

**Minutes of the Regular Meeting of the Board of Regents of the University of New Mexico
August 15, 2017
Student Union Building (SUB) – Main Campus
Executive Session – Cherry Silver Room
Open Session - Ballroom C**

Members present

Robert M. Doughty, President; Marron Lee, Vice President; Tom Clifford, Secretary Treasurer; Garrett Adcock; Brad Hosmer; Alex O. Romero; Suzanne Quillen

Administration present

Chaouki Abdallah, Interim President; Paul Roth, Chancellor for Health Sciences Center; Craig White, Interim Provost and EVP for Academic Affairs; Elsa Cole, University Counsel; Dorothy Anderson, VP HR; Ava Lovell, HSC Sr. Exec. Officer of Finance and Administration; Richard Larson, Exec. Vice Chancellor HSC; Eliseo 'Cheo' Torres, VP Student Affairs; Dana Allen, VP Alumni Relations; Elizabeth 'Libby' Washburn, President's Chief of Staff; Patricia Henning, Assoc. VP Research; Liz Metzger, Controller; Steve McKernan, CEO UNM Hospitals; Lawrence Roybal, Acting VP for Division of Equity and Inclusion

Regents' Advisors present

Harold Lavender, Alumni Association President; Donna Smith, Retiree Association President; Pamela Pyle, Faculty Senate President; Danelle Callan, Staff Council President; Noah Brooks, ASUNM President; Trajuan Briggs, GPSA

Presenters in attendance

Deborah Kuidis, Office of Research Compliance; Chris Vallejos, AVP ISS; Melanie Sparks, Exec. Project Director ISS; Libby Washburn, Naming Committee Chair; Howard Yonas, Chair of Neurosurgery

Others in attendance

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

CALL TO ORDER, CONFIRMATION OF A QUORUM, ADOPTION OF THE AGENDA

Regent President Rob Doughty called the meeting to order at 8:16 AM in the Cherry Silver Room on third level of the Student Union Building. A quorum was confirmed. The Regents voted unanimously to adopt an amended agenda; the amended agenda placed the the presentation of the Kinesio Taping Methods item directly after action on the consent docket. (1st Lee; 2nd Clifford).

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

The vote to close the meeting and proceed in Executive Session passed unanimously (1st Lee; 2nd Clifford).

The meeting closed at 8:16 AM.

Closed session was held in the Cherry Silver Room on third level of the Student Union Building. The Open Meetings Act exemption for closed session was discussion and determination where appropriate of threatened or pending litigation as permitted by Section 10-15-1.H(7), NMSA (1978). Regent members present during closed session: Rob Doughty, Alex Romero, Tom Clifford, Marron Lee, Brad Hosmer, and Garrett Adcock. Regent Quillen was not present due to her recusal from discussion and vote on one of the litigation matters. Others present during closed session: President Chaouki Abdallah, University Counsel Elsa Cole, Chancellor Paul Roth and others.

VOTE TO RE-OPEN THE MEETING AND CERTIFICATION THAT ONLY THOSE MATTERS DESCRIBED IN THE CLOSED SESSION AGENDA WERE DISCUSSED DURING CLOSED SESSION

The vote to re-open the meeting was unanimous (1st Lee; 2nd Clifford). The meeting re-opened at 8:48 AM; the doors to the Cherry Silver room were opened. Regent President Doughty certified only those matters described in the closed session agenda were discussed in closed session, and there were two items upon which action was taken in closed session:

The motion to approve the request to commence arbitration on an HSC matter passed unanimously (1st Doughty; 2nd Lee).

The motion to move forward with the recommended settlement agreement for Mesa Del Sol passed unanimously (1st Lee; 2nd Romero).

- Members and others moved to Ballroom C for the open session portion of the meeting, during which time all seven of the members of the board were present and voting.

APPROVAL OF MINUTES

Regent Doughty enquired if there were comments or modifications to the minutes on the agenda for approval. Regent Clifford requested follow-up on the request he made on June 13 to the Health Sciences Center for detailed budget-related information (page 5 of 9 of the minutes).

The motion to approve the minutes of the June 13, 2017 regular meeting passed unanimously (1st Clifford; 2nd Romero).

THE PRESIDENT'S ADMINISTRATIVE REPORT

President Abdallah noted the upcoming start of the semester with Operation Lobo Move-In and Convocation for incoming students, and mentioned recent campus changes: 1) the hire of a new Academic Advisement Director, Laura Valdez (an internal candidate), and 2) the remodel and grand opening of the LaPosada food service center.

President Abdallah reported on enrollment figures. Enrollment for the summer showed an increase of 2.5%, with approximately 37K credit hours. Fall semester enrollment lags slightly, but appears to be nearing budgeted numbers, which projected a slight decrease from last year. The Provost and Deans are contacting eligible, individual students who have not registered and UNM is monitoring enrollment weekly. Graduate Student enrollment has decreased; this is a national trend and couples with the fact that UNM matriculated a large number of graduate students in the past two years. UNM needs approximately 9K new students yearly, 3200-3300 are freshman and the rest are transfer or new students taking a few courses.

President Abdallah updated the Regents regarding UNM Press, which has returned to Academic Affairs oversight after restructuring. The Press may move to University Libraries oversight, a common arrangement at other institutions; external advisors will make recommendations. The intent of restructure is for the Press to survive, and ultimately thrive— it will need to be smaller to accomplish this. The Press will not be financially independent and will require support, but to a smaller extent. This year, about 50% of the President's Initiatives allocation will go to sustaining UNM Press. The Press' physical infrastructure, including its warehouse and inventory, are under review currently, with recommendations expected by the end of September. Due to the restructure and elimination of positions, the Press has open editorial and marketing positions, and is working to fill vacancies on their Faculty Senate Board.

