

The University of New Mexico
Board of Regents' Meeting
January 10, 2012
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 Chauoki Abdallah, Vice President Julia Fulghum (R&D), Vice President Helen Gonzales (Human Resources), Vice President Paul Krebs (Athletics), Vice President Ava Lovell (Controller), CEO Stephen McKernan (UNM Hospitals), Vice President Eliseo Torres (Student Affairs), Interim University Counsel, Lee Peifer.

Regents' Advisors present: President Tim Ross (Faculty Senate), President Mary Clark (Staff Council), President Katie Richardson (GPSA), Vice President Adrian Cortinas (ASUNM), 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 9:05 a.m.

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

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

Regent Abeita asked that the agenda be amended to move HSC Information Item C (Capital Project Approval) to an Action Item.

II. Approval of Summarized Minutes of the December 13, 2011 BOR Meeting, and all Search-related meetings (December 5, 8, 9, 12, 13, 14, 20, 26, 2011 and January 4, 2012) Regent Fortner

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

III. Regents' Meritorious Service Award, Paul Krebs, Vice President Athletics, Regent Fortner

Regent Fortner presented the Regents' Meritorious Service Award to Paul Krebs for outstanding service to UNM as Vice President of Athletics. He thanked Mr. Krebs for always having a steady hand and steady head in the ever-changing world of athletics, and pointed out his recognition of the importance that our athletes are students. Regent Koch expressed his appreciation as well, and said the university is fortunate to have Mr. Krebs. President Schmidly congratulated Mr. Krebs on the graduation rates of UNM athletes.

Mr. Krebs expressed his thanks to the regents for the award and for their faith in him. He said, "It's almost like a going-away party except I'm not going anywhere." He acknowledged President Schmidly and David Harris for their support. He said UNM is a great university. His colleagues at the table care very much about the students and the university. Athletics is a team, and UNM has great coaches and great staff. Most of all, he feels very fortunate to work with our hard-working student athletes. He also recognized his son and his wife, Marjori, for their support.

IV. President's Administrative Report, President David Schmidly (report in BOR E-Book)

President Schmidly congratulated the BOR on the successful presidential search just concluded. The entire process was excellent and it produced an outstanding outcome with the selection of Dr. Robert Frank as the twenty-first President of UNM.

Dr. Schmidly reported progress on the goals set by the BOR. The Formula Funding Task Force completed its work at the end of fall term. The LFC (NM Legislative Finance Committee) budget recommendation has been released. It includes \$755.5 million for upper education, a 5.4% increase over the prior year. There is \$13.5 million for the 1.75 retirement swap, \$15.8 in formula funding for increased workload (based on student completion rather than enrollment), \$13.6 million for state-wide outcome measures and no tuition credit. This recommendation results in more than \$284.5 million for UNM, a 6% increase. DFA (NM Department of Finance and Administration) produced a recommendation that includes additional money for the 1.75% retirement swap, but advocates a base-minus budget. A base-minus budget means the budget would remain flat, at FY2012 levels. Under that scenario, UNM might break even or lose a few hundred thousand dollars; not disastrous, but not as good as the LFC recommendation. The legislative session begins on the 17th of the month.

- **The Philanthropic Study Committee should have recommendations ready at the conclusion of its next meeting, in February.**

The President's Strategic Advisory Team presented its initial recommendations to the Strategic Budget Leadership Team in December. The Tuition and Fee Team continues to meet. Changes to the Student Fee Review Board (SFRB) are still under consideration.

- **A presentation about budget development will be made to the F&F (Finance and Facilities) Committee after the legislative session.**

President Schmidly congratulated Provost Abdallah on completing the allocation plan for the \$2 million set aside this year for faculty hiring. UNM will be hiring more than sixty faculty members this year. The plan to hire twenty more faculty each year for the next ten years will result in UNM being able to offer 10% more classes taught by tenure and tenure track faculty.

