

The University of New Mexico  
Board of Regents' Meeting  
November 12, 2013  
Student Union Building, Ballroom C  
Meeting Minutes

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

Administration present: President Robert Frank, Executive Vice President for Administration David Harris, Provost Chaouki Abdallah, Chancellor Paul Roth, Vice President Josephine de Leon (Equity and Inclusion), Vice President Eliseo Torres (Student Affairs), Interim Vice President Jewel Washington (Human Resources), Vice President Paul Krebs (Athletics), University Counsel Elsa Cole, University Controller Elizabeth Metzger, Sr. Executive Officer Ava Lovell (Finance and Administration), Associate Vice President Andrew Cullen (Planning, Budget & Analysis), Associate Vice President Terry Babbitt (Enrollment Management), Director Pamina Deustch (Policy Office), Director Cinnamon Blair (Communications & Marketing), Director Marc Saavedra (Government Relations), Chief Information Officer Gil Gonzales.

Regents' Advisors present: President Richard Holder (Faculty Senate), President Gene Henley (Staff Council), President Isaac Romero (ASUNM), President Priscila Poliana (GPSA).

**Regent Vice President Koch called the meeting to order at 9:00 a.m.**

I. Confirmation of a Quorum; Adoption of the Agenda, Regent Vice President Koch

**Motion to adopt the Agenda passed unanimously (1<sup>st</sup> Gallegos, 2<sup>nd</sup> Hosmer).**

II. Approval of the Minutes from the October 5, 2013 Special Meeting, October 8, 2013 Regular Meeting and October 19, 2013 Special Meeting, Regent Vice President Koch

**Motion to approve the minutes of the October 5, 2013 Special Meeting, October 8, 2013 Regular Meeting and October 19, 2013 Special Meeting passed unanimously (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Gallegos).**

III. President's Administrative Report, President Robert Frank

President Frank provided a presentation on Results Oriented Management (ROM). President Frank stated that generally, faculty members are not positive about changing budgets. President Frank referenced the book, *Public No More*, by Gary C. Fethke and Andrew J. Policano, which states that the entire landscape in public higher education is changing dramatically therefore, change is necessary. The book states that traditionally, universities budget using Central Administration Management, which simply spreads around the money to various departments as needed. This is what UNM has used as the budgeting process, and overtime the reasons that departments received money and the parameters were forgotten, leading to limited accountability. As a relatively opaque process based on a historical set of deals, there are limited links between generated revenue and resource allocation, which becomes problematic over time.

Many universities across the country, notable started at Indiana, went to a model called Responsibility Centered Management (RCM). RCM is very similar to a business budget, meaning that each unit sits on its own bottom. It is a transparent model that is data driven, which aligns and centers with revenue generation and cost containment. In 2010, the Legislative Finance Committee reviewed all universities in New Mexico, specifically UNM and NMSU, and called for the two universities to move to RCM. Governor Suzanna Martinez is pushing for an outcome-based state Funding Formula. During President Frank's 120 day listening campaign, budgeting issues came up frequently, which led to formation of an RCM steering committee. This committee met last year from September till May and began looking at moving UNM to an RCM

model. The idea was to create transparency in budgeting with accountability for revenue generation and cost containment.

What is discovered with RCM, like Tipp O'Neill said, all politics are local and every RCM solution comes up with a local solution. The committee came up with a solution that works for UNM, Responsibility Oriented Management (ROM). There are four principles of ROM, those being transparency, performance incentives, focus on revenue and cost, and continual quality improvement. The principles developed in the committee will align responsibility with authority because historically there has been disconnect across campus with the ability of Deans, Department Chairs, and budget managers to make decisions about budget. Ultimately, the goal is for continuous improvement with focus year after year on improving budget targets both on the revenue and expenditure side. Another major focus will be on the net change. All units will have targets for financial and non-financial performance, and administrative units will participate in the same manner as academic units. This is an at-risk model, the entire campus will participate, and money will move from the least performing units to the better performing units. This is a great way to improve performance on campus.

One thing that characterizes the University of New Mexico, specifically on Main Campus, is the College of Arts and Sciences, which is a large college that dominates the UNM landscape with 22 departments. As we go to an RCM model, the size of that college means that you have to work around the large unit. The Health Sciences Center (HSC) has already done a version of the RCM years ago, so these budgeting principles will primarily affect Main Campus and eventually the Branch Campuses.

The popularity of different majors changes over time. The Wall Street Journal stated that what is popular now might not be popular thirty years from now. It is an argument for the University to strive to be nimble when working toward the future to be able to move money around as necessary. There will be initial reduction to base allocation and a risk pool created to house money that will respond to performance incentives and strategic investments. The goal is to increase performance for units while looking for great initiatives, which is where HSC will be involved. There is a goal for initiatives that cross the entire campus, from the North to the South Campus, to bring the entire University together.

