

The University of New Mexico  
Board of Regents' Meeting  
August 9, 2011  
Student Union Building Ballroom C  
Meeting Minutes

Members present: President Jack L. Fortner, Vice President Don L. Chalmers (via telephone), Bradley C. Hosmer, James H. Koch, Jacob P. Wellman (Quorum).

Members unable to attend: Carolyn J. Abeita, J.E. "Gene" Gallegos.

Administration present: Interim Provost Chaouki Abdallah, Executive Vice President David Harris, Chancellor Paul Roth, Vice President Josephine DeLeon (Equity & Inclusion), Vice President Julia Fulghum (R&D), Vice President Helen Gonzales (Human Resources), Vice President Paul Krebs (Athletics), Vice President Ava Lovell (Controller), Interim University Counsel Lee Peifer.

Administrators unable to attend: President David J. Schmidly, Vice President Eliseo Torres (Student Affairs).

Regents' Advisors present: President Timothy Ross (Faculty Senate), President Mary Clark (Staff Council), President Katie Richardson (GPSA), President Jaymie Roybal (ASUNM), President Waneta Tuttle (Alumni Association), Chair Gary Gordon (UNM Foundation), President Maria Probasco (Parent Association), President Cynthia Stuart (Retiree Association).

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

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

**Motion passed, with no dissenting votes, to adopt the agenda (1<sup>st</sup> Fortner, 2<sup>nd</sup> Hosmer).**

**II. Approval of Summarized Minutes of the June 27, 2011 BOR Meeting, Regent Fortner**

**Motion passed, with no dissenting votes, to approve the minutes (1<sup>st</sup> Koch, 2<sup>nd</sup> Wellman).**

**III. President's Administrative Report, Provost Chaouki Abdallah**

Provost Abdallah introduced Vice President Human Resources Helen Gonzales who presented a report on the Upper Administration at the University of New Mexico. This report was requested by President Schmidly and presented at the F&F (Finance and Facilities) Committee meeting.

Between 2008 and 2011, the total reduction in cost is a little over \$900 thousand, 21%. There has been a reduction of four vice president positions over this time. The expense for VPs is less than one half of one percent of the annual payroll of \$835 million.

In a comparison using data from IPEDS (Integrated Postsecondary Education Data System) reporting, the median peer group of institutions reported 290 Executive-Senior Administrators, while UNM has 140 individuals in this category. These positions include academic and business administrators and, while these individuals have the highest levels of administrative responsibility, they serve on annual employment contracts.

The President's office was cited as an example of cutting administrative expenses. From 2008 to 2011, that office reduced the number of staff by three, to 7.5, which represents an annual saving of \$218 thousand, 18%.

- **At the F&F Committee meeting, Regent Chalmers asked that reports on other comparative data be presented at future committee meetings. They will include various staff and faculty categories.**

Regent Fortner pointed out that reports continue to distinguish between Main Campus and the Health Sciences Center (HSC). Comparisons with New Mexico State University (NMSU) should be made using Main Campus numbers.

Ms. Gonzales noted that the title of Vice President is not much used at the HSC, so the reporting is on Vice President and equivalent positions.

Regent Hosmer commended the analysis. He said that the premise for public comment is often "smaller is better and cheaper is best." A more appropriate premise may be, "Is the executive level management at the university effective compared with peers?" A report showing effectiveness, compared with peers, would be useful, although it may difficult to measure. A rough first attempt might be to describe effectiveness in terms of achieved student learning. It would help set the agenda in public discussion.

Ms. Gonzales said tracking of accomplishment and outcomes of department goals could go a long way in reporting effectiveness.

**IV. Comments from Regents (none)**

**V. Public Comment specific to agenda items (none)**

**VI. Comments from Regents' Advisors (reports included in BOR E-Book)**

Faculty Senate, Timothy Ross, President. Dr. Ross reported on the four policies the Faculty Senate is working on: revising the faculty workload policy to include research, developing a progressive faculty discipline policy, the development of a career track for faculty who are full-time lecturers and a policy for a procedure to place candidates in Endowed Chairs or Professorships.

