

**Minutes of the Regular Meeting of the Board of Regents of the University of New Mexico
November 14, 2014
Student Union Building, Ballroom C, Cherry Silver and Acoma A & B**

Members present

Jack L. Fortner, President; Conrad D. James, Vice President; Bradley C. Hosmer, Secretary/Treasurer; J.E. 'Gene' Gallegos; James H. Koch; Suzanne Quillen; (Heidi Overton could not attend)

Administration present

Robert G. Frank, President; David Harris, EVP of Administration, COO, CFO; Paul Roth, Chancellor Health Sciences; Chaouki Abdallah, Provost and EVP for Academic Affairs; Elsa Cole, University Counsel; Richard Larson, Exec. Vice Chancellor HSC; Liz Metzger, University Controller; Helen Gonzales, Chief Compliance Officer; Dorothy Anderson, VP HR; Paul Krebs, VP for Athletics; Ava Lovell, Sr. Exec. Officer of Finance and Administration, HSC; Eliseo Torres, VP Student Affairs; Pamina Deutsch, University Policy and Administrative Planning Director

Regents' Advisors present

Catherine Cullen, Parent Association; Texanna Martin, GPSA; Bill Miller, Retiree Association; Renee Delgado-Riley, Staff Council; Pamela Pyle, Faculty Senate; Rachel Williams, ASUNM

Presenters in attendance

Patricia Crown, Distinguished Professor of Anthropology and Member of the National Academy of Sciences; David Green, Principal at Perkins + Will; Andrew Cullen, AVP Planning, Budget & Analysis; George Williford of First Southwest, UNM Financial Advisor; Katherine Creagan, Assoc. Modrall Sperling Law; Terry Babbitt, AVP Enrollment Management; Wynn Goering, CEO, UNM West, UNM-Los Alamos, Special Assistant to the President for Branch Affairs; Michael Richards, Executive Physician-in-Chief, UNM Health Systems; Dorothy Anderson, VP HR; Ava Lovell, HSC Sr. Exec. Officer of Finance and Administration; Bruce Cherrin, Chief Procurement Officer; Richard Larson, Exec. Vice Chancellor HSC

Others in attendance

Members of the administration, faculty, staff, students, the media and others.

CONFIRMATION OF PRIOR SPECIAL MEETING IN EXECUTIVE SESSION

The Board of Regents met in closed session on November 14, 2014 from 7:44 to 8:50 AM in the Cherry Silver Room of the Student Union Building for discussion purposes only of personnel matters as permitted under Section 10-15-1H(2) of the Open Meetings Act (NMSA 1978). Members present were Jack Fortner, Bradley Hosmer, J.E. 'Gene' Gallegos, Conrad James, Suzanne Quillen, and James Koch. Regents' legal counsel was also present. The matters discussed were limited only to personnel matters as described in the Notice and Agenda for the meeting.

CALL TO ORDER, CONFIRMATION OF A QUORUM AND APPROVAL OF THE AGENDA

Regent President Fortner called the meeting to order at 9:15 AM. A quorum was confirmed. Student Regent Overton was not able to attend the meeting. Regent Fortner stated one modification to the agenda, the removal of Finance and Facilities information item number eight (8), FCC Spectrum Auction and Repack. The motion to approve the agenda as modified passed by a unanimous vote (1st Hosmer, 2nd Quillen).

APPROVAL OF MINUTES

Regent Fortner asked for a motion to approve the minutes of the prior meetings. The motion to approve the minutes of the October 10, 2014 regular meeting and the October 29, 2014 special meeting passed by a unanimous vote (1st Quillen, 2nd Hosmer).

PUBLIC COMMENT (there were no public comments)

PRESIDENT'S ADMINISTRATIVE REPORT

President Frank provided an administrative report to the Regents. A brief overview was provided on the budget and the new budget cycle process, which involves bringing regular updates to the Regents. President Frank stated that the University, along with many other higher education institutions, needs to operate in a more business-like manner. Businesses across the nation are looking for efficiencies and more opportunities to move dollars internally and to be more efficient. Internal reallocation is crucial. Cutting costs are not always possible so sharing services and reallocating across boundaries in various departments may be the key to efficiency. Some smaller departments that work beside each other may have an accountant but might not have huge operations so they could share an accountant and save money. This is a simple example of the opportunities that may exist but have not yet been explored. So it is necessary to put pressure on departments to begin having these conversations and create the incentives.

Last year a major effort commenced as part of Results Oriented Management (ROM). The main goal of last year was compensation so reallocation of ROM funds fulfilled that goal. Quotes from Advisory Board were read and stated that both Provosts and Chief Business Officers recognize the importance of institutions reallocating dollars and not increasing revenue. Currently there is \$2.8M shortfall in the budget if nothing is done differently so that is an amount that needs to be funded. The University was down on enrollment but is doing a lot better than many other universities in New Mexico and across the country in that regard.

