Minutes of the Regular Meeting of  
The Board of Regents of the University of New Mexico  
May 12, 2020; 9:00 AM  
Open Session – Virtual Meeting via Zoom Webinar

Members present
Douglas Brown, President  
Kim Sanchez Rael, Vice President  
Sandra Begay, Secretary/Treasurer  
Rob Doughty  
Melissa Henry  
Marron Lee  
Robert Schwartz

Administration present
Garnett S. Stokes, President  
James Holloway, Provost and EVP for Academic Affairs  
Paul Roth, EVP and Chancellor for Health Sciences Center  
Teresa Costantinidis, SVP for Finance and Administration  
Loretta Martinez, Chief Legal Counsel  
Assata Zerai, VP for Equity and Inclusion  
Dan D. Garcia, VP Enrollment Management  
Eddie Nunez, Athletic Director; Dan D. Garcia, VP Enrollment Management  
Ava Lovell, Sr. Executive Officer for Finance & Administration, HSC  
Francie Cordova, Interim Chief Compliance Officer, Director of OEO, ADA Coordinator  
Duane Arruti, CIO  
Dorothy Anderson, VP HR  
Connie Beimer, Int. VP Alumni Relations  
Liz Metzger, University Controller  
Terry Babbitt, President’s Chief of Staff

Advisors present
Adam Biederwolf, President, ASUNM  
Muhammad Afzal Hussain, President, GPSA  
Finnie Coleman, President, Faculty Senate  
Ryan Gregg, President, Staff Council  
Alexis Tappan, President, UNM Alumni Association  
Randy Velarde, Chair, UNM Foundation Board  
Beverly Kloeppel, President, Retiree Association

Presenters in attendance
Norma Allen, Director, University Budget Operations; Lisa Lindquist, Director, LOBORespect Advocacy Center; Nicole Dopson, Director, Financial Operations, Provost’s Office; Victor Griego, Interim Director, Internal Audit; Lisa Marbury, Exec. Director, ISS; Vahid Staples, Budget Officer, OPB&A; Amy Levi, HSC Vice Chancellor for Academic Affairs

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

CALL TO ORDER AND CONFIRMATION OF A QUORUM
Regent President Douglas M. Brown called the meeting to order at 9:07 AM and confirmed a quorum with full participation of seven members attending via Zoom webinar. Since it was a meeting held over Zoom and everyone was attending remotely, Regent President Brown requested each member announce themselves to confirm participation.

VOTE TO ADOPT THE AGENDA
Before approval of the agenda, Regent Marron Lee requested to move some items off the Consent Docket. Regent President Brown agreed to take the following items off the Consent Docket to be presented and voted upon separately:

Approval of ASUNM Constitutional Amendment  
Approval of 3rd Quarter Financial Actions Report and Certification through March 31, 2020
Approval of 3rd Quarter Athletics’ Enhanced Fiscal Oversight Program Report and Certification through March 31, 2020

Approval of Project Construction:
   a) Redondo Court Parking and Circulation Project
   b) UNM-Taos, College Pathways to Careers Center
   c) UNM-Valencia, Infrastructure Project

Approval of Capital Outlay Submission to the Higher Education Department:
   a) Capital Outlay Request Package for FY 2020-21
   b) Five Year Capital Plans, detailing projects which will construct and/or significantly improve and renew numerous facilities on the University of New Mexico Campuses

The motion to adopt the agenda as modified passed unanimously; Regent Doughty motioned; Regent Lee seconded; Regent Brown took a roll call vote and all members voted yes.

APPROVAL OF MINUTES
The motion to approve the minutes of the March 9, 2020 regular meeting passed unanimously; Regent Sanchez Rael motioned; Regent Begay seconded; Regent Brown took a roll call vote - all members voted yes.

APPROVAL OF MEETING SCHEDULE FOR ACADEMIC YEAR 2020-2021
Regent Brown clarified the next Board meeting would probably not be five months away, as indicated on the schedule, but would probably be a special meeting in the nearer future after more is known about budget revisions.

The motion to approve the meeting schedule passed unanimously; Regent Begay motioned; Regent Henry seconded; Regent Brown took a roll call vote - all members voted yes.

PRESIDENT’S ADMINISTRATIVE REPORT
President Stokes spoke about the recent onset of the COVID-19 pandemic and UNM's response. On March 23, Governor Lujan Grisham issued stay-at-home orders, and so remote instructions and operations for UNM went in place and were recently extended to June 1. The decision to postpone commencement was also made. Dr. Stokes talked about the massive efforts undertaken to provide for increased patient care at UNM hospitals, including physical changes to spaces to provide such things as control access points, respiratory care centers, and increased ICU capacity. UNM’s partnership with other health systems and TriCore has been an enormous benefit to the entire state of New Mexico in the area of testing. Dr. Stokes talked about UNM’s involvement with the homeless during this crisis and the other many ways UNM has been involved on a statewide level, collaborating and providing expertise to address the impact of COVID-19 on populations across the state, including with the Navajo Nation. President Stokes extended her profound gratitude to all of UNM’s healthcare workers for the amazing work they have done.

The President addressed the spring semester’s sudden transition to remote instruction and the accompanying challenges and commended faculty and administration for the leadership and flexibility working with students through the transition. Dr. Stokes talked about the uncertainties moving forward to the months ahead and addressed budget issues and impacts from the COVID-19 pandemic. She thanked the outgoing Regents Advisors for their leadership and service over the past year.

Regent Rob Schwartz thanked President Stokes for her report and for her service at this remarkable time. There was discussion about higher education institutions reopening in the fall.

The Regents commended President Stokes and her team for their leadership during these quite incredible times. President Stokes expressed her gratitude for the exceptional people she has on her leadership team. They also commended Chancellor Roth and his team for their work.