The senate will also address the strategic budgeting process. In that regard,

- **President Schmidly has asked Dr. Ross to consider, with faculty, the idea of a special compensation package.**

The senate will assist the Provost in developing his strategic plan. It will work to establish an office of international programs. Another thrust will be the formation of an Honors College. Lastly, the reorganization of the Faculty Senate will continue to be addressed, making the senate more effective and enhancing shared governance.

Professor Amy Neal was introduced, later in the meeting, as President Elect of the Faculty Senate.

Staff Council, Mary Clark, President. Ms. Clark and Dr. Ross met with EVP Harris and AVP Andrew Cullen (Budget) and we are confident that we will again come to agreement on what to do to preserve UNM's mission and look long term at a compensation plan for employees. It is important to recognize the success achieved by the cooperation of faculty, staff and students in the budget process.

GPSA, Katie Richardson, President. Ms. Richardson urged the BOR to approve the revision of the GPSA Constitution. She reported that Congress removed the eligibility of graduate students for subsidized student loans, beginning 2012. In effect, this will increase graduate tuition. She expressed concern that it will have negative effects on the diversity of UNM. She noted that the graduate and professional student population is growing at a rate three times that of undergraduate students. She urged that means be found to help students afford graduate school.

She asked that all non-faculty, above a certain pay grade, be included in the effectiveness report mentioned by Regent Hosmer, and that the report be tied to student graduation rates. She proposed this formula: the number of students graduated on Main Campus divided by the number of administrators paid over \$100 thousand.

ASUNM, Jamie Roybal, President. ASUNM met with student leaders from NMSU and New Mexico Tech to formulate a plan of action to address tuition credit and the lottery scholarship during the next legislative session. Dr. Walt Miller arranged site visits to several universities to observe student health, recreation, residence, dining and Honors facilities. The Barrett Honors College at Arizona State University was very impressive. Ms. Roybal is working on a proposal for a bike rental program on campus.

UNM Alumni Association, Waneta Tuttle, President. Ms. Tuttle distributed a brochure about the grand reopening of Hodgin Hall which will be held in conjunction with Homecoming. She recommended a video about the history of Hodgin Hall. The video was entirely done by students and can be seen on the alumni website. Ms. Tuttle agreed with Regent Fortner that the windows and HVAC system at Hodgin are still problematic.

UNM Foundation, Gary Gordon, Chair. Mr. Gordon reported that the foundation raised over \$83 million dollars in the year ended June 30<sup>th</sup> which pushed the current capital campaign to more than \$400 million. Mr. Gordon mentioned the generous contribution of the McKinnons and complimented the leadership of the foundation, as well as Dr. Schmidly, Dean Brown, and VP Krebs. The return on the investments was over 19%. A list and brief background of the twenty three trustees of the Foundation was presented in the BOR EBook.

- **A comparison with similarly sized endowments will be available.**

UNM Parent Association, Maria Probasco, President. Ms. Probasco noted the many activities planned by the association for the beginning of this academic year. The association is working with ASUNM and GPSA regarding the upcoming legislative session. She distributed a flyer for the upcoming golf tournament, the proceeds to support student scholarships.

Retiree Association, Cynthia Stuart, President. Ms. Stuart announced that the organization has a complete slate of officers. She introduced Dr. Scott Obenshain, the new association president and named the new officers. Ms. Stuart noted that the Retiree Association is not represented on the Presidential search committee.

**VII. Information Item: UNM Consolidated Master Plan 2011, Dale Dekker, Dekker/Perich/Sabatini (posted on the BOR website).**

Chris Vallejos, AVP (Institutional Support Services) stated that the 2011 Consolidated Master Plan is being reviewed at this meeting in preparation for adoption at the next BOR meeting to be held on September 13, 2011. As directed, the Draft 2009 Master Plan has been available for public comment since August 2009 and this refinement of that plan takes in many of the ideas expressed by constituents. Mr. Vallejos introduced Dale Dekker to present a high level land use plan which identifies key development principles in the comprehensive document.

