

The University of New Mexico
Board of Regents' Meeting
December 13, 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, Sr. Vice Provost Michael Dougher for Interim Provost Chauoki 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 University Counsel, Lee Peifer.

Regents' Advisors present: President Tim Ross (Faculty Senate), President Mary Clark (Staff Council), at Search forum; President Katie Richardson (GPSA), President Waneta Tuttle (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 9:35 a.m.

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

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

II. Approval of Summarized Minutes of the November 15, 2011 BOR Meeting, Regent Fortner

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

III. Regents' Meritorious Service Award, Dr. Ursula Shepherd, Regent Fortner

Regent President Fortner presented the award to Dr. Shepherd.

Dr. Shepherd related success stories of UNM students. In one weekend a student wrote he was accepted at both Harvard and Yale. That same weekend, another student wrote she received an NSF (National Science Foundation) pre-doctoral scholarship and a third student related "acing" the NIH (National Institutes of Health) interview. "That was just one week last year and everyone in the room is responsible for those things happening. They are not very different from a week the year before when one student was accepted at both Cornell and Princeton in Applied Mathematics, another went to Wash U in Genetics as a PhD and a third was accepted at all eight medical schools to which she applied and she chose Harvard. "That's what we're doing at UNM and all of us should be proud of it." She continued, "I am a wonderful teacher...and I am no exception to the faculty all around us here at UNM. I am simply one of the very wonderful peers and colleagues that I am proud to represent and be a part of."

Dr. Schmidly added congratulations, on behalf of everyone, to Dr. Shepherd for her accomplishments and dedication to her students. "Ursula, as much as anyone I've ever been around in higher education, has a passion for teaching and helping her students to succeed." He offered thanks for her leadership of faculty and students.

IV. President's Administrative Report, President David Schmidly

President Schmidly recognized two other faculty members receiving honors and making significant contributions to the University.

Dr. Schmidly: Dr. Yasimin Mostofi was awarded a 2011 Presidential Early Career Award for Scientists and Engineers. This is the highest award bestowed by the US Government to Science and Engineering Professionals who are in the early stages of their career. She is an Assistant Professor and has been in our Electrical and Computer Engineering Department since 2006. She also received the Outstanding Research Award in her department.

Dr. Zachary Sharp, Professor in Earth and Planetary Sciences, was recently honored as a recipient of the Humbolt Research Award in recognition of his accomplishments in research and teaching. As part of this award, Dr. Sharp will collaborate with colleagues in Germany to promote scientific cooperation between research institutions in both countries.

One of the things we've stressed the last few years is partnerships that allow us to leverage our resources and talents to address our priorities of student success, national excellence, community service and healthy communities. Last week was the grand opening of a project that demonstrates this concept of partnership. This was a major new collaboration, led by the Anderson School of Management and the FBI. The New Mexico Forensic Computer Lab was opened on South Campus. It is a forensic lab and training center devoted to the examination of digital evidence in support of federal, state and local criminal and national security investigations. Other partners include the New Mexico State Police, the Bernalillo County Sheriff's Office and the Albuquerque Police Department. This is only the second of these labs established on a university campus and one of just sixteen in the entire country. Congratulations to Dean Doug Brown and the rest of the faculty at the Anderson School for this accomplishment.

In regard to Regents' Priority One, the funding formula, the Secretary of HED (Higher Education Dept.) submitted his report on a revised formula to the LFC (Legislative Finance Committee) on October 14. The new formula would fund student credit hours based on students who complete courses, rather than those enrolled, fund awards (degrees completed), provide additional incentives in STEM and health related fields and has a non-recurring adjustment for utilities. HED recommended a level of funding for these elements that generates a work load number of approximately \$32 million. Although it is nearly the same number as that reached by the Formula Task Force, it distributes the funding differently. It appears that $\frac{1}{4}$ to $\frac{1}{3}$ of the funding would come to UNM. An important feature of the HED budget recommendation is that it reduces the base funding for higher ed by \$32 million to accommodate the new formula funding. This is called a Base Minus approach. If implemented, this would be a zero growth budget recommendation. Under this scenario, the state appropriation would be reduced by \$32 million, they'd run the formula and then distribute the dollars. I recommended a Base Plus approach. It seems that nearly everyone agrees that the "tuition credit" should be eliminated.