PUBLIC COMMENT
Justin Garcia, Senior Report with the Daily Lobo, submitted a written comment: Will the regents reduce tuition and fees in the fall if UNM continues with online instruction? Why or why not?
Bruce Wetherbee, Editor of The Candle, thanked the healthcare workers affiliated with the University for the work that they do taking care of New Mexicans. He referred to a report he wrote regarding a contract UNM Hospital has with Steve McKerman. Mr. Wetherbee is preparing a final investigative report to come out in the next few weeks.

Ernesto Longa, Faculty, Professor, Law Library, talked about efforts to establish the collective bargaining agreement and encouraged administration to do its share of work in the negotiations and sincerely collaborate as equal partners in the drafting of a collective bargaining agreement that will improve the University.

Matias Fontenia, Faculty, Professor of Economics, commended the local community for their hard work during the challenging times and spoke about budget uncertainties and the need for hard decisions to be made that will affect UNM and the community. He reminded that UNM faculty voted overwhelmingly to have a faculty union to give faculty a voice and asked if athletics is part of the best education UNM can provide and part of the core mission.

William Brown, Faculty, part-time, temporary instructor in Mathematics and Statistics for nearly 15 years, is a strong supporter of the faculty union. The part-time instructors are virtually completely excluded from all faculty governance bodies at UNM including the Faculty Senate, and they are not allowed to vote. Additionally, adjuncts and part-time instructors, those at the branch campuses too, have been denied a living wage and essentially no raises, most of them for nearly 10 years.

Jessamyn Lovell, Faculty, senior lecturer and undergraduate director in the College of Fine Arts, has worked at UNM for 10 years, as an adjunct, visiting professor, and a lecturer. Dr. Lovell is pro-union and spoke about the disparity in pay and treatment that adjuncts face, especially as budgets are cut and departments rely more and more on adjuncts and grad students. Dr. Lovell spoke about the recent threats targeting colleagues and community members who are black and urged the importance that this issue be front and center.

COMMENTS FROM REGENTS
Regent Marron Lee referred to a Daily Lobo article about the UNM Seal and noted it was not on the agenda for approval. The Seal has been a topic about which many people have come before the Board to state their concerns. In 2018, the Board approved a process to redesign the Seal, a process that would include broad constituency input and be inclusive. She expressed concern the process was not honored. The official seal is not UNM’s commercial mark, it’s something that is very specific to commencement, for diplomas, and other official documents.

Regent Kim Sanchez Rael, thanked Regent Lee for her comment and added she looked forward to the revised seal design coming back to ASAR Committee and then to the full Board for approval.

Student Regent Melissa Henry thanked the outgoing Regent Advisors and added that the student leaders, Adam Biederwolf and Muhammad Afzal, did an excellent job during what was probably one of the most difficult years being a student leader at UNM.

Regent Sandra Begay thanked Regent Advisor, Alexis Tappan, President of the UNM Alumni Association, for the Alumni Association’s Operation Clean Paws initiative that was launched earlier in the month to distribute local-made hand sanitizer to different parts of New Mexico.

Teresa Costantinidis, SVP for Finance & Administration, presented the item. Joining her were Paul Roth and Ava Lovell to present the budget for the Health Sciences Center. Norma Allen, Director of University Budget Operations, was also present to answer any questions. The budget to be presented is based upon the New Mexico State budget that was approved by the governor in March, and it includes budget assumptions for tuition and compensation that were approved by the Board of Regents at its March 9 meeting. The only change from those assumptions reflected in the current proposal is a lowering of student fees. Back in March, it was anticipated that an increase in mandatory student fees, from $20 to $25 per student, would pass a student vote, but the increase was not approved by the students. Now, with the significant impact of COVID-19 and the unexpected drop in oil prices, a New
Mexico legislative special session is expected to convene as early as June 2020. It is expected the outcome of the special session will have significant negative implications on the currently proposed budget. Working with CUP (Council of University Presidents) on various scenarios, state budget cuts could have up to 15%, or about a $53 million, impact for UNM. As a result, UNM’s financial planning teams have been working on ways to absorb the cuts and mitigate the impact to the academic, healthcare, and research mission of the University. SVP Costantinidis clarified that the budget request is most likely not going to be the final budget, given the economic circumstances that have come about, and particularly with regard to employee compensation, it would not be fiscally prudent to allocate any increase in compensation that is greater than the funding that the state ultimately provides for such purposes. Even with this budget proposal uncertainty, a budget request must be submitted to the HED to comply with currently written legislation. SVP Costantinidis explained that with the request to the Board, administration is also requesting that it be allowed to make any necessary changes to the budget, based on the outcome of the future special session. The plan is to request from the Regents at a later date, approval of a revised fiscal year 2020-2021 budget, a BAR (budget adjustment request).

SVP Costantinidis presented summary budget information, as well as Main Campus and the Branch Campus budgets. The total consolidated 2020-21 budget for UNM, including the Health Sciences Center (HSC), is $3.32 billion, which is a 4.9% increase to the current year’s budget. The largest increase is in the HSC budget, at $2.36 billion, which is a 5.9% increase over last year. Main Campus budget is increased by 2.4%; the Branch budgets have increases of 1.7%. Looking at Main Campus revenues, a quarter comes from state appropriations, while 20% comes from Tuition and Fees, 20% from grants and contracts, and 18% from sales and services, things like housing and parking. For the 2020-21 year, fund balances (reserves) are budgeted to pay for 12.4% of activities. On the expenditure side, instruction and general (I&G) makes up 37%, plant funds 22%, and student aid is 14%. Research is 10% of the expenditure budget and athletics makes up 3.6%. Internal services and public service each make up about 5%. The primary drivers of the Main Campus budget are: 1) an increase of state appropriations of $14.8 million; 2) tuition and fee increases that were approved at the March 9 meeting, with the exception of the ASUNM $5 fee increase; and 3) a 4% compensation increase, increase in Group Health Insurance, and must fund costs and funding initiatives. SVP Costantinidis clarified the budget presented includes the same fee increase for undergraduates and for graduates.

