

The University of New Mexico
Board of Regents' Meeting
October 11, 2011
Student Union Building Ballroom C
Meeting Minutes

Members present: President Jack L. Fortner, Vice President Don L. Chalmers, Secretary Treasurer Carolyn J. Abeita, J.E. "Gene" Gallegos, Bradley C. Hosmer, James H. Koch, Jacob P. Wellman (Quorum).

Administration present: President David J. Schmidly, Executive Vice President David Harris, Chancellor Paul Roth, Interim Provost, Chaouki Abdallah, Vice President Josephine De Leon (Equity & Inclusion) Vice President Julia Fulghum (R&D), Vice President Helen Gonzales (Human Resources), Vice President Paul Krebs (Athletics), Vice President Ava Lovell (Controller), Vice President Eliseo Torres (Student Affairs), Interim Deputy University Counsel, Michele Huff.

Regents' Advisors present: President Timothy Ross (Faculty Senate), President Mary Clark (Staff Council), President Katie Richardson (GPSA), President Jaymie Roybal (ASUNM), President Waneta Tuttle (UNM Alumni Association), Chair Gary Gordon (UNM Foundation), President Maria Probasco (UNM Parent Association), President Scott Obenshain (UNM Retiree Association).

Regent Fortner called the meeting to order at 9:03 a.m.

I. Confirmation of a Quorum; Adoption of the Agenda, Regent Fortner

Motion to adopt the agenda passed unanimously (1st Chalmers, 2nd Koch).

II. Approval of Summarized Minutes of the September 13, BOR Meeting Regent Fortner

Motion to approve the minutes as written passed unanimously (1st Chalmers, 2nd Gallegos).

III. UNM Concert Choir Performance, Bradley Ellingboe, Professor of Music, Director of Choral Activities, Dr. Regina Carlow, Associate Professor of Music

Dr. Schmidly introduced Brad Ellingboe and the UNM Concert Choir and noted that the 100th anniversary of choral singing at UNM took place in academic year 2010-2011. Two new pieces of music were commissioned to celebrate the anniversary: a Requiem by Dr. Rene Clausen and an opera for the UNM Children's Chorus, written by Peggy Pond Church. Mr. Ellingboe directed the choir performing a movement from the Requiem.

Regent Fortner thanked the choir for their excellent performance.

IV. President's Administrative Report, President David J. Schmidly

President Schmidly recognized Dr. Yasimin Mostofi, who was awarded a 2011 Presidential Early Career Award for Scientists and Engineers.

Dr. Schmidly then reported on some of the accomplishments of FY10-11. These items were completed during FY10-12, or substantial progress made on critical items, or the objectives were achieved shortly after the year ended. We have made great progress in budget development processes and shared governance. Thanks to the efforts of many, we have continued to navigate our way through the financial crisis. I would acknowledge the Presidents Strategic Advisory Team, the task forces appointed by the previous Provost, our Deans and the Cost Containment Task Force appointed by President Roth and led by David Harris. We managed to avoid system-wide layoffs and we ended the year in better financial shape than when it started. As a result we will be able to reduce our reliance on one-time money, we will be able to build our reserves and continue our investments in faculty and staff. Dr. Schmidly presented graphs showing a decline in state funding of 17%, or \$28 million. At the same time, enrollment has shown an increase of

nearly 13.5%. We are still faced with teaching more students with fewer dollars, but we are spending more on the academic mission. The administration has absorbed a larger percentage of the budget reductions which has helped minimize the impact on the academic mission. Institutional support has declined 1.65%, while instruction has increased 9.76%. We have been able to balance our budgets with remarkably low net tuition increases; over the last five years just slightly over 1% above inflation. Executive staff and compensation have been substantially reduced.

Shared governance suffered a meltdown in 2009, which was noted by the Higher Learning Commission Review Team. We submitted a report on governance in June. The HLC commended us on the strategies we employed and the progress made. UNM received an unconditional ten-year accreditation.

The Foundation has raised more than over \$400 million in the last five years. Private fundraising will be one of the few places we can increase our resource base in the future.

The Campus Master Plan was finished, a culmination of years of work. We expect it, especially the student housing element, will help improve student success. It's a plan that will guide us into the future.