The strategic budget process is moving along well, with the three committees meeting regularly. Several changes to the SFRB (Student Fee Review Board) and student fees have been recommended.

The Strategic Budget Leadership Team is working very closely with the Provost's office and their Strategic Academic Plan. The recommendations from that plan are being transferred to the strategic budget process. We should be in a position to include additional resources for hiring faculty, including lecturers, and funds that will address salary competitiveness and compaction issues.

President Schmidly called attention to the handouts he provided. They are an outline of UNM's 2012 legislative initiatives and budget request.

V. Comments from Regents

Regent Chalmers noted that the presidential search has resulted in great candidates with good ideas.

Regent Fortner yielded the floor to Father Stephen Imbarrato of Project Defending Life. This group is concerned that UNM Hospital provides training and research regarding abortion, contraception and sterilization while it receives state and county funding. The group does recognize that, abortion being legal, the hospital has a mandatory involvement. It is concerned

with a facility in the northeast heights, which it believes not only performs abortions, but solicits them. He asked for an investigation of a rumored death, and he emphasized “rumored,” at a facility on Moon St. Fr. Imbarrato introduced Tara Shaver.

Ms. Shaver, author of an “exposé” on UNM Hospital and abortion, gave an interpretation of transcripts of three calls to 911 from the UNM Center for Reproductive Health. Ms. Shaver asked that the clinic be closed permanently.

Lori Bennett, an alumna and former employee of the HSC (Health Sciences Center), expressed the opinion that UNM should not be using tax dollars for abortion.

Orae Dominguez asked UNM Hospital to remove RU486 from its formulary. He opined that Native Hispanic and Pueblo cultures are being targeted for population reduction.

VI. Public Comment, specific to agenda items (none)

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

Faculty Senate, President Timothy Ross. Dr. Ross reported that the Faculty Senate passed a resolution in support of the graduate student resolution on the (un)Occupy movement. The Faculty Senate reorganization proposal is being vetted by the twenty-one committees after being through various leadership groups of the University.

- **The Honors College proposal should be finished this month. It will come to Faculty Senate in January.**
- **This Friday (12/16) there will be a faculty-wide meeting to discuss the five presidential candidates. A report will be made to the BOR on Friday or Monday.**

GPSA, Katie Richardson, President. Ms. Richardson expressed concern for basic research and liberal arts education in this country, and with the decrease in funding for higher education country-wide. She introduced the resolutions from GPSA requesting a financial study of different methods of funding a recreation center, accepting the policy changes recommended by the SFRB and supporting the permanent removal of the tuition credit. She also presented the GPSA Lobby Committee platform for the upcoming legislative session.

Ms. Richardson said she was uncomfortable with the process that allowed a presentation in the middle of the BOR meeting (Agenda Item V). She believes it would have been more appropriate to the Public Comment period (Agenda Item X). She asked that the BOR be aware of setting a precedent by allowing, and seeming to endorse, a public comment unrelated to agenda items in the middle of a meeting.

Regent Fortner said he endorsed the comment but he erred in telling Fr. Imbarrato they could speak at the beginning of the meeting.

UNM Alumni Association, Waneta Tuttle, President. In addition to her report, Ms. Tuttle said the association is interested in providing additional support to the Honors College and student retention.

UNM Foundation, Gary Gordon, Chair. Mr. Gordon said the final week of the year is a busy time for the Foundation as people try to get donations in before the end of the tax year. The new Philanthropy Study Committee produced a timeline and agenda.