President Abdallah highlighted a few achievements in research at UNM:

- A physics graduate student made international news along with colleagues for a journal article confirming for the first time the existence of two supermassive black holes orbiting each other. President Abdallah estimated the publicity value of this discovery at more than \$5 million, and the University is proud of the Physics Department's contribution to this body of knowledge.
- The State initially invested \$5 million 30 years ago in the UNM Center for High Tech Materials (CHTM). Since its inception, the CHTM has generated \$200 million in contracts and funding, licensed or optioned 65 patents, and obtained 200 patents overall. The CHTM cuts across disciplines and has spun off 15 companies.
- The HSC research enterprise has achieved 13th consecutive years of record funding, obtaining \$203 million in extramural income in an increasingly competitive environment. Every dollar generates about \$4 in other activities. HSC research work has spun off many companies. Their success is the result of a very deliberate research strategic plan and faculty support. Research funding is highly competitive; funded proposals have declined from about 20% to 10% of total proposals. UNM HSC's increased funding speaks to the quality of work and the intentions of administration and faculty.

President Abdallah detailed strategic planning efforts. The President's Office held a mini-retreat with University leadership, EVPs and direct reports, to discuss challenges UNM faces, its current work, and how to intersect or combine efforts to lower boundaries between areas. Minutes and the presentation given will be uploaded to the President's website, and President Abdallah will attend the regents' retreat for discussion and guidance. In the meantime, President Abdallah will meet with the faculty senate, staff council, student association and graduate student association to discuss re-engineering UNM to meet fiscal challenges.

In closing, President Abdallah reiterated the importance of continuing to effect positive changes through the LoboRespect Advocacy Center which has trained 14K people. He expects continued challenges, including combatting sexual harassment, free speech issues, and other concerns faced by academia and the nation. UNM intends to bring people together for discussion through two Town Halls during the fall semester, one on Main Campus and one at the HSC. UNM is executing its agreement with the Department of Justice and reporting periodically on progress.

Regent Hosmer inquired whether private sector research funding has increased significantly. Dr. Larson, HSC Executive Vice Chancellor, explained that the \$203 million is divided into 5 categories: 1) National Institutes of Health (NIH), 2) non-NIH federal, 3) corporate and pharmaceutical, 4) foundations, e.g., American Lung Association, and 5) other funding. The HSC saw growth in all 5 categories, with the largest growth occurring in non-NIH federal funding agencies such as the

Patient-Centered Outcomes Research Institute, Health Resources and Services Administration, and Agency for Health Research & Quality. The HSC receives significant funding from pharmaceutical companies for clinical trials and saw growth constituting approximately 12-13% of the total amount. President Abdallah added that research funding on Main Campus amounts to approximately \$170-180 million.

Regent Clifford expressed appreciation for the report regarding research funding, and asked these achievement be highlighted to the legislative committees when possible to communicate the positive news.

PUBLIC COMMENT

Mark Unruh, Chair of Internal Medicine, spoke in support of the Modern Medical Facility. He also spoke on behalf of many of the Committee of Chairs. The benefits of the new hospital as outlined by leadership include: increased capacity, improved surgical facilities, better space for the care and recovery of patients, improved experience for learners, and ability to recruit and retain key faculty members. The need for capacity is felt every day by faculty and patients. Dr. Unruh stated he feels despair when his patients have to be admitted to the hospital because often it is at code purple capacity. Dr. Unruh gave an example of one older patient that sometimes braved the admissions process but sometimes went to other hospitals, which would do unneeded tests and change her care plan, exposing the patient to unsafe conditions. This is a UNM Hospital patient, under our own care we can't get into our own hospital. Capacity issues impact how the faculty feel about the quality of care they provide at UNM HSC. The Committee of Chairs has been very involved in the process of developing the Modern Medical Facility, as leadership has included the Committee of Chairs along the way. Dr. Unruh wanted to acknowledge the guiding principles of this process, and the Committee of Chairs eagerly supports the next steps toward a Modern Medical Facility

Regent Doughty asked Dr. Unruh if he feels that the Chairs are adequately involved in this process. Dr. Unruh responded the Chairs have been engaged and have engaged the front line caregivers in the hospitals. He feels that they have been engaged throughout the process. Regent Doughty asked Dr. Unruh if he feels satisfied that if the Phase II planning proceeds forward today, would faculty Chairs feel they will be adequately involved in the process and have a say in the architectural drawings. Dr. Unruh responded the process has been very inclusive and that faculty and chairs have been engaged all along the planning process and he would expect that to continue.

Regent Clifford addressed the potential benefits of the new facility that Dr. Unruh outlined. Regent Clifford said it is important we develop analytical tools to track those benefits so that we can be accountable to the public for use of these resources. We are hopeful about a new facility but it is hard to get a handle on how we demonstrate that this is the right way to provide these services to our community. Regent Clifford requested Dr. Roth, Management and Chairs to work to develop systems to track metrics that demonstrate benefits to the community. Dr. Unruh concurred, saying that the investment is substantial and metrics should track the benefits of the new facility. He suggested some metrics currently used which we could continue to track moving forward: patient experience, staff & faculty engagement, number of patients we are seeing, access to care provided.

Christopher Calder, Interim Chair Neurology, spoke in support of the Modern Medical Facility, and expressed the importance of understanding the implications of this new facility for neurologic care of New Mexicans. The only subspecialty neurologic care in New Mexico is at UNM. The Modern Medical Facility will provide opportunities for improved and increased volume of patient care, and training and retention of neurologists.