- **The task force charged with planning for the Honors College and the future of University College should complete its report in February.**
- **A pilot program to improve student retention and success should be ready this spring, with a full implementation in the fall.**

Provost Abdallah has presented a plan to offer fifty additional courses during the summer. The Provost will assess the Office of Equity and Inclusion and he has assembled a Diversity Council.

- **The Diversity Council recommendations will be available by the end of spring term.**

President Schmidly noted the inclusion of inserts highlighting UNM in the New Mexico Business Weekly and the Albuquerque Journal. Hiring for the monthly program on KNME-TV is underway and the first airing should occur this spring.

- **A UNM Status Report will be produced which will show our status relative to peer universities and AAU members that are public flagship research universities. It will be available this spring.**
- **Reports will be given to the BOR regarding the NCAA, the Mountain West Conference and the BCS (Bowl Championship Series) after the respective meetings being held during the coming month.**

President Schmidly thanked Wynn Goering, VP Academic Affairs, for his help with all the branch campuses, especially Gallup.

- **A joint meeting between the BOR and the Gallup Advisory Board will be held in February.**

President Schmidly reflected the UNM community's concern for Jim Linnell.

V. Comments from Regents

Regent Fortner thanked all the members of the presidential search committee. He also thanked staff, faculty, students and administrators for their contributions to the search. The committee

had spirited debates, but Dr. Frank was chosen unanimously. The regent expressed special thanks to Dr. Schmidly for his help during the search. He noted that Dr. Schmidly is already working with Dr. Frank for a smooth transition.

Regent Fortner thanked Ellen Wenzel, Special Assistant to the Board of Regents, for the good job she does. She has developed, over the last seven years, a strong support office for the BOR. He also wished a happy birthday to Regent Wellman and to Ms. Wenzel. Regent Wellman and Ms. Wenzel thanked the regents for the good wishes.

Regent Gallegos noted that the HED (NM Higher Education Dept.) held a meeting on January 4 in Socorro with administrators of twenty five post secondary educational institutions. It provided a great opportunity to discuss areas of shared interest.

Regent Hosmer noted that Regent Koch was responsible for many of the structural and functional changes that have given the BOR the capability to execute the effective governance that it does today. He hopes that the BOR will continue the same type of goal-setting and reporting with Dr. Frank that it used with Dr. Schmidly.

Regent Chalmers said he is delighted with the reception President-Select Frank has received. He expressed appreciation of the way the search committee functioned, the way the community responded to the candidates and a unanimous decision by the BOR. He complimented Regent Fortner on his leadership of the search committee. Regent Chalmers, too, found the HED meeting in Socorro very valuable. He would like to bring back joint meetings with NMSU (New Mexico State University) to discuss substantive issues. He recommended careful planning for any additional funding UNM might receive from the legislature.

Regent Koch commented on the high caliber of the candidates for university president. He congratulated Regent Fortner on his success in conducting the search meetings. It is gratifying to be able to select a native New Mexican and alumnus of UNM. He also favors reconstituting the meetings with NMSU.

Regent Hosmer noted that, while this year there may not be a tuition credit, the cumulative effect over the last several years amounts to something like a 30% tax on education.

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 thanked Ellen Wenzel and VP Gonzales for their assistance with the presidential search over the winter break. Dr. Ross sent a letter to faculty explaining the process used in the search. He complimented the candidates and the process.

Over the next six months the Faculty Senate will be processing the Provost's proposal on an Honors College, reorganizing the Senate's structure, assisting the Provost in formulation of an Academic Strategic Plan, and passage of two policies and their two associated policies. Dr. Frank has been invited to attend a Faculty Senate meeting, at his convenience. Dr. Schmidly will go over the agenda from the HED meeting in Socorro with Dr. Ross. Regent Wellman offered his assistance, as well.

