

The University of New Mexico
Board of Regents' Meeting
June 27, 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, James H. Koch (Quorum).

Members unable to attend: Bradley C. Hosmer, Jacob P. Wellman.

Administration present: President David J. Schmidly, Executive Vice President David Harris, Chancellor Paul Roth, Interim Provost Chaouki Abdallah, Vice President Carmen Alvarez Brown (Enrollment Management), Vice President Josephine DeLeon (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 Richard Wood (Faculty Senate), President Mary Clark (Staff Council), President Katie Richardson (GPSA), Vice Chair Adrian Cortinas for President Jaymie Roybal (ASUNM), President Waneta Tuttle (Alumni Association), Chair Anne Yegge (UNM Foundation), President Maria Probasco (Parent Association), President Cynthia Stuart (Retiree Association).

Guest: Raymond G. Sanchez, immediate Past President, UNM Board of Regents.

Regent Fortner called the meeting to order at 9:13 a.m.

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

Motion passed, with no dissenting votes, to adopt the agenda (1st Chalmers, 2nd Abeita).

II. Approval of Summarized Minutes of the April 12, 2011 Budget Summit, the April 29, 2011 BOR Meeting, the May 10, 2011 BOR Meeting and the May 31, 2011 BOR Special Meeting and Approval of the BOR Calendar August 2011-August 2012, Regent Fortner

Motion passed, with no dissenting votes, to approve the minutes of all four meetings and the BOR calendar (1st Gallegos, 2nd Chalmers).

III. Presentation of the "Nambé Lobo Head" to Raymond G. Sanchez, Regent Fortner

Regent Koch remarked on his long friendship with Mr. Sanchez. He said that Mr. Sanchez was "a fantastic regent for UNM and an outstanding president of the Board of Regents."

President Schmidly noted that, although he'd worked for many regents in his career, he'd never worked for a person with more integrity. He said Mr. Sanchez loved UNM and did everything in his power to advance the university. "Thank you on behalf of everyone at the University of New Mexico."

Regent Gallegos said that no one is more gracious in handling a meeting than Mr. Sanchez, who gave everyone a chance to speak and was always fair. "No one has done the job better. You will be missed."

Regent Chalmers commented that Mr. Sanchez was a fair man and that he had brought the university and the BOR through a very difficult time. The university is far better off because Mr. Sanchez was at the helm during that time. "I know your heart is with UNM and always will be."

Regent Abeita said that it has been her honor and privilege to serve with Mr. Sanchez. She said that she had learned a lot, just in the way Mr. Sanchez handled the very difficult issues that came up in the course of business. "Thank you for everything you've done."

Regent Fortner said, "It is with great pleasure, and it is an honor, on behalf of the whole University of New Mexico, the Regents, the President, to make this award to Raymond Sanchez. He served on the Audit Committee, as Chair of Academic Affairs, Chair of Finance and Facilities, Vice Chair and, of course, President of the Board of Regents. We are lucky that Raymond is still going to be at the legislature, fighting for UNM."

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

In April 2009 we underwent a comprehensive ten year accreditation visit from the Higher Learning Commission. We were granted a ten year accreditation but the team identified some concerns relative to UNM's governance and administrative structures and recommended that a monitoring report be submitted on January 11, 2011. An extension was granted and on June 9th we submitted the follow-up monitoring report. I'm pleased to inform you that last Thursday we received the HLC's analysis of our report. I'm very pleased to report that our monitoring report was not only accepted, it was praised. The full monitoring report can be found on my website.

There were six strategies used to improve governance and administration over the last two years. We used the inclusive budget development processes over the last two budget cycles. We developed campus-wide surveys and focus groups to discuss shared governance, communications and strategies for improvement (the Sanderoff surveys). There were efforts to enhance communications and campus engagement activities from the offices of the President and the Provost, and those will continue. We did a review of the organizational structure and reduced the number of vice presidents over the last two years by four, at a savings of \$835 thousand, a 31% reduction in salaries. We reinstated the annual orientation sessions for the UNM Board of Regents. We took steps to improve search processes for key high level administrative positions.

This is a direct quote from the HLC staff in response to our monitoring report, "The University of New Mexico submitted an excellent report that was complete, straight forward, substantiated by strong evidence and forward thinking. The university community is commended for its strong work in addressing the governance and administrative issues that have challenged the institution and for recognizing the importance of continuing those strong efforts so that collegial relations at the university are, indeed, part of the culture and the on-going operation of the university. No further reports are required. The institution's next comprehensive evaluation is scheduled for 2018-2019."