ROM will work at UNM in such a way that there will be at-risk money, tuition, and potential state formula workload that will go into a funding pool. The money will go first toward the "must-funds" such as utilities and benefits, and the remainder will go towards the performance fund and strategic investment fund, such as to fulfill UNM 2020 goals. The Performance Fund is where we will return money to our high performers; essentially the low performers will fund the high performers. There will also be an Enrollment Growth fund, which the units that grow will receive money out of that fund. Expenditure targets will be created for all units across campus. With the implementation of the Banner system six years ago allows this process to occur and a Consolidated Data Warehouse was added in September 2012. The Consolidated Data Warehouse allows for input of data in a central spot where users can access it such as student data, enrollment data, HR data and financial data. This allows for transparency in all parts of the system so input managers can pull reports to see performance in ways that had not been able before across the entire system. The hard work put into creating this system with finesse, accuracy was remarkable, and President Frank congratulated the team.

A 1% target for the University will be created based on I&G dollars on Main Campus, which will be pulled into an investment and performance fund as the risk model. As ROM begins to take effect, we will incentivize the University around the creation of student credit hours. As ROM begins to work, people will realize that for the first time there is an alignment of incentives. Units will see a focus on improvement and a return for efforts.

Regent Fortner asked if these at-risk dollars are the same as what the Governor has been talking about regarding the percentage at-risk money.

President Frank stated that it could be similar, but the Governor's at-risk dollars are controlled by Santa Fe, but the Regents would control the ROM model at-risk money with which the Administration feels more comfortable.

Regent James asked if the "must-funds" includes department or college specific capital expenditures because some departments have equipment that they need to run, whereas other Departments will not have as much overhead.

President Frank deferred to Kevin Stevenson, who stated that most equipment funds fall outside of I&G, thus fall outside the scope of these reallocations.

President Frank stated that they are in the process of refining the driving metrics. The institutional-wide metrics include increasing retention, graduation, and completion rates, while decreasing the cost per degree. Unit-Specific measures are, increased student credit hours, degree completion, increased research expenditures, and scholarly production. We will look at efficiency, such as overhead ratios, cost/unit ratios, peer benchmarks, processing time, turnaround time, and customer satisfaction. The focus is on balancing cost with service levels. Provost Abdallah stated that in terms of metrics, they will try to align as much with the State. There is an internal group looking at metrics, which will be presented to the Board in the future.

Regent Hosmer stated that it would be useful under institution-wide to put a placeholder or a couple of metrics such as quality of degree and post-graduation outcomes for students. A placeholder at this point, but it keeps focus on obtaining that information in the future.

Regent Quillen would like to make sure the metrics are clearly defined. If the units are to be seen as a stand-alone business unit it is important for the units and the Regents to have a clear understanding, specifically what makes you go forward and what makes you go backward.

Regent James stated that understanding the metrics are important because 1% is at-risk, they stand to lose that percent or gain more. What is the floor and what is the ceiling for each unit is critical. However, the "must-funds" put a floor on what some units could lose.

President Frank discussed how ROM could be tied to the State Funding Formula. We have developed a sophisticated set of tools, had diligent conversations with faculty and are poised to implement something that is extremely complex. By January, the team will launch a shadow, not a live system, but a test of the ROM model for half a cycle to see where departments and units would have stood in the ROM system. President Frank is confident that it will be successful, though there is a great deal to learn. EVP Harris stated that the Regents will develop the budget in the Spring working from the ROM model rather than the old model.

In Santa Fe, they want 5% at-risk, but President Frank feels that 1% at-risk is a great starting point that will hopefully not disrupt the ability to operate. The percentage can increase at a slow rate year by year if necessary. At other universities, it had rapid, evolutionary effects because people are motivated when you align incentives and you reward the correct behavior. President Frank believes it will have a very powerful effect here because it does the right things for the University, and does it the right way by leaving Regents' to control it.

President Frank stated that the Law School is participating and the School of Medicine will contribute to the Strategic Investment Fund separately but will not participate otherwise.

Regent James stated that the State is a sponsor of the University, this is their I&G money, and that is why they have a stake in this. If we come up with good ideas, and can show them that we

are taking the lead on some of these elements, it makes for a much smoother transition on what the State wants to do. If we bring ideas and be forthcoming, it could ease some of the tension. Regent James asked Chancellor Roth for any lessons learned from any experiences on the HSC side regarding this type of change in the budgetary process.

