

The University of New Mexico  
Board of Regents' Meeting  
September 11, 2012  
Student Union Building Ballroom C  
Meeting Minutes

Members present: President Jack L. Fortner, Vice President Don L. Chalmers, Secretary Treasurer Carolyn J. Abeita, J.E. "Gene" Gallegos, Bradley C. Hosmer, James H. Koch, Jacob P. Wellman (Quorum).

Administration present: President Robert Frank, Executive Vice President David Harris, Chancellor Paul Roth, Provost Chaouki Abdallah, Vice President Helen Gonzales (Human Resources), Vice President Paul Krebs (Athletics), Ava Lovell (Sr. Executive Officer, Finance and Administration), Vice President John T. McGraw (Research and Economic Development), Vice President Eliseo Torres (Student Affairs), Interim University Counsel Lee Peifer, Interim University Controller Elizabeth Metzger.

Regents' Advisors present: President Amy Neel (Faculty Senate), President Mary Clark (Staff Council), President Marisa Silva (GPSA), President Caroline Muriada (ASUNM), President Duffy Swan (Alumni Association), President Scott Obenshain (Retiree Association). Gary Gordon, (UNM Foundation), Parent Association representative unable to attend.

Regent Fortner called the meeting to order at 9:08 a.m.

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

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

**II. Approval of Summarized Minutes of the August 14, 2012 BOR, Regent Fortner**

**Motion to approve the minutes of the August 14, 2012 meeting passed unanimously (1<sup>st</sup> Koch, 2<sup>nd</sup> Abeita).**

**Comments from Regents (none)**

**III. President's Administrative Report, President Robert Frank**

President Frank spoke about the Freeh Report, the report of the Special Investigative Council regarding the actions of the Pennsylvania State University related to the Child Sexual Abuse committed by Gerald Sandusky and the implications for UNM.

Dr. Frank also reported on the Jeanne Clery Act, passed in 1986, which requires higher education institutions that participate in federal student financial aid programs to collect statistics on, and make timely warnings regarding, designated "Clery Crimes" and to prepare and distribute an annual safety report. This annual report is a combined effort led by the UNM Police Department and includes campus offices as well as the Albuquerque Police Department.

These two items provide a mechanism for campuses to monitor the safety and risk on their campuses.

- **In the future, Clery Act data will be presented to the BOR as part of an annual review process.**

In addition to the fiduciary responsibility, the Freeh Report makes clear that risk assessment is one of the most important acts of the BOR. At Penn State, the administrators failed to inform the Board of the risks and the Board failed to ask what risks existed. It is the job of administrators and advisors to tell the Board about risk and your job to ask about it.

Many issues raised in the Freeh Report have no applicability to UNM.

- **Manu Patel and Pamina Deutsch will lead a review of the four compliance programs within UNM (Health Sciences, Finance, Athletics and Research) and their possible consolidation. A report will be presented in October 2012.**

Regent Abeita stated her initial opinion that cross-communications between the programs would be essential to the compliance process.

Regent Gallegos and Regent Hosmer noted that Clery Act compliance has been discussed, proposing that the basic responsibility be placed in the ASAR (Academic and Student Affairs and Research) Committee with a report to the Audit Committee. The Audit Committee would do spot verifications of the data in the report. Dr. Frank will provide recommendations for BOR committee processes.

Regent Chalmers said the Freeh Report is much more far-reaching than Penn State; it goes to governance and due diligence of the BOR. Involving the right people and using the resources we have as Regents and community members, we can determine the right questions to ask. Being on the BOR comes with serious responsibility and we must continually look for better ways to ask the right questions.

Regent Fortner said his initial response is that the compliance process would go through ASAR and ASAR would make referrals out as necessary. Committee assignments will not be decided today.

President Frank noted that one significant, explicit recommendation of the report, and it has been a point that has received a great deal of consideration by this BOR, is that Boards should bring community members into their activities as often as possible access outside views. He also presented other Freeh Report recommendations for Penn State and what opportunities they present in evaluating UNM. He especially recommended a review of programs for non-student minors.

