

**Minutes of the Regular Meeting of the Board of Regents of the University of New Mexico
December 12, 2014
Student Union Building, Ballroom C**

Members present

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

Administration present

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

Regents' Advisors present

Carl Alongi, UNM Foundation; Brian Colón, Alumni Association; Bill Miller, Retiree Association; Rachel Williams, ASUNM; Texanna Martin, GPSA; Pamela Pyle, Faculty Senate; René Delgado-Riley, Staff Council

Presenters in attendance

Tanya Baker-McCue, Program Operations Dir. Pediatrics Center for Development; Erin Riley, Project Search Co-founder; John Kennedy, KPMG; DeVon Wiens, Moss Adams; Liz Metzger, University Controller; Andrew Cullen, AVP OPBA; Katherine Creagan, Assoc. Modrall Sperling Law; Alice Letteney, Exec. Director UNM-Valencia Campus; Paul Luna, Chair UNM-Valencia Advisory Board; Andrew Sanchez, UNM-Valencia Dir. of Resources; Ava Lovell, HSC Sr. Exec. Officer of Finance and Administration; George Williford, First Southwest Co. of Dallas and UNM Financial Advisor; Terry Babbitt, AVP Enrollment Management; Kevin Stevenson, Director of Strategic Projects in the Office of the President; John Carr, Professor of Geography

Others in attendance

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

CONFIRMATION OF PRIOR SPECIAL MEETING IN EXECUTIVE SESSION

The Board of Regents met in closed session on December 12, 2014 from 8:03 to 8:55 AM in the Cherry Silver Room of the Student Union Building for discussion purposes only of threatened litigation as permitted under Section 10-15-1H(7) of the Open Meetings Act (NMSA 1978). Personnel matters, which were also specified in the notice and agenda for the meeting, were not discussed. Members present were Jack Fortner, James Koch, Bradley Hosmer, J.E. 'Gene' Gallegos, and Suzanne Quillen. The matters discussed at the meeting were limited to threatened litigation only.

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

Regent President Fortner called the meeting to order at 9:14 AM. A quorum was confirmed. Regent Conrad James and Student Regent Overton did not attend the meeting. Regent Fortner modified the agenda by moving the Project Search presentation forward to occur directly after approval of the minutes. The motion to approve the modified agenda passed by unanimous vote (1st Koch, 2nd Gallegos).

APPROVAL OF MINUTES

Regent Fortner asked for a motion to approve the minutes of the prior meeting. The motion to approve the minutes of the November 14, 2014 regular meeting passed by unanimous vote (1st Gallegos, 2nd Hosmer).

PUBLIC COMMENT (there were no comments)

UPDATE ON PROJECT SEARCH FOR THE CENTER FOR DEVELOPMENT AND DISABILITY

Tanya Baker-McCue presented the overview. Project SEARCH began at Cincinnati Children's Hospital Medical Center in 1996 and addresses the critical unemployment rate of 85% for people with developmental disabilities. There have been 280 plus program replications in 40 US states, Australia, Canada, the United Kingdom and Ireland. Interns go through a nine month on-site internship program with certified instructors and job coaches. They receive continual feedback as they rotate through unpaid internships. The outcome of the program is employment in the community. Implementation at UNM Hospital began in December 2013, and by November 2014, 10 interns successfully completed their first rotations through 12 UNMH departments. To date four interns have been offered regular employment at UNM Hospital. Ms. Baker-McCue introduced the 10 interns to the Board of Regents. Erin Riley, co-founder of Project Search, was present and thanked the Regents for their support of the program. She said that as a result of the program here, other businesses in the area have stepped forward to offer a similar program. Dr. Paul Roth thanked Regent Koch for leading the effort to implement Project Search at UNM Hospital.