I offer thanks to Faculty Senate President Rich Wood and the other members of the Faculty Commission on University Governance. A great deal of thanks should go to Carolyn Thompson who helped to organize and write the report. This report involved hundreds of people on campus and had an outcome the university can be very proud of.

I wish Vice President Brown, Provost Ortega and Dean Brenda Claiborne well as they leave the university. I would like Richard Holder, who has served as Deputy Provost for twenty five years, to stand. He's done a wonderful job and been a bedrock of solid support for the university and its faculty. Thank you, on behalf of everyone at the university. Rich will return to teaching organic chemistry.

(Dr. Holder received a standing ovation.)

Dr. Schmidly introduced Chaouki Abdallah, the Interim Provost.

Regent Fortner welcomed Provost Abdallah.

- V. **Comments from Regents** (this item was moved to follow item VII. Comments from Regent's Advisors)
- VI. **Public Comment specific to agenda items** (none)
- VII. **Comments from Regents' Advisors** (reports included in BOR eBook)

Faculty Senate, Richard Wood, President. Dr. Wood urged restraint during this time of partial information about a long-esteemed colleague's possible involvement in illegal activities. F. Chris Garcia has served the university with distinction for more than four decades.

Dr. Wood: The questions surrounding the hiring of the Director of Internal Audit in 2010 are of great concern to faculty leadership. It is one of only two positions in the university that report directly to the BOR. It appears to hold the power to investigate both the fiscal flows and all policies and procedures in any unit of the university, and to recommend specific measures to all such units, with the full authority of the regents to back up such recommendations. This makes how such hires occur crucial in order to ensure the transparency of the hiring process and, thus, the legitimacy of the person hired. The faculty leadership urges that the BOR request an independent review of this hire with the facts of the matter to become public record. I want to recognize that the regents have full authority over the university and it may be that they can exempt themselves from the hiring policy when they do a hire like this. That should be done explicitly.

Dr. Wood drew attention to points C, I and K in his report. As this was his last BOR meeting as President of Faculty Senate, he also offered reflections on the past and initiatives for the future. Dr. Wood introduced Tim Roth, incoming President.

Staff Council, Mary Clark, President. The per diem expense reimbursement is an issue of concern to staff. Ms. Clark thanked the sponsors of Staff Appreciation Month: Athletics, Division of Student Affairs, Faculty Staff Club, Human Resources, HSC Office of the Vice President, Recycling, Popejoy Hall and the SUB. Dr. Schmidly will throw out the first pitch at the Staff Picnic at Isotopes Park.

GPSA, Katie Richardson, President. Ms. Richardson noted that graduate and professional students are concerned about funding for GA and TA lines, what research opportunities are available to faculty and students, the cost of tuition and fees and repaying student debt. All constituency groups at UNM are worried about funding. Ms. Richardson applauded the capital outlay requests on the agenda: renovation of the Chemistry Building, finishing the Biology Building and beginning renovation of the Computer Science and Nuclear Engineering Building (Ferris). These facilities will attract new faculty and research grants. She questioned requests for the Alumni building and an Athletics parking lot.

ASUNM, Adrian Cortinas, Vice President. A primary concern is lobbying the legislature regarding, among other things, the tuition credit. Other concerns are the Student Fee Review Board composition, tuition and fees and I&G funding for the LGBTQ Center.

UNM Alumni Association, Waneta Tuttle, President. Ms. Tuttle said that her report details the initiatives of the Alumni Association. They wanted to thank Regent Hosmer for attending their luncheon and they wish him well.

UNM Foundation, Anne Yegge, Chair. Ms. Yegge introduced a new report from the Foundation that will be available, in future, each month. The Foundation has made much progress in reducing its spending.

Regent Fortner, together with all the regents, thanked Ms. Yegge for her service.

UNM Parent Association, Maria Probasco, President. Ms. Probasco called attention to the reports regarding the scholarships awarded by the association. She also noted the changes to the bylaws and upcoming events. There are more than seven thousand active members of the association.

Retiree Association, Cynthia Stuart, President. Ms. Stuart reported on the changes to the association bylaws. Officers for the upcoming year have not yet been elected. Ms. Stuart

expressed thanks to those who worked on Policy 3600 that provides for health & wellness classes for retirees through the tuition remission program.

V. Comments from Regents (this item was moved to follow item VII. Comments from Regent's Advisors)

Each of the regents expressed thanks to the outgoing Regents' Advisors and welcomed the new and continuing advisors.

