

The University of New Mexico  
Board of Regents' Meeting  
March 11, 2013  
Student Union Building Ballroom C  
Meeting Minutes

Members present: Regent President Jack L. Fortner, Regents J.E. Gene Gallegos, Bradley Hosmer, Conrad D. James, James H. Koch, Suzanne Quillen, Heidi Overton (Quorum).

Administration present: President Robert Frank, Provost Chaouki Abdallah, Executive Vice President David Harris, Chancellor HSC Paul Roth, Vice President Josephine de Leon (Equity and Inclusion), Vice President Paul Krebs (Athletics), Sr. Executive Officer Ava Lovell (HSC Finance and Administration), Vice President Eliseo Torres (Student Affairs), Interim Vice President Jewel Washington (Human Resources), Interim University Counsel Lee Peifer.

Regents' Advisors present: President Amy Neel (Faculty Senate), President Mary Clark (Staff Council), President Caroline Muraida (ASUNM), President Marisa Silva (GPSA).

Regent Fortner called the meeting to order at 9:05 a.m.

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

Regent Fortner stated that Regent Hosmer has requested the Board add an item to the agenda under Academic and Student Affairs for a posthumous degree. Regent Hosmer brought forth an addition to the agenda with President Fortner's agreement and the agreement of the board to add an item to the Academic and Student Affairs and Research committee agenda, which is the approval of a posthumous degree for Michael Lopez. This is an action to accelerate the process. Paperwork is available to all board members and the item will be addressed at the appropriate time.

**Motion to approve the Agenda including the addition brought forth by Regent Hosmer to the Academic and Student Affairs and Research Committee Agenda passed unanimously. (1<sup>st</sup> Koch, 2<sup>nd</sup> Gallegos)**

**II. Approval of Summarized Minutes of the February 11, 2013 BOR meeting, Regent Fortner**

**Motion to approve the minutes of the February 11, 2013 meeting passed unanimously (1<sup>st</sup> Gallegos, 2<sup>nd</sup> Koch).**

**III. Election of the 2013-2014 Officers of the UNM Board of Regents, Regent Fortner**

**Regent Koch nominated Regent Fortner as President of the Board. Motion passed unanimously. Regent Fortner nominated Regent Koch as Vice President. Motion passed unanimously. Regent Koch nominated Regent Hosmer as Secretary/Treasurer. Motion passed unanimously.**

**IV. Adoption of Policy Concerning Public Notice of Regents' Meetings, Regent Fortner**

Regent Fortner stated that the board approves the adoption of the policy concerning public notice of Regent meetings every year. It is adopted pursuant to the New Mexico Open Meetings Act. Regent Fortner asked if Regent Koch had anything to do with writing the act as he was in the Legislature during the time the Act was written; Koch believes he was involved.

**Motion to adopt the policy and approval of BOR Calendar 2013-2014 passed unanimously. (1<sup>st</sup> Koch, 2<sup>nd</sup> Hosmer).**

**V. President's Administrative Report, President Robert Frank****Presentation/Overview of UNM2020 Process to Date and Presentation of the Goals for Consideration of Regents, President Robert Frank, Steve Sloate, Cirra, Inc. (report in BOR E-Book)****Regents approved endorsement as stable attributes of the process.**

President Frank reviewed the materials presented to the Board in February so that the new Regents can have further information on the UNM 2020 plan. President Frank stated that he and consultant Steve Sloate have been working on the UNM 2020 vision now since June. The idea for the UNM 2020 plan is to take all of the effort that is within the university, which consists of many strategic initiatives, and align them perfectly in unison to the year 2020 when the university will implement a number of very carefully executed strategic goals. President Frank started the conversation by bringing together a group of 95 of the university's highest-level leaders, and through polling asked them a series of questions without any preparation. Of the first questions asked was if they felt the vision of UNM was clear. Of the group, 62% said the vision was unclear and 20% said the vision was very unclear. Thus 80% of the leadership at that point, last September, felt that the university did not have a clear set of strategic goals, which was a strong statement coming from the highest-level leadership.

