

**Minutes of the Regular Meeting of the Board of Regents of the University of New Mexico  
September 13, 2016  
Student Union Building (SUB), Ballroom C  
Executive Session-Cherry Silver Room (SUB)**

Members present

Robert M. Doughty, President; Marron Lee, Vice President; Ryan Berryman; Tom Clifford; Jack L. Fortner; Bradley C. Hosmer

Members present telephonically

Suzanne Quillen

Administration present

Robert G. Frank, President; Paul Roth, EVP and Chancellor for Health Sciences; David Harris, EVP of Administration, COO, CFO; Chaouki Abdallah, Provost and EVP for Academic Affairs; Elsa Cole, University Counsel; Liz Metzger, Controller; Dorothy Anderson, VP HR; Richard Larson, Executive Vice Chancellor HSC, VP for Research, HSC; Gabriel López, VP Research and Economic Development; Jozi de Leon, VP Equity and Inclusion; Dana Allen, VP Alumni Relations; Steve McKernan, CEO UNM Hospitals; Cheo Torres, VP Student Affairs; Paul Krebs, VP Athletics; Libby Washburn, Chief Compliance Officer

Regents' Advisors present

James Lewis, President Alumni Association; Kyle Biederwolf, President ASUNM; Glenda Lewis, President GPSA; Pamela Pyle, President Faculty Senate; Kathy Guimond, President Retiree Association

Presenters in attendance

Connie Beimer, Director Office of Government and Community Relations; Janell Valdez, Assoc. Director Financial Aid, HSC; Pamela Pyle, Faculty Senate President; Tom Neale, Director Real Estate; Rick Goshorn, Director Business Operations, UNM-Gallup; Katherine Creagan, Modrall-Sperling Law; Raheel Hirji, George K. Baum & Company; Chris Vallejos, AVP ISS; Melanie Sparks, Exec. Project Director, ISS; Pamina Deutsch, Director, UNM Policy Office

Others in attendance

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

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

Regent President Robert Doughty called the meeting to order at 9:05 AM. A quorum was confirmed; Regent Suzanne Quillen joined the meeting by phone.

Before adoption of the agenda, Regent Doughty stated the following modification to the agenda:

1. Strike Academic/Student Affairs and Research Committee (ASAR) information item #2 (LoboRespect and Advocacy Center Update) because the presenter could not be in attendance.

**The motion to approve the agenda as modified passed by a unanimous vote with a quorum of Regents present and voting (1<sup>st</sup> Fortner; 2<sup>nd</sup> Lee).**

APPROVAL OF MINUTES

Regent Doughty asked for a motion to approve the minutes of the August 18, 2016 regular meeting of the Board of Regents.

**The motion to approve the minutes of the August 18, 2016 regular meeting of the Board of Regents passed by a unanimous vote (1<sup>st</sup> Berryman; 2<sup>nd</sup> Lee).**

THE PRESIDENT'S ADMINISTRATIVE REPORT

President Robert Frank presented his administrative report to the Board and stated the University has achieved a record high retention rate for the third semester at 80.1%, for the first time in UNM history. He thanked the Provost's Student Success Team for their hard work. The other statistic they look at in conjunction with retention is the 6-year graduation rate. From the 2010 cohort, 30% did not return to UNM. Next year they anticipate the graduation rate to continue to increase. Regarding enrollment for fall semester, there was a slight decrease on Main Campus of 0.91% in student headcount and 0.79% decrease in student credit hours. Unlike previous years, the University budgeted for an enrollment decline and a shift to students taking 15 or more credit hours; the University is well within their predicted budget tolerances. They have increased enrollment in key areas including 2.5% in beginning freshman, 15% increase in Anderson graduate students, and 30% increase in exclusively online students. The online student increase is a great signal that the University is beginning to move strategically in the right place. The University is doing the right things on enrollment in a

tough enrollment market. They believe the branding campaign will assist enrollment. NM Higher Education Secretary Barbara Damron asked the University to re-examine tuition reciprocity agreements with Mexico. This was revisited and the tuition set to 1.5x the resident rate for all Mexican nationals. There was only a tuition agreement with the state of Chihuahua, but the new agreement extends to all Mexican nationals. This will increase international students on campus, specifically coming from Mexico. UNM has a center in Mexico which has the opportunity to reach out to more areas.

The University is in the process of several reviews aimed at achieving efficiencies and effectiveness of operations. One of the reviews has been under Information Technology (IT), and the first draft of a report on IT has been circulating on campus reviewing Main Campus IT operations. Recommendations include having a centralized IT support with staff located in the units reporting up through IT; multiple ticketing and help desk systems would be centralized; integrate current academic technology services into IT which currently sits under another area; and implement a robust representative government structure to integrate faculty into IT functions. EVP David Harris has met with the IT group and the Interim Chief Information Office is beginning to work with all of the different groups to implement the report recommendations in a very aggressive manner with quarterly goals. A Town Hall meeting has been scheduled for September 22, 2016, and the external review will be the topic where they can obtain more input from faculty and staff.

President Frank introduced the new Chief Compliance Officer, Libby Washburn. Ms. Washburn is a longtime New Mexican, but comes via Washington D.C. where she was the Chief of Staff for the Assistant Secretary of Interior. The University is pleased to have her on Board. All Compliance functionality on the Main Campus will report to her and with all of the challenges faced by UNM implementing the Department of Justice report, it is great timing.

The budget is very challenging. Both in short-term and long-term, the University will have to manage State budget cuts. The University has begun planning for an immediate 5% reduction across Academic Affairs, Administration, and HSC. For Main Campus, a 5% reduction in I&G would total \$9 million, which is in addition to the \$12 million of internal Main Campus I&G cuts in the last three years. The University has implemented position review processes which have been very effective, but will now enact a hiring freeze. They will hire in critical areas but it will be very few. On the Academic side, the Provost has cut to 50% the hiring plan he approved previously. The President and the Provost are in conversation on how much that plan will be reduced in the future. The HSC implemented a 5% reduction a few weeks prior. Annual budget reductions are not sustainable. A campus-wide process to enable "strategic balancing" of academic programs and administrative services will be put into place. The process will be a faculty-led, data-driven objective review of programs and services. The goal is to obtain sustainable solutions for the long-term horizon that can be implemented. Processes will be determined on how to balance the budget and address any recurring shortfalls, as well as where to reinvest to strengthen the future of the University. In the next few weeks nominations for individuals to be involved in the effort will be solicited.