UNM Parent Association, Maria Probasco, President. In addition to her report, Ms. Probasco presented a small token of appreciation from the association to each of the regents in recognition of their service.

Retiree Association, Scott Obenshain, President. Dr. Obenshain again expressed the concern of the association with the proposed changes to the retirement terms of the ERB (Educational Retirement Board). Decreasing the COLA for current retirees is of great concern as they are

living on fixed incomes. The association is working with Office of Government and Community Relations on UNM's legislative agenda.

VIII. Controller's Highlights of the FY11 Audited Financial Statements, Ava Lovell, VP HSC, UNM Controller

Motion to accept the report passed unanimously (1st Chalmers, 2nd Gallegos).

Ms. Lovell: The state auditor has done the review and approved and released the audit. There are two audit firms because UNM is a large and complex organization—there are more than seventeen opinions which have to be done and then consolidated. This year, Moss Adams has done the main and branch campuses, HSC, the hospitals, clinical operations and the UNM Foundation while KPMG did the balance of the component units. The financial statement opinions are unqualified, or clean, on the overall audit, on the hospitals, on the governmental-wide financial statements and on component units except the Lobo Club. The Lobo Club got a qualified opinion and had some findings.

The audited financial statements do affect our bond rating. We ended the year increasing our assets by almost \$89 million.

The report is available at <http://www.unm.edu/~conweb/resources/audrep11.pdf>.

Brandon Fryar, partner at Moss Adams, commented that UNM has outstanding accounting personnel and outstanding internal controls in place. It is quite an accomplishment that there were no material weaknesses and no significant deficiencies in UNM reporting.

Regent Gallegos stated that the report was presented in detail to the Audit Committee and it was approved.

IX. Regent Committee Reports (reports in BOR E-Book)

Health Sciences Board, Regent Carolyn Abeita, Chair

Action Items:

- A. Health Sciences Board of Directors Report to the UNM Board of Regents (full report posted at <http://hsc.unm.edu/HSCBoD/docs/HSC%20BoDRepttoBoR12-13-11.pdf>)

Motion to accept and approve the report of the Health Science Center's Board of Directors dated Dec. 13, 2011, and to approve the HSC BOD's recommendation to eliminate the requirement to process the HSC Board's approvals and recommendations through the Regents' F&F Committee before coming to the full BOR for final approval passed with 6 members voting yes, 1 member not voting. (1st Abeita, 2nd Chalmers).

Motion to amend Regent Policy 3.5 concerning the Health Sciences Board of Directors and related administration as follows:

1. Composition

Three (3) of the members of the HSC Board of Directors shall be Regents, one of which will be chair of the Regents' Finance and Facilities Committee described in RPM 1.2 and shall be chair of the HSC Board Finance, Audit and Compliance Committee;

2. Relationship and Reporting to the Board of Regents

HSC representatives shall no less than biannually present a detailed financial report and budget status concerning all of its units and business to the Regents' Finance and Facilities Committee.

passed unanimously (1st Gallegos, 2nd Chalmers).

Regent Abeita spoke of the backdrop to the formation of this Board. The School of Medicine, the School of Nursing, the College of Pharmacy, the libraries, the Sandoval Regional Medical Center, the Cancer Center, UNM Hospital and all its component parts, the Children's Hospital, the Adult Psychiatric Hospital, the Children's Psychiatric Hospital, Carrie Tingly Hospital are some of the parts of the Health Sciences Center. There was no overarching umbrella for these component parts. There was not an adequate system for oversight by the BOR. The changes to the HSC governance structure and formation of this board were vetted by the BOR and reviewed by campus and numerous constituencies. The charge was to provide better oversight of all functions of the HSC system, to provide some type of strategic guidance and to allow a more targeted focus on the areas of importance to the HSC. This was not intended to separate the HSC from the rest of the university or to lessen BOR oversight.