Chancellor Roth stated that HSC had the Central Administration Model up until the early 1990s. It took about two years of working with the faculty and adopting a new methodology, which was controversial with some tension. There were meetings held to get faculty input on ideas to see the reaction or change certain elements. We would try to explain those things we thought were crucial. The outcome was a little bit different than was anticipated but the model has worked. Chancellor Roth's word of caution is to not give up, even with pushback.

The concept is an extraordinarily effective and a responsible method for managing resources in any institution, specifically managing revenues against expenses in a way that maximizes quantitative productivity and qualitative outcomes. It is a journey filled with lots of challenges and needs to be customized based on the needs of the unit that is in question.

President Frank stated that it is an evolutionary approach. The 1% at-risk is not a huge amount but people will be informed on how this process works and gain the technical skills to learn the system. For the entire campus, the 1% at risk will be a challenge, for smaller units it will have an immediate impact, but what is being designed is continuous quality improvement.

Regent Fortner asked how we protect at-risk money saved from the Legislature who might see the Strategic Investment Fund as excess and decide not to allocate as much to the University.

President Frank stated that it would be spent down through various initiatives; it will not surpass \$2 million.

Regent Gallegos asked if the budget is still to be constructed with the 1% across the board allocated to the Foundation, thus Departments could be talking about 2% affect.

President Frank confirmed that money would still need to be allocated to support the Foundation for the future, so it would equal an overall 2% impact.

Provost Abdallah stated that we are engaging the Education Advisory Board to try to do a survey of other institutions on what they do.

- Regent Gallegos would like to hear from the Deans and Faculty Members on what is a dramatic change in the budgeting process.
- Regent Koch would like commitment of a report on ROM in February to the Finance and Facilities Committee.

Comments from Regents (none)

Public Comment, specific to agenda items (none)

#### IV. Regent Committee Reports (Reports are included in BOR E-Book)

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

##### 1. Monthly Consolidated Financial Reports and Fiscal Watch Report

Liz Metzger gave the presentation. A financial report was prepared for the first quarter as of September 30, month end. The Instruction and General (I&G) Exhibit shows that tuition and fees

are up from the prior year. The Research Exhibit is being watched closely due to the government shutdown and the reduction of some federal agencies budgets. The Clinical Operations are up from last year. The overall result of the current operations report is an increase in revenue over expenditures of \$56 million.

The Fiscal Watch Report, which was approved at the Regents' Finance and Facilities meeting, is mandated by the Higher Education Department and is submitted quarterly. This report contains the same information as the Regents Consolidated Financial Report but includes Plant Funds and leaves out the Hospital. In response to Regent inquiry, some items are paid up front such as the Land, Building, and Equipment Rent under Plant Funds.

On Regent Quillen's request for information on the use of balance, Andrew Cullen stated that when the books close on June 30, the remaining funds in any Department become carry forward funds. Many Fiscal Officers in these Departments budget all of those dollars in August, rather than what they anticipate using. This becomes problematic because it overstates the projected revenues and expenditures for that year. Departments are encouraged to only budget what they anticipate spending; however, that message has not gotten across very effectively.

In response to Regent inquiry, Mr. Cullen discussed the Capital Projects and stated that there are currently only two or three capital projects, the Biology facility (3<sup>rd</sup> and 1<sup>st</sup> floor build out), renovation of Clark Hall (Chemistry), and Phase 2 of the Math and Science facility. The total between the three projects is just under \$30 million in Major Capital expenditures on Main Campus. A vast majority of the dollars lies in Minor Capital (BR&R), an area with anticipation of fully spending the dollars.

Consent Items (2, 3 & 4):

2. Disposition of Surplus Property for Main Campus on list dated 10/11/13
3. Approval of Appointment to Lobo Energy, Incorporated Board of Directors
4. Approval of Lobo Development Corporation Board of Directors

**Motion to approve consent agenda items 2, 3 & 4 passed unanimously (1<sup>st</sup> Koch, 2<sup>nd</sup> Gallegos).**

Action Items:

5. Approval of Capital Projects: Continuing Education South Wing Solar Power System

Jeff Zumwalt gave the presentation. Regents' approval was requested for the capital project of the Continuing Education South Wing Solar Power System. This project will install an 81 kW solar power system on the roof of the Continuing Education South Wing. The project will cost \$360,000, of which half of the funding is coming from Lobo Energy and Rio Grande Solar is donating the other half. The donation is in accordance with an RFP, which solicited matching funds for solar power projects. This will be the fifth solar power system installed at UNM since 2010, and will bring the total capacity to 354kW. The system will provide 32% of the building electrical needs and save \$20,000 per year on the PNM electrical bill. Construction is anticipated to begin later this month.

In response to Regent inquiry, the entire campus has been assessed for the possibility of further solar installation. Various aspects need to be considered such as the age and structural integrity of the roof. There is a list of buildings to be considered, and as we replace the roofs, we will examine structural integrity at that time.