Looking at the Branch Campus budgets, all four branches combined, on the revenue side, state appropriations make up 42% of revenues and local government appropriations are 17%. Grants and contracts funds are 19% of total revenues, while tuition and fees are 13%. The budget includes a use of reserves which will contribute about 2% of total revenues. On the expenditure side, the bulk goes to I&G at 78%, while public service expenditures make up 13%, and research is 3%. The primary drivers for the Branch budgets are state appropriation increases and the 4% compensation increase. There is a slight decrease in research activity.

SVP Costantinidis asked Paul Roth to address the Health Sciences Center budget. Dr. Roth made a couple of general comments and then turned it over to Ava Lovell to present some details. He clarified that, given all the recent changes that affect the HSC, the budget that is presented will definitely not be the same numbers that eventually the HSC will be operating under. He expressed gratitude for the State of New Mexico stimulus funds and the CMS (Centers for Medicare and Medicaid Services) temporary increase in funding that will significantly help the hospitals. Because of the new revenues and some very aggressive expense management on the part of the CEOs in the health system, UNM’s health system numbers are going to be better than what will be presented. Dr. Roth mentioned furloughs and layoffs happening in many other hospitals in the state, and the smaller rural hospitals in New Mexico are in a huge crisis. Whatever relief funds could help prevent them from closing, which is very important for the entire health system in the state of New Mexico. Regarding state appropriations and any expected cuts, on the HSC’s academic side, state appropriations make up about 14% of the operating budget.

Ava Lovell, the HSC’s Sr. Executive Officer for Finance & Administration, presented more details about the HSC budget. Because this is an integrated health sciences center, the budget includes the healthcare component units, Sandoval Regional Medical Center (SRMC) and the UNM Medical Group (UNMMG). The overall HSC budget is $2.4 billion. Looking at revenues, this is a 7.1% increase over the original 2019-2020 budget. The mil levy contributes 5% of revenues, at $117 million, and I&G contributes the same amount. Tuition and fees contribute 1%, contracts and grants 7%, Medicare and
Medicaid contribute 38%, and other patient care revenue is 20%. On the expenditure side, the School of Medicine (SOM) comprises 25% of the total HSC budget, and UNM Hospitals comprises 53%, while the UNM-MG is 11.6% of the budget.

Ms. Lovell discussed the Academic Enterprise. The revenue assumptions include a 2.6% increase in base tuition for all programs except the SOM-MD program, and also a 9.7% overall I & G state funding increase which may go away in the special session. On the expense side, assumptions include a 4% across-the-board compensation increase and approved new faculty hires for patient care access. Ms. Lovell showed a revenue-expense comparison for each of the academic units and discussed the unfunded increase for the 4% compensation increase across the HSC and the very small amount of state money that goes into the raises, particularly for the SOM. Total net margin for the HSC Academic Enterprise is projected to be $324K.

Looking at the UNM Hospitals budget, the original 2019-2020 budget had a net margin of $4.4 million, and that budget was revised to project a margin of $26.5 million which included $33.5 million of state funding for the hospital tower and the Center for Movement Disorders. Without that capital funding, the newly revised budget projects a $7 million loss, primarily driven by COVID-19 and stopping a lot of scheduled surgeries that happened in the middle of March. The FY 2021 budget projects a $30 million net margin for the Hospitals.

For the UNM Medical Group, the original FY 2020 budget projected a $5 million net margin, but that was revised to an $8 million loss primarily due to timing issues - booking a $15 million net margin in the previous year and spending that down in 2020. The FY 2021 budget has a $7.9 million net margin for the Medical Group.

The health system budget for FY 2021, including SRMC but excluding the Academic Enterprise, projects a net margin of $38.3 million. Including the Academic Enterprise would yield a bottom line net margin of $38.6 million for the entire UNM Health Sciences Center.

Regent Rob Schwartz inquired regarding the revised state budget if there was a chance that all of the 4% compensation increase would be eliminated with an additional cut on top of that. SVP Costantinidis responded that administration has been looking at various scenarios, 1%, 5%, 10%, or 15% of cuts to the base allocation, and it is possible the following year could be a lot harder than the upcoming, because for 2021 at least there is one time reserves that can be used to make it through the year. Regent Schwartz added that hiring freezes are not going to be enough to meet the larger budget reductions.

Regent Lee commented that during this time every aspect of business operations on campus need to be looked at in order to deal with the financial challenges. Regent Brown concurred and added it's important to not follow some absolutely across the board treatment, but rather look at programs as well as expense categories. Regent Lee said that everybody has their sacred cows and there was much criticism about cutting soccer. These are hard decisions; they are not easy decisions.

Regent Rob Doughty asked why Regents were being asked to approve a budget when it was understood it was not a real budget and with a special legislative session coming up. He inquired if the HED had been asked for an extension to the budget submission deadline. SVP Costantinidis clarified it is the HED that is making the request to turn in a current budget proposal, and she explained that state statute requires budget submission by May 1, but this year the deadline was extended to May 15 with the understanding that a budget adjustment request (BAR) will be made based upon what happens in the special session.

The motion to approve the fiscal year 2021 budget with giving permission to UNM administration to make any necessary changes to it based on the outcomes of the future legislative session, and the updated budget will be brought to the Regents in the form of a budget adjustment request (BAR) for approval, passed unanimously; Regent Begay motioned; Regent Henry seconded; Regent Brown took a roll call vote and all members voted yes.