The HSC board is made up of seven members appointed by the BOR. The Chair of the BOR F&F (Finance and Facilities) Committee and two other regents must be on the HSC board (currently Regent Chalmers, Regent Hosmer and Regent Abeita). There are four community members, one of whom must be the chair of the Board of Trustees, currently Jerry Geist. The other current members of the BOD are Mel Eaves, Ann Rhoades and Ron Solomon. The charters for two subcommittees have been approved: the Governance and Nominating Committee and the Finance, Audit and Compliance Committee. The charter of the Finance, Audit and Compliance Committee requires that one member of the committee shall be the regent who is Chair of the BOR F&F Committee. Copies of the agendas and ebooks for each BOD meeting will be provided to the BOR.

Since December of last year, this Board has been reporting recommendations and approvals of items to the F&F committee before they come to the full BOR for final approval. This process resulted in multiple reviews and approvals, even before reaching F&F. To then require approval by F&F and the full BOR defeats the purpose of streamlining the governance and reporting of the HSC. The Board of Directors recommends that the BOR eliminate the requirement to process the Board's recommendations and approvals through the F&F Committee before coming to the BOR for final approval.

Regent Gallegos said that the resolution regarding the HSC governance reorganization was adopted on December 14, 2010. The last paragraph of that resolution states, "The Governance Re-organization for the HSC adopted in these resolutions shall come before the Board of Regents on or before December of 2011 for assessment of its implementation and evaluation of the need, if any, for modification or amendment." In that regard, Regent Gallegos would like to make a motion concerning tightening of the flow of information and controls on the financial matters of HSC, and he would like the floor after Regent Abeita's motion has been acted upon.

Regent Gallegos stated this would be an amendment to Regent policy 3.5. This does not express any lack of confidence, quite the contrary, in the administration of Health Sciences and its finances under Chancellor Roth. It is important that we have close ties, for the efficacy of internal audit; it's important because we have a consolidated financial statement and for the affect on our external audit and approval of that financial statement, and it's important from a bond rating standpoint. This amendment of Regent Abeita's motion would provide that at policy 3.5 under the composition of the board, that the Chair of the BOR Finance and Facilities Committee not simply be a member, but be the Chair of the HSC Finance Audit and Compliance Committee. It would also amend the section of that policy which is entitled "Relationship and Reporting to the Board of Regents" by adding a

paragraph that reads as follows, “HSC representatives shall, no less than bi-annually, present a detailed financial report and budget status concerning all of its units and business to the Regents’ Finance and Facilities Committee.”

Regent Abeita stated that her motion is to accept the report and the recommendation of the HSC Board of Directors. If, as a result of another motion, it must be amended, she will do so.

Regent Wellman complimented the HSC governance: its performance plan for the Chancellor, the monthly dashboard updates and the committee charters. He wondered if, as part of the review of the board’s effectiveness and the committee charters, the information could then be brought to the full BOR as information items.

Regent Abeita said the Board of Directors is mandated to report. Specific timelines for reporting to various entities on various items are being looked at.

Regent Chalmers said virtually every action the BOD takes that we now approve through F&F will still come before the full BOR.

Regent Chalmers noted that several of the candidates for UNM President have asked about the duties/position of a Provost at the HCS. We are still one university; it’s complex enough that we need this additional board to consolidate all of our Health Sciences through that Board, which reports up to the BOR. Dr. Roth has been acting in that capacity and Regent Chalmers is very comfortable with it at this time. However, with interdisciplinary endeavors becoming more important, the regent would like, perhaps annually, a joint report from the Chancellor and the Provost showing academic collaboration.

Dr. Roth noted that when the medical school was created in 1964, the Dean of the Medical School was determined to be the Chief Academic Officer for the SOM (School of Medicine), separate from Main Campus. In 1994, when the HSC was created, the responsibility of Chief Academic Officer moved to the title Vice President and included the medical school and the Colleges of Nursing and Pharmacy. There has been no change of the scope of responsibility from the Chancellor, to the Executive Vice President, to the Chief Academic Officer. Dr. Roth said that on Thursday (12/15) the HSC would be hosting a retreat with the College of Engineering to discuss joint programs. It is critical that we support team science, interdisciplinary science—that is one of the criteria for the award of grants.