**Motion to approve the capital project for the Continuing Education South Wing Solar Power System passed unanimously (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Fortner).**

## 6. Approval of Rio Grande & Bataan Hall Lease Purchase

Kate O'Neill and Fred Peralta gave the presentation. Regents' approval was requested for the Rio Grande and Bataan Hall Lease Purchase. The UNM Taos Branch Campus continues to grow with 1857 students enrolled this fall, up 22% over that last 5 years. With the increased enrollment, there is an immediate need for space. The request for a lease of Rio Grande and Bataan Hall, at \$1.00 for the first five years with the option to renew for another ten years and includes an option for purchase. During the lease a continued to review the facilities and due diligence will allow UNM Taos to become ready for purchase.

Per the request of Regent Koch, Fred Peralta, Town of Taos Councilmember, provided a background on the formation of the UNM Taos Branch Campus 20 years ago. It has been one of the fastest growing institutions in New Mexico for higher education. The Town of Taos believes that the two facilities next to the downtown campus would be a great asset to UNM Taos in improving their position in the community. The total square footage is 26,200 and previously operated as a convention center for Taos. The buildings no longer work in that capacity for Taos, but have great potential for the University to grow in a way that will enhance the community.

In response to Regent inquiry, the buildings are in good shape, but Bataan Hall would need a roof renovation. The initial remodel was in 1986, and another remodel occurred in 1998. The deferred maintenance is not necessary to do right away, and with the need for space the branch would occupy the buildings immediately. The Med Center facility is currently renting a building, but will ultimately move to this location with a renovation estimate close to \$3.6 million to occupy. Any plans for capital projects will be presented to the Regents for approval.

Mr. Peralta stated that there is the local gross receipts tax in the only county in New Mexico that has that tax for educational purposes. These taxes are available to UNM Taos at this time and would cover the \$3.6 million for the build-out of the facilities.

President Frank is supportive of this proposal and believes it is a great collaboration with the campus and the city. This branch campus is doing well and has great leadership.

Mr. Peralta stated that this is an important step forward for the University and for the town because it is also assisting the economy.

**Motion to approve the Rio Grande & Bataan Hall Lease Purchase passed unanimously (1<sup>st</sup> Koch, 2<sup>nd</sup> Gallegos).**

### Information Item:

## 7. UNM – Los Alamos Campus Mil Levy Election Analysis and Response

Dr. Cedric Page gave the presentation. Information was provided on the UNM Los Alamos (LA) Campus Mil Levy Election. UNM LA went forward, with approval from the Board, with the Mil Levy Election on September 17. It was unsuccessful but did mark improvement from the previous Mil Levy Election, which is encouraging to UNM LA. An effective campaign was created and informed residents of Los Alamos of the role and impact of higher education in the community. An analysis on the Mil Levy Election was provided in the BOR meeting materials. Through exit polling and letters to the editor in the newspaper, one major setback was the general confusion about how higher education is funded in New Mexico. There was also confusion on the role with UNM Main Campus and the support for branch campuses. There tends to be a standard refrain of, "what is in it for me," in the community regarding the reason to vote for the Mil Levy. These issues may be around the next time any vote for education arises. Moving forward, UNM LA has been working with the Advisory Board, faculty and staff to revise the strategic plan and readjust priorities. The focus will be on growing the campus and reaching students in Los Alamos and

Northern New Mexico with some very focused and specific degree programs. All in all, UNM LA learned a lot from the process and is thankful of the endorsement of efforts on the Mil Levy Election from the Board.

Health Sciences Board, Regent Suzanne Quillen, Chair

Action Items:

1. Resolution requesting approval of UNMH Contract with GE Healthcare IITS USA Corporation

Ava Lovell gave the presentation. Requesting Regents' approval for the UNMH Contract with GE Healthcare IITS USA Corporation to purchase NuBoom Surgical Imaging equipment from GE Healthcare, which will replace equipment in Operating Room (OR) #7. This will make Operating Room #7 a fully integrated OR with audio/visual technology allowing physicians to have instant access to previously stored patient radiology images, and be able to record images during surgical procedures. The total cost is \$569,000, from Novation Contracts, funded from UNM Hospital Capital Budget.