PRESIDENT'S ADMINISTRATIVE REPORT

President Frank opened his report by addressing two areas that will impact the University's budget, the recent reduction in world oil prices which will impact State revenues and affect the budgets for the State and Higher Education in New Mexico and PNM's recent announcement to raise rates 13%. The estimated State Formula is a big part of the budget and UNM is one of PNM's bigger consumers. Last month, President Frank projected a budget deficit of \$2.8 million; however, with recent changes the projected budget deficit has risen to an estimated \$4.7 million. Efforts are underway to balance the budget; administration is looking at what the University needs to do. To address the enrollment issue, the University has contracted the Royal Company, an enrollment management company, to work on recruiting new students. The University is also working on increasing international student enrollment.

The budget timeline has not changed; final budget decisions will be made in April. The Regents are keen to gain stability in the budget predictions. Administration will work on the cost management discipline and revenue enhancement with enrollment and recruitment. The Regents will be briefed next month on further budget developments.

President Frank stated that the University will graduate 1400 Bachelors, 300 Masters, and 90 Doctorates degree students. He thanked the students for being a part of the University of New Mexico as they become Alumni.

APPROVAL OF THE EXTERNAL AUDIT REPORT OF THE FY14 CONSOLIDATED FINANCIAL STATEMENTS

Liz Metzger introduced John Kennedy of KPMG and DeVon Wiens of Moss Adams. Mr. Kennedy said they had already met with the Audit and Compliance Committee in the exit conference and had a fairly robust and thorough dialogue with the committee members regarding the results of the 2014 audit. The audit is divided into two pieces: KPMG addresses the academic side of the University, the non-clinical component units and the audit of the federal grants; Moss Adams addresses the health care divisions and issues 4 reports, which are public. All reports have been submitted to the State Auditor and have been accepted. Mr. Kennedy mentioned the findings, which were also discussed in Audit and Compliance Committee. There was discussion about GASB 68 on pension plans that will require the unfunded liability of the pension plan at the State level to be pushed down pro-rata to the Universities. This will result in a new liability on the University's books. Regent Gallegos said the Audit and Compliance Committee has had a good working relationship with KPMG and Moss Adams. Regent Koch said he has worked with KPMG and Moss Adams for twelve years and they are outstanding.

The motion to approve the annual external audit report of the FY14 consolidated financial statements passed by unanimous vote (1st Gallegos; 2nd Fortner).

COMMENTS FROM REGENTS

Regent Fortner confirmed that the next regular meeting of the Board of Regents will be January 9, 2015 as scheduled.

REGENTS COMMITTEE REPORTS**FINANCE AND FACILITIES COMMITTEE**

Regent Koch asked Controller Liz Metzger to come to the podium. Ms. Metzger commented on the new research report which will be presented quarterly at the end of each quarter. The current report depicts four graphs: 1) research proposals, 2) awards, 3) facilities and administrative cost recovery, and 4) research expenditures. Each graph compares FY11 through FY15, all fiscal year first quarter numbers. Proposals are down from FY14 to FY15, but awards are up in the same period.

- Regent Hosmer requested also showing the proportion of the proposals that successfully converted into grants.

Ms. Metzger continued with the monthly financial report, ending October 2014. Similar to the September report, the net positive income from operations of \$32 million is down from same time last year due mainly to the decrease in enrollment along with the booking of summer tuition based on actual revenue rather than accrued. The trends are the same as that seen at the end of September. Expenditures are running at benchmark or less. We will be watching Spring enrollment very closely since historically Spring enrollment is less than Fall enrollment.

Approval of consent agenda items

2. Approval of Disposition of Surplus Property for Main Campus on lists dated 11/19/2014.
3. Capital Project Approval – UNM Valencia Campus Central Chilled Water

Regent Koch read the consent agenda items and motioned approval of the two items.