The University has taken active steps in cost reduction strategies and boosting enrollment. The Royal Company was hired to aid in recruitment of out of state students. EVP David Harris has been a leader in the state funding formula discussion. Right-sizing through shared services was discussed and administrative units will be reviewed for potential restructuring. Capitalizing on instructional efficiencies is important and involves consolidation of excess class sections to ensure classes are being filled. Revenue enhancement strategies are also being reviewed and the focus continues on student success, increased retention and graduation rates. Increased graduation rates will improve state funding formula performance and result in more funding. Preliminary targets for cost savings and revenue growth were briefly discussed and are the ongoing focus of the budget process.

President Frank introduced Patricia Crown, Distinguished Professor of Anthropology and member of the National Academy of Sciences to present a summary of her work and research to the Regents. Dr. Crown has been a faculty member at UNM for much of her career and her research at Chaco Canyon is around chocolate, cylinder jars, and community rituals, research that has been ongoing for the past decade in the Anthropology Department. Her research on chocolate began with a study of cylinder jars found at Chaco Canyon. In Dr. Crown's research, she began to notice similarities to Maya cylinder jars used for drinking chocolate, and findings of chocolate residue on cylinder jar sherds was verified by chromatograms performed by Jeff Hurst, a research chemist at the Hershey Corporation who performed chemical analyses at Dr. Crown's request. During 2007 to 2010, UNM was engaged in a 4 year National Science Foundation funded project opening up old trenches and trash mounds at Pueblo Bonito and analyzing 250,000 artifacts recovered from the site. Dr. Crown employed graduate and undergraduate UNM students to perform analyses of the artifacts. During the years 2004-2014, many UNM students involved in the Chaco Canyon research effort received research training, specifically 62 undergraduate students, 40 graduate students, 8 Hispanic students and 11 Native American students. The research is ongoing and the total funding for the project has been over a million dollars in external research funding. Dr. Crown stated that she would not have been able to do this type of research if she had not been at UNM.

COMMENTS FROM REGENTS (there were no comments from Regents)**INNOVATE ABQ UPDATE – MASTER PLAN AND GUIDELINES**

Andrew Cullen introduced David Green from Perkins + Will. Mr. Cullen reiterated that this is a joint effort with Perkins + Will and Dekker Perich Sabatini. Dale Dekker from Dekker Perich Sabatini has worked with Perkins + Will and David Green on the Innovate ABQ project. Mr. Green gave the presentation on the Innovate ABQ Master Plan. There has been incredible collaboration and participation with all of the stakeholders throughout this process. Mr. Green highlighted a meeting they had with the City and it appears that everyone is on the same page for this project. It is a great partnership between UNM and the City. The Innovate District or Innovation Central is a larger platform for the city which is driving the idea of innovation. There is a strong relationship between downtown Albuquerque and the University of New Mexico, and the connection down Central Avenue is a fantastic platform for innovation. There is an ecosystem in this region of the State that

differentiates NM, ABQ and UNM in a specific way. The goal of this is to get all parties on board to set up a platform for clarity for the rest of the country to understand what this project is, where it is going, and the incredible value that it offers people relocating and staying here. The innovation district for Albuquerque and UNM is about the relationship between creativity and business, which equals innovation. There is great work on campus and great opportunity for business in the downtown area. It brings new intellectual capital and economic capital to the area. It is a complicated process so it is necessary to pull simplicity from the complex nature of the series of elements. One is regarding grassroots innovation and the need to reside in a space. Also essential is the institutional innovation, which is on a larger scale. Institutional innovation can help jump start investment in an innovation district. There are things needed to keep talent and drive the innovation district. These include a major public amenity, anchor institutions, grassroots innovators, support services, access to capital and somewhere to live. There are 3 major things that work together to create an innovation ecosystem, which include economic assets, physical assets, and networking assets. Ultimately, this has to do with creating a place where people want to be.

Benchmarking analysis gives a broader context to understand the nature of these districts throughout the country, and how some were more successful and why they were more successful. These include the Cortex Innovation Community in St. Louis, Missouri; South Lake Union in Seattle, Washington; University City in Philadelphia, Pennsylvania; Innovation District in Boston, Massachusetts; Kendall Square in Cambridge, Massachusetts; Brooklyn Tech Triangle in New York, New York. All of these innovation districts were briefly discussed. The innovation district in ABQ is quite large because it encapsulates the downtown area and reaches to the University. It is twice as large as the others, so we have to have a clear understanding of the site. There is a vast amount of development opportunity that exists in the area between downtown and the University. There are hundreds of acres for development, so this sets the platform for a lot of work that can be done over the years.

