

**Minutes of the Regular Meeting of the Board of Regents of the University of New Mexico  
February 6, 2015  
Student Union Building, Ballroom C**

**Members present**

Bradley C. Hosmer, Vice President; Heidi Overton; Suzanne Quillen; Matthew Chandler; James H. Koch; Robert M. Doughty

**Administration present**

Robert G. Frank, President; Chaouki Abdallah, Provost and EVP for Academic Affairs; Paul Roth, Chancellor for Health Sciences; David Harris, EVP of Administration, COO, CFO; Elsa Cole, University Counsel; Michael Dougher, VP for Research; Dorothy Anderson, VP HR; Liz Metzger, University Controller; Helen Gonzales, Chief Compliance Officer; Walter Miller, AVP Student Life; Ava Lovell, Sr. Exec. Officer of Finance and Administration, HSC; Paul Krebs, VP for Athletics; Pamina Deutsch, Dir. Policy Office

**Regents' Advisors present**

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

**Presenters in attendance**

Lisa Kuuttila, President and CEO, STC.UNM; Chris Vallejos, AVP Institutional Support Services; Tom Neale, Director of Real Estate; Andrew Cullen, AVP, Planning, Budget and Analysis; Tim Lowrey, Co-Chair, Faculty Committee on Governance, Regents Lecturer and Assoc. Dean of Graduate Studies, Biology; Greg Heileman, Associate Provost for Academic Affairs; Terry Babbitt, AVP Enrollment Management

**Others in attendance**

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

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

Regent Vice President Hosmer called the meeting to order at 9:04 AM. Regent Fortner did not attend. A quorum was confirmed. A modification to the agenda was made, agenda item IX, Board of Regents Review in Closed Session, was taken off the agenda, to be postponed to the March meeting. The agenda as modified was approved by unanimous vote (1<sup>st</sup> Quillen, 2<sup>nd</sup> Overton).

**APPROVAL OF MINUTES**

Regent Hosmer asked for a motion to approve the minutes of the prior meetings. The motion to approve the minutes of the January 9, 2015 regular meeting and the January 29, 2015 special meeting passed by unanimous vote (1<sup>st</sup> Quillen, 2<sup>nd</sup> Overton).

**PUBLIC COMMENT**

Hans Barsun and Fran Wilkinson, Co-Chairs of the Faculty Staff Benefits Committee, made comments to the Board regarding Finance and Facilities Committee information item number 7, Tab 11. The Faculty Staff Benefits Committee is charged with reviewing and advising on any proposed benefits changes. They are concerned because in Appendix G of the budget proposal there is an analysis regarding benefits cuts and they had not seen this information prior to this meeting. A number of concerns have come in from faculty and staff about these proposed changes. Many employees have asked if the committee had endorsed or supported these changes but the Faculty Staff Benefits Committee was not aware of these changes until the Regents meeting and was not able to review or advise on any proposed changes being presented today. Ms. Wilkinson asks that the Faculty Staff Benefits Committee be given the opportunity to review, discuss, and make recommendations as that is their charge. Also, they are not able to respond appropriately to faculty and staff when they are not given information.

**PRESIDENT'S ADMINISTRATIVE REPORT**

President Robert Frank addressed the UNM2020 Strategic Plan and presented mid-year highlights. At mid-year, 5 of the objectives have made some progress, 18 have made good progress, and 4 have been completed. This is a measure that the University is moving in the right direction.