Howard Yonas, Chair Neurosurgery, spoke in support of the Modern Medical Facility. The unique need of neurosurgery, as it has grown from 300 cases, barely providing the trauma services for the state, to over 2,500 operative cases. Neurological Surgery receives 4-5 cases every night from around the State. They are the only trauma and tumor, vascular, and pediatric service, etc. for the entire state. The clinical burden is very constant. As the clinical burden has multiplied about 10% a year each year, the facility has not expanded in capacity. Recently, together with Neurology they have created a comprehensive stroke center hopefully to go forward in the next few months. This will be the only stroke center in the state. Currently, we don't have the capacity to do this. We must expand capacity, we have the clinical need. Dr. Yonas requested the Regents approve moving forward with Phase II of the Modern Medical Facility, giving doctors the capacity to care for the patients they have now.

Donald Godwin, Interim Dean College of Pharmacy, spoke in support of the Modern Medical Facility. New Mexico has the most progressive Pharmacy laws in the country, and we train pharmacists that are spreading this across the country. The new facility would also help with inter-professional training. It is desperately needed. Dr. Godwin also spoke about his daughter and wife, treated in the newer children's hospital and main hospital respectively, and noted that patient experience in these two facilities is night and day.

Carolyn Montoya, Interim Dean College of Nursing, spoke in support of the Modern Medical Facility. Has been with the College of Nursing for 25 years, though she is new to the Interim Dean position. Dr. Montoya spoke to the need in terms of nursing students and also as a wife of a husband with a chronic illness serviced by UNMH. UNMH is the strongest partner in placing students in clinical sites. Dr. Montoya said that the size of the current rooms can barely hold patients, much less the medical, nursing, PA and nurse practitioner students. The hospital was built in 1954 and in terms of comfort for the patient and in terms of education the room spaces are difficult. Our citizens deserve more than what the current hospital can give.

Cheryl Willman, Director and CEO UNM Comprehensive Cancer Center, spoke in support of the Modern Medical Facility. Dr. Willman three short stories, first a personal story, 4 weeks ago her husband was injured and crushed his femur, he was rushed to UNM ER and they were taken care of quickly and efficiently with high quality care providers, found a quiet room, and planned to stay overnight. Later in the day when the hospital was 100% full and the ER was 100% full with 19 patients waiting for beds, because they are UNM physicians, they were asked if they would like a room ahead of someone else, they said no, and slept in the ER that night and he was rushed into surgery the next morning. All of us know our facility's capacity is not meeting the needs of any New Mexicans including ourselves. Second, she shared a clinical care story. In the last 2 years the cancer patient volume at UNMH has grown 19% a year. We don't want to take on every cancer patient in the State, we don't want to and can't, we partner with community health systems to do that. But only here at UNM can we provide some of the newest and most advanced cancer treatments for patients. Our rate limiting factor on delivering that incredibly high volume of care is our inpatient capacity at UNMH. While about 80% of our care can be delivered in the cancer center, they need treatments that are exceedingly toxic and the only way to give them is in a safe environment in a hospital. We have built New Mexico's only bone marrow and stem cell transplant program, we have transplanted 40 patients highly successfully but our rate limiting factor is getting them a bed in the hospital for that first 4-5 day period. The Cancer Center does a tremendous amount of research, and cancer clinical trials. We brought Dr. Ricks here, one of the finest Phase I clinical trialists in the US, these are people that open new cancer clinical trials bringing New Mexicans drugs that they have never had access to before, to be tested for very advanced cancers. Olivier has opened 40 clinical trails in NM, with millions of dollars of support from the pharmaceutical industry, growing our research budget. In the last 4 months we have treated 38 patients with a new cancer drug, first time in a human being, first time in the world. Half of these patients came from out of state. We are beginning to build a program that provides access to state of the art therapies to New Mexicans but also draws the attention of others outside the State. Also, as we look at our NCI Designation, we are not only rated on how many patients we treat, looking at metrics we also look at how many patients need our care, in the Cancer Center we look at how many patients are coming in to the Center for the first time, normally that is 470 per month. This last month we saw 596 new patients in one month; our volumes keep climbing because of the need for these very advanced cares. We can clearly track patient metrics, pharmaceutical support. The National Cancer Institute, when they approve our designation, looks for these kinds of metrics: how much funding are you bringing in, how many new drugs and treatments have you discovered, how many patients are accessing these early phase drugs, what are your actual patient volumes. They also score us on our facilities, and while our ambulatory cancer center is gorgeous, our inpatient facilities aren't meeting the need. Dr. Willman appreciates the support and expressed it has been a pleasure to work with Dr. Roth and Dr. Richards to plan a new facility that will have an amazing bone marrow and stem cell transplant unit and adequate surgical facilities that our patients desperately need.

Michelle Melendez, Director of EleValle, addressed a hospital policy that requires a 50% up front charge for medically necessary surgical procedures for people living below poverty. Ms. Melendez expressed concern that many patients are going untreated because the new 50% charge is financially prohibitive and requested that policies regarding how the most vulnerable members of our society receive care be addressed.

ADVISORS COMMENTS (no comments)

COMMENTS FROM REGENTS

Regent Romero thanked Regent Doughty for being available to meet with him often over the past couple of months. As a newly appointed regent in May, Regent Romero has spent a lot of time during the last two and a half months with many of the talented people working at UNM, learning University priorities and its progress. Regent Romero also has met individually with each of the other regents; this is a very talented pool of members. Regent Romero said he has discussed with Regent Doughty the desire to have a Regent retreat. This is a critical time in terms of leadership, and it's important the board make decisions that are the very best for the University.

Regent Clifford requested the University Council provide advice on parameters of the retreat to comply with open meetings act. Regent Doughty commented the retreat could be held on campus.

Regent Hosmer commented the Regents have not received updates on the two strategic plans, the UNM 2020 and the HSC Strategic Plan and requested status updates. There was discussion about presenting the updates at the retreat or one of the next Board of Regents meetings.