It is critical that the master plan includes various scenarios that present options and a framework to make decisions and limit risk. In the scenarios, opportunity areas are identified which will create vision for the master plan. One area that was discussed was making University and Central Avenue a more defined connector to get into the campus. This is all about creating ease of moving through these areas. Mr. Green and the Perkins + Will team are working with different groups within the University as partners and funding some studios in the School of Architecture, while working with the faculty and students. They are also working with the City on reconfiguration of Central Avenue. There are several scenarios to provide various options for the project. It would be optimal to have agreements in place by first quarter of next year with plans for groundbreaking in June. There has been much positive response for this project nationally. The worst thing that could happen is that national support comes forward but it takes two years to get anything off the ground. In that scenario, the entities will go someplace else, and the word will get out that it is too difficult to work here. The first projects that come up are absolutely critical. So far, all the stakeholders are working well together and everything is moving forward smoothly.

- Regent Koch said he has not seen what the ultimate cost is going to be and where the funding will come from and asked when the Regents will see cost estimates.

Mr. Green said they are working on the cost estimates but at this phase the critical area of focus is making sure the stakeholders are in agreement of the overall plan. Cost estimates and potential sources of external funding will come forward. Most of the funding will come from the commercial sector, not the public sector, as this is a commercial venture, not an academic venture. President Frank said we expect this to be a partnership between the University and private sector. The University will provide this platform, but the capital cost to the University is at zero. The Innovation Board will go out and hire a director. The director will work with David Green during the development process and will be involved in attracting entities to the project.

- Regent James asked to see the split of public vs. private funds that were invested in the other innovate projects that have been mentioned. President Frank said our closest model is the University of Florida and we are committed to our model.

- Regent Hosmer said in light of the master plan piece of the project being absolutely critical, he suggested to President Fortner that Dean Forbes bring to the Regents an independent look and any recommendations. All agreed, and David Green welcomed the idea.

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- Regent Gallegos expressed concern in the planning of sufficient amount of open areas that would make the district more attractive.

Mr. Green agreed we need to maintain open spaces and the district has a large amount of open spaces, but the one thing that is most needed is a higher density of people in the area. All great places have a lot of people on the street, and Perkins + Will's goal will be to recommend whatever it takes to bring more people to the area, whether it is more green space or a higher level of development.

INNOVATE ABQ – ACTION ITEMS

Regent Fortner asked for a motion on the appointment of Patricia Vincent-Collawn to the Innovate ABQ, Inc. Board of Directors.

The motion to appoint Patricia Vincent-Collawn to the Board of Directors of Innovate ABQ, Inc. passed by a unanimous vote with a quorum of Regents present and voting (1st Gallegos; 2nd Koch).

Regent Fortner asked for a motion that would increase the number of members on the Innovate ABQ, Inc. Board of Directors. Before the final vote, there was discussion. Regent Fortner said that one of the eleven (11) seats on the board would be for the County provided the County contributes to the project. David Harris said the County had originally approved an investment of \$1 million, but subsequently cash flow problems arose due to its investment portfolio. The vote of the County Commission was to make the funds available at the beginning of FY16, which would be July 1, 2015, and this has been approved formally by the Commission. It was agreed that the MOU with the County would be written to include the contribution of the funds and that a County representative would serve on the Innovate ABQ, Inc. Board of Directors if the funds will be contributed and the agreement nullified if the funds are not contributed.

The motion to modify the Bylaws of Innovate ABQ, Inc., as previously approved by the Regents, to reflect the number of Board of Directors as 11, with one of the 11 seats designated for the County provided that an MOU between the Board of Regents and the County is reached, passed by unanimous vote (1st Gallegos; 2nd Koch).

ACTION ITEM – APPROVAL OF THE PRICING RESOLUTION FOR THE UNM SERIES 2014C BONDS

Andrew Cullen and George Williford presented the bond pricing resolution to the Regents. Katherine Creagan was also available to answer questions. There was discussion about the present value savings as a percent of the total refunded amount; in the case of this bond series it is 10.5%, well above the minimal target of 4.5%. The net present value savings is \$11.9 million on the total refunded amount of \$113.48 million. There was confirmation that the savings are reported as net of costs. Regent Quillen inquired about the \$9.7 million 'Reserve Requirement' as stated in Section 2.05 of the pricing resolution. Mr. Williford said a policy was purchased to cover that amount. There being no further discussion, Regent Fortner asked for a motion.

The motion to approve the pricing resolution for the UNM series 2014C bonds passed by a unanimous vote with a quorum of Regents present and voting (1st Hosmer; 2nd James).

REGENTS COMMITTEE REPORTS

FINANCE AND FACILITIES COMMITTEE

Regent Koch asked Controller Liz Metzger to give the monthly financial report. Ms. Metzger said they are booking tuition revenue as it comes in, rather than accruing it, and this is different from how it was booked last year. In general, it is still early in the fiscal year and there are no red flags at this time.