Mr. Dekker said this plan has been in development since 2008. Much work has been done since the last update to the BOR a couple years ago, especially in community involvement. It incorporates many studies and plans done for the university over the years. The biggest change in this plan is to dedicate everything north of Lomas to the growth of the HSC and UNMH. There is genuine consensus to maintain the unique sense of place that is UNM, its architecture and quality open space.

The 1996 Master Plan did not anticipate the growth at UNMH and HSC. It dedicated most of the land north of Lomas to core academic expansion.

UNM is a complex urban in-fill development. Every day 70,000 people move in and out of this area. MRCOG (Middle Rio Grande Council of Governments) provided analysis of opportunities to reduce SOV (single occupant vehicle) traffic. The University of Arizona has a street car system that connects the main campus with the downtown area. Portland State University's streetcar runs through the middle of the university. Building parking structures is, in effect, building expensive land as a way to deal with the automobile. This plan starts the move to evolve from a commuter campus to a sustainable urban campus.

For the North Campus, the major challenge is bridging across University to connect HSC and UNMH with Lands West. On Central Campus, improving open space and preserving historic structures are considered in the plan. As we grow, over time, the places we will build are currently parking lots. The transit solutions proposed and the partnerships created through this planning process will go a long way towards resolving parking issues. The plan addresses creating good east-west connectors, open space, new student housing, developing the campus within its historic building context, how these sites can be in-filled and the capacity of the central

campus to accommodate growth and change. The reservoir site at Yale and Redondo is critical and there should be a strategy for acquiring it. Keeping buildings in the 3½ to 4 story range, a million to a million and a half square feet can be added in the academic core.

The existing South Campus plan has worked well and it's developing into a more 24/7 type of campus. To develop a Facilities Master Plan for Main Campus to the same detail as the plan for North Campus will take an Academic Master Plan that will provide the types and quantities of the academic facilities we will need to accommodate future student populations.

The Master Plan is a living document that will change over time, but it provides a foundation for where the university can go and grow in the future.

Mr. Dekker confirmed to Regent Koch that the 9500 parking spaces inventoried at South Campus do not include the vacant, unpaved land south of the Pit. Regent Koch pointed out that this is the only area available to the university to establish more parking and that an alternative to shuttle busses, a trolley or monorail, should be investigated.

- **Regent Koch asked that an estimate of costs to develop a monorail or trolley from parking areas south of the Pit to Main Campus be provided to EVP Harris.**

Regent Wellman commended the focus on sustainability shown in the plan. The HSC plan is very impressive and he looks forward to the development of a similar plan for Main Campus when the Academic Master Plan is completed.

Regent Hosmer said the plan is a very comprehensive piece of work and reflects the amount of consideration that's gone into it. He encouraged the planning process to continue to work with all constituencies.

### **VIII. Regent Committee Reports (reports in BOR EBook)**

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

- A. Approval of re-appointment of Dr. Sul Kassiech, Distinguished Professor ASM as Endowed Chair in Economic Development, Bill Uher, Vice President, Development

**Motion passed, with no dissenting votes, to re-appoint of Dr. Kassiech to the Endowed Chair in Economic Development (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Koch).**

- B. Approval of Posthumous Degree for Yi Huang, Timothy Ross, President, Faculty Senate

**Motion passed, with no dissenting votes, to award the posthumous degree to Ms. Huang (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Wellman).**

- C. Approval of GPSA Constitution Revision 2011-2012 Election Ballot Initiative, Katie Richardson, President, GPSA

**Motion passed, with no dissenting votes, to approve the GPSA Constitution Revision (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Wellman).**

#### Finance and Facilities Committee, Regent Don L. Chalmers, Chair

Consent Agenda:

**Items A through F, except item C-3, were moved to the consent agenda. Item C-3 was deleted.**

- A. Disposition of Surplus Property for Main Campus – lists dated 6/24 and 7/15/2011, Bruce Cherrin, Chief Procurement Officer
- B. Contract Approvals, Bruce Cherrin Chief Procurement Officer:
- 1) UNMH-BCBS of New Mexico
  - 2) UNMH-United Blood Services
  - 3) UNMH-US Food Services
  - 4) UNMH-First Choice Community Health Care

