

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

November 9, 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.

Cherry Silver 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

Acting President Present:

Dr. Paul Roth

Executive Vice Presidents present:

David Harris, EVP  
Provost Suzanne Ortega

Vice Presidents present:

Eliseo Torres, Vice President, Student Affairs  
Julia Fulghum, Vice President, R&D  
Chris Vallejos, AVP Institutional Support Services  
Paul Krebs, Vice President, Athletics  
Helen Gonzales, Vice President for Human Resources  
Ava Lovell, Vice President and Controller  
Josephine Deleon, Vice President, Equity and Inclusion  
Carmen Alvarez Brown, Vice President Enrollment Management

Vice Presidents unable to attend:

Steve McKernan, HSC Vice President, Hospital Operations

University Counsel Present:

Lee Peifer, Interim Sr. Associate University Counsel

Regents' Advisors present:

Richard Wood, President, Faculty Senate  
 Merle Kennedy, President, Staff Council  
 Lissa Knudsen, President, GPSA  
 Lazaro Cardenas, Jr., President, ASUNM  
 Waneta Tuttle, President-Elect, Alumni Association  
 Anne Yegge, Chair, UNM Foundation  
 Maria Probasco, President, Parent Association  
 Cynthia Stuart, President, Retiree Association

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

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

**Motion approved** unanimously to adopt the agenda (1<sup>st</sup> Chalmers, 2<sup>nd</sup> Koch).

**II. Approval of Summarized Minutes of the September 14, 2010 BOR Meeting**

**Motion approved** unanimously to approve the corrected minutes and calendar (1<sup>st</sup> Chalmers, 2<sup>nd</sup> Koch).

Regent Sanchez noted a correction to the summarized minutes of the September 14, 2010 BOR meeting: on page 13, change "Gonzales" to "Gallegos."

Regent Sanchez welcomed the students attending the meeting, as well as faculty, staff and community members.

**III. President's Administrative Report, Dr. Paul Roth, Acting President**

Dr. Roth reported that Dr. Schmidly is in Albuquerque. He is recovering, though more slowly than he and we would wish. Dr. Roth relayed President Schmidly's warm regards to all.

Dr. Roth commented on the election Nov. 2<sup>nd</sup>. He said the university is grateful that the Library Bonds passed, but it is unfortunate that the other bond issue concerning higher education did not.

The retreat for the Health Sciences Center November 19<sup>th</sup> will be attended by the regents, all the boards of the hospitals and medical group, the deans, chairs & other faculty leadership. Its goal is to understand what health care reform means in New Mexico and how UNM, as an academic health center, will have to evolve to best meet the needs of the residents of New Mexico. The concept of universal access, the need to manage increasing numbers of patients for primary care, and a whole new methodology in reimbursements are fundamental differences from the manner in which health care is delivered today. A specific action plan will be determined.

Dr. Roth encouraged all to attend the Veterans' Day observances on campus.

Mackenzie Walters, student: Spoke against ACC (American Campus Communities) disrupting the on-campus residence communities during construction of new student housing. She made the point that, when finished, it would compete with UNM's residence halls and it would be a gated community with private amenities not available to non-residents. The financial segregation is not good for a residence community.

Ashleigh Reyna, student: Pleased that the issue of the destruction of Santa Ana hall during winter break has been addressed, she asked that students be included in any future planning regarding on-campus housing.

Euan Mitchell, student: Quoted several statistics on percentages of change in salaries, expenses and number of part-time and tenure/tenure track faculty. He asked the BOR and the administration reconsider their approach to allocation of funding cuts.

Susan Michie, community member: Requested more attention be paid to alternative transportation and public safety when deciding where new freshman housing is built.

Geno Signoracci, student: Said that proposed budget cuts are, in many cases, more that the entire operating budgets of some departments and asked that budget cuts be done in a way that will not eliminate these departments.

Liza Bloom, student: Said that while grad students appreciate the training that Provost Ortega will be providing, finding their own funding sources outside the university is the wrong approach, especially when they believe UNM has healthy reserves that could be used to that end.

Julia Fulghum, Vice President R & D: Explained that these are opportunities for grad students who are interested in finding out about fellowships and scholarships that will support their research for master or PhD degrees and will not require them to teach. It will contribute to students' professional development and, with the development of certificate programs, will enhance their CVs and employment opportunities.