Regent Wellman asked if the Clery Act reports had any impact on funding in any way; do we get any dollars for crime prevention if we have high statistics or are lower crime rates incentivized in any way? Vice President Torres said the reports are informational; they are not tied to any funding. Dr. Bova noted that Police Chief Guimond updates the statistics monthly. Dr. Frank said his office monitors, on a weekly basis, all incidents in the dormitories to maintain and improve the quality of residence life.

**Public Comment, specific to agenda items (none)**

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

Finance and Facilities Committee, Regent Don Chalmers, Chair

**Consent Items:**

- A. Disposition of Surplus Property for Main Campus on list dated August 17, 2012
- B. Contract Approval:  
UNM Mailing Systems-Pitney Bowes
- C. Approval of:
  1. Real Property Acquisition-Vacant Land, Central Ave./Madeira Dr. SE, SW Corner
  2. Real Property Acquisition-923 Vassar Dr. NE
  3. Real Property Acquisition-2130 Eubank Blvd. NE
- D. (Deleted-Approval of 2013 Mil-Levy Election UNM-Los Alamos)

**Motion to approve consent agenda items A, B, & C passed unanimously (1<sup>st</sup> Chalmers, 2<sup>nd</sup> Gallegos).**

**Information Items:**

- E. UNM Historic Preservation Plan

Regent Chalmers pointed out that this plan is a proposal, which may change pending inventories of buildings and items that are or may be designated as historic. The plan will come before the BOR at some future time. He recommended an inventory of antiques and artifacts held by the University.

F. Monthly Consolidated Financial Report, Liz Metzger, Interim University Controller, Ava Lovell, HSC Sr. Executive Officer, Finance & Administration

Ms. Metzger reminded the BOR that the report, for the 12 months ending 6/30/12, does not include Plant Funds, Endowment Funds or Internal Services. The Net Current Revenue was favorable at just over \$13 million. The transfers shown out of I&G (Instruction and General) are F&A (contracts and grant) transfers out. The transfers shown under Student Aid are transfers coming in from the Foundation.

Regent Gallegos asked EVP Harris if all or any part of the net favorable margin would be available to flow into the FY2013 budget. Mr. Harris responded that some of those funds are restricted or dedicated. After that, the margin is expected to be between \$8 million and \$9 million. Those funds will be used to meet the HED (Higher Education Dept.) reserve requirements and probably not be available for redistribution.

Regent Chalmers pointed out that the F&F (Finance and Facilities) Committee has already vetted this report.

Ms. Lovell said Health Sciences results are included in this report. The "Liability for Other Post Employment Benefits" (retiree health benefits) is of growing concern. The entire liability does not have to be booked at this time; we will be considering ways to mitigate the effect on the balance sheet. Regent Chalmers noted the first effect of booking the liability could be on our bond rating. He said that a long-term plan needs to be developed before the end of the year.

G. Contract Information

1. Championship Golf Course-E-Z Go Textron
2. Contract for Senior Retiree Health Plans, Helen Gonzales, VP Human Resources

Ms. Gonzales noted the plans she is presenting are for over-65 (years of age) retirees. As such, they are heavily subsidized by the federal government and we are pleased with the renewal rates. The rates are not final, but likely will be; they must be approved by CMS (the Centers for Medicare and Medicaid Services). While these particular liabilities are included in the Post Employment Benefits Ms. Lovell spoke about, they are not the major area of concern; the cost of under-65 retiree health benefits are of much greater concern. Regent Gallegos noted the UNM bond rating may be affected.

H. Annual Report of Disposition of Surplus Property

I. FY2013/2014 Budget Development Calendar

Andrew Cullen, AVP Planning, Budget & Analysis (OPBA), noted that the first three bullet points in the presentation highlight significant changes to the approval process, as requested by F&F. Additionally, the BOR committees that will be updated on the budget considerations and processes beginning as early as October are indicated.

Regent Hosmer said that two years ago the BOR asked that the administration bring forward policy options for setting tuition at the beginning of the process, rather than at the end. Last year, F&F had to assert a policy. He expressed the hope that this year the BOR will see policy options for tuition early in the process and he wondered at what point in the proposed schedule those option might be presented. Mr. Cullen said the state appropriations are unknown until late in the process, making that difficult.

