



## HLC Accreditation Evidence Document

**Title: Selection of BoR Minutes concerning institutional actions**

**Office of Origin: Board of Regents**

**Description:** A selection of published minutes from Board of Regents meetings showing various recent actions done by this governing body. This includes, in order, the elimination of certain Lobo sports programs in August 2018 (pg. 2), the approval of increased tuition in May 2017 (pg. 12), and the April 2016 restructuring of HSC governance (pg. 32). Also included is minutes from September 2013 where former President Bob Frank discusses the then flagship program and series of partnerships, Innovate ABQ (pg. 43).

Date: 2018

**Minutes of the Special Meeting of the Board of Regents of the University of New Mexico**  
**August 17, 2018**  
**Student Union Building (SUB) – Main Campus**  
**Open Session – Ballrooms B & C**

Members present

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

Administration present

Garnett S. Stokes, President; David Harris, EVP for Administration, COO, CFO; Paul Roth, Chancellor for Health Sciences; Richard Wood, Senior Vice Provost (for Chaouki Abdallah, Provost); Alfred Mathewson, Interim Chief Legal Counsel; Eddie Nuñez, Athletics Director; Dorothy Anderson, VP HR; Cheo Torres, VP Student Affairs; Dorothy Anderson, VP HR; Dana Allen, VP Alumni Relations; Cinnamon Blair, Chief University Marketing and Communications Officer

Regents' Advisors present

Becka Myers, ASUNM President; Boney Mutabazi, GPSA President; Rob Burford, Staff Council President; Steve Borbas, Retiree Association President

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 1:05 PM and confirmed a quorum. Regent Doughty asked for a motion to adopt the agenda.

**The motion to adopt the agenda passed with a unanimous vote (1<sup>st</sup> Lee; 2<sup>nd</sup> Quillen).**

APPROVAL OF MINUTES

**The motion to approve the minutes of the July 19, 2018 special meeting and August 14, 2018 regular meeting passed with a unanimous vote (1<sup>st</sup> Lee; 2<sup>nd</sup> Clifford).**

INFORMATION ITEM: SUMMARY OF COMMENTS MADE AT THE JULY 19, 2018 SPECIAL MEETING

Regent Doughty announced that if anyone wanted a summary of the comments made at the July 19 special meeting, there were hard-copies available on the table near the entrance to Ballroom C. Regent Doughty called attention to a link to the video of the July 19 meeting, posted online - the link was provided on the agenda.

INTRODUCTION BY UNM PRESIDENT, GARNETT S. STOKES

President Stokes recognized that UNM's student athletes are talented, dedicated young men and women. Their accomplishments are a point of pride for all supporters of the University of New Mexico. The University's fans, alumni, donors, as well as families and community leaders routinely support Lobo athletes, and their passion is evident each and every day. Athletic programs are vital to 'who we are' as an institution and as a community. She acknowledged it has been a difficult and emotional time for those who participate in, coach, and support Lobo Athletics. Administration has heard the criticisms, disbeliefs and anger, as well as the support. The fact that New Mexico's Attorney General weighed in to say that the board needs to reconsider the decision, has allowed the public additional time to thoroughly review the reports that describe and support the recommendations made to the Board on July 19.

Dr. Stokes noted that the beginning of her tenure coincided with UNM's Fiscal Year 2019 budget process, during which the Athletics Department was determined to be in ongoing and long-standing financial distress. Faculty were reeling from years of cuts to programs and faculty and staff alike had felt the sting of limited raises for many years. Student leaders feared that the Board would raise fees to close the gap in Athletics and they actually ended up reducing the amount of fees sent to support what was seen as a fiscally mismanaged and out-of-control Athletics Department. The Board of Regents demanded a solution to address over a decade of accumulated deficits, mis-projections, and the reality that the athletic expenditures continued to far outpace revenues. This amidst both internal and external audits, investigations, and a mandated fiscal oversight plan imposed by the New Mexico Department of Higher Education that put the entire University budget at risk and threatened a 10% holdback on the University's budget.

President Stokes addressed the financial obligation to budget responsibly and transparently, not just in athletics but throughout the University. The task force assembled in early April has made it possible to finally share revenue and

expenditures for Athletics by sport. The reality is, an institution the size of UNM does not have the resources to support 22 competitive Division I teams, which is higher than the average of 18.5 in the Mountain West Conference and 19 nationally. The University of Texas, with a \$230 million athletics budget, supports 20 sports. Alabama, with a highly revenue-generating football program, supports the minimum of 16.

UNM must also comply with Title IX, or issues of gender equity, causing the University to face difficult decisions and tough choices. On July 19, Athletics Director Nuñez presented his report to the Board of Regents. This was after consultation with many constituents inside and outside Lobo Athletics. The process and development of the report has been publicized since April 2018, and materials informing the direction of the report have been communicated and posted on the President's website, including financial documents, the Title IX report, and updates to the UNM community. Much of what was posted had been widely reported by the local media. President Stokes stated the timing was not perfect, as some people were away during the summer months; however, UNM conducted a fair and objective analysis and review, that thorough in the collection and assessment of important data and supplementary information.

Dr. Stokes noted there have been suggestions for UNM to simply find extra funding to cover costs, and she expressed gratitude to those who have offered possible solutions. She enumerated the situation:

1. There is the need to increase funding to all areas in the athletics department, not simply maintain current funding levels; costs are rising every year and the expectation is that this trend will continue.
2. The plan approved by the Board of Regents is not for the upcoming year alone, but is a long-range plan to ensure the stability of the department.
3. There is the imperative to invest in revenue-generating sports to build a sustainable Athletics Department that can in fact support all of the sports programs that are carried at the University.
4. The need for compliance with federal law, Title IX, by equitably balancing the participation opportunities for men and women.

President Stokes addressed the questions about urgency and why not make the cuts effective July 1, 2019, rather than immediately. This is solely for fairness to the athletes and coaches, as this timeframe will allow them to make decisions in their own best interests for the coming academic year. Dr. Stokes stated that a lack of clarity and clear direction for the Athletics Department jeopardizes all of its programs and will only continue to do so. Prolonging any uncertainties about structure and funding does not allow Athletics to plan for the future. Budgets have already been trimmed; further across-board cuts will negatively affect the student athlete experience and be detrimental to the competitiveness of all varsity sports. UNM will be left to manage the Title IX compliance issues. Dr. Stokes stated her obligated to ensure compliance with federal law when she is aware of potential problems. President Stokes recognized this is a very difficult decision and an incredibly emotional time for the students, staff, faculty, and for the leaders, including the Board. The outcome weighs heavily on every person involved.

PRESENTATION OF ADMINISTRATION PROPOSAL AND PLAN RELATIVE TO ATHLETICS DEPARTMENT FINANCIAL STABILITY, TO INCLUDE CONSIDERING THE DISCONTINUATION OF UNM MEN'S SOCCER, MEN AND WOMEN'S SKI TEAMS, BEACH VOLLEYBALL, AND DIVING AS INTERCOLLEGIATE SPORTS PROGRAMS

Athletic Director, Eddie Nuñez, thanked the Board, thanked those who were at the last meeting and at this meeting, and he also thanked the 100's of people with whom he has had the opportunity over the past several months to discuss this situation. AD Nuñez spoke about the difficulties imposed to student athletes, coaches, and the community by these proposals, and his recognition of the strong sense of identity to UNM and the value of intercollegiate athletics and what it provides young individuals.

AD Nuñez outlined the problems. There are currently not enough resources to sufficiently fund all of the athletic programs UNM currently sponsors, and there are serious Title IX compliance issues. He was tasked by President Stokes to develop a plan to address the challenges. The University is committed to solving the problems while ensuring also that all of its sports programs are competitive and successful for the future. The proposal recommends the roster management of several sports, eliminating the sponsorship of men's and women's skiing, of men's Soccer and beach volleyball, and phasing out of diving. The recommendations are the result of months of thorough and rigorous analysis. The foundational tenets of analysis were (1) addressing the financial situation, (2) complying with Title IX gender equity requirements, and (3) aligning with the Mountain West Conference. Analysis focused on reducing costs before discussing the elimination of sports. Analysis of budgets revealed limitations in enacting any further cuts. AD Nuñez noted the current Athletics budget ranks 8th in the Mountain West, with the expectation of a drop next year to 9th out of 11 institutions. UNM's Athletics budgets have stayed flat or decreased for five years. Aging athletic facilities must be addressed and a drastic reduction in staff makes support for student athletes more and more difficult to deliver. In addition, the department has accumulated a \$4.7 million deficit. The plan developed for HED and the Board of Regents includes repayment of the deficit beginning in 2021. The Pit deficit also requires an annual payment of \$1.7 million through 2036 (for an overall remaining deficit of \$31

million). In addition, costs are increasing yearly, including student athlete travel, recruitment travel, equipment, scholarship costs, student athlete medical costs, insurances, and cost of living. If action is not taken, revenues will remain flat or decrease. Athletic Department expenditures outpace revenues, and both internal and external audits and fiscal oversight by the HED have put the entire University at risk.

In terms of Title IX compliance, an independent consultant determined that as of summer 2018, UNM is positioned to be subject to scrutiny by the federal government for failing to comply with Title IX gender equity provisions. Continuing the status quo is not an option and the department, with the current budget, is not able to provide equal opportunities in terms of facilities and other needs of female student athletes. Stagnant or shrinking budgets make it impossible to add opportunities. Currently, coaches already subsidize budgets greatly through fundraising.

The solution to meet Title IX obligations is not independent from UNM's financial problems, as reflected in the recommended plan. Maintaining alignment with the Mountain West Conference (MWC) remains critical because of the many benefits realized by UNM and UNM's student athletes. Besides affiliation with one of the most prestigious, innovative conferences in the country, the MWC has provided UNM important national exposure. As a founding member of the MWC, UNM has benefited from other member universities' dedicated excellence to academics and athletics. Also, the financial benefit of conference membership has allowed UNM to support all sports.

The NCAA does require Division I FBS (Football Bowl Subdivision) schools to sponsor a minimum of 16 sports. The MWC requires members to sponsor football, men's and women's basketball, and volleyball. The recommended proposal to discontinue sports will align UNM with its peers in the types and total number of sports sponsored. UNM sponsors 22 sports; 10 for men and 12 for women. MWC averages 18.5, with an average of 8 men's sports and 11.3 women's sports. The NCAA averages 19.

The task force ultimately could not determine a solution to alleviate the department's financial burden, move the institution toward Title IX compliance, and align with the MWC that did not include sports elimination, and it began the process to determine which sports to eliminate, including men's Soccer, baseball, skiing, men's track and field, beach volleyball, and the phasing out of diving.

Track and field, as well as cross-country, was the only sport determined to remain competitive at the highest level even with roster management. The men's track and field and cross-country teams has achieved national excellence across the board academically and athletically and track meets have brought in over \$1 million to the community. If the men's teams were eliminated, coaches would still be retained for the women's team, yet UNM would lose NCAA-sponsored revenue for three sports, so the benefit financially to discontinue the men's teams was not feasible. Lastly, this team is associated with the MWC. Although UNM has a current plan in place with the community to help offset costs for men's and women's skiing, the task force needed to examine how to support the teams at the necessary level. The task force utilized some of the Title IX report information, and considered that there is limited participation in the NCAA for skiing, which is also not associated with the MWC. All of these factors made the ski programs in consideration for elimination. The task force considered baseball and Soccer for elimination and found they were comparable academically and athletically, as well as in terms of fundraising, endowments, overall costs of the programs. Ultimately, considering recent baseball facility investments and naming rights, and that other institutions in MWC are adding baseball teams, coupled with the rising costs of supporting men's Soccer in a far-away conference, made men's Soccer the clear candidate for elimination.

The task force considered long-term facility expectations for diving and the financial implications, leading to a recommendation to phase out diving. Currently, there is no Athletics facility maintenance plan and there are major issues across the board at every facility. Mr. Nuñez acknowledged that coaches do a tremendous job with the facilities they have. Mr. Nuñez acknowledged that in the 3.5 years of beach volleyball, UNM has not funded it at the level necessary and expected for an added sport. After assessing the Title IX report, it was determined that UNM could not meet the demands required to fully fund a budget and a facility, as well as add coaches, for beach volleyball.

AD Nuñez addressed why football was not considered for elimination, noting UNM is committed to having a Division 1 athletic program and remaining in the MWC. Eighty-eight percent of revenue distribution from the MWC is associated with football and aids all sports. Eliminating football would eliminate student athletes who pay tuition of approximately \$1 million. The football venue brings in, on average, 20,000 fans, assisting in ticket sales and opportunities to generate revenues for all sports. Football also provides revenues from donations and naming rights. The Dreamstyle \$10 million commitment was driven by the donor's passion for football, but benefits all sports. Football's national exposure and MWC affiliation also build UNM's brand, essential to future financial success. Finally, football has a high financial impact on the community during weekend games. Mr. Nuñez also noted that dropping to a different classification, as has been suggested, would not change expenditures.

AD Nuñez also addressed criticisms regarding transparency, stating that in addition to the posted documents, the department has communicated with campus, community members, donors, and student athletes. Once the task force had reviewed the Title IX report, the administration publicized that cutting sports had to be considered. He reiterated President Stokes' assertion that rendering a decision now eliminates uncertainty for the future. He asserted his belief in gender equity, financial accountability, and meeting challenges head on, noting he was tasked with developing a plan to address systemic departmental concerns regarding fiscal mismanagement and process deficiencies. The Athletics Department has been scrutinized by Board of Regents, community, state leadership, faculty, and the media for delaying correction of its problems, while also operating in a hyper-competitive environment, susceptible to the same challenges that institutions across the country are facing. Regrettably, after examining the issues at hand, the task force determined the current path is not sustainable and reductions are necessary. The department will continue to look for ways to mitigate rising costs and enhance efforts to better manage finances, including enhancing fundraising in all areas, and it will continue to educate everyone in the community about the impact of season tickets for all sports. In closing, AD Nuñez encouraged the board to support the administration's recommendations.

#### PUBLIC COMMENT

Rep. Patty Lundstrom, Member, NM House of Representatives, serving since 2001; currently Chair of the House Appropriations and Finance Committee: thanked the Board for allowing to provide comments on the persistent budget challenges of UNM Athletics and the issues surrounding Title IX non-compliance; thanked President Stokes for her determination to take on the fiscal problem, for her staff's work to analyze past fiscal mismanagement and look for meaningful solution; thanked President Stokes for meeting a few days earlier when Rep. Lundstrom provided potential solutions for the Regents' consideration, however no comment has been received; first concern is with the process, that communication with the teams, student athletes and UNM community, was not more open and collaborative; second, this process was triggered in October 2017 when the HED Secretary, Barbara Damron, placed UNM Athletics on enhanced fiscal oversight, during a time when the State's fiscal outlook was challenging, and that outlook has dramatically improved; requested the Board slow down and postpone the decision and work with the Legislature to define a path to solve the problem.

Rep. Larry Larrañaga, Member, NM House of Representatives and Member of the House Appropriations and Finance Committee: said he hoped the Regents had received the proposals from legislators; asked the Board to give strong consideration to the scenarios provided as well as to the input received from the business community, student athletes, UNM supporters and many others; pledged support in assisting in a continued review of this important issue of trying to save as many of the athletic programs at UNM as possible.

Dr. Ron Berg of Gallup, NM: urged the Board to consider the proposals that have been put forth, because there is a way out that benefits all.

Rep. Jimmy Hall, Member, NM House of Representatives: Representing Dist.28, NE Heights, a large portion of the constituency are UNM graduates or employed by UNM; has been in the Legislature for 14 years and he has received many questions from constituents, questioning the whole decision, and in particular about no action with regard to UNM Football; also wished to relay constituent concerns about outstanding Pit suite debts and whether those have been turned over to a collection agency; the Lobo Club has its own problems and why hasn't that become part of the solution; with regard to recruiting, why go to the ends of the world to recruit and not recruit NM athletes; finally, the Title IX non-compliance issue is unspeakable, and does not see anything in the plan that addresses this.

Rep. Bill Rehm, Member, NM House of Representatives, Dist.31, far NE Heights: in May, sent a letter to the Board and has not received acknowledgment that Regents received it; golden parachutes are designed for corporations to stop an adverse takeover of that corporation, they were not designed for public employees; need to change coaches to be at-will employees; assistant coaches throughout the U.S. make generally \$200K, or less, most head coaches, \$700K to \$1 million; UNM has paid over \$3 million in golden parachutes, and asked the Regents to take a position that they will not approve golden parachutes in the future; UNM is proposing cutting sports that are in the Olympics and these are teams that have won national recognition; UNM has made a commitment to the players that they come and play for four years, it should keep its word; UNM has not looked at all of the options.

Rep. Antonio "Moe" Maestas, Member, NM House of Representatives: good things happen in the context of discussion and recent conversation has been on how to solve this problem; Title IX is probably Dr. King's greatest legacy of the Civil Rights Act of 1964, and Title IX is the section 9 added in 1972 protecting the discrimination against women in education, and it's about opportunities; do not cut the women's sports programs and cutting men's Soccer does not add a single scholarship for women; and don't cut Soccer in a city where 65% of our 1<sup>st</sup> graders are Latino, it just does not make sense.

John Garcia, Executive VP Homebuilders Association of Central NM and a Ski New Mexico Board Member: the decision to cut sports to address what is in part management incompetence, the kids don't deserve that; urged looking at transfer of Pit debt; add private funding to public funding, as was done last year with the Ski Team; reconfiguring rosters to meet Title IX requirements; cutting a world class Soccer program shows a great lack of understanding for what is happening for good in this community; as well as letting go of a national championship ski program; it's about priorities, there needs to be a focus on the values of the University.

Tom Parker, Parent: read a letter from the Men's Soccer Team, the players wrote about their commitment to UNM and Lobo Soccer, to making good grades and about their successes on the field and in the classroom; the team was at practice for its game against Air Force.

Jason Hix, Alum and 1992-95 Lobo Soccer player: helped form the Golden Goal Club to support Soccer; the club members would have like to have been engaged with the issues and to be a part of the solution; encouraged engagement with the Legislators too.

Bill Weise, Retired Faculty, School of Medicine: today's discussion is not irrelevant to NM public health issues; the health of NM should be the primary focus; it is haphazard the way UNM deals with the community.

Duane Kinsley, Owner of Sports Systems: urged consideration of the economics of the decision; tourism is one of the largest industries in NM and the UNM Ski Team is important to the industry, the team members engage with fans and they have 10's of 1,000's of fans.

Mia Touchet, Alum and Attorney: read letters provided by other head coaches of Soccer programs throughout the country that asked for their letters to be read, letters that asked the Regents to reconsider their position regarding the Men's Soccer program.

Greg Williams, Alum and Attorney: administration's report had errors in calculating actual savings from cutting the sports programs; the Regents could not vote for a flawed report.

Michael Donovan, President, Ski New Mexico: perception is one of the main concerns; encouraged Regents to reconsider program cuts; the impacts of the UNM athletes are beyond competing; there is a win for everyone.

Chris Stagg, VP Public Affairs for Taos Ski Valley and Chairman of the State of NM Tourism Commission and UNM Alum: asked the Regents to reconsider their vote to eliminate the sports programs; the ski program may not be part of MWC, but it is in fact more competitive, competing nationally; the Rocky Mountains has the very best skiing in the world and NM is where the Rockies begins; the decision is short-sighted; cutting skiing does very little to solve the budget problem.

Rudolph Serrano, former NM Soccer player and owner of American Revolution Network: talked about some of the economics of team uniforms and working on business models to keep profits in the state and not lose the funds to other countries.

James Urbany, Alum and former UNM Lobo Soccer and ABQ Sol Team Member: there needs to be a process to arrive to the decisions.

Dorsey Tierney-Walker, Head Swim Coach: spoke about importance of Diving and by not having a diving team, the Swimming Team will enter the competitions 30 points under.

Julie Weddle, Head Dive Coach: asked Regents to reconsider decision to eliminate Diving; there is a misconception on the facilities, the team does not need a tower and therefore does not fall short in category of facility; there are 30 upcoming divers in the community that want to be Lobos.

Talia Passarelli, Swim and Dive Team Member: spoke about the impact of the cuts and the Title IX report by Helen Grant recommended roster management of the Swimming and Diving Team.

Allyson Concepcion, Senior on the Swim and Dive team: urged the board to not cut Diving.

Mark Gorham, Member of ABQ Business Community: the State is last in many areas and the decision to cut sports programs will further deteriorate NM's image; the board owed it to the community to table the decision and wait until the Legislative session.

Becka Myers, ASUNM President: need to listen to students; students did not know fully what the plan entailed, did not know details until the proposal was released on July 18; AD Nuñez and Student Regent Adcock were receptive to feedback, but there needed to be more engagement; this process didn't work for the students or for the community.

David E. Percy, APS Board member and parent of Soccer players: spoke about the importance of Soccer in the community.

Merna Brostoff, Retiree: read an excerpt from a February Board of Regents' meeting and said there is a failure of leadership at the top.

Fred K. Role, Retiree and Beach Volleyball supporter: talked about NCAA GPA requirements and cutting Beach Volleyball will reduce the GPA; four years ago, the Beach Volleyball program was added to address Title IX issues; urged the Regents to put off the decision until after further dialogue with the legislatures.

Jessica Dickman, Friend of Ski Team: spoke about the heart and history of the UNM Ski Team; the Ski Team earns the highest GPAs in the University and also makes UNM look great both nationally and internationally; if eliminate the Ski Team, will have eliminated 50 years of skiing at UNM.

Archie Garcia, ABQ Businessman: asked the Regents to delay the vote on elimination of the sports teams to provide time to meet with community leaders, legislators, and donors to find a solution; there have been eight years of budget overruns with no consequences to the perpetrators.

Alan Armijo, Director of Constituent Services in the Office of the Mayor: thanked the Regents for what they do for the state of NM; on behalf of Mayor Keller, as a community member, asked the board to defer the decision until the Legislature makes a decision and to reconvene after the legislative session.

Anne Barounos, Parent of a Ski Team Athlete: urged the Regents to not cut the Ski Team.

Justin Cooper, Former member of the Student Athletic Advisory Committee: urged collaboration and working harder on donor relations.

Guy Jackson, Alum and former Ski Team Member: spoke in support of the Ski Team and its impact on the NM tourism industry and state revenues; urged the Regents to allow the State Legislature to help in January.

Abbey Willison, Student and Member Beach Volleyball Team: spoke about the top sports in the Olympics and the UNM programs that attract international students to UNM; if cut sports, there's a good chance New Mexican will move away and never come back; in the long-term, there will be less fans and less support back to the school; spoke about efforts to become Title IX compliant by cutting women's team and then managing rosters of other women's teams in order to meet Title IX deficiencies; recommended looking at reducing athletic budgets across the board rather than cutting whole teams.

Kayla Long, Member of the Beach Volleyball Team: the recommendation to cut the Beach Volleyball program was short-sighted; offered recommendation on more efficient use of facilities.

Javier Carrasco, Alum and former UNM Lobo Soccer player: read an email sent to the Board; The University of New Mexico Men's Soccer Program focuses on 7 key tenets which alter the behavior of student athletes to produce model citizens across the country, and the key tenets of the men's Soccer program are, leadership, competitiveness, enthusiasm, self-belief, social responsibility, self-discipline, and team first; the decision to cut Men's Soccer is a demonstration of no regard for the state of New Mexico as children want to play the most popular sport in the world, and these children grow up wanting to be Lobos; viewing things as a whole - academics, community impact, winning, and the future – the UNM Men's Soccer Program is the best in the country.