Dawn Gunter, student: Asked that the housing plan follow a model that incorporates both ACC and the housing staff working together to create one community, rather than two.

Steve Elkins, Nob Hill Neighborhood Assn.: The neighborhood is concerned that planning and parking have not taken the neighborhoods into consideration. The association would like to prohibit freshman who live on campus from having cars, Girard narrowed from 4 lanes to 2, parking lanes on Campus Blvd. replaced by bicycle lanes, and more crosswalks.

**IV. Comments from Regent's Advisors** (all reports are included in BOR E Book 11.9.2010 on Web.)

Faculty Senate, Richard Wood, President

Staff Council, Merle Kennedy, President

GPSA, Lissa Knudsen, President

ASUNM, Lazaro Cardenas, Jr., President

In addition to his report, Mr. Lazaro presented ASUNM Joint Resolution 9F encouraging the Board of Regents to stipulate that the destruction of Santa Ana dorm should not take place during this winter break and to support destruction of the building during the summer months.

Regent Fortner asked if the "move-outs" are actually scheduled during fall semester finals.

Mr. Lazaro said they no longer believe that to be the case, but the point needed to be raised.

Kim Murphy, Director, Real Estate, said that, in order to bring new main campus housing on-line by 2012, this scenario had been discussed. However, ACC has determined a phased plan that would allow Santa Ana to remain occupied through the spring semester.

Alumni Association, Waneta Tuttle, President-Elect

UNM Foundation, Anne Yegge, Chair

Regent Gallegos asked about the difference between the asset allocation described in the Foundation's report and the asset allocation required by the investment policy recently adopted by the Foundation Board and the Regents.

Ms. Yegge responded that the allocation for the long term is on the agenda for the Investment Committee on Nov. 11<sup>th</sup>.

Parent Association, Maria Probasco, President

Retiree Association, Cynthia Stuart, President

President Sanchez moved Public Comment to precede Regents' Comments on the agenda.

**V. Public Comment**

Bethany Fehrenkamp, student: The Lobo Development meetings regarding on-campus housing are a good idea but are not publicized, do not disclose proprietary information, and thereby limit input from concerned parties.

## VI. Regents' Comments

Regent Wisdom thanked the students and community members for attending. She encouraged continued involvement, which will develop the best strategy to implement something that will have a positive affect at UNM.

Regent Fortner asked for clarification regarding access to the ACC residence facilities when that housing is built.

Kim Murphy: Each new dorm will have common spaces within the hall that will be used by the residents. However, those spaces will be open to everyone on campus. The second phase of development anticipates a community-sized common area, with many amenities, that will be open to the entire campus community.

Megan McRoberts (tbd)The experience of many former residents on campuses where there are ACC communities is that students who live in ACC housing are granted access to ACC facilities because of the price they pay to live there.

Regent Chalmers stated that there is no final agreement with ACC and there cannot be until there is an approved Strategic Housing Plan. These kinds of concerns and questions should be address in that plan.

Dr. Roth said, "On the budget issue, there are academic departments that cannot sustain an across the board 5%. There is no question in my mind. There will be no across the board 5% cut at the university."

President Sanchez again thanked those who spoke and those who attended the meeting today. They are welcome at any time.

## VII. Regent Committee Reports

### Finance and Facilities Committee, Regent Don Chalmers, Chair

#### A. Consent Agenda (Finance and Facilities Committee meeting 10/26/2010)

**Motion approved** unanimously to approve all consent agenda items (1-10) (1<sup>st</sup> Chalmers, 2<sup>nd</sup> Koch).

Discussion: Regent Chalmers stated that all items had been thoroughly vetted by the F&F Committee.