We've continued to strengthen our relationships with APS and CNM. More students enrolled in the Gateway Program CNM than ever before. It is designated for students that do not meet UNM's new admissions requirements. Transition from Gateway to UNM is one to two years.

We have executed MOUs with Kirtland Air Force Base and Sandia National Lab which will be critical to maintaining our research portfolio.

The Gateway Program and increasing the GPA for admission to the university will aid in retention and graduation. Our 6 year graduation rate has increased by 1½% this year.

HSC is on track to open the SRMC (Sandoval Regional Medical Center) by next fall. CNM has opened its Rio Rancho building. We have developed three 2+2 programs where students will do their first two years at CNM and the last two years at UNM. Enrollment is up 60% in head count and 73% in credit hours from the prior year.

Across the campus people pulled together in a renewed spirit of shared commitment to help the institution advance in difficult times. The executive leadership has been outstanding; Paul Roth, who filled in during my absence and gives great leadership to the HSC, David Harris and his talented team of business vice presidents, Julia Fulghum kept the research mission on track, and Provost Chaouki Abdallah is clearly creating new energy and momentum for our academic enterprise. This university is blessed with an excellent executive leadership team. The Faculty Senate leadership has worked positively and constructively with us every step of the way. The Staff Council leadership has provided exceptional support and wisdom and has been more than willing to help as we've navigated this budget crisis. I thank the student leadership, GPSA and ASUNM, as well as the leaders of the Alumni and the new Parent Association. All these people have provided positive constructive help as we've moved forward. I want to thank the Faculty and Staff; they maintained a positive, can-do attitude in the face of a lot of uncertainty and difficulty.

I do want to thank the Regents for your commitment to help us move the university forward.

When the new president arrives, he or she will inherit a situation characterized by positive momentum, determination and collective wisdom gained through the trial by fire we've experienced. We should all feel confident about where UNM is headed.

- **Regent Koch requested a report, within two to three months, on anticipated increase in numbers of students and estimated cost of faculty growth at UNM West.**
- **Regent Koch also asked for a report to the Academic & Student Affairs Committee about plans to work with area high schools to increase the number of students seeking to attend UNM.**

- **Terry Babbitt, AVP Enrollment Management, will provide a report on the number of students admitted and refused admittance to UNM this year compared to prior years.**

V. **Comments from Regents**

Student Regent Wellman reported on the National Coalition of Student Regents and Trustees Conference he attended. Mr. Wellman was elected Vice Chair of the NCSRT through 2012. New Mexico Institute of Mining and Highlands also attended the conference. The National Coalition provides a valuable network for Student Regents and Higher Education Institutions nation-wide. It also serves as a model for Institutions seeking to add a Student to their Boards.

VI. **Public Comment, specific to agenda items**

Regent Fortner accepted Max Macauley's comments although they did not speak to an agenda item. Mr. Macauley, a veteran of social activist movements for the last 56 years, spoke in support of the students and faculty demonstrating in the Occupy Albuquerque movement and asked the BOR to issue a proclamation of support. Regent Fortner informed Mr. Macauley that the BOR cannot pass a resolution in regard to any issue that is not on the agenda.

VII. **Comments from Regents' Advisors (reports received are included in BOR E-Book)**

Faculty Senate, Timothy Ross, President. Dr. Ross reported on the two resolutions and one motion passed by the Faculty Senate. The first resolution supports the Berlin Declaration, an international process that supports publication by faculty and researchers in "open access" journals. The second resolution shows faculty support for the formation of an international education initiative office within the Provost's office and the consolidation of various study abroad and international activities across campus under that office. The motion was in regard to the hiring of a new football coach.

Dr. Ross brought to the attention of the BOR that most faculty self-fund their professional development travel. He spoke against adding to those costs by changing the per diem policy.

Staff Council, Mary Clark, President. Ms. Clark introduced Marilyn Dykman, the new Director of the Veterans Resource Center, and Joseph Boyd, President of the UNM Student Veterans Association. Ms. Clark detailed the events planned for the Veterans Day celebration on November 11th. She noted that UNM has more than one thousand veterans as students. Several veterans' service organizations will be on campus that day. Regent Abeita was informed that about 10% of the veterans on campus are women. Ms. Clark also spoke in favor of passing the pay supplement.