Joe Downing, Interim Head Coach UNM Ski Team: spoke about the importance of athletic performance and academics and the UNM Ski Team's opportunities to lead and raise the bar for Athletics; encouraged all departments at UNM to perform at the same level; if the Ski Team is here to stay in the future, he would secure they will continue to lead the Athletics Department in both of those areas.

Tadeusz Niemyjski, Lobo Supporter: in support of Lobo Soccer and the Ski Team and the good coaches; Soccer is the most international sport and third most popular sport in the U.S.; it's wrong to eliminate the Soccer program.

Kyle Beasley, Immediate Past-President, Lobo Club: the Lobo Club's mission has always been to raise funds and support for the Athletic Department and it will continue to do so; Lobo Club has a very dedicated staff and very dedicated donor base; it has been successful in recent years but has recently been maligned; very little of the funds raised go to athletic operating budgets, most goes to facilities and debt service for those facilities; supports AD Nuñez who was asked to balance the athletics budget by July; hopes it's not too late for State solutions; the resources will have to be on a recurring basis.

Scott Gates, Alum and Former Lobo Club Board Member: it doesn't feel right to eliminate teams that create a positive impact nationally, something NM needs.

Paul Laur, Santa Fe Businessman: supporter of the Ski Team; other teams train with UNM's team; the UNM Ski Team's effect on quality of life is great here; the UNM Corporate Ski Cup The mission of the UNM Corporate Ski Cup is to promote awareness of and raise funds for the University of New Mexico Ski Team.

Ed Garcia (Steve Farrer yielded to Ed Garcia), Executive Chairman Garcia Auto Group, Long-time supporter of Lobo Athletics and minority owner of the pro Soccer team that is coming to ABQ: urged the Regents to ask tough questions about what decisions are best for the future of UNM Athletics, to not be afraid; some universities like Gonzaga do not have a football program.

Riachard Nordhaus, Regents' Professor Emeritus in School of Architecture + Planning: strongly supports UNM Ski program; it represents the best qualities of athletics; urged the Regents to engage in a better decision-making process that would also include collaboration.

Fred Hultberg, Alum: AD Nuñez is right the Soccer and Baseball programs are similar, they both have a high percentage of NM athletes; urged the Regents to wait to make their decision to give a chance that all sports could be saved; do not want to cut any sports, especially Soccer; there is going to be a pro Soccer team in ABQ next year.

Emily Hartshorn, ASUNM AG: cutting successful sports that provide equal opportunity to men and women does not seem like a solution; referred to data and recommendations presented in the Title IX report on men/women ratios, scholarships and promotions; encouraged the board to postpone the vote until better solutions can be reached.

Bill Gannon, Parent and ABQ Resident: spoke in support of the Soccer program, it is huge around the city and the state; the AD's report seems to be focused on an outcome of reducing four sports; there appears to be no effort to evaluate the athletic program in its totality and no attention to the cultural and community aspects; suggested to the board that an advisory group be formed to collect data first so that decisions can be made after analysis of the data.

Angelica Anaya-Allen, Attorney, Member Sandia Peak Ski Patrol and a parent: the UNM Ski Team provides an important contribution on an international level and they are one of two UNM teams that has won an NCAA championship; the Soccer team has come close to meeting that achievement; it appears the AD's report was aimed at terminating the participation of several sports teams, the teams that were listed in the report, and the majority of teams at UNM were not even considered for elimination; the limited analysis of the report is a very critical and basic flaw and should be basis for the Board of Regents to reject the report.

Earl Alden, ABQ Resident: spoke of the positive influence that the Men's Soccer program has on young children; the coach involves them in the game; young kids get to go out on the field before the game during introduction of the players; the Regents have the ability to change the decision; he urged the Regents to do it for the children.

- At 4:12 PM, Regent Doughty recessed the meeting for a 10-minute break.

#### ADMINISTRATION'S RESPONSE TO COMMENTS AND FREQUENTLY ASKED QUESTIONS

President Stokes responded to some of the concerns and questions raised during public commentary. She first noted that hearing the impassioned pleas of current and former student athletes solidified her full commitment to the value of participation in individual and team sports and athletics as an important component of the educational mission of a university.

President Stokes noted she met with Representative Lundstrom on Wednesday morning with Mr. Nuñez and Nicole Dopson, a member of the Budget Task Force for Athletics. She expressed her great respect for Representative Lundstrom and noted they had a very good conversation about concerns expressed to the legislature about this decision. The conversation was about increased state revenues and possible one-time money from the legislature, as well as discussion about ways UNM could move its own money around, to support athletics. She noted that they have been very carefully considering these possibilities, but that in considering ways to retain all the sports and be Title 9 compliant, the actual dollar figure associated is millions of dollars in recurring funds, and an additional millions of dollars in non-recurring funds. She noted that there is a prioritization process at UNM, and in the context of figuring out institutional priorities, it was a large request to make to the legislature without involving faculty, staff and students in UNM's careful, established process. She noted that in the face of that, some might say to delay a decision. President Stokes reiterated concerns, referencing what happened in the past with the ski team, which was immediately cut after a vote. She reiterated her commitment to allowing students and coaches enough warning to truly be able to make life decisions, and to allowing the Athletics Department to have a clear path forward, noting the administration has been moving forward, planning a proposal for the restructure of the Lobo Club to be released at the end of August, planning a restructure of Athletics' administration, and looking at ways to increase revenue. She noted that while she heard every word said during public commentary, she believed that this is the situation the University finds itself in.

Mr. Nuñez clarified that in respect to recruiting New Mexicans, UNM coaches have done an excellent job. UNM averages 130 student athletes, or about 30%, from New Mexico, which is good in comparison to other institutions. He noted that coaches strongly believe in recruiting in-state and will continue to do so. He also noted that in respect to overall student participation, it is imperative that Athletics continues to have open dialogue with students and the student government organizations.

#### ACTION ITEM: CONSIDERATION OF AND ACTION ON ADMINISTRATION'S PROPOSAL AND PLAN RELATIVE TO ATHLETICS DEPARTMENT FINANCIAL STABILITY, TO INCLUDE CONSIDERING THE DISCONTINUATION OF UNM MEN'S SOCCER, MEN AND WOMEN'S SKI TEAMS, BEACH VOLLEYBALL, AND DIVING AS INTERCOLLEGIATE ATHLETIC PROGRAMS

Regent Doughty asked if Regents had comments or questions.

Regent Clifford thanked President Stokes and AD Nuñez for their outstanding work and the information also posted on the President's website. This took a lot of time and looking at meeting minutes of Board of Regents meetings it is clear the Board and staff have discussed this issue for several months. It has not been a haphazard process. Recurring dollars are needed. With regard to testimony from legislators, they cannot commit funds before the Legislature, and there will be other priorities competing for those funds. Regent Clifford complemented President Stokes for her hard work, her courage and leadership to address this difficult problem.

Regent Doughty inquired to President Stokes the proposals from Representative Lundstrom. President Stokes asked AD Nuñez to address that. Nicole Dopson, Director of Financial Operations, and the budget group took some of the proposals for review. Ms. Dopson said the proposals that were given were four separate scenarios. The first scenario was the initial proposal from administration. Two scenarios had reinstatement of some sports with the addition of a new female sport. These did not resolve where the funds would come from and both scenarios had a continued recurring deficit, one at \$2.3 million, the other at \$500K. Ms. Dopson spoke more about the analyses of the scenarios and whether they addressed budget, deficit and Title IX issues. President Stokes clarified these were not proposals from Rep. Lundstrom, but another office was inquiring and preparing information for Rep. Lundstrom.

Regent Doughty asked David Harris to comment on what requests the University has made over the past couple of year to the Legislature asking for funding. David Harris responded that each and every year since the differential in state funding was created between UNM and NMSU, a senate finance amendment to House Bill 2 was submitted to create parity that



has never been funded. This has been at least six years. EVP Harris briefly described some history of athletics funding. Before Governor Martinez, when the revenues were robust, the Legislature, in addition to House Bill 2, would do a House Bill 2 Junior, where individual legislators were permitted to bring proposals forward, and that's how this happened. When the program of tuition waivers started in the 1980's, the impetus behind it was to bring more NM athletes into the university athletic programs. So the Legislature began to fund tuition waivers for the public universities to add athletics. Initially, it was UNM and NMSU at one level, the comprehensives at a different level. There was also the stipulation to play one of the comprehensives every year in basketball, and this has continued. So there was always this understanding. Since the Lottery Scholarship came on, many of the athletic scholarships are now provided through the lottery; nevertheless, there has continued a strong participation with NM athletes. But something is not right; parity is needed. This funding represents about a quarter of NMSU's athletic budget; they really need the funding, so UNM would never recommend that theirs be decreased. This history goes back thirty (30) years.

Regent Hosmer commented this has been an interesting discussion, a little one-sided, and a few of the commentators have recognized that this decision is driven by three constraints: 1) Title IX, where there is no choice in the matter, 2) the implicit membership in the Mountain West Conference (MWC), and 3) the budget deficits that have accumulated are to be zeroed out. The second and third are policy issues involving the priorities of the University and discussions are warranted; however, apart from discussion of all UNM priorities, it's difficult to do that. Unfortunately, there have not been discussions about University priorities over the last couple of years. Unfortunately, at this point, as administration has made clear, there is not much choice in delaying the decision because of the harm that implicitly that will do to individuals and teams. Regent Hosmer suggested that before jumping to the solution, to take a sounding support among the Board on whether the Regents wish to stay in the MWC and whether or not Regents wish to hold the University's athletic department budget to zeroing out the deficits that currently have accumulated, both past and present.

Regent Hosmer moved that the Regents affirm support for remaining in the Mountain West Conference; Regent Lee seconded. There was discussion.

Chief Counsel advised the Board it could discuss the matter, but this action was not on the agenda and therefore the Board could not vote on the motion. Regent Doughty reiterated and stated Regents could discuss the importance of being in the Mountain West Conference. Regent Lee requested AD Nuñez discuss aspects of UNM being in the MWC. AD Nuñez spoke of the benefits of being in the MWC. Regent Doughty affirmed the MWC is the best conference outside of the Power Five Conferences. AD Nuñez added the MWC is one of the most innovative conferences in the Group of Five conferences. Regent Doughty said he supports the UNM commitment to the MWC. Student Regent Adcock added the MWC is committed to the student athletes' well-being and safety.

There was further discussion on Regent Hosmer's motion. Legal Counsel advised there could be discussion as a predicate for making a decision on the administration's proposal. Regent Hosmer said getting the sense of the board would be okay.

Regent Hosmer continued with the question on the sense of the Board on whether it insist the athletic department zero out the budget deficit as it is and recoup some to the extent that it can. Regent Doughty commented the Board voted in March that the athletic department needed to balance its budget. He added that in February he had suggested consideration of forgiving the athletic deficit, but many spoke against that. Regent Doughty said that he changed his view after speaking with constituents and added it is not fair to faculty and students to do that. Regent Lee said with regard to athletic debt, every athletic department across the country carries one, but as a Regent she is committed to a balanced budget and to a more fiscally responsible athletic department that is run in a more effective manner.

Regent Quillen stated she was not in agreement to forgive the athletic deficit. It would have solved some immediate problems, but it is not fiscally responsible, and other departments also have debt. That path deserves a lot more debate with faculty and students. Regent Quillen said she was committed to move forward now with the deficit reduction plan.

Regent Doughty asked with regard to the sense of the board on remaining in the Mountain West Conference, if there were any other comments from Regents. There were none.

Regent Brasher commented there were statements made regarding Title IX – it is federal law. He asked for comment on the University's view on this. President Stokes responded that as President of the University, she has responsibility for UNM compliance with Title IX. The University is required to have someone in charge of Title IX. It involves more than just athletics, it is about issues of gender equity, which are very important to UNM. Regent Brasher agreed the social equity issue is critical, and inquired with regard to the male to female ratio, what is the picture down the road, the demographic situation for the University. Terry Babbitt, Vice Provost for Enrollment and Analytics, responded the demographics used to

be predominantly men, but now even at the national level, the numbers are 55% women and 45% men, and this is concerning. There is a problem getting men to go to school; they value more short-term benefits rather than long-term.

Regent Brasher added that he appreciated the representatives coming to the meeting and their comments, and he hoped they knew their involvement was appreciated.

Regent Quillen acknowledged the comments given at the meeting, and said she had read most all of the emails and letters that had been sent to the Regents' office. She talked about the vast complexity of the University, including the complex financials, which can take years to understand. She commented on her past few years as a Regent. She does not believe administration ever tried to mislead regarding deficits. The deficits accumulated incrementally through the years, and every year there was the plan that suite sales and ticket sales would be better than they were. Then the economy took a dive. When President Stokes and also the new AD were hired, they were told there were big issues that needed to be resolved. There has always been the plan that next year will be better, and we still don't see it. The endowment that we had hoped would come forward last year for the ski team didn't happen. Everybody wants to believe the best; that tomorrow will see an incredible infusion of dollars into the University, but that belief will not solve the problems. There is no easy answer. She thanked everybody who took the time to come to the meeting, for the comments, letters and emails sent. She thanked AD Nuñez and others for their hard work supplying information that was requested.

Regent Brasher referred to Representative Rehm's comments about golden parachutes, as that issue comes up from time to time. This is something, along with bonuses, that should be looked at in the future. Regent Brasher thanked the students for their comments and President Stokes for her work on this.

Regent Hosmer said the board heard in the public comment, a number of proposals and conjectures put forth to solve the problem and some may have merit; however, he believed administration was correct that the Regents could not temporize with the problem. He hoped administration would take advantage of the opportunity to review the comments and suggestions made by those who support Athletics and pull forward those of merit to bring to the Regents at a later date.

Regent Lee asked AD Nuñez if he had discussions with coaches about Title IX and if he had gotten input from them. AD Nuñez responded that he met with every coach and had discussions which included discussions of the Title IX report after it came out. Regent Lee stated there is a shocking inequity to UNM's women athletes and that it will be corrected. Regent Lee inquired to AD Nuñez the decision to cut a major men's sport and the criteria used to make the final decision. She asked if he considered the number of New Mexicans who are fielded on the teams and inquired the numbers on the baseball and Soccer teams who are New Mexicans. AD Nuñez responded 14 out of 35 on Baseball and 8 out of 29 on Men's Soccer. He stated the percentages this past year: 35% for Baseball; 24% for Soccer; 8% for the Ski Team, and over the last 4 years: 32.6% for Baseball; 27.9% for Soccer; 53.8% for Track; and 5.8% for Men's Ski, 0% for Women's Ski. Regent Lee inquired if football bowl games bring revenue. AD Nuñez responded the bowl revenues go into a pot that gets distributed between all members of the conference. All revenues from summer camps go back to the coaches.

Regent Quillen discussed with AD Nuñez the criteria for analyzing the sports programs. She also commented she agreed with Regent Brasher's comment about coaches' contracts and golden parachutes and hopes that will be looked at in future contract negotiations. Coaching leadership happens on and off the field, and one of the key criteria for maintaining a coaching position should be for the coaches to be able to meet their budget.

Student Regent Adcock inquired about sports facilities mentioned in reports and what was mentioned earlier regarding diving facilities. AD Nuñez confirmed Swimming and diving share facilities in Johnson gym. Student Regent Adcock mentioned the lack of a diving platform and whether that was a significant issue as stated in the Title IX report, because earlier comments indicated that it wasn't. AD Nuñez concurred. There was discussion about a Swimming/Diving program versus only Swimming. Student Regent Adcock mentioned the report states the low number of prospective in-state divers, whereas it was mentioned in public comment there is a robust pipeline into UNM Diving. AD Nuñez concurred and added with more study, more information has been made available. Student Regent Adcock inquired about prospects for future success of the Swimming program without a diving program, where the diving contributes to overall scoring at meets. AD Nuñez responded the proposal looked at long-term facility needs and would allow putting more funds toward the Swimming program to build it up for future, and with keeping diving as an option, funds would need to be split between the two programs, potentially compromising the enhancement of either down the road.

Student Regent Adcock made a motion to amend the proposal to reinstate the Diving program; Regent Lee seconded the motion. There was discussion.

Regent Lee inquired the investment that will be made into Johnson Gym. There was some facilities maintenance in the natatorium in 2008. Regent Doughty asked for confirmation the diving facilities are adequate and on par with peers in the Mountain West, as was stated earlier in public comment. There was confirmation. There was inquiry to the \$50K savings for elimination of the diving program. AD Nuñez reiterated the proposal is not just based on looking at savings but also long-term facility needs, that there are no maintenance reserves for any of the other facilities. Student Regent Adcock inquired who pays for maintenance of Swimming Diving facilities. That comes out of the University's Institutional Support Services budget. Student Regent Adcock inquired if the Diving program were kept, would any other sports programs be at jeopardy of being cut, to which AD Nuñez responded, no. Regent Doughty asked for a vote on the motion.

**The motion to amend the proposal to reinstate the Diving program passed with a vote of 6-1-0; Regents Adcock, Brasher, Doughty, Hosmer, Lee and Quillen voted for; Regent Clifford voted against (1<sup>st</sup> Adcock; 2<sup>nd</sup> Lee).**

**Regent Doughty asked if there was a motion on the proposal that eliminates Men's Soccer, Men and Women's Ski Teams, and Beach Volleyball. Regent Clifford motioned to approve administration's proposal to eliminate those sports; Regent Lee seconded the motion. The motion passed unanimously.**

ADJOURN


The motion to adjourn passed unanimously (1<sup>st</sup> Lee; 2<sup>nd</sup> Adcock); the meeting adjourned at 5:33 PM.

**Approved:**

**Attest:**



Robert M. Doughty III, President



Tom Clifford, Secretary/Treasurer

**Minutes of the Board of Regents of the University of New Mexico Budget Summit Meeting  
May 24, 2017  
School of Law, Bratton Hall  
North Campus**

Members present

Robert M. Doughty, President; Marron Lee, Vice President; Tom Clifford; Garrett Adcock

Members not present

Brad Hosmer; Suzanne Quillen; Alex O. Romero\*

Administration present

Chaouki Abdallah, Interim President; David Harris, EVP of Administration, COO, CFO; Craig White, Provost and EVP for Academic Affairs; Paul Roth; Chancellor for Health Sciences Center; Elsa Cole, University Counsel; Ava Lovell, Sr. Exec. Officer of Finance and Administration, HSC; Dorothy Anderson, VP HR; Liz Metzger, Controller; Eliseo 'Cheo' Torres, VP Student Affairs; Gabriel Lopez, VP for Research; Dana Allen, VP Alumni Relations; Chief Compliance Officer; Amy Wohlert, President's Chief of Staff; Pamina Deutsch, Policy Office Director

Regents' Advisors present

Pamela Pyle, Faculty Senate President; Alaa Elmaoued, GPSA President; Kyle Biederwolf, ASUNM President; Rob Burford, Staff Council President-Elect

Presenters in attendance

Terry Babbitt, AVP Enrollment Management; Norma Alien, Director of University Budget Operations; Nicole Dopson, Financial Officer, Operating Group; Brad Hutchins, Deputy Athletic Director; Vahid Staples, Budget Officer; Joe Cecchi, Dean of the School of Engineering; Dean Mathewson, Co-Dean of the School of Law; Daniel Ortega, Director, Master of Studies in Law Program; Alice Letteney, Chief Executive Director for UNM Valencia; Cindy Rooney, Chief Executive Director for UNM Los Alamos; Steve McLaughlin, Regents' Professor and Chair Dept. of Emergency Medicine

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 1:08 PM; a quorum was confirmed. Regent Doughty stated the following modifications to the agenda:

1. Move advisor comments, public comment, and comments from Regents forward to after President Abdallah's introduction and legislative update
2. Move approvals of tuition and differential tuition proposals to occur directly after presentations of each of the respective items.

**The motion to adopt the amended agenda passed by a unanimous vote (1<sup>st</sup> Lee; 2<sup>nd</sup> Clifford).**

INTRODUCTION AND LEGISLATIVE UPDATE

President Abdallah started with an update on the budget. The total Higher Education General Fund is about \$779.3 million and of that, UNM is about \$291 million. The proposal is for about a 1% decrease, which will be about \$184.5 million for Main Campus, \$88.2 million for HSC, and \$19.1 million for the Branches. The Main Campus will be about \$175.8 million for I&G, \$2.6 million for Athletics, \$1.1 million for KNME; and about \$5.0 million for all other Research and Public Service Projects (RPSPs). The special session is meeting today and a budget will be expected out of the session in the next day or so, after which time the Governor will have a period to review it. The final budget is expected to be out by next week. This UNM budget has been built on the assumption of the 1% decrease of State Appropriations.

Regent Clifford commented any decisions made today should probably have some contingency language built in to the decision. President Abdallah responded the Regents will approve at this meeting the tuition and it will be used to upload the budget. The final budget document will be approved at the June 13 Board of Regents meeting.

President Abdallah addressed the history of the State Appropriations budget. The year 2009 was a peak, UNM was receiving a total of about \$334 million, and the amount is down 12.84%, about \$43 to about \$291 today. State Appropriations have decreased in the last decade by 9%, or about \$30 million. The University has been receiving less from the State, but has continued to invest in the academic mission and as a result has obtained record numbers in graduation rates and retention rates. The case can be made that despite UNM down from its peak in State Appropriations, the University has been a good steward of its budget in trying to target the academic mission. After saving efforts such as hiring freezes and centralizing services, more cuts however are still necessary. Part of additional cuts will be a 1% pay cut President Abdallah and the EVPs have agreed to take in their salaries. Additionally, there will be about \$200K elimination

in administrative costs, primarily by not filling positions. Some reserve balances will have to be used, but increased revenues are also necessary. Among UNM's 22 peer institutions, UNM is 3rd from the bottom in tuition and fee amounts charged [EXHIBIT A]. The point is that UNM is delivering a very high quality education at a lost less charge compared to the majority of its peer institutions. Additionally, within the State, tuition and fees as a percentage of median household income are 15.4%, again 3<sup>rd</sup> lowest among its 22 peers [EXHIBIT A].

Regent Clifford inquired the tuition revenue trend over the past ten-year period. President Abdallah responded that over the past ten years, there was a time when enrollment went up a little, which was helpful in balancing the budget. Overall tuition revenue has gone down about \$10 million, from \$140 million to \$130 million. Tuition rates have had on average over the past 8 years an increase of 4%. There was discussion on whether that is a compounded rate. President Abdallah stressed that for every 1% decrease in State Appropriations, the offset in tuition revenue would need to be 2% increase. Regent Clifford said he thinks it is more a 1.5% increase. There was discussion about affordability and total cost of attendance.

- Regent Clifford said he would like to see more information about total cost of attendance for different groups of students.

Regent Doughty asked President Abdallah to explain who was involved on the Budget Leadership Team (BLT) and the charge for the committee. President Abdallah responded the BLT is an assembly of a representative group, with students, faculty, administration and others with technical knowledge. The BLT starts to meet in the summer to prepare for the next budget and many meetings are held throughout the year. This year, six groups were formed to look at six different aspects of the budget. Recommendations from the BLT are made to the President.

#### ADVISORS' COMMENTS

Faculty Senate President, Pamela Pyle, spoke about value and how people are willing to pay for what is deemed valuable. Additionally, recognition of contributions is important, even in tough economic times.