Next President Frank went to the donor group through Henry Nemcik, UNM Foundation President, and asked a similar question. Do you believe that the university presents a clear strategic direction for itself when it is asking for contributions? The results revealed that 78% said the university was not giving a strong picture and 16% said the university was giving a very unclear strategic picture. Thus, both the university leadership, as well as outside community familiar with the university as givers is unclear of the university vision, goals and direction.

President Frank noted that when presenting the University leadership with the question of what they find positive or encouraging about the university they say that they believe there is an entrepreneurial spirit among the people that work here day in and day out, that's one of the things people like. The second thing they like about the University is they believe we have an interdisciplinary nature, which we work collaboratively among ourselves, so those are two very positive things.

Other noted challenges were that the University had a lack of focus and that the university was not clear about where we are trying to go. Other noted problems were that many felt that there was political interference and a lack of funds. President Frank identified the biggest challenges, that we are not aligned in our interests, we know that we need to pursue alternative learning platforms and the university needs to improve the graduation rate. Thus, President Frank reached out to Steve Sloate and his history to present the university with a planning process that differs from the traditional strategic planning process that often tends to be tiresome on people. Mr. Sloate's plan is a faster planning process, which tends to be more inspiring and leads people to want to implement the plan at the end.

The plan consists of a four-phase model. The first phase is to obtain a common vision of where we think the university should be. President Frank picked the year 2020 after deciding to go out 7 years to imagine what the university could be in that year and asked many groups to give their input on what the university could be in the year 2020. They only wanted to know what the university could look like in 2020, what it can be, what could we be, what should we be, what do you believe we must be. Then the university puts a stake in the ground of what we will be in the year 2020. To be there we then go back year-by-year and say if we are going to be this in the year 2020 we then must be this by 2018, we must be this by 2015, and we must be this in the year 2014. Therefore, we set a series of polls on what we need to achieve and those are our targets for success, setting goals for ourselves, and objectives of what we must get to. Moreover, we set out for the targets of success. The third phase is the campaign for win, we start looking at the number of things that we want to be, but we cannot be all those things. As we saw before, our leaders told

us that we have so many initiatives here that we have stretched ourselves very thin. We have tried to be so many things to so many people that it is impossible to do all those things on the budget we have. Therefore, we are going to have to at some point cut back a little, narrow our goals and say we are just going to be a certain amount of things. The final phase is finishing with finesse, we are going to have to say at the end of the day, here are the things we are going to be. That is the hard step, we are going to have to say we are just these, we are not everything to everyone, and we are just these things so that is the last and final step. Moreover, we are not there yet right now, we are at the campaign to win step so we are now in the third stage of this process. What we have been doing with you all now is that we have been bringing you each phase as we go through it iteratively. We will show you as we go through our presentation this morning, we are showing you each of these steps and by May we will have unveiled the entire package and it will end with the entire plan laid out. At the end of the plan you will see how it is driven into a performance plan for me as president that matches the performance plan for the university and in essence it is mirrored with the performance plan for me as president because my plan has to match what you expect of the university.

**VI. Approval of Foundation Development Funding Allocation for FY 2013/14, Regent Jack Fortner**

**Motion to approve the Foundation Development Funding Allocation for FY 2013/14 passed with six Regents voting in favor and Regent Gallegos voting opposed. (1<sup>st</sup> James, 2<sup>nd</sup> Hosmer).**

Carl Alongi, UNM Foundation President-Elect, recommends on behalf of the UNM Foundation that the Board of Regents approve a reduction in Development Funding Allocation (DFA) from 185 basis points to 140 basis points effective with the FY 2013/14. The rationale is detailed in the BOR e-book.