Fiscal Watch Report – Action item

Ms. Metzger presented the September 30, 2014 Fiscal Watch Report which must be submitted to the HED Executive Director. The report was approved at the November 11, 2014 meeting of the Finance and Facilities Committee. It does not include hospital activity as well as some types of accruals, for example

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lottery scholarship funds. The report includes a comparison of the approved annual operating and plant fund budgets to current year-to-date actuals as well as a comparison to prior-year-to-date actuals. Also included is a balance sheet and a cash flow report.

The motion to approve the September 30, 2014 Fiscal Watch Report passed by a unanimous vote (1st Koch; 2nd Gallegos).

Consent Agenda:

2. Approval of Disposition of Surplus Property for Main Campus on lists dated 9/19/2014 and 10/24/2014 and the Annual Surplus Summary Report FY14.
4. Capital Project Approval – UNM Taos Health Career Training Center
5. Approval of Appointment for Lobo Development Corporation

Regent Koch read the consent agenda items and motioned approval of the three (3) items.

The motion to approve the 3 consent agenda items, numbers 2, 4, and 5 on the Finance and Facilities agenda, passed by a unanimous vote (1st Koch; 2nd Gallegos).

Approval of the Innovate ABQ Budget/Regent Loan Payback

Andrew Cullen presented the information. The Regents approved at a July 7, 2014 special meeting the use of \$2.0 million in Regent Endowment funds toward the closing of the purchase of the First Baptist Church property while awaiting the transfer of Innovate ABQ funds from the City of Albuquerque. The funds from the City are scheduled to be transferred to Innovate ABQ, Inc. during the first or second week of December 2014. In accordance with the wishes of the Board of Regents' Finance and Facilities Committee, the University will return the \$2.0 million in loan proceeds, plus interest of approximately \$42K to the UNM Foundation once the City funds are received. Approximately \$290K of cost overruns will be covered by funds from the Railroad Settlement, totally \$500K, that were received when the First Baptist Church property acquisition closed. There was discussion about the Innovate ABQ budget. Regent Gallegos asked if the full amounts budgeted for Master Plan (\$187,250) and Design Guidelines (\$160,500) are for the work that Perkins + Will (P+W) is performing. Mr. Cullen confirmed the amounts are designated for P+W and also Dekker/Perich/Sabatini work but that only about 25% has been paid to date. Another quarter will be paid at the end of the year. The full amount will be paid when the University is satisfied with the deliverable. Regent Quillen inquired about the underestimation of \$190K in budgeted legal fees. Mr. Cullen said legal fees ran over budget primarily due to attorneys who worked with the Railroad, other environmental attorneys and technical consultants that were needed, and Administration saw that it was prudent to spend the dollars up front before moving forward with the purchase of the site.

The motion to approve the Innovate ABQ Regent Loan payback in the full amount of \$2 million plus the originally agreed upon interest passed by a unanimous vote (1st Koch; 2nd Gallegos).

FY 2015 – FY 2016 Budget Development Update

Provost Abdallah introduced the update as being a continuation of the process to inform the Regents of some of the budget challenges the University is facing for this next budget cycle. Terry Babbitt addressed briefly the issue of student debt. He said the University must be diligent in managing student debt and helping students manage the amount of their debt. Administration agrees that, on average, \$30K is a manageable and safe threshold of debt, or level of borrowing, for a student. This amount is based on a 10-year repayment period and estimated first year job earnings after graduation. Currently, 84% of student borrowers borrow less than \$30K and a small percentage borrow more. Of the total 2006 and 2007 cohorts, 63% were not borrowers, and only 6% borrowed between \$25K and \$50K. Dr. Babbitt said that all in all the borrowing pattern at UNM is stable and the levels of borrowing are largely manageable due to the relative low cost of attending UNM and the financial support of the Lottery Scholarship.

Provost added that upon graduation, as long as a student's debt level is not more than one-year worth of salary, the student has a manageable situation, because they can pay off their debt at about 10% per year for ten years. The problem arises however when the student does not graduate. Dr. Babbitt said he would discuss the issue again during the Academic and Student Affairs and Research agenda.

Provost Abdallah then presented the following budget scenarios: 1) a base plan budget scenario, 2) a Priority 1 scenario, and 3) a Priority 1 + 1% COLA scenario. The base plan scenario shows a \$2.833 deficit. It estimates State appropriations and includes on the expenditure side only the addition of must-funds at \$400K and the annual adjustments to fixed costs at \$2.0 million. It also incorporates the estimated projected reduction in enrollment. The Priority 1 scenario shows a budget deficit of \$8.906 million. It includes the same as the base plan scenario but with the addition on the expenditure side of \$6.1 million in Academic Affairs and Administrative Service organization funding priorities. The Priority 1 + 1% COLA for Faculty/Staff/GA/TAs scenario that includes numbers from the first two scenarios, shows a \$11.4 million deficit.