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

Approval of Resolution Authorizing the Replacement of the Existing Facility Provider and Remarketing Agent: UNM Series 2001, 2002B & 2002C (bond issues)

Andrew Cullen said in accordance with the indentures, the legal documents that were produced in accordance with these bond issues, we are required to provide this letter of credit (credit facility) with those bonds and the remarketing agents with those bonds. Variable rate bonds can potentially be put back onto the issuer at anytime, in this case the University, and the University would have to pay the principal and interest. With this agreement, we will have a marketing agent who will, in the event that variable rate bond holders put these bonds back on the University, take our bonds and try to remarket them to the public. If they could not successfully remarket the bonds, the marketing agent would have to take the bonds into their business. The current agreements expire December 31, 2014. We knew this was coming up. The current agreement with J.P. Morgan was for three years. Prior to soliciting bids for providers, we looked at the economics of fixing the rate on these variable rate bonds, and based on analysis done by First Southwest Company, at this time it was not wise to put these bonds into a fixed rate mode. So we were required to replace the facility provider and remarketing agent. US Bank came back with the most price attractive proposal. US Bank's Standard and Poor's credit rating is equal to or better than J.P. Morgan's. Given US Bank's offer and their credit rating we are recommending that we enter into these agreements with US Bank for this support on our variable rate bonds. The savings we are anticipating over the course of the two and half years of this agreement is \$436 K which is net of about \$40 K of legal fees that will be incurred to change the provider from J.P. Morgan to US Bank.

Regent Gallegos said that bond counsel assured the Regents in Finance and Facilities Committee meeting that the bondholders will be formally notified of any change in the interest rate calculation from weekly to daily. Notification will be necessary because it is somewhat a change in the terms of the bond.

The motion to approve the resolution and authorize Regent President Fortner to execute the resolution on behalf of the Regents passed by unanimous vote (1st Gallegos; 2nd Koch).

Discussion and Approval of proposed revisions to Regents' Policy 4.7 ("Tuition and Fees")

Regent Gallegos addressed the item. Revisions to Regents' Policy 4.7 were proposed at the November 11, 2014 Finance and Facilities Committee meeting. The version proposed was not voted on, but during the time leading up to this board of regents, Regents Gallegos and Hosmer have been working on further revisions. Regent Koch provided input also and a final modified version was brought to the meeting for Regents' approval. During discussion, Regent Hosmer asked to hear from administration on the proposed revisions. President Frank was in agreement with the version as presented and said the modifications are in line with the model that administration has been trying to work with this year.

The motion to approve Regents' policy 4.7 as modified passed by unanimous vote (1st Gallegos; 2nd Koch).

Approval of UNM Valencia Westside Facility

Alice Letteney introduced Paul Luna, Chairman of UNM-Valencia Advisory Board and Andrew Sanchez, Director of Resources. Dr. Letteney requested initial approval for a UNM-Valencia westside facility to be located directly off of I-25 in the Huning Business Park in Los Lunas. The building is nearly 18,000 square feet, with anticipation of six classrooms or labs for business and industry training, health training and starter facility for students to begin their college careers. A survey was done of 450 persons in west Los Lunas and 92% were somewhat or very likely to take college courses on the west side of Los Lunas. The area is expected to grow and enrollment at Valencia campus has historically matched or exceeded the population growth of the county. Valencia campus headcount has increased over 30% since 2004 and FTE by 25.8%. Twenty acres of land is being donated by the Huning Partnership and funding for the project at \$5.6 million is in place, saved up from the local mil levy. We are bringing this project forward for Regents' initial approval in response to a request by the Secretary of Higher Education, José Garcia, to review the project. We will return to the Regents, the HED and Board of Finance for final approval once the construction documents are completed.

Regent Koch said there was not a vote on this in Finance and Facilities Committee meeting because Regent Gallegos wanted to see more detailed financial analysis and operating cost information on the project than what was presented in the committee meeting, and the information was provided to Regents subsequent to the meeting. Regent Gallegos confirmed that Mr. Sanchez provided more detailed financial numbers, with a low enrollment scenario and high enrollment scenario, and that he was satisfied with the information.