Regent Gallegos asked if there had been any progress in the discussions between Staff Council and the administration, as agreed to at the April 12th and 29th BOR meetings.

- **Andrew Cullen, AVP Budget, said that they had agreed with Merle Kennedy (Past President, Staff Council) to meet after FY2011 was closed and fund balances were determined. The object is to see if any relief can be given, on a one-time basis, to lower paid employees to offset some of the ERB "swap." In two to three weeks, when those numbers are known, we can get back with an analysis considering such a proposal.**

Regent Chalmers welcomed the Interim Provost. He stated that discussions regarding the per diem policy were begun over a month ago and it is a more complicated issue than first thought. He noted that travel paid with I&G funds has been cut, over the last several years, by 15%. He believes the faculty questions regarding the Internal Audit hire are valid and the BOR should push for the answers. The search for the next university president will be a very inclusive process.

- **Per diem will be discussed at the next Finance and Facilities (F&F) Committee meeting 8/4/2011 and a recommendation will be made.**

Regent Abeita said they will be soliciting comments and input on what qualifications or criteria should be considered in the presidential search.

- **A survey seeking input will be sent out university-wide.**
- **Regent Fortner officially declared the search for the new president of UNM. Regents Chalmers and Koch will serve on the search committee. Regent Fortner will serve as committee chair and faculty member Jane Slaughter will serve as vice chair.**
- **The Academic/Student Affairs and Research Committee and its chair Regent Hosmer will hold four meetings to take input from the UNM constituents regarding the search including a survey available on the UNM Web site.**
- **The entire search committee will be named within fourteen days. If the presidents of GPSA and ASUNM do not wish to serve, each association should submit names of three proposed representatives. Dr. Breda Bova and Kevin Stevenson will help with the administration of the process.**

VIII. Regent Committee Reports

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

- A. Approval of Bachelor of University Studies Degree to Patrick J. Grange, Dr. Richard Wood, President, Faculty Senate

Motion passed, with no dissenting votes, to grant the Bachelor of University Studies Degree to Patrick J. Grange (1st Chalmers, 2nd Koch).

- B. Approval of Appointment of Dr. Kathleen Holscher to the Endowed Chair of Roman Catholic Studies, Dr. Felipe Gonzales, Sr. Associate Dean, Arts & Sciences

Motion passed, with no dissenting votes, to appoint Dr. Holscher to the Endowed Chair of Roman Catholic Studies (1st Chalmers, 2nd Gallegos).

Regent Abeita noted that, due to timing, this item was brought to the full BOR meeting rather than first to the Academic Affairs committee.

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

Action Items:

- ~~A. Approval of Purchase Center for Micro-Engineered Materials Rigaku~~

Item removed from Agenda per the request of Bruce Cherrin, Chief Procurement Officer

- B. Approval of the Award of the Contract for Presidential Executive Search Assistance to Storbeck/Pimentel, Helen Gonzales, Vice President Human Resources

Motion passed, with no dissenting votes, to approve the award of the presidential search contract to Storbeck/Pimentel (1st Chalmers, 2nd Gallegos).

Regent Fortner noted that, because of time considerations, he had asked the Audit Committee member Regents Hosmer, Koch, and Gallegos to review the nine responses to the Request for Proposals (RFP) with VP Gonzales and that had been done.

Ms. Gonzales introduced Alberto Pimentel, who gave an overview of the firms operations and focus on searches for higher education executives. The firm is a leader in minority placements and in the tenure of their placements.

- **Regent Fortner asked Mr. Pimentel to meet with Regents Koch and Chalmers and Dr. Slaughter after the BOR meeting.**

Ms. Gonzales assured Regent Chalmers that score sheets were completed on each of the nine respondents and are available for review by the BOR.

- C. Approval of Kronos/Financial Services/Human Resources, Ava Lovell, Vice President and Controller

Motion passed, with no dissenting votes, to approve the purchase of the Kronos system (1st Chalmers, 2nd Gallegos).

Funding for the first year will come from departments that have set aside money for the purpose, including Enrollment Management, University Services, Cancer Center, and Student Housing.

Regent Gallegos noted that Kronos is in place in some departments. The funding isn't available to do an implementation for the entire university. He thinks the company has been very fair in efforts to accommodate a phased approach.

- D. Approval of Real Property Acquisition of Lands West Tract Z, Kim Murphy, Director, Real Estate

Motion passed, with no dissenting votes, to approve the purchase of this real property (1st Chalmers, 2nd Gallegos).

UNM is exercising the option to purchase the property northeast of Lomas and I25 which it has been leasing from the Sandia Foundation since 1967. The property is needed for the implementation of the Health Sciences Master Plan.