In Academic Affairs for the last 3 years, there were about \$9 million in new funding. That spending directly affected graduation rates, retention rates and the number of degrees awarded. Last year, there are about 400 more degrees awarded than three years before, and the average salary that will be earned in New Mexico is about \$40K per degree. That is a return on investment.

Andrew Cullen presented an FY13 to FY16 summary of expenses and funding priorities. The FY16 numbers presented as estimations in 3 different scenarios. The FY13 to FY15 summary showed the cumulative expenditures of \$9.3 million in the various Academic Affairs strategic funding projects expenditures, \$14.7 million of Administrative service organization expenditures which includes ERB cost increases, \$3 million spent in Student aid in the form of scholarships and need-based aid, and \$11.1 million in compensation increases over the past 3 years. One of the FY 16 scenarios estimates expenditures of \$3.5 million toward Academic Affairs strategic projects, the majority of which would be \$2.2 million in faculty retention initiatives. This scenario would also include an increase to fringe benefits of \$1.5 million. Increases in fixed costs of \$2 million, primarily due to health care, is another estimated expenditure increase for FY16.

Provost addressed the national crisis of the decline in state funding to higher education along with the increasing costs of higher education, the cost drivers being benefits and fixed costs. The Provost also reiterated the message that if students graduate, vs. go to university and not graduate, they have the ability to pay back their student loans, so the focus will be to graduate students because that is the best thing the University can do for them.

UNM West Update

Wynn Goering presented an update on UNM West enrollment numbers and budget assumptions. March 2014 projections estimated a 40% increase, but actual Fall 2014 enrollment was a 72% increase over last year's Fall enrollment. The UNM West budget assumptions are for growth. Enrollment growth will put pressure on the existing building. Additional space will be needed including lab space and curricula that support nursing, pre-pharmacy, and pre-med. Dr. Goering showed a graph of HED data showing I&G square feet per FTE (Full Time Equivalent) for Main Campus, the average for Branch Campuses, and for UNM West. Main Campus has 300, the four branch campuses have an average of 200, and UNM West currently has just over 100 I&G square feet per FTE. With growth projections for UNM West, this number is expected to go down, approaching 50.

Update from the Health Plan Committee

Michael Richards and Dorothy Anderson presented the update from the Health Plan Committee. The Committee was commissioned by President Frank in July 2014. The structure was organized with a Steering Committee led by Chancellor Roth and EVP Harris. Other members of the Steering Committee included Ava Lovell, Dr. Michael Richards and Dorothy Anderson; the group was charged with putting the work plan together to determine how to evaluate the current medical benefits health plan. A work group of 25 members from Main and HSC, representing all facets of the UNM community, was put together. Two additional work groups were put together to look at the high level questions that the committee was charged with, the Health Technical Committee that looked at the specific benefits structure and options and a Consolidation Committee which looked at how the various HR systems might be brought together for collective purchasing power.

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The charge of the Health Plan Committee: 1) research and make recommendations by Dec. 2014 for consolidation and integration, 2) recommend a plan design with the following attributes: affordable, reduced cost, high-quality health care, sustainability, contemporary, and is attractive to former, current, and future employees, 3) make recommendations that have minimum disruption and still preserve choice, and 4) make recommendations that are cost neutral relative to the base-line medical inflation rate.

The committee comes forward with four immediate recommendations, consensus of the work group: 1) increase employee/dependent engagement in disease management and wellness programs through targeted programs and communications, 2) continue collaborative efforts with UNM School of Pharmacy to identify opportunities to reduce prescription (Rx) costs with enhanced service and explore other options to reduce Rx cost while preserving choice, 3) begin full evaluation of the possibility of modifying a current UNM Hospital Clinic or building a new facility dedicated to student, retiree, employee, and dependent only services, and 4) all four employers (UNM, UNMMG, SRMC and UNMH) join together to expand collective purchasing opportunities while each employer will retain autonomy over contracts/agreements, financial responsibilities, and assets/liabilities.

The committee put forward the following recommendations for FY16 and FY17: 1) develop plan design structures with additional incentives to increase LoboCare utilization across all Third-party Administrators (TPAs) with estimated cost to UNM at approximately \$900K, 2) begin decreasing the number of TPAs administering UNM'S medical plans with a goal of moving to a capitated ACO payment model, 3) defer the planned .25% VEBA contribution increase for VEBA participants, and 4) continue evaluation of implementing a high deductible health plan (HDHP) and health savings account (HAS) for active employees to be offered in addition to other plans.