Regent Chalmers agreed with Regent Hosmer, but noted that setting tuition policy is the responsibility of the BOR, not the OPBA. Last year, F&F said the BOR would attempt to hold tuition increases to the same percentage as the Cost of Living. To increase tuition and

fees to balance a budget proposal, instead of setting tuition and cutting expenses, is not the way budgeting should be done.

Regent Hosmer hopes that setting a tuition policy early will inform the BOR of rational choices, and the consequences of those choices, early enough to be useful.

Regent Chalmers said the BOR should be telling OPBA and the University the policy they should live with. While Regent Hosmer would like suggestions for policy options, Regent Chalmers believes it is the responsibility of the BOR to propose the options.

- **COO David Harris indicated that the administration could provide some options and ranges, recognizing that there are many uncertainties early on.**

J. Consideration of Regents' Finance and Facility Committee Charter

Regent Chalmers noted some items that should be changed in the proposed Charter. He believes that, after further discussion and clarification, a document can come before the BOR for consideration by the end of the year. He solicited feedback from the Regents.

Health Sciences Board, Regent Carolyn Abeita, Chair

**Consent Items:**

- A. Request for Approval of UNMH Contract with First Choice Community Care
- B. Request for Approval of UNMH Contract with Belimed
- C. Request for Approval of UNMH Contract with Cerner Corporation
- D. Request for Approval of UNMH Contract with Philips Medical
- E. Request for Approval of UNMH Contract with Hill Rom

**Motion to approve consent agenda Items A, B, C, D, and E passed unanimously (1<sup>st</sup> Abeita, 2<sup>nd</sup> Hosmer).**

- F. Request for Real Estate Approval of 2130 Eubank Blvd. NE, Albuquerque NM
- G. Request for Real Estate Approval of 5400 Central Ave. SE, Albuquerque NM
- H. Request for Real Estate Approval of 923 Vassar Dr. NE, Albuquerque NM

Consent agenda items F, G and H were approved under the F&F Committee Agenda.

- I. Architect Selection for UNM Medical Group, Sabana Grande Clinic
- J. Construction Manager at Risk for UNM Medical Group, Sabana Grande Clinic
- K. Approval of Michael Olguin and William Lang to UNM Hospital Board of Trustees

**Motion to approve consent agenda Items I, J and K passed unanimously (1<sup>st</sup> Abeita, 2<sup>nd</sup> Wellman).**

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

**Consent Item:**

- A. Approval of Summer 2012 Degree Candidates

**Motion to approve consent agenda Item A passed unanimously (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Abeita).**

Degree Candidates

Doctoral and MFA Degree	100
Master's Degree	287
Bachelor's Degree	305
Associate's Degree	49
Total	741

**Information Items:**

- B. Enrollment Report, Terry Babbitt, AVP Enrollment Management

Dr. Babbitt reported that enrollment of 29,100 on the Albuquerque Campus is a record, by a slight margin. Credit hours increased slightly while graduate credit hours decreased slightly.

The number of new freshman increased by 2.5% even with the higher admission standards. Graduate student population, however, is down. About 8.8% of credit hours are on-line. He also detailed branch campus enrollments and student body ethnicity. Dr. Babbitt reported the retention rate for freshman who entered in 2011 is up 2.5% from the prior year.

Regent Chalmers expressed surprise that non-retention due to academic issues was much less prevalent than he expected. Dr. Babbitt noted that this is self-reported information; while we know that 20% of our freshman class is in some sort of academic trouble, they do not see the academic challenge as their biggest concern. The Regent pointed out that an academic problem that results in a student not passing 12 credit hours becomes a financial problem because they cannot retain the Lottery Scholarship.

Regent Hosmer complimented the Provost on the programs he has established to address retention issues.

Regent Abeita said financial management education needs to be provided. Dr. Babbitt said financial literacy is a re-emerging priority. Early alert programs are critical and ours begin as early as eight days the semester.

- **Regent Gallegos requested more information on non-resident students, their country or state of origin, and test scores.**

Dr. Babbitt reported that the incoming non-resident freshman class shows a 6% increase over last year and shows some emerging states. He told Regent Gallegos that although admission requirements were raised this year they did not refuse more students this year than last.

