GAs TAs or somewhere else doesn't really affect whether you approve the budget adjustment request today. The final slide is another graph, it shows the same kind of information for the administrative units within Academic Affairs, units within the Provost's offices, Extended University, and the 4 VPs with the same kind of menu of ideas of how they will come up with their share of this, which is another \$682 thousand, the \$4.4 million tying back to Andrew's spread sheet.

Regent Koch: Why don't we have something on fund balances? I look through all the literature you've given us, and now we have new charts and I look & see "funding balances." Where is the list of our fund balances? The last one's about a year old. Do you have that?

Mr. Porter: No, I don't. I believe Andrew presents that to the Board annually in November.

Regent Koch: We're talking about our budget, Mr. President. We're talking about fund balances, and I've been talking about fund balances for a long time, and we don't have it anywhere to look at. How much is the fund balance in the Provost's office?

Mr. Porter: I don't have those numbers in front of me.

Regent Koch: Can we get them?

Mr. Porter: The fund balance in the Provost's administrative units is about \$2.57 million.

Regent Koch: What is the total fund balance, the total for everybody?

Mr. Porter: The total fund balance for all of I&G is \$25.6 million.

Regent Koch: We're trying to make decisions on what we're going to do, which ultimately effects what we do with our tuition, and then I look at these latest slides, which I hadn't seen before, and it comes down "Source of Money" and I see fund balances and we have \$25 million of fund balances. Nowhere has anyone come forward with this. My question was what the fund balances are and you answered my question.

Regent Chalmers: I don't want anyone to think that we've found \$25 million in fund balances. I believe a significant portion of our fund balances are committed already toward future projects or future hires or all sorts of other things that fund balances were already ear-marked for in the first place. We can't say we found \$25 million, just cut all fund balances. That is something that they're doing, using available fund balances that are not committed to help balance the budget and that means, to the extent that that happens, other costs, including personnel costs, are not having to be affected.

Regent Koch: It would seem to me that we could have had some report of how much of the fund balances you may be using, if any, if it's not recurring. I was just saying whatever that number would be, we would know. And I agree that it's not \$25 million or whatever, but they are saying they are using fund balances, and that's fine, I don't disagree with that, but we have no number to see it.

Regent Sanchez: Let's just get it straightened out this way: We need to find out those fund balances that are already restricted or non-restricted so we know what we're talking about. They're all apples, just apples of a different sort. Some are already committed.

Regent Chalmers: We got a commitment from the Administration before the end of the year, that they'll have that process done, just like Health Sciences already has it.

Regent Sanchez: We had asked for it before and I know you're working on it. I think it's a legitimate question and a valid answer. Let's get what we have available. I think one of the questions is going to be, relative to some of those fund balances that exist within different people's prerogatives, what they plan on doing with it because some of it has been pledged, some of it's been given to them and nothing has happened with it for awhile, and I think is going to be another question, what do you plan on doing with it. For instance, within the Provost's budget we have allocated \$1 million for future hires. That was awhile back. What happened?

Mr. Porter: That money from the spring is part of the \$2.5 million that is sitting in the Provost's office which will help us back-fill some of the budget requests and alleviate some of the pain in some of the departments.

Regent Sanchez: Give me that again?

Mr. Porter: When you allocate money for new faculty positions like you did last spring, the new faculty hires, on a recurring basis, will not happen until the following year, so we have those resources in the Provost's office right now and that's part of the \$2.5 million that is in the Provost's office. We would hope to use some of that money to back fill some of these cuts where they have cut all they can and we need to help them back-fill and not cut more.

Regent Sanchez: I don't want to get into specifics, because there're so many of them out there, but I was throwing that out there as an example. What are we planning on doing? Are we going to use it, are we not going to use it, are we going to use it on back-fill? Those are things that you need to think about with money that's available that's not really restricted, it's not unrestricted, it's just kind-of there. Let's find out what we can do with those funds, OK?

Regent Koch: We raised tuition last time to pay for that, and I just want everybody to realize that. We raised tuition to pay for tenured faculty and non-tenured faculty and now what I hear is that now we're going to use some of that for other things for a short time. Did I hear that correctly?

Mr. Porter: Yes, as always when the regents allocate funds for tenure track faculty in April or May of every year, the hiring is basically already done for that coming fall, the money remains available on a non-recurring basis for a year and then be put into tenure/tenure track faculty line on a recurring basis next July.