**Motion to approve the UNMH Contract with GE Healthcare IITS USA Corporation passed unanimously (1<sup>st</sup> Quillen, 2<sup>nd</sup> James).**

2. Resolution requesting Capital Project Approval for the following:
  - a) UNM Hospital, North Fourth Street Clinic – Architect and Engineering Approval

Ava Lovell gave the presentation. Requesting Regents' approval for the UNM Hospital, North Fourth Street Clinic architect. This clinic will have 17,000 square feet, 22 exam rooms, and 1 procedure room. The model of care for the clinic is Patient Centered Medical Home, which stems from the Affordable Care Act. The architect, selected by RFP, was Fanning, Bard, and Tatum. The total cost for the funding for architect and engineering fees are \$202,688, funded by the UNM Hospital Capital Improvements, which are UNM Hospital dollars set aside for capital improvements.

In response to Regent inquiry, the project is going to the State Board of Finance in November. This is a two-phased process; the first phase was to acquire the land, which is going before the State Board of Finance (SBOF) immediately, and the second phase will be the construction of the building. This is for approval contingent on the land acquisition and approval from the SBOF.

- b) UNM Hospital, Laboratory Renovation

Ava Lovell gave the presentation. Requesting Regents' approval for the architect for the UNM Hospital, Laboratory Renovation. This part of the laboratory was constructed in 1960s, with 11,800 square feet, and upgrades to electrical and HVAC are necessary as recommended by the accrediting body during the last inspection. The Architect, selected by RFP, was Gregory T. Hicks. The total cost for the architecture and engineering fees for the project is \$155,000, funded by the UNM Hospital Capital Improvements.

- c) UNM Hospital, Outpatient Physical Therapy Rehabilitation Clinic Renovation

Ava Lovell gave the presentation. Requesting Regents' approval for Architect for the UNM Hospital, Outpatient Physical Therapy Rehabilitation Clinic Renovation. This project is to make the clinic ADA compliant, including new hardware and sink installations. We need to designate a clean holding closet and soiled closet. The Architect selected by RFP was Fanning, Bard, and Tatum. The total cost for the Architecture and

Engineering fees for the project are \$50,278, funded by the UNM Hospital Capital Improvements.

- Regent Gallegos requested information as to how the Architects for the projects were selected, based on knowledge or the best price.

**All motions to approve the Capital Projects passed unanimously:**

- a) UNM Hospital, North Fourth Street Clinic – Architect and Engineering Approval (1<sup>st</sup> Quillen, 2<sup>nd</sup> James)**
- b) UNM Hospital, Laboratory Renovation (1<sup>st</sup> Quillen, 2<sup>nd</sup> Gallegos).**
- c) UNM Hospital, Outpatient Physical Therapy Rehabilitation Clinic Renovation (1<sup>st</sup> Fortner, 2<sup>nd</sup> Quillen).**

3. Request for Approval of the Nomination of Mr. Jerry Geist to the Sandoval Regional Medical Center, Inc. (SRMC, Inc.) Board of Directors, serving as a Class A Director whose term, per the Amended and Restated Bylaws of SRMC, Inc., will expire on June 30, 2016.

Regent Quillen gave the presentation. Requesting Regents' approval for the nomination to the Sandoval Regional Medical Center Board of Directors. The UNMH Board of Trustees has approved Mr. Jerry Geist as a class A Director with his term expiring on June 30, 2016. His biography is included in the BOR meeting materials.

**Motion to approve the nomination of Mr. Jerry Geist to the Sandoval Regional Medical Center, Inc. (SRMC, Inc.) Board of Directors, serving as a Class A Director whose term, per the Amended and Restated Bylaws of SRMC, Inc., will expire on June 30, 2016 passed unanimously (1<sup>st</sup> James, 2<sup>nd</sup> Fortner).**

Information Items:

4. HSC Financial Update

Ava Lovell gave the presentation. A Health Science Center (HSC) financial update as of September 30 was provided to the Board. The metrics report was included in the BOR meeting materials, which is a high-level look at what is going on at HSC. This does include all units of the HSC including Component Units, the Medical Group, and the SRMC. The Operating Net Margin indicates the health of the operations of each unit and includes a five-year trend of each first quarter. This quarter the Academic part of HSC is about \$6.7 million favorable driven by tuition booked on a semester basis. The UNM Medical Group on an operational basis is \$952,000 favorable. UNM Hospitals is favorable at just above breakeven at \$274,000. In addition, the SRMC is at \$5.1 million loss. The report includes information on Net Income, which shows net margin and what we are doing one-time, such as spending use of balance. For Uncompensated Care, UNM Medical Group and Cancer Center is at \$11 million, UNMH is at \$49 million, and SRMC is at \$2.2 million, which is leveling but not going down. Days Cash on Hand for the HSC is 5.93 days, UNM Medical Group is 48.60 days, UNMH is at 50.72 days, and SRMC is at 16.12 days. Accounts receivable greater than ninety days was discussed, HSC is at 3%, UNM Medical Group is at 16%, UNMH is at 28%, and SRMC is at 59%. The research metrics were also discussed.