ASUNM President, Noah Brooks, urged the Regents to not raise tuition. Over the past year, student have been faced with a lot of economic uncertainty. The reduction of the Lottery Scholarship support from 90% to covering only 60% of tuition will add to students' financial burden on over 7,000 UNM students and their families, resulting in up to \$1,300 out of pocket per student per year. Mr. Brooks urged the Regents to allow students time to adjust to the lowered Lottery Scholarship support before increasing tuition. Additionally, the student fee recommendations that will be presented today, cut funding from important programs to increase funding to \$4 million for athletics.

Regent Clifford inquired the student representation on the Budget Leadership Team (BLT). Provost White responded former ASUNM President, Kyle Biederwolf, was a student representative along with GPSA President on the BLT. Regent Clifford inquired the decision process and if the decisions were by consensus. Provost White confirmed of the BLT tuition vote, the ASUNM President was the only one who voted not in favor.

GPSA President, Alaa Elmaoued, spoke on behalf of graduate and undergraduate students who will be affected by the proposed differential tuition requests, and urged Administration and Regents speak to the students of the respective departments. Students who are not covered with assistantships will be greatly disadvantaged. President Abdallah responded 20% of differential tuition revenues will be set aside for student aid.

Staff Council President-Elect, Rob Burford, reported that the staff support the BLT recommendations. The staff and faculty have gone for a number of years with no raises. There are reports of improved graduation rates and those student successes are a result also of staff efforts.

PUBLIC COMMENT (no comments)

COMMENTS FROM REGENTS (no comments)

#### MAIN CAMPUS

##### Budget Overview and I&G Scenarios

Provost Craig White presented the item but first spoke more about the Budget Leadership Team (BLT). The BLT is a representative group from across the University. The team was split into groups to look at different aspects of the budget development, specifically: long-term strategic revenues; cost allocations with one goal shifting costs off of I&G; tuition and fees; branch campuses; FY18 budget build group; and a revenue enhancements group is looking at the long-term. Some of these groups will continue their work, specifically the ones looking at a longer-term sustainable budget. Today's presentations are primarily from the cost allocation and tuition and fee work. Provost White referred to slides that were

provided in the agenda eBook [EXHIBIT B]. The overall estimate in terms of a projected deficit is \$8.886 million. Provost began his address of the deficit by talking first about the revenue drivers, the largest being State Appropriations and Tuition & Fee revenue, both of which are down compared to last year's budget as well as the revised budget. Mandatory student fee revenue is up, this is pre-approved with a large part is going to debt service. Miscellaneous revenues and transfers is also up. Provost White addressed the expense side, the primary increases are utilities and the expenditure of the mandatory student fees. Other increased items under the expense category are: healthcare fixed costs (\$955K); Department of Justice compliance (\$168K); faculty promotions (\$280K); and Presidents' initiatives (\$700K).

Regent Lee inquired if UNM Press is under President's initiatives. President Abdallah responded one-year support for the Press. There are other initiatives, one is a veterans' initiative. They will all be academic initiatives. Regent Lee added with respect to UNM Press, UNM takes on costs for an entity that is utilized by the entire State. There was discussion about the UNM Press.

Regent Clifford stated it is more helpful to take out the mandatory student fee as a source and use of funds, and then one can see more clearly that the revenue side is down about \$5 million and the expense side is up about \$3.9 million, which gives the \$8.9 million total gap. Looking at the revenue lines, the tuition decrease is the biggest impact. Terry Babbitt responded the tuition impact takes into account a higher impact due to the lottery, an impact on a larger senior class, and a higher graduation rate. At this point, the assumption is the lottery scholarship will cover approximately 60% of tuition. That comes to about a \$1,500 annual net cost addition. Lottery Scholarships effect about 7-8,000 UNM students annually, a little more than a third of the undergraduates. Regent Clifford stressed this is an important factor when considering tuition changes.

Regent Doughty asked President Abdallah to address the impact of increased graduation rates, the 4-year graduation rate now approaching 23%. President Abdallah made a tongue-in-cheek comment the best university model is to admit students and never graduate any one of them. Basically, the more efficient the university, the more new students need to be brought in or a stop to students leaving along the way, and there has been much effort toward retention. UNM is graduating more students than it ever has. Since the numbers of incoming students from within the State are decreasing, there has been increased effort toward recruiting from out-of-state as well as from elsewhere, for example non-traditional students. Recruitment is working, but there has been a decline in the non-traditional student population. President Abdallah will encourage more emphasis on supporting recruitment of non-traditional students, with for example online courses and veteran's initiatives. The goal for the longer-term is for UNM's reputation to go up, attracting more students, keeping more students and graduating more students. It's better to focus on reducing attrition of students, because those students are already here.

Regent Clifford inquired the cost to the student per year when they do not graduate. President Abdallah responded it is about \$60-65K per year, taking into account lost salaried income from entering the marketplace.

Regent Lee inquired if the 'graduate in four years, receive the last semester free' model that was introduced by Regent Doughty has helped with retention rates. Dr. Babbitt responded this plays an important role in the tuition model that will be proposed. This is the first semester of having students in the finish-n-four initiative, and several hundred are taking advantage of this. Prospective students are coming in very interested in this. The last semester free adds real value to the student. Regent Lee commented the living on campus requirement for freshmen starting Fall 2018 should impact retention and graduation rates. Dr. Babbitt confirmed there is no one factor that contributes to graduation rates, but a combination and it depends on the individual student, but regarding the freshmen living on campus requirement, they will track that to evaluate the effect on graduation rates.

#### Budget Savings Initiatives

Provost White introduced the item and then introduced Nicole Dopson and Norma Allen to talk about the savings initiatives in the areas of I&G expense/cost reductions, main campus hiring moratorium and vacancy savings, and consolidations and reorganizations. Ms. Dopson addressed the expense and cost reduction strategies. The focus was on expenditures that have a limited effect on the academic mission and encouraging organizations to utilize resources outside of I&G. The bottom line savings is \$2.6 million, a lot of which comes from food and travel. Regarding attrition, there is a \$700K estimate for additional gained from attrition. This will bring total costs reductions to over \$3 million. [EXHIBIT C]. Ms. Dopson addressed the vacancy savings. In September a hiring freeze was initiated and a hiring review process began. Any vacancies needed approval to be filled. As of today, vacancy savings in Academic Affairs has been \$1.8 million, eliminating over 66 positions; in President's organization, a savings of over \$200K in the President's organization, eliminating 3.5 positions; in EVP for Administration's organization, a savings of almost \$1 million, eliminating 14 positions. [EXHIBIT D]. The positions eliminated are both I&G and non-I&G positions.

Norma Allen presented the individual consolidations and reorganization efforts, and the last 3-year trend of main campus staff I&G budgeted FTEs. Over the past 3 years, 278 positions have been dropped, of which are 69 over the past year. [EXHIBIT E]

Regent Clifford responded that it would be helpful to see this translated into actual savings, and added when talking about reductions the focus needs to be on funded positions. Regent Clifford requested to see the savings in terms of total estimated compensation cost per person for the funded positions.

Provost White clarified this portion of the presentation focused on the breakdown of the \$2.9 total reduction on the expenditure side. Regent Clifford added the presentation made in April regarding savings through attrition reported much higher numbers. Ms. Dopson responded the prior reports on workforce reduction assumed not only attrition but also layoffs in scenarios assuming no tuition increases. Workforce reduction was a plug to balance a budget assuming no tuition increase.

Regent Lee asked for clarification that this proposal was or was not showing savings through attrition only. Ms. Dopson clarified the proposed \$700K savings would be through annual staff attrition only. Regent Lee asked for comment on how we are doing on consolidation efforts. There was discussion about ongoing and future consolidation efforts, including ongoing efforts in the IT area. President Abdallah commented about the connectedness of organizations and functions within the University; it is important to prioritize, but an overall view is necessary.

#### Athletics

Brad Hutchings and Vahid Staples presented the item. Over 80% of the athletic budget comes from self-generating revenues. Those revenues have been effected by tough economic times and external factors. Ticket sales, advertising, corporate sponsorships and concessions have all been effected by the slow economic recovery in the State. On the expense side, tuition increases directly increase scholarship expenses, which is untypical for most departments at the University. Healthcare premiums and utilities have been a constant increase and also directly affect the unit. Athletics gets hit also in the area of reduced State Appropriations. Mr. Hutchins said a budget committee has been created to look at ways to reduce expenses while increasing revenues. Several budget saving outcomes came as a result and are reflected in the FY18 budget. Some of the budget details are: elimination of nine positions; the elimination of I&G Learfield Tickets partnership; increased camp fees; vacant positions are on a pause and hold; new-hires start at lower salaries; reduction in event management expenses; and charging the tennis club for PPD services. Mr. Hutchings discussed details of [EXHIBIT F].

Regent Doughty inquired how the athletic department estimate anticipated ticket sales for men's basketball and football. Looking at FY17 projections and actuals, there is a \$1.6 million deficit, and Regent Doughty asked how they can miss the mark so much. Mr. Hutchins responded that two years ago there was around \$1.6 million of football revenue. Season ticket holders are anticipated and then having two home games at the beginning of the season will help momentum in sales. Estimates are based on prior years' sales and future ticket prices. Affordable price points are important and whether the team is winning is another important factor in ticket sales. Budgeted ticket sales for this next year are more in line.

Regent Clifford commented the expenses remained flat compared to the FY17 budget. He had the idea there would be cost containment efforts undertaken in athletics. Mr. Staples clarified the FY17 budget column on [EXHIBIT F] shows the revised budget. Regent Clifford asked for the original FY17 budget numbers in order to see reductions from the original budget numbers. There was discussion about the \$146K transfer out of revenue to main campus. That is primarily to pay for band support. Regent Clifford asked if the debt service is reflected in the budget to which Mr. Staples responded it is not. It is about \$2.4 million per year.

Student Regent Adcock inquired how the new student athlete insurance expense will be reflected in the budget. Mr. Hutchins responded the details are currently being negotiated with UNM Health Sciences and he could get the details to Regent Adcock soon. Student Regent Adcock also why there was a huge overage of football equipment between FY17 and FY18 budgets. Mr. Hutchins responded that line item was not budgeted before; the team had not had new uniforms in five years and some were bought. The hope is to spread that out year over year.

Regent Doughty inquired where the funds from the Dreamstyle naming are budgeted. Mr. Hutchins said it is reflected as a gift and is in the fundraising numbers in the FY17 actuals and shows up under naming rights in the FY18 budget.

Regent Clifford expressed concern the personnel line item shows an increase of \$295K from FY17 revised budget to FY18 budget. Mr. Hutchins said he would get the details of that to Regent Clifford.

Regent Lee addressed the special events revenue line item. There was discussion of the limitations within the arena for being able to host special events, namely no roof rigging for hanging lights and an inadequate sound system.

### Tuition Proposal

Terry Babbitt presented the item. Dr. Babbitt chaired the BLT tuition modeling sub-committee which had faculty, student and staff representation. Over the years there have been tuition models that contributed to student success improvements and it is the understanding the proposed model supports student success and affordability. What is happening in strategic tuition planning nationwide is that differentiation in higher education pricing is an essential element for consumers and institutions. That is why the recommendation is not an across the board tuition increase. There are all kinds of differentiations, primarily program related and based on outcomes. Aligning price with costs and affordability brings transparency and supports access to universities. Upper division courses in the major (300 & 400 level) are of higher value for content expertise and also taught by tenure track instructors in much smaller classes. Not recommending a tuition increase for lower division courses allows for maintaining lower costs in the first year and mitigates other big ticket items such as room and board, minimizes loan default damage and builds momentum during post-secondary students' most vulnerable time. This model is not new, there is differentiation going on, some of them by programs, some by program and level. At Texas Tech, for a student to get the estimated cost, they have to put in every course in a tuition calculator. This particular model is more in line with what Colorado State does, charging everywhere from \$50-90 extra per credit hour. Michigan State has an upper division premium of exactly \$30 per credit hour. Differentiation is more the norm now than the exception.

The proposed model is a \$23 per credit hour upper division premium curriculum surcharge in addition to regular tuition for upper division classes. The premium will be assessed at the course level. It is much like a differential tuition. Courses that are not upper division (300 & 400 level) will not have the proposed \$23 per credit hour premium charge. After financial aid is invested in the most vulnerable students, for example Pell students, those students will in effect see only approximately a 2.4% increase and that will be due to fee increases only. Fee increases are about \$200 annually. That group will be over 12,000 students. [EXHIBIT G]. There was discussion that the graph includes combined tuition and fee impact. The Regents said it should show tuition impact only, so the 12,000+ students, many of them vulnerable, after receiving financial aid will in effect see a 0% tuition increase. Altogether there are about 4,700 Pell students who are estimated to receive financial aid and after financial aid would in effect see no tuition increase, only the fee increase of about \$200 per year.

Regent Clifford commented that the Lottery Scholarship reduction in support will be layered onto this and he asked how many students taking upper division classes would be impacted. The proposed premium will impact about 7,000 students and about a third of those will also see a lottery scholarship impact. There was discussion. With regard to the Lottery Scholarship impact, there is a separate fund for financial aid to Pell students. There was discussion about other students' who would need to pay as much as \$2,500 per year more and in those cases, if they need financial assistance, reasonable loan options are available. A good rule of thumb for loan debt being to not borrow more than the first year post-graduation expected salary. Average debt amount is currently \$22K and so is not overly burdensome if average annual post-graduation salary is \$40K.

President Abdallah added that this is where the Finish-n-4, with the last semester free, will be impactful and any tuition increase would be a wash.

Student Regent Adcock inquired if this there was consideration whether this tuition model could affect attrition. Dr. Babbitt said that was looked at and of concern. Right now, in junior and senior years, there is about an 8% attrition rate which is very low compared to the first two years.

Dr. Babbitt addressed the proposed graduate tuition proposal [EXHIBIT H]. The University's graduate enterprise is extremely valuable. UNM is one of only 74 of the highest research activity universities in the country and this is because of the graduate enterprise in conjunction with the research. The tuition proposal is a 5% across the board tuition increase and a \$23 per hour premium curriculum charge for graduate programs with no differential including Arts & Sciences, College of Education, College of Fine Arts, University Libraries and University College, and a free increase of 4.64 to \$68.20. The proposed 5% increase has to do with the value of the undergraduate. UNM peers average 20% separation in undergraduate versus graduate tuition, UNM is at 4-5% separation, so the 5% increase is to raise the graduate tuition. The \$23 premium is similar to a differential.

There was discussion about the tuition proposals.

Regent Clifford summarized that the identified shortfall is roughly \$8.9 million, and the proposal is to close that gap with about \$5.6 million of tuition revenue enhancement, and then cover another \$3.3 million out of cost reductions. Regent Clifford said he would be much more comfortable if there were a more balance approach between the tuition increase and the cost reductions, for example \$4.5 from each, tuition and cost reduction. It would be a 20% shift. That should be achievable. Communicating that there are efforts on the cost side are very important. Regent Clifford proposed a \$4.4 million revenue enhancement number and for that to come out of the undergraduate and graduate premium that is being



suggested. Regent Clifford said it would be around \$18 per credit hour and Regent Clifford said he was prepared to make that a formal proposal. President Abdallah commented that any additional cuts are going to hurt. There are probably inefficiencies in the system but anything right now is going to have to go to ask the colleges to come up with \$1 million, and this could have long-term negative effects. There was discussion on the correct tuition premium number to bring the revenue enhancement to \$4.4 million.

Regent Doughty said there are two very different views. Students are adamantly opposed; faculty supports. The BLT has done a great job. The State has cut 7% and to make up for that, translates to 10% for the University. There was discussion.

Norma Allen clarified the proposed tuition enhancement gross amount is \$7 million, and nets to \$5.6 million. There was discussion.

**Regent Clifford moved approval of a \$17 per credit hour premium on upper division undergraduate courses, and a \$17 per credit hour premium on graduate classes that do not currently charge a differential tuition, and a 5% increase in graduate tuition; Regent Lee seconded. There was more discussion.**

Student Regent Adcock requested to consider dropping the 5% increase in graduate tuition to 4% since about 60% of the graduate students will see a 12.5% overall increase in tuition. There was more discussion. The premium increased slightly to offset the reduction from 5% to 4% of the across the board graduate tuition increase.

**Regent Clifford offered a friendly amendment; Regent Lee accepted the amendment.**

**The motion to approve a 0% increase in undergraduate tuition, an \$18 per credit hour premium on upper division undergraduate courses, a 4% increase in graduate tuition, and an \$18 per credit hour premium on graduate classes that do not currently charge a differential tuition, passed unanimously (1<sup>st</sup> Clifford; 2<sup>nd</sup> Lee).**

Regent Doughty commented the Board of Regents will come back at the currently scheduled June 13 Board of Regents regular meeting to approve the final consolidated budget.

#### Student Fee Review Board Proposal

President Abdallah presented the item [EXHIBIT I]. Every single organization asked for more funds, and probably none of the programs got the amount they initially requested. The SFRB does a really good job in analyzing funds for these organizations, looking at number of students, how many students benefit, the importance to the general student body, etc. The SFRB provided its recommended proposal for the breakdown of student fees. The SFRB's recommendation went to the Budget Leadership Team. The BLT recommends to the President and then the President recommends to the Board of Regents. In this case, President Abdallah took the BLT's recommendation which was the same as the SFRB recommendation, and shaved funds from each organization to shore up funds to athletics to the \$4 million funding level. There was discussion.

**The motion to accept the student fee recommendation as presented by President Abdallah passed unanimously (1<sup>st</sup> Lee; 2<sup>nd</sup> Clifford).**

#### Differential Tuition Requests – School of Engineering

Dr. Cecchi presented the item and referred to slides that were made available in the agenda eBook. The request is for approval of a differential tuition of \$50 per credit hour for both resident and non-resident tuition for graduate students in the School of Engineering (SOE). There currently is not a differential tuition for graduate SOE courses. The revenues of the UNM SOE have not kept pace with the rising costs of delivering high-quality, research-driven graduate engineering and computer science degree programs. It is increasingly difficult to recruit and retain outstanding faculty. It is also a challenge to recruit high-quality graduate students and they are the workforce of the robust research enterprise while they earn their Masters and PhDs. Among UNM's graduate programs, 70-80% of MS and PhD students are supported either by their companies, as TAs, or in most cases, by tuition and stipend support from faculty research contracts. The SOE proposes a graduate differential tuition of \$100 per credit hour to be phased in over two years. The proposal translates into an average differential tuition of \$1200 per year for the typical graduate course load of 6 credit hours per semester, 12 hours per year. The SOE's graduate engineering and computer science programs are among the only professional graduate programs at UNM that do not have differential tuition. Dr. Cecchi discussed more details. Faculty research contracts and grants provides the largest source of graduate student support. The SOE faculty generate over \$33 million per year in external research contracts and grants, leveraging the \$16 million per year in the I&G funding received by more than a factor of two. A major use of this external research funding is to support graduate students, including tuition, fees, and a stipend. Additional support comes from employers, TAs, Gas, and Pas leaving only 20-30% of graduate students unsupported. With the proposed 20% financial aid set aside, the amount of differential tuition that unsupported students would pay would vary from zero to about \$33 per credit hour, depending on the number of unsupported students. The

proposed resulting SOE graduate tuition is 24% below the AY 16-17 average of the 22 peer institutions, which places UNM 15<sup>th</sup> in tuition among the 23 schools. Despite this, the SOE ranks 10<sup>th</sup> out of the 23 schools in annual research expenditures per faculty. The SOE ranks 12<sup>th</sup> out of the 23 schools in the current US News graduate programs rankings. All of the differential tuition revenues will be allocated to graduate educational expenses and actual allocation will depend upon budget needs, except for need-based aid which will be 20% of the total revenues. Dr. Cecchi showed an example breakdown of how \$1.2 million in revenues could be spent. There was further discussion.

Student Regent Adcock inquired if the \$23 tuition premium was a proposal at the time this differential was developed and if so, could the SOE settle with the \$23 tuition premium rather than the differential it is proposing. Dr. Cecchi said when the differential proposal was developed, they were not aware of the \$23 premium proposal; however, that would be insufficient and far short of the \$100 that the SOE needs. There was clarification that funds from differential tuition go directly into the college.

Regent Lee commented the engineering students are fully employable when they graduate and inquired if anything is being done to retain those students in the State of New Mexico. Dr. Cecchi responded organizations like STC.UNM foster employment with their support of start-up companies in the State. President Abdallah added that many of the students do get recruited to work in the national labs in New Mexico.

Student Regent Adcock commented on behalf of the graduate students who work under federal or similar-type grants and inquired if the research contracts are written such that funding will cover increases in tuition. Dr. Cecchi responded this would require a case by case analysis, but in general his understanding is the labs would cover the increase. In some cases, tuition increases are incorporated when proposals are renewed. This was also discussed with the students in a town hall.

President Abdallah commented that UNM is so much less expensive than other universities, for instance in California, that receive similar-type grant funding, implying that grant proposals requesting funding for tuition increases will still be very much under other tuition amounts that are funded at other universities.

**The motion to approve the School of Engineering graduate tuition differential passed by a unanimous vote (1<sup>st</sup> Lee; 2<sup>nd</sup> Adcock).**

See [EXHIBIT J]

#### Differential Tuition Requests – School of Law

Dean Mathewson presented the item. Dean Mathewson opened by welcoming the Regents to the School of Law; this may very well be the first time the Board of Regents have held a meeting at the School of Law and so it is an exciting day. Dean Mathewson turned the presentation over to Daniel Ortega, director of the Master of Studies in Law (MSL) program. Mr. Ortega referred to slides that were provided in the agenda eBook. There is a lot of need for legal knowledge, particularly in highly-regulated fields. The primary goal of this new degree program is about enhancing job skills of mid-career professionals and recent college graduates. The application pool bares that out, and most of the applicants intend to take this program on a part-time basis. For the upcoming year, 5 part-time and 1 full-time NM resident have been admitted. Ten more applications are awaiting review, all are New Mexico residents. There is also a wide-range of career fields represented. The size of the program is dictated to a degree by the American Bar Association (ABA), it acquiesces in non-JD degrees, it does not approve them. The UNM School of Law got a letter of acquiescence from the ABA allowing up to ten students. The school will keep an enrollment goal of 8 FTE students, including part-timers, to avoid a major change in the 9:1 student to faculty ratio which is a major strength of this law school with one of the best ratios in the country. This program represents quite a change for the law school in its seventy years of operation. This new degree is the first since the law school's founding in 1947. Mr. Ortega discussed the impacts of the MSL, including more access to legal education in NM; keeping talented students in NM for in-stat jobs; and enhancing skills and performance for current job promotion or new jobs. There is the suggestion that those who will hold this degree will have a premium in their earnings. Studies show that on average people with master's degrees will earn approximately \$400K more in their careers than those with a bachelors, which could be about \$200K for those mid-way through their career. Compared to the 86-hours required for a JD degree, this curriculum is 30 credit hours. A full-time student can do it in three semesters. Graduates of this program cannot take the bar exam or practice law. In follow-up to a comment Regent Lee made in the committee meeting, graduates of this degree cannot take the NM bar exam, but they would be able to take it in 7 other states, California, Vermont, Virginia, Washington, Maine, New York and Wyoming. However those who take those bar exams without a JD degree have only a 28% passage rate.