Regent Fortner said he appreciated that UNM-Valencia plans to fund the cost of construction on its own. Regent Quillen commented favorably to the proximity of the facility to the new early college high school that the State funded last year.

The motion to endorse the proposed UNM Valencia Westside Facility passed by unanimous vote (1st Koch; 2nd Gallegos).

FY 2015- FY 2016 Budget Development Update

Andrew Cullen, Dr. Terry Babbitt and Kevin Stevenson provide the update. Dr. Babbitt addressed enrollment including the impact of the year on year 1.5% decrease of enrollment. They have met with the Provost and Deans and agree that the focus should be on higher retention rates which will impact enrollment and reduce the deficit caused by the enrollment decrease. Short term and long term strategies were discussed. Emphasis will be on retention of students from the fall term and focus on the pre-registration period for returning students. Long Term strategies are already being implemented and include a substantial increase of applications for new students, which is up 12% for Fall 2015. Retention is the biggest driver of enrollment success. There is an initiative to get students back to the University who have over 50 credit hours completed but have left school.

Andrew Cullen reiterated that the University typically has a 92% Fall to Spring semester retention, so for every 100 students that attend in the Fall, roughly 92 come back. The focus of Dr. Babbitt and the Enrollment Management team is to increase the Fall to Spring retention to mitigate the year on year reduction in enrollment. We are also looking for efficiencies in current operations and opportunities to reallocate dollars. Eighty percent of the University's expenditures are tied up in labor, so for meaningful reallocation of funds some of it will have to come from the labor line items. Natural attrition is preferable

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to lay-offs. The administration is looking at cost reduction strategies and reducing unnecessary duplication of services. Overarching cost reductions strategies were discussed and key areas of opportunity include the KSA Review of Information Technology and a comprehensive review of Health Care Benefits and Chronic Disease Management. Right-sizing the University is critical through shared services to eliminate duplication of services. There will be focus on instructional efficiencies, such as consolidation of excess class sections. The Main Campus Instruction and General (I&G) budget was discussed and for FY14 actuals, 80.2% of expenses were in salaries and benefits, with other expenses totaling 19.8%.

Mr. Cullen discussed rate of attrition for staff and the 7 year average shows that of the number eligible, only 20% retire. The average age of retirement is 61 and the average total of 20 years of service. For FY15, potential savings from a reduction in workforce were discussed and for I&G funds totals \$3.4 million and for non-I&G \$1.7 million, which would equal a reduction of 90.3 FTE. For Faculty, the rate of attrition for a 7 year average was 13.7%, and the average age of retirement was 65 with 24 years of service. Mr. Cullen stated that in 2011, the University had a retirement program that was proposed to faculty which included a financial incentive to retire and many took that offer. For FY15, potential savings due to retirements will result in savings of I&G almost \$3 million and non-I&G \$261 K, and a reduction of 31.44 FTE. Challenges exist as some departments already plan for attrition and commit vacancy savings for equipment, consulting, and facility needs. Some positions are critical to departments and need to be filled specifically for accreditation and instructional quality.

Kevin Stevenson discussed optimizing course offerings for student success. The historic approach involved considering course utilization and empty seats. The strategic approach is offering courses when students need to take them and streamline degree plans that will increase student success. Quality of instruction is the foundation of all of these efforts and all endeavors must reinforce that. Mr. Stevenson discussed four levels to optimize instructional capacity, which include classroom usage, instructors consolidating unnecessary sections, curriculum reduction of nonessential credits, and pedagogy for redesign of courses around outcomes rather than seat time. The University is actively working on all of these strategies to improve effectiveness. To date, UNM has 50 programs that are moving toward 120 credit hour programs, which will lead to improved graduation rates.

Regent Hosmer inquired if there is any sense of what the outcomes could yield. Mr. Stevenson stated that empty seat capacity is a big focus by consolidating sections as there are multiple sections across campus where there are more empty seats than the average class size. By consolidating sections without affecting student demand, it would equal cost savings and more efficiencies. One key element is to look for excess demand in various areas and find ways to identify bottlenecks in required courses. They will continue to look for opportunities for consolidation and instructional planning, such as degree mapping and efforts to restructure curriculum.