Regent Clifford commented that in addition to reviewing staffing and a hiring freeze, contracts and procurement need to be looked at carefully to identify savings. President Frank confirmed they will look into procurement and added the IT report will be provided to the Board and commented the University's costs per full-time FTE are about \$300 higher per full-time FTE. They believe the new structure will reduce costs \$300 per FTE.

Regent Clifford commented on the strategic balancing initiative and stated the effort may need to be management-led rather than faculty-led as it is talking about a balance of academic programs and administrative services. President Frank responded they are following a very specific program that has been used around the country. It starts off with faculty engagement to review programs; they provide data and pass it on to Administration who makes final decisions. It is senior management led at the end of the process; a shared governance model.

Regent Hosmer endorsed a game plan to work a long-term strategy that helps the University deal with the current and future situation. He requested the strategic plan and long-term goals become the primary template by which decisions are made about programs. President Frank responded the strategic plan will certainly be considered.

Regent Berryman stated that NMSU also implemented a tuition agreement with Mexico, and inquired how the deal compares to UNM. President Frank responded NMSU's price point is comparable to UNM. Regent Berryman inquired if they may have to consider removing academic programs due to the budget shortfall. Provost Abdallah stated they are continuously evaluating programs but removing a program is not something that can be done in a year. They have to look over multiple years regarding demand and at the program in its totality.

Regent Clifford inquired about \$20 million in balances available at the department level that could meet the financial problem for FY17. President Frank responded regarding the \$20 million balances at the department

level, much is encumbered and set aside for a specific use. They will identify what is encumbered and find out what can be swept that is unobligated. Regent Clifford stated they need to revisit all encumbered balances to see if they are necessary. President Frank responded if it is a grant they cannot unencumber those funds, but if it is University encumbered, they can look into those. EVP Harris commented that if the legislative cuts come toward the end of a fiscal year, it may lead to unusual things to balance the cuts.

Regent Doughty commented they may need to make unusual cuts; they need to develop a committee to look at Administrative salaries. This was discussed at the joint UNM and NMSU Board of Regents meeting because that had been done at NMSU. The Legislature tends to cut higher education budget as they have the tuition aspect to raise revenue.

#### PUBLIC COMMENT

Dannelle Kirven, a sophomore, an ASUNM Senator, and a member of Black Student Alliance, presented the general consensus of black students' opinion on the proposed Freshmen Residential Living Requirement. Ms. Kirven thanked Dr. Terry Babbitt and Dr. Tim Gutierrez for speaking with students at African American Student Services about this. The students value the vision for this and see it as having great potential, however the recommendation is for slow implementation of the campus live-on requirement, building up to a full 2020 implementation. The slow implementation will allow for a continuous and engaged dialogue between administration and black students. While it is known that freshmen students who live on campus typically perform at a higher level than Freshmen students who do not, the data has shown varying levels of success for black students who live in residence halls and it is for this reason a 3-year implementation postponement is recommended. These next three years can focus on meaningful dialogue, creation of African-American living-learning communities, continued cultural sensitivity trainings, workshops and programming in the residence halls, as well as continuous tracking of data on the success of black students who live on campus. Ms. Kirven stressed black students are also concerned about infrastructure to house the influx of students and cost prices, but also about what will happen after black students are required to live on campus. Will there be resources and programs to help black students feel more integrated into campus living communities? Ms. Kirven spoke about various factors that contribute to black students performing at various levels while living on campus, including cultural sensitivity and stressors that contribute to a lack of engagement and academic performance. While this proposal has great potential, there needs to be more planning and engagement of the student body and a slower implementation to reach the 2020 vision of a Destination University.

Aubriana Knell, a student and ASUNM senator, commented about the Freshmen Residential Living Requirement agenda item. Most students she has spoken with are not supportive of the proposed live-on requirement. The students are invested in building community by living on campus, but if this is a forced requirement, the communities will be destroyed when the next freshmen class comes in and space will be needed for them; that community disperses as soon as a new class is brought in. The student body is not ready for this.

#### COMMENTS FROM REGENTS' ADVISORS CONCERNING ITEMS ON THE AGENDA

Pamela Pyle, Faculty Senate President, commented on the Freshmen Residential Living Requirement agenda item. The faculty sees the positive aspects the proposal entails, including helping design the initial living environment for incoming freshmen that encourages a focused learning, work-live space, as well as the multitude of exemptions that are included. Those exemptions however need to be more widely advertised. Regent Doughty agreed the exemptions have not been made clear, especially the 30-mile radius exemption.

Kyle Biederwolf, ASUNM President, commented on the Freshmen Residential Living Requirement agenda item. Mr. Biederwolf provided handouts summarizing student input on the proposed living requirement and asked Regents to review those before voting on the item. There were multiple forms of outreach, on Facebook, in ASUNM advisory councils, in ASUNM Senate, in the Plaza. Feedback was varied, a lot of students were supportive of the idea, there were concerns about the implementation of it right now. After the various forms of outreach, Mr. Biederwolf offered the following opinion: the student body is not ready for a freshmen living-on requirement yet. The undergraduate student body supports the vision and idea of fostering the mission and the values of living on campus, but cannot comfortably support the requirement right now. There is concern about infrastructure, including parking; the unique transitional state of the University, with major capital projects, including Johnson Center construction; Central Avenue is about to be torn up; and lastly, students like having the choice on whether to live on or off campus, and that was a major selling point for choosing to come to UNM. Mr. Biederwolf applauded the UNM administration for taking these steps forward to making UNM a Destination University as defined in the 2020 Vision. Mr. Biederwolf spoke about the diverse student population and the varied challenges among the student population with regard to student success. While there are many benefits to living on campus, UNM is not ready for this freshmen live-on requirement.