Regent Gallegos: Let me turn to your slide that's headed "Proposed Degree Granting Academic Program Prioritization, One of Several Different Cost Containment Strategies." Is that an obtuse way of saying an examination is going to be made of programs or units that could probably be eliminated because of the lack of degree granting, the lack of student enrollment, the lack of tuition-generation?

Mr. Porter: I think it goes way beyond that. That may be part of it, but it's much broader. Maybe we could combine programs, trying to find efficiencies within the academic programs one way or another.

Provost Ortega: The only reason for "proposed" in the process is that we've developed a feed-back loop that's helping us to refine a methodology upon which faculty and students agree for launching an evaluation that will help us address what you asked earlier: What are mission central? What are core programs? How do we understand our strengths and weaknesses, opportunities

for new efficiencies in the way we structure programs? And if we identify those that are no longer mission central, critical, are under-enrolled, there are a whole set of criteria, that there is a process embedded for taking that to the Faculty Senate for review and possible elimination of programs.

Regent Gallegos: That leads me to the next question, which indicates that the Faculty Senate is the decision maker in this regard. So you're handing your authority to the Faculty Senate if there is a program that should be discontinued?

Provost Ortega: The one thing that should be clear in shared governance is that the primary responsibility for oversight and review of the curriculum, of degree programs and, of course, content is the Faculty Senate. All decision regarding those reorganizations must go through the Faculty Senate as part of widely accepted principles of shared governance.

Regent Gallegos: What if there are programs that patently should be discontinued, inefficient, not granting degrees, but the Faculty Senate does not agree with that? Then that's it? You don't exercise the authority, you or the President, to say "No, we can't afford to keep putting money into that particular program."

Provost Ortega: I'm extraordinarily pleased with the working relationship we've developed with the Faculty Senate to thoughtfully move forward on decisions, hard decisions related to the curriculum. I am very optimistic that minds dedicated to the good of this university can come to agreement, rather than one group having to overturn or reject another group; that we can work collaboratively for the good of all. You could argue that's naïve, I have every reason to believe that's a well-grounded assumption. If push came to shove, then I suppose, it would come to the Board of Regents for a final decision.

Dr. Wood: I would affirm what the Provost is saying about our working relationship. If I were in your shoes I would be thinking, "Can we really trust faculty to make hard decisions?" Faculty are thinking very hard and would be willing to make hard decisions. And, ultimately, you have a hammer. You fund programs. You can't eliminate a degree program, but you can refuse to put money into it.

Regent Gallegos: I'd like to point out we can eliminate a degree program. In terms of what the law provides, there's the ultimate decision. It seems to me you're putting the decision-making process where you have inherent faculty interests competing with each other. I'm sure they can make some recommendations, but it strikes me that when that becomes a decision maker, as presented here in black and white, then that's questionable.

EVP Roth asked Mr. Cullen to clarify the question before the Regents that will need to be approved.

Mr. Cullen: The action item before you is really two-fold. One, in your original materials, you see the overall cut to this university is the as a result of this 3.2% decision. Overall cut \$9.6 million. As it relates to Main Campus I&G, a \$5.694 million reduction being split approximately 77 ½-22 ½ between Academic Affairs and Administration.

Regent Gallegos: Discussion before the vote. I'm looking at the detailed line by line reduction scenario. I'm looking at the page that says Fiscal Year 2012, it has a heading 8.2445% Budget Reduction Scenario, but fortunately that's a typo. I wanted to focus on the line item Provost Administrative Units, a budget of \$11,347,843, which is a larger budget than the Anderson School, the College of Fine Arts, the Law School, and so forth. My first question, what are the administrative units that are within that \$11.3 million budget?

Provost Ortega: The entire Enrollment Management unit, the entire Student Affairs, Equity and Inclusion...no?

Mr. Cullen: We do have those units broken out separately in this presentation. Enrollment Management, just given its size and somewhat different focus is separate, is 3rd from the bottom and Equity and Inclusion is 2nd from the bottom.

Regent Gallegos: Enrollment Management is \$6.2 million, Equity and Inclusion is \$1.7 million. Those are not included in the Provost Administrative Units.

Mr. Porter: I do not have the detailed list with me. I can tell you Office of Graduate Studies is part of this, the Institutional Research office, there are \$2.5 million of summer school and evening & weekend degree program monies in this. The Academic Program Review unit is in this. UNM Press budget is under there, the Harwood Museum in Taos is under there, the CAPS, an advising unit, is under that. I will go back to the office and get the list for you.