REGENT COMMITTEE REPORTS

CONSENT DOCKET

Regent Doughty addressed the following consent docket and asked for a motion to approve.

1. Approval of Regent Nominations to the Boards of University Research Park and Economic Development Act (URPEDA) Corporations
2. Approval of Alumni Association Board Members
3. Health Sciences Center Committee (HSCC) Consent Items
 - a. Request for the Approval of UNM Hospitals Contract with Delta Dental Plan of NM, Inc.
4. Finance and Facilities Committee (F&F) Consent Items
 - a. Approval of Lobo Development Corporation Board of Directors Reappointments
 - b. Approval of STC.UNM Board of Directors Appointments and Approval of Naming Plan for Lobo Rainforest Building Courtyard
 - c. Approval of Naming Committee Request: Pre-approval to Rename the Great Friends of Track Stadium

The motion to approve the items on the Consent Docket passed by a unanimous vote (1st Lee; 2nd Romero).

ACADEMIC/STUDENT AFFAIRS AND RESEARCH COMMITTEE

Approval of KMP Resolution

Deb Kuidis, the University's Facility Security Officer, presented the item. The resolution for approval is to exclude the Regents from having to go through the tedious process of getting a security clearance, and in turn the responsibility of safe-guarding classified information is given to the President, the Provost, Chancellor Roth, and the Facility Security Officer. A revised resolution needs to be approved whenever new Regents are appointed to the board.

The motion to approve the KPM Resolution passed by a unanimous vote (1st Lee, 2nd Romero).

HEALTH SCIENCES CENTER COMMITTEE

Approval of Phase II Planning for the Modern Medical Facility

HSC Chancellor Roth stated the HSC leadership has carefully considered engaging in the next phase of planning for a modern medical facility. They have studied current hospital operational inefficiencies and limitations, and made major headway in improving conditions as possible, as well as attempted to alleviate capacity constraints to the fullest extent possible through partnerships and other means, considering the statewide demand for UNMH services. Proceeding now with an architectural plan ensures the final plan will remain valid for at least a 5-year horizon. Chancellor Roth has recommended to President Abdallah and now recommends, through the Regents' HSC Committee, to the full Board of Regents, that UNM Hospital proceed with a 15-18 month architectural planning and financial due diligence Phase 2 for the first phase of the modern medical facility project. The Regents received the summary information before the meeting. Dr. Roth said he was happy to stand for questions.

Regent Clifford thanked attendees from the HSC for their thoughtful commentary and expressed his support for the initiative. He inquired clarification regarding the actual proposal for approval. Chancellor Roth responded the completed Phase 1 of planning identified the full scope of the final project: a 408-bed facility accommodating replacement of all adult beds at the current UNMH facility and 48 beds from the adult psychiatric hospital. Knowing UNM could not afford a \$700 million, 408-bed facility, Phase 1 of planning also determined a \$250 million first phase of construction. The HSC is now recommending Phase 2 of planning to issue an RFP to secure an architectural firm for detailed design and programming for a 120-bed, first phase of construction toward the larger facility.

Regent Clifford inquired if the first phase would include the office building. Chancellor Roth affirmed this, stating it would be a medical office building for subspecialty care, making efficient use of faculty who would provide surgery and other subspecialty care to patients in the 120-bed facility, and also provide outpatient care in the offices.

Regent Clifford inquired why addressing emergency room (ER) capacity issues with improvements and expansion wouldn't be the higher priority, considering the long timelines of the project. Chancellor Roth responded on a daily basis patients

waiting for hospital beds occupy up to half of ER space. Increasing in-patient beds with a new facility would allow greater utilization of the existing ER by more quickly admitting those in-patients and not boarding them in ER space.

Regent Clifford inquired how many total beds are available in the ER. Steve McKernan responded there are 84 beds in the ER, with fluctuation between 0 to up to 40 patients with admit orders waiting for hospital beds. During the week, it is not unusual to be in range of 20-30 patients in ER with admission orders, but no beds available in the in-patient unit. Chancellor Roth added this does not count the patients from other New Mexico hospitals who need in-patient beds as well. In last 12 months, UNMH has turned away over 1,000 transfer patients, and would require 20-30 additional beds to accommodate transfers. By adding 120 beds and converting the 60 semi-private rooms in the current facility to private beds, they would net an additional 60 beds to accommodate statewide and local needs. Additionally, there is no way of knowing how many patients have had to go out of state.

Regent Clifford expressed concern the additional 60 beds would fill quickly, putting UNMH back at capacity, and inquired if there should be more beds in the new facility and postponement of the office building. He expressed concern about the relevance of the five-year-old analysis, noting the inflation factor (the cost has increased almost 50% in the past five years). Chancellor Roth responded UNMH could build in automatic surge capacity by not converting all of the semi-private beds, leaving 60 beds for use in the event of absolute need. He noted the analysis was updated in 2015. Because the county and the state do not have the financial resources to build the entire facility in one phase, discussions with hospital leadership and medical staff have identified the Phase 1 project as the best alternative, i.e., the most efficient and effective use of resources. Chancellor Roth invited CEO McKernan to comment as well.

Regent Lee requested CEO McKernan include in his comments information about the impact of the lack of efficiency and bottlenecks in the ER. CEO McKernan responded the current project information validates most of the original projections. He noted a current trend in the United States regarding how to conduct post-acute care and how many acute medical surgical beds facilities need when patients can be transferred to rehabilitation hospitals, skilled nursing facilities, home healthcare, and a variety of programs. UNMH is aggressively pursuing these avenues, mitigating number of beds needed and length of stay down significantly in the last two years. UNMH ideal capacity is 85-90%; beyond that, moving patients around the facility requires much more time and many more resources, and impacts patient satisfaction. The plan is moderate and conservative, accommodating very specific needs but not predicting the future too far ahead, in order to mitigate financial risk due to unforeseen changes in medical technology and care. The medical offices are embedded in the 120-bed facility. Initial analysis identified that if medical and surgical subspecialties will be housed in this facility, the associated medical and surgical subspecialist clinics should be located in the facility as well. Day-to-day operations require doctors to be in clinic and also called to the operating room or to inpatient units for consults. Co-locating specialties in the same building is an efficient way to address this and is common across the country. CEO McKernan noted there would be future Phases 2 and 3 expansions, if UNM has the financial ability to complete them.