President Frank outlined some of the goals and highlighted efforts that have been made toward those goals including a 21% increase in enrollment of international students over the past 2 years, and the increases in ACT scores and high school GPA's of incoming freshmen have moved UNM toward this goal. The Fall 2014 freshman class was the most academically prepared class in UNM's history. Third semester retention rate and the 4 and 5-year graduation rates have improved. The University applied to the Carnegie Foundation for the Community Engagement Classification Grant, but this was unsuccessful. It was a campus-wide effort, and President Frank thanked the faculty that worked on it. UNM will identify areas to improve community engagement and apply for the grant again next year. One hundred faculty members participated in the UNM Community Engaged Scholar Form last Fall. President Frank emphasized the importance of partnering with the National Labs. This year, the University brought on a joint hire with Sandia National Labs, Dr. Fernando Garzon. UNM faculty member Dr. Sanjay Krishna is leading a collaborative effort in the area of science with several universities including UNM, USC, Ohio State University, University of California Berkeley, and UC San Diego. Dr. Krishna and team are involved in a Photonics initiative, which is being led by USC, and UNM is leading the workforce development part of this grant. Overall, it is a \$110M grant. Another area of focus is increasing the Endowment with the goal of reaching \$500 million. Halfway through the year, the University is \$24 million ahead of the target. At December 31, 2014, the endowment was valued at \$418 million. The University will soon be honoring Cherly Willman and C. Jeffrey Brinker as they will be the 2015 STC.UNM Innovation Fellows. Among the two of them, they have 78 disclosures, 29 patents, 12 option/license agreements, and 4 start-up companies. UNM has been recognized as one of the top 100 patent generating universities in the world. Associate Provost Carol Parker has been working on establishing the Innovation Academy. UNM has received a grant from the Daniels Fund for the program, the search for a faculty director is nearly complete, and initial courses will begin in the Fall for the inaugural cohort.

Regent Quillen commended the increase in the 4-year graduation rate as any increase is to be celebrated, the nearly 1% increase is a significant accomplishment.

Regent Overton highlighted that despite the decrease in enrollment this year the fact that UNM has one of the most academically prepared freshman classes is an accomplishment that can outweigh that enrollment decrease because retention will increase. It is positive for the University as state funding is now tied to performance and outcomes rather than enrollment. This is positive for the State and for the efforts of the Provost who has reached into K-12 education efforts to ensure that students are prepared when they arrive at UNM.

#### COMMENTS FROM REGENTS

Regent Hosmer announced Regent Fortner's approval of the request by Regent Quillen, Chair of the Health Sciences Center Board of Directors, to reappoint Mel Eaves and Ann Rhoades as community members of the HSC Board of Directors for terms of three years, commencing effective July 1, 2015. The following motions were made regarding Regent Fortner's nominations to Boards of organizations that have bylaws that require Board of Regent vote:

**The motion to approve the Regent President Fortner's nomination of Matthew Chandler to the Lobo Energy, Inc. Board of Directors passed by unanimous vote with a quorum of Regents present and voting (1<sup>st</sup> Quillen, 2<sup>nd</sup> Koch).**

**The motion to approve the Regent President Fortner's nomination of Robert Doughty to the STC.UNM Board of Directors passed by unanimous vote with a quorum of Regents present and voting (1<sup>st</sup> Koch, 2<sup>nd</sup> Chandler).**

**The motion to approve the Regent President Fortner's nomination of Robert Doughty to the Lobo Development, Inc. Board of Directors passed by unanimous vote with a quorum of Regents present and voting (1<sup>st</sup> Koch, 2<sup>nd</sup> Overton).**

Regent Koch nominated Regent Suzanne Quillen to Secretary/Treasurer of the Board of Regents since there was a vacancy left when Regent Hosmer was voted to Vice President at the last meeting. Student Regent

Overton seconded the nomination. There was discussion about serving until election of officers at the March meeting. Regent Hosmer asked for a vote on the nomination; all were in favor.

## **REGENT COMMITTEE REPORTS**

### **FINANCE AND FACILITIES COMMITTEE**

#### **Fiscal Watch Report 12/31/2014 and Monthly Consolidated Financial Report**

Regent Koch asked Liz Metzger to present the reports which were provided in the agenda eBook.

**The motion to approve the December 31, 2014 Fiscal Watch Report passed by unanimous vote (1<sup>st</sup> Koch; 2<sup>nd</sup> Chandler).**

#### **Approval of Consent Agenda**

Regent Koch read the two items on the consent agenda, 1) Approval of Disposition of surplus property for main campus on lists dated December 19, 2014 and January 15, 2015, and 2) Capital Project Approval - UNM Valencia Campus Loop Road and Parking Expansion. Regent Koch motioned approval of the consent agenda.