Regent Gallegos: Are the SACs (Special Administrative Components) in there?

Mr. Porter: No, but the Faculty Contracts unit is a part of this. If someone receives a SAC that would be in their budget.

Regent Gallegos: If someone in Arts & Sciences receives a SAC that would be in the Arts & Sciences budget? Does the Provost's office have the data as to how many faculty members receive those and how much they are? Are they approved by the Provost's office?

Provost Ortega: They have to go through Faculty Contracts units. For a variety of reasons we have been trying to compile the data on how much

money we are spending on that. We'll have the information to you definitely by the next meeting.

Regent Gallegos: That would be appreciated and a breakdown of this \$11.3 million budget.

Regent Koch: How much have you spent already, how many new faculty members have you hired? We had so many tenure and tenure track faculty. I think we put \$750 thousand in that to do and then we had the remainder that we used to offset our tuition increase. How many of those positions have you filled?

Provost Ortega: They have not been filled. They were approved late last year. I think you can expect to see full time faculty hires in place by next fall. The money available has to be adjusted for benefits. The total figure was \$1.4 million with \$1 million being designated immediately for full time faculty hires. The additional \$400 thousand, which has been spent, to backfill part time instructional budgets. So the answer is none, yet.

Regent Koch: So what I hear you said is the tuition increase that we put in for, that hasn't been filled yet. And it probably will be filled in next year's budget, is that correct?

Dr. Ortega: That's correct.

Regent Koch: So then we've got the \$1.7 million that we funded will not be used but will be used next year. But we added tuition; we'll still have an extra \$1.7 million, right? In other words, you got an increase of dollars for faculty right? So next year when we hire them I presume that will be in your budget right? We've got that extra money in there that I think Curt just said you might use some of that to cover what you're going to have to commit to. The 3.224%, is any of that money going to offset that?

Dr. Ortega: Yes. We intend, as we've have described, to backfill at points of greatest pressure with one time money which will come primarily from unfilled faculty position. We anticipate that a substantial portion of this money this year will be directed towards protecting TA and GA lines.

Regent Koch: So we're going to vote here and everybody is going to take a 3.224% cut in their budget except for the Provost. Because they're going to use that money that we increased on the tuition increase to offset their 3.24 decrease. That's interesting. When we approved our budget last time and we put in a tuition increase to hire the faculty, and I put the motion that half of that went for tenure and tenure track faculty and the rest, so we've got that money there that we've appropriated. Now we haven't spent it, now they're going to use a portion of that money to pay for their 3.224% cut and I just don't think that's right.

Regent Chalmers: The correction I would make is that every single unit is doing similar things with their fund balances. No one's going to get a 3.2% cut in their salary. It's fund balances, it's a bunch of different strategies. To pick on one department, to say we're not going to spend it and they're going to use part of it to handle budget decreases. That's the process we're going through right now throughout the university. What the motion really is, is that we are giving and delegating the authority on exactly where those cuts will be, but 77% to Academic Affairs and 23% to the Administration. The Provost has set forth a process that involves everybody that reports to her, saying, "Help me decide." Every college won't get a 3.2% cut, because some will have needs greater than others. They've got to figure that out. But that's not the purpose of the Board of Regents. We should hold them responsible, talking about Dr. Ortega, Dr. Roth and EVP Harris. In fact, this is not final, right? These are all proposals. How it will all shake out will be determined by all of the people that report to the Provost. Just to say that what we allocated to her, she's going to use part of that to absorb part of her cuts? Sure, that's true, just like we have given money in fund balances to other units and they're going to use that to absorb part of their cuts. So that's the process we're going through.

Regent Koch: I appreciate that. But we added tuition increases for that, so we allocated tuition, and then we did one other thing on our tuition increase which I have a copy of the minutes. What I asked to do on that is to take \$1.7 million of scholarship money and come out of Regents' Foundation. I had laid that out at that time. But we didn't do that. We went ahead and approved the tuition increase for the Regents' Scholarship and at that time, President Sanchez and Regent Chalmers, you made the comment, "Could we revisit that at a later date?" and the answer was yes. So now we have allocated on tuition, and I had asked the last time to not earmark that tuition to fill those particular ones so that when we came to the day here we would have those extra monies to absorb that. But we passed a tuition increase to do that. And so my question, Mr. President, is it available that we could go back to the Foundation and have them reimburse us for those scholarships? Obviously those scholarships are going to go a \$1.7 million a year for four years and I presume all those scholarships are given out, can we revisit that at this time? Or is it not available to be revisited?