The request is to extend the existing differential tuition for the JD program to the MSL program. The current JD differential tuition is \$352.34 per credit hour for residents and \$527.05 per credit hour for non-residents. All MSL courses are taught by JD faculty, so the cost of instruction is the same for both degree programs. Approximately \$35K will be generated the first year and with 8 FTE students would generate approximately \$85K per year. When the differential request was posted

on the MSL website, no comments were received with regard to the tuition level. Potential applicants are aware of the tuition and there have been no negative comments.

Dean Mathewson commented the MSL program was approved by the Board of Regents in April 2015. The financial projections presented at that time included the tuition differentials. If the differential tuition is not approved and with the current accepted applicants for the upcoming year, the program will have to be operated at some time at a loss.

Regent Clifford inquired about the criterion in the policy that addresses charging differential tuitions. Nicole Dopson responded the costs of the program need to be demonstrated and also that upon graduating the student has potential to make a higher income allowing quicker pay-off of any added debt incurred. Some accreditation standards could cause higher costs. Regent Clifford asked if administration was comfortable this program meets all of those criteria. Provost White responded for this professional degree, the criteria are met.

Regent Lee commented she does not support this program. She would support it if was attached to current student enrollment here at the University. An attorney has to take continuing legal education because the law changes, and taking a snapshot in a master's program on how the law works is disingenuous when the argument for making a higher salary is used. Regent Lee said she would support this if it was allowed as a supplemental to currently enrolled students, who are in for example the healthcare field, and dove-tailing it on a current degree, much like a BA/MD. A Masters of Law on its own, we don't know what effect it will have in other jurisdictions. There is also the issue of quality control and keeping the standards for legal representation very high in New Mexico.

There was discussion about the value of the MSL versus the value of a JD degree. Regent Clifford said it doesn't seem the MSL would be as valuable as the JD.

**The motion to approve the School of Law differential tuition for Master of Studies in Law failed to pass with a vote of 2-2; Regents Adcock and Doughty voted for; Regents Clifford and Lee voted against (1<sup>st</sup> Adcock; 2<sup>nd</sup> Doughty).**

**BRANCH CAMPUSES – Los Alamos Tuition/Fee Proposal and Valencia Tuition/Fee Proposal**

Provost Craig White introduced the item. UNM-Valencia and UNM-Los Alamos are requesting tuition increases. UNM Valencia is requesting a 3.99% (\$3.00 per credit hour in tuition only with no fee increase) increase in resident tuition and fees and a 4.78% increase in non-resident tuition and fees; UNM Los Alamos is requesting a 3.73% (\$3.00 per credit hour in tuition only with no fee increase) increase in resident tuition and fees and a 3.85% increase for non-resident tuition and fees. [EXHIBIT K]

Provost White introduced Dr. Alice Letteney, Chief Executive Director of UNM-Valencia to speak about the tuition and fee proposal for UNM Valencia. Dr. Letteney said that the UNM Valencia Advisory Board did pass this tuition and fee request. UNM Valencia is looking at a \$580K cut due to reduced State Appropriations as well as some downturn in enrollment. To address this reduction, six positions have been cut, one full-time faculty, 5 full-time administrative and student services, and 3 staff members have been reassigned to take on additional duties. Total cuts of \$385K in expenditures have been made, some of the cuts are also due to utilities savings. The Valencia Advisory Board follows a tuition policy, and that policy takes into account a number of factors such as enrollment and inflationary factors. The board reviewed the policy, plugged the numbers and the \$3.00 tuition increase is the result. This will add \$71K of revenue. Dr. Letteney made an announcement that the Upward Bound Grant was recently accepted for 5-years. This will result in \$275K per year to bring high school students up to college level. Over 20% of the operating budget this year is Contract & Grants. Much effort is made to bring in as much federal and private monies as possible. There is also a lot of scholarship money; 47% of students are on Pell grants.

Regent Clifford asked for clarification in the revenue generation from the proposed tuition increase. Dr. Letteney confirmed the estimated would be about \$71.4K. Regent Clifford inquired if the \$385K of cuts is from prior year FY17 budget to current year FY18 budget, to which Dr. Letteney confirmed. Regent Clifford said he supported that.

Provost White introduced Dr. Cindy Rooney, Chief Executive Director of UNM-Los Alamos (UNM-LA) to speak about the tuition and fee proposal for UNM-LA. Los Alamos is also asking for a \$3.00 per credit hour increase in resident tuition. Because UNM-LA is the smallest branch, this will bring in only \$36.3K, which is enough to support a 0.5 FTE faculty member. Over the last 5 years, as faculty has left UNM-LA has replaced them with adjunct faculty. This will help toward core faculty. The amount UNM-LA is losing from the State compared to last year is \$130.3K.

Regent Clifford inquired about cost containment measures and trends in costs. Dr. Rooney responded overall expenses are going down. There is heavy reliance on grants, and when that soft money, versus I&G money, expires a lot of the times those activities simply cannot be continued. So total expenses, which includes grant funding, are going down. There is hope in about 3 new grants, so that might change. Total budget will be at about \$5.5 million. The mil levy that passed is

allowing UNM-LA to continue at about the same level. In communications to support the mil levy, it was communicated there was need for funds to cover the lost State Appropriations, and those funds would be used to restore some of the faculty positions that had been lost and to continue some of the programs that had begun on grant funds. One example is the cyber-security program that started six years with an NSF grant fund, and there is effort to continue that program and fund new positions that were previously funded with grant funds.

- Regent Clifford requested to see the budgets with multiple-year trends.

**The motion to approve the Branch Campus Tuition and Fee proposals passed by a unanimous vote (1<sup>st</sup> Adcock; 2<sup>nd</sup> Lee).**

#### HEALTH SCIENCES CENTER

##### Budget Overview and I&G Scenario

At the meeting, it was decided the materials provided for this item would not be presented. Regent Clifford thanked Dr. Roth and Ava Lovell for the HSC budget slides provided. The only HSC item to be approved at this meeting was the differential tuition request, so it was decided in the interest of time to go straight into that presentation. The HSC budget would be approved at the budget approval meeting.

##### Differential Tuition Requests – Emergency Medical Services

Steve McLaughlin, Chair of the Department of Emergency Medicine, presented the item. Materials were included in the agenda eBook. The UNM EMS Academy is designated by statute as the lead Emergency Medical Services training agency for New Mexico. Over the last several years, the program has seen over 35% increase in graduates and retention, and it is expected the number will keep growing. These are accredited programs, professional programs, and they have unique elements in that the students are heavily taught by physicians, so there is a faculty expense there. As well, there is use of labs to teach procedures and the use of life-like manikins. There currently are not differential tuition charges in the program. The request is for a tuition differential of \$60 per credit hour to support the EMS Bachelors of Science degree. This will apply for 3<sup>rd</sup> and 4<sup>th</sup> year only and would generate approximately \$190.8K. If approved, the differential tuition will go into effect the upcoming academic year beginning in the Fall 2017 semester. The additional \$60 per credit hour in comparison to 10 EMS or similar degrees would still have the UNM EMSA in the lowest 3 for tuition costs, and well below the median of all compared institutions. This differential has been communicated to students by various means and they have shown overall support. The program is set up so that the student can work in the 3<sup>rd</sup> and 4<sup>th</sup> year as a paramedic, so this can offset the cost of additional tuition. This has also allowed an over 99% job placement rate within three months of graduation. The necessary increased revenues will be used to support faculty expense, support staff, operating expenses and simulation equipment, all of which are necessary for training future EMS professionals. Additionally, this will benefit increasing accreditation standards, required physician involvement and specific instructor-student ratios. Ten percent of the tuition differential revenues will be set aside for student financial aid.

Regent Lee commented the over 99% job placement rate within three months of graduation is huge, and she inquired regarding job placement if the program tracks where students go after graduating. Dr. McLaughlin responded that looking over the last 5 years, over 90% stay in New Mexico to practice EMS.

**The motion to approve the tuition differential for the Emergency Medical Services Bachelor of Science Degree passed by a unanimous vote (1<sup>st</sup> Lee; 2<sup>nd</sup> Clifford).**

#### ADJOURN

The motion to adjourn the meeting passed unanimously (1<sup>st</sup> Lee; 2<sup>nd</sup> Clifford).

The meeting adjourned at 4:53 PM.

**Approved:**

**Attest:**



**Robert M. Doughty III, President**



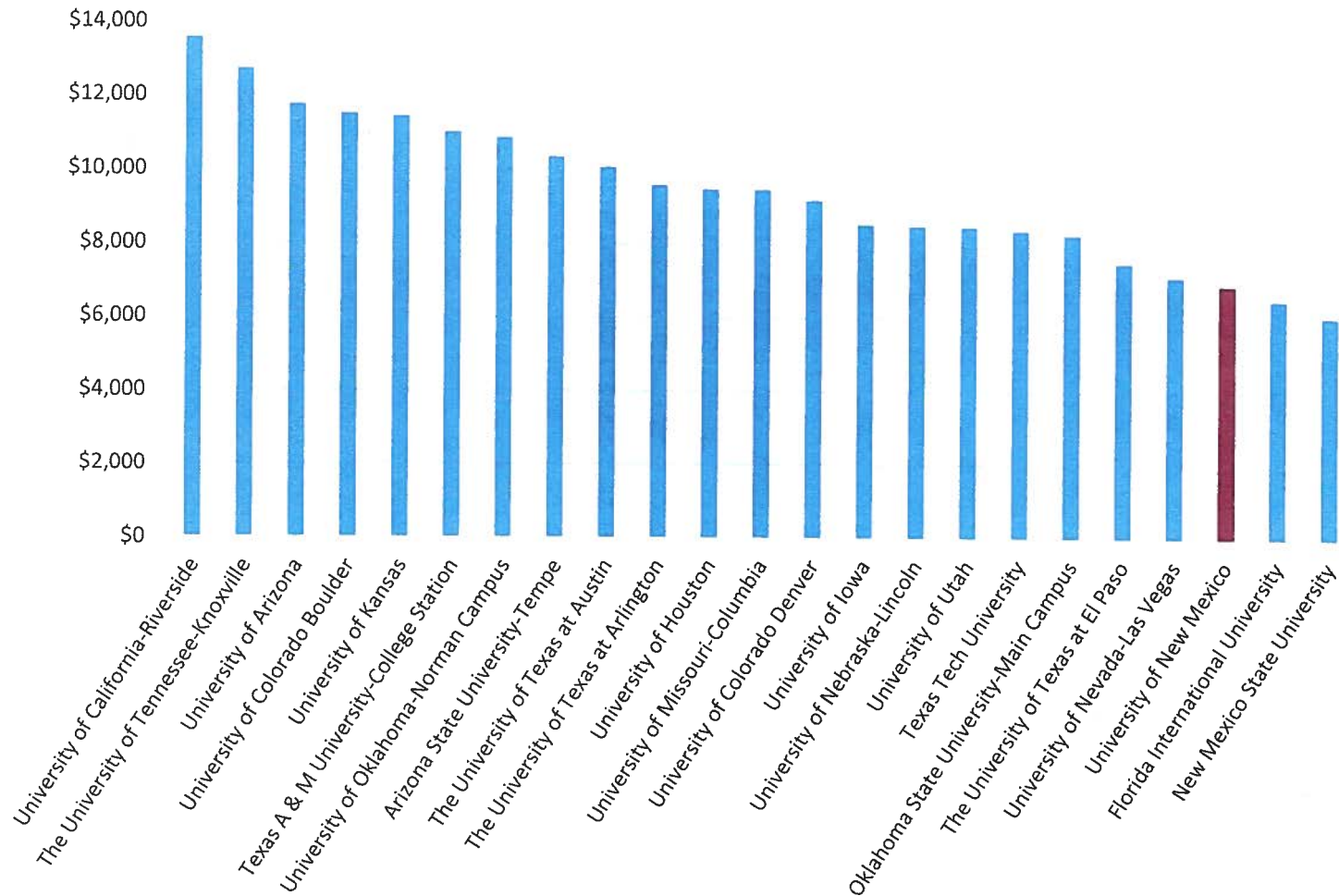
**Regent Secretary/Treasurer**

*\*Regent Romero received notice of his recess appointment from the Governor two hours prior to the meeting and was unable to attend the meeting due to the short notice; Regents Quillen and Hosmer could not change prescheduled work and travel plans to attend.*

Minutes originated and finalized by Mallory Reviere

# Peer Tuition & Fee Rates

UNM Peer Institution Tuition and Fees 2016-17



Main Campus						
Budget Recommendation Summary						
FY 18 Budget (In Thousands)						
	Fiscal Year 2017 Original	Change	Fiscal Year 2017 Revised	Change	Fiscal Year 2018 Original	% Change
<b>Revenues</b>						
State Appropriations	186,231	-9,312	176,919	-1,593	175,326	-0.9%
Tuition Revenue	134,308	-1,500	132,808	-3,174	129,633	-2.4%
Mandatory Student Fees	35,137	-275	34,862	2,875	37,737	8.2%
Miscellaneous Revenues and Transfers	-10,522	2,116	-8,406	-1,451	-9,857	17.3%
One-Time Use of Reserves	0	0	0	1,000	1,000	N/A
<b>Subtotal Revenues</b>	<b>345,154</b>	<b>-8,971</b>	<b>336,183</b>	<b>-2,343</b>	<b>333,840</b>	<b>-0.7%</b>
Health Sciences Center Transfer	-16,844	338	-16,506	70	-16,437	-0.4%
<b>Total Sources of Funds</b>	<b>328,309</b>	<b>-8,633</b>	<b>319,677</b>	<b>-2,274</b>	<b>317,403</b>	<b>-0.7%</b>
<b>Expenses</b>						
Base-IPresident/Administration	7,317	251	7,067	25	7,042	0.3%
Base-Academic Affairs	171,716	-5,363	166,353	768	167,121	0.5%
Base-EVP for Administration	43,046	-1,540	41,506	376	41,881	0.9%
Base-Must Funds (Fringes, Insurance, etc.)	53,909	-617	53,292	-73	53,219	-0.1%
Utilities	17,185	-587	16,597	587	17,185	3.5%
Mandatory Student Fees	35,137	-275	34,862	2,875	37,737	8.2%
Fixed Costs - Health Care	0	0	0	955	955	N/A
Department of Justice Compliance	0	0	0	168	168	N/A
Faculty Promotions	0	0	0	280	280	N/A
President's Initiatives	0	0	0	700	700	N/A
<b>Total Use of Funds</b>	<b>328,309</b>	<b>-8,633</b>	<b>319,677</b>	<b>6,612</b>	<b>326,289</b>	<b>2.1%</b>
<b>Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-8,886</b>	<b>-8,886</b>	

**FY18 EXAMPLE OF SUBCOMMITTEE RECOMMENDATIONS (in thousands)**

	Amount	Committee/Subcommittee	Fund Type
<b>Revenue Enhancements - Recurring</b>			
<b>Tuition Options (Model Changes):</b>			
Current Tuition Model + \$23 per Credit Hour for All Upper Division +5% Tuition Increase for Graduate Students +\$23 per Graduate Credit Hour for Hours That Currently Do Not Have a Differential (80% of \$7M)	5,589	Tuition and Fee	
<b>Total Revenue Enhancements</b>	<b>5,589</b>		
<b>Expense/Cost Reductions - Recurring</b>			
Food and Business Meals	551	Cost Reallocation	I&G Only
Travel and Per Diem (25% of I&G Total)	640	Cost Reallocation	I&G Only
Administrative Overhead - Public Service	200	Cost Reallocation	
Administrative Overhead on Research and Public Service Projects (RPSPs) 5%	252	Budget Development	
UNM Cellular Options (Basic Phone Plan or Reimbursement up to \$50)	79	Cost Reallocation	All UNM
50% Reduction of Sick Leave Sell Back - I&G 25% of total (estimated). Full Elimination in FY19.	100		All UNM
Reduction in Foundation Allocation	128	Budget Development	I&G Only
Alumni Relations	213		I&G Only
Graduated Leave Accrual - Version 2: No savings until FY 19	0	Budget Leadership Team	All UNM
Dispute Resolution and Faculty Ombudsman - Move to Misc. Fringe	238	Cost Reallocation	I&G Only
Upper Administration Salary and Workforce Reductions	200		
<b>Total Expense/Cost Reductions</b>	<b>2,600</b>		
<b>Workforce Reduction Options - Recurring</b>			
Reorganization/Attrition (estimated)*	696		
<b>Total Workforce Options</b>	<b>696</b>		
<b>Potential Resources and Cost Savings to Offset Projected Shortfall</b>	<b>8,886</b>		
FY 18 Projected Shortfall	-8,886		
<b>Net Total</b>	<b>0</b>		

Notes:

\* Regular Faculty Average for 1 FTE: \$82,000. Regular Staff Average for 1 FTE: \$50,000. Regular staff includes exempt, non-exempt and administrator positions.

## Vacancy Savings

- **Academic Affairs**-A majority of staff vacancy savings was pulled back centrally for positions in FY17. The total amount to date (March 2017) is \$1,843,636. Academic Affairs has eliminated 66.36 FTEs permanently; 40 of these positions were vacant in the prior fiscal year and absorbed by the original FY17 budget reduction. The remaining 26.36 FTE were eliminated throughout FY17, which amounts to \$1,046,711.
- **President's Organization**-\$214,868 vacancy savings (3.5 positions) for the FY 17 mid-year pullback and FY permanent 18 budget reduction
- **EVP for Administration**-\$956,935 (14 positions) were eliminated and these savings were applied to meet the FY 17 mid-year pullback and the permanent FY 18 budget reduction. Also, in order to meet the FY 18 preliminary budget, an additional workforce reduction of \$110,551 was applied to EVP for Administration.



**Consolidation and reorganization savings also contributed to budget reductions. The following are the most significant efforts:**

- Consolidation of Center for Teaching and Learning, Graduate Resource Center and the Center for Academic Program Support (total savings \$80K)
- Extended Learning Field Centers reorganizing to Division of Enrollment Management (total savings of \$320K)
- Consolidation of fiscal services through the Academic Affairs Fiscal Shared Service Center (total savings \$1.3M)
- .
- Reorganization of UNM West to the Health Science Center (total savings \$1M)
- IT Efficiencies and Effectiveness Initiatives-6 positions eliminated/repurposed

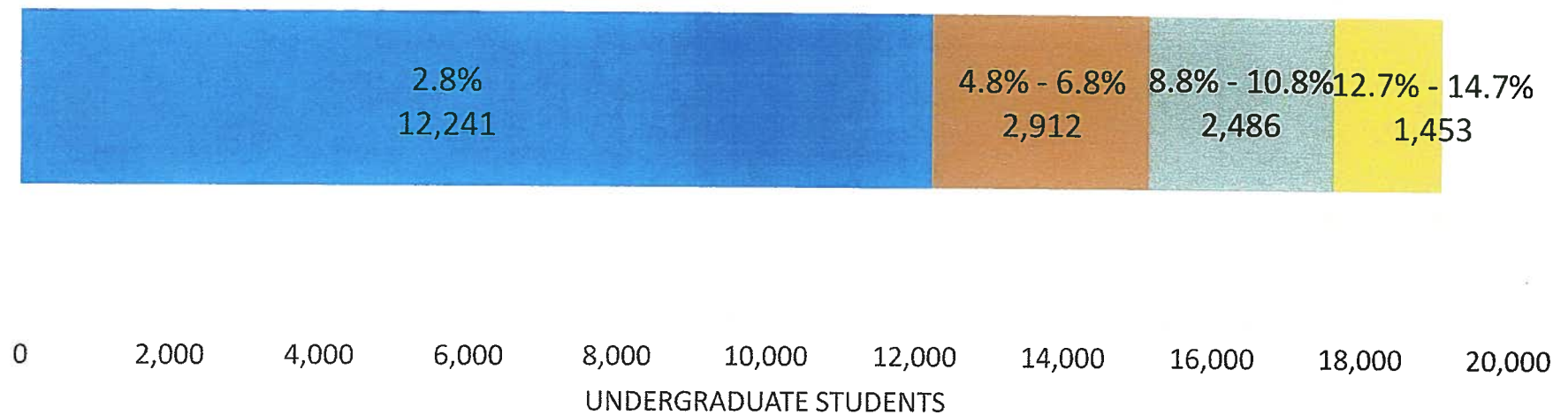
# FY'17 & 18 ATHLETIC DEPARTMENT BUDGET

## The University of New Mexico Athletic Department

	FY17 Budget	FY17 Actuals	FY18 Budget Changes	
<b>Revenue:</b>				
NCAA/Mountain West Conference	5,450,392	6,650,392	(250,392)	5,200,000
Media Rights/Sponsorship	4,990,500	4,990,500	(300,000)	4,690,500
Men's Basketball Tickets	4,800,000	3,943,079	(600,000)	4,200,000
Student Fees	4,000,000	3,980,078	(120,000)	3,880,000
Fundraising	3,000,000	3,480,000	100,000	3,100,000
State General Fund	2,782,900	2,643,800	(165,600)	2,617,300
Football Tickets	2,000,000	1,219,857	(100,000)	1,900,000
Facility Rental/Merchandise/Misc/GIK	2,861,376	2,564,428	(179,750)	2,681,626
Game Guarantees/Hawaii Travel Subsidy	1,075,000	1,125,000	25,000	1,100,000
Concessions	900,000	900,000	-	900,000
Parking	690,000	562,977	(65,000)	625,000
Special Events	683,000	745,695	2,000	685,000
Licensing	500,000	500,000	25,000	525,000
Commissions	450,000	450,000	-	450,000
Women's Basketball Tickets	400,000	317,565	(70,000)	330,000
Other Sports Tickets	147,000	110,000	(32,000)	115,000
Transfers to/from Campus	(258,472)	104,528	112,429	(146,043)
Naming Rights	-	-	300,000	300,000
Training Room Billing	-	-	200,000	200,000
<b>Total</b>	<b>34,471,696</b>	<b>34,287,899</b>	<b>(1,118,313)</b>	<b>33,353,383</b>
<b>Expenses:</b>				
Personnel	13,827,526	13,394,526	(295,000)	13,532,526
Grant-in-Aid	4,978,647	5,201,067	137,525	5,116,172
Sports	5,883,763	6,441,992	(585,000)	5,298,763
Events Management/Facilities	2,184,782	2,084,498	(7,276)	2,177,506
Administrative	7,596,978	7,263,627	(248,562)	7,348,416
<b>Total</b>	<b>34,471,696</b>	<b>34,385,710</b>	<b>(998,313)</b>	<b>33,473,383</b>
<b>Net</b>	<b>-</b>	<b>(97,811)</b>	<b>(120,000)</b>	<b>(120,000)</b>

# \$23 Per Credit Hour Upper Division Premium

Percent Tuition Increase & Number of Students Impacted from \$23 Premium Curriculum Charge After Financial Aid Initiative



# Graduate Premium

It is critical to retain higher value for graduate programs by applying the same premium curriculum charge as undergraduate. The graduate proposal is 5% tuition increase; \$23 per hour premium curriculum charge for graduate programs with no differential including Arts & Sciences, College of Education, College of Fine Arts, University Libraries and University College; and a fee increase of \$4.64 to \$68.20.