1. Disposition of Surplus Property on list dated 10/8/2010, Bruce Cherrin, Procurement Officer (report in BOR eBook).
2. Approval of Contracts, Bruce Cherrin, Procurement Officer, Stephen McKernan, VP Hospital Operations, Helen Gonzales, VP Human Resources (reports in BOR eBook):
  - 1) UNMH-Philips-Medical Systems
  - 2) UNMH-Press Ganey Associates
  - 3) Office of Capital Projects-Dental Residency Clinic Equipment
  - 4) Human Resources-Retiree Health Benefits
3. Approval of, Vahid Staples, Budget Officer, (reports in BOR eBook):
  - 1) Architect Selection for UNMH Children's Ambulatory Care Center
  - 2) Architect Selection for Facility for Advanced Cell Engineering
  - 3) Capital Project for Clinical and Translational Science Center, 3<sup>rd</sup> Floor Lab Ren. Phase 1
  - 4) Capital Project for Basic Medical Sciences Building (BSMB) Façade Repair
4. Approval of Resolution to Reallocate UNM 2007 Bond Proceeds, Andrew Cullen AVP, Budget (report in BOR eBook).

Discussion: Andrew Cullen stated this is the 4<sup>th</sup> reallocation of Bond Proceeds related to the 2007 Issue. The spreadsheet in the book details all the prior reallocations related to these bond proceeds. This request reallocates \$220,000 from the Student Support & Services Center to the Interdisciplinary Film & Digital Media and reallocating \$3.5 million from the purchase of the UNM Press facility to the purchase of 1650 University. The UNM Press facility is currently leased from the Sandia Foundation and we will just continue that lease payment as opposed to buying the facility at this time.

5. Approval of FY2010/2011 Un-Budgeted Tuition: Hold in Reserve, Andrew Cullen, AVP, Budget (report in BOR eBook).
6. Approval to Establish and Fund Quasi Endowment Fund: The John A Peiper Leadership Scholars Program, Donald Godwin, Acting Dean, College of Pharmacy (report in BOR eBook).
7. Approval of the Amended Bylaws of Governing Board of UNM Harwood Foundation, Linda Warning, Chair Harwood Foundation (report in BOR eBook).
8. Approval of Lease Renewal for 2700 Yale NE, HSC Department of Emergency Medicine, Kim Murphy, Director Real Estate (report in BOR eBook).

9. Approval of McDonnell Investments for UNM Operational Funds & Modification to Regents' Policy 7.21
10. Approval of Fiscal Watch Report and Monthly Consolidated Financial Report, Ava Lovell, VP HSC/UNM Finance & Controller (report in BOR eBook).

B. Action Items

11. Approval of University Business Policies and Procedures 7000 for Main, Branch Campuses and HSC. FYE-2010, Andrew Cullen, AVP Budget, Ava Lovell, VP (report in BOR eBook)

**Motion approved** unanimously to accept the reports (1<sup>st</sup> Chalmers, 2<sup>nd</sup> Koch).

Discussion: Andrew Cullen: This item does not approve Policy 7.20 or any modifications to Policy 7.20. Rather, it is approving the various reports that have been developed for the Board's use as it relates to policy 7.20. These UBPP 7000 Policy reports show ending balances and categorizes them as committed, dedicated or discretionary. At June 30<sup>th</sup> these balances totaled slightly over \$10 million. These balances have even grown some because campus is preparing to fund the "pause and hold," the use of balances and the 3.2% recession we've been predicting for the current year.

Regent Gallegos: I do not understand that you are going to "fund" pause and hold. I thought pause and hold meant that funds were not going to be spent.

Mr. Cullen: It is going to result in a reduction of expenditures in all of those departments because we are pulling back the revenue dollars to balance the budget. This conversation is strictly about main campus I & G.

Regent Chalmers: It appears that only \$138,715 of the \$1.2 million balance in the President's office can be categorized as discretionary. Is that correct?

Mr. Cullen: Correct. It's true there are some significant ending balances on campus, in both administrative and academic units. But in many instances there are commitments and dedications that result in far fewer dollars that can be categorized and used as discretionary. Non-instructional dollars have commitments against them as well

Dr. Roth: It is my view that everything has to be on the table. The very last thing that we should consider for reductions are programs that directly affect faculty and students. So that means that everything else has to be on the table for making hard decisions. Either there's a mechanism to increase revenue or to cut the expenses, but this type of trending cannot continue. The Provost is involved in a number of activities in an effort to prioritize programs. David

Harris is in the same mode. I will be sending out a plan that clarifies what our approach is.