Mr. Cullen reviewed the revised budget scenarios based on new numbers and revenue estimates the State has been producing. Due to the reduction in the price per barrel of oil from when the State did the estimate in August as compared to December, the new money component of the State budget has been reduced from approximately \$280 million to \$140 million. Accordingly, the budget scenarios were revised to reflect this new likelihood that the new money that would come out of the State and flow to Higher Education would be less. In Scenario 1, which includes a 1% increase in compensation, the deficit is now estimated at \$4.3 million. Scenario 2 includes strategic investments and compaction and reflects a higher deficit of \$10.5M due to funds required for those strategic investments. Scenario 2a includes all detail from scenarios 1 and 2, but also includes a 1% Cost of Living Adjustment (COLA).

Regent Quillen inquired about retention and impact of advising. Both scenarios show little allocated toward academic support investments. Provost Abdallah said that they are working on those investments, such as Advisors, on an incremental basis each year. Dr. Babbitt said that over the last few budget cycles there has been a \$9 million investment in academic support, a lot of advisement lines have increased with better advisor to student ratios.

Mr. Cullen stated that increases in utilities and health care costs have a major impact on the budget.

HEALTH SCIENCES BOARDApproval of UNM College of Nursing, UNM College of Pharmacy, and the UNM School of Medicine Fall 2014 Degree Candidates

Regent Quillen introduced the agenda item and moved approval.

The motion to approve the UNM College of Nursing, UNM College of Pharmacy, and the UNM School of Medicine Fall 2014 Degree Candidates passed by unanimous vote (1st Quillen; 2nd Koch).

Approval of the Appointment of Dr. Donna Sigl to the UNM Hospitals Board of Trustees

Regent Quillen asked Regent Hosmer to introduce the agenda item. Regent Hosmer said the proposed appointment of Dr. Sigl to the UNM Hospital Board of Trustees was vetted in the HSC Governance Committee and at the HSC Board level and noted Dr. Sigl's extensive pedigree. Regent Hosmer moved approval.

The motion to approve the Appointment of Dr. Donna Sigl to the UNM Hospitals Board of Trustees passed by a unanimous vote (1st Hosmer; 2nd Quillen).

Approval of the Parameters Resolution in respect of proposed refunding/refinancing of 2004 UNM Hospitals Mortgage Revenue Bonds

Regent Quillen asked Ava Lovell to introduce the item. Ms. Lovell said the item for approval is a parameters resolution to look at refunding or refinancing the hospital's bonds which were first issued in 2004. The market is currently favorable for bond refunding and refinancing. George Williford, UNM's financial advisor from First Southwest also spoke and said this has been reviewed with the hospital board. The 2004 bond issue was done with FHA or HUD insurance backing the issue, so that makes it a little more complex with respect to the analysis of the refinancing as well as the whole process of refunding. HUD approval will need to be obtained. HED and State board of Finance both have to approve the transaction, so will apply to go to the February HED meeting and then to the State Board of Finance in March. If the market is still favorable, pricing could occur late March or early April. The 2004 financing was done with a sizable amount required for the reserve, totaling around \$19 million, \$13.5 million of that for debt service reserve. The benefit of refinancing, along with lower interest rates, is the reserve funds can be released and contributed to the deal. There is currently about \$151 million outstanding and conceivably the new issue or refinancing amount would be around \$135 million or possibly somewhat less. The interest rate right now is 4.8% on the mortgage and with current conditions that would be projected to be around 3.5 to 3.6%. The down-sizing along with the lower rate, if markets hold, would give potential projected annual savings of \$1.5 to 2.0 million, or more.