Annual Graduate Impact of 5% Tuition Increase & \$23 Premium Curriculum Charge for Schools and Colleges With No Differential Tuition				
	Current	Proposed	Difference	% Change
<b>6 Hours</b>	\$3890.16	\$4378.21	\$488.05	12.5%
<b>9 Hours</b>	\$5835.24	\$6567.32	\$732.08	12.5%
<b>12 Hours</b>	\$6483.60	\$7297.02	\$813.42	12.5%

Exhibit I



THE UNIVERSITY OF NEW MEXICO  
MAIN CAMPUS  
FY 2017-18 STUDENT FEES

Undergraduate Resident Annual Cost		
% Increase	Dollar Increase	Dollar Increase
12 Hours	15 Hours	12 Hours
7.30%	11.75%	\$101.28
		\$195.60

PRELIMINARY

Requestors of Student Fees	FY 2016-17		FY 2017-18		FY 2017-18		FY 2017-18	
	Budget	SFRB - Recommendation	BLT - Recommendation	Recommendation	Budget	Increase (Decrease)	Budget	Increase (Decrease)
	A	B	C	B+C	D	B+D	E	B+E
<b>Student Activity Fees</b>								
Student Health and Counseling	4,578,571	4,542,737	135,834	4,678,571	135,834	4,678,571	92,306	4,635,043
New Mexico Union	2,358,960	2,340,498	18,462	2,358,960	18,462	2,358,960	(3,485)	2,337,013
UNM Childrens Campus	378,764	375,800	2,964	378,764	2,964	378,764	(560)	375,240
Center of Academic Support (CAPS)	332,965	330,359	22,606	352,965	22,606	352,965	19,322	349,681
UNM Public Events (Popejoy)	180,000	178,591	(13,591)	165,000	(13,591)	165,000	(15,126)	163,465
Recreational Services	837,704	831,148	6,556	837,704	6,556	837,704	(1,238)	829,910
Student Govt. Accounting Office	179,808	178,401	21,407	199,808	21,407	199,808	19,548	197,949
Global Education Office	49,116	48,732	384	49,116	384	49,116	(73)	48,659
LOBTQ Resource Center	131,759	130,728	5,281	136,009	5,281	136,009	4,016	134,744
Women's Center	107,000	106,163	837	107,000	837	107,000	(159)	106,004
Career Services	32,858	32,601	257	32,858	257	32,858	(49)	32,552
KUNM	62,222	61,735	487	62,222	487	62,222	(92)	61,643
Community Learning & Public Service	112,000	111,123	877	112,000	877	112,000	(165)	110,968
American Indian Student Services	95,750	95,001	749	95,750	749	95,750	(142)	94,859
Project for NM GS of Color	50,160	49,767	(39,767)	10,000	(39,767)	10,000	(39,860)	9,907
Music Bands	73,000	72,429	571	73,000	571	73,000	(108)	72,321
Theatre and Dance	31,651	31,403	248	31,651	248	31,651	(453)	26,866
EI Centro De La Raza	174,369	173,004	(4,285)	174,369	(4,285)	174,369	(257)	172,747
African American Student Svc AASS	91,768	91,050	(4,282)	86,768	(4,282)	86,768	(5,089)	85,961
CASAA/COSAP	19,234	19,083	(138)	18,945	(138)	18,945	(314)	18,769
Student Activity Center	31,120	30,876	244	31,120	244	31,120	(46)	30,830
College Assistant Migrant Program	35,000	34,726	274	35,000	274	35,000	(52)	34,674
College Enrichment Program	25,000	24,804	196	25,000	196	25,000	(37)	24,767
Graduate Resource Center	90,000	89,296	704	90,000	704	90,000	(133)	89,163
Medicine Bow - HSC Campus	9,646	9,571	(9,571)	0	(9,571)	0	(9,571)	0
Parking & Transportation Services	0	0	50,000	50,000	50,000	50,000	49,535	49,535
<b>Subtotal - Student Activity Fees</b>	<b>10,068,425</b>	<b>9,989,626</b>	<b>198,421</b>	<b>10,188,047</b>	<b>198,421</b>	<b>10,188,047</b>	<b>103,634</b>	<b>10,093,260</b>
<b>Graduate Allocation Fund (GAF)</b>								
GPSA Graduate Scholarship Fund	46,760	46,394	366	46,760	366	46,760	366	46,760
GPSA Student Research Grant	89,134	88,436	698	89,134	698	89,134	698	89,134
<b>ASUNM/GPSA</b>								
ASUNM - Accounting office	40,162	39,848	314	40,162	314	40,162	314	40,162
ASUNM	850,000	843,347	6,653	850,000	6,653	850,000	6,653	850,000
GPSA	300,950	298,594	2,356	300,950	2,356	300,950	2,356	300,950
<b>Debt Service/Other</b>								
Debt Service-ERP Project Fee	2,352,180	2,333,770	18,410	2,352,180	18,410	2,352,180	18,410	2,352,180
Debt Service-Facility Fee	14,689,317	14,574,350	3,114,967	17,689,317	2,704,967	17,279,317	2,704,967	17,279,317
Univ Library Acquisitions	800,000	793,739	16,261	810,000	16,261	810,000	8,725	802,464
IT Initiatives	1,900,000	1,885,130	14,870	1,900,000	14,870	1,900,000	(2,807)	1,882,323
Athletics	4,000,000	3,968,694	(88,694)	3,880,000	(88,694)	3,880,000	31,306	4,000,000
<b>Subtotal - GAF/Debt/ASUNM/GPSA</b>	<b>25,068,503</b>	<b>24,872,302</b>	<b>3,086,201</b>	<b>27,958,503</b>	<b>2,676,201</b>	<b>27,548,503</b>	<b>2,770,988</b>	<b>27,643,290</b>
<b>Total - MCH/SC SFRB One Time Funding</b>	<b>35,136,928</b>	<b>34,861,928</b>	<b>3,284,622</b>	<b>38,146,550</b>	<b>2,874,622</b>	<b>37,736,550</b>	<b>2,874,622</b>	<b>37,736,550</b>
<b>SFRB - One Time Funding</b>								
LoboRESPECT	0	0	40,000	40,000	40,000	40,000	40,000	40,000
ENLACE - Division of Equity and Inclusion	0	0	95,000	95,000	95,000	95,000	95,000	95,000
Libraries	75,000	75,000	(60,000)	15,000	(60,000)	15,000	(60,000)	15,000
Information Technologies	20,000	20,000	(20,000)	0	(20,000)	0	(20,000)	0
LGBTQ Resource Center	7,500	7,500	(2,500)	5,000	(2,500)	5,000	(2,500)	5,000
Parking & Transportation Services	50,000	50,000	(50,000)	0	(50,000)	0	(50,000)	0
Center of Academic Support (CAPS)	37,500	37,500	(37,500)	0	(37,500)	0	(37,500)	0
Community Learning & Public Service	19,201	19,201	(19,201)	0	(19,201)	0	(19,201)	0
SFRB Website	0	0	2,000	2,000	2,000	2,000	2,000	2,000
Medicine Bow	17,000	17,000	(17,000)	0	(17,000)	0	(17,000)	0
Green Fund Office Sustainability	0	0	17,788	17,788	17,788	17,788	17,788	17,788
<b>Total - MCH/SC SFRB One Time Funding</b>	<b>226,201</b>	<b>226,201</b>	<b>(51,413)</b>	<b>174,788</b>	<b>(51,413)</b>	<b>174,788</b>	<b>(51,413)</b>	<b>174,788</b>
<b>Grand Total - Main Campus/HSC</b>	<b>35,363,129</b>	<b>35,088,129</b>	<b>3,233,209</b>	<b>38,321,338</b>	<b>2,823,209</b>	<b>37,911,338</b>	<b>2,823,209</b>	<b>37,911,338</b>

Note: 0.93% adjustment (reduction) to Student Activity Fees

# FY 18 Main Campus Graduate Differential Tuition Requests

RESIDENT				NON-RESIDENT			
<b>School of Engineering</b>							
<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
\$0.00	\$50.00	\$50.00	N/A	\$0.00	\$50.00	\$50.00	N/A

In addition, a differential tuition of \$100 will be assessed on hours 1-6 of dissertation.

<b>School of Law</b>							
<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
\$352.34	\$352.34	\$0.00	0.00%	\$527.05	\$527.05	\$0.00	0.00%

This request is to expand the current differential tuition for the Juris Doctor (JD) program to the new Master of Studies in Law (MSL) program.

# FY 18 Branch Campus Proposed Tuition & Fees

(Per Credit Hour)

RESIDENT					NON-RESIDENT				
<b>GALLUP</b>									
	<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>		<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
Tuition	\$70.10	\$70.10	\$0.00	0.00%	Tuition	\$185.76	\$185.76	\$0.00	0.00%
Fees	\$10.40	\$10.40	\$0.00	0.00%	Fees	\$10.40	\$10.40	\$0.00	0.00%
Total	\$80.50	\$80.50	\$0.00	0.00%	Total	\$196.16	\$196.16	\$0.00	0.00%
<b>LOS ALAMOS</b>									
	<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>		<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
Tuition	\$79.00	\$82.00	\$3.00	3.80%	Tuition	\$219.00	\$227.50	\$8.50	3.88%
Fees	\$1.50	\$1.50	\$0.00	0.00%	Fees	\$1.50	\$1.50	\$0.00	0.00%
Total	\$80.50	\$83.50	\$3.00	3.73%	Total	\$220.50	\$229.00	\$8.50	3.85%
<b>TAOS</b>									
	<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>		<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
Tuition	\$75.00	\$75.00	\$0.00	0.00%	Tuition	\$195.00	\$195.00	\$0.00	0.00%
Fees	\$3.00	\$3.00	\$0.00	0.00%	Fees	\$3.00	\$3.00	\$0.00	0.00%
Total	\$78.00	\$78.00	\$0.00	0.00%	Total	\$198.00	\$198.00	\$0.00	0.00%
<b>VALENCIA</b>									
	<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>		<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
Tuition	\$71.50	\$74.50	\$3.00	4.20%	Tuition	\$200.24	\$210.00	\$9.76	4.87%
Fees	\$3.75	\$3.75	\$0.00	0.00%	Fees	\$3.75	\$3.75	\$0.00	0.00%
Total	\$75.25	\$78.25	\$3.00	3.99%	Total	\$203.99	\$213.75	\$9.76	4.78%

**Minutes of the Regular Meeting of the Board of Regents of the University of New Mexico  
June 10, 2016  
Student Union Building, Ballroom C**

Members present

Robert M. Doughty, President; Marron Lee, Vice President; Jack L. Fortner, Secretary Treasurer; Ryan Berryman; Bradley C. Hosmer; Suzanne Quillen

Administration present

Robert G. Frank, President; David Harris, EVP of Administration, COO, CFO; Paul Roth, EVP and Chancellor for Health Sciences; Chaouki Abdallah, Provost and EVP for Academic Affairs

Regents' Advisors present

Michelle Coons, UNM Foundation; Daniel Perea, Parent Association; Glenda Lewis, GPSA; Kyle Biederwolf, ASUNM; Stefan Posse, Faculty Senate

Others in attendance

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

CONFIRMATION OF PRIOR SPECIAL MEETINGS IN EXECUTIVE SESSION

The Board of Regents met in closed session on Friday, April 22, 2016 from 10:02 to 10:52 AM in the Roberts Room 204 of Scholes Hall on Main Campus. The meeting was held in closed session under the following Open Meeting Act (NMSA 1978) exception: discussion and determination where appropriate of limited personnel matters, as permitted by Sections 10-15-1H(2). Members present in person were, Jack Fortner, Ryan Berryman, Marron Lee, Robert Doughty, and Bradley Hosmer. Regent Suzanne Quillen joined the meeting telephonically. President Robert Frank and University Counsel were present. The matters discussed were limited to those specified in the notice and agenda for the meeting. There were no matters upon which action was taken.

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

Regent President Robert Doughty called the June 10, 2016 regular meeting of the Board of Regents to order at 9:03 AM. A quorum was confirmed.

**The motion to approve the agenda passed by a unanimous vote with a quorum of Regents present and voting (1<sup>st</sup> Berryman; 2<sup>nd</sup> Hosmer).**

APPROVAL OF MINUTES

Regent Doughty asked for a motion to approve the minutes of the May 13, 2016 regular meeting of the Board of Regents.

**The motion to approve the minutes of the May 13, 2016 regular meeting passed by a unanimous vote (1<sup>st</sup> Berryman; 2<sup>nd</sup> Fortner).**

THE PRESIDENT'S ADMINISTRATIVE REPORT

President Robert Frank presented his administrative report to the Board and stated that the University has been working hard during the summer on initiatives that were discussed in the Spring. First was the implementation of the position control program to better manage positions. Second was scrutinizing all upper administrative positions.

Last summer NMSU organized an extensive survey to address how to reduce administrative costs. They looked at all administrative costs of other schools. Across the survey, we learned that administratively UNM is a fairly lean university. Generally, UNM was among the most efficient of those universities but we are still looking at where we can reduce administrative costs. An area for improvement is administrative process, such as purchasing banner modules and better management of paperwork through the University. Communication & Marketing Programs as well as Main Campus Information Technology are being reviewed for efficiencies. The results will come to the Regents as the reviews are completed.

The University is working to create a consistent identity and message about the great work done at UNM. The goal is to bring together the message of UNM and tell it more emphatically. The efforts will aid in student, faculty, and staff recruitment, as well as with alumni engagement and donor relations.

Last year the Board of Regents approved the engagement of 160over90, a national branding and marketing firm. They have been working with UNM behind the scenes over the last six months. Six months ago, the Board approved a motion to encumber \$1 million towards the branding efforts. The motion required that a plan be developed to create videos, ads, banners, and a view book to send to potential students. President Frank invited Argy Maniatis, Director of University Marketing, to present a high level plan for the branding initiative.



Ms. Maniatis presented information on the University branding efforts and stated University Communications & Marketing (UCAM) has been working with the agency, 160over90, as well as other units across campus, including the HSC and Alumni Relations, to build a strong foundation for the institutional brand.

A video was presented to the Board and meeting attendees on branding efforts that have been underway since January 2016. Ms. Maniatis added there have had 50+ training sessions with various departments, vendors, faculty, staff, and students across campus to give them the proper information and tools to implement the brand. Overarching marketing trends in Higher Education have been reviewed, specifically the recruitment of undergraduate students. The average person has an eight second attention span, down from 12 seconds in 2000; a goldfish has a nine second attention span. Approximately 40% of people abandon a webpage if it takes more than 3 seconds to load, and 55% of page views last less than 15 seconds. There is a finite amount of time to make a distinct impression and grab the attention of those the University wants to attract. For interaction, face to face interactions will dip a bit, and social media and websites will rise. Traditional media such as print advertisement, newspapers, magazines, and billboards will take a steep decline due to analytics. Mobile is extremely important to Millennials; Millennials are between the ages of 18 to 35. Approximately 53% of Millennials would rather lose their sense of smell than their technology. Between 18 to 24 year olds, 77% of them reach for their phone when bored and 52% check their phones every 30 minutes or less. About 79% use their phone while watching television, including multiple devices such as phones or tablets. Research predicts that by 2020, network-smart devices will hit 25 billion units, up from 900 million in 2009. Technology is playing a key role in marketing, as Millennials are the demographic being targeted as undergraduate students.

Ms. Maniatis reviewed higher education advertising budgets, which have increased more than 100% over the past 15 years. Most universities have used outside agencies for branding efforts, and this is the first time UNM has partnered with a branding agency. Marketing budgets for higher education vary widely. The Agencies fees include research, data collection, design, and media strategies. On the low end, institutions are spending from \$350K to \$2.5 million. UNM is one year into the four-year contract with 160over90 and is toward the bottom at \$500K. UNM is projected to finish FY16 at spending less than \$250K to push the message out in the marketplace. If they were to get approval from the Regents, UNM would be in alignment with other institutions, it would put 4.8% into traditional advertising such as billboards, television, magazines, and newspaper. Digital advertising includes social media, apps, streaming, and websites. Experiential marketing includes working with the Alumni Association for events. Printing and production will include an undergraduate view book and a video.

Digital media is important because it can measure and focus the target on a specific audience. For success metrics, UCAM would work with institutional partners across campus to look at overall impressions, number of clicks, click-through rates, total video views, and engaging particular audiences.

Regent Quillen inquired how they will measure impressions. Ms. Maniatis stated that they have been doing digital media for the past year and shared some statistics on how they've been successful promoting UNM. Certain areas on websites can be measured looking at Google Analytics. From June through September 2015, the click-through rates for ads on social media increased 358%. The University's name is getting out there, targeting specific audiences who are looking for higher education. Impression is awareness and that is how the target is reached. UNM needs this commitment to stabilize admission rates, increase community awareness and perception, and promote/tell the story of the institution.

Regent Berryman inquired if the budget was based on previous success we've had on specific mediums and media. Ms. Maniatis stated it is in alignment with some overarching marketing trends presented earlier, and looking at assets currently built and worked on in the past year with the agency. There has to be a comprehensive plan to target undergraduate students and increase community awareness. There are geographic regions targeted including California, Colorado, Florida, Nevada, New Mexico, and Texas. Traditional advertising is usually more expensive and harder to measure, so the effort is to get into the digital realm because it is easier to monitor.

Regent Hosmer inquired if the metrics and internet tools can aid in shaping internet behavior and focus sharply on target audience. Ms. Maniatis stated that they are working in alignment with enrollment to use all brand and marketing advertising to target specific audiences. The undergraduate view book will go out to perspective students to showcase the institution. There is ongoing effort to update websites so there is a cohesive brand experience for perspective students. President Frank emphasized branding does not stand alone but is a support vehicle, promoting raised awareness of the University, and therefore affects everything done at the University.

President Frank clarified the Board of Regents approved, at its September 2015 meeting, \$1 million from the Regents' Endowment Fund to go toward funding the implementation of the branding program, and he requested the Regents confirm the monies can now be spent.

Regent Marron Lee commented that after reviewing minutes from prior Finance and Facilities (F&F) Committee and full Board of Regents meetings, the actions at the time were contingent on the Regents' future approval.

Regent Lee motioned approval.

Student Regent Ryan Berryman agreed and provided background: the item came to the F&F Committee and it was motioned by Regent Koch to take \$1 million out of the Regents' Endowment Fund. Regent Berryman added there is still the need to develop a strategy for sustained, long-term funding as it's obvious the \$1 million will not provide that.

Regent Doughty asked if there was a second. Regent Hosmer seconded the motion.

**The motion to approve spending of the \$1 million that was already earmarked in the Regents' Endowment Fund to go towards implementation of the branding program was approved unanimously (1<sup>st</sup> Lee; 2<sup>nd</sup> Hosmer).**

PUBLIC COMMENT (no comments)

#### APPROVAL OF REVISIONS TO RETIREE ASSOCIATION BYLAWS

Kathy Guimond, President of the Retiree Association, presented the item, and requested, on behalf of the association, approval of several revisions to the Retiree Association bylaws. The primary reason for the revisions is operational efficiency of the membership committee. The revisions were approved by the Retiree Association board at its April meeting. University Counsel has also reviewed the revisions and found no issues.

**The motion to approve the Revisions to the Retiree Association Bylaws passed by a unanimous vote (1<sup>st</sup> Fortner; 2<sup>nd</sup> Lee).**

#### REGENT COMMITTEE REPORTS

##### CONSENT DOCKET

Items listed on the Consent Docket requiring Board of Regents approval:

##### Health Sciences Center Committee (HSCC) – Consent Items

- a. Request for the Nomination to the UNM Hospitals Board of Trustees - Mr. Erik Lujan
- b. Request for the Approval of the UNM Hospitals Equipment Disposition – May 2016 report

##### Finance and Facilities Committee (F&F) – Consent Items

- a. Approval of Disposition of Surplus Property for Main Campus - May 2016 report
- b. Approval of Annual Renewal of Maui Lease

**The motion to approve the Consent Docket items requiring Board of Regents approval passed by a unanimous vote (1<sup>st</sup> Lee; 2<sup>nd</sup> Fortner).**

#### HEALTH SCIENCES CENTER COMMITTEE

##### Approval of the UNM Hospitals Contract with GE Healthcare

Ava Lovell presented the item. This will be purchase of equipment to upgrade the operating room vascular and endovascular suite (Room F). The GE Discovery System equipment provides technology that will decrease the amount of radiation and contrast needed to properly image procedures as they are performed. There were three respondents to the RFP. The total cost is \$1.5 million. The source of funds is the UNM Hospital capital budget.

**The motion to approve the contract with GE Healthcare passed by a unanimous vote (1<sup>st</sup> Fortner; 2<sup>nd</sup> Doughty).**

##### Overview of the Health Sciences Center Office of Financial Aid (information item)

The item was not presented. Presentation of the material moved to the August meeting.

##### HSC Financial Update (information item)

Ava Lovell presented the HSC financial update for the ten month period ending April 30, 2016 and referred to the report that was included in the agenda eBook.

Student Regent Berryman inquired about the contingencies balances on page 3 of the report. The fiscal YTD versus the budget YTD, showing negative \$1.6 million in contingency revenue and negative \$1.9 million in contingency expenses. Ms. Lovell responded contingency expenditures are budgeted so that

additional expenditures will have received approval in the budget approval process. Specifically, \$2.2 million of contingent revenue and \$1.95 million of contingent expenditures were in the budget. The contingency is needed primarily due to volume unknowns. If there is more volume, then it will generate more revenue and expenses, and it is the expenditure levels that technically cannot be spent unless there is budget authority from the State.

#### ACADEMIC / STUDENT AFFAIRS & RESEARCH COMMITTEE

##### Approval of Form C: Commercial Driver's License for Taos

The CDL program is intended to prepare students with the knowledge and ability required to pass the CDL written and driving skills test, help students become safe and knowledgeable entrants into the commercial vehicle driver work force, and provide short-term workforce training certificates that meet industry standards and earn and industry-recognized credentials for the truck driving industry. UNM-Taos is currently operating as a preferred training provider for Werner Transportation and is partnering with the Taos County Government. The program is a 15-hour program, providing lecture, lab and driving experience.

Regent Hosmer commented it is a sound proposal, and there is clearly a market for it and it will benefit students.

**The motion to approve the Form C, Commercial Driver's License for UNM-Taos passed by a unanimous vote (1<sup>st</sup> Hosmer; 2<sup>nd</sup> Fortner).**

##### Residential Living Requirements (information item)

Regent Hosmer requested the item be deferred to the Finance and Facilities Committee's next meeting for review, at which time better data will also be available.

#### FINANCE AND FACILITIES COMMITTEE

##### Capital Project Approval: UNM CERIA Cryogenics Lab Equipment Modification

Chris Vallejos made the presentation. Regents' approval was requested for the UNM CERIA Cryogenics Lab Equipment Modifications capital project. The scope of the project is to relocate the existing cryogenic electric freezers to adjacent space and install new cryogenic, liquid nitrogen (LN2) freezers in their place. The total project budget is \$803,186 from three funding sources; \$384,186 from the National Science Foundation Grant, \$350K from FY17 BR&R (Building Renewal and Replacement), and \$69K from FY15 reserves from the College of Arts and Sciences. This project will ensure the long term preservation and security of the Division of Genomic Resources of the Museum of Southwestern Biology, which is a leader in these samples.

Regent Lee inquired if there is energy savings associated with the capital project. Mr. Vallejos confirmed there is energy savings associated with the project. There are two efficiencies that will be gained. If power was lost they could only keep powered for two days but with upgrade that time frame increases to 20 days to preserve samples. They also have 60% reduction in electricity because of the modernization of these freezers.