SVP Costantinidis presented the fiscal year 2020 budget adjustment request (BAR) for Main Campus and the Branches. The BAR requires Regents' approval and is normally done toward the end of the
fiscal year to ensure approved revenues and expenses are close to actuals. The University is required to submit a revised budget to the HED by May 1 if year-end projections show that actual revenue, transfers, or expenditure levels will exceed those initially budgeted. For fiscal year 2020, the HED extended the deadline to May 15. This BAR reflects a revised budget of $925.3 million, a $41.2 million net increase, or 4.7% net increase, to the original $884.1 million budget. This budget reflects COVID-19 impacts. The primary drivers of the change in the Main Campus budget are $22.3 million in CARES Act relief funding and $9.4 million in 2019 bond refunding activities and transfers to plant for various capital projects. The Branch campus budgets are experiencing moderate changes. [ATTACHMENT A]

Ava Lovell presented the fiscal year 2020 BAR for the Health Sciences Center. The BAR is like a clean-up operation for the budget. The original operating and capital budget was submitted to the HED on May 1, 2019; the University is required to submit a final revised budget to the HED by May 15, 2020, as the HSC cannot exceed its budget authority as exhibit as per 5.3.4.10 NMAC. Only the budget and the academic units are required to submit a BAR. Sandoval Regional Medical Center (SRMC) and the Medical Group (UNMMG) do not have to. For the Academic Enterprise, the request is for a $26.4 million increase in expenditure authority, which is about 3.8% of the $688.5 million original total expense budget. Primary drivers are, Public Service expense increase, primarily to support physicians and physician efforts, and independent operations increase due to Housestaff salaries. Revenues will increase by $28.1 million to offset expenses, leaving a new net margin of $3.3 million for the Academic Enterprise. The majority of the revenue increase came from enhanced Medicaid upper payment limit, which was from the state of New Mexico under Medicaid to help support physicians.

For the hospital, the BAR is for a $34.4 million net increase in expenses as a result of an increase in consulting fees related to the Hospitals' operational improvement initiatives implemented during fiscal year 2020. This represents 2.9% of the original $1.2 billion hospital budget. On the revenue side, operational improvement initiatives yielded a $56.5 net increase; however, a $7 million net loss is now projected primarily due to the COVID-19 environment. Some new hospital revenues and Medicaid revenues that may come in, based on what was known two weeks ago, are incorporated into the numbers. [ATTACHMENT B]

The motion to approve this fiscal year's Budget Adjustment Request (BAR) for Main Campus, the Branches, and the Health Sciences Center, passed unanimously; Regent Schwartz motioned; Regent Henry seconded; Regent Brown took a roll call vote - all members voted yes.

CONSENT DOCKET
Regent Brown addressed the consent docket. The stricken items were removed from the docket at the beginning of the meeting, during APPROVAL OF THE AGENDA, to be presented and voted upon separately.

A. [ASAR] Approval of ASUNM Constitutional Amendment
B. [ASAR] Approval of CERT "Structured Education Requirements CT"
C. [ASAR] Approval of CERT "Structured Education Requirements MRI"
E. [F&F] Approval of UNM Foundation Recommendation for Consolidated Investment Fund Consultant
G. [F&F] Approval of 3rd Quarter Athletics' enhanced Fiscal Oversight Program Report and Certification through March 31, 2020 and 3rd Quarter Information on Athletics' Report by Sport through March 31, 2020
H. [F&F] Approval of STC.UNM Items:
   a. Appointments to the STC.UNM Board of Directors
   b. Name Change for STC.UNM
I. [F&F] Approval of Project Construction:
   a. Redondo Court Parking and Circulation Project
   b. UNM-Tace: College Pathways to Careers Center
   c. UNM Valencia: Infrastructure Project
J. [F&F] Approval of Capital Outlay Submission to the Higher Education Dept.:
   a. Capital Outlay Request Package for FY 2020-21
b. Five Year Capital Plan, detailing projects which will construct and/or significantly improve and renew numerous facilities on The University of New Mexico Campuses

K. [A&C] Approval of Meeting dates for Calendar Year 2020
--August 13, 2020
--October 15, 2020 (Exit Conference for FY 20 External Audit)

The motion to approve the remaining items listed on the consent docket passed with a unanimous vote in favor; Regent Begay motioned; Regent Schwartz seconded; Regent Brown took a roll call vote - all members voted yes.

Approval of ASUNM Constitutional Amendment
Adam Biederwolf presented the item. This amendment is basically a revised procedure for how ASUNM senate vacancies will be filled. This will allow the vice president to accept applications to fill the vacancies if there are enough official candidates. This was passed last fall by the student body and the last checkmark is approval by the Regents.

Regent Marron Lee inquired what the procedure was before the amendment. Mr. Biederwolf responded that the prior procedure was that the vice president would just go ahead and make appointments. The new process will allow students to go through an application process if they are interested to serve as a senator. The ASUNM Senate will approve the applications with a two-thirds vote.

Regent Lee commended Mr. Biederwolf for the process change and clarified this is why she wanted the item to be taken off the consent docket for discussion. Regent Lee had heard from students who believed they were not given the opportunity to join student leadership, that it was a very closed group. The old process limited the numbers of students who got involved, to the detriment of ASUNM which could miss out on some good diverse views.

The motion to approve the amendment to the ASUNM constitution passed with a unanimous vote in favor; Regent Lee motioned; Regent Doughty seconded; Regent Brown took a roll call vote - all members voted yes.