**REGENT COMMITTEE REPORTS****CONSENT DOCKET**

Regent Doughty presented the consent docket and asked if any members wished to remove any item from the docket for discussion and a separate vote. No items were removed from the consent docket.

1. Academic/Student Affairs & Research Committee (ASAR) Consent Item
  - a. Removal of Programs
2. Finance and Facilities Committee (F&F) Consent Items
  - a. Approval of Disposition of Surplus Property for Main Campus for July & August 2016
  - b. Approval to use Construction Manager at Risk for Johnson Center Expansion and Renovation as a Project Delivery,
  - c. Approval of FY16 Year-end Undesignated Reserve Report

**The motion to approve the items on the Consent Docket passed by a unanimous vote (1<sup>st</sup> Fortner; 2<sup>nd</sup> Lee).**

**HEALTH SCIENCES CENTER COMMITTEE****Approval of the UNM FY2018 RPSP Legislative Requests for HSC and Main Campus**

Connie Beimer presented the Research and Public Service Requests (RPSP) and referred to a one-page document supplied in the agenda eBook. Ms. Beimer acknowledged the state budget issues; however, the Department of Higher Education (HED) requested UNM to submit requests for RPSPs. In response, there are three expansion requests, one for Main Campus and two for Health Sciences Center (HSC). The three requests were: 1) Degree Plans, \$225,800 requested for FY18, if funded this would bring the Degree Plans total general fund appropriation to \$300,800; 2) Graduate Medical Education Residencies, \$2.1 million total requested, if funded this would bring the total general fund appropriation to \$2.969 million; and 3) Health Data and Policy Resources for New Mexico, with a \$500,000 FY18 expansion request.

Ms. Beimer outlined some of the details of each request. The Degree Plans, provides online tools for students to stay on track and seamlessly transfers credits to other state higher education institutions. The HED is very supportive and wants to coordinate this with its career data. Secretary Damron is relying on this to support the analytics required by her higher education reforms. So far, with funds received, online degree plans have been created for seven institutions, NMSU, Northern, Eastern, CNM, San Juan Community College, Santa Fe Community College and the UNM Branches. On the Health Sciences side, there are two requests. The Health Data and Policy Resources RPSP provides data and expertise and serves as a resource; it shares best practices and provides analysis as the State makes policy decisions impacting the health of New Mexicans. A lot of the work will be done in the new College of Population Health (COPH) which will be a resource to the State of New Mexico by providing empirical data and the subject matter expertise for its faculty, staff, and students for the purpose of assisting the state with policy need, legislative requests, plans to reduce long-term health care costs, and needs assessments to improve population health. The third RPSP, Graduate Medical Education Residencies, is an important project for our state. This is a nationwide issue, to fund the number of residencies needed to meet the needs of our country and specifically our state. The State of New Mexico stepped up three years ago to begin funding additional residencies for the UNM HSC, in psychiatry, family medicine, general surgery, and internal medicine. In addition to the FY18 expansion request of \$1.2 million, the HSC is requesting a supplemental \$900,500 to cover funds it did not receive from the State last year. This is crucial to address the physician shortage in this state, especially in rural New Mexico. Ms. Beimer asked Dr. Roth if he wished to comment.

Dr. Roth commented, this actually is an issue we began addressing in 2014 at the request of the Governor's office. At that time, the HSC was approached with the suggestion to increase the class size of the medical school, in order to address primary care needs in the state of New Mexico. It was explained that by increasing the class size without increasing the number of resident positions was not effective. It was agreed the best approach was to focus on expanding the residency programs. That led to this nine per year of additional resident slots and the HSC was fortunate to get funding in the very first year, so the first group of nine that were committed to were hired and covered in fiscal year 2015. Some of these programs are a 5-year program, and every year a commitment to nine more is made, so eventually there will be thirty-one of these positions at the medical school. Each position costs about \$100,000 which includes salary, benefits, and the cost of supervision. Without getting the incremental funding from the State, we essentially have to take that out of our balances and out of our programs. Without getting the incremental support, we will eventually have to cut back the number of residences, as we will not be able to afford a \$2.2 million operating expense.

Regent Jack Fortner inquired the ramifications of the graduates of the Osteopathic school in Las Cruces, when its first graduates are ready to enter residency programs. Dr. Roth responded, the plan was for about 115 graduates in the first class, and based on the strategic plan, the school is looking at eventually 300 students per year graduating. The UNM HSC medical school graduates 103 per year. The osteopathic school has a business model with plans to increase residency programs in El Paso and in Las Cruces; however, 900 additional slots would need to be opened up. This will further compound the bottleneck the country is currently facing and will make it difficult.

Regent Tom Clifford said he cannot support any of these expansions in the current budget environment. He had asked in committee for an alternative where we would outline some offsetting cuts. If these programs are high priorities, as is being presented, then there must be something else that is less important. That is the kind of budget environment that we are in. These sound like worthwhile programs, so it seems UNM would have been doing these already within the existing budget. This is a poor proposal in the current context. It was discussed with staff in Finance and Facilities Committee about bringing back an alternative that is funded, that is budget neutral. This did not come today. Regent Clifford concluded he cannot support any of the proposed expansion requests; the State does not have the money to do this, period.

Ms. Beimer responded, the process has begun, working with the Provost and looking at current RPSPs, the funding and what they are doing, and opportunities available as Regent Clifford suggests.

Regent Clifford responded the Regents could vote on it then.

Regent Brad Hosmer commented on the language of the residency request and suggested strengthening the language to outline more specifics, for example, how short the State is in numbers of primary care physicians and the impact this proposal would have if it were implemented. With regard to Regent Clifford's comment, Regent Hosmer stated he assumes this action is a request to the State for budget purposes but does not preempt internal action we might take to reprioritize and fund these, if the State is not forthcoming. One action does not preclude the other. Ms. Beimer responded the HED is requesting the submittal of priorities for this. It is for State funding and it is understood that with the budget shortfall this is not realistic, but they are responding to the request. Additionally, Ms. Beimer said they will incorporate Regent Hosmer's suggested wording into the RPSP.