**The motion to approve the capital project, UNM CERIA Cryogenics Lab Equipment Modification, passed by a unanimous vote (1<sup>st</sup> Berryman; 2<sup>nd</sup> Dougherty).**

##### Approval of the UNM-Los Alamos Campus Mil Rate Resolution

Dr. Cindy Rooney, CEO of UNM – Los Alamos (UNM-LA) Branch Campus made the presentation. Regents' approval was requested for the UNM-LA Branch Campus Mil Rate Resolution to move forward with a mil levy election.

UNM-LA is currently at a one mil, which is what was approved in 1980. From 2008 to 2015, UNM-LA has seen increased student head count and credit hours by 30% but is facing decreased State revenue. UNM-LA would like permission to move forward with an election for a one mil increase to the voters of Los Alamos County. This is currently the only UNM Branch Campus at one mil; the others are operating at a two mil rate.

Regent Lee inquired how many previous attempts have been made to increase the mil levy rate, and what is being done differently to assure the mil levy passes. Dr. Rooney responded there have been two prior failed attempts; 2010 and 2013. Those prior two attempts were both for two mil, the current request is for a one mil. In 2013, they lost by 246 votes. They began doing things differently in 2013 to become a better member of the community and recruit more directly from the local base. Prior to 2013, they had activities in Bernalillo, NM and all of those activities have ceased. Some of the resistance from the local taxpayers was that they felt they were supporting operations in Bernalillo, NM. They have done a significantly better job partnering with local schools through dual credit. They currently have a working group with two members of the local

public school board, two members of the UNM-LA Advisory Board, and community leaders to review dual credit in the community.

They have also partnered with local schools on Community Internship Collaboration where Junior and Senior students go to UNM-LA campus, take a one credit-hour class preparing for the work place. They work in local businesses for up to 60 credit hours, and it is supported by the Los Alamos National Lab (LANL). UNM-LA is working with the LANL to meet their workforce needs. LANL indicated they expect 30% replacement of workers in the next 5 years. It is far more than the scientists; it is also office support, technical trades, draftsmen, and welders.

Regent Berryman inquired if a mil levy increase could help alleviate future tuition increases. Dr. Rooney confirmed and stated in the past they had to cut several positions while consistently increasing tuition. They do not want to continue to increase the costs to students.

Regent Berryman moved for approval and reiterated Regent Doughty's point brought up at the Finance and Facilities Committee meeting that it still requires approval from the voters.

Regent Doughty seconded and stated his position is that if the local voters in Los Alamos County want the mil levy, it is their decision, not his.

**The motion to approve the UNM-Los Alamos Campus Mil Rate Resolution passed by a unanimous vote (1<sup>st</sup> Berryman; 2<sup>nd</sup> Doughty).**

#### Approval of the UNM-Valencia Campus General Obligation Bond Issuance

Dr. Alice Letteney, CEO of UNM-Valencia Campus, made the presentation. The UNM-Valencia bond counsel, Katherine Creagan of Modrall Spering, and John Archuleta and George K. Baum, were also in attendance to address questions. The voters approved the GO Bond in 2014 for the entire \$16 million and the UNM-Valencia Advisory Board, understanding the local community and size of UNM-Valencia campus, wanted to split it into four parts. Additionally, the capital mil rate remained at 0.85 mils. The Board of Regents has already approved the first phase of \$4 million; most of those projects will be completed by September 2016. The second \$4 million that UNM-Valencia is requesting Regents approval on will go toward several projects such as IT infrastructure upgrades to meet UNM standards, security enhancements for upgraded cameras, sustainability improvements to install solar modules, and other infrastructure renewal projects for electrical, mechanical, and plumbing upgrades. The UNM-Valencia Advisory Board decided to split the \$16 million bond into four parts as it is a small campus. The Regents approved the first \$4 million bond sale in September 2014, the bonds were sold in June 2015, and the Advisory Board approved this current \$4 million sale of bonds on May 3, 2016.

Regent Berryman requested Dr. Letteney elaborate on the \$16 million GO Bond and when that came to be. Dr. Letteney responded they looked at their campus plan for the next several years and at infrastructure needs, as buildings have aged. There are four buildings on campus that were part of the original 1986 campus buildings, and these need refreshment. Infrastructure for IT is continuously ongoing. They have just completed a chiller building to help balance heating and cooling. The plan was to go to the voters and let them know that they have invested 70% of their capital expenditures from their funds, and they want to keep their campus updated. That was the argument they took to the voters and they listened to them.

**The motion to approve the UNM-Valencia Campus Obligation Bond Issuance passed by a unanimous vote (1<sup>st</sup> Berryman; 2<sup>nd</sup> Doughty).**

#### HSC Program Reductions FY17 (information item)

Dr. Roth presented the item and referred to several slides that were included in the agenda eBook. Dr. Roth commented the title of the item should have been Tuition Reductions and not Program Reductions. As background, HSC has adopted what President Frank and the Provost are implementing on Main Campus, the RCM model (Responsibility-Centered Management). The HSC has utilized this model for a couple of decades, starting with the School of Medicine in 1994. Several years ago, working with EVP David Harris and Provost Abdallah, we determined the amount of formula funding we would all accept, as a default on what the HSC educational programs generated, to be somewhere around \$18 million. For current fiscal year 2016, if tuition is added to that, when you add both together, it was about \$29.5 million. The HSC received \$20.4 million of those dollars. This is a way to show how these funds flow back and forth between Main Campus and the HSC. An additional \$10 million goes to Main Campus to pay for services the HSC receives, services such as utilities, Physical Plant department (PPD), and campus police. For fiscal year 2017, there will be a reduction of about \$2.4 million which was committed to Main Campus to help with the deficit. Dr. Roth outlined how the HSC managed the \$2.4 million reduction under the RCM method. If a college were to receive less tuition, the college would have to manage with that reduced revenue. For Nursing and Pharmacy, we said to the Deans, and Medicine and Population Health, the extent to which you can manage

that reduced revenue in your operating budgets, without cutting your programs, then do so. We know this is only a two-year situation, so take the rest of those balances out of your reserves. Whatever the colleges could not accommodate by either absorbing the reduced tuition in their operating budget or from balances that have accumulated up to this point, the HSC would subsidize those differences in each of the colleges.

Dr. Roth referred to a slide outlining the FY2017 tuition cuts in the four colleges. There is also an office of Interprofessional Education, which the deans committed 5% each from their different colleges to support this effort to create programs and experiences for health sciences center students to learn together, because that is how they will practice, as a team. The School of Medicine had to pull \$684K from balances; the College of Nursing, \$450K; the College of Pharmacy \$306K. Those balances reside in each of the academic departments. The College of Population Health is a new college and did not have balances; it received \$268K from HSC to fill the gap. Dr. Roth showed a similar slide for FY18, how the \$2.4 million tuition cut would affect the respective colleges. Regarding incremental State cuts. The hope is there will not be continued reduction in state funding to the universities in New Mexico. This is a big unknown and would certainly affect financial planning for fiscal year 2018. None of the programs could continue to be able to absorb that reduced tuition in their operating budgets, some will have to find revenues from other sources, others will be able to pull from reserves. For example, in the School of Medicine, there is the phrase, shared services, and this is a program not too dissimilar to what President Frank is looking at doing across the University. Dr. Roth discussed shared services as a way to address the cost side.

New tuition dollars will be important for the College of Population Health because it will be enrolling its first freshman class in FY18.

There's a commitment to return back to the previous financing, but if for whatever reason that does not happen, programs will be compromised. There would have to be class size reductions, freezes in faculty hires, there would be serious problems with respect to even maintaining the current programs within those colleges. In spite of the ability to maintain existing levels of services in each of the colleges and the ability to absorb the reduced tuition, with regard to handling the tuition cuts, Dean Ridenour, Dean of the School of Nursing, was hoping to grow the college. Hopefully by FY19, finances will be different and the Dean will be able to accommodate that growth.

Regent Suzanne Quillen commented with respect to the College of Nursing, there are about 25,800 RNs in New Mexico, 9,000 of those hold jobs in Albuquerque. It's about the fourth largest occupation in Albuquerque. Last year, the US Registered Board Nurse Workforce Report ranked the states with letter grades on how they were doing for expansion to meet this deficit in our states and in our country. Twelve states were given a grade of 'F', and New Mexico was one of them. Governor Martinez took note of this and in 2015 signed a bill to expand nursing faculty, and a year before she gave about \$1 million additional to support that. Last year, there were 79,000 qualified nursing students across the country that could not be admitted due to faculty shortages. New Mexico was one of those states. To say that we are held to where we are, really sets us back years. The average age for our faculty for nursing is 55, the professor age is 62. It takes a long time to recruit to meet demands. We are admitting only 65 new students in the Fall. We have huge demand, and this has to be one of the biggest economic drivers in workforce in our state, if not the country. Physical Therapy is the same way. In southern NM they are offering \$29,000 sign-on bonuses to cover the shortage of Physical Therapists. In the big picture of the whole university, how did we look at priorities and how did we leave nursing out, a program that was given additional funding from the Governor to address this dire need that our state is in?

Regent Marron Lee commented this had been brought up at the last board of regents meeting and at the Finance and Facilities Committee meeting, and inquired the decision as to which programs were to accommodate this agreement between Main Campus and the HSC, an agreement that was made months ago. Dr. Roth responded the process that was implemented was the one that is used routinely with respect to tuition or any form of revenue increase or reduction. A new process was not created for this. This is how budgets are managed on a routine basis. Dr. Roth confirmed it was his decision to ensure the process was implemented in a consistent manner.

Regent Lee said months ago there were discussions and understanding reached that at the time that the \$2.4 million would be covered by reserves. EVP David Harris said at the time, during first discussions in late February and early March, during discussions with HSC leadership and looking at the HSC financial books, it appeared there were more than adequate balances in all the academic units, and based on that, the request to help Main Campus on a short-term basis was made. Dr. Roth said at the time he would like to help but needed to see to what extent. EVP Harris said, clearly in his opinion, since it's a 2-year agreement only and a non-recurring type of commitment, it could come from reserve balances. The discussion was not to that detail.

Regent Doughty inquired about cuts across the board, not just those in the nursing program. EVP Harris responded that probably every program in the state that was funded with state dollars, with the exception of public education, received reduced appropriations this year. The revenues disappeared literally in a one-month period and the legislature had to do drastic things. They reduced the allotment to higher education in a much steeper way than other areas, most likely because the legislature assumed tuition would be increased to replace those state dollars, and clearly that has not happened across the state. Dr. Roth added the HSC was cut too. Comparatively speaking, it didn't hurt the HSC as much as it hurt Main Campus, and on that basis, the president and EVP Harris made the request for support for two years. After analysis, the decision was made that support could be given for two years.

Dr. Roth referred back to Regent Quillen's comments, it is absolutely true there is a shortage of nurses and this will hamper the ability to increase the workforce and provide more nurses for the State of New Mexico. Dr. Roth mentioned other programs got cut, for example engineering and this may also effect graduation numbers. Nobody is wrong in any of the statements recently made. The way HSC manages its budget is different from the way Main Campus maintains its budget. There was discussion about future scenarios. Dr. Roth said it would be foolish to not be prepared for further cuts in revenues. If worse comes to worse, and the State continues to cut, then that would be a compounding effect. EVP Harris said it would be foolish and short-sighted to start gutting programs anywhere in the University if the problem is temporary. There are obvious risks, but given history, it would be foolish and short-sighted to start cutting everything when the belief is things are going to turn around.

Regent Lee stated appreciation to those looking at shared services, what is being done at Main Campus, looking at ways to consolidate, stream line and find savings and redundancies. This is very important. Also, the pipeline of students to the HSC rests at Main Campus. Besides recruitment outside for the Medical School, we are one systemic unit that has the same goal, that which to provide the best education for the citizens of this state. Dr. Roth agreed and said that is why the decision to support Main Campus was made. The majority of students do come from Main Campus. Students come also from other higher ed institutions in the State.

Dr. Roth said that he heard what Regent Quillen said, that there will be an impact from not being able to grow nursing and other programs like physical therapy.

Regent Quillen commented that maybe Mr. Harris is correct and this is a temporary problem, but the programs that do have demand and bring revenue are getting hurt and it's going to be hard to rebound from that. We've never seen a priority list across the whole University. We've asked for it many times. Where is the demand? In the private sector, when you get cut, which we get cut every year by Medicaid and others, you have to make priorities. I don't know why we should be different in higher education. Some programs that don't have the demand, maybe we have to let go of them until the demand comes back. It seems illogical to not give the programs that have huge demand for our state enough money to expand. Especially now when we are facing a decrease in our customer base, our students.

Provost Abdallah responded. Most of the reserves reside at the lowest possible level, including the faculty reserves and the units and departments, so we are similar to the HSC in that. Regarding the cuts, academic affairs took a higher percentage cut, more than \$2.4 million in discussion. Provost said he did exactly what Dr. Roth did, and that was to look at units, and some that don't have demands were cut. We are not going to be able to offer Italian, for example. We are in the same position, and we are not able to do the same things as were doing before. When we try to live within our budget, we look at reserves, at demands, potential growth, and other criteria and created a very detailed chart for every program. Not all programs got cut the same way, in fact we tried to accommodate most of the cuts at the administrative level or at the units that are not teaching. We tried to be very strategic in all of our cuts. Regarding the budget and how we are funding higher education right now, Provost does not share Mr. Harris' optimism that this is temporary. The way the University's cost structure is going up, including a lot of the funding mandates, including increases in benefits, these are making our product much more expensive. So unless we are able to generate the money, either from tuition, through enrollment or raising tuition in a predictable manner, and/or from the state and/or from other resources, I think we are going to be here in two and three years, talking about cutting really necessary programs. With all of the comments, hopefully the conversation to be about how we are going to plan ahead for the next fifteen or twenty-five years, because we have a lot of headwinds, not just in this state but across the United States. Berkeley is facing similar problems, so is Illinois, so is Louisiana. Everyone is facing similar problems, at it's not in their case because the price of oil is going down. It is because the cost for everything else within the state, meaning the budget for higher education is being reduced because everything else is going up and therefore institutions of higher education are being asked to carry more. And now we have to carry the financial burden of branding which we did not have to do before.

Student Regent Berryman commented it seems that Main Campus' approach has been to spend either department reserves or the central reserve, increase tuition to offset cuts. Provost commented more than \$2 to \$3 million in positions has been cut in the last year or so. Regent Berryman continued that at HSC, tuition for the School of Medicine was reduced by 1%, but that had a minimal impact. What is the status of the reserves at HSC and why that approach wasn't used? Dr. Roth said that Ava Lovell could give a more detailed presentation of where the balances do reside. There are large balances in the hospital. Those funds are restricted for the purposes of hospital use, so those funds cannot be pulled out for academic programs. That leaves the balances that reside in each of the colleges and in the academic units. Regent Berryman inquired the status of the HSC central reserve. Ms. Lovell confirmed the HSC has the same mandate to maintain the reserve balances are at 3% of I&G (Instruction and General), and currently the HSC is barely making that on the I&G. The other reserves on the academic side are largely committed, due to chair packages, recruiting packages, and three-year plans. So this money is set aside. In the College of Nursing, reserve balances may be designated for scholarships only, so those funds cannot be spent on anything else. Regent Berryman inquired the balance of available reserves. There was discussion about being very close to the 3% mandate. There was discussion about reserve balances.

Regent Brad Hosmer commented the discussion has been enlightening about the budget impact as a whole. It would have been useful to have had this degree of understanding of the impact before the budget and tuition increase discussions took place. This needs to be kept in mind for next year's budget and tuition increase discussions, the need to look at penalties and costs of decisions made. This forces us to look at what little flexibility we have for income.

President Frank responded and commented that each year since he has been president there have been cuts, with only one year of raises. Every year, there has been discussion about changes in higher education. In Dr. Roth's area, in the HSC, there are cataclysmic changes. We have to do business differently. President Frank agreed with Provost, that funding will probably not get better. The model is such that the State keeps taking more of its share away from the University and the University has to go to the students. We are at a point where students cannot give much more. We have to do business differently. The silo model doesn't work anymore. To address that, there has been a major change on the focus for the budget process. The focus now is on the generation of the student credit-hour and it's driven by that. Where students enroll is where the tuition dollars are going to go. It's an entirely different model. Right now, there is a challenge in the integration of HSC and Main Campus. This year, nursing joined academic partnerships in an innovative model. They are going through an innovative and dramatic change that is going to grow the program. Until recently, there hasn't been space to educate some of the HSC students, and that space issue is being addressed. Regent Quillen made an important point that we need to pay attention to where the opportunities are. This has been an excellent conversation and we need to have more of it.

#### Scope of Analysis of Duplication of Efforts (information item)

Andrew Cullen, AVP for Planning, Budget, and Analysis, and Dorothy Anderson, VP Human Resources, made the presentation. Mr. Cullen discussed what Administration has been doing to manage more effectively the University's largest expense category, labor. This effort in large part due to the enrollment decline that the University experienced in Fall and Spring, as well as the State budget reduction. At the direction of President Frank, the Hiring Review Process (HRP) Committee was formed, members include VP Anderson, AVP Cullen, and Amy Wohler (President Frank's Chief of Staff), along with members from the Budget Office, Provost Office, and various offices across campus. They have been working together to review and scrutinize every position that is hired on Main Campus. Through those efforts in the Fall, approximately 44 positions were eliminated equating to approximately \$1.7 million in savings. Those dollars helped meet the reduced expenditure and revenue level to move into FY17. The cleanup process resulted in another 213 positions being eliminated. When a department would like to hire for a position at UNM they do so through the Banner HR Module. What was learned is there was a real disconnect between the data that was in that module and the actual data occurring in budgets across campus. The HRP with scrutinized each and every position coming forward for hiring. The data in the two Banner modules was cleaned up so that they are now in sync.

Prior to a posting going out, which really initiates the hiring process, an HRP form is presented to the committee. Along with that, there are rules in place that do not allow for positions to be budgeted/hired above mid-point. Factors like business need, project grade, level, and salary are looked at and whether or not there are opportunities to consolidate duties with other positions within that department, school or college, and also shared service opportunities. They feel this is a very effective process to administer and is essentially position control. Mr. Cullen believes that if they keep the process in place, scrutinize every position that comes up for hiring, and keep the data clean between the HR Banner module and Banner Finance, they could identify more opportunities for savings and result in good hiring decisions. Those savings could then be reinvested in those departments, or within the larger initiatives as directed by the Regents. HSC will be folded into the HRP in the upcoming weeks.

Ms. Anderson discussed the progress of the consolidation efforts currently underway for administration functions between UNM and HSC. They began with a list of key administrative functions, approximately nineteen. When they drilled down deeper, ten of those were already well consolidated and managed by UNM Main Campus. A University-wide review of the IT department is underway, looking at Main Campus IT and also departments that IT services. The review stemmed from the KSA Study completed last year. They brought forward recommendations and TIG was the consultant selected to work on implementing those recommendations. Communications and Marketing is also under review for possible consolidation. Steve Sloate was selected and his review will be based on a stakeholder's perspective; what are the needs and how do we best meet the needs of the various constituent groups. A review on position level and organizational structure will be conducted. The Financial area is an area to look at due to the significant number of positions both at Main Campus and HSC and the possible duplication and fragmented opportunities. An external consultant will review those positions to ensure they are appropriate. There are also seven high-level strategic roles between HSC and Main Campus. Since a strategic title is very broad, it is often used as a catch all for an individual that does a tremendous variety of services for a lead position. Those positions will be reviewed to ensure they are performing consistent with the titles and salaries. HSC Legal Counsel has transitioned and Elsa Cole, University Counsel on Main Campus, will oversee both Main Campus and HSC Legal Services. Both Main Campus and HSC Compliance Offices are being reviewed by Amy Wohler to see if there are opportunities for consolidation to gain more efficiencies. The timeline is aggressive and meetings with AON, the selected consultant, have begun. AON is familiar with UNM and understands how UNM is set up with the HSC. They have done compensation and benefits work for the University, and can begin immediately. VP Anderson expects all of the efforts to be completed by the end of July 2016 for review in August 2016, with plans to implement by September 2016.

Regent Berryman inquired the ultimate goal, to label this administrative overview as a success, if it is to have everything managed by Main Campus. He believes they should respect the differences between the two. President Frank stated that is not the ultimate goal, and there are very unique functions across the University. It would be inappropriate to think that everything would be managed by the Main Campus as the HSC is very distinct. They want to look at functions and distinctions, and clarify those to understand what is distinct and what the missions are.

VP Anderson stated that Human Resources is currently operated by Main Campus, but she has a team that Ava Lovell with the HSC works very closely with that are totally focused on HSC. VP Anderson meets with them twice a year to show them they are supporting them and making sure their needs are being met.

Regent Quillen inquired about letters that were sent out to several employees and what the selection process was. VP Anderson responded the review included employees earning \$85K and above. Within that group there were 21 employees who are on typically annual contracts. If an employee receives an annual contract, they are given a title and salary that entitles that to them for the course of the year which would be July 1 through June 30. Since they were reviewed positions, they wanted to ensure that all titles and salaries were appropriate. They needed to have safe guards in place. The intent is if there is a decision made to change their title or salary, they would be provided a separate notice indicating that. Those individuals that are not on contract did not receive a notice because they are not under the same criteria.

Regent Lee inquired if they expect to see cost savings from these efforts. VP Anderson responded they expect to see better alignment and hope to see cost savings. Other functions may require additional review, but those presented were the focused areas.

President Frank commented that while they expect to see cost savings he does not believe they will be staggering. But the hope is to have UNM running as lean and as efficiently as possible.

#### Monthly Financial Report (information item)

Liz Metzger, University Controller, made the presentation and referred to the April 30, 2016 Monthly Consolidated Financial Report included in the agenda eBook. There are two months left in the fiscal year. As of the end of April, the consolidated institution is at a positive balance of \$30.8 million. The graph broke out each separate campus balance that makes up the \$30.8 million; Main Campus was \$10.2 million, Branch Campuses was \$1.3 million, and HSC was \$19.2 million. Of the \$19.2 million, approximately \$13 million was for Clinical Operations. The difference between the revenues and expenditures is a positive \$15.7 million within the I&G exhibit. The last portions of state appropriations will come in May and June. Summer tuition revenue is not reflected. Summer tuition is anticipated to be between \$2.5-3 million, and it will put the University closer to their revised budget amount for pooled tuition. This report reflects the revised budget numbers which were approved by the Regents at the last meeting; including cuts and adjustments to revenues. The Auxiliaries are being tracked and a plan is being developed for those that may have unbudgeted deficits. A report will be presented at the next meeting.

#### PUBLIC COMMENT (no comments)



COMMENTS FROM REGENTS' ADVISORS

Michelle Coons, Chair, UNM Foundation Board of Trustees, provided the Foundation's quarterly report for end of March 2016. The report was included in the agenda eBook. The Presidential Scholarship Dinner was held in April and there were over 475 guests representing over 117 majors. It was the 40th anniversary and they exceeded their goal to have 40 new scholarships. There is a total of 481 Presidential Scholars receiving scholarship money. Over the 40 years, they have 4,410 Presidential Scholarship Alums. The New Horizons Luncheon was held with over 175 guests. Tom Popejoy Society is for individuals who have given over \$50K in a period of time, with 250 guests. Calls were made by students to the new UNM donors. President Frank has established an Advancement Council to further enhance the collaboration and programming between organizations across campus. Last year 420 emails went out to more than 3 million individual email addresses. There are over \$106 million in pending bequests; donors have included UNM in their will. They believe they will meet their \$80 million goal. The campaign is at \$827 million in gifts in support of scholarships, patient care, and research. Almost \$688 million has been in cash donations. The goal has been set to strive for \$1 billion in private support by the end of 2020. There are four new Foundation trustees; Gary Dushane, Judge Bill Lang, Greg Foltz, and Dr. Cheryl Fulsome.