Regent Sanchez: Right now, we have gone beyond dealing with the budget. I think that's an interesting question, Regent Koch, but that is a question for a later date. I appreciate that you've pointed this out to us. Today, I believe we are approving a budget that shows a 3.244 budget cut based on the information we have before us, today. I doubt that it will deviate very much from what we have here for this portion of the recession. What I see here before me because we're talking about it, the Provost Administrative unit, I see here a reduction in that appropriation that goes to that department, I see a reduction of \$335,391 and I am assuming that that's what I'm going to see in the final product.

Unless something dramatically changes, and that can be reversed. Am I correct in that assumption?

Mr. Cullen: Yes, you are.

Regent Sanchez: It appears to me, this is what we are voting on. This is what we are going to see before us when all is said and done.

Regent Chalmers: But that isn't the motion—it doesn't go to line items. It's a good piece of information to have.

Mr. Cullen: What we are looking at is the various entities will pick up their portion, the branches, Health Sciences Center, Main Campus. As it relates to Main Campus I&G, \$5,694,000, it's approximately 77 ½-22 ½% split. At that point how the Provost deals with her portion of that, 77 ½ %, and how the President and how the EVP for Administration deal with their portion, 22%, there is some discretion. We needed to begin to quantify to these departments what a 3.2% cut would mean to them. Now they are coming back to us saying, "We can absorb that, we have vacancies so we can absorb that" or "We really can't absorb that without laying people off or without drastically affecting the level of service provided."

Regent Abeita: Could we clarify the motion again?

Regent Chalmers: It's to accept the approximately 3.2% cuts and absorb those approximately 77 ½% to the Provost's office and 22 ½% to Administration and the President's office and allowing them to decide specifically what those will be.

Regent Gallegos: It's not the "Provost's office."

Mr. Cullen: The correct wording is shown on the chart headed FY2010-11 UNM Main Campus I & G Appropriation: Instruction and Student & Academic Support and Administrative Support of Academics.

Regent Abeita: (tape inaudible)Understanding what everybody was talking aboutthat would be.....percentage, so that again.....concern, those concerns.....so that we understand that, so that really.....moving forward other details with that.

Regent Koch: I have a motion.

Regent Sanchez: State the nature of your motion, please.

Regent Koch: First of all we discussed that we're going to have an increase. We have an increase of 5.5% in students, which means there's going to be additional money that's coming there and the motion I want to make is that is

that money not be spent but be used to offset any future tuition increases next year.

Regent Gallegos: I second that.

Regent Sanchez: I think the proper procedure would be to take that to F&F and report to us with that motion so that you can debate it there at the stage at which it should be debated. I am taking the prerogative of the Chair. That's why I ask the nature of your motion, so that I could determine whether it is appropriate at this time without going through Finance and Facilities. I would respectively suggest to the three of you that this be taken up in F&F and that it be discussed there and then brought to the full committee.

Regent Chalmers: I'll make sure that it gets on the agenda. We still don't know how many dollars that may entail.

Regent Sanchez: This is going to impact our coming budget cycle where we are going to be faced with a potential 5%, so if we can just keep things moving. I don't object to that motion in the sense of what it's going to do, but let's be sure we have all the facts in front of us through your committee.

Regent Gallegos: I withdraw my second.

Regent Koch: I withdraw my motion. I would like to comment if I may. I'd like that to be on the next agenda. I'd like to have it on the agenda so at the next regents meeting we can have a complete debate over that additional amount.

Regent Sanchez: That's a reasonable request. It will be on the agenda for F&F and it will come before the regents at the next meeting.

Dr. Roth: The President and EVP Harris were asking for two separate and distinct elements to the motion. First, is what you've already voted on and approved. That is the distribution of the 3.2+% reduction. The second part of their request was to bank and not allocate or commit those additional tuition funds because we do not know what further cuts we will have to be having to absorb next year. They both wanted to hold those funds, not commit them for any purpose yet until there's more clarity about what the financial situation is in the state, the subsequent impact on UNM. All of that, they would like to have subsequent discussions both with F&F and with the full Board of Regents.

Regent Sanchez: I believe that's what I just did. Understanding that there will not be another meeting Regent's meeting until November, by then we will have had the October report from the LFC, so we'll have better information about the state of the state. By the next Regents' meeting in November, we'll have better information. I'd like to thank everybody for how this was handled.