Regent Wellman asked if the enrollment measures up to the federal ethnicity targets we are working toward. He was told we are very close to the 50% required for "minority serving." Currently, the two-or-more category is not counted as it was not included in the definition.

Dr. Frank congratulated Provost Abdallah and his team on the significant 2.5% increase in retention. Dr. Frank also announced the extension of the appointment of Dr. Abdallah as Provost.

#### C. Update on Lobo Village/Casas Del Rio, Eliseo Torres, VP Student Affairs

Dr. Torres reported on the numerous initiatives to improve alcohol and substance abuse education, awareness and prevention. He also provided information on the occupancy rates for campus housing and the capital projects to improve the older campus housing units. He issued an invitation to the Grand Opening for Casas del Rio on October 9<sup>th</sup>.

Dr. Torres told Regent Abeita there has been a significant improvement in Lobo Village life. Regent Fortner reported that security has improved significantly. Regent Gallegos praised the incoming freshman arrival procedures at Casas del Rio.

Regent President Fortner and Regent Hosmer complimented Dr. Torres and the University on the approach taken on these issues. They have set up a system that appears to address permanently the issues involved. It is not something that is solved; it is something you keep working on to preserve a balance between independence and college life for young people and the goals of the University. It also sets up constant feedback from residents.

#### Audit Committee, Regent Gene Gallegos, Chair

##### A. Report from the Audit Committee Special Meeting 8/16/12

Regent Gallegos recommended that Regents read the Foundation audit report.

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

Faculty Senate, President Amy Neel. Dr. Neel made no remarks to supplement her written report.

Staff Council, President Mary Clark. Ms. Clark made no remarks to supplement her written report.

GPSA, President, Marisa Silva. In addition to her report, Ms. Silva introduced the new GPSA Chief of Staff, Saheb Saini. She thanked President Frank for including students in his budget steering committee.

- **Regent Fortner asked Lee Peifer to determine if a Student Regent has to be registered to vote, as the make-up of the BOR must adhere to a specified political party affiliation ratio.**

ASUNM, President Caroline Muriada. Ms. Muriada encouraged attendance at Fall Frenzy and Homecoming.

Alumni Association, President Duffy Swan. Mr. Swan had to leave the meeting early. Regent Fortner emphasized the Celebrate UNM in Rio Rancho event on Sept. 18<sup>th</sup> to welcome Dr. Frank.

UNM Foundation, Chair Gary Gordon. Mr. Gordon was not able to attend the meeting.

Parent Association. (none)

Retiree Association, President Scott Obenshain. Regent Fortner announced that Dr. Obenshain had taken a teaching position at the King Saud bin Abdulaziz University for Health Sciences, beginning the middle of November. Dr. Obenshain introduced Dr. Donald Duszynski who, as Interim-President, will assume leadership of the Alumni Association.

### **Public Comment**

Kimberly Moss, NMEHCA (New Mexicans for Equal Health Care Access), expressed the group's concern with regard to the new UNM Hospital approved by the BOR in June 2012. The association's concerns are: 1) how will the hospital align with the mission of UNMH, 2) why wasn't the public engaged in the process and, finally, that it is unclear how the new hospital will be funded in the short and long term. The association is asking the BOR for a business plan outlining the short- and long-term fiscal plan and detailing how the hospital services will align with the UNMH mission. Additionally, the group asks that the BOR revisit the issue to allow for public comment via a town hall.

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

**Motion to proceed into Executive Session passed unanimously at 11:30 a.m. (1<sup>st</sup> Gallegos, 2<sup>nd</sup> Abeita).**

### **VII. Executive Session 11:30 a.m. – 12:30 p.m.**

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

### **VIII. D. Vote to re-open the meeting.**

**Motion to return to open session passed at 12:30 p.m. (1<sup>st</sup> Fortner, 2<sup>nd</sup> Koch).**

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

**Motion to endorse the Foundation MOA contract passed unanimously, with a note that the final contract is to be reviewed by the Foundation Board (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Abeita).**

### **IX. Adjournment**

**Motion to adjourn the meeting passed at 12:35 p.m. (1<sup>st</sup> Gallegos, 2<sup>nd</sup> Abeita).**

  
Jack L. Fortner, President

  
Carolyn J. Abeita, ~~Vice President~~ Treasurer, SECRETARY