President Schmidly noted the magnitude and speed of change that is going to take place in every aspect of the medical field. The changes recommended will serve the university as one university and the ability of our medical components to have the flexibility that will be required to manage and adapt to this change. He thinks the approach that’s being taken is sound.

Regent Hosmer endorsed Regent Abeita’s introduction to the proposal and added that, in the time the HSC Board has been operating, they have come to understand it more fully than a committee of the BOR could have done. Some of the Presidential candidates would like to “wrap a Provost” around the entire academic enterprise. He believes the candidates do not have the experience to understand the degree of integration that exists in our HSC. The faculty component, presumably that which would be subject to provost oversight, is completely integrated into the health care operation. We cannot accept the risk of breaking that asunder by a different kind of subordination. The HSC has established performance criteria based on the health care mission and an incentive structure to match. This has no parallel on the “academic” side.

Regent Fortner noted a minor change on page three of Appendix Five under Article V. The word “of” was left out of the phrase, “Any Director or a voting member [of] any committee whose...”

- B. Approval: Next Phase of Master Facilities Plan, Stephen McKernan, CEO UNM Hospital (see F&F Committee Item A)

Motion to approve the next phase of the Master Facilities Plan as presented passed unanimously (1st Abeita, 2nd Chalmers).

Steve McKernan: This third phase will start to move the clinical operations of UNM Hospital to the west side of University Blvd. by constructing a hundred (100) bed hospital. The contract with Dekker/Perich/Sabatini for about \$6 million is to do all the design construction drawings and planning for that facility. It will take about eight months for the planning. The project would then be bid and the bid would be brought back to the BOR before proceeding. This is important not only because of the activity levels we are seeing at the hospital, but because much of the current facility opened in 1954 and the mechanical and electrical systems cannot support the type of care we are delivering. It is the start to moving, over the next six to seven years, all of our adult services, up to about 450 beds, over to the area west of University Blvd.

Regent Abeita noted that the HSC Board approved this item at their meeting, and Regent Chalmers said it was also passed unanimously at the F&F meeting.

Consent Items:

Motion to approve Consent Agenda Items C through J passed unanimously (1st Abeita, 2nd Chalmers).

- C. Recommendation to the UNM Board of Regents for Approval of School of Medicine December 2011 Graduates
- D. Recommendation to the UNM Board of Regents for Approval of College of Nursing December 2011 Graduates
- E. Recommendation to the UNM Board of Regents for Approval of College of Pharmacy December 2011 Graduates
- F. Approval of Contract with Agilent Technologies for New Center for Molecular Discovery (see F&F Committee Item C)
- G. Approval of Domenici Hall Electrical Upgrade to 12.47 VK
- H. Request Capital Project Approval: UNM Hospitals, Replace Environmental Control Heating at University Psychiatric Center (see F&F Committee Item Db)
- I. Request for Capital Project Approval: UNM Hospitals, Replace Emergency Power Transfer Switches-UNMH Central Plant and University Psychiatric Center
- J. Recommendation to Approve Nomination of Debbie Johnson to University of New Mexico Hospital Board of Trustees.

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

Action Item:

- **F&F Action Item A already approved in Health Sciences Board Agenda Item B**

A. UNMH-Dekker/Perich/Sabatini, Ltd.

Consent Items:

- **F&F Consent Agenda Item C already approved in Health Sciences Board Agenda Item F**
 - **F&F Consent Agenda Item Db already approved in Health Sciences Board Agenda Item H**
 - **F&F Consent Agenda Item F removed from agenda**
- B. Disposition of Surplus Property for Main Campus on list dated 11/11/2011
- C. Contract Approvals: HSC Office of Research-Agilent Technologies
- D. Approval of Capital Projects
- a) Collaborative Teaching and Learning Building
 - b) UNMH-Replace Environmental Control Heating at Univ. Psychiatric Center
- E. Approval of GPSA GRD Quasi-endowments
- F. (Removed from agenda) Approval of Appointment to UNM Labor Management Relations Board

Motion to approve the Consent Agenda Items B, Da, & E passed unanimously (1st Chalmers, 2nd Gallegos).