Regent Clifford commended Chancellor Roth on the sound planning and efforts made since the original analysis regarding acute care through partnerships with Lovelace and Genesis. He inquired for an expected timeframe for a financial analysis and plan. CEO McKernan responded if the proposal is approved today, the process would move forward on parallel tracks regarding design and finance. The HSC would bid and secure an architect with the deliverables from the architect and engineers including a complete design, schematic diagrams, construction documents, and construction management. At the same time, the HSC would coordinate with Main Campus and EVP Harris to engage the University's financial consultant, then coordinate, through the consultant, with the FHA, who currently holds a mortgage on UNMH, to engage in their process. Their process entails due diligence of financial analysis; regardless of bond usage, UNM will have to engage in the process because the FHA holds a mortgage on UNMH's revenues and property. UNMH would engage an outside CPA firm, using the FHA's special process, for forward analysis. CEO McKernan commented the hospital board and Regents would receive updates on design and financial analysis at the desired interval – quarterly or six months. Updates will include impact on the HSC and UNMH, and any spillover impact the project may have on the University.

Regent Clifford noted he does have specific questions regarding the financial analysis, but will wait until more information is obtained. He expressed appreciation of Chancellor Roth's and CEO McKernan's answers, but remains concerned about an office building versus more beds, especially because finances may be an issue for further phases, given the amount of inflation associated with construction. He also noted that he read the documented answers to the Board of Finance questions and felt more direct information should be included, rather than pointing to sources of information. CEO McKernan agreed the HSC would provide more information in that document.

Regent Lee requested that Dr. Unruh, Chair of the Department of Internal Medicine, speak about the office component, since he had previously discussed the need for space in rooms and patient comfort, rather than office space.

Dr. Unruh appreciated the question and understood Regent's Clifford direction; his preference would be to build the complete \$700 million facility in one phase. In addition to providing beds, HSC doctors seek to provide access to high quality care. The medical office building allows co-localization of surgical and subspecialty medicine to provide high quality service line care; for example, neurovascular groups could locate in the same space and have access to hospital rooms and the office space they need to provide care and access to patients. The full scope hasn't been developed, but as the Chair of Medicine, and in discussion with other departmental chairs, it is an agreed upon direction. Another example would be a co-localized cardiovascular group, able to provide high quality care with a cardiologist located right next to a cardiovascular surgeon. Dr. Unruh clarified that the plan is for clinical space as opposed to "office space", meaning the space will be utilized as examination rooms, where, for example, a cardiologist seeing out patients can then walk to the hospital to see admitted patients.

Regent Romero inquired if the plan requires State Board of Finance approval beyond today's vote. Chancellor Roth clarified approval by the Board of Regents is the last step in moving forward in Phase 2 planning. Once Phase 2 planning is completed, with actual construction documents for a specific project, the HSC will go through the process again, presenting to the UNMH board of trustees, the HSC Board of Regents Committee, the full Board of Regents, the Department of Higher Education, and the State Board of Finance for approval.

The motion to approve Phase II Planning for the Modern Medical Facility passed by a unanimous vote (1st Clifford, 2nd Quillen).

FINANCE AND FACILITIES COMMITTEE

Approval of Naming Committee Request: Creation and Naming of Center for Kinesio Taping Methods

Libby Washburn, Chair of the Naming Committee, introduced the item, seeking approval of a naming request from the School of Medicine for the creation and naming of the Center for Kinesio Taping Methods within the Pain Center at the Department of Neurosurgery in the School of Medicine at HSC. Also present were Dr. Kenzo Kase and his daughter, Elisa Kase, from Kinesio Holding Corporation and Dr. Howard Yonas, Chair of the Department of Neurosurgery. Dr. Yonas expressed gratitude for the gift and for the opportunity to build a new relationship with the Kase family who brought this wonderful product to the community and to U.S. and the world. Dr. Kase said his children went to UNM, and he wanted to express appreciation to the University. Dr. Kase invented Kinesio taping 40 years ago to address how to control pain without opium, and now this has spread to 90 countries. He is happy to have the Kinesio Pain Clinic at UNM, and the factory for the tape is in Albuquerque. The Regents thanked Dr. Kase for his generous gift.

The motion to approve the Creation and Naming of Center for Kinesio Taping Methods passed unanimously (1st Dougherty, 2nd Lee).

Approval of Capital Outlay Re-Submission to the Higher Education Department

President Abdallah requested approval of a modified Capital Outlay request. The original projects requested and approved by Regents were reviewed by the HED; subsequent comments and feedback led to a revised request.

Chris Vallejos, Associate Vice President for Institutional Support Services, described the current 2018-19 Capital Outlay request as follows: College of Fine Arts Renewal & Replacement, \$1.5 million for planning; Chemistry Renovation, Phase 2, \$16.5 million; ROTC Complex, \$7 million; Pre-Anesthesia Clinic, \$6 million; Community Based Comprehensive Primate Care Clinic, \$8 million; and OMI Imaging Equipment Replacement, \$3.4 million; for a total request of \$41,900,000. Branch requests included \$750K for a million-dollar upgrade for sustainability, infrastructure and classrooms at Los Alamos; and \$3 million for a \$4 million Natural Resources Center at Taos. The Valencia and Gallup Branches had no requests.