Approval of 3rd Quarter Financial Actions Report and Certification through March 31, 2020
Liz Metzger, University Controller, presented the item and referred to slides that were included in the eBook. The third quarter financial certification report is required by the HED. The report consists of six questions that are essentially related to the University's ability to meet its cash obligation with a final question regarding the University's current budget situation as it compares to the original budget. The first question of the report asks whether the University had to ask for an advance on its state appropriation. Questions two through five asks if the University has failed to make any of its large payment obligations. Questions one through five were answered with a 'no', and question six was answered with a 'yes', because it asks if the University has experienced any significant actual or anticipated changes not reflected in a budget adjustment request that would result in a substantially reduced year-end fund balance. Supplemental information was provided for question six. As previously reported in the first and second quarterly reports, the fall enrollment was down 7% which exceeded the anticipated enrollment decrease. The decrease is expected to result in a $4.6 million shortfall in tuition and fees revenues for the year. The shortfall will be covered by the central reserves. Ms. Metzger briefly discussed some of the financial impacts due to the COVID-19 crisis.

The motion to approve the 3rd quarter financial actions report and certification through March 31, 2020 passed with a unanimous vote in favor; Regent Doughty motioned; Regent Begay seconded; Regent Brown took a roll call vote - all members voted yes.

Approval of 3rd Quarter Athletics' Enhanced Fiscal Oversight Program Report and Certification through March 31, 2020
Eddie Nunez and Nicole Dopson presented the item. AD Nunez briefly discussed the landscape of UNM athletics, including the multi-media rights contract that was approved after the beginning of the year, the scholarship fund, and NCAA events. Nicole Dopson went over the third quarter report which was included in the eBook.
The motion to approve the 3rd quarter athletics' enhanced fiscal oversight program report and certification through March 31, 2020 passed with a unanimous vote in favor; Regent Lee motioned; Regent Begay seconded; Regent Brown took a roll call vote - all members voted yes.

Approval of Project Construction:

a) Redondo Court Parking and Circulation Project
b) UNM-Taos, College Pathways to Careers Center
c) UNM-Valencia, Infrastructure Project

Lisa Marbury presented the items. The first request for capital project construction is for a Redondo Court Parking and Circulation Project. This lot primarily provides patient parking and emergency vehicle access to the SHAC. It also has ADA accessible parking for this area of campus, including Mesa Vista. This project will help maximize the use of the area by increasing parking capacity, improving storm water management, provide safe drop-off and pick-up areas and will improve the design elements in the area. The total project budget is $820K, of which $450K will be funded from the Parking and Transportation Capital Reserve funds and $370K is to be funded from the FY20 BR&R.

Regent Sandra Begay requested confirmation about the guidelines the University is operating under during the COVID-19 crisis in order to continue doing construction. Ms. Marbury confirmed that construction has been deemed one of the essential businesses by the governor and briefly discussed the safety protocols that have been put into place. Regent Begay added that the ability to continue the work keeps people employed, and building UNM's infrastructure in spite of the circumstances is admirable.

Regent Lee commented regarding the issue of ADA compliance and UNM ensuring those issues are addressed, because that is one of the biggest projects, to make campus ADA friendly. She inquired if projects were being prioritized and if this project would address that issue. Francie Cordova, UNM's ADA Coordinator, responded that UNM is proceeding right now with an RFP for the transition plan specifically for buildings and this one will be included in the evaluation. Regent Lee asked if this project involved one of the areas that had been designated. Ms. Cordova said she would get that information.

The motion to approve the capital project construction for the main campus Redondo court parking and circulation project passed with a unanimous vote in favor; Regent Lee motioned; Regent Begay seconded; Regent Brown took a roll call vote - all members voted yes.

Ms. Marbury presented the next project, UNM-Taos, College Pathways to Careers Center, for approval. This is an 11,650 square foot building that will house the Centers for Academic Success and Achievement. The building will contain one-on-one tutoring spaces, small dual use classroom and meeting rooms, faculty and staff offices, and student work and support spaces. The total estimated project budget is $5.575 million, to be funded by the NM GO bonds 2018 appropriation ($4.3 million), Taos Campus 25% Match EGRT ($1.075 million), and 2019 State General Fund appropriation ($200K).

The motion to approve the capital project construction for the UNM-Taos College Pathways to Careers Center passed with a unanimous vote in favor; Regent Henry motioned; Regent Schwartz seconded; Regent Brown took a roll call vote - all members voted yes.

Ms. Marbury presented the next project, UNM-Valencia, Infrastructure Project, for approval. This is an infrastructure project that consolidates several capital needs at the Valencia campus into one comprehensive project. The project includes remodeling a portion of the Student Union Building and a primary lecture hall, as well as parking and road rehabilitation and landscaping around the campus. The project will update student areas and provide safe and clear access to buildings. The total project cost is budgeted at $4.9 million, all of which will be funded from the UNM-Valencia local County Bond.

The motion to approve the capital project construction for the UNM-Valencia Infrastructure Project passed with a unanimous vote in favor; Regent Lee motioned; Regent Begay seconded; Regent Brown took a roll call vote - all members voted yes.
Approval of Capital Outlay Submission to the Higher Education Department:

a) Capital Outlay Request Package for FY 2020-21
b) Five Year Capital Plans, detailing projects which will construct and/or significantly improve and renew numerous facilities on the University of New Mexico Campuses

Senior Vice President, Teresa Costantinidis, presented the items. The UNM capital outlay request package for fiscal year 2021 comes in two parts, and once approved by the Regents, it will be submitted to the NM HED for approval. The deadline for submission to the HED is normally June 1, but this year the deadline was extended to July 1. SVP Costantinidis outlined the 2021 appropriation requests for Main and Branch Campuses. Three requests for Main Campus total $9.8 million and break down as follows: $5.3 million for College of fine Arts Facility Renewal, $2 million for Modernizing Essential Research Facilities at UNM, and $2.5 million for Fire Safety Improvements. The Branch campus requests total $5.415 million, with one request for each of the Branches: Gallup is requesting $4.125 million for facilities repair and renewal; Los Alamos is requesting $1.815 million for campus-wide infrastructure renovations; Taos, requests $1.875 million for infrastructure improvements; and Valencia requests $600K for a Learning Commons Resource Center renewal and remodeling project.