- 5) UNMH-Hartford Life and Accident Insurance Company
- 6) UNMH-Seven Bar Flying Service Inc.
- 7) UNMH-Staples
- 8) UNMH-MGA Healthcare Staffing New Mexico Inc.
- 9) UNMH-American Foundation for Organ Donation and Transplantation
- 10) UNMH-Siemens Medical Solutions
- 11) UNMH-Standard Register
- 12) UNMH-Siemens Medical Solutions
- 13) UNMH-Cisco System Equipment (Aquila/Mele)
- 14) UNMH-Dupuy
- 15) UNMH-First Nations Community Health Care
- 16) UNMH-US Post Office
- 17) UNM Research Storage Consortium-Storage System
- 18) UNM Center for Micro-Engineered Materials-Rigaku
- 19) UNM Construction Manager at Risk Approval for the Collaborative Teaching and Learning Building

C. Approval of, Vahid Staples, Budget Officer:

- 1) Capital Project for Facility for Advanced Cell Engineering
- 2) Capital Project for UNM Hospital Install Chiller Line to Barbara and Bill Richardson Pavilion
- ~~3) Capital Project for UNM Hospital First Floor Neuroscience-(deleted)~~
- 4) Capital Project for UNM Hospital Replace Domestic Soil Pipes
- 5) Architect Selection for 1650 University

D. Approval of Legislative Funding Requests, Marc Saavedra, Government Relations Director

E. Approval of Reappointments for Harwood Foundation Governing Board (David Harris, Michael Sudbury, Marcia Winter) Linda Warning, Chair, Governing Board Harwood Foundation

F. Approval of Harwood Foundation Code of Ethics, Linda Warning, Chair Harwood Foundation

**Motion passed, with no dissenting votes, to approve items A, B 1-19, C 1, C 2, C 4, C 5, D, E and F (1<sup>st</sup> Chalmers, 2<sup>nd</sup> Koch).**

Action Items:

G. Approval of Budget for Presidential Search, Helen Gonzales, Vice President, Human Resources

**Motion passed, with no dissenting votes, to accept the budget of \$254,100.00 with a contingency of \$5,000.00 available at the discretion of the committee chair (1<sup>st</sup> Chalmers, 2<sup>nd</sup> Hosmer).**

Ms. Gonzales presented a proposed budget for the presidential search. The estimate is \$40 thousand less than the amount spent for the 2006 president search.

Regent Koch urged the committee to watch the costs for semi-finalist interviews. With a committee of twenty nine members, this cost can increase very quickly.

Ms. Gonzales clarified that the search firm will do some initial background checks on the candidates they bring forward, but that UNM will pay for background checks on the finalists.

Regent Hosmer warned against economizing a few thousand dollars at the risk of finding the right president.

EVP Harris responded to Regent Wellman that the source of the funds is from reserves.

- H. Approval of New Investment Consultant for the Consolidated Investment Fund, Gary Gordon, Foundation Chair

**Motion to approve Wurts and Associates, the lowest cost vendor, as the consultant, died due to lack of a second (1<sup>st</sup> Koch).**

**Motion passed, to accept the Trustees recommendation to approve Hewitt Ennis Knupp (an AON Company) as the new consultant for the Consolidated Investment Fund (1<sup>st</sup> Chalmers, 2<sup>nd</sup> Hosmer), Fortner, Wellman voted yes, Regent Koch voted nay. (Regents Abeita and Gallegos were not in attendance.)**

Mr. Gordon said the three finalists came from a field of fourteen responses to the RFP. Representative of those three firms traveled to Albuquerque for interviews with the investment committee and the committee produced the recommendation now before the BOR. The recommendation has passed through the Foundation Investment Committee, the Foundation Board of Trustees and the F&F Committee. The all-inclusive fee is \$235 thousand per year. This means travel will be paid by the firm, not the Foundation.

Regent Chalmers said this proposal was not the lowest bid. Mr. Gordon said that, in the judgment of the committee, the recommended firm is deeper in resources than those that came in with a lower bid. It's larger, has more assets and advises a lot more endowments. Their quote is lower than the amount we are currently paying. Regent Chalmers noted that this firm has a net worth of \$8.4 billion and has substantially more liability insurance.