Regent Gallegos: It seems to me there are a couple of items, like UNM Press and the golf course that we shake our heads, but they continue. We're going to have to say something has to be done about those. I have trouble understanding that we have a bad debt amount of \$6 million that we have to fund. Isn't that simply that we don't receive the revenue, but that doesn't require an expenditure on our part, does it? Isn't it like tuition that was never paid?

Mr. Cullen: It is, except that we have already booked the revenue and started the expenditures associated with them.

Regent Gallegos: You booked it as revenue even though it hadn't been collected.

Mr. Cullen: Last year and this year we have funded the anticipated uncollected tuition. Prior to FY2010 that was not being done.

Ms. Lovell: The beginning fund balance for FY10 was \$72 million. The ending fund balance for FY10 is \$63 million. The decrease in fund balance is due mainly to the one-time funding of the SRMC capitalization needs. This is different from the balance in the letter because there are some Hospital balances in there. Taking out endowed spending, purchase order encumbrances, and contractual commitments leaves a fund balance of \$26.185 million. The patient care balance of \$23.7 million needed as working capital around patient care (for infrastructure, payments to doctors and nurses, billing and waiting to get paid) is taken out leaving a discretionary fund balance of about \$2.422 million.

12. Approval of South Campus Fire Station (City of Albuquerque), Kim Murphy, Director, Real Estate (report in BOR eBook).

**Motion approved** unanimously to approve the real property exchange (1<sup>st</sup> Chalmers, 2<sup>nd</sup> Fortner).

Discussion: Mr. Murphy assured Regent Abeita that the fire station would include emergency services.

Regent Gallegos asked if the square footage value was the result of an appraisal and if the transaction required state Board of Finance approval.

Mr. Murphy: The per square foot value of the Gibson property is \$10.20 per square foot, the price of the city property is \$6.37 per square foot. Comparable sales in the area were used to derive the values; there was no appraisal. The state Board of Finance formal approval is required when



expending funds to acquire real property; an exchange of property just requires that the Board be given the information.

Regent Sanchez: This appears to me to provide safety for the University community and gives us the opportunity to work in collaboration with the City of Albuquerque.

C. Information Items:

13. Information re: Strategic Student Housing Plan-Main Campus, Kim Murphy, Director, Real Estate (report in BOR eBook )

Discussion: Mr. Murphy expressed appreciation to those who spoke about this issue earlier in the meeting. He committed to engaging those communities in an effort to satisfy their concerns. The university must determine what land is available for student housing. ACC will then prepare the Strategic Housing Plan and it will come back for review & approval by Lobo Development and the Board of Regents. He noted that the leasing office for Lobo Village in the SUB has been very successful.

In response to Regent Fortner's question, Mr. Murphy said that students that are of age may consume alcoholic beverages, though not in public areas. Lobo Village is targeted at upper division students and must compete with private housing off campus. In new housing on Main Campus, the Main Campus housing rules would apply.

Mr. Murphy assured Regent Abeita that the apartment leases contain clauses that would specify penalties for violations of the housing policies.

Regent Wisdom was told that the current University Code of Conduct would apply and it does not need any changes to allow for the consumption of alcohol.

Regent Fortner expressed concern that the ACC housing facilities will not be available to all students; that it would have segregated facilities for the use of residents only.

Regent Koch noted that the legislature does not fund any student housing and there are still bond payments due on several dorms. He said it took too long to do Lobo Village and it was relatively easy. He believes this phase cannot be done by 2012. It is going to be difficult to decide where more housing will be and the entire campus community must be engaged in the discussion. It was confirmed to Regent Koch that in the future some of the ground lease money would be used to refurbish existing dorms for those that might not be able to afford ACC housing.

14. Review of Provost's Administrative Unit Budget, Curt Porter, AVP Academic Affairs (report in BOR eBook )

Regent Sanchez suggested Regent Gallegos, and Regent Abeita, meet with the Provost to provide her with focused questions the BOR would like answered. Then her office can come back to the Facilities and Finance Committee meeting on Dec. 9th with the information.

15. Contract Information, Steve McKernan, HSC VP. Hospital Administration, Bruce Cherrin, Procurement Officer, Vahid Stapes, Budget Officer (report in BOR eBook).