Provost Abdallah responded to Regents' comments. With regard to the Degree Plans, UNM has been investing in this internally for the last three years. The previous Secretary of Higher Education requested UNM help the other schools, and about \$75K was provided the first year to do that. Again, we are responding to the requests of the State, and in this particular case, to try to take it outside of UNM. If we didn't have to do it for everyone else, then the current funding is actually sufficient, but in effect this is not only for UNM, but to help higher education in the other institutions and provide what UNM has already created.

Regent Marron Lee inquired if any of the other higher education institutions are helping to fund the Degree Plans project. Provost responded he was not aware of that, and UNM is only responding to the request from the Secretary of Higher Education. Ms. Beimer was not aware either, but would follow up to the Secretary of Higher Education.

Student Regent Ryan Berryman added it is a great point to make that UNM has provided the labor and assumed the financial responsibility for benefitting the entire State on some of these initiatives.

**The motion to approve the FY2018 RPSP Legislative Requests for HSC and Main Campus passed by a vote of 6-1; Regents Fortner, Lee, Doughty, Berryman, Hosmer and Quillen voted for; Regent Clifford voted opposed (1<sup>st</sup> Fortner; 2<sup>nd</sup> Berryman)**

#### ACADEMIC / STUDENT AFFAIRS & RESEARCH COMMITTEE

##### Approval of Summer Degree Candidates

Pamela Pyle presented the item. The number of summer graduates is 733, which is up from 667 the same period last year. The Regents had the full list of graduates.

**The motion to approve the Summer Degree Candidates passed by unanimous vote (1<sup>st</sup> Hosmer; 2<sup>nd</sup> Berryman).**

#### FINANCE AND FACILITIES COMMITTEE

Approval of Conveyance of Right-of-Way to City of Albuquerque for A.R.T. Project

Tom Neale presented the item and the materials were provided in the agenda eBook. The request is for approval to enter into a right-of-way conveyance agreement with the City of Albuquerque to facilitate construction of the Albuquerque Rapid Transit Project. The City came to UNM and requested an acquisition of about 9,900 square feet of land to facilitate construction. The University in turn requested to look at a value for value exchange where the University would get benefit from the project in turn for a cash payment. The University requested to the City an improved pedestrian corridor and landscaping between Girard Boulevard and Stanford Boulevard, along with improvement along the streetscape along Central Ave. and University Boulevard. The land was valued at \$26 per square foot, or \$258K; the value of the improvements within the conveyance was estimated at \$167K; total value was estimated at \$425K. At Finance and Facilities Committee, Student Regent Berryman suggested the University ask for additional branding and banners along the Central Ave. right-of-way, and the City has subsequently agreed to that request.

**The motion to approve the Conveyance of Right-of-Way to City of Albuquerque for the A.R.T. Project passed by unanimous vote (1<sup>st</sup> Hosmer; 2<sup>nd</sup> Clifford).**

Capital Project Approval: NM Gas Line Extension to Improve UNM Generator Reliability

Chris Vallejos presented the item and the materials were supplied in the agenda eBook. This capital project will extend the New Mexico Gas Very High Pressure mainline from the Albuquerque bus barn to the UNM Ford Utilities Center. The project budget is \$736,292, and the total amount is financed through the Physical Plant Department (PPD) Utilities internal funds.

**The motion to approve the NM Gas Line Extension Capital Project passed by unanimous vote (1<sup>st</sup> Fortner; 2<sup>nd</sup> Berryman).**

Approval of UNM-Gallup Defeasance of Series 2009 General Obligation Bond Issue

Regent Lee asked Rick Goshorn to present the item. The UNM Gallup Branch Campus requested approval for a defeasance of the Series 2009 Mill Levy Bonds which are currently on the books. As a result of some of the reserves that have built up in their escrow accounts for managing their mill levy debt service, they have come up with enough cash to be able to retire the 2009 bonds.

Regent Clifford stated that more information was provided to the full Board of Regents. Of those materials, Regent Clifford referenced spikes in the debt service in fiscal 2022 and 2023 and it says that those will be paid for by an escrow account that is not impacted by this transaction.

Mr. Goshorn responded it is not impacted as they are maintaining a 2.75 mill levy rate which is higher than what they need currently. But as they get to these periods of time, they will have built up enough reserves to pay for the balloon payments that occur.

Regent Clifford stated that is an unusual strategy for local finance and asked for clarification why they have balloon payments.

Mr. Goshorn stated that they agreed as it is an interesting and strange way to set up their debt. Unfortunately the individual that set up the original debt in regards to the balloon payments are no longer with any of the firms, and they have no justification as to why balloon payments were inserted into the financing of the debt. They are left with what they have and are trying to move forward with it.

Regent Clifford would like to see the escrow analysis as to how those balloons are being funded.

Mr. Goshorn stated the cash defeasance of Series 2009 Bonds is the cash flows over a period of time for all of their debt servicing. They are building up reserves and then in 2022 they drop the reserves back down to a smaller level. At that period of time is when they will be doing some relatively serious cash flow analysis to decide what their actual mill levy should be at that moment in time because they hope their mill levy and their debt service will hit zero at the end because any cash balances must be used for debt retirement and they won't have any debt to retire.

Regent Clifford commented that they tend to go back to the voters to ensure their taxes won't go up but they should go down if the voter were to vote a no on a bond measure; he believes there is dishonesty about that. He believes it will be critical when the time comes and they can defease the balloon payments that they not go back to voters and say their taxes won't go up but they will keep the mill levy at a level that is not needed. They need it at that level to pay off the balloon payments. They need to have a more honest discussion with the voters about that.

Mr. Goshorn stated they have already had this open discussion with the local Advisory Board who has voted for this item and agreed with their strategy regarding defeasance and how they are managing their debt. Their concern is fluctuating mill levy rates up and down. HED recommended a 0.8 mill levy rate and that they consume their reserves and bring it back up again. UNM Gallup feels it better to maintain a consistent rate.

Regent Clifford stated that what is stable for UNM Gallup may be unstable for tax payers. They need to look at both sides and how it is impacting tax payers.