**The motion to approve the Finance and Facilities Committee consent agenda as stated passed by unanimous vote (1<sup>st</sup> Koch; 2<sup>nd</sup> Overton).**

#### **Approval of Naming Committee Recommendation for Popejoy Hall**

Chris Vallejos presented the item for Amy Wohlert, Chair of the UNM Naming Committee. This is a request for naming under UNM Regents' Policy Manual section 2.11: Naming University Facilities, Spaces, Endowments, and Programs. The request is on behalf of a UNM donor, Margaret Moses Branch. Mrs. Branch is pledging \$250,000 to be paid over 6 years with the rights for the name on the Popejoy Benefactors' Lounge for ten years. The name of the Benefactor Lounge is to be listed as, The Turner and Margaret Branch Benefactors' Lounge.

Regent Hosmer inquired regarding the impact of the appearance of Popejoy Hall. Mr. Vallejos said it will be an exterior addition to Popejoy of about 808 square feet. The capital project has been approved and construction will start soon.

**The motion to approve the Naming Committee Recommendation for Popejoy Hall passed by unanimous vote (1<sup>st</sup> Koch; 2<sup>nd</sup> Doughty).**

#### **Approval of STC.UNM Annual Report and Audit Report**

Regent Koch asked Lisa Kuuttila to present the annual report. John Kennedy of KPMG was not present; he presented the Audit Report at the Finance and Facilities Committee meeting where it was approved. Ms. Kuuttila pointed out highlights from the powerpoint slide presentation, including members on the STC Board and Rainforest in the Desert concepts involving seeding, cultivating and nourishing new technologies. In Fiscal Year 2014, STC saw 119 disclosures, 56 option/license agreements, 45 U.S patents issued, and 9 startup companies; license income was \$1.072 K; patent expenses incurred were largely offset by patent cost reimbursements. STC distributed over \$290 K in royalties to 59 current or former UNM inventors. STC has a policy that 40% of revenues get distributed to the inventors. The University was recognized in June 2014 by the National Academy of Inventors for being named, Top 100 Worldwide University in U.S. Patents Granted in 2013. Ms. Kuuttila highlighted two startup companies, Accelera, Inc. and Alpine BioSciences and addressed STC's economic development activities, including securing the U.S. EDA grant to be used for Innovate ABQ property and the UNM Fiber Laser sponsored research project from Japan. Results of a study by UNM Bureau of Business and Economic Research (BBER) that surveyed 26 companies STC has actively provided services to since 2004, showed that these companies, in 2013, 1) attracted \$17.5 million in venture capital money to the State, 2) had sales of \$3.8 million, 3) Paid over \$5.9 million in salary and benefits, and 4) had 83 full-time, part-time and contract employees with average compensation of \$71 K. STC also cultivates UNM students, it had 5 student interns in Spring 2014 and 4 in Summer of 2014. Ms. Kuuttila mentioned the ongoing challenge of forecasting and maintaining

future STC License Revenues. Terminated License Agreements budgeted in FY2014 had a total negative \$380 K impact on the FY2014 revenue stream.

President Frank commended Ms. Kuuttilla and the STC organization, adding it is a lean organization that operates on an efficient budget. Dr. Frank extended appreciation to Ms. Kuuttilla for her work with UNM's faculty and STC's critical support and work on the Innovate ABQ project. Ms. Kuuttilla responded to Regent Hosmer's comment that STC partners with UNM Faculty and also with Innovate ABQ, confirming that STC can be viewed as a keystone organization that acts as a bridge between the two.

**The motion to approve the STC.UNM Annual Report and Audit Report passed by unanimous vote (1<sup>st</sup> Koch; 2<sup>nd</sup> Overton).**

Information Item: Budget Development Update

Regent Koch asked Andrew Cullen to give a brief update on the budget development. Mr. Cullen referred to the document submitted for the agenda eBook and a powerpoint presentation. The slides highlighted Guiding Principles, prioritizing the academic mission while pursuing efficiencies and addressing the challenges of implementing efficiencies. Mr. Cullen discussed the strategic focus in three areas: labor reduction, employee benefits, and program reductions. Learning from the past has showed there is value in strategic faculty hires, student support services, and capital investments that offer promising returns. Administration will not only look for short-term solutions to address the FY2015 and FY2016 budget shortfalls but long-term solutions that will reduce spending and enhance revenues in ways that are strategic and sustainable.