The motion to approve the capital outlay request package for FY 2020-21 passed with a unanimous vote in favor; Regent Begay motioned; Regent Schwartz seconded; Regent Brown took a roll call vote - all members voted yes.

SVP Costantinidis presented the five-year capital plans for Main and Branch campuses. The full list was included in the eBook. Everything that is known to exceed $300K is included on the list.

The motion to approve the five-year capital plans for Main and Branch campuses passed with a unanimous vote in favor; Regent Henry motioned; Regent Begay seconded; Regent Brown took a roll call vote - all members voted yes.

ACADEMIC/STUDENT AFFAIRS AND RESEARCH COMMITTEE

Approval of Spring 2020 Degree Candidates
Finnie Coleman, Faculty Senate President, presented the item. Total number of pending degrees is 4204, these were approved in Faculty Senate and in the Regents' ASAR Committee.

The motion to approve the spring 2020 degree candidates passed with a unanimous vote in favor; Regent Lee motioned; Regent Sanchez Rael seconded; Regent Brown took a roll call vote - all members voted yes.

Approval of Posthumous Degree for Nahje Flowers
Lisa Lindquist, Director of the LOBORespect Advocacy Center, presented the posthumous degree request for Nahje Flowers. The degree awarded will be a B.S. in Signed Language Interpreting with a Minor in Psychology. Ms. Lindquist discussed the letters and comments of support for awarding the degree.

The motion to approve the posthumous degree for Nahje Flowers passed with a unanimous vote in favor; Regent Lee motioned; Regent Begay seconded; Regent Brown took a roll call vote - all members voted yes.

Approval of Posthumous Degree for Klana Caalim
Lisa Lindquist, Director of the LOBORespect Advocacy Center, presented the posthumous degree request for Klana Caalim. The degree awarded will be a B.S. in Community Health Education.

The motion to approve the posthumous degree for Klana Caalim passed with a unanimous vote in favor; Regent Lee motioned; Regent Sanchez Rael seconded; Regent Brown took a roll call vote - all members voted yes.

Enrollment Update (information item)
Dan Garcia, VP for Enrollment Management provided the update and referred to slides that were included in the eBook. He discussed the metrics that are being tracked with focus primarily on incoming, first-year student figures. Up to this point, key indicators have been: application/offers of admission, scholarship acceptance numbers and rates, new student orientation registrations, housing contracts,
admitted and applicant student surveys, and cancellations of applications/offers of admission. Mr. Garcia discussed each of the key indicators as related to UNM. Regarding scholarship acceptances data, this year, substantially higher offers of scholarships to students have been made. If the yield on acceptance of those scholarships holds to last year’s yield rate, it would indicate another 147 scholarship students enrolling in UNM for the fall. Overall, there is still a downward trend in enrollment, but it is comparable with what was seen last year at this time. Mr. Garcia talked about national survey data that focused on high school seniors’ decisions about college. Huge numbers of students are expressing concerns and anxiety, saying they are excited, but also worried and overwhelmed. Mr. Garcia talked about the Lobo First-Year Promise, a commitment to New Mexico residents that are at the median income level or below, that UNM will ensure that college tuition and fees that are mandatory will be covered through a combination of institutional state and federal resources. Regarding yield efforts, UNM is engaging in more direct communications with students and parents. UNM has developed of a class of 2024 website and provides virtual information sessions and virtual tours. Mr. Garcia talked about other efforts, such as reaching out to Branch Campus students who may be ready for transfer and reaching out to Fall 2019 freshmen admits who went out of state.

The Regents thanked Mr. Garcia and his team for the outreach efforts.

AUDIT AND COMPLIANCE COMMITTEE
Meeting Summary Report – April 7, 2020 Meeting (information item)
Victor Griego, Interim Director of Internal Audit, presented the item. The April 7 meeting was a special meeting to present the selection presentation of the external audit firm. The committee approved Moss Adams and KPMG to once again be the external auditors for the fiscal year 2020 audit.

Summary Briefing of the May 7, 2020 Meeting (information item)
Victor Griego provided the briefing, the summary report was included in the eBook. The May 7 meeting was a full meeting to have the entrance conference for the 2020 financial statements audit, so the external auditors have now begun audit procedures for the 2020 audit. At the meeting, there was a presentation and approval of the Los Alamos Branch audit. There were six findings and six recommendations. Francis Cordova reported that the President’s Ethics Task Force has completed its review and its final report was submitted to the President’s office.

Approved Contract for UNM FY20 Annual Financial Statements Audit (information item)
Liz Metzger, University Controller, presented the item. This was presented to the Audit Committee at its April 7 meeting. Three proposals in response to an RFP were received and evaluated by a committee of six university employees representing University Hospital, UNM Foundation, the HSC and the Main Campus Controller’s organization and Main Campus sponsored projects area. The committee members independently evaluated each proposal and the firm receiving the highest score was Moss Adams with a subcontract to KPMG for the audits of the clinical areas. In addition to Moss Adams and KPMG, some staff from the State Auditor’s Office will also be working on the audit, working very closely with Moss Adams. The contract with Moss Adams was approved by the Audit Committee and the contract was subsequently submitted to the State Audit Office for approval.

Regent Brown thanked Ms. Metzger for her report.