GPSA, Katie Richardson, President. Ms. Richardson presented two resolutions passed by the GPSA at its last board meeting. She also spoke in favor of the F&F (Finance & Facilities) Committee proposal for the per diem policy and in favor of the pay supplement. She read an email from GPSA committee member Gino Signoracci pointing out that Graduate and Teaching Assistants are not eligible for the pay supplement as they are "only" student employees.

ASUNM, Jamie Roybal, President. Ms. Roybal said ASUNM is working with the Government Relations office to be more effective in working with the legislature next year. They are organizing a Town Hall to familiarize students with the Office of the Provost.

Regent Gallegos assured Ms. Roybal that the new main campus housing area has not yet been officially named.

UNM Alumni Association, Waneta Tuttle, President. Ms. Tuttle said that she had appointed Duffy Swan, President Elect, to head a long-range planning committee.

Regent Koch said that the BOR gave Hodgkin Hall to the Alumni Association. Regent Gallegos clarified that the BOR did not execute a deed to the association, but did give it exclusive use of the building.

UNM Foundation, Gary Gordon, Chair. Mr. Gordon said the Foundation had had a good fiscal year, but that they expect the first quarter of this year to be down.

Mr. Gordon introduced Henry Nemcik, President and CEO of the Foundation. Mr. Nemcik reported, based on preliminary figures, that the Foundation is down about 4% for the first quarter. The Foundation has restructured, due to budget cuts, and they are looking at new funding models.

Mr. Nemcik told Regent Koch that the Foundation uses a team-based incentive program for compensation. If a fundraiser raised less money this year than last, that person's compensation would go down.

UNM Parent Association, Maria Probasco, President. Ms. Probasco presented a comprehensive report on the progress of the Parent Association and the successful events held during Family Weekend.

Regents Abeita and Wellman recognized the great work of the association and the strength it brings to the university. Regent Abeita encouraged Ms. Probasco to continue to seek involvement on the Tuition Policy and Student Fees committee and others concerned with issues of interest to students and parents.

Retiree Association, Scott Obenshain, President. Dr. Obenshain reported that Presidential Scholar Stephan Lujan was selected to receive support from the Retiree Association this year.

VII. **Regent Committee Reports** (reports in BOR E Book.)

Academic/Student Affairs & Research Committee, Regent Bradley Hosmer, Chair

Action Items:

- A. Approval of Master of Arts and Master of Science Degree in Museum Studies
- B. Approval of Certificate in Museum Studies, James Dixon, Professor of Anthropology and Director, Maxwell Museum of Anthropology

Motion to approve the Museum Studies degree and certificate programs passed unanimously (1st Hosmer, 2nd Abeita).

Regent Hosmer clarified that the vote approved both the certificate and the Masters programs, as they are one proposal.

Professor James Dixon presented the proposal for the Masters and Certificate programs in the interdisciplinary Museum Studies.

Regent Chalmers confirmed that first year funding will come from a private donation. Extended University has offered ongoing funding and the Hibben Trust will fund two graduate assistantships. I&G (Instruction & General) funding will be needed in FY13-14 and there will be a tuition differential.

Regent Gallegos was told student enrollment should begin in Fall 2012 for the certificate program, with the graduate program coming on board the following year. The University of Colorado and Texas Tech are the only universities in this region that offer somewhat similar programs.

Information Items:

- C. Proposed Committee Work Plan from the Chair

Regent Hosmer presented the ASA (Academic and Student Affairs) Committee proposed action plan and solicited input from Regents, Advisors and the Administration. Items in the proposed plan are:

1. How do we measure student success to provide feedback for improving courses and comparisons with peer institutions?
2. Plans to build faculty strength
3. Understand full picture of student expenses
4. Establish clear picture of the research enterprise
5. Status of action on assessment of student learning of core competencies
6. Assistance with the Academic Strategic Plan
7. How are great teaching, tutoring & advising recognized and encouraged?
8. Understand and support Honors College
9. How will UNM attract better-prepared New Mexican and out-of-state students?
10. Role of UNM in fixing New Mexico's K-12 crisis
11. What is involved in achieving AAU membership?

In the longer term,

12. How to improve the perceived value of a UNM degree?
13. What is the plan for turning diversity into a path-breaking opportunity?
14. What does New Mexico and the US need in a University in 2025 and later that UNM has a comparative advantage in providing?