- 1) UNMH-United Parcel Services
- 2) Cell Biology & Physiology-Leica Microsystems Inc.
- 3) Office of Capital Projects-Science & Math Learning Center

16. FY2011/2012 State Tuition Credit Calculation, Andrew Cullen, AVP, Budget (report in BOR eBook).

17. Capital Projects Monthly Project Status Report, Chris Vallejos, AVP Institutional Support Services (report in BOR eBook).

18. UNM Regents' Endowment Quarterly Update on Fund Portfolio, Leslie Boni for Douglas Brown, Dean, Anderson Schools (report in BOR eBook).

19. UNM Foundation Quarterly Performance Report, Anne Yegge, Chair, UNM Foundation (report in BOR eBook).

20. CEO UNM Hospitals Monthly Report & Dashboard Report, Steve McKernan, CEO, UNM Hospitals (report in BOR eBook). No verbal report.

Regent Chalmers was excused from the balance of the meeting.

Academic/Student Affairs & Research Committee, Regent Carolyn J. Abeita, Chair.  
No report.

Audit Committee, Regent Gene Gallegos, Chair (report in BOR eBook).

HSC – Health Sciences, Regent Jack Fortner, Chair.

- A. Update on HSC Governance Reorganization, Dr. Paul Roth, Acting President & EVP HSC (report in BOR eBook).

Discussion: Regent Abeita and Dr. Roth clarified that there will be explicit changes in Regents' Policies that will allow the structural changes described and those will be presented at the BOR on December 14<sup>th</sup>.

- B. Update on Sandoval Regional Medical Center, Kevin Rogoles, President/CEO, SRMC

Regent Sanchez introduced Kevin Rogoles, the new President and CEO of SRMC. Report is included in BOR E Book on Web site.

**VIII. Public Comment – None.**

**IX. Adjournment**

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

**Motion approved** with no dissenting votes to proceed in Executive Session at 12:50 p.m. (1<sup>st</sup> Gallegos, 2<sup>nd</sup> Fortner, Chalmers excused).

**X. Executive Session 12:50 p.m. – 1:50 p.m., Cherry Silver Room.**

- A. Discussion where appropriate of threatened or pending litigation pursuant to Section 10-15-1.H (7) NMSA (1978).
- B. Discussion where appropriate of limited personnel matters pursuant to Section 10-15-1.H (2) NMSA (1978).
- C. Discussion and determination where appropriate of limited personnel matters relating to consideration of Medical staff appointments, re-appointments and privileges, pursuant to Section 10-15-1.H (2) NMSA (1978).

**XI. Vote to re-open the meeting**

**Motion approved** to re-open the meeting at 1:50 p.m. (1<sup>st</sup> Fortner, 2<sup>nd</sup> Abeita)

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

**Motion approved** to certify (1<sup>st</sup> Abeita, 2<sup>nd</sup> Fortner).

**Motion approved** to not reconsider decision on personnel matter. (1<sup>st</sup> Fortner, 2<sup>nd</sup> Abeita, Chalmers excused).

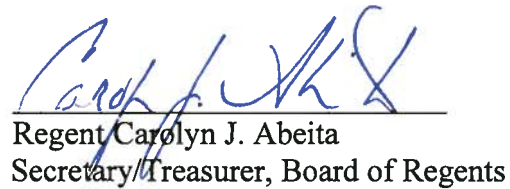
**Motion approved** to approve of Approval of Appointments, Reappointments and Expansion of privileges on list dated 9/3/2010 (1<sup>st</sup> Fortner, 2<sup>nd</sup> Abeita)

**XII. Adjournment**

**Motion approved** at 1:51 p.m. to adjourn the meeting (1<sup>st</sup> Fortner, 2<sup>nd</sup> Abeita)



Regent Raymond G. Sanchez  
President, Board of Regents



Regent Carolyn J. Abeita  
Secretary/Treasurer, Board of Regents

Attachments provided at the meeting are included in BOR E Book posted on BOR web site.  
<http://www.unm.edu/regents/>

1. Faculty Senate President's comments.
2. Staff Council President's comments.
3. GPSA President's comments.
4. ASUNM Resolution.
5. UNM Retiree Foundation President's Report.
6. Vice President/Controller's handouts.
7. Director of Real Estate's presentation.
8. AVP of Academic Affairs handouts.
9. UNM SRMC presentation.