FINANCE AND FACILITIES COMMITTEE
Results of Advanced Refunding of UNM Series 2012 Bonds (information item)
Vahid Stapley presented the information item. When the refunding of the 2012 bonds was brought to the Regents for approval, the Regents at that time approved delegating the pricing authority to the President and the Senior Vice President, the terms of which basically provide that the results of the refunding will come back to the board at a subsequent date, hence the current report. The results of the refunding were very favorable. The bond was extremely well-received in the marketplace and the University was able to benefit from very low interest rates. The present value of the value of the refunded bonds on delivery is 7.92%, and the annual savings per year over the next twelve years is $389,392k, for a total savings of $4.7 million.

Regent Brown commented this was excellent news and he appreciated the vigilance in watching the interest rates.
HEALTH SCIENCES CENTER COMMITTEE

Approval of UNM Health Sciences Center Spring 2020 Graduates
Amy Levi, Vice Chancellor for Academic Affairs at the HSC, presented the 521 graduates. It encompasses Colleges of Nursing, Pharmacy, Population Health, and the graduate degree programs in the School of Medicine.

The motion to approve the HSC spring 2020 graduates passed with a unanimous vote in favor; Regent Lee motioned; Regent Henry seconded; Regent Brown took a roll call vote - all members voted yes.

Approval of UNM HSC Capital Outlay Submission to the Higher Education Department
a) FY2021 Capital Outlay Request
b) Five-Year Capital Plan FY2021 through FY2025

There was discussion about these items being presented as information-only in committee and clarification this was coming to the full Board of Regents for approval without being voted upon in committee. Ava Lovell reviewed the process for coming up with the list of three priorities on the capital outlay request: 1-enhance UNM HSC simulation activities; 2-equipment for Rio Rancho center of excellence, and 3-UNM Cancer Center vault. Regent Lee inquired if the Branch Campuses would be able to also use the simulation equipment, for example for paramedic training. Ms. Lovell said she would need to defer to Amy Levi, who is the expert on details, but she assumed the scope would include making available the equipment and training to others who could use and benefit from it. Regarding the second project, the Rio Rancho Orthopedic Center of Excellence has been approved, all the way through the State Board of Finance, and so the request is for extra equipment to do more research and teaching in the rehab and orthopedic areas. Regarding the Cancer Center request, it didn’t get funded last year and is very much needed, and so comes back again. There was brief discussion about the rehab center before Regent Lee motioned approval of the capital outlay requests.

The motion to approve the HSC FY21 Capital Outlay Request passed with a unanimous vote in favor; Regent Lee motioned; Regent Begay seconded; Regent Brown took a roll call vote - all members voted yes.

There was further clarification the Regents needed to vote on the five-year capital plan for the HSC. Regent Brown requested that next time these be lumped together with Main Campus for approval so as to avoid confusion.

The motion to approve the HSC Five-year Capital Plan FY2021 through FY2025 passed with a unanimous vote in favor; Regent Schwartz motioned; Regent Henry seconded; Regent Brown took a roll call vote - all members voted yes.

ADVISORS’ COMMENTS

Adam Biedenwolf, ASUNM President, thanked the Regents and administration for an incredible year and spoke about the adjustments going to online learning and online graduation. Mr. Biedenwolf spoke about UNM students, once they graduate, will go on to make contributions in the state and in the nation. He introduced ASUNM President-elect, Mia Amin, an incoming senior studying business administration.

Muhammad Afzaal Hussain, GPSCA President, thanked the Regents and UNM leadership for the opportunity to represent and be a voice for graduate and professional students at UNM. He talked about the unprecedented times and challenging circumstances, and how people can come together to make creative decisions. He thanked UNM leadership for their hard work to put all of campus operations online.

Finnie Coleman, Faculty Senate President, thanked the Regents, administration and fellow Advisors. He brought attention to the remarkable class of graduating seniors. This horrible crisis has clarified the importance of ceremonial life and the maintaining of traditions at the University. Dr. Coleman announced three ad hoc committees that were going to be formed under the Faculty Senate. The first to address some of the Faculty and Regents’ policy alignment issues that faculty think are important to address, making sure that all of the policies are aligned and in compliance with the Board of Regents’ policies. Any recommendations would be brought to the Regents in the future. Another ad hoc
committee will be formed to work with various stakeholders around campus to look at branch campus students and their persistence rates. A third committee will look at race and campus climate. All of the committees have a two-year lifespan, one year of study and one year for implementation. Dr. Coleman talked about being a member of the faculty who were implicated and threatened in the recent racist attack on Africana Studies and thanked those who sent letters of support. He urged the University to take seriously the concerns of faculty who have unionized and talked about this being a watershed moment in UNM’s history where it can demonstrate to the rest of the country what kind of inclusive excellence it has and model what these relationships can look like. He thanked the Regents for a wonderful year and thanked Regent Brown for his leadership.

**Ryan Gregg**, Staff Council President, gave updates to the Board, referring to slides that were provided in the eBook. Mr. Gregg talked about the important work of university staff and staff response during the COVID-19 crisis. He spoke about a new Staff Council Diversity, Equity & Inclusion Committee and the Council’s five-year strategic plan which will be renewed within the month. Mr. Gregg introduced Staff Council’s new president, Nancy Shane, who works in the School of Medicine as a program evaluator.

**Rev Kloeppel**, Retiree Association President, thanked everyone for the opportunity to serve over the past year and gave a special thanks to the Human Resources Department for providing administrative support helping with membership tracking. Dr. Kloeppel talked about several of the Association’s activities and the legislative committee’s hard work to educate legislators about the importance of the ERB retirement program to the recruitment and retention of the state’s educators. Dr. Kloeppel thanked the Regents for their support of the UNM Retiree Association.