Regent Gallegos asked if the decrease is due to increase funding from the university, what the amount of increase from the university is. Mr. Alongi referred Regent Gallegos to Exhibit B in the BOR E-book. Regent Gallegos recalled last year President Frank proposed a type of tax that would provide the foundation \$1.5M and this year increase it. Mr. Alongi referred to Henry Nemicik, UNM Foundation President, who stated that the number is \$2.4M out of the university's budget. Mr. Nemicik stated that the funding is from spending accounts not out of the budget. Foundation Surcharge all campuses. President Frank last year proposed every unit was supposed to take 25 basis points (a quarter of a percent) out of their budget. EVP Harris stated that it would increase to the level required to replace the reduction in the BPA. The difference between the 185 basis points and the 140 basis points the university makes up, it is estimated to be 1.289M the decrease and that is going to be replaced by some other factor but the upcoming budget that is going to be \$5M surcharge of all units in the campus. It pays for an increase in development staff, which would be regionalized. It also pays for decrease in Sandia Foundation, but this is simply a decision used by all universities about how they fund the Foundation there, and it is an internal decision by the university about how they fund the foundation, somewhere between 50% and 40% is the national average of contribution from the university to fund and independent foundation. A remainder comes from DFA and short-term interest rate funding, which are primary sources of funding in any. It is a balanced approach. In addition, the university funds will be assessed.

**Comments from Regents**

Regent Fortner commented that the recent incident involving hate speech on campus is extremely unacceptable, it is an isolated incident but whether it is directed at African Americans, Hispanics or women or Christians or Jews or any other group it is unacceptable. As President of the Board of Regents, Regent Fortner stated that it does not represent our campus and hopes that it is an isolated incident the university can learn from. Regent Fortner hopes the university can learn who the perpetrator is and we will continue to work together and improve relations amongst all students at UNM.

**Public Comment, specific to agenda items (none)**

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

Finance and Facilities Committee, Regent James H. Koch, Chair

**Consent Items:**

**Motion to approve consent agenda item 1 passed unanimously (1<sup>st</sup> Koch, 2<sup>nd</sup> Gallegos).**

1. Disposition of Surplus Property for Main Campus on list dated 2/14/2013

**Action Item:**

2. Approval of UNM-Fairmount Properties: Form of Ground Lease Campus Village South

**Motion to approve the UNM-Fairmount Properties: Form of Ground Lease Campus Village South passed unanimously (1<sup>st</sup> Koch, 2<sup>nd</sup> Fortner).**

EVP Harris provided some words of history for the benefit of the new Regents regarding the formation of Lobo Development Corporation and provided information on the request for approval of the UNM-Fairmount Properties: Form of Ground Lease Campus Village South.

3. Approval of Assignment & Assumption of Sandia Foundation Leases

**Motion to approve the Assignment & Assumption of Sandia Foundation Leases passed unanimously (1<sup>st</sup> Koch, 2<sup>nd</sup> Gallegos).**

EVP Harris asked for Tom Neal, Associate Director of Real Estate to provide background on the Sandia Foundation for the new Regents. Tom Neal stated that the request involves the approval of Lobo Development to acquire a leasehold interest in three properties that were developed by Sandia Foundation on land that was owned by the Regents. This is a series of developments that have occurred between 2006 and 2010. The first being 1320 Basehart, which is the UNM Press Building at the Science and Technology Park, the second property is 933 Bradbury, which is 140,000 sq ft building, which was the former Social Security building at our STC Park and that was renovated in 2009 by Sandia Foundation it is on land that is owned by UNM. The third property is 2600 College which is our UNM West facility at our Rio Rancho campus and that was developed by Sandia Foundation in 2010.

Regent Koch requested Mr. Neal discuss the origins of the relationship with UNM and the Sandia Foundation. Mr. Neale stated that the university collaborated with the Sandia Foundation over many years to assist with development of buildings that were critical to our mission at a point in time. These buildings have a similar structure where we ground lease the land to Sandia Foundation they build an improvement on that land and we lease it back from them. Two of these are new buildings, one of them, the former Social Security building, is a renovation of an older building, but the structure on all three of these is very similar. We lease them the land and we lease the improved property back from them for a term. They go out, secure financing, and execute the construction and we simply lease the improved property back from them.