Mr. Gordon told Regent Koch that the firm not being recommended scored just seventeen one hundredths (17/100) of a point higher than the one being recommended. While their outcomes for the last three years might be similar, they have very different investment philosophies. There will be no extra charges for special investigations required by certain types of investments; that kind of charge is included in the all-inclusive price quoted by Hewitt. Regent Koch pointed out that the recommended company's fee is 31% more than the other firm. Not including fee, the firms appeared to be about even in the scoring. Mr. Gordon said that being even is why they were finalists. At that point, the decision rested on the hour and a half interviews between the ten member committee and each of the finalists. Mr. Gordon told Regent Koch that they had not checked with any of the clients listed by the competing firms—they went by the general reputation of the clients. Regent Koch believes that using Wurts would save the Foundation enough money to hire more fund-raising staff.

Mr. Gordon explained that the liquidity burdens on UNM's investment are low. The profile of the recommended firm is better in terms of providing services to that type of fund. He explained that the three investment professionals on the committee are not trustees of the foundation, as per the bylaws.

Mr. Gordon clarified that the foundation was seeking approval of their decision to hire Hewitt. If there is not approval, there is no new hiring. If Regent Koch's motion to hire Wurts passes, the foundation will stay with their current advisor, at least for the time being. Regent Koch said that, in effect, that the BOR has no choice; even if the Board were to vote to accept a proposal other than the recommendation of the Foundation, that firm would not be hired. The BOR can only approve the hiring of the recommended firm, not the hiring of a

different one. Mr. Gordon said that that is how the Memorandum of Agreement (MOA) between the BOR and the Foundation is set up, for all things not just for this circumstance.

Regent Fortner asked Mr. Gordon to explain why the names of the RFP respondents could not be revealed at the F&F Committee meeting. Mr. Gordon responded that the Foundation was being very careful to operate within University procurement guidelines which require that the identities of all bidders be kept confidential at all times. He explained that the bidders were strictly investment advisors as opposed to being fund managers. They offer advice which the Foundation is free to accept or not accept. They do not facilitate nor do they get any fees for assisting in finding fund managers.

Regent Chalmers emphasized that the interviews and the net worth of the recommended firm were the deciding factors in approving the Trustees' recommendation.

Regent Koch noted that he had no problem with the firm chosen. He hopes that, in the future, the process can be open to start with, rather than waiting until the decision has been made.

#### Information Items:

- I. Monthly Consolidated Financial Report, Ava Lovell, VP and Controller (posted on BOR web site.)
- J. Capital Projects Monthly Project Status Report, Chris Vallejos, AVP Institutional Support Services (included in BOR E Book posted on BOR Web Site)
- K. Information on UNM Regents Travel Policy 7.7, Lee Peifer, Interim University Counsel
  - **Regent Chalmers will make this an action item for the 9/1/2011 F&F Committee meeting to bring to the 9/13/2011 BOR meeting.**
  - **Regent Fortner directed the F&F Committee and the Audit Committee to continue to work on this policy and for Counsel Peifer to contact Regents Chalmers and Gallegos regarding same.**

Interim Counsel Lee Peifer said that when the New Mexico Per Diem and Mileage Act was enacted, it did not apply to Article Twelve institutions of higher learning. It was amended in 1989 to apply to them. Since then, it has had a provision which recognizes the unique situation of research universities, which says "...provided that the governing board may authorize per diem for travel to a locality inside or outside the continental United States for a public officer or employee who is reimbursed solely from federal funds in accordance with the rate allowed by the federal government for travel to that locality. Expenses shall be substantiated in accordance with rules promulgated by the governing board and the governing board may promulgate rules defining what constitutes out of state travel for purposes of the Per Diem and Mileage Act." It recognized a different standard for out of state travel. In 1995 or 1996, the federal OMB (Office of Management and Budget) promulgated four cost accounting standards which were incorporated into a federal circular (Circular OMB 821). It provides that institutions which it governs cannot charge the federal government for travel reimbursement at a rate higher than it uses in its normal course of business, pursuant to a written policy for non-federally funded travel. A very large portion of budgeted travel at UNM is federally sponsored or is otherwise sponsored by non-state sources. The present policy dates from 1996. Nothing in the record directly links the Regents policy direction with the Circular, but they correspond in time. The current Regent Policy 7.7 relies on Subsection 5E of the state per diem statute which provides that if the Regents, in public meeting, make a finding that extraordinary circumstances exist, they can reimburse for travel on an actual