Finance and Facilities Committee, Regent Don L. Chalmers, Chair

Consent Items:

- A. Disposition of Surplus Property for Main Campus on list dated September 16, 2011
- B. Contract Approval:
 - a) UNMH-Siemans Medical Systems
 - b) UNMH-Stryker Orthopedics
 - c) UNMH-Phillips Medical
 - d) UNMH-Siemans Medical Solutions
 - e) UNM Human Resources-Employee Benefits
 - f) UNM Cancer Center-Varian Eclipse Treatment Planning System
- C. Approval of Nomination of Louis Abruzzo to Lobo Development Corporation Board
- D. Approval of Naming Requests
 - a) NMERI Building "Regional Computer Forensic Laboratory"
 - b) UNM PIT, New Weight/Training Room "McKinnon Family Training Center"

Motion to approve Consent Agenda Items A, B, C and D passed unanimously (1st Chalmers, 2nd Gallegos).

Action Items:

- E. Approval of FY10-11 Undesignated Fund Balances, Andrew Cullen, AVP Budget

Motion to call the question of Regent Koch's motion to increase the UNM minimum wage passed unanimously.

Motion to approve increasing UNM minimum wage to \$10.00 per hour failed, with 1 Regent Koch voting yea, all others 6 voting nay.

Motion to adopt a one-time pay equity supplement as defined in Option 2, but with the "no break in service" requirement changed from one year to two years, passed, with 6 Regents Abeita,

Chalmers, Gallegos, Hosmer, Koch and Wellman voting yea and 1 Regent Fortner voting nay (1st Gallegos, 2nd Chalmers).

Motion to accept the Undesignated Fund Balance Report passed unanimously (1st Chalmers, 2nd Gallegos).

Mr. Cullen introduced Curt Porter, AVP Academic Administration, to discuss the detail in his report on the undesignated reserve. Mr. Porter pointed out the recommendations to give OPBA (the Office of Planning, Budget and Analysis) access to data from the Student and HR modules in Banner which should provide more accurate budgeting information.

Regent Chalmers said the F&F Committee felt the \$4.9 million unexpected budget reserve should be used to fund some kind of one-time pay for employees who make under \$50 thousand. Mr. Cullen said the proposals for the One-Time Pay Equity Supplement fulfill a request the BOR made in the spring.

Regent Gallegos emphasized that this supplement is not a bonus. It is a sort of fill-in for loss of income suffered by employees due to the 1.75% and 1.5% "swaps," which increased their contributions to the ERB (Educational Retirement Board) over the last two years, thus saving the state money. Mr. Cullen stated that the proposals were not specifically tied to those reductions.

Regent Koch asked for the annual cost to raise UNM's minimum wage to \$10 per hour, as requested at F&F. Helen Gonzales, VP for Human Resources, replied that it would be a recurring expense of about \$864 thousand.

Ms. Gonzales presented two proposals for the supplement. Option 1 (\$2 million plus fringe) would bring the total cost to \$4.5 million, and Option 2 (\$2 million net of fringe), the proposal requested by F&F, would cost \$3.8 million. Possible eligibility requirements include the employee being active regular faculty or staff at 12/31/2010, with no break in service through 12/31/2011 and earning less than \$50 thousand. The supplement amount would be prorated based on FTE (Full Time Equivalent) percentage.

In response to Regent Koch's question about the difficulty in sustaining an increase in the UNM minimum wage, EVP Harris said \$900 thousand is equivalent to a 1% increase in tuition. Mr. Harris recommended waiting until a funding source for the recurring expense is identified. Regent Koch noted that employees making less than \$20 thousand are not subject to the ERB "swaps."

Regent Fortner expressed concern that the governor and/or the legislature may not approve of the supplement. Mary Clark said the funding formula was, in part, intended to shield universities from a retaliatory legislature. The state is not the only beneficiary of the work done by UNM employees. She pointed out that although those making less than \$20 thousand were not subject to the ERB "swaps" they have been subjected to increases in health care and parking costs, as well as increases in other costs of living.

Regent Gallegos and Regent Chalmers agree that increasing the minimum wage should be taken up during the regular budget discussions.