Regent Gallegos was assured that there is public access to the property via Legion Road. UNM owns the property to the north and to the east of this tract.

Consent Items:

- E. Disposition of Surplus Property for Main Campus-list dated 5/15/2011, Bruce Cherrin, CPO
- F. Contract Approvals:
 - 1) ~~UNMH Dekker/Perich/Sabatini, LTD~~

Item F.1 removed from agenda.

- 2) Draeger Medical Equipment Inc.
- G. Approval of:
 - 1) Capital Project for Law School Steam and Chilled Water Piping Replacement
 - 2) Architect Selection for Collaborative Teaching and Learning Building
- H. Approval of Resolution to Reallocate UNM Bond Proceeds
- I. Approval of Capital Outlay Requests

Regent Chalmers noted that the items in the requests are not prioritized. They are requests for UNM needs and will be addressed as the legislature sees fit.
- J. Approval of Ford Utilities Center 2nd Gas Turbine Cogeneration Unit
- K. Approval of Annual Renewal of Maui HPCC Lease
- L. Approval of Resolution of Regents of UNM Confirming, Ratifying, Approving Unconditionally the Lease Agreement by and Between the Regents of UNM and ACC OP (UNM Main) LLC

Regent Chalmers stated that this is the final approval, after some wording in the lease was worked out to the satisfaction of Regent Gallegos and UNM attorneys.
- M. Approval of the Reappointment of Sandra Begay-Campbell, Fred Mondragon, Chuck Wellborn and Dr. John Stichman to the STC.UNM Board of Directors and the Appointment of Dr. Mansoor Sheik-Bahae the Main Campus Faculty Member, serving a four year term

Motion passed, with no dissenting votes, to approve all items on the consent agenda except F.1 (1st Chalmers, 2nd Abeita).

Information Items:

- N. Monthly Consolidated Financial Report, Ava Lovell, VP and Controller
- O. Contract Information, Bruce Cherrin, CPO
 - 1) UNMH-St. Catherine Healthcare, LLC
 - 2) UNMH-Karl Storz Endoscopy
 - 3) UNMH-GlaxoSmith Kline Vaccines
 - 4) Information Technologies Group c/o Aquila Mele
 - 5) Information Technologies-Network Appliance

6) Cancer Center-Korn Ferry International

Health Sciences Board, Regent Carolyn J. Abeita, Chair (no report)

Audit Committee, Regent Gene Gallegos, Chair

A. Summary Report from Audit Committee Meeting 6/16/2011

- **The special process requested by the faculty this year will be done each year.**
- **Special emphasis will be given to the audit of the UNM Foundation and testing investments to ensure they conform to the BOR policy adopted as of 7/1/2010.**
- **Regent Hosmer has asked that Moss Adams review the terms of land sales that have resulted in Regents' Endowments to ensure the directions regarding the investment of those funds are being adhered to.**
- **Regents' Policy 7.7 regarding Travel & Reimbursement will be reviewed at the F&F meeting 8/4/2011 and/or the Audit Committee 8/18/2011.**
- **The Legislative Finance Committee will be doing a performance audit on the Health Sciences Center.**

IX. Public Comment

Ursula Shepherd, speaking for the Faculty Committee on Governance, supported the Faculty Senate's request that the BOR initiate a full and independent review of the Internal Audit Director hire. She stated that all members of the faculty leadership understand and critically support the idea of Regents' autonomy. However, the best protection of any rights and responsibility is the wise, judicious application of those rights.

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

Motion passed at 11:23 a.m., with no dissenting votes, to proceed into Executive Session (1st Koch, 2nd Abeita).

XI. Executive Session

- 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).
- D. Discussion and determination where appropriate of the purchase, acquisition of services pursuant to Section 10-15-1.H (6) NMSA (1978).

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

Motion passed at 1:00 p.m., with no dissenting votes, to return to open session (1st Chalmers, 2nd Koch).

- F. 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.

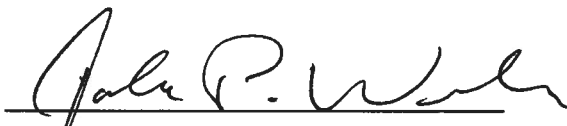
XIII. Adjournment

Motion passed at 1:03 p.m., with no dissenting votes, that no action was taken and to adjourn the meeting (1st Chalmers, 2nd Koch).



Regent Jack L. Fortner

President



Regent Carolyn J. Abeita

Secretary/Treasurer