expenses basis, rather than at per diem rates specified in the state act. In 2003, when they passed the current iteration of policy 7.7, the BOR equated actual expenses with federal reimbursement rates. The current policy specifically says "...the board hereby approves payment for actual expenses for meals and incidental expenses, as specified from time to time, in the federal reimbursement rates."

Regent Fortner asked if the university can reimburse actual expenses. Counsel Peifer said the state allows reimbursement in three ways: an aggregate per diem rate, actual expenses for travel plus a meal per diem rate or, in Section 5E, upon the finding of extraordinary circumstances, actual expenses instead of a per diem rate. Regent Fortner asked if across the board reimbursement of actual expenses would comply with both federal and state strictures.

- **Regent Fortner directed Counsel Peifer to provide information on 1) what OMB would say, and 2) the fairness, to the faculty and to the taxpayer, of reimbursement of actual expenses rather than paying per diem.**
- **Counsel Peifer said economies of scale apply in a per diem system versus a receipt based system. He doesn't know at what point those economies come for UNM but will try to get that information.**

In response to Regent Wellman, Mr. Peifer about 80% of UNM travel is funded by federal or other non-state sources. Ms. Lovell said 80% of travel is on research, so the university's research mission could be damaged if we went to the state rate. She said that concern doesn't apply if we were to reimburse on actual receipts, but it is harder to administer. Counsel Peifer said that in his view this is a policy issue for the regents to resolve rather than a matter of the university being in violation of the law. The regents have made a reasonable attempt to deal with this situation.

Health Sciences Board, Chancellor Paul Roth for Regent Carolyn J. Abeita, Chair

Action Items:

- A. Approval of HSC FY 2013 Legislative Requests, Marc Saavedra, Director Government Relations

**Item A was approved as part of Item D of the F&F Committee report.**

- B. Approval of Candidacy of Charlotte Garcia to the Sandoval Regional Medical Center Board, Kevin Rogols, President & CEO, SRME

**Motion passed, with no dissenting votes, to approve Ms. Garcia as an SRMC Board Member (1<sup>st</sup> Koch, 2<sup>nd</sup> Chalmers).**

- C. Approval of Bylaws of the UNM HSC Board of Directors, Chancellor, Scot Sauder, UNMH Counsel

**Motion passed, with Regent Koch abstaining, to approve the Bylaws of the UNM HSC Board of Directors (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Wellman).**

Consent Items:

- D. F&F Agenda Items B1-16, Contract Approvals

**Items recommended by the HSC Board and were approved by the BOR under the Finance and Facilities Report. (F & F: B1-19 contract approvals; C 1,2,4; D)**



Audit Committee, Regent Gene Gallegos, Chair (no report)

**IX. Public Comment** (none)

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

**Motion passed at 11:37 a.m., with no dissenting votes, to proceed into Executive Session (1<sup>st</sup> Wellman, 2<sup>nd</sup> Koch).**

**XI. Executive Session**

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

**XII. D. Vote to Re-open the meeting.**

**Motion passed, with no dissenting votes, to return to open session (1<sup>st</sup> Koch, 2<sup>nd</sup> Wellman).**

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

**Motion passed, with no dissenting votes, to certify no actions were taken in executive session (1<sup>st</sup> Koch, 2<sup>nd</sup> Wellman).**

**XIII. Adjournment**

**Motion passed at 1:20 p.m., with no dissenting votes, to adjourn the meeting (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Wellman).**



**Jack L. Fortner, President**  
**Board of Regents**



**Carolyn J. Abeita, Secretary/Treasurer**  
**Board of Regents**