Regent Koch asked EVP Harris to explain why we went out to Sandia to do this in the first place. EVP Harris stated that initially, perhaps 10 years ago, the university did not have a very robust capital improvement program. Additionally, we do have a regent who sits on the Sandia Foundation Board. The Sandia Foundation also administers the Woodward trust. Sandia Foundation came to the university and said we would like to help and give the university more than just scholarships. The university identified a facility that UNM Business Center as a facility suitable for upgrading, which was the pilot project. Sandia Foundation secured a bank loan and contractor, and the university gave control over to the Sandia

Foundation. The Sandia Foundation did a marvelous job with the facility and then when we did an institutional bond in 2005 we repaid that loan and assumed ownership of the facility. What Sandia Foundation and their bankers require is secure income stream for us to service the lease we had with them. The first effort was very successful so the Regents were enthusiastic about doing other ones. The UNM Press building near the airport was the next facility that had some value so the Regents sold that facility and invested in the new facility, so there was a bank loan affiliated with that. In Rio Rancho, there is a local grocery receipt tax available to the UNM this one looked like a secure approach as well. Therefore, the Rio Rancho center was set up in the exact same way. The social security building which is right within our tech park was another one, which was a natural candidate because the hospital needed a nicer facility for its business operations so we had a sublease with them that could secure an income stream. However, EVP Harris believes there is one problem in the way we have been doing this, and what has led us to this solution, is that the Sandia Foundation assesses an administrative fee of 200 basis points on top of the interest of the bank loan. These loans are commercial loans so the interest rates are much higher than we feel we can achieve, that has really been our motivation in bringing this recommendation to the Regents today. We have balances that we believe can be available to pay out these loans to SF we will enter into a new loan agreement between the university and Lobo Development. The university will receive a greater return on investment than we are now, and will be able to achieve a lower cost of interest so it seems like a smart thing to do at an opportune time. EVP Harris referred to Bob Goodman, President and CEO of Sandia Foundation, who provided some background on the Sandia Foundation. The amount totals \$27M for the project.

Tom Neale, Assoc. Dir., Real Estate, is requesting Regents approval of the Lobo Development Corporation acquiring leasehold interest in these three properties. The amount or price to acquire those interests is approximately \$27M subject to proration's at closing the anticipated closing date if approved today.

**Information Items:**

4. Monthly Consolidated Financial Reports

Liz Metzger gave the presentation.

Health Sciences Board, Regent President Jack L. Fortner, Regent Suzanne Quillen

**Action Items:**

1. Request for Capital Project Approval: UNMH, Carrie Tingley Hospital, Safety-Replacing Domestic Water Lines

**Motion to approve the Capital Project: UNMH, Carrie Tingley Hospital, Safety-Replacing Domestic Water Lines (1<sup>st</sup> Gallegos, 2<sup>nd</sup> Overton).**

Dr. Roth referred to Ella Watt and Erin Doles to present the Capital Project request for Carrie Tingley Hospital approval to replace corroded piping. Requesting approval to engineer, design and replace the existing water main from the street and the design for the replace for inside domestic water line.

Regent Hosmer asked why a project of this scope was brought to the Board of Regents for approval. Regent Fortner stated he is unsure because he was not at the Health Sciences Board meeting.

2. Request for Capital Project Approval: 933 Bradbury HVAC Replacement for West Building

**Motion to approve the Capital Project: 933 Bradbury HVAC Replacement for West Building (1<sup>st</sup> Koch, 2<sup>nd</sup> Gallegos).**

Regent Koch asked UNMH Capital budget how much money is in the UNMH Capital Budget. Erin Doles responded that the amount is close to \$32M, and it is an amount that is allocated each year.