5. Draft Proposal: Thresholds for HSC Board of Directors/UNM Board of Regents Approvals

Regent James and Ava Lovell gave the presentation. Information was provided to the Board on the draft proposal for new thresholds for HSC Board of Directors/UNM Board of Regents approvals. This is of interest to Regent Hosmer and as well was a topic of interest of former Regent Chalmers to re-look at what types of items need to come before the various Regent committees and full Board of Regents. This draft proposal is first look at possible changes to



thresholds for HSC Board of Directors and UNM Board of Regents approvals, which was last updated in the 1990s.

A table was presented which included the proposed changes to various policies. The first item, Financial Settlements proposed changes to Regents Policy 7.8, specifically on the dollar amount limits for financial settlements and the approvals needed for the various thresholds. Also discussed were the Academic Operations and financials, such as purchases, contracts, and leases.

None of this will affect any policies for the State Board of Finance, such as raising limits. However, Regent Koch stated he would like the Board of Regents to be informed of any item that will be going to the State Board of Finance.

President Frank stated that since he has become President, he has required that all financial settlements, regardless of the dollar amount, receive Presidential approval. President Frank would like to see any further documentation include that requirement, because there have not been cohesive conversations about that at the University.

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

##### 1. Update from the Provost

Provost Chaouki Abdallah provided an update on current Academic Affairs initiatives. The Dean's Retreat, which is an annual retreat, was held three weeks ago. A major topic for discussion was on the budget, specifically the new proposed ROM model. There was discussion on metrics for ROM on how to reallocate dollars while finding efficiencies, and ways to move forward.

There was a meeting in Washington DC for the Association of Public Land Grant Universities and the main discussion item there is about the affordability of higher education. UNM has been dealing with affordability as state funding and tuition have been under stress. The Vice President for Research is currently in Washington DC meeting with delegates regarding opportunities UNM can engage in.

Searches are currently being conducted for the new Dean of the Anderson School of Management, Dean of the College of Education, and Dean of University Libraries.

#### Action Item:

##### 2. Approval of Posthumous Degree – Jessica S. Pabinquit

Dr. Richard Holder gave the presentation. Regents' approval requested for the Posthumous Degree for Jessica S. Pabinquit. At the time Ms. Pabinquit passed away on June 5, 2013, she was a currently enrolled student in good standing. She had completed 128 credit hours, with 57 hours in her major of Theater. She was only 3 hours short of the Theater major requirements, and 4 hours short of Core Curriculum requirements. She is also eligible for a minor in Japanese, having completed 9 hours at the 200 level and a semester abroad in Japan. She was on the Dean's list every semester since 2010. Ms. Pabinquit was a vibrant and active contributor to the Department of Theater and Dance and was exemplary of the finest students.

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

#### Information Items:

### 3. Research Enterprise Update

Dr. Johann van Reenan gave the presentation because Dr. Michael Dougher was in Washington DC to meet with the Secretary of Energy. An update was provided to the Board on the Research Enterprise. Currently, the state of research at UNM is good, and across campus, talented faculty and students are working on remarkable initiatives. A definition of research was provided, stating it refers to the entire range of artistic, literary, scholarly, scientific, engineering, health-related, and community focused creative activity. The term is not limited to just those activities that generate extramural funding or economic development. Over-emphasis on funded research and economic development undervalues the extraordinary accomplishments of a large portion of the University's faculty.

At UNM, the funding structure for facilitating creative activities of faculty and students is dependent on available Facilities and Administrative (F&A) cost recovery. It is critical that UNM improve advertising accomplishments, remove many non-research obligations from the F&A budget, remove institutional obstacle to research, streamline/facilitate sponsored projects process, and maximize extramural funding opportunities. Since August 1, steps have been taken to accomplish several goals. Carlos Romero from Research Administration has been moved to work with the offices of Government Relations and Communications and Marketing to get the word out on UNM research accomplishments. Metrics will be reported to the Board of Regents. A chart was presented on UNM's standing in National Science Foundation (NSF) Award trends from fiscal year 2008-2012.

In response to Regent inquiry, some research activities occupy space at the Science and Technology Park, specifically the Advanced Materials Lab, Management Technology Center, and Center for High Performance Materials.

### 4. Center for Teaching Excellence

Dr. Virginia Scharff and Aeron Haynie gave the presentation. Information was provided to the Board on the Center for Teaching Excellence. Aeron Haynie, the new Director for the Center for Teach Excellence, provided a background on the center. The paradigm change in higher education puts more focus on research and looks towards a new model of teaching excellence and effectiveness. This focuses on collaboration and using the scholarly rigor and methodology of individual disciplines to build evidence based teaching best practices. There is a shift in focus on building a community of teaching scholars, and the Center for Teaching Excellence proposes several initiatives such as the UNM Teaching Fellows (Pilot) Program and improving/expanding the training of graduate Teaching Assistants. Approaches to teaching are changing and innovation is necessary.