Staff Council, President Mary Clark. Ms. Clark complimented the search process; there was a great representation of communities in and outside of the university. She expressed support for President-Select Frank. In conversation with Dr. Frank, she found him to be very concerned with issues important to staff and anxious to continue a dialog with Staff Council. She congratulated Mr. Krebs on his award and thanked him for his work on the search committee.

Two issues of concern to staff, when working on the budget for the coming year, are filling positions left empty during the "Pause and Hold" and pay raises. Staff Council has voted for four items: 1) Resolution #7 requesting reinstatement of tuition remission for personal enrichment courses, 2) Resolution #8 in support of student athletes and welcoming Football Coach Bob Davie, 3) to endorse the Faculty Senate Resolution on the right to free assembly and free speech on campus, and 4) to endorse the GPSA resolution in support of the permanent removal of the tuition credit.

GPSA, Katie Richardson, President. Ms. Richardson congratulated Mr. Krebs on the Meritorious Service award. She also congratulated the BOR on the selection of Dr. Frank as the next president.

Ms. Richardson introduced the GPSA lobbying committee co-chair, Allison Block. She expressed GPSA's thanks to Marc Saavedra for working closely with them to mesh UNM and GPSA priorities during the legislative session. Some of those are the funding formula base plus finding, removal of the tuition credit and Senate Bill 16 authorizing a \$5,000 tax credit for NM owned businesses that hire NM graduates. GPSA and ASUNM are recommending additional safeguards for administration of student fees to ensure current recurring groups will continue to receive funding adequate to continue their service to UNM. Due to the change in student loan interest repayment, graduate students face a 20% "tuition increase" no matter what happens in Santa Fe.

- **Ms. Richardson will provide Regent Gallegos with a breakout of the number resident and non-resident graduate students.**

ASUNM, Adrian Cortinas, Vice President for Jamie Roybal, President. Mr. Cortinas said that ASUNM plans to send about one hundred students to Santa Fe for UNM Day, January 31. He expressed thanks to Marc Saavedra for his help with this initiative.

Mr. Cortinas extended an invitation to Dr. Frank to attend an ASUNM meeting during the coming semester. He offered thanks to the search committee and complimented President Roybal for her work on the search, especially since it was during finals week.

UNM Alumni Association, Waneta Tuttle, President. Ms. Tuttle said it is a real pleasure to welcome an alumnus as University President. She reported that the Legislative Appreciation Reception will be held on January 30th. The association is gearing up for its scholarship award process.

UNM Foundation, Gary Gordon, Chair. Mr. Gordon thanked everyone who is participating on the Philanthropy Study Committee.

- **Quarterly and calendar year end investment reports will be available after the Foundation Trustees meet February 9th and 10th.**

UNM Parent Association, Maria Probasco, President. In addition to her report, Ms. Probasco offered her thanks to Ellen Wenzel for all the work she does for the BOR and the constituency groups. She noted that the association will be able to offer thirty-five \$1,000 scholarships. She said the association is excited to begin work with Dr. Frank. She thanked Marc Saavedra for his help with the legislative agenda.

Retiree Association, Scott Obenshain, President. Dr. Obenshain noted that the association is pleased with the selection of Dr. Frank. An invitation to speak at the association's annual meeting has been extended.

Dr. Obenshain again expressed the concern of the association with the proposed changes to the retirement terms of the ERB (Educational Retirement Board). He noted the significant differences between the PERA (Public Employees Retirement Association) and the ERB and he believes working out a more equitable approach will have long-term benefits for UNM in recruiting faculty and staff.

VIII. Lobo Development Corporation, Meeting of the Member, David Harris, EVP, Administration
There being no objection, the BOR resolved into the meeting of the Lobo Development Corporation.

- A. Approval of the Summarized Minutes of the January 11, 2011 Meeting
- B. Approval of the FY 2010-2011 Audit

Motion to approve the Summarized Minutes of the January 11, 2011 meeting and to approve the FY 2010-2011 Audit passed unanimously (1st Chalmers, 2nd Hosmer).