Daniel Perea, President, UNM Parent Association, provided an update on the associations recent activities. The marketing of the University Parent Association 2015 Holiday Ornament was successful, and raised \$3,900 in ornament sales. The 2016-2017 student scholarship application opened with a deadline of July 1, 2016. To continue fundraising efforts for the scholarship fund, the annual golf tournament will be held on September 30, 2016 at the UNM Championship Golf Course. The Parent Association participates in New Student Orientations and hosts a reception each Tuesday evening to welcome new parents. One recent initiative is the High School Outreach Program, the goal is to be an advocate and help promote the University's values and help increase enrollment. The Parent Association intends to target feeder high schools in the surrounding metro area and meet with PTAs and other social high school parent associations. Efforts will be focused on recruiting students by means of building relationships with parents of high school students, as well as help them understand UNM's economic value and the resources available to help their students succeed.

Kyle Biederwolf, President, ASUNM, ASUNM, provided his first report to the Board. There were 46 applications for ASUNM 12 positions, so a lot of hires have taken place. ASUNM is working on several initiatives during the summer. Mr. Biederwolf will Chair the Student Fee Review Board working alongside GPSA President Glenda Lewis. They will have preliminary recommendations by November 4th and are working with Departments to ascertain their needs and wants. They are forming a Student Regent Selection Committee from the Undergraduate level. They plan to work directly with the student governments at NM Tech and NMSU as well as with the UNM Government Relations Office to discuss solvency for the Lottery Scholarship.

Glenda Lewis, President, GPSA, provided her first report to the Board. GPSA is in the middle of filling three executive committees. They have hired a Chief of Staff, Deputy Chief of Staff, and Office Manager. The Graduate Summer Scholarship ended June 16th. They are currently in the middle of compiling a new Graduate Student Orientation Packet that will be going out. Ms. Lewis introduced the GPSA Chief of Staff, Marc Narvaez. Mr. Narvaez introduced himself to the Board and added that he received his undergraduate degree from Stanford University and is working towards a Master's Degree in the College of Education.

Renée Delgado-Riley, President-Elect, Staff Council, provided a report on behalf of President Danelle Callan. Staff Council held its annual luncheon on June 2nd with 1,700 staff in attendance. The Lobo Burrito event will take place in July. Administrators will be serving breakfast burritos. Staff Council will begin a new leadership and mentoring program, they are incorporating it into their strategic plan. In May, Staff Council approved the creation of the Karen Redskin Legacy Scholarship named after a former Staff Council President battling cancer. The council is working with the UNM Foundation on a sustainable funding model for the scholarship. On May 11, Staff Council passed two resolutions; one on the UNM Seal and one regarding shared government. The hope is that Staff Council will continue to be engaged in conversations regarding issues facing the University. Staff and Staff Council are appreciative of the \$550 one-time payout approved by the Regents.

Stefan Posse, President, Faculty Senate, provided his final report to the Board. Faculty Senate had a number of requests for engagement and it was appreciated. There was wide-ranging feedback from Faculty regarding the live-in requirement, with diverse opinions that were overall positive. Faculty sees the value in it as it could enhance graduation rates. There were concerns about the major financial impact that could be posed on some students. Their recommendation is to present a Residential Scholarship to help offset costs to students with financial needs. Faculty Senate would like Administrative efficiencies to be further explored. Reducing administrative lines could put significant administrative burden on Faculty and the University.

**VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION**

The vote to close the meeting and proceed in Executive Session passed unanimously (1<sup>st</sup> Lee; 2<sup>nd</sup> Fortner). The meeting closed at 11:18 AM.

1. Discussion and determination where appropriate of threatened or pending litigation pursuant to Section 10-15-1.H(7), NMSA (1978)
2. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property pursuant to Section 10-15-1.H(8), NMSA (1978)
3. Discussion of strategic or long-range plans of public hospitals, pursuant to Section 10-15-1.H(9), NMSA (1978)

**VOTE TO RE-OPEN THE MEETING**

The vote to re-open the meeting passed unanimously (1<sup>st</sup> Fortner; 2<sup>nd</sup> Doughty). The meeting re-opened at 12:35 PM.

Regent Doughty certified that only those matters described in the closed session agenda were discussed in closed session and there was no item upon which the Board of Regents needed to take action.

**ADJOURN**

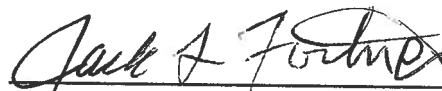
The motion to adjourn the meeting passed unanimously (1<sup>st</sup> Fortner; 2<sup>nd</sup> Lee). The meeting adjourned at 12:36 PM.

Approved:

Attest:



Robert M. Doughty III, President



Jack L. Fortner, Secretary/Treasurer

The University of New Mexico  
Board of Regents' Meeting  
September 10, 2013  
Student Union Building, Ballroom C  
Meeting Minutes

Members present: President Jack L. Fortner, J.E. Gene Gallegos, Bradley C. Hosmer, Conrad D. James, James H. Koch, Suzanne Quillen, Heidi Overton (Quorum).

Administration present: President Robert Frank, Provost Chaouki Abdallah, Executive Vice President for Administration David Harris, Chancellor Paul Roth (HSC), Vice President Josephine de Leon (Equity and Inclusion), Interim Controller Elizabeth Metzger, Sr. Executive Officer Ava Lovell (Finance and Administration), Vice President Eliseo Torres (Student Affairs), Interim Vice President Jewel Washington (Human Resources), Vice President Michael Dougher (Research) University Counsel Elsa Cole, Vice President Paul Krebs (Athletics) Associate Vice President Andrew Cullen (Planning, Budget & Analysis) Associate Vice President Terry Babbitt (Enrollment Management), Associate Provost Greg Heileman, Interim Dir. Real Estate Tom Neale.

Regents' Advisors present: President Richard Holder (Faculty Senate), President Gene Henley (Staff Council), President Randy Royster (Alumni Association), President Isaac Romero (ASUNM), President Priscila Poliana (GPSA), President Don Duszynski (Retiree Association), President Carl Alongi (UNM Foundation).

Regent Fortner called the meeting to order at 9:11 a.m.

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

**Motion to adopt the Agenda as amended passed unanimously (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Koch).**

Regent Gallegos requested that Finance and Facilities, Information Item 9, Tab 17, Status Update Human Resources be taken off the agenda. The Audit Committee on September 19 will hear a complete presentation on the subject.

**II. Approval of the Minutes from the August 13, 2013 Regular Meeting, Regent President Fortner**

**Motion to approve the minutes of the August 13, 2013 meeting passed unanimously (1<sup>st</sup> Gallegos, 2<sup>nd</sup> Overton).**

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

President Frank provided an update on the Innovate ABQ project. He stated that New Mexico has great science and a thriving creative community with talented entrepreneurs. There is an "entrepreneurial personality" in New Mexico and a small, growing ecosystem of start-ups, but no concentrated research district in Albuquerque. There is a scattering of smaller research districts across the city and because there is not a true concentration, it hinders New Mexico in building a real focus on it. A research district creates a mutually supportive relationship between a scientific institution and a concentration of technology businesses. Collision is a key word because in research districts people run into each other at various places, which sparks collaboration. These types of opportunities are less likely to happen if they are outside a mile radius, so research districts have to be dense. The most successful districts are first centers of innovative science. Innovation is not only a product of the lab, but is driven by people and the ability of people to share and develop ideas together. A research district will bring the pieces together. Research districts are driven by a university, but expand to be owned by the community.

One distinct research district can be found at the University of Florida, Innovation Square. Another research district can be found at the University of Arizona, Sky Song. President Frank and other UNM administration have visited these research districts, which are both remarkable. Innovation Square at the University of Florida is a live, work, play community. Sky Song at the

University of Arizona is an incubator type model and had a large investment from the community of \$80 million.

Innovate ABQ will be a highly connected community where people live, work and play. It will leverage the research power of UNM and the workforce development engine of CNM. It will engage the City of Albuquerque, County of Bernalillo and the State of New Mexico. It will focus on connecting with Albuquerque's Entrepreneurial and Established Business Community. The goal is to create new companies, grow existing ones and attract more out-of-state business and individuals who will expand our ecosystem and bring knowledge companies to NM and engage the entire state.

The living aspect of Innovate ABQ will encompass entrepreneur dorms for students, apartments for young professionals and management talent, and consist of shared spaces and communal green space. The play aspect of Innovate ABQ will encompass communal green space, cafes, restaurants, exercise facilities, grocery, dry cleaners, drugstores, entertainment venues and various retail.

Innovate Downtown @ Central and Broadway is a 7-acre site along historic Route 66, which UNM has an interest in purchasing from the First Baptist Foundation. The existing buildings could be reused in near and long term phasing of the project. It will leverage existing neighborhood amenities. It is in close proximity to a large supply of small parcels and buildings that can be adapted incrementally to support Innovate ABQ. It is adjacent to the Rail Station and Rail Yards. It is in proximity to WESST, Tricore and Verge Incubator. It is near the Metropolitan Redevelopment Area, with possible tax incentives and TIDD. The zoning is SU-3 Special Center Zone. President Frank presented current site images and discussed the site context, drawings/renderings and various UNM start-up locations around Albuquerque. It is very close to UNM campus, approximately a 90-second drive.

In response to Regent Inquiry, President Frank stated that a number of opportunities have come available for UNM to solely purchase the Innovate ABQ property.

Lisa Kuuttilla has been leading the effort on Innovate ABQ. STC.UNM has been successful in developing startups based on UNM technologies over the past 7-10 years. Those startups have been located in NM and have been fortuitous compared with peer institutions. Ms. Kuuttilla presented a map of where startups are located around Albuquerque. There is some capability of incubating startups at STC Park but as they grow, they look for inexpensive space around town and locate in multiple sites. There are some small concentrations at the BioScience Center, Research Park and WESST incubator, but they are both at capacity. Therefore, there is a great need for additional space to incubate companies and for companies to begin to grow in those early stages. There is an opportunity to purchase a building at Mesa del Sol called the Aperture building; it would be an ideal short-term way for us to get the Innovate ABQ project off the ground. It is a beautiful building, 78,027 sq ft, south of the Albuquerque Sunport. It would complement some existing University activities already on going there, the smart grid project, a partnership with NEDO the Japanese government. In addition, the IFDM program, this has students in and out of that building on a regular basis. We would envision the building utilized for incubation space; STC would locate there and help fill the building up with tenants as we are developing the site Innovate ABQ downtown. You would notice the brand for this would be Innovate ABQ @ Mesa. We also have a concept that we've talked to a number of research partners about a NM Technology Transfer Center, and that would include potentially Tech Transfer offices or portions from Sandia National Laboratories, AFRL, Lovelace Respiratory Research Institute, UNM, and the other labs and universities. Images of the Innovate ABQ @ Mesa were displayed. In response to Regent inquiry, the item will be going to Lobo Development for approval the month of September 2013.

One of the goals is to create Innovate hubs across New Mexico, such as an Innovate Farmington, Innovate Hobbs, so that if we can create little spin-offs that drive the economies around the state,

there is substantial opportunity around NM State. Involving Sandia Labs, Air Force Research Lab, and Los Alamos Labs, and Lockheed is also in the works. UNM HSC can help reach around the state through the Hero Program and other programs we operate. There are ways we can use our statewide reach to do this Innovate reach around the state and we are interested and willing to explore how we drive innovation throughout the state and make this a great opportunity. Connected by a statewide network sharing affiliated programming and resources.

The Mayor is committed in a Bond voted on in the next city election for funds dedicated to the project. He has been a great partner with us thus far and we are in a very positive conversation with the County Commissioners, we know that two county commissioners have indicated strong support and the third is not negative. We have a number of businesses interested in collaborating with Innovate ABQ and who have indicated very strong philanthropic interest in working with us so we are very close to solidifying all those interests. We have a \$1.5 million federal grant that has been committed to us. We have a number of things that are very strong all of these are coming together in ways we need to make commitments to in the next matter of days or weeks. Therefore, we will be talking in closed session on the steps we need to move forward on these. President Frank stated that there are a number of moving parts to the Innovate ABQ project and he felt it was important to provide an update to the Board.

**Comments from Regents (none)**

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

**ACTION ITEM:**

**IV. UNM Foundation, Revisions to Consolidated Investment Fund Investment Policy**

**Proposal #1— Motion to approve the wording of the proposed policy with the words, ‘toward a goal of 5%’ added to the end: “The Investment Consultant shall identify at the close of each quarter any actively managed accounts which are in excess of 5% of total assets. The Investment Committee shall consider whether the concentration in these accounts warrants rebalancing toward a goal of 5%,” passed unanimously, (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Koch)**

**Proposal #2—Motion to approve proposed policy: “Assets shall be invested within the following maximum and minimum ranges for each asset class:**

<b>Asset Class</b>	<b>Percent of Total Assets</b>	
	<b>Minimum</b>	<b>Maximum</b>
<b>Domestic Equity(1)</b>	<b>10%</b>	<b>50%</b>
<b>International Equity(1)</b>	<b>10%</b>	<b>40%</b>
<b>Fixed Income/Cash</b>	<b>10%</b>	<b>50%</b>
<b>Illiquid Real Assets</b>	<b>5%</b>	<b>15%</b>
<b>Private Equity</b>	<b>0%</b>	<b>15%</b>
<b>Marketable Alternatives</b>	<b>5%</b>	<b>20%</b>

**(1)The combined maximum allocation to domestic and international equities shall not exceed 70% at any point in time.” Passed with 6 to 1 vote, in favor, Regent Gallegos with dissenting vote. (1<sup>st</sup> Koch, 2<sup>nd</sup> James).**

Michelle Coons, Vice Chair UNMF Board of Trustees, Carl Alongi, and Rodney Harder, were there to give the presentation, along with investment consultants from Hewitt Ennisknupp, Inc.. Regents’ approval was requested for revisions to the UNM Foundation (UNMF) Consolidated Investment Fund Investment Policy. The first recommendation for revision is that the Investment Consultant shall identify at the close of each quarter any actively managed accounts that are in excess of 5% of total assets. The Investment Committee shall consider whether the concentration in these accounts warrants rebalancing. The rationale for this revision was the result of an internal audit issue. We recently were cited that in our current policy we are not allowed to have any actively managed accounts to be limited to more than 5% of our total assets. As I think many of you are aware with

the extreme volatility in the market, they cited the situation where our investments had at one point reached 5.2% in 1 investment and 5.6% in another. We have discussed at length with our investment committee and our proposed policy change in this is that at the end of any quarter in any situation where we have an actively managed account that exceeds the 5% of total assets that the committee shall consider whether it is prudent to actually change that amount so we think that this recommendation allows us that we will not have in very volatile times for the market to have an audit violation and that our group will discuss at length at the end of each quarter.

Regent Gallegos asked when an acceptable level of concentration is. His feeling from the investment committee is that if we set a very hard limit it is requiring staff to instantly respond and not allow our professional advisors to give their comments in reference to it. As being the banker on the committee (Coons) I am the conservative person and point out that 5% is a reasonable amount and I think we will have extensive conversations any time we reach that 5%. I see that very rarely we will exceed that 5% but if there is a very extreme movement in the market and we believe that we should be slightly over weighted with that one investment that may prevail, but she wants to bring back the fiduciary responsibility of the investment committee with a wide variety backgrounds so we were not proposing a hard limit I think that they will continue to stay very close to the 5% mark.

Regent Koch requested Doug Brown, Dean of the Anderson School of Management, to give his thoughts on the item. Dean Brown stated that on this particular matter, this is all about rebalancing policy. When do you come back to the accepted norms? Do you come back exactly to 5.0%, or do you go something short of it? I think a little flexibility is in order because why are you exceeding it? Generally because you are doing well, and so I think it is really important that you not seal off your winners unduly but you leave it to the judgment and maybe add some parameters that you should in no case exceed it by more than 1 full % without coming back for a reallocation or discussion. That would be my review.

Regent Gallegos stated that the way the proposed policy is written, it no longer has a concentration limit. It is perfectly acceptable to have some flexibility, but wouldn't it be prudent for the proposed policy to say that 5% is still the target with flexibility, now the way that the proposed policy is written, there is no target, it could theoretically could be 8% or 10% so I would suggest from the standpoint of the language that you still have the target so you do not have over concentration.

Michelle Coons stated that that is acceptable to the group to call out a target.

The Investment Consultants to the UNM Foundation (UNMF), Satya Kumar and Steve Voss, Hewitt Enniskupp, Inc. work with the investment company on the oversight and administration of the investment program. On the issue of 5%, what we are talking about there is a dollar percentage allocation based on dollars when we think about investment programs our focus tends to be on risk so we think about an investment at the 5% level it tells us nothing about how much risk that investment contributes to the portfolio, so an investment is 2% of the total assets could actually contribute a very significant amount of risk to the portfolio, whereas an investment that is 10% or 15% of total assets could have a small level of risk, so with regard to that particular issue, the way we think about investments is to really focus on risk, we think the 5% guideline to bring it back to the investment company for discussion makes a lot of sense in that there will be deliberate discussion on how much risk is there contributing, why is it more than 5% etc. but we think the flexibility makes sense and focusing on the risk and the contribution of that investments risk to the overall portfolio should really be the primary focus.

Regent Gallegos stated that the point is how the drafting of the proposed policy is so worded that there no longer is a concentration target or policy; we are not disputing the idea of flexibility we understand that something may be performing so well that it goes over the 5%. And you don't want to dump it. All we are saying is just the way the proposed policy is written, you still want to have some idea that you're avoiding concentration as a basic investment strategy with flexibility. Do you argue with that?

Steve Voss stated that they like the wording currently and feel that flexibility is important. We do find that hard limits in manager concentration is a bit of a dated risk control mechanism as Kumar stated we do like instead to have conversations about the investment program, individual investment managers, strategies, look at it in a holistic view on a quarter by quarter basis so that your investment committee can make a good informed decision. However, the guidelines of yesteryears did have hard policy limits of 5% or 10% to specific managers or strategies, we do not really see that much anymore in best practice with foundations or other institutional investment programs so what we are advocating is to migrate toward best practice to give your investment committee from the foundation a little more flexibility to implement the program based upon risk not nominal dollars allocated to a specific manager or specific strategy. And that is what the prescribed language would allow for.

Bob Goodman, President/CEO - Sandia Foundation agreed with what has been said about having the flexibility. Regent Gallegos I hear you saying you still want the 5% limit as a guideline with flexibility to look at it beyond that.

Regent Fortner asked that the 5% at one point was best practices and your saying now it is not? Is a specific percentage best practices or simply not to have a percentage.

Steve Voss stated it is more common in best practice not to have a hard and fast percentage to individual strategies or managers, the hard and fast percentages should be to asset allocation or broad asset classes such as US Equities, non-US Equities, fixed income or other such asset classes. Those are in place now and there are narrower ranges around those targets as well that you approve. That is a best practice and to allow your investment committee and investment managers that they select to buy stocks and bonds and other securities in the portfolio to add value to the investment program on a risk adjusted basis.

Paul Robell, of University of Florida, stated that the key thing is the asset allocation and how much goes to each manager should be left to Hewett the advisor you are paying a healthy fee too. Asset allocation should be the responsibility of the investment committee, which it is, and should be reviewed periodically, yearly. Asset allocation should be the direction of the committee.

President Frank stated that the key issue is, do the Regent's dictate the 5% by policy, or do we stay silent on that and what is the Regent's policy statement?

Regent Gallegos would like for rewording of the policy to include a target of 5%.

A presentation was given on the annual investment program update prepared by Hewitt Ennisknupp, the UNMF Investment Consultants. The UNMF Endowment Investment performance as of June 30, 2013, net of investment management fees, was discussed. In every instance, the performance has been in excess of the benchmark. The allocation of the portfolio was discussed, the actual portfolio allocation and 0% to illiquid. Every year NACUBO and the Common Fund prepare an annual survey on 831 different universities. The survey indicates the UNMF is in line with the peer groups. UNMF's portfolio has generated favorable returns over time on an absolute basis. Private equity incorporates many sub-strategies and entitles the investor to a share of company's profits and assets. It includes companies operating across all industries. Private equity is best suited for investors with long-term/perpetual time horizons. It is also best suited for investors with tolerance for illiquid investments, well-resourced capabilities, and sufficient asset size. No new commitments to private investments have been made by UNMF since 2010. Exposure continues to exist due to prior commitments made between 2005 and 2010. Based on existing commitments to illiquid investments, UNMF's private investment allocation would be eliminated over the course of 10 years. Only 12% of NACUBO institutions do not allocate to private institutions. Positive attributes of private investments are that higher return asset class attracts high-caliber talent, can improve a portfolio's risk-adjusted returns and can allow opportunities to generate significant value-add relative to public market. Negative attributes of private investments are reduced

transparency, higher manager fees, wide dispersion in talent, and illiquid long-term investments. Over the long term, illiquid investments, such as private equity, have delivered superior returns relative to other asset classes. The UNMF believes that private investments are an integral component of a well-structured institutional investment plan and encourages the Board to consider allowing new commitments in illiquid investments and enlarge the amount of private equity in the portfolio.

If the investment has reached the ceiling, sometimes it is best to not make a reaction, but carefully consider adjusting at that time. It may be beneficial to be slightly out of balance with the policy. For example, on August 14, 2012 the management consultant noted that we were in excess of 5% on two assets, one was 5.2% of total assets and one was 5.6%. The Foundation and the Investment Consultants did not feel that immediate corrective action was warranted for these types of situations. The Foundation feels that a little more flexibility in the investment policy will allow for better management of the account.

The second recommended item was that the Board approve that assets shall be in the following maximum and minimum ranges for each asset class:

<u>Asset Class</u>	<u>Percent of Total Assets</u>	
	<u>Minimum</u>	<u>Maximum</u>
Domestic Equity(1)	10%	50%
International Equity(1)	10%	40%
Fixed Income/Cash	10%	50%
Illiquid Real Assets	5%	15%
Private Equity	0%	15%
Marketable Alternatives	5%	20%

(1)The combined maximum allocation to domestic and international equities shall not exceed 70% at any point in time.

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

Finance and Facilities Committee, Regent James H. Koch, Chair

**Consent Items:**

**Motion to approve consent agenda items 1 & 2 passed unanimously (1<sup>st</sup> Koch, 2<sup>nd</sup> James).**

1. Monthly Consolidated Financial Reports

Liz Metzger reviewed the preliminary June 30 final fiscal year-end balances. The University's books have closed, which is a preliminary close as numbers are being finalized and reconciled. The summary page indicates that the net bottom line for current operations at the end of June is a use of reserves of approximately \$6 million. For the Instruction and General (I&G) category, total tuition and fee revenue actuals were 99% to the budget benchmark. The amount of \$23,594,797 for I&G reflects the amount of approved budget dollars, and \$8,271,387 of reserves (prior-year balances) was spent in FY13, which is in line for the budget presented for FY13. The one-time pay supplements came out of reserves, totaling around \$2-3 million. The use of reserves is primarily with Main Campus; HSC has I&G funds and budgeted zero use of reserves and came out at zero use of reserves. For the Research area, unrestricted research, the primary source of revenue is the F&A return used for start-up funds, new faculty hires, and cost sharing awards. The FY13 budget presented and approved is around \$13 million use of reserves. In the Unrestricted Research exhibit there was \$13 million budgeted use of reserves and the prior-year balances were not fully used so the exhibit came out ahead. Some is money committed over a course of three years for certain cost-shares, etc. For the Public Service exhibit, only main campus budgeted prior year balances; HSC budgeted a \$600,000 profit and came in right at that amount. Main Campus budgeted \$6 million use of reserves and came in ahead of that at \$1.4 million. We also came in over budget in gifts. For the Student Aid exhibit, typically they are



spending for scholarships from prior-year balances. The actuals came in over budget attributable to the gifts and transfers, and the timing of the funds coming in from the Foundation. The Student Activities exhibit projected using \$600,000 of prior year balances and did not; they came in close to break-even.