### 5. Update on Projects and Program Statistics, International Programs

MaryAnne Saunders gave the presentation. An update was provided to the Board on projects and program statistics with International Programs, which is now called the Global Education Office (GEO). New responsibilities for the office include recruiting and admitting international students, and providing services for international students here at UNM. Other responsibilities include the Center for English Language and American Culture (CELAC) and international agreements. The Global Education Office is taking guidelines and activities from UNM 2020, which encourages international student enrollment and study abroad. Studying abroad has a positive impact for the students and the University. Graduation rates for students who have returned from study abroad experiences are higher than those who do not have that experience, specifically for at-risk students. Students tend to enhance their focusing skills during their study abroad experiences, which goes beyond developing foreign language capabilities. Additionally, the experience helps students become more independent, nuanced decision makers and increases employment opportunities.

International students are positive for both the University and the economy. The financial impact of international students in New Mexico in last year's Open Doors Report was \$72.3 million to the state, with a little over 3,200 international students statewide. UNM ranks at 39<sup>th</sup> out of the 50 states. International students in California brought in approximately \$3.2 billion dollars. In Arizona, the economic impact of international students was \$321.4 million. In terms of other financial benefits of bringing financial students in, 76% of patents at the top 10 patent producing universities had at least one foreign born inventor, 40% of Fortune 500 companies were founded by foreign born entrepreneurs. A survey conducted by Inc. Magazine revealed that first-generation immigrants were on the founding teams of roughly 52% of all tech companies in California. So bringing them to New Mexico, keeping them here and encouraging them to start companies in New Mexico would be great for the state.

For first year results, it typically takes 18 months to build a good pipeline for bringing international students in and the support services that are required. There was a growth of 21% in our international students, both at the undergraduate and graduate level. As Regent Overton mentioned, there needs to be a focus on services for students to not only bring them here, but also keep them here to graduation, and then maybe onto a graduate degree. There is an increase to our funded Fulbright scholars by 26%. We have brought in 30 students in the Brazilian Scientific Mobility Program, which is high prestige. We have 49 students sponsored by the Saudi Arabian cultural mission, and looking forward to bringing in up to 50 students from a sponsored program from Pakistan in Engineering, these are graduate students. We anticipate a number of students from Oman because of a relationship we have built with the consulate. The primary goals for FY15 are to continue the increase in international enrollments by 8% a year, while concentrating on providing services for them. We also want to improve the overall campus environment and improve the infrastructure here for international students. We intend to increase student mobility via study abroad participation. We intend to do that especially by stressing short-term faculty led programs, which might answer some of the students concerns about the cost of study abroad. Short-term programs are typically easier for students to handle financially. We are looking into many support programs for our students for study abroad.

Regent Koch stated that he has had positive interactions with many international students here at UNM.

## 6. Financial Aid Update

Terry Babbitt gave the presentation. A brief overview of financial aid distribution and procedures at the University, with a focus on institutional aid, was provided to the Board. The total financial aid picture was provided, amounting to \$258 million distributed scholarships by type of aid, scholarships, grants, self-help and loans. Institutional aid is aid that can be administered by the University with some discretion. The overview of federal grants, federal loans, and scholarships, such as the Lottery Scholarship, are dictated to be administered in a certain manner. Goals of institutional aid include contributing to student persistence and completion, support university enrollment goals, and improve academic profile by attracting top students. For need based contributions to students from institutional aid, there is a little over \$2 million available which is determined through federal needs analysis. Essentially, 64% of students from traditionally underrepresented groups receive money that we use on a need basis, the need based component. There is a merit based aid component, which are centrally administered at the University. The Academic Profile includes, higher-level scholarships in terms of credentials very high test scores, grade point averages, and high graduation rates. The UNM Bridge to Success program is the largest investment at \$2.5 million, which is not merit or need based, and has the lowest academic profile. A goal is to work on getting better outcomes for that investment. There is a mix need between merit and need based in institutional aid. The academic profile goal is to increase the entrance level criteria for students to get to the average of peer institutions. This data is representative of traditional entering students.

Audit Committee, Regent Gene Gallegos, ChairInformation Items: Meeting Summary from October 25, 2013

Regent Gallegos provided a summary of the Audit and Compliance Committee Meeting held on October 25, 2013 and the official minutes were included in the BOR Meeting materials. There was discussion on the Compliance Office and the responsibilities, authorities, and reporting, but were unable to agree on Regent Policies that have been adopted. Work will begin on developing a Code of Ethics for the Main Campus. Regent Hosmer fully endorses the development of a Code of Ethics.