Mr. Harris stated the articles of incorporation of Lobo Development Corp. require that, in a public meeting each year, Lobo Development report that the audit report has been received and have the minutes approved.

There being no objection, the meeting of the Lobo Development Corporation was adjourned.

- **Lobo Energy Corporation Meeting of the Member will be on the BOR agenda for February 14, 2012.**

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

Academic/Student Affairs & Research Committee, Regent Bradley C. Hosmer, Chair (none)

- **Regent Fortner asked that Regent Hosmer and the ASAR Committee address the concerns surrounding Lobo Village safety; that Walt Miller, AVP Student Life, take immediate action, if warranted, and report back at the next BOR meeting.**

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

Action Item:

- A. Approval of appointment to UNM Labor Management Relations Board, Justice Joseph Baca, Helen Gonzales, VP Human Resources

Motion to approve the appointment of Justice Baca to the UNM Labor Management Relations Board passed unanimously (1st Chalmers, 2nd Gallegos).

Regent Fortner complimented the selection of Justice Baca.

Information Items:

- B. Banking Services, Bruce Cherrin, Chief Procurement Officer & Elizabeth Metzger, Deputy Controller

On September 3, 2011, an RFP for UNM banking services was sent out, to 117 companies and there were four respondents. Bank of America, the current vendor, provided the lowest rates and has provided good service in the past and has been chosen as the vendor. This contract is worth approximately \$175,000 per year; it is for UNMH, Main Campus and all branches. Fees are charged for, among other things, banking transfers, providing the infrastructure for accounts payable, PCard, deposits and receipting from remote locations, and ACH through the FedWire. The agreement is for four years, renewable up to an additional four years. This is an information item only as it is below the threshold amount requiring BOR approval.

In response to Regent Gallegos, the University Treasurer reported that the average balance in checking and money market sweep is between \$30 million and \$100 million.

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

Health Sciences Board, Regent Carolyn Abeita, Chair

Consent Items:

- A. Recommendation to UNM Board of Regents for Approval of Atrisco Heritage Academy Clinic
- B. Recommendation to the UNM Board of Regents for Approval of UNMH Contract-Kurt Salmon US, Inc

Motion to approve items A. and B. on the Consent Agenda passed unanimously (1st Abeita, 2nd Chalmers).

Regent Gallegos asked if the lease with APS (Albuquerque Public Schools) for the clinic has been completed. Kim Murphy, Director Real Estate, stated that negotiations are still underway. Mr. Murphy confirmed to Regent Chalmers that no money would be spent on renovation until a completed lease is in place. The negotiated lease will come before the HSC Board of Directors for approval.

Action Item:

- C. Capital Project Approval: Bill & Barbara Richardson Pavilion Emergency Department Triage Renovation-approximately \$337,800

Motion to approve renovation of the Bill & Barbara Richardson Pavilion Emergency Department Triage passed unanimously (1st Abeita, 2nd Gallegos).

Information Item:

- D. UNMH Contract with Scrubs Direct-approximately \$350,000

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 10:47 a.m. (1st Gallegos, 2nd Wellman).

XII. Executive Session 10:48 a.m. – 12:00 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.

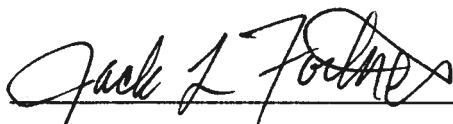
Motion to return to open session passed at noon (1st Wellman, 2nd Gallegos).

- 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.

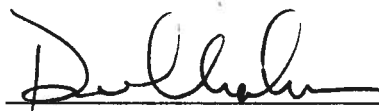
Motion to certify that no action taken in executive session passed (1st Wellman, 2nd Abeita).

XIV. Adjournment

Motion to adjourn the meeting passed at 12:15 p.m. (1st Gallegos, 2nd Koch).



Jack L. Fortner, President
Board of Regents



Carolyn J. Abeita, Secretary/Treasurer
Board of Regents