VP Gonzales said the state employees participate in the PERA (Public Employees Retirement Association) which has a higher state contribution and a higher retirement pay-out than the ERB. She told Regent Fortner that it is fair to say that university employees have been hit harder than state employees who contribute to the PERA.

Regent Fortner said he was not aware of the differences between the two retirement plans and would work to make the governor's office aware of them.

F. Approval of UNM Regents' Travel Policy 7.7

Motion to approve Travel Reimbursement and Per Diem Option B failed, with three regents voting aye and four voting nay (1st Gallegos, 2nd Koch).

Motion to approve the Travel Reimbursement and Per Diem Option A, with "100%" as the lowest federal reimbursement rate applicable to New Mexico for federally sponsored travel, passed with 4 Regents Abeita, Chalmers, Hosmer and Wellman voting aye and 3 Regents Fortner, Gallegos and Koch voting nay (1st Chalmers, 2nd Wellman).

Regent Chalmers said he had a third proposal for consideration. It is the same as Proposal A but with the percentage referred to in the Federally Sponsored Travel paragraph set at 65.22%, which is equivalent to \$30 a day. Additional wording is, "An exception is made to the rate of 65.22% of the lowest federal reimbursement rate, when the traveler provides actual receipts of expenditure greater than 65.22% of the lowest federal reimbursement rate, but less than \$46 per day. The exception must be approved by the traveler's department chair, head or director."

Regent Gallegos read portions of the state Per Diem and Mileage Act, and said it has nothing to do with the source of funds. The Act states reimbursement of actual expenses up to \$30 a day for meals in-state and up to \$45 for out-of-state travel. He also noted that incidentals such as baggage handling, tips and laundry have been included in the "meal reimbursement." He said he doesn't like the law, and would be in Santa Fe in January to try to get it changed, but we have a responsibility to comply with it.

Ava Lovell stated that current policy, allowing reimbursement for meals and incidentals, uses wording straight from the GSA policy. Incidentals are not addressed in the state Act.

Regent Chalmers confirmed with Michele Huff that University Counsel's opinion is that the F&F option does comply with state law.

Regent Koch renewed his call for an outside attorney. Regent Gallegos said perhaps a court should decide. Regent Hosmer said he felt the Audit Committee proposal penalized the university and he would oppose it.

Ms. Lovell said the federal rates are reviewed every six months and are designed to be just under what it would actually cost at these locations. The lowest rate, \$46, has not changed in several years.

Regent Gallegos said that proposal A would not comply with the state act because it reimburses incidental expenses and it reimburses in excess of \$30 day for in-state travel.

Information Items:

G. UNM Health Plan Update, Helen Gonzales, VP HR

Ms. Gonzales reported that we have kept the administrative costs for the health plan at 6% which compares very favorably to national costs at 15%. We secured a number of rebates from the federal government in health care reform for continuing retiree health coverage and have developed some premium and plan design strategies to fund the health plan. We realigned our cost structure to align premiums more closely with services used.

Walgreens is requesting payment for prescriptions far in excess of what other vendors would charge, so our prescription plan, Express Scripts, will not be using Walgreens as a provider after December 31, 2011. 98% of our employees who use Walgreens have another pharmacy within one mile of their homes.

Because of health care reform, employers will be required to provide coverage they have not provided before. In 2014 it becomes "Play or Pay." You either provide the coverage or pay a penalty. Some employers may choose to pay a penalty to get out of paying for health care for their employees. We're not looking at doing that, but some employers are considering the strategy.

We have implemented all the coverage requirements as they are coming due.

We have kept our premiums stable, and this year the net premium was flat.

"Investments in Health" are initiatives to encourage wellness and mitigate some high cost issues, such as diabetes. We have a nutritionist on staff; we run weight-loss and other programs designed to increase employee wellness.

H. UNM Main Campus FY12-13 Strategic Finance Outline, Andrew Cullen, AVP Budget

- **An increase to the UNM minimum wage will be one item considered in the next budget.**
- **Metrics will be developed for use of new revenues for academic initiatives.**
- **Monthly updates will be given to the F&F and Academic Affairs committees beginning in November. Regents will be notified of Budget meeting dates.**

Regent Gallegos would like to hear more input along the way, not just get a budget in March. Regent Chalmers said members of the BOR would very much like to be invited to some of the meetings held by the three budget development committees. He hopes it will lead to a day where the Regents are welcomed participants.