Regent Clifford inquired what the specific changes were to the originally approved projects. AVP Vallejos responded the changes were to an original \$35 million ask for Fine Arts that was changed to \$1.5 million for planning. President Abdallah clarified the ask was \$3 million for planning on general obligation bonds (GOB), but GOB does not fund planning. The request for \$3 million for Fine Arts was removed from GOP, and instead, the budget was adjusted to fund half internally, and add a request for half (\$1.5 million) on single transaction bonds (STB). Discussions with the Chancellor resulted in 1) the removal of the nursing building because planning is not completed, and 2) the addition of two clinics. The OMI equipment was added on an STB.

Regent Clifford inquired if the nursing building request was for construction, if it was for classrooms, and whether UNM has the resources to conduct the planning. President Abdallah confirmed it was for construction to house the entire College of Nursing (CON), but that UNM was not quite ready for construction. The CON currently shares space with the College of Pharmacy. He confirmed that there are resources for planning.

Regent Clifford inquired about the unconventional use of GOBs for the medical clinics and whether HED raised any questions about the request. CEO McKernan confirmed it is not a traditional ask or methodology. The two clinics proposed have been on the hospital agenda, and were offered in response to an inquiry about whether there were needs for broader-use clinics. These two clinics address broader statewide needs. The Community Based Comprehensive Primary Care Clinic will have a large substance abuse, psychiatric, and behavioral health component, and will serve as an excellent training site for providers from across the State. The intention is to provide a community model for delivering therapies to those with substance abuse and other behavioral health conditions in an urban corridor accessible by public transportation, addressing the great need in New Mexico for provider training to treat people with opiate and other addictions along with co-concurrent psychiatric conditions.

Regent Clifford advised that lawmakers and their staff will need to clearly understand the statewide application of the clinics, and suggested this could be achieved by renaming the projects, e.g., "the Statewide Behavioral Health Training Facility," or something similar. CEO McKernan explained that the Pre-Anesthesia Clinic is a result of data tracking patient referrals from around the State that are not adequately prepared for surgery – e.g., they have hypertension conditions, or high blood sugar, or metabolic syndrome. This clinic would serve as a training site to teach providers how to prepare patients with chronic conditions for surgery, in order to get within the parameters for optimal results. HSC data shows unprepared patients are more susceptible to infections, suffer worse outcomes, and on average require longer lengths of stay. The clinic would serve as a training site to create a collaborative practice for these patients with doctors across the state in order to achieve better results.

Regent Clifford inquired about the location of the two clinics. Dr. McKernan stated the pre-anesthesia clinic would most likely be located along the Lomas corridor close to campus for specialists' convenience. The Community Based Clinic would ideally be located along the Central coordinator; UNMH has preliminarily identified locales in high impact areas with high incidence of conditions and access to public transportation. Regent Clifford stated that this was a good plan, reiterating the recommendation that the clinics be named as "statewide facilities" to inform voters of the reach of services. CEO McKernan agreed.

President Abdallah added the ROTC Complex was not on the original ask and stated the most critical need is to co-locate the three ROTC services. Because money was freed when the nursing building was removed from GOB, ROTC was added.

Regent Lee commented that ROTC presented to the Regents and she was impressed by the work they do with recruitment, retention and educating future leaders in a short amount of time. She deemed ROTC a great asset to UNM, and commented they have cared for older buildings exceptionally well.

Regent Clifford acknowledged the representatives from the College of Fine Arts waiting to speak during the public comment period; he assured them a College of Fine Arts facility is high priority and that funds would be provided, one way or another. He expressed concern with the capital outlay request in terms of severance money, as it is more competitive to receive and thought UNM may receive feedback that it is not an appropriate source for planning funds. He recommended President Abdallah gauge from the DFA & LFC capital outlay staffs how the proposal is likely to be perceived and suggested that UNM might need to use planning funds that are generated internally. President Abdallah confirmed that he intended to speak with them moving forward, and that UNM might be required to find the full amount, or supplemental funds, internally.

The motion to approve the Capital Outlay Re-Submission to the HED passed unanimously (1st Clifford, 2nd Doughty).

Discussion and Report on UNM Taproom Initiatives and Capital Investment (information item)

Chris Vallejos introduced the item. Last fall two students brought this idea to administration, and since then, administration has been performing its due diligence, exploring how a taproom can be brought on campus. Melanie Sparks, who is heading up the project, presented more details. The vetting of the original idea has been taking place and has involved many constituents, including the community, the Policy Office, University Counsel, Safety and Risk Services, Faculty, Staff and Students. A committee was formed and in the spring the School of Architecture and Planning was approached with the request to design the space. The school came up with three options for space at the SUB, and these were presented in May. The most favored option had the location in the southeast corner of the SUB. Incorporating design costs and a Chartwells food service component, the initial total cost estimate came to \$1.3 million. A taproom is not currently a funded initiative. In the F&F Committee meeting, there was good dialogue about partnering with local businesses, and discussions continue with interested parties to define the scope and refine solutions to comfortably bring a taproom to the University at a reasonable cost.

Report on Athletics (information item)

Janice Ruggiero gave an update on Athletics including: new hires; adherence to FY18 budgets; right-sizing the business office to be able to handle all of the business transactions; working closely with the State Auditor to provide the requested information; responding to IPRA requests; and working with the HSC with regard to the MOU to ensure the training room is also a clinic so athletes receive all the care they need. Regent Clifford commented the status of the audit will be discussed in the Audit Committee later in the month. Chris Vallejos responded there has been a series of interviews with the State Auditor, and they were told the field work will be completed on August 18 and plans for completion of a formal report in early fall. A lot of documents and testimony have been provided with respect to transactions, budgets and agreements over the last seven to ten years. There was discussion about ongoing work with University Counsel and the Policy Office to ensure compliance with the State Auditor's requests as well as the IPRA requests that have come in.