Mr. Goshorn stated that every year HED looks at their reserves and current anticipated income in regards to the mill levy and the balances associated with that, and recommends a mill rate. It is up to UNM Gallup to argue what will be best for the community and for the operations. They requested to maintain the current mill rate, defease the 2009 bonds to get them off the books, and watch the reserves as next year they may have

the funds to defease the 2005 bonds. Once they defease those they could bring their mill rate down to something that is more stable. The County Assessor certifies tax rates. For clarification, the vote by the Regents would be to defease the 2009 bonds, they will take their reserves set them aside in an escrow account and pay off the callable portion of that, reducing their overall debt and totaling \$220K in interest savings. These reserves are outside of the HED recommended 3% reserve.

**The motion to approve the UNM-Gallup Defeasance of Series 2009 General Obligation Bond Issue passed by unanimous vote (1<sup>st</sup> Fortner; 2<sup>nd</sup> Berryman).**

Approval of UNM Freshmen Residential Living Requirement

Regent Lee requested Chris Vallejos, Melanie Sparks, and Terry Babbitt present the item. Several slides were made available in the agenda eBook. This has been presented to Academic/Student Affairs and Research Committee and to the Finance and Facilities Committee. Meetings have occurred with ASUNM, Staff, Faculty Senate, and analysis has been conducted over the past eight months. This was a request by Regents and senior leadership to take a look at a residential live-in requirement. A lot of information has gone in to these analyses with input from many stakeholders.

Regent Clifford voiced disappointment because the same slides were presented about a month ago and questions were asked about this and administration had agreed to provide additional analysis of the impacts of this decision on the student retention rates. The Regents have not seen that, it was not presented in Finance and Facilities (F&F) committee. Additionally, there was discussion in committee that this somehow impacted the Innovate project, and there has been no analysis presented to support that. It is not presented at this meeting, so should it be disregarded? Chris Vallejos responded the Innovate ABQ project will supply another 310 beds that will be added to the inventory to create an Innovation Academy on 1<sup>st</sup> Street and Central Ave. and how this would play into helping with the matriculation cycle to retain sophomores and juniors as they are matriculated.

Regent Lee requested to hear from Dr. Babbitt and asked if he could answer Regent Clifford's questions. Dr. Babbitt responded he recalled on multiple occasions the discussion on retention analysis, along with the request for regression that looks at multiple variables. Dr. Babbitt produced a hard-copy output of logistical regression and presented to Regent Clifford. Regent Clifford responded Regents could not make much use of it at this point.

Dr. Babbitt continued. The attempt was made to address this over a long period of time, addressing the capacity issue as a team with a number of staff committed to it. Enrollment impact was also addressed, this has been the primary concern brought up. It was anticipated this would be a concern. This was addressed by surveying students that would be impacted by the policy, and the belief is the results of that indicate there are some students that come to UNM because it is attractive that they can choose where they will live. The data on the survey indicated that over half, about 55%, indicated they would have come to UNM anyway. In anecdotal discussions with parents, many would like it if their student were forced to live on campus. This in light of a safety issue. Exemptions were communicated, including the 30-mile radius and financial hardship, including new hardships. With that survey, it appeared the number was under 50, after providing exceptions, that it may impact their enrollment decision. The goal would be to not have any enrollment impact. The promotion and marketing needs to be very up-front, that there is an option if this is not the right fit, so to encourage students to keep looking at the University of New Mexico. The discussion continues, looking at data about success outcomes. To Regent Clifford's point, retention and completion measurements were very heterogeneous in nature. There are some things that count, but a lot of things are people decisions that don't. The correlations are strong; that is not causation. It does make a difference for students, regarding the most recent retention rate cited, there was a low p-value, second only to grade point average for that particular class in that particular year. The belief is the data is strong. This led to discussions with students, also under direction from Regent Lee. The students have been tremendous to engage in discourse. Discussion with student groups took place, for instance in the Spring with African American Student Services, and those discussions were recently followed-up with more discussion involving high-level intellectual questions, civil discourse, and positive dialogue with even some disagreement. There has been a lot of work, but transparency and understanding the challenges is important. To get 200 students to live on campus, make this a vibrant community, and make this a destination institution, is a step in the right direction.

Regent Fortner asked for clarification, if the impact were to be 50 students, would the greater proportion of those be black students who would choose not to come to UNM? Dr. Babbitt responded the students surveyed represented all populations, and there was the question on whether any group would be more likely to choose exceptions over another group. The commitment would be to be aggressive to communicate the option to opt-out. There has been discussion with students about the climate on campus, resident life and any cultural issues. It has become clear more needs to be done to address improving the cultural environment, improving living arrangements, and even offering cultural awareness for students living on campus. There's no evidence this would impact any one group more than another.

There was clarification the proposal is for implementation in Fall 2017. Regent Fortner put forth the question: if implementation were delayed one year, would it give time to address all of the issues? Dr. Babbitt responded this has been a consideration. Chris Vallejos added implementation can be delayed, but the impacts, whether it is to enrollment or other impacts, will be the same regardless of the year implemented and that it is staff's job to mitigate those impacts to foster success at the University. Mr. Vallejos added, this affects prospective students, not those who are currently here.

Regent Lee clarified the question put forth is not whether to delay Regents' vote, but whether to delay implementation.

Regent Hosmer commented that in light of the uncertainties, Regent Fortner's comments, and the charts presented to Regents, there are strong benefits but potential costs in enrollment. Acknowledging the survey was not precise, but is still a powerful indicator, can a case be made to move forward with this, not as a mandatory requirement but as a very aggressively encouraged practice for at least one year? Additionally, request Dr. Babbitt not be aggressive about communicating exceptions, but to be aggressive about encouraging students to come into residence, while providing families and students with the full deck of information about the advantages of coming into residence, playing it as strongly as we can, but not mandating it to see what happens. Mr. Vallejos responded that this is being done, every letter that goes out to parents and students highly recommends this. It has been a practice for the past ten years. Regent Hosmer recommended turning up the volume on the communications and see what happens.