Regent Sanchez introduced Pamela Pyle, sitting in during Dr. Wood's absence.

7. Moody's Investor Service Ratings Update, Andrew Cullen, AVP Budget (report in BOR eBook).

Discussion: Moody's affirmation of UNM's Aa2 rating which is significant in the face of some of the downgrading that has happened within public ed. Arizona State University downgraded, University of South Carolina, a long list of universities in Illinois that rely on state support. ASU went from Aa 3 to A1. This reaffirms the two projects, the medical center in Sandoval County and the housing project.

8. UNM Bonds and Associated Debt Service Overview, Andrew Cullen, AVP Budget (report in BOR eBook).

Mr. Cullen: This report was requested by Regent Gallegos some time ago. It shows all the projects that have been funded with bond dollars since 1971. It lists the overall university debt, about \$458 million in principle, although it does not include the UNMH debt. That was requested by Regent Koch and it will be provided by the next F&F meeting. The debt is presented in several ways. Also, entities that pay into that. That is the cash flow relative to paying off that debt. We're dealing with a short fall in cash flow relative to the 2007 Bonds because of the stalled efforts to develop properties around the university. We've come up with a short-term solution for this \$2 million problem. Student growth will help. We have more students on campus paying that facility fee. The board approved about \$500 thousand in additional facility fees. We believe we can ride it out for 2-3 years until we can develop that property and realize those revenues. The idea of re-funding those bonds, deferring the principle and eating \$3 million in additional interest is not palatable. We'll monitor debt service carefully.

9. CEO UNM Hospitals Monthly Report and Dashboard Report, Steve McKernan, CEO, UNM Hospital (report in BOR eBook).

The hospital has been very busy in August and September. We are seeing an increase in charity care, but we have a lot of efficiency programs at the hospital to help with that.

Academic/Student Affairs & Research Committee, Regent Carolyn Abeita, Chair

A. Consent Agenda:

Motion approved unanimously to approve all items (1st Abeita, 2nd Wisdom).

1. Approval of Posthumous Degree for Tejay Collis, Richard Wood, President, Faculty Senate (report in BOR eBook)

2. Approval of Summer 2010 Degree Candidates (report in BOR eBook)
3. Approval of Amendments made to the Bylaws and Articles of Incorporation of the New Mexico Consortium, Julia Fulghum, VP R & D (report in BOR eBook)
4. Approval of Intellectual Property Policy (report in BOR eBook)
5. Approval of Certificate in Pre-Professional Health Services –UNM Los Alamos, Kate Massengale, Dean of Instruction, Los Alamos (report in BOR eBook)

B. Information Items:

6. Research F & A Budget Update, Julia Fulghum, VP R % D (report in BOR eBook)

Regent Sanchez thanked Dr. Fulghum for her hard work in getting the debt down. He also complimented her staff.

7. Update on New Student Orientation, Transfer Orientation, College Enrichment Program. Outreach Programs and Family Connection Orientation, Eliseo Torres, VP Student Affairs, Kimmerly Kloeppel, Interim Dean Student Affairs (report in BOR eBook).

Discussion: Regent Koch asked Ms. Kloeppel how many new students we have? What percentage this 2900 is? She responded there were about 3000 new freshmen students. The transfer students are not in the 3000. We did not have a big increase in graduate students.

Regent Koch encourages more effort at increasing the number of graduate students; it brings a lot of tuition money into the university.

8. Academic Mission Report, Suzanne Ortega, Provost & EVP Academic Affairs (report in BOR eBook)

Discussion: Provost Ortega said in terms of our faculty's scholarly output, in terms of the awards our faculty has received, in terms of increases in student retention rates and the capacity of our students to receive national attention, all signs are good. There are tremendous stresses in the system: enrollments have increased for more quickly than tenure track faculty lines and staff lines to support what they do. While it's true for the whole university tenure/tenure-track faculty numbers have not gone down over the last 10 years, it is not the case for some departments.

Provost Ortega: In terms of any measure you can think of; whether it's average class size, whether it's student to faculty ratio, whether it's staff to faculty ratio, you have a picture a group of very dedicated scholars and teachers who are reaching real stress points in their capacity to deliver high quality education to our students. Embedded in this report is a first attempt at really asking the question, "What do we mean by core to the academic mission?" It defines what we ought to be aspiring to and protecting at all costs. Essentially, those are student graduation rates, faculty scholarly productivity and the capacity to meet clinical and other needs of our communities. Everything we ought to have a measurable impact on those outcomes or, by definition, they are not central to the mission of the university.