Dr. Roth wanted to supplement what Ella Watt explained to the Board that the hospital has a capital projects budget, but there is also a capital initiatives budget present under the UNM account, and has been an accumulation of many years of transfers from UNMH to the UNM account. Therefore, there is the primary capital budget that remains in the UNMH accounts that is where this funding will come from. The capital initiatives funds, which has built up over time and is probably over \$80M, is there in preparation for the costs associated with the 96-bed hospital project. That \$80M will be supplemented with other funds from UNMH.

Regent Gallegos stated that this coming before the Board reminds that when we approved, December of year before last, the final structuring of HSC it was understood that twice a year there would be a complete financial presentation to the Finance and Facilities committee, which has not happened. This pinpoints the fact that the financial presentation should be on the Finance and Facilities agenda so the Regents would have the full picture of HSC, hospital and everything. That was the understanding and it would be of interest to have that information.

Academic/Student Affairs & Research Committee, Regent Jacob Wellman Vice Chair

**Action Items:**

1. Approval of C250-Academic Leave for Lectures Policy

Regent Hosmer stated that the request is for approval of an Academic Leave policy for lecturers. This, being a first, provides for Academic Leave/sabbatical for lecturers in accordance with the schedule laid out in the proposed policy.

Regent James asked for a brief discussion of what the purpose of this policy change is. Amy Neel stated that last year the Board approved a policy to create a career ladder and extended term contracts for lecturers in the effort to tie lecturers more tightly to departments and to get better student success out of our lecturers. This year we are asking to establish Academic Leave to promote professional development for lecturers similar to the terms for sabbatical for Tenure track professors.

Regent Fortner asked for the definition of a lecturer. Dr. Neel stated that a lecturer is a non-tenured track instructor who has a contract term of one year or more to teach several classes at the university per semester. Regent Fortner asked how long they would have to be at the university before they are eligible for the leave. According to the policy, they would have to work for the university for at least six years and, like sabbatical leave for tenure track professors, it is not an automatic deal. The department has to agree and be able to find instructors to teach those courses that the lecturer usually teaches. Regent Fortner asked that if they take off six months, that they have to come back for six months, which Ms. Neel confirmed. Dr. Neel stated that there are slightly different terms for Health Sciences Center as compared to Main Campus, which she notes a good feature of this policy is that they worked with HSC to ensure we have policies that apply to lecturers on both sides of campus. Therefore, it is one semester for lecturers on Main Campus and up to six months for lecturers on HSC.

Regent James stated with regard to the sabbatical that he is more familiar with the research side that if a faculty member needs to have access to specialized equipment or facility, the

lecturer would go to that facility for six months to a year to have access to something that they do not have access to in their lab. What is the specific purpose for lecturers to have this type of leave? For professional Development? Dr. Neel responded that if we want to encourage innovative strategies in teaching this would give lecturers time to develop flipped classrooms, online courses or substantial changes in teaching, which is primarily what this policy is intended for.

President Frank asked why this policy was not brought to him prior to being presented to the Board of Regents. Dr. Neel responded that she does not know why it was not presented to the President but they did follow typical procedures for policies in the Faculty Handbook. President Frank asked if the Faculty Handbook includes bringing policies to the president prior to the BOR. Dr. Neel responded that it does not. President Frank stated that he thinks this should be part of university policy. Provost Chaouki Abdallah stated that this policy was presented to the Academic and Student Affairs and Research Committee, a Regent committee. Provost Abdallah stated that there is a correction in which this applies only to Principle Lecturers, and in order to become a principle lecturer, the university requires that you are a lecturer for more than six years. President Frank has two distinct issues, first that he does not believe a policy like this should go before the Regents without distinctly being shown to the President of the University for the President's reaction, and second he does not agree with the policy. Therefore, the president has two distinct objections. He finds it an oddity that we track things through the university without bringing them to the President for the President's reaction. President Frank has concerns on the notion of putting lecturers on sabbatical because it is not the nature of that track in his mind and he would have liked to have been part of that conversation. That it would come through a whole committee process and the President not being involved, he finds that odd. It is part of the nature of the university and they way things are done that he finds odd. President Frank entertained a motion to table the request.