Student Regent Berryman commented he shares some of the concerns of Regent Clifford, that the primary metric being used to drive this argument is retention. But there are other variables that affect retention than just whether or not a student lives on campus. That concern was brought up a month ago. The other concern is capacity, no doubt housing has capacity, but renovation of the recreation center that will not be ready when students come will be a deterrent. The mandate is talked about as if it will make UNM a destination university, but that is something that happens organically and can be seen in the increase in number of out-of-state students and the previous years' increase in 3<sup>rd</sup> semester retention. UNM will continue to become a destination university as it continues to do the things it has been doing over the last few years. Given the high volatility in enrollment and the economic climate, it is not the University's place the mandate where somebody spends their money, or where they should live. Regent Berryman said he has made that point before.

Regent Doughty commented the students bring up a good point about the capital projects going on, as well the cultural sensitivity issue should formulate some type of exemption in this. Mr. Vallejos responded it is there presently, there are a number of exemptions.

Regent Lee asked for clarifications, if student athletes are required to live on campus. Paul Krebs, VP for Athletics, responded from the audience that generally athletes on scholarship are required to live on campus. Regent Lee inquired what our peer institutions are doing. Dr. Babbitt responded that peer institutions have been broadly analyzed, more specifically regional institutions have been looked at. Colorado State University and the University of Colorado both have live-in requirements similar to this proposal. The University of Arizona and Arizona State do not, but they strongly recommend it. Texas Tech does require it, and just recently New Mexico State University has approved the requirement for implementation next Fall. Regent Lee added she has had the same concerns that Student Regent Berryman and Regent Clifford have had primarily with implementation on campus. There needs to be certain things addressed before a cohort comes in. For example, being able to use a Lobo ID for payment for a wider range of items. The question however is whether the extra conveniences that students should benefit from while living on campus should be in place before the first cohort comes, or if those conveniences should be developed after students begin living on campus. Regent Lee said she would support the path where students are on campus first and let that drive the development of the other conveniences.

Mr. Vallejos responded that is a difficult question to answer. It will be 2019 before the renovated recreation center is ready. The University certainly wants the amenities to be here when the students arrive. This will happen, as Smith Plaza is renovated, as the new Physics and Astronomy and Interdisciplinary Sciences (PAIS) and Anderson School of Management come on. Building the campus community is an ongoing effort. Those amenities are going to come, the campus community, student success and graduating students in four years is the desired outcome so students can then enter the job market.

Student Regent Berryman commented the initial presentation showed 150 students that were not sure if they would be able to live on campus or not, and now that number has somehow shifted to 50 students. One hundred and fifty students who do not support this or could not afford this. One final question: what do we consider campus housing, Lobo Village, The Cottages, Innovate? Mr. Vallejos responded The Cottages are not part of the University, that is an apartment complex in Albuquerque. Innovate ABQ, Lobo Village, which is a partnership with American Campus Communities, and other Main campus housing are considered on-campus housing. Regent Berryman said he will vote against this, but he will be the first to tell any student they should live on campus, but he doesn't think it is the University's place to mandate it.



Regent Lee added that students who receive Regent Scholarships are also required to live on campus in their freshman year.

**Regent Doughty motioned that Regents adopt the UNM Freshmen Residential Living Requirement, but that implementation not take place until Fall of 2018.**

Regent Doughty added, this will give more time for preparation for implementation, capital projects will be underway, and will give an assurance of development of a cultural exception.

**Regent Fortner seconded the motion.**

Regent Fortner added that he seconded because he agreed with the one-year delay in implementation.

Regent Hosmer requested clarification the motion includes this will become mandatory in the Fall of 2018. Regent Lee and other Regents confirmed the motion includes the requirement will be mandatory in Fall of 2018.

**The motion to approve the UNM Freshmen Residential Living Requirement, but that implementation not take place until Fall of 2018, passed by a vote of 5-2; Regents Lee, Doughty, Hosmer, Quillen and Fortner voting for; Regents Clifford and Berryman voting opposed (1<sup>st</sup> Doughty; 2<sup>nd</sup> Fortner).**

After the vote, Regent Hosmer requested administration bring forward an analysis of the impact of this current year of all of the efforts put forward by enrollment management and admissions to encourage students to live on campus, before the requirement is in place. Regent Doughty said that is a good idea. Mr. Vallejos said the analysis can be done for students entering Fall 2017.

Monthly Consolidated Financial report for Main Campus (Information item)

Liz Metzger presented the monthly report for month-end fiscal year-end June 30, 2016. The report was provided in the agenda eBook. Ms. Metzger said the reserve balances will be provided in more detail at the October meeting with the annual reporting of reserves according to University Administrative Policy 7000. Additionally, the Athletic department annual net revenue/expense of \$402K deficit, as reported on page 6 of the report, does not reflect the \$1.56 million deficit previously reported to Regents for Athletics for FY16. This is due to inclusion of other sports enhancement activities. Ms. Metzger commented the new fiscal year reports will be revised to incorporate additional information Regent Clifford requested in Finance and Facilities Committee. Regent Clifford commented the report is not drawing Regents' attention to the information that need focus and added he will work with Ms. Metzger to develop something generally more useful to the Regents.

Credit Card Service Fee (Information item)

Liz Metzger presented the item. The item is regarding a credit card service fee, sometimes called a convenience fee, which was implemented in the new fiscal year. Ms. Metzger provided a hard-copy handout to Regents with information about the fees, reasons why the University made this decision, a list of schools serviced by TouchNet that charge credit card fees, and what peer institutions are doing. The service fee became effective FY17 for any credit or debit card payments processed through the bursar accounts. It is a 2.75% service fee with a minimum service fee of \$3.00. Every merchant that accepts credit card payments is accessed these fees. The fees charged by credit card companies are used to fund the various credit card affinity/reward programs. Retail merchants handle this usually by an increase in prices. The fees charged by the credit card companies were significantly reducing the University's tuition and fee revenue and with the budget challenges, it was determined the University can no longer absorb these fees. The University reached out to its third party vendor, TouchNet, and requested it go forward with implementation of the additional fee for credit or debit card payments. Research was done on what other institutions are doing and the majority have implemented a fee. Some no longer take credit cards altogether. During payment processing, the fee is communicated within the TouchNet payment screens when the credit or debit card method of payment is selected. To avoid the fee, there are several other options for payment, including payment plans, personal check, ACH (bank routing and account number), cash, as well as a combination of payment methods if necessary. The fee was implemented in August 11, it was delayed due to other schools being in the queue for implementation. Emails went out to students ahead of time to inform them of the fee. Students used to be automatically dropped from classes if payment had not been received by a certain date at the beginning of the semester, but that has changed. Now, if they need, students have until the end of the semester to work out a payment method. A look at recent data shows bank transfer method of payment went from 3,009 last year to almost 9,000 this year. Credit card payments have gone from around 8,000 last year down to about 3,800 this year, and debit card payments have gone from 2,770 to zero. Ms. Metzger stressed that credit card debt is probably not the best option, and there are probably other options that UNM can help students explore so that they can stay enrolled and be ready for the next semester.