PUBLIC COMMENT

The following gave comments regarding the planned relocation of the Master of Fine Arts (MFA) Arts Studios from the Art Annex to the Biology Annex and urged the Regents to reconsider the decision: Justine Andrews, Chair, Department of Art; James R. Sugg, Department of Art, Incoming Graduate Student ; Molly Zimmerman, Department of Art, Graduate Student in Painting & Drawing, studio space in Art Annex; Ariel Wilson, Department of Art, Graduate Student in Photography, studio space in Art Annex; Eugene Ellenberg, Graduate Student, Department of Art, Graduate Student in Photography; Patrick Manning, Professor, Department of Art; Daniel Collett, Lab Manager/Sculpture, Department of Art. Those who gave comments brought up concerns that enrollment in MFA programs in the Department of Art is based on the number of available studios and that the studios in the Art Annex are well-suited to their purpose and are an important recruiting tool. Students commented the Art Annex art studios were a deciding factor in why they chose to pursue their MFA at UNM over other highly regarded programs. The Photography MFA program is the #1 Public MFA program in photography in the country; it competes with private programs of the highest caliber and the Art Annex studios are considered an asset to the program and its students. Square footage was highlighted as a concern, as the Biology Annex offers less than 6,000 square feet of space, compared with the Art Annex's over 10,000. There were comments the Art Annex is particularly well-suited to students' needs with: high ceilings, abundant natural light, south facing windows, individual studio spaces, a graduate printing press studio, darkrooms and two gallery spaces utilized for reviews and exhibitions, and students expressed concern the Bio Annex would not be able to appropriately accommodate the Art Studio space requirements. There was note that the relocation was discussed last fall in a series of Finance and Facilities Committee meetings, but the public agendas did not specify discussion nor approval of moving the art studios, only approval of revenue bonds. There was request to involve stakeholders in the relocation dialogue along with a request for further investigation of options beyond those provided in the feasibility study.

The following provided public comment regarding locating the Honors College in the Art Annex: Serena Mickens, Student, Honors College ; Kitty Foos, Student, Honors College; Katie Schraeder, Student, Honors College; Samuel Shoemaker-Tacja, Student, Honors College. The students like the current location of the Honors College because it is centrally located on campus with smaller spaces that well-suited for Honors classes and other activities including a forum, and the larger spaces in the Art Annex may not be optimal. There was comment about Honors Colleges in other universities with live-work-play environments, and students urged further investigations into what new space would be optimal for the UNM Honors College. The students urged the Regents to seek input from Honors Students on the new location.

Edith Sanchez, Project for New Mexico Graduates of Color, thanked the Regents for funding their programming this year.

Abuko D. Estrada, NM Center on Law and Poverty, urged the Regents to reconsider the recent 50% down payment policy which affects low income people who need medically necessary surgeries. This policy is not how a public hospital should work, and he asked the Board of Regents denounce the policy.

Regent Quillen commented with regard to the Art Annex and Biology Annex, that she remembered the Board voted on the bonds, but did not remember the Board of Regents making a decision or determination for the relocation of the MFA Art Studio. She inquired how they arrived to this point, as Regents have heard from students, parents, deans and faculty, and there is a lot of unrest. There was feasibility study performed a few months ago that offered three options. Regent Quillen inquired at which step they were currently at in the usual process for making these types of decisions and requested a recap of how the Board got to this point.

Regent Lee commented this issue started a year and a half ago when the Regents heard a presentation on the Student Health and Counseling (SHAC) and its needs. Regent Lee and former Student Regent Berryman had discussions with Dean Pinder, and there were also discussions with Dean Krause. The former student government presidents, Jenna Hagengruber and Texana Martin were involved regarding the bonds. This was discussed in F&F Committee and at full Board meetings. When the sale of the bonds went to the State Board of Finance (SBOF), all of the planned movements of the SHAC, Art and Honors College were explained and there was approval by the SBOF. Even before this, there was the plan to level the

Biology Annex, and former Regent Koch took exception to that since it was a John Gaw Meem building. The original concept was to move the Honors College into the Biology Annex, then after much discussion with planning about the space and the needs of the college, and discussion in committee, and materials going to the full Board, there was a switch and the decision to move the Art Studio to the Biology Annex and the Honors College to the Art Annex. The decision took into consideration all of the needs that were then outlined in the RFP that is currently out. The SBOF approved that and the bonds were sold on those movements of the buildings. This has been openly discussed. Regent Lee commented also that she took a tour of the Art Annex and found the building was in disrepair and even seemed unsafe due to padlocked doors, broken windows, and an opened door to the Central Avenue side. Regent Lee reiterated this has been discussed at length, the bonds have been sold on it and the SBOF approved it.

Regent Quillen commented she found a copy of an email in her files that must have been provided in an IPRA request, an email from Dean Pinder in October 2016 to Regent Lee and former Student Regent Berryman, she wrote she had been caught off-guard and unprepared their meeting was going to be to discuss the moving of the Honors College to the Art Annex, and she had not had a chance to discuss this with faculty and students before the meeting. Regent Quillen added that it's hard to believe the Board of Finance cares about the exact movements of programs. We are hearing from our customers, our constituents, that they do not feel like share governance has been displayed in this decision, and they are the ones using these facilities. Regent Quillen reiterated her puzzlement, she didn't recall it being specifically discussed that they would be moving them out. The Board is hearing problem after problem with this, and she urged the Board to listen and maybe even backtrack. Something is not right with the process to have this happening over this issue.