**Motion to table item at the request of President Frank. (1<sup>st</sup> Fortner, 2<sup>nd</sup> Koch)**

2. Approval of C1139-New AS Emergency Medical Services-LA

**Motion to approve the C1139-New AS Emergency Medical Services-LA passed unanimously (1<sup>st</sup> Overton, 2<sup>nd</sup> Quillen).**

3. Approval of C1167-New BA Interdisciplinary Liberal Arts

**Motion to approve the C1167-New BA Interdisciplinary Liberal Arts passed unanimously (1<sup>st</sup> Gallegos, 2<sup>nd</sup> Overton).**

4. Additional Agenda Item: Approval of Posthumous Degree – Michael Lopez

**Motion to approve the Posthumous Degree for Michael Lopez passed unanimously (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Gallegos).**

Audit Committee, Regent Gene Gallegos, Chair

1. Summary Audit Committee Meeting 3/8/2013

Regent Gallegos provided a verbal summary of the Audit Committee Meeting held on 3/8/2013.

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

Faculty Senate, President Amy Neel. Dr. Neel stated that in anticipation of the budget decisions to be made in the upcoming weeks she would like to advocate for a substantial increase in faculty salaries for next year. The UNM Faculty have gone four years without receiving raises and pay

has been reduced to faculty due to increased retirement payments and health care costs. The Provost has done a good job of identifying how far the faculty salaries are below those at other universities.

Staff Council, President Mary Clark Ms. Clark has advocated for UNM staff to receive a raise next year. Much like the faculty, staff has gone several years without compensation increases.

GPSA, President Marisa Silva Ms. Silva provided a summary on recent GPSA initiatives.

ASUNM, President Caroline Muraida (report in BOR E-Book).

Alumni Association (report in BOR E-Book).

UNM Foundation (report in BOR E-Book).

**VIII. Public Comment (none)**

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

**Motion to proceed into Executive Session passed unanimously at 11:55 a.m. (1<sup>st</sup> Koch, 2<sup>nd</sup> Fortner).**

**X. Executive Session 11:55 a.m. – 1:29 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 the purchase, acquisition or disposal of real property pursuant to Section 10-15-1.H (8) NMSA (1978).
- C. Discussion and determination where appropriate of long range strategic planning related to public hospitals pursuant to Section 10-15-1.H (9) NMSA (1978).
- D. Discussion and determination where appropriate of limited personnel matters pursuant to Section 10-15-1.H (2) NMSA (1978).
- E. Discussion of matters involving contents of competitive sealed proposals under the Procurement Code pursuant to section 10-15-1.H (6).

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

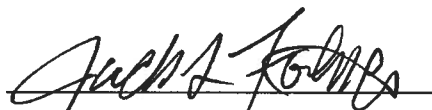
**Motion to return to open session passed at 1:30 p.m. (1<sup>st</sup> James, 2<sup>nd</sup> Fortner).**

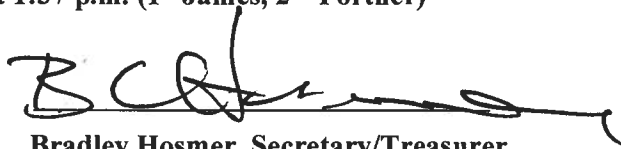
- G. Certification that only the matters described in Agenda item X. were discussed in Executive Session and, if necessary, final action with regard to those matters will be taken in Open Session.

**Motion to certify that no action was taken in executive session passed. (1<sup>st</sup> James, 2<sup>nd</sup> Fortner).**

**XII. Adjournment**

**Motion to adjourn the meeting passed at 1:37 p.m. (1<sup>st</sup> James, 2<sup>nd</sup> Fortner)**

  
Jack L. Fortner, President

  
Bradley Hosmer, Secretary/Treasurer