Information Items:

G. Monthly Consolidated Financial Report, Ava Lovell, VP HSC/UNM Controller

Regent Abeita asked about the revenue shown for Young Ranch. She asked if this is the property up near Cochiti and if the revenue was insurance proceeds. Ms. Lovell said this is just from the operation of the property. The impact from the Las Conchas fire has not been recorded yet. It may be set up in a Plant Fund account and so would not show up in operations.

EVP Harris said the Commissioner of Public Lands has taken the lead in sorting out the insurance settlements. He responded to Regent Koch that UNM owns very little of the acreage under discussion.

- **Regent Koch requested a complete report on the prospects of the Young Ranch and that Kim Murphy attend the next F&F Committee meeting. Mary Vosevich will also attend. This will be an item on the next F&F agenda 1/12/2012.**

H. FY 2012/2013 Budget Development Update, David Harris, Executive Vice President, Administration

Mr. Harris reported that, in addition to the internal work done by the committees established by President Schmidly and Dr. Roth, work will be done at the legislative session to help generate a positive outcome in regard to the state appropriation. He expects to provide information to the F&F and ASAR (Academic/Student Affairs & Research) committees so regents have it early in the budget process.

Regent Chalmers said the F&F Committee had discussed giving direction on tuition to the budget development teams up front and setting tuition by policy.

I. State Board of Finance-Administrative and Financial Overview, David Schmidly, President

President Schmidly reviewed his report to the state board. He said he feels good about where UNM is. We have a record enrollment and a record number of scholars. We have navigated recessions without lay-offs and furloughs; the pause and hold strategy worked very well. Our fund balances are increasing and we are hiring faculty, all without huge tuition increases.

There has been no compensation increase for faculty for four years, and only some one-time compensation for some of our lower paid staff. Colorado State and the University of Wyoming, with which we compete to hire faculty, are planning a 3% salary program and the University of Colorado is planning a 4% salary program for this coming year.

We are hopeful there will be some more money available. If we have a good outcome in Santa Fe, it is Dr. Schmidly's hope to bring before the BOR a compensation package for faculty and staff, and we can do it with minimal tuition.

- **A report showing tuition net of the state tax will be produced.**

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

Action Item:

- A. Approval of Associate of Arts in Studio Art UNM Valencia

Motion to approve the Associate of Arts in Studio Art UNM Valencia passed unanimously (1st Hosmer, 2nd Abeita).

Consent Items:

- A. Approval of Fall 2011 Degree Candidates (as modified)
 B. Approval of Faculty Disciplinary Policy
 C. Approval of Revision of Section B in the Faculty Handbook: Addition of Term Teaching Faculty

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

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

X. Public Comment (none)

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

Motion to proceed into Executive Session passed unanimously at 11:47 a.m. (1st Gallegos, 2nd Chalmers).

XII. Executive Session 11.48 a.m. – 1:30 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).

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


Motion to return to open session passed at 1:30 p.m. (1st Fortner, 2nd Abeita).

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

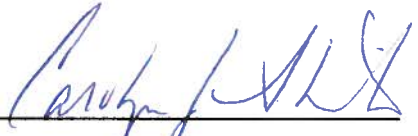
Motion to certify that no action taken in executive session passed (1st Fortner, 2nd Abeita).

XIV. Adjournment

Motion to adjourn the meeting passed (1st Fortner, 2nd Abeita).



**Jack L. Fortner, President
Board of Regents**



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