Another recommendation put forth for FY16 involves blending the pre-65 experience with the active employee experience. An analysis based on FY15 rates resulted in a 20% reduction to the pre-65 retiree premiums, a 2.5% increase in the premiums for active employees, and an increase to the AAL of 8%. In addition, Ms. Anderson requested the Regents consider accepting the recommendation from the Health Plan Committee in lieu of a vote from the Active Employee Health Participants. There was discussion.

Regent Koch requested that Faculty Senate President, Pamela Pyle, and Staff Council President, Reneé Delgado-Riley, bring written feedback from active Faculty and Staff stating the majorities' stance with regard to subsidizing the blending of pre-65 and active pools. Since premiums will increase, Regent Koch said he will vote on the matter only if he sees, in writing, whether there is or is not support for subsidizing the blending of the pools. Further, Regent Koch said if the pools are blended, the portion of premiums the University pays will also go up, and Regent Koch said he does not know where that money would come from.

Regent Gallegos requested to the Health Plan Committee that, in its further analyses, it bring back comparisons to the status quo, eg. if we don't make this change, here's where we are, and a second request to bring back other options with adjusted benefits so that even with a blended pool the outcome is revenue neutral. Dr. Richards said the committee had looked at four scenarios thus far, each with an overall cost neutral outcome to UNM.

HEALTH SCIENCES BOARD

Resolution recommending approval of the appointment of Joanna Boothe to the Sandoval Regional Medical Center, Inc. Board of Directors

Regent Quillen asked Regent Hosmer, Chair of the HSC Governance Committee, to present the item. Regent Hosmer presented the recommendation. Ms. Boothe will be holding a currently vacant Community member position on the SRMC board.

The motion to approve the resolution recommending approval of the appointment of Joanna Boothe to the Sandoval Regional Medical Center, Inc. Board of Directors passed by unanimous vote (1st Hosmer; 2nd James).

Resolution recommending approval of the Reserve Categorization Report pursuant to Administrative Policies and Procedures Policy 7000

Ava Lovell presented the item and explained that out of the total \$45.7 million reserve balance, \$13.4 million is the amount that is truly discretionary. The remaining is comprised of purchase orders, legally binding commitments and dedicated funds. Dedicated funds are department dedications, balances with documented descriptions of the purpose and the entity or individual making the dedication.

The motion to approve the HSC Reserve Categorization Report passed by a unanimous vote (1st Quillen; 2nd Hosmer).

Resolution recommending approval of contract with the New Mexico Cancer Care Alliance (NMCCA) to provide certain services

Bruce Cherrin presented the item. The NMCCA is a joint not-for-profit 501c3 university-community statewide cancer clinical trials organization and clinical research network. The purchase order is for services that NMCCA will provide to assist the NCORP grant in continuing to develop and support affiliate sites. This includes annual training of research staff at affiliate sites, coordinating the development and submission of new study IRB applications as well as ongoing maintenance of cooperative group trials. The total cost is \$1,325,000 over a five-year period.

The motion to approve the resolution recommending approval of the contract with the New Mexico Cancer Care Alliance passed by unanimous vote (1st Koch; 2nd Quillen).

Resolution recommending approval of UNM Hospitals Proposed Purchase of Software from 3M

Ava Lovell presented the material. The software will provide upgraded coding to meet ICD-10 coding requirements. Total cost over eight years is \$10,360,191.44.

The motion to approve the resolution recommending approval of the UNM Hospitals proposed purchase of software from 3M passed by unanimous vote (1st Koch; 2nd Quillen).

HSC Strategic Plan Update

Richard Larson presented the HSC strategic plan update. One of the HSC 2020 visions is to work with community partners to help New Mexico make more progress in health and health equity than any other state by 2020. There was further discussion.

ACADEMIC/STUDENT AFFAIRS AND RESEARCH COMMITTEE

In consideration of time, Regent Hosmer proceeded to the information items and asked Terry Babbitt to come forward to present more on Student Debt.

Student Debt and Default

Terry Babbitt presented the item. Dr. Babbitt said UNM's default rate, excluding that of the Branch Campuses, is 9.3%, while Arizona State's is 9%. The Branch Campus default rates range from 12.5% to 46.4%, and thus raise the overall rate for UNM. Some issues that effect student repayment of loans are the economy and high unemployment rates, but the student debt problem in New Mexico does not necessarily lie in the amount borrowed or in the number of borrowers. The problem lies in the debt levels among those who never graduate. Eighty percent of student loan defaulters in New Mexico are students who did not complete their degree. Regent Hosmer said the main strategy that can improve the situation for the current students is to get them graduated, and the investments made in student retention and graduation rates which have made a big difference in those achievements in the last two years need to be carefully considered during the next budget process.