Mr. Harris said that he anticipates, as the new HSC committee takes on more, there will be more time available for F&F to review budgetary development.

Regent Chalmers listed a number of strategic topics to be address by the F&F Committee:

1. Set tuition by policy
2. Analyze balances with monthly report of encumbered, committed, unrestricted (reserves)
3. Set Regents goal/policy to build reserves to ___% of total budget
4. Define and set a strategy to deal with unfunded liabilities
5. Look at ways to collaborate with other universities' programs to realize efficiencies
6. Benchmark productivity by number of employees (Admin, Faculty & type of Faculty, & Staff) per student
7. Benchmark salaries in the same groups
8. Benchmark tuition & fees
9. Work with fee committee early
10. Review low enrollment programs
11. Find dollars for development
12. Look to improve revenue--examine all major sources
13. Analyze out-of-state tuition and elasticity of demand

14. What year round budgeting groups are functioning
15. Lobo Development Opportunities (South Golf Course Retirement Village)
16. Update inventory of art & other valuables owned by the university
17. Per diem issue closure
18. Paperless Regents/UNM

- **Regent Chalmers asked for an inventory of the University's art collection.**

Health Sciences Board, Regent Carolyn J. Abeita, Chair

Consent Items:

- A. Approval of Quasi Endowment in the Proposed Name of the George D. Montoya Research Scholarship Fund
- B. Approval of Virginia P Crenshaw Endowed Chair in Nursing
- C. Approval of Capital Project: UNM Hospitals, 2nd Floor Pathology Department Renovation
- D. Approval of four UNMH Contracts (BOR approval given at F&F Consent Agenda Item B: a, b, c, d)

Motion to approve Consent Agenda Items A, B, C & D passed unanimously (1st Abeita, 2nd Hosmer).

Action Item:

- E. Approval of FY12 Performance Plan for Chancellor Paul Roth

Motion to approve the FY12 Performance Plan for Chancellor Paul Roth passed unanimously (1st Abeita, 2nd Gallegos).

Regent Abeita noted the plan is very specific, with measurable goals and tasks. She would like that type of format followed when evaluating future plans.

Regent Gallegos complimented Dr. Roth's plan and the metrics it contains. Dr. Roth acknowledged the help of Regent Hosmer and Director Rhoades in developing the plan.

- **Regent Abeita asked that each of the regent committees be reassessed in terms of what they are asked to do.**

VIII. Public Comment (n/a)

IX. Vote to close the meeting and to proceed into Executive Session

Motion to proceed into Executive Session passed unanimously at 12:50 p.m. (1st Gallegos, 2nd Abeita).

XI. Executive Session 12:51 p.m. – 1:49 p.m.

- A. Discussion and determination where appropriate of threatened or pending litigation pursuant to Section 10-15-1.H (7) NMSA (1978).
- B. Discussion and determination where appropriate of limited personnel matters pursuant to Section 10-15-1.H (2) NMSA (1978).

- C. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property pursuant to Section 10-15-1.H (8) NMSA (1978).

XII. D. Vote to Re-open the meeting.

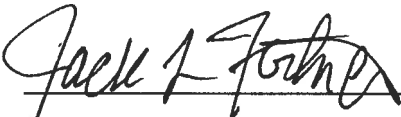
Motion passed unanimously at 1:50 p.m. to return to open session (1st Chalmers, 2nd Koch).

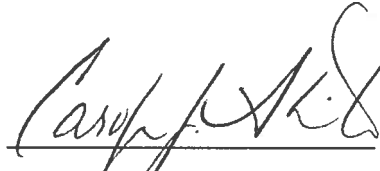
- E. Certification that only the matters described in Agenda item XI. were discussed in Executive Session and, if necessary, final action with regard to those matters will be taken in Open Session.

Motion to certify the only action taken in executive session was to approve President Schmidly's goals for 2011-2012 passed unanimously (1st Wellman, 2nd Abeita).

XIV. Adjournment

Motion to adjourn the meeting passed at 1:55 p.m. (1st Wellman, 2nd Abeita).


Regent Jack L. Fortner
President, Board of Regents


Regent Carolyn J. Abeita
Secretary/Treasurer

Attachment: President Schmidly's Goals 2011-2012

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