Regent Gallegos asked if the Sandoval Regional bond issue is a similar-type and if there is potential for refunding of those. Mr. Williford said it is a similar-type bond issue with FHA insurance backing it, but the 10-year call date on the Sandoval Regional bonds puts their call date into the future.

The motion to approve the parameters resolution in respect of proposed refunding and refinancing of the 2004 UNM Hospital Mortgage Revenue Bonds passed by unanimous vote (1st Quillen; 2nd Koch).

HSC Financial Update

Ava Lovell gave the presentation on the Health Sciences Center (HSC) financials through October 31, 2014 and comparisons to the first quarters of the prior 4 years. Cash Flow from Operations for HSC were \$7.9 million, UNM Medical Group (UNMMG) at \$5.8 million, and UNM Hospital (UNMH) at \$9.8 million. The Sandoval Regional Medical Center (SRMC) for the second month in a row is cash flow positive at \$3.2 million. SRMC is also positive for Operating Net Margin and overall bottom-line. For Operating Net Margins, both HSC and UNMMG do not book depreciation but UNMH is reflecting a deficit of \$1.8 million. They do believe that they will be in a positive operating margin by the end of the year. For Net Income, UNMH is positive due to the last year of the Tri-West net investment income coming in. All of the units are positive on the total bottom line perspective. HSC is at \$2.2 million, UNMMG at \$3.2 million, UNMH at \$2.1 million, and SRMC at \$72K.

The Uncompensated Care issue is complicated as the Affordable Care Act (ACA) is not completely implemented. Over the last five years through FY15, 14% of our total cost per care is Uncompensated Care,

which is improved. There was never the intention to have 100% coverage under the ACA; there would still be around 8% in the United States that would be uncovered - those who are undocumented, or unable to afford insurance, or choose not to have insurance. In NM, the HSC and UNMH take a larger percentage of Uncompensated Care in the State than any other provider. Chancellor Paul Roth commented that a huge misperception among the public at large and the Legislature is that the ACA would result in there not being any Uncompensated Care in the United States. When this was being discussed in Congress, the projections were that it would bring it from 55 million uninsured to 35 million uninsured. In NM, that translated to 117,000 people after the year 2022 when the ACA is fully implemented that would still be uninsured, or 8% of the population.

Days Cash on Hand for HSC is 11.2 days, UNMMG at 51.35 days, UNMH at 58.6 days, and SRMC at 59.44 days. The national benchmark for hospitals is 75 days. Accounts Receivable for HSC is 3%, UNMMG at 23%, UNMH at 32%, and SRMC at 9%. Proposals and awards are up and earned F&A is at \$7.5 million. Contract and Grant expense totals \$41.1 million.

ACADEMIC/STUDENT AFFAIRS AND RESEARCH COMMITTEE

Regent Hosmer asked Provost Abdallah to give his update.

Update from the Provost

Provost Abdallah said the search for the VP of Research will close soon, and the pool of prospective candidates looks strong. With regard to research dollars that come in, funding for research at the University is approximately \$200 million each year from each side of Lomas - Main Campus and Health Sciences. The large research contracts are usually multi-year, the funds go toward teaching as well, but not all of the overhead is covered, so the University puts extra funds toward research activity to cover the remaining overhead costs. Regarding retention and graduation rates, these address enrollment issues. The national trend shows the traditional student, the first time freshman, populations are dropping. Because the University relies heavily on students from Bernalillo County, there was more than anticipated drop in UNM enrollment last year for first time freshmen. However, gains have been made by the University in retention and graduation rates which are making up for the decrease in first time freshman enrollment numbers. Our budget scenarios in the past have not necessarily modeled this because expected retention rates were 75%; however, we are seeing 80% retention rates and moving upward. These increases in retention rates are due in large part to the investments made in the last few years. Investments in advisors and also in faculty. The number of degrees awarded has increased 5% over last year, which is about 100 degrees, and this could be calculated as \$6 million dollars that could go into our State's economy in terms of 100 people with degrees making an average of \$60 K per year. This is a good example to show how investment in one area can have an effect on multiple initiatives. There are also trends of retirements we are looking at and working with the deans to manage this. Many faculty who were hired 30 or 40 years ago will be retiring. If productive people retire, this will be detrimental to the service of our students and in the area of obtaining research funding. We are talking with the Retirees Association about how we can continue to utilize some of their services. We are looking at how we will replace retired faculty. With the deans, we are looking at how the University should be as we face the upcoming crises in higher education. We want to eliminate duplication and look at joint hires across departments. I also request that you look at the investments that you are making as being fruitful in the long term. The investments you made four years ago are paying off today in terms of retention and graduation rates.