Update on Sexual Assault and Awareness Efforts

Helen Gonzales gave an update to the Regents. There are a many laws, regulations and policies that address sexual assault, and the University is aggressively addressing the issue through a wide range of efforts aimed at advocacy, support and education. What is required is better coordination of constituencies to ensure more effective and efficient outcomes. In mid-October the Provost charged his Chief of Staff and Ms. Gonzales, with the coordination of the Dean of Student's Office, to take a lead in

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creating an integrated model that coordinates the multiple UNM effort. This effort is expected to be completed later in November. The team has met a number of times and a positive coordination model has emerged and the model and recommendations will be presented later in the month.

AUDIT AND COMPLIANCE COMMITTEE

Regent Gallegos discussed the October 16, 2014 Audit and Compliance meeting summary. He also said there is the need for a designated Clery Act coordinator. The next Audit and Compliance Committee meeting will be on December 4, 2014.

- **Regent Hosmer left the meeting.**

COMMENTS FROM ADVISORS

Catherine Cullen, President, Parent Association, provided an update to the Board on current initiatives and events with the UNM Parent Association. The Parents' Association's mission is to promote student success and engage members to play a supportive role in its student's education and provide a networking forum for parents. During the summer, members of the Parent Association participated in the weekly Lobo Orientation and held receptions for parents and students. Through this effort we have signed up over 1,000 new Parent Association members. Volunteers helped students move into the dorms and greeted parents. Freshman Family Day and Convocation were held the Sunday before classes began. Family Weekend was held September 26 & 27 with a nine-hole golf tournament to help raise funds for our scholarships. This year's holiday ornament, featuring the SUB, is now for sale. Scholarship applications were due by October 31 and the selection committee is in the process of reviewing the applications to decide on the recipients. The Parent Association Legislative Committee will be meeting with the government relations team to determine where parent voice is best utilized and for what specific issues. The Parent Day at the Pit will be held on February 21, 2015 against UNLV.

Pamela Pyle, President, Faculty Senate, provided an update to the Board on current initiatives and events with Faculty Senate. This week a special Faculty Senate meeting was called additionally and was very well attended to discuss with faculty and the senators the ROM quality metrics. Faculty feels that they have not yet had a chance to weigh in on the metrics by which their colleges will be measured in regards to performance and growth. The faculty at UNM are extremely productive, creative and serious about their teaching and mentoring responsibilities and avidly enthusiastic in their research. She tasked the senators to go back to their colleges and gather as much feedback from their colleagues as possible. Faculty looks forward to playing a role in helping to define new ways of reviewing our work and promoting our successes. President Pyle believes the work of the Healthcare Task Force has been positive and included representation from all over campus, but knows that it is a difficult area for many to understand. The committee voted 11-0 to blend the pre-65 retirees back into the pool and most faculty are in agreement that keeping the pre-65 in the pool is the right thing to do. She will provide a fuller faculty perspective on the health care issue at the December Regents meeting.

Renée Delgado-Riley, President, Staff Council, provided an update to the Board on current initiatives and events with Staff Council. March 17, 2015 has been identified as the date of release for the Staff Council Strategic Plan. They have worked on collecting data from focus groups and there are only 4 left this semester. The 3 topics that keep resurfacing are respect and trust for our staff on campus, having viable career paths, and supervisory and leadership culture here on campus. They are looking forward to releasing that in the Spring and it will also mark our 25th anniversary as an organization. They are finalizing the outstanding supervisor award and are happy to report that this is a great partnership with HR. They are hoping to recognize leaders across campus and really promote a culture for work/life balance for all staff on our campus. Staff Council is also trying to finalize a process for engaging staff and community engagement and so we are following up on some ways to incorporate this into the current flexible work schedule and also coming up with language for what it means to be engaged in community and service learning. We've continued this liaison with our branch campuses and UNM Gallup is preparing a really integrative cultural celebration in December, President Delgado-Riley is also working with the Director of Student Affairs on some collaboration on Main campus, and they are very thrilled to be engaged on the branch campus.

Rachel Williams, President, ASUNM, provided an update to the Board on current initiatives and events with ASUNM. An update was provided the Student Fee Review Board (SFRB) process, deliberations were held October 25-26 and November 8. They will be submitting preliminary recommendations to the Budget

Board of Regents Meeting Minutes

Leadership Team on November 14. ASUNM had fall elections with 10 new senators with diverse backgrounds and around 650 students voted. ASUNM is excited about the Capital Outlay project and working in close collaboration with Dean Cecchi and the University Architect for the renovation of the space above Reigner Hall in between Logan and Farris Hall. They believe it is an interdisciplinary area and they hope to beautify the space for students, faculty and staff.