Student Regent Berryman commented that he had requested this be put on the agenda after a number of students had reached out to him because they had been surprised by the fee, and for some it was like an inadvertent tuition increase. The administration made the decision and now it is important to stress that students need to know that interest rates on credit cards are high, and if one has a debit card, they have a bank account and routing number, even if one does not have a check. This should fall on administration and student leadership to begin to educate the student population that there are other ways, probably more financially sound, to pay for tuition. Ms. Metzger added that she would be speaking to a group of students that afternoon regarding this topic.

Regent Clifford inquired if this came to the Regents for a vote. Ms. Metzger responded it did not; she and EVP Harris had discussed it last year and determined it did not require a vote. Regent Clifford stated it was probably important enough that it should have come to the Regents for approval. He inquired the financial impact; it looks like at least a \$100K increase of cost to the students which is a significant impact. Another issue is whether the University benefits from this mechanism. Regent Clifford inquired why the minimum fee of \$3.00 was imposed as it can be well above 2.75% on some transactions. Ms. Metzger responded the minimum fee is the industry standard and is implemented by TouchNet. There was discussion about universities that do not take credit cards. Regent Clifford inquired about the data security with taking credit card information. Ms. Metzger responded one of the reasons for using TouchNet is because it has a secured system, which is PCI (payment card industry) compliant and meet all regulations of DSS (data security standards). It would be cost prohibitive for the UNM system to become compliant, and that is why TouchNet is used.

Regent Clifford requested the new IT director present to Finance and Facilities Committee or to the Audit and Compliance Committee, on the security of the UNM system and background.

Student Regent Berryman inquired is the contract with TouchNet would go up for RFP at any point. Ms. Metzger responded TouchNet was chosen after an initial RFP process, but the contract is renewed with them, probably because it is a leader in the area and to switch over to another vendor would take a lot of resources and time. Regent Berryman clarified the \$3.00 minimum fee would be charged also to payments on parking tickets and bookstore items that go through the bursar account. He added the students need to be educated about this fee as well.

Regent Lee agreed with Student Regent Berryman and said there should be a clear example on the website of how much a student will pay if they use a credit card to pay in their bursar account to pay for a \$5 item, that it will actually cost \$8. Regent Lee also stressed credit card debt is a serious thing, and payment by bank transfer, along with budgeting, in the long run may be better for students. A 15% credit card interest fee can add up quickly. The a program like the Financial Literacy program that is offered at HSC needs to be made available to all students so they can learn important life skills.

There was discussion. Ms. Metzger said the fees cost the University \$700-800K per year.

#### AUDIT AND COMPLIANCE COMMITTEE

##### Approval of Proposed Revisions to Regents' Policy 7.17 on Affiliated Organizations

Regent Jack Fortner introduced the item and asked Pamina Deutsch, Director of the UNM Policy Office to present the item. This policy discusses the University's affiliated organizations and the requirements of a state statute, NMSA 1978 Sect. 6-5A-1). Consistent with the statute, the University enters into written agreements with its affiliated organizations that are exempt under Section 501(c) of the Internal Revenue Code. The list of organizations in this policy has been out of date for many years. The proposed revisions will provide an accurate list of the affiliated organizations; clarify that the requirements of the statute pertain to 501C organizations, and not to other types of affiliated entities; and specify whether the organizations are fund-raising organizations or research park corporations, formed under the University Research Park and Economic Development Act, NMSA 1978, Sect. 21-28-1. In the track-changes version of the table one can see a number of the organizations have dissolved, in many instances their fund-raising efforts are now performed through the UNM Foundation. Regent Fortner asked if Regents had any questions. There were no questions. Regent Fortner asked for a motion to approve.

**The motion to approve revisions to Regents' Policy 7.17 passed by unanimous vote (1<sup>st</sup> Berryman; 2<sup>nd</sup> Hosmer).**

#### PUBLIC COMMENT

Regent Doughty, referred to the list of people who signed up for public comment; there were 27 people who signed up to speak on the same topic, the 2-year ban from campus of the New Covenant Christian (NCC) Church pastor, Jim Cooper and associate pastor, Kirk Walker. Regent Doughty requested, with respect to

time constraints, all those who signed up to come forward as a group, and as everyone probably had generally the same view, to nominate a few people to speak on behalf of the group, two or three to speak the main points, and a couple others to follow up with comments if they felt their particular view had not been articulated.

Jeff Sharp spoke first and said there were a number of students who wished to speak on the topic of Mr. Cooper and Mr. Walker's ban.

Thomas Casias, a junior at UNM and former president of the charter student organization, Lobos for Christ, commented Mr. Cooper and Mr. Walker have aided him as well as other students. When Mr. Casias visited the Advocacy Center, it did not address his needs, but Mr. Cooper and Mr. Walker provided helpful advice and support when needed.

Gladys Aragon, a junior at UNM and part of the NCC Church for two years, spoke in support of Mr. Cooper and Mr. Walker. They provided help when needed, guidance, teachings, and leadership, as well being able to meet on campus was convenient for students who have busy class schedules.