- Regent Gallegos requested that Chief HSC Compliance Officer, Stuart Freedman, along with HSC Compliance Investigator, Monica Wilson, give their presentation, that which was presented at the October 25, 2013 Audit Committee Meeting, on the HSC Code of Ethics at the December Board of Regents Meeting.

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

ASUNM, President Isaac Romero President Romero provided an update on current initiatives for ASUNM. Mr. Romero stated that a meeting would occur Saturday at UNM to bring student leadership from eight colleges to finalize the proposals for the Lottery Scholarship. There has been a proposal on back loading to create solvency and motivate students to be successful, which is one initiative the group is moving toward.

Regent James thanked Mr. Romero for his involvement on the Lottery Scholarship issue.

GPSA, President Priscila Poliana President Poliana gave an update on current initiatives for GPSA. Ms. Poliana stated that GPSA is excited to be working with UNM Administration on the new wellness center. Forums are taking place this semester for students to provide input. Ms. Poliana believes that the new wellness center will add to student life and comradery. Ms. Poliana discussed the Student Account Billing Suite and the issues that students encounter. The hope is that it will be enhanced by the beginning by next semester so that all students can reasonably read their bill. Ms. Poliana stated that graduate students faced a large tuition increase with the elimination of the block, and she would like to the Regents' to consider the reinstatement of the tuition block for graduate students. A fundraising campaign has been launched for graduate students through the UNM Foundation.

Faculty Senate, President Richard Holder President Holder gave an update on current initiatives for Faculty Senate. Dr. Holder stated that for ROM, he believes that the faculty is progressive in terms of change, but 1% holdback, although small could be detrimental for many departments. Mr. Holder is supportive of ROM but feels that taking money from weaker departments to give to the strong may not be positive, as he believes there should be focus on helping the weaker departments. Dr. Holder also mentioned that with the news that Blue Cross Blue Shield is purchasing Lovelace insurance plans, there are many questions among the faculty, so information sessions would be helpful.

Staff Council, President Gene Henley President Henley gave an update on current initiatives and activities for Staff Council. Mr. Henley stated Staff Council is supportive of the President's initiative in concept, but a 1% holdback could be detrimental to many departments. Mr. Henley discussed the Sarah Belle Brown Service Awards and mentioned that with the recent acquisition of Lovelace insurance plans by Blue Cross Blue Shield, he is thankful for HR's quick relay of information to campus.

UNM Alumni Association. Report in BOR E-Book.

UNM Foundation. Report in BOR E-Book.

- V. Public Comment (none)  
 VI. Vote to close the meeting and to proceed into Executive Session

**Motion to close the meeting and proceed into Executive Session passed unanimously at 11:47 a.m. (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Quillen).**

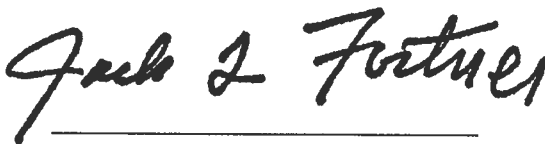
Executive Session (11:48 a.m. – 2:23 p.m.)

1. Discussion and determination where appropriate of limited personnel matters pursuant to Section 10-15-1.H (2), NMSA (1978).
  2. Discussion and determination where appropriate of threatened or pending litigation pursuant to Section 10-15-1.H (7), NMSA (1978).
  3. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property pursuant to Section 10-15-1.H (8), NMSA (1978)
- VII. Vote to re-open the meeting and certify that only the matters described in Agenda Item VI were discussed in Executive Session and, if necessary, final action with regard to those matters will be taken in Open Session.

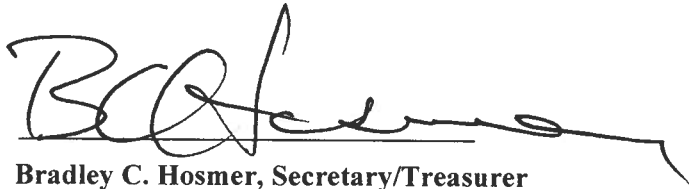
**Motion to open the meeting at 2:24pm, there was unanimous approval from Regents to open the meeting and certify that only those matters described in Agenda Item VI were discussed in closed session and there were no items upon which to take final action in open session (1<sup>st</sup> James, 2<sup>nd</sup> Hosmer).**

- VIII. Vote to Adjourn

**Motion to adjourn the meeting passed unanimously at 2:25 p.m. (1<sup>st</sup> Fortner, 2<sup>nd</sup> James).**



Jack L. Fortner, President



Bradley C. Hosmer, Secretary/Treasurer