Texanna Martin, President, GPSA, provided an update to the Board on current initiatives and events with the GPSA. They have been working on a lot of projects to celebrate the students and one event was a stress free finals fiesta for graduate students and they raffled Women's Basketball tickets. GPSA has given a record number of grants and scholarships and a breakdown was provided to the Board. GPSA is also working on a Capital Outlay project focusing on dedicated study space in the Zimmerman Library for graduate students and updating lighting at the Law School.

William Miller, President, Retiree Association, thanked the committee that was working on the health plan specifically Dr. Richards, VP Anderson, Ava Lovell, EVP Harris, and Chancellor Roth for looking into the pre-65 health care issue.

PUBLIC COMMENT (no comments)

VOTE TO CLOSE THE MEETING AND TO PROCEED IN EXECUTIVE SESSION

Regent Fortner asked for a motion to close the meeting to discuss the agenda items listed on the Executive Session agenda.

The motion to close the meeting and proceed in Executive Session passed unanimously (1st Gallegos; 2nd James). The meeting closed at 12:08 pm.

Executive Session in the Cherry Silver Room of the SUB

1. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property pursuant to Section 10-15-1.H(8), 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 limited personnel matters pursuant to Section 10-15-1.H(2), NMSA (1978)
4. Proceed to Acoma A&B Room for an open session [item XI.] and further closed sessions [items XIII. and XIV.] and remainder of meeting

VOTE TO OPEN THE MEETING

The motion to open the meeting passed by unanimous vote (1st Koch; 2nd Gallegos). The meeting opened at 1:36 PM. There was certification that only those matters described in the executive session agenda were discussed and two items were voted on:

The motion to authorize the University's Director of Real Estate to move forward with the acquisition of four lots on South Campus passed by unanimous vote (1st Gallegos; 2nd Koch).

The motion to authorize the University's Vice President for Athletics, in compliance with existing University Policies, to move forward with the naming of the Pit passed by unanimous vote (1st Koch; 2nd Gallegos).

The Regents moved into the Acoma A&B rooms to hear the oral presentations of J. Rioux v. P. Roth, et al.

ORAL PRESENTATIONS – J. Rioux v. P. Roth et al.

Oral presentations were heard, ten (10) minutes a side.

VOTE TO CLOSE THE MEETING

The motion to close the meeting for Regents' deliberations passed by a unanimous vote (1st James; 2nd Gallegos). The meeting closed at 2:09 pm.

REGENTS' DELIBERATIONS IN CLOSED SESSION

The motion to open the meeting to announce the decision of the Board of Regents in *J. Rioux v. P. Roth, et al.* passed unanimously (1st Koch; 2nd Gallegos). The meeting opened at 2:17 PM.

Regent Fortner asked Regent Gallegos to state the Board's decision.

Regent Gallegos: "I move that Pursuant to the applicable provisions of the UNM Faculty Handbook and the authority of the Board, the Board affirms its decision dated September 17, 2014 as the final decision in this matter."

R. Quillen seconded. All were in favor with five Regents present and voting. (Regent Hosmer and Student Regent Overton were not present).

BOARD OF REGENTS' REVIEW IN CLOSED SESSION – Oral Presentations as pertaining to request for review by Complainant (*R. Frank v. David Olguin*) of the Academic Freedom and Tenure Committee decision of August 22, 2014

The motion to close the meeting to hear oral presentations as pertaining to *R. Frank v. David Olguin* passed unanimously (1st Koch; 2nd James). The meeting closed at 2:21 PM.

The Regents heard oral presentations, thirty (30) minutes each side. After hearing oral presentations, the Regents proceeded into deliberations.

The motion to open the meeting to announce the decision of the Board of Regents passed by unanimous vote (1st Koch; 2nd James). The meeting opened at 4:05 PM.

Regent Fortner asked Regent Gallegos to state the Board's decision.

Regent Gallegos motioned the three-part decision of the Board of Regents:

1. The Board concludes that there are multiple adequate grounds for termination of Dr. Olguin under Faculty Handbook Section 5.3.2.
2. The Board finds that the More Complete Review Process was not required in the case of a Section 5.3.2 dismissal.
3. The Board finds that, in the alternative, if the More Complete Review Process was required, it would have been futile under the circumstances.


Regent Quillen seconded. All were in favor. The motion passed.

VOTE TO ADJOURN

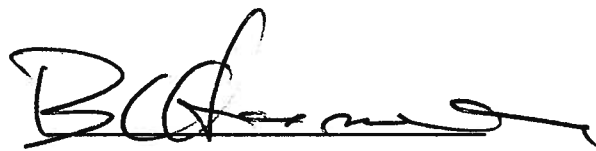
The motion to adjourn passed by unanimous vote (1st Koch; 2nd Gallegos). The meeting adjourned at 4:07 pm.

Approved:

Attest:



Jack L. Fortner, President



Bradley C. Hosmer, Secretary/Treasurer