Regent Hosmer recommended looking at changes that give returns over time and out in to the future.

Regent Koch said the budget scenario indicates a \$7.2 million shortfall. Mr. Cullen agreed and clarified the shortfall is based on anticipated fixed-cost increases, primarily health benefits and utilities cost increases. Aon Corporation will soon provide a more accurate estimate for health benefits.

Student Regent Overton commented regarding the Faculty and Staff Benefits Committee involvement been in the Cost Control Group (CCG) discussions so they would be aware of the options that will be recommended. Mr. Cullen said they have not been involved; however, the CCG does have Faculty, Staff and Student representation. Student Regent Overton said it makes sense there would be more collaboration between the two groups and she hopes that will be the case moving forward.

Regent Quillen commented regarding finding efficiencies in program reductions and mentioned data she received regarding number of students enrolled per section. Several sections have very few students enrolled. Provost Abdallah said there are layers of complexity within the data she received. Context needs to be provided to explain unique circumstances. The Provost has asked the Deans and Chairs to provide input. President Frank said administration will bring the data back to the Regents in March with more explanations and recommendations.

Information Item: Update on Elks Lodge Transfer

Regent Koch asked Dr. Roth for comments. Dr. Roth said the space needs of UNM Health Sciences are almost insatiable. Right now HSC will assume responsibility for the facility and explore options for making the best use of the facility or property in the future. Regent Koch said the dialogue regarding Health Sciences' capacity problem needs to continue.

HEALTH SCIENCES CENTER BOARD OF DIRECTORS

Approval of Resolution to Purchase One Digital Mammography Unit and the Purchase of Upgrades for Three Existing Hologic Selenia Dimension Digital Mammographic Machines.

Regent Quillen asked Ava Lovell to present the item. Ms. Lovell said this was done as a sole source, following the State procurement code, and was posted on the Sunshine Portal without protest. The new mammography system will be \$370 K; the upgrade of the three mammography systems will be \$451 K; and upgrading the biopsy systems that connect to those for \$291.5 K; total cost of \$1,112.5 K. This was budgeted in the UNM Hospital's capital budget.

**The motion to approve the resolution to purchase one Digital Mammography Unit and purchase upgrades for three existing Hologic Selenia Dimension Digital Mammographic Machines passed by unanimous vote (1<sup>st</sup> Quillen; 2<sup>nd</sup> Overton).**

Information Item: HSC Financial Update

Ava Lovell presented the update and referred to her report that looked at 2<sup>nd</sup> quarter only compared to the same time period in the prior 4 years.

ACADEMIC AND STUDENT AFFAIRS AND RESEARCH COMMITTEE

Update from the Provost

Provost Chaouki Abdallah provided his update. The search for the Vice President for Research continues. A search will begin for the Global Education Office Director. As of the beginning of 2015, the reporting lines for the four UNM Branches have changed. Up to 2015, the reporting relationship had two lines, the Deans of Instruction reported to Academic Affairs and the Executive Directors reported to the President's Office. Beginning in 2015, it was agreed that both the Executive Directors and Deans of Instruction will report through the Academic Affairs office. Provost Abdallah discussed efforts underway to address student success and to increase the perceived value of the UNM degree. One area of focus is faculty and staff recruiting, retention, and compensation. Another area of focus is research funding due to the increased competition for research funds. The Provost discussed graduation rates, net tuition cost, total expenditure per student FTE, and return on investment. The return on investment is about the value of the degree and is a product of the quality of education and academic reputation of the University. Faculty, advisors, research support, and staff are all critical to the return on investment.

Approval of Honorary Degree Candidates

Regent Hosmer announced deferral of the discussion of honorary degree candidates to the afternoon closed session due to the need to keep the names confidential. Any votes for approvals however to take place in open session.