Regent President Brown thanked everybody for going through the maiden voyage of a full virtual meeting. He thanked all of the Regent Advisors, most of whom will be changing over.

**ADJOURN**

There being no further business, Regent Brown asked for a motion to adjourn; Regent Lee motioned; Regent Begay seconded; Regent Brown took a roll call vote and all members voted in favor to adjourn. The meeting adjourned at 1:13 PM.

Approved:  

Douglas M. Brown, President

Attest:  

Sandra K. Begay, Secretary/Treasurer

*Minutes originated and edited by Melody Peterson*
Budget Adjustment Request (BAR)

- The FY 20 Original Operating and Capital Budget was submitted to HED last year.

- Budget to Actuals are monitored through the Monthly Financial Report presented by the UNM Controller

- The University is required to submit a revised budget to the HED by May 1 if year end projections show that actual revenue, transfers, or expenditure levels will exceed those initially budgeted. Note: HED does allow a post May 1 board approval. For FY 20, HED extended the deadline to May 15.

- Must not exceed budget authority by exhibit --- 5.3.4.10 NMAC
Budget Adjustment Request (BAR) Drivers

- Change in revenue and expenditure projections
- Use of reserves for one-time expenditures
- Increase in restricted grant and contract revenues and expenditures
- Other changes in transfers

Note: Included in your ebook materials is the FY 20 BAR booklet that provides more details about the changes

Main Campus (Operating) and All UNM Capital Revenue & Expenses (In Millions)

<table>
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<tr>
<th>Fiscal Year 2020</th>
<th>Original</th>
<th>Revised</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>884.1</td>
<td>925.3</td>
</tr>
<tr>
<td>Expense</td>
<td>884.1</td>
<td>925.3</td>
</tr>
</tbody>
</table>

Net $41.2M Increase or 4.7%
Summary of Main Campus Operating and All UNM Capital Changes

- **$41.2M or 4.7% Net Increase--Primary Drivers Revenues and Expenses:**
  - $22.3M-CARES Act Relief Funding-Student Aid and Higher Education.
  - $9.4M-Primarily 2019 Bond Refunding Activities and transfers to plant for various capital projects.
  - $9.5M-Primarily Non-endowed activities, internal service activities, classroom technology, Grand Challenges, student services, and research activities.
  - **$39.8M Revenues and Transfers and Use of Reserves $1.4M**
    - Note: The FY 20 BAR includes ~ $11.9M revenue decrease due to enrollment decline, revenue shortfalls, and COVID-19 as well as $4.5M movement of the historical Athletics deficit to a central index in response to HB2 2020 Legislative Session language.

Summary of Branch Campus Changes

- **Gallup $196K Increase, 1.1%-**primarily I&G expenditure authority Charles Morrissey Education Center and other expenses

- **Los Alamos $35K Increase, .6%-**primarily increased spending for Community Internship Collaboration

- **Valencia $720K Decrease, -4.6%-**primarily due to decrease in Restricted Contract and Grant research activity.

- **Taos $388K Increase, 3.1%-**primarily due to increases in scholarship expenses and Childcare Center expansion.
Main and Branch Campuses
Estimated COVID-19 Impact
on Revenues and Expenses
as of May 1, 2020

Housing & Food Services Revenue Decline $4.5M
Event or Other Services Revenue Decline $4.7M
Travel or Other Expense Reimbursements $200K
FEMA Reimbursable Expenses $200K

Total $9.6M
UNM HSC Budget Adjustment Request (BAR)

- The FY 2020 Original Operating and Capital Budget was submitted to HED on May 1, 2019.

- The University is required to submit a Final Revised Budget to the HED by May 15, 2020.

- Must not exceed budget authority by exhibit --- 5.3.4.10 NMAC

- HSC Academic and UNM Hospitals are required by HED to submit a BAR
UNM HSC Academic Enterprise
Year-End Changes

- **$26.4M Increase** in Expenditure authority for FY 2020
  This increase is primarily due to the following:

  - $26.4M represents 3.8% of the $688.5M Original Total Expense Budget
  
  - **Public Service** expense increased primarily to support physicians and physician efforts.
  
  - **Independent Operations** increased due to Housestaff salaries

- **$28.1M Increase** in revenue and transfers to offset expense

- **$3.3M Net Margin**

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4th Qtr. FY2020 COVID-19
Impacts to Academic HSC

- Overall net margin reduction of $11 million

- The Academic Enterprise generated actual net margin of $14.2 million through 3rd Qtr. of FY2020

- Revenue impacted by limited clinical services
  - Clinical physician fee and cancer center loss of $13.9 million
  - All compensation costs continue with expense reductions only in travel and supplies of $2.9 million
UNM Hospitals
Year-End Changes

- $34.4M Net Increase in Expense as a result of increase in consulting fees related to the Hospitals' operational improvement initiatives implemented during FY 2020.
  - This represents 2.9% of the $1.2 billion original total budgeted expense

- $56.5M Net Increase in Revenue due to Operational Improvement Initiatives resulting in increased revenues, Retail Pharmacy revenues higher than originally projected and capital appropriations received for the New Hospital Tower and Center for Movement Disorders.
  - This represents 4.7% of the $1.2 billion original total budgeted revenue

- $7.0M Net Loss (excludes appropriation of $30M Hospital Tower & $3.5M Center for Movement Disorder)

4th Qtr. FY2020 COVID-19 Impacts to UNM Hospitals

- Overall net margin reduction of $33.9 million
  - UNMHs generated a $26.9 million net margin through 3rd Qtr. of FY2020
  - Revenue is projected to decline by $49 million due to limited clinical services, increased costs of preparing for a surge of COVID-19 patients
  - Expense reductions will negate approximately $15 million of the revenue loss