Dr. Ortega answered some of the questions posed earlier in the day: 19.6% of all undergraduate sections are taught by TAs, 25.9 % of lower division (100 & 200 level) sections are taught by TAs. We have 3600 new freshmen, 1200 new graduate and professional students, 1350 transfer students, and 500 new non-degree students, for about 6600 new students on campus this year. Transfer students increased by 6% or 7% this year, down slightly from last year. Freshman students increased by 5% or 6%. We get most of our transfer students from 4-year institutions, although our single biggest source of transfer students is CNM.

Dr. Ortega: To go back to what is included in the Provost Administrative Budget, the big components are summer course faculty, \$2.1 million, the Office of Graduate Studies, \$1.6 million, evening weekend degree program instruction and support, \$1.6 million, \$1.1 million for new faculty lines, Harwood Museum, Office of International Programs, Institutional Research, Latin American Institutes.

Dr. Fulgham: The funding of faculty research awards is 60-70% federal; on Main Campus it is primarily NSF, Dept of Energy, DOD & some NIH.

Audit Committee, Regent Gene Gallegos, Chair (no report)

HSC – Health Sciences, Regent Jack Fortner, Chair (no report)

IX. Public Comment – None

X. Vote to close the meeting and proceed in Executive Session

Motion approved unanimously at 12:30 p.m. to proceed in Executive Session (1st Fortner, 2nd Abeita).

XI. Executive Session 12:30 p.m. – 2:30 p.m., Sandia Room

A. Discussion and determination where appropriate of threatened or pending litigation pursuant to Section 10-15-1.H (7) NMSA (1978).

- B. Discussion where appropriate of potential purchase, acquisition or disposal of real property pursuant to Section 10-15-1.H (8) NMSA (1978).
- C. Discussion where appropriate of limited personnel matters pursuant to Section 10-15-1.H (2) NMSA (1978).
- D. Discussion where appropriate of strategic and long range business plans of public hospitals pursuant to Section 10-15-1.H (9), NMSA (1978).

XII. Vote to re-open the meeting

Motion approved at 2:23 pm to re-open the meeting (1st Fortner, 2nd Gallegos).

- E. Certification that only those matters described in Agenda item XI. were discussed in Executive Session. If necessary, final action with regard to those matters will be taken in Open Session.

Motion approved to certify that only those items listed in XI A through D were discussed (1st Abeita, 2nd Fortner).

Motion approved to authorize the University to make an offer of \$3.5 million for 1650 University (1st Gallegos, 2nd Koch).

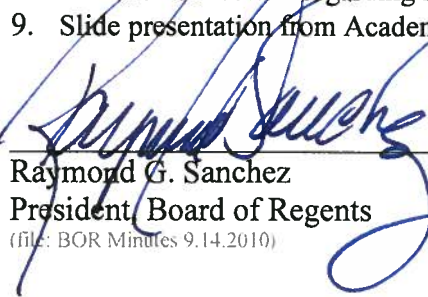
Motion approved to authorize the University to make an offer of \$960 thousand for 1407 University (1st Chalmers, 2nd Abeita).

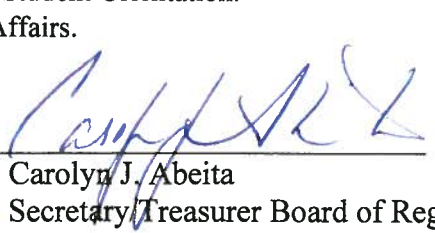
XIII. Adjournment

Motion approved at 2:25 p.m. to adjourn the meeting (1st Fortner, 2nd Chalmers).

Attachments not included in BOR E Book distributed at the meeting are posted in the final BOR E Book posted on BOR Web site following the meeting.

1. UNM President's Report.
2. USUNM comments.
3. GPSA comments.
4. Packet regarding Design Plus.
5. Slide presentation from the Office of Planning, Budget & Analysis.
6. Presentation of new slides by AVP Curt Porter.
7. ASUNM President's comments.
8. Comments received regarding New Student Orientation.
9. Slide presentation from Academic Affairs.


 Raymond G. Sanchez
 President, Board of Regents
 (file: BOR Minutes 9.14.2010)


 Carolyn J. Abeita
 Secretary/Treasurer Board of Regents