Consent Agenda: Approval of UNM Valencia Certificates

- 1) Form C: Film Technology Certificate
- 2) Form C: Medical Assistant Certificate
- 3) Form C: 3D Printing Mini Certificate

Regent Hosmer asked the Provost to give an outline explaining certificates at UNM. The University awards degrees at all levels, bachelor degrees as well as the graduate degrees, all the way to the professional, and medical and J.D.. At the Branches, there are associate degrees. Certificates constitute a piece that has two roles at the University, some certificates are an end in themselves and some go on top of a degree. At the Branches, certificates serve for workforce development as a relatively quick way to certify students for the workforce. At the Health Sciences Center and on Main Campus, there are certificates that can go on top of degrees to give someone another certification for being an expert in an area, for example radiology or high-performance computing. The 3 certificates coming for your approval are for workforce development. The approval process for certificates is the same process as that for regular degrees.

**The motion to approve the three certificates as presented passed by unanimous vote (1<sup>st</sup> Hosmer; 2<sup>nd</sup> Overton).**

Faculty Constitution Amendments – Approval of Revisions

Regent Hosmer asked Tim Lowrey, Co-Chair of the Faculty Committee on Governance, to present the constitutional amendments that were voted on by the general Faculty in December. Dr. Lowrey offered background on the Faculty committees. The Faculty Constitution was first created in 1949. The Committee on Governance and the Academic Freedom and Tenure Committee are the oldest Faculty committees on campus. The Committee on Governance is responsible for elections, for the Faculty Constitution, and also calling general Faculty meetings and setting the agenda. The vote on December 3 of

last year was a culmination of a year and a half of discussion of revising the constitution which had not been revised since 1985. Each of the 5 ballots was presented, the information was included in the agenda eBook. At the Academic and Student Affairs and Research Committee (ASAR) Ballot number 2 was approved with the addition of the words, "However, the Board of Regents reserves final authority over all policies and procedures."

**The motion to approve all five ballots as presented, including ballot number 2 as amended by the ASAR Committee, passed by unanimous vote (1<sup>st</sup> Hosmer; 2<sup>nd</sup> Chandler).**

Information Item: Dashboard Assessment

Regent Hosmer asked Greg Heileman to present his report on academic dashboards. This relates to collecting data and providing information for decision-making. The Office of Institutional Analytics, under the Provost, has been working on collecting data for this project for the past couple of years. Dr. Heileman gave a quick run-through of an example dashboard and noted dashboards that are already in place and those that will be ready in 2015.

Information Item: Strategic Pricing

Regent Hosmer asked Terry Babbitt to present. There is a demographic shift causing challenges for enrollment, especially for new students. There is a lot of competition for both domestic and international students and New Mexico was one of only 6 states with a declining population last year. Strategically pricing non-resident tuition is financially sound when there is capacity. Targeting new groups for international agreements, and domestic areas that also have growth such as Texas, can help fill the demographic void with strong students without displacing one resident student. Resident rate at about \$6.5 K per year and a non-resident rate of almost \$21 K per year. Responding to Regent inquiry, Dr. Babbitt agreed that these pricing structures would fall within the envelope of tuition rates approved by Regents. Regent Koch agreed that discount strategies would be good for the University but requested legal opinion as to what will require Regent approval. President Frank said this is very similar to awarding scholarships, which the University has been doing since the University started. Dr. Frank assured the Regents that legal opinion will be sought.

AUDIT AND COMPLIANCE COMMITTEE

Regent Hosmer said there was no report from the Audit and Compliance Committee.

COMMENTS FROM ADVISORS

Bill Miller, President, Retiree Association, said the association is in its eleventh year representing UNM retirees and he discussed the association's goals and areas in which it is involved. The association is working with HR and Provost's office to address creating a better path to retirement. Mr. Miller said the average age to retire in the U.S. is 62 which is the same for UNM. An average pension of a UNM retiree is about \$21 K, which is comparable to other states. The average retiree spends about 17% on health care for a healthy person. The association requests open discussions on the Health Plan Committee recommendations and timely information.