Regent Hosmer commented it is apparent this is a decision that was reached without consultation, and not having heard the opposing case he suggested reopening the decision. This is an operational decision, so the Regents should hear from administration, the management of the University, their position and let the Regents be swayed by what they hear.

Regent Clifford commented in agreement with Regent Lee that this was heard over and over. It was a carefully thought out plan. Management was consulted and the Dean was consulted. If the Dean didn't talk to anyone else, that is an issue, but the Regents spoke to the people that they needed to. It's a good plan but it is being mischaracterized. There is a long-term plan to build a new building for this program, so the program is not being neglected in any way. The Regents support this program but there are other important needs on the campus that need to be addressed, including student health. There are a number of priorities and the needs of the entire campus have to be taken into account when decisions are made.

Regent Doughty responded he will consult with the administration, Provost White and President Abdallah, regarding the Art Annex and Biology Annex issue and will report next month.

ADVISORS' REPORTS

Noah Brooks, ASUNM President, commented his concern Athletics was removed from the SFRB process. Mr. Brooks requested Athletics be treated the same as all other units; he referenced Administrative Policy 1310 on Student Fee Review Board which defines what constitutes a unit that utilizes student fees and must go through the SFRB. Mr. Brooks also commented regarding the Art Annex and the previous comments from faculty and students that it is used as a recruitment tool for the Art Department; the last thing this University needs is less students. Upcoming ASUNM events including Red Rally and Homecoming in September.

Pamela Pyle, Faculty Senate President, reported that members of the Faculty Senate have the responsibility to listen to the faculty and respond to concerns, especially regarding issues that directly pertain to the general faculty welfare, as granted by Section A50 in the faculty handbook. For the last month the Operations team has been meeting and hearing faculty concerns regarding the instability of leadership at UNM with particular concern for what a lack of institutional continuity will do to what is believed to be an already precarious institutional situation. Faculty are leaving at unprecedented rates, not just administrative faculty. At the last ASAR meeting during the ADVANCE program presentation, it was reported that 60% of faculty are actively looking to leave. The morale of the faculty is at an all-time low. With the pending accreditation visits due in the next year, the highly unstable finances, both in the University and at the State level, the immediate need to re-evaluate the way the University delivers the best education in the midst of new social and economic circumstances, and ongoing compliance issues and investigations that require some institutional knowledge to address---all of these contribute to the concern that the dearth of stable leadership would hinder each of the above, all of which demand immediate action. The suggestion arose to request Interim President Abdallah to stay through Spring of 2019 to provide sustained leadership, and out of respect for process, the decision was made to ask the Senators to get the sense of what the temperature is amongst the representative body of the faculty. Given the delicate subject, the intention was to bring this to the Regents if the sense of concern was very strong. On Friday a vote was taken, asking for a Vote of Confidence in the current Administrative Leadership - in this very unstable time. The response was incredibly overwhelming - the Senate voted overwhelmingly to support the suggestion to request Interim President Abdallah to stay through Spring of 2019 to

provide sustained leadership – there were 60 responses out of 67- a 90% response rate, which is unprecedented: 57 for, 2 opposed and 1 undecided. The meaning of this is that the representative body believes that Interim President Abdallah has the skills, experience and the best interests of the University at heart, to help steer the University into more desirable waters. This is no reflection on a possible new President, simply on the need to arrive on more stable footing before handing off the reins to another leader. Ms. Pyle closed by reporting that she recently attended the U.S. Global Leadership Coalition with others in administration; there Senator Udall spoke about State Department funds used to aid people in impoverished situations and the unintended consequences that oftentimes stem from these acts. Ms. Pyle echoed concerns regarding the Art Annex, this is an example of faculty not receiving attention to their concerns and dialogue with faculty was missing from this process.

Danelle Callan, Staff Council President, expressed gratitude to staff who are doing more with less. Staff are preparing for the new semester, preparing campus grounds, trainings, and preparing for all of students' arrival. Staff Council priorities and activities will be evaluated through surveys, and staff town halls will be implemented to foster dialogue. Staff morale and campus climate remain a concern; a major issue identified is aligning APS and UNM spring breaks again.

Harold Lavendar, Alumni Association Board President, spoke for the first time as President of the Alumni Association Board. Mr. Lavender had the pleasure of being involved in inviting the eleven new board members who were approved at today's meeting to serve on the Alumni Board. Not only are they willing to serve, but they are extremely excited to serve. The Association has a terrific board. There is a new MOU and Bylaws and the goal is to work closely with the regents, the president, and the administration to make UNM the best it can be. Mr. Lavender discussed some of the events highlighted in the monthly report that was included in the agenda eBook materials, including Homecoming at the end of September with over 50 events planned for homecoming week.

Donna Smith, Retiree Association President, this association is the only higher education retiree association in the State. The association is closely watching the ERB; recent press talked about the ERB not being fully funded for the next 30 years due to a change in the projection due to actuaries, and this may need to be addressed with either an employer contribution increase or a change in benefits. The Retiree Association is engaging outside specialists to evaluate the situation.

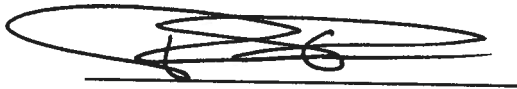
ADJOURN

There being no other business, Regent Doughty asked for a motion to adjourn.

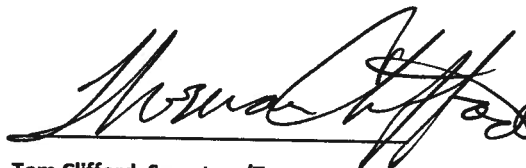
Vote to adjourn the meeting at 11:53 AM (1st Lee; 2nd Clifford).

Approved:

Attest:



Robert M. Doughty III, President



Tom Clifford, Secretary/Treasurer