Sal Guardiola II, a second-year law student, spoke in support of pastors Jim Cooper and Kirk Walker and the negative impact to the church congregation as a result of their ban from campus. They used to meet Sunday mornings on campus, the Department of Anthropology allowed them to use its building. Meetings took place also on Saturdays to pray for the well-being of campus, and these meetings are no longer happening because the leaders are not allowed to be on campus. Experience for two years as a volunteer in new student orientation impressed importance of not only providing students with resources but guiding students to those resources. Pastors Cooper and Walker provided guidance, for example to the Women's Resource Center, El Centro De La Raza and American Indian Student Services Center, at no cost to the University and they can no longer do that due to the ban. Mr. Guardiola requested the Regents hear directly from the pastors.

Josh Hale, a graduate of UNM, former president of Lobos for Christ, former employee of UNM, and current member of NCC Church, spoke in support of Mr. Cooper and Mr. Walker. Initially as a student, the pastors provided support to help Mr. Hale get back on track as a student, contributing to ultimately graduating in four years. They provided guidance on who to talk to at the University, when other UNM employees had provided poor counsel. Mr. Hale later became an employee of the UNM police department as a security guard, and attributes the pastors' guidance for showing how to care for and protect other students. The University is worse off for not having Mr. Cooper and Mr. Walker on campus.

Regent Fortner inquired the speakers' recommendations. There was recommendation Regents hear directly from Mr. Cooper and Mr. Walker. There was discussion about the Dean of Students' decision to ban the pastors from campus. The ban is for two years and per formal process and procedures, the final decision with regard to non-university members rests at the Dean of Students level. Provost Abdallah clarified there is a different decision still in process related to the chartered student organization. There was discussion. Regent Fortner asked for contact information of the speakers in order to have further dialogue.

#### ADVISORS' REPORTS

James Lewis, President of Alumni Association, presented an overview of his goals as president of the Association, including the major theme of enhanced communications, collaboration and cooperation. Some of the Associations major activities under Mr. Lewis' leadership will be to review the bylaws, review initiatives and all programs for effectiveness, and define Alumni's role and importance of branding. Mr. Lewis outlined some of the ongoing initiatives, including completion of the Karen Abraham Courtyard Project, continue work with the Foundation regarding the centralization and lean-up of the alumni database, and work with VP of Alumni Relations, Dana Allen, to review the Alumni Relations Office. The Alumni's 2016-2017 motto is, Working/Active Board. Mr. Lewis spoke about recent and upcoming events and invited the Regents to attend.

Regent Clifford inquired about how to leverage alumni to help UNM graduates get jobs. There was brief discussion about the importance of alumni networks and network building to connect students with alumni in all areas.

Regent Lee thanked Mr. Lewis and the Alumni for hosting the Regents at the recent out-of-town tailgate before the UNM-NMSU football game in Las Cruces.

Glenda Lewis, GPSA President, spoke about recent GPSA activities. The GPSA Office has been very busy. GPSA executive appointments have been made, the Fall funding cycle to fund graduate students is open,

SFRB (Student Fee Review Board) hearings have started, GPSA is accepting Student Regent nominations, among other activities going on.

Kyle Biederwolf, ASUNM President, commented on the Regents' vote on the Freshmen Residential Living requirement and looks forward to working with UNM administration to address concerns that have been voiced regarding implementation, before Fall 2018 implementation. The ASUNM Office has been very busy in the areas of SFRB applications, various forums, student regent applications, Red Rally, Fall Frenzy, Homecoming and Silent Lights, a new homecoming event.

Pamela Pyle, Faculty Senate President, spoke about ongoing activities, including the New Mexico Statewide General Education steering committee that was established in January 2016 to shape the core curriculum, to identify essential learning outcomes that will develop the skills necessary for specific student success. Faculty Senate, in conjunction with the Provost, is organizing a task force to assist in the Higher Education Department's review of the general education curriculum, and Ms. Pyle said she will keep the Regents apprised of the progress.

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

The vote to close the meeting and proceed in Executive Session passed unanimously (1<sup>st</sup> Lee; 2<sup>nd</sup> Fortner). The meeting closed at 11:45 AM. The closed session took place in the Cherry Silver Room, third level of the SUB where lunch was also provided. Regents Berryman, Doughty, Clifford, Hosmer, Lee and Fortner were present in person; Regent Quillen joined the meeting by phone, except during the discussion of strategic plans of public hospitals.

1. Discussion and decision, if appropriate, of strategic or long-range plans of public hospitals as permitted by Section 10-15-1.H(9), NMSA (1978)
2. Discussion and determination where appropriate of threatened or pending litigation as permitted by Section 10-15-1.H(7), NMSA (1978)
3. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property as permitted by Section 10-15-1.H(8), NMSA (1978)
4. Discussion and determination where appropriate of limited personnel matters pursuant to Section 10-15-1 (2), NMSA (1978)

VOTE TO RE-OPEN THE MEETING

The vote to re-open the meeting passed unanimously (1<sup>st</sup> Fortner; 2<sup>nd</sup> Lee). The meeting re-opened at 1:20 PM; the door to the Cherry Silver Room was opened.

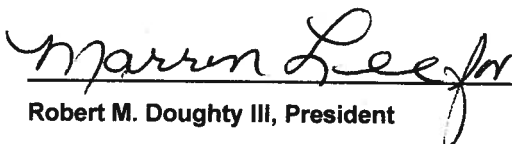
Regent Doughty certified that only the matters described in the closed session agenda were discussed and there was one item upon which action was taken in closed session related to strategic plans of public hospitals. The item was approved by a vote of 6-0; Regents Fortner, Lee, Clifford, Doughty, Hosmer and Berryman voting. For the record, Regent Quillen recused herself from the discussion and vote of said item.

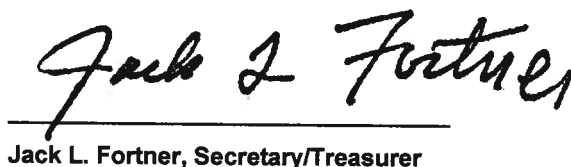
ADJOURN

The motion to adjourn the meeting passed unanimously (1<sup>st</sup> Fortner; 2<sup>nd</sup> Clifford). The meeting adjourned at 1:20 PM.

Approved:

Attest:

  
Robert M. Doughty III, President

  
Jack L. Fortner, Secretary/Treasurer