Rachel Williams, President, ASUNM, provided an update on ASUNM activities and mentioned the collaborative efforts between ASUNM and GPSA in organizing town halls at various colleges to provide venues for soliciting feedback from students.

Texanna Martin, President, GPSA, provided an update on GPSA activities and said that 100 students have applied for the GPSA scholarship. GPSA is working with the Foundation to offer scholarships to Grad students in the summer so they can potentially graduate earlier.

Pamela Pyle, President, Faculty Senate, addressed the issue of class sizes and a fundamental to teaching in the College of Fine Arts around a one-one-one, master-apprentice, interaction. It is a basis of the teaching in the college and cannot change, and President Pyle encourages informed decisions. Ms. Pyle addressed the budget forecasts and the difficult decisions facing the University in the coming weeks. UNM faculty are some of the lowest paid among the peer institutions and classes are slightly larger. With regard to reincorporation of the pre-65's into the active pool, Ms. Pyle encouraged a collaborative approach and a sharing of the costs between the actives and the University.

Reneé Delgado-Riley, President, Staff Council, said many Staff have voiced concerns with the current healthcare proposals, and she encouraged understanding the challenges people face and collaborative work in finding the best solutions. Staff Council was recently recognized for its community service across campus and throughout the city and State. Staff Council will produce a video with KNME, for this July, to show past 25 years of Staff Council and its vision for the future.

PUBLIC COMMENT (there were no comments)

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

Regent Hosmer asked for a motion to close the meeting and go into executive session to discuss the agenda items listed on the executive session agenda.

**The motion to close the meeting and proceed in Executive Session passed unanimously (1<sup>st</sup> Quillen; 2<sup>nd</sup> Overton). The meeting closed at 12:01 pm.**

Executive Session agenda in the Cherry Silver Room.

1. Discussion of Honorary Degree Candidates
2. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property pursuant to Section 10-15-1.H(8), NMSA (1978)
3. Discussion and determination where appropriate of threatened or pending litigation pursuant to Section 10-15-1.H(7), NMSA (1978)
4. Discussion and determination where appropriate of limited personnel matters pursuant to Section 10-15-1.H(2), NMSA (1978)

Approval of Personnel Contract

After discussion of limited personnel matters, the meeting opened for vote.

**The motion to open the meeting to vote on a personnel item discussed in closed session, passed by unanimous vote (1<sup>st</sup> Koch; 2<sup>nd</sup> Quillen).**

**The motion to approve the renewal of Dr. Paul Roth's contract passed by unanimous vote with a quorum of Regents present and voting (1<sup>st</sup> Koch, 2<sup>nd</sup> Overton).**

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

**The motion to re-close the meeting and proceed with the remaining Executive Session agenda items passed by unanimous vote (1<sup>st</sup> Quillen; 2<sup>nd</sup> Koch).**

VOTE TO OPEN THE MEETING AND CERTIFICATION

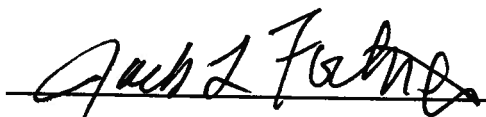
**The motion to open the meeting and certification that only those matters that were listed on the executive session agenda were discussed in closed session passed by unanimous vote (1<sup>st</sup> Overton; 2<sup>nd</sup> Quillen).**

There were no items on which to take action. There was not a vote on Honorary Degree Candidates.

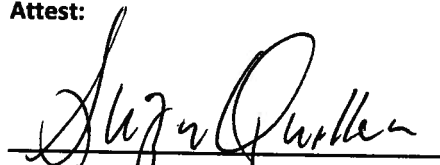
VOTE TO ADJOURN

**The motion to adjourn the meeting passed by unanimous vote (1<sup>st</sup> Koch; 2<sup>nd</sup> Overton). The meeting adjourned at 1:16 pm.**

Approved:

  
Jack L. Fortner, President

Attest:

  
Suzanne Quillen, Secretary/Treasurer

Minutes originated by Mallory Reviere and Sara Gurule  
Minutes finalized by: Mallory Reviere