Approval of Fall 2014 Degree Candidates

Pamela Pyle, President of Faculty Senate, said the candidates were approved at the November Faculty Senate meeting and they are brought forward to the Regents for consideration and approval.

The motion to approve the Fall 2014 Degree Candidates passed by a unanimous vote (1st Hosmer; 2nd Gallegos).

Approval of Form D: Graduate Certificate in Law, Environment, and Geography

Dr. John Carr gave the presentation. The Department of Geography and Environmental Studies developed the proposed certificate as a way to meet the needs of students that wouldn't be served otherwise. Under a rubric that requires no additional resources or additional costs, the department has been

undergoing a long standing planning process to articulate strengths, which includes 3 emeritus faculty members and 3 faculty members with Juris Doctorates (J.D.). This is a unique advantage nationwide as even many legal studies programs do not have that many faculties with J.D.'s. This certificate leverages that advantage of which the focus is Law, Environment, and Geography. The department has passed an undergraduate minor in Law, Environment, and Geography. At the graduate level, the proposed certificate is viewed as a bridge to get resources to students who wouldn't otherwise have access and who need them largely for workforce development.

The certificate has potential to be attractive to a wide range of students and professionals; undergraduates from UNM; people with undergraduate degrees from outside of NM who are interested in natural resource management; those who want to increase their curriculum vitae for applying to law school; and professionals, particularly in State and Federal agencies, who are looking for new competencies, career and professional advancement, and to help with their job. The certificate will give people greater exposure to legal concepts for natural resource managers, specifically for those who don't have the time or inclination to do a full master's program as they can complete the certificate in a year. Practicing attorneys may also be drawn to the program as they may be starting to turn their practice to natural resource management, getting courses on a discrete area of practice.

The core of the certificate is an intensely more focused set of courses and electives than would otherwise be offered through our Masters of Science program. These are all existing classes that are already being taught and would not require further resources from the University. It will increase credit hours taken in the department and has potential to increase enrollment.

The motion to approve the Form D, Graduate Certificate in Law, Environment, and Geography passed by unanimous vote (1st Hosmer; 2nd Quillen).

Approval of Honorary Degree Recipients

Regent Hosmer announced the Honorary Degree agenda item would move to the February meeting. Regent Fortner agreed.

AUDIT AND COMPLIANCE COMMITTEE

Regent Gallegos said the Audit and Compliance Committee approved four UNM Hospital audits at its December 4, 2014: 1) the UNM Hospitals Patient Financial Services, 2) the UNM Cancer Center Patient Financial Services, 3) the Sandoval Regional Medical Center Patient Financial Services, and 4) Behavioral Health Operations Patient Financial Services. All of the audits were for periods July 1, 2013 to January 31, 2014. A written summary report of the meeting was available.

COMMENTS FROM ADVISORS

Carl Alongi, Chair, UNM Foundation Board of Trustees, reported the *Changing World 2020: The Campaign for UNM* will continue, in line with UNM2020, with the goal set to strive for a total of \$1 billion in private support by the end of 2020. Fundraising highlights were discussed and include a \$1.7 million gift received by UNM Athletics, \$530 K for the Center on Alcoholism, Substance Abuse & Addictions, \$500 K for the School of Medicine's Department of Pediatrics, \$350 K for the UNM Hospital, \$145 K for the Children's Miracle Network, and \$96 K for various units at the Health Sciences Center. At the end of September 2014, the Consolidated Investment Fund had market value of \$407 million, an FY14/15 spending distribution of 4.50% and development funding allocation at 1.4% basis points. The Woodward endowment ending market value of \$46 million; the Winrock Endowment ending market value of \$30.1 million; the Regents' Endowment ending market value of \$27.4 million; and the Mesa Del Sol Addition ending market value of \$4.8 million.

President Fortner stated that WisePies Pizza, a locally owned business, agreed to give \$5 million cash gift over 10 years to support UNM Athletics and the University Arena will be named "WisePies Arena aka The Pit" for the duration of the gift.

Brian Colon, President, Alumni Association, provided an update to the Board on current initiatives and events. Lobos for Legislation had home receptions in November in both Gallup and Farmington and they were successful in establishing great relationships with legislators and the UNM Community. The office of Government and Community Relations held an event on December 9 in Santa Fe for the members of the Legislative Finance Committee (LFC) and the Legislative Education Study Committee (LESC). The event was well attended and successful. The UNM tradition of Hanging of the Greens was on December 5 during which

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the Alumni Association holds a reception at Hodgin Hall. The UNM Ring Ceremony was in December and 65 rings were presented to students. Young Alumni held a Wine and Cheese reception for the Fall graduating class. The next Lobo Living Room event will be in January.

Rachel Williams, President, ASUNM, and Texanna Martin, President, GPSA, provided a joint statement to the Board due to time constraints and thanked the Board for the opportunity to speak. They also thanked the outgoing Regents for their service to the University and greatly enjoyed working with them. A written report is available in the e-book.

Pamela Pyle, President, Faculty Senate, provided an update to the Board on current initiatives and events with Faculty Senate. President Pyle thanked the outgoing Regents for their service to the University. The Faculty Focus event held in honor of the outgoing Regents was a success and the event also highlighted work of faculty. The pre-65 issue was discussed and President Pyle stated that 38 senators, 54%, voted to blend the pre-65 retirees back into the pool. She believes it was a voting democracy and well represented the voice of the faculty. Graduation is always meaningful to faculty and they are looking forward to the Fall commencement ceremonies.

Jarrett Hines-Kay, President-Elect, Staff Council, provided an update to the Board on current initiatives and events with Staff Council. UNM Staff council celebrated the Gerald W. May Outstanding Staff Awards and recipients include Amy Hawkins, Educational Opportunity Center (EOC) for the College Enrichment and Outreach Program (CEOP); Rosemary Melendez, UNM Police Department; Daniel Mulligan, New Mexico Transport Program and David Phillips, Maxwell Museum. The pre-65 issue was discussed and the vote in Staff Council was unanimous to blend the pre-65 retirees back into the pool. However, Staff Council is concerned with high health insurance deductibles and not allowing retiree health care benefits for incoming hires as it is currently a recruitment tool.

PUBLIC COMMENT (there were no comments)

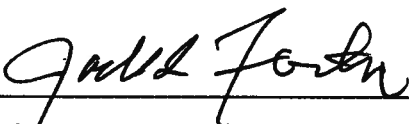
VOTE TO ADJOURN

Regent Fortner said there would be no executive session and asked for a motion to adjourn.

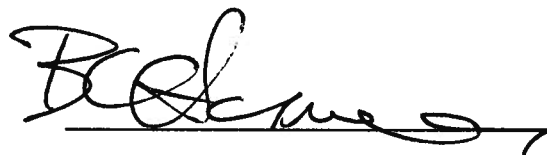
The motion to adjourn passed by unanimous vote (1st Quillen; 2nd Hosmer). The meeting adjourned at 11:52 am.

Approved:

Attest:



Jack L. Fortner, President



Bradley C. Hosmer, Secretary/Treasurer

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