Liz Metzger discussed the Auxiliary exhibit, in which all have come out positive except Taos & Lawrence Ranch. The Golf Course ended the year with a \$5,000 surplus, which is a positive improvement over the past few years. Housing and Food services budgeted for prior year reserves to cover costs. Overall, expenses exceeded revenue by \$946,996. Possible reductions in awards from the federal government could occur this year and will be watched closely. Lobo Cash department will also be looked at closely this fiscal year. The Sponsored Programs exhibit always comes out at a break-even because we only spend what we are given and cannot over spend. Athletics is working on reducing the deficit and has developed a plan which was presented at F&F.

In response to Regent inquiry, the 3% HED requirement of reserves was met. We budgeted \$6 million in one-time funds for one-time pay supplement and ongoing operations. These are budgeted carry-forward balances, not necessarily reserves.

2. Disposition of Surplus Property for Main Campus on list dated 8/16/13

Bruce Cherrin gave the presentation. There are several projects on the disposition of surplus property list for August, none of which have net book value.

**Action Items:**

3. Approval of Capital Projects:
  - a. Castetter Hall Biology Phase 3
  - b. Science and Mathematics Learning Center Phase 3
  - c. UNM Gallup Campus Career Education Building HVAC Replacement
  - d. UNM Valencia Campus Sustainability and Infrastructure
  - e. UNM Los Alamos Science Classrooms Renovation

**Motion to approve the five Capital Projects passed unanimously (1<sup>st</sup> Fortner, 2<sup>nd</sup> James).**

Chris Vallejos and Rick Henrard gave the presentation. Regents' approval was requested for Capital Projects. Castetter Hall Biology Phase 3 will complete the remaining 11,000 square feet of shell space of the Phase 2 addition. It will finish-out four labs, seven offices, and other support areas. Also included is the demolition of the old Biology Annex. The funding is \$3,850,000, of which \$3 million is funded from 2012 General Obligation Bonds and \$850,000 is funded from 2013 Severance Tax Bonds. The project is currently in the design phase, which started in July 2013 and is expected to be completed in the end of November 2013. The construction start date is set for January 15, 2014.

The Science and Mathematics Learning Center Phase 2 proposed addition will contain 12,450 square feet of space on four floors. The facility will provide two state-of-the-art science laboratories for Organic Chemistry on the 1<sup>st</sup> and 2<sup>nd</sup> floors. The bid documents will include additive alternatives to include build-out of eleven offices for faculty and a teaching science laboratory for Earth and Planetary Sciences. The total estimated project budget is \$5 million, which is coming from 2013 Severance Tax Bonds. The project is currently in the design phase, which started in August 2013 and is expected to be completed in May 2014. The estimated construction start date is July 2014 and project completion estimated for May 2015.

UNM Gallup Campus Career Education Building HVAC Replacement will replace all existing heating, cooling and ventilation systems, which are beyond their service life. The equipment will be replaced with new high efficiency models. Total estimated project budget is \$1.2 million, and is funded from 2012 McKinley County General Obligation Bonds.

UNM Valencia Campus Sustainability and Infrastructure project will convert the Building Automation Systems in all of the buildings on the Valencia Campus from INET to Automated Logic Controls, which will allow for energy conservation. The project will also restructure the campus chilled water distribution and ice storage system to improve capacity, functionality, and redundancy. Total estimated project budget is \$700,000, and is funded from 2012 State General Obligation Bonds.

UNM Los Alamos Science Classrooms Renovation will provide 2,142 square feet of improvements to teaching wet labs and a chemical storage room, which are used for Geology, Physics, Biology, Nano, and Environmental Science. The estimated project budget is \$750,000, of which \$500,000 is funded from 2012 General Obligation Bonds and \$250,000 funded from local funds and donations.

#### 4. Approval of Funding Requests for Research and Public Service Projects, Submission to the Higher Education Department

#### **Motion to approve the Funding Requests for Research and Public Service Projects, Submission to the Higher Education Department passed unanimously (1<sup>st</sup> Fortner, 2<sup>nd</sup> Hosmer).**

Provost Chaouki Abdallah gave the presentation. Regents' approval requested for the Funding Requests for Research and Public Service Projects (RPSP), Submission to the Higher Education Department (HED). There are seven RPSPs that requesting new funding or an expansion of previous funding. Four are new proposals, three are an expansion of funding and three are for non-recurring funds.

The first request is for VentureSpace from the School of Engineering, which is a program that is space research and operations oriented. NM is well positioned to take a leadership role in the development, deployment, and operations of future space systems technologies. It fosters entrepreneurship and helps startup companies out of the VentureSpace initiative, while involving students in this process. The new FY15 request is for \$250,000.

The second request is for the Design Planning Assistance Community Collaborative (DPACC) from the School of Architecture + Planning. This project provides environmental research, planning, policy development, and design assistance to qualified non-profits, small municipalities, Native American tribes and neighborhoods that are committed to grassroots efforts to improve their physical, social, and economic fabric of their communities. Most of these smaller communities do not qualify for main stream funding from the Department of Economic Development, which makes this a special program. The new FY15 request is for \$947,000.

The third request is for Degree Plans, which is a project developed through the Provost's Office to help improve graduation rates. Regent Hosmer and the Academic and Student Affairs Research committee felt this was something UNM could receive funding for and roll out state-wide to help other higher education institutions with their graduation rates. This is a non-recurring request in the Special Appropriation section of House Bill 2. FY15 request is for \$300,000.

The fourth request is for the Utton Transboundary Resource Center/ Ombudsman from the School of Law. The funding request will allow the Utton Center to rely on its in-house attorneys to carry out the Ombudsman Program; the water rights research, writing, and publications for which the center has come to be relied upon; continuation of the repository of Native American water case settlement documents and other water-related cases; and its new work in the areas of drought and water-energy nexus. The Legislature has also created a sub-committee for drought issues in the state, and the Utton Center has been very supportive and helpful of that process. The FY15

expansion request is for \$320,590, bringing the Utton Center back to their original level of funding that was cut during the solvency years in the Legislature.

The fifth request is for the Planning School Turnaround in NM which is a program on Turnaround Teacher Management Training. The Anderson-COE-NMSLI collaboration will deliver comprehensive, rigorous training to New Mexico school principals in low-performing schools to turnaround and achieve higher results. The FY15 non-recurring request is for \$147,555.

The sixth request is for Family Development through the UNM Family Development Program. The program provides outreach for community based education in support of NM's standards for high quality early learning. The FY15 expansion request is for \$244,938 to restore previously cut funding.

The seventh request is for the Student Mentoring Programs/College Prep Mentoring with the Mentoring Institute in the Division of Student Affairs. The program aims to increase the retention of students in K-12 education by way of mentoring and tutoring. This program specifically targets first generation and low income New Mexicans, striving to prepare students for the transition to higher education. The FY15 expansion request is for \$335,618 in order to expand the outreach of the program.

#### **Information Items:**

##### 5. Monthly Capital Project Status Report

Chris Vallejos gave the presentation. Information was provided to the Regents' on the status of current capital projects. As of August 2013, there are 35 active projects with total funding of \$42,726,138.

##### 6. UNM Regents' Endowment Fund Portfolio 3<sup>rd</sup> and 4<sup>th</sup> Quarters

Leslie Boni made the presentation. Information was provided on the Regents' UNM Endowment Fund Portfolio managed by students at the Anderson School of Management. For the 3<sup>rd</sup> Quarter, the portfolio value on March 31 was \$2,099,220.27. For the 4<sup>th</sup> Quarter, the portfolio value on June 30 was \$2,079,114.99. The investment returns closely mirrored the S&P 500 index. Since its inception in 2006, the portfolio has had a 55.3% total return. The students have greatly enjoyed working on the Regents' Portfolio, which has been a success.

##### 7. FY13 Year-End Undesignated Reserve Report

Andrew Cullen made the presentation. Information was provided to the Regents' on the FY13 Year-End Undesignated Reserve Report. The year-end reserve for FY13 was \$9.780 million, which was an increase of \$1.048 million from FY12. The Higher Education Department recommends a minimum reserve of 3%, which UNM meets.

In response to Regent inquiry, projects on the list that had previously been denied funding during the budget process but were approved for funding with reserves, were recommended and approved by the President, Provost and EVP for Administration.

Regent Overton requested that

##### 8. Contract Information:

- a. UNM Athletics/ Baseball Field Lighting – DKD Electric LLC
- b. UNM Ticketing Services – Enta Software

Bruce Cherrin, Paul Krebs and Chris Vallejos gave the presentation. Information was provided on the Baseball Field Lighting project. There were six responses to the RFP and DKD Electric LLC was chosen. It also included a sponsorship of \$174,770. UNM Athletics has received \$297,840 in private donations for the project and will announce in the coming weeks, a donation of half a million dollars to go towards the Baseball program.

Information was provided to the Regents on the Enta Software, which has allowed UNM Ticketing Services to become self-sufficient and retain all service fees. The software is adaptable and can be utilized for almost any event. The NM State Fair has contracted out to UNM for ticketing services. UNM had previously worked with Ticket Master, which would keep 50-60% of the service fee.

9. ~~Status Update Human Resources~~
- a. ~~VEBA Advisory Board~~
  - b. ~~GASB Actuarial Data~~
  - c. ~~GAP Insurance RFP Status~~

\*Per Regent Gallegos' request, Information Item 9 removed from agenda, will be presented at the BOR Audit Committee Meeting on September 19, 2013.

10. Update 1650 University NE

EVP David Harris gave the presentation. An update was provided to the Regents on the status of the 1650 University NE project. EVP Harris stated that the project will be presented to the State Board of Finance for approval on September 17.

Health Sciences Board, Regent Suzanne Quillen, Chair

**Action Items:**

1. Resolution Recommending Approval of UNMH Contracts with Pacific Interpreters, Inc. and Press Ganey Associates, Inc.,

**Motion to approve the UNMH Contracts with Pacific Interpreters, Inc. and Press Ganey Associates, Inc. passed unanimously (1<sup>st</sup> Quillen, 2<sup>nd</sup> Gallegos).**

Regent Quillen gave the presentation. Requesting Regents' approval for the UNMH contracts with Pacific Interpreters, Inc. and Press Ganey Associates, Inc. Pacific Interpreters, Inc. is a comprehensive language service provider enlisted to eliminate the language barrier between Limited English Proficient (LEP) and Deaf individuals. Request is for a one-year agreement for telephonic and video interpreting with over 200 languages, total cost is up to \$550,000 per year. Press Ganey Associates, Inc. is a company that administers patient satisfaction surveys for hospitals. Request is for a three-year agreement and total cost ranges from \$500,000 to \$540,000 per year.

In response to Regent inquiry, there are no local NM firms that administer patient satisfaction surveys. There are only three companies nationwide and Press Ganey was selected because they are the top company for these types of surveys.

2. Approval of HSC Legislative Funding Requests FY2015

**Motion to approve the HSC Legislative Funding Requests FY2015 passed unanimously (1<sup>st</sup> Quillen, 2<sup>nd</sup> Overton).**

Chancellor Paul Roth gave the presentation. Regents' approval was requested for the FY2015 HSC Legislative Funding Requests. There are nine requests for funding, which total \$9,560,700.

The first request is for the Medical School for funding to address the salary inequities with current faculty physicians with I&G funding. The request will also help the School of Medicine get the entire medical faculty up to the 33<sup>rd</sup> percentile of AAMC salary schedule. The requested amount is \$3,944,700.

The second request is for Nurse Practitioner Education to increase Family Nurse Practitioner (FNP) and Certified Nurse Midwifery (CNM) admissions, graduate an additional 18 students per year, increase certification exam pass rate above 80%, and allow for 80% Advance Practice Nursing Students to have at least rural rotation. FNP, CNM and Pediatric Nurse Practitioners will help alleviate the primary care shortage in the state, as more New Mexicans will become insured in 2014. The requested amount is \$1,504,800.

The third request is for the BA/DDS Degree Planning Funds to start the Combined BA/DDS program, modeled on the BA/MD program, with some adjustments. This will be a recurring request and is designed to help address the critical dental shortage in New Mexico by providing educational opportunities to students who are most likely to stay in NM to practice dentistry. It will also encourage a greater diversity of students trained as dentists. The requested amount is \$400,000.

The fourth request is for the Project ECHO (Extension for Community Healthcare Outcomes) which improves access to specialty care for underserved patients in urban and rural areas of New Mexico. It enables the delivery of complex specialty care to patients with hepatitis C, diabetes, HIV/AIDS, chronic pain, women's health, dementia, and substance use disorders. The requested amount is \$1,100,000.

The fifth request is for the Center for Health Care Workforce Analysis. The Health Care Workforce Data Collection, Analysis and Policy Act was signed by the Governor in February 2012, and authorizes the transfer of health care professional licensure and survey data from the Department of Health to UNM HSC. It is housed in the UNM Office for Community Health and the data is housed at the Clinical Translation Science Center. State support is needed to provide meaningful recommendations to stakeholders and to build the healthcare workforce database. The requested amount is \$322,600.

The sixth request is for the Health Extension Rural Offices (HEROs) program. The program will build on the highly effective cooperative extension model, bringing the diffusion of innovation, the transmission of best practices and on-ground assistance to communities across the state, particularly those with low health outcomes. The request would fund 5 additional HEROs and 2.5 administrative support FTE HEROs throughout New Mexico. The requested amount is \$496,600.

The seventh request is for the Office of the Medical Investigator (OMI) Utilities. The OMI is the centralized, statewide examiner for NM and is charged with performing medicolegal death investigation on all reportable deaths in NM to determine cause and manner of death. The OMI moved from an 18,000 sq. ft. facility to a 60,000 sq. ft. facility to provide room for growth and enhanced safety. The facility requires significantly more power and water to operate and the utilities have doubled from the older facility, which will require more support from the state. The requested amount is \$302,000.

The eighth request is for the UNM Pain Center to provide pain and addiction continuing medical education to all New Mexico clinicians. New Mexico is ranked second in the United States for unintentional opiate overdoses, with doctors being the primary source of acquisition of the prescription medication and the UNM Pain Center's function is to educate regarding safe opiate prescribing and public health crisis of Chronic Pain and addiction. The requested amount is \$1,000,000.

The ninth request is for the Center for Childhood Maltreatment, which serves as the only referral source for New Mexico for suspected cases of child abuse, addressing the public health problem with limited resources. The request is to establish a collaborative child maltreatment program at the UNM Children's Hospital of experienced specialists to work with multidisciplinary agencies statewide. This will allow for education and outreach. Long-term goals will include a statewide online network to assist other healthcare providers and CYFD with medical evaluations. The request is \$440,000 for Phase I; to continue with a multi-year phase of \$1,344,600.

3. Approval of First Amended and Restated Bylaws of the UNM HSC Board of Directors

**Motion to approve the First Amended and Restated Bylaws of the UNM HSC Board of Directors passed unanimously (1<sup>st</sup> Quillen, 2<sup>nd</sup> Fortner).**

Regent Quillen gave the presentation. Requesting Regents' approval for the first amended and restated bylaws of the UNM HSC Board of Directors, which changes the composition of the HSC Board of Directors to five voting members. Three will be Regents' and two will be voting community members, selected by the Board and President of the Regents'. The sitting Chair of the UNM Hospital Board of Trustees shall serve as an ex officio, non-voting member of the Board.

4. Approval of Revised Regents Policy 3.5, "UNM Health Sciences Center Board of Directors"

**Motion to approve the Revised Regents Policy 3.5 "UNM Health Sciences Center Board of Directors" passed unanimously (1<sup>st</sup> Quillen, 2<sup>nd</sup> Koch).**

Regent Quillen gave the presentation. Regents' approval was requested for the revised Regents' policy 3.5, UNM HSC Board of Directors. The composition of the Board was amended to five voting members, three Regents, and two voting community members. The sitting Chair of the UNM Hospital Board of Trustees shall serve as an ex officio, non-voting member of the Board.

5. Approval of Nomination of Erich P. Marchand, MD to Carrie Tingley Hospital Advisory Board

**Motion to approve the Nomination of Erich P. Marchand, MD to Carrie Tingley Hospital Advisory Board passed unanimously (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Koch).**

Ella Watt gave the presentation. Regents' approval was requested for the nomination of Erich P. Marchand, MD to Carrie Tingley Hospital Advisory Board. On the Board, there are Physicians and parents of previous patients. Dr. Marchand is a practicing physician at UNM Hospitals in the Department of Neurosurgery and UNMH believes he would be a great addition to the Carrie Tingley Advisory Board.

**Information Items:**

6. UNM Contracts with Owens and Minor Distribution, Inc.

Regent Quillen gave the presentation. The contracts with Owens and Minor Distribution, Inc. were discussed. Request for purchase of Implant Purchasing Manager software system from Owens and Minor, which allows for streamlining the purchasing of the implants used for Orthopedic, Spine, Cardiac and other critical areas. It reduces the staffs manual research for the most cost-effective and efficient implant. It went through the RFP process and Owens and Minor was the only respondent for a total cost of \$330,000.

7. HSC Financial Update

Ava Lovell gave the presentation. Ava Lovell presented the year-end information for the Health Science Center (HSC). The metrics report was discussed. For five years, HSC has been using carry-forward balances, which was planned. For FY13, HSC used \$6 million of carry-forward balances; some were used for capital expenditures, cost-shares, and start-up packages. The budget approved for FY14 only has a budgeted use of \$800,000 carry-forward balances. The Medical Group used carry-forward balances in FY12 and broke even in FY13. UNMH received a settlement on upper payment limit and larger dividend from TriWest, which brought them up to a positive \$4.4 million; they were previously showing a loss of about \$3.4 million. The Sandoval Regional Medical Center (SRMC) has been open for 10 months and posted a first year loss of \$11.9 million. For Uncompensated Care, the Cancer Center saw a 15.3% increase and the Medical Group saw a 19.5% increase. Physician Providers are seeing a lot more uncompensated care this year than last year. For UNMH, there was a 2% increase. There is a focus of getting people to primary care rather than the hospital, so that is why we see higher amounts on the Cancer Center and Medical Group. Since the Affordable Care Act (ACA) has not yet started, many are still uninsured. Starting January 2014, when the ACA goes into effect, many of these people will be covered with the expansion of Medicaid. For Days Cash on Hand, days of expense and a discretionary reserve for year-end, the HSC has 5.93 days, the Medical Group has 51 days, UNMH has 50.56 days, and SRMC has 42.9 days. Accounts Receivable greater than 90 days are 3% for HSC, 14% for Medical Group, 26% for UNMH, and 51% for SRMC. Overall, the HSC is healthy but SRMC will continue to be the focus.

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

1. Update from the Provost

Provost Abdallah provided an update to the Regents' on current events and initiatives with Academic Affairs. The Provost reported that the College of Education (COE) has received a planning grant from the Kellogg Foundation to reimagine the COE, which is currently underway. Three teams were formed, an internal UNM team, a state team and a national, to aid in reviewing current UNM COE operations and other universities. The goal is to be more consistent with the needs of 21<sup>st</sup> century teachers and renew the commitment to graduate level education. The outcome of the initiative will be a plan that will be implemented next fall, to revamp curriculum and get a new dean that will engage internal and external groups. A major goal will be to improve the preparation of teachers at UNM through measures that can be instituted immediately.

Other academic initiatives include the new website, degrees.unm.edu, with degree information and transfer agreements with two-year colleges uploaded. A dashboard has also been developed, which describes performance in the academic affairs area. These initiatives are increasing transparency for Academic Affairs. Increasing Financial Aid has been a goal for the past two year and money has been added to scholarships. Also in the discussion is the migration towards 120 credit hour model, which has been reviewed by Faculty Senate and is moving forward. The Early Start Program began this summer on a volunteer basis, next summer it will be mandatory for students who receive an ACT score of 17 or below. Finally, Massive Open Online Courses (MOOCs) are still being explored, and one is currently being offered by a UNM professor.

**Action Item:**

2. Approval of Summer 2013 Degree Candidates

**Motion to approve the Summer 2013 Degree Candidates passed unanimously (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Koch).**

Summer 2013 Degree Candidates  
 Doctoral and MFA Degree

90

Master's Degree	418
Bachelor's Degree	264
Associate's Degree	58
Total	830

### Information Items:

#### 3. Enrollment and Student Cost Update

Terry Babbitt gave the presentation. Information was provided on the status of FY13 enrollment. There was slight decrease in enrollment for FY13, down 1.57% from FY12, which is a national trend. There was a slight increase in student credit hours by 0.72%, due to a shift in heavier credit hour loads for students. Graduate Student enrollment was down 1.61% including Anderson Graduate Programs, which had a decrease of enrollment by 4.46%, and Law School down 0.29%. Medical School had an increase of enrollment by 6.68%. UNM West was down enrollment by 11.17%, Gallup was down 4.67% and Valencia was down 3.65%. Los Alamos Branch had an increase enrollment of 7.61% and Taos had an increase of 8.91%. Freshman Cohort retention is a focus with the UNM 2020 goal of 77.5%, the Fall 2011 Cohort had a 76.6% return rate and the Fall 2012 Cohort had a 77.7% return rate. Mr. Babbitt stated that with the new tuition strategy, the 12 credit hour loads have a reduction and the 15-18 credit hour loads have substantial increases.

In response to Regent inquiry, there is a waiting list for law school despite admission for law school being down around the country. Because of the large amount of law school graduates, there is a focus around the country to provide Graduate Legal Education for graduate students in different fields. In addition, the BA/MD program has grown the enrollment for the Medical School this year.

President Frank congratulated the Provost, Dr. Babbitt, Dr. Heileman and the many people who have worked hard on increasing retention rates, which is a great accomplishment.

#### 4. Tuition and Fee Policy Task Force Update

Greg Heileman gave the presentation. Information was provided on the Tuition and Fees Policy Committee, which was developed by Provost Abdallah in July. The committee was established to review tuition and fees at the University in order to understand all of the policies that exist for tuition and fees, such as differential tuition, mandatory, course and other fees students must pay to attend UNM. A timeline was constructed on the various pieces the committee would study, to provide recommendations to the Provost and President related to tuition and fees and then to the Regents. Work that was done initially was on the policy around tuition and there is a proposal that the tuition and fee process should be established with consultation with campus constituents using a process that emphasizes the five elements of collaboration, inclusiveness, transparency, timeliness and accountability. Differential tuition was reviewed as well as mandatory fees and the process for setting them and how students might be involved in input.

The tuition and fees related to the academic mission involve three pieces, which are tuition, course fees and differential tuition. The policies associated with tuition and fees are spelled out in the Regents' policy manual as well as "Big Red" – Policy 8210. Another item discovered in "Big Red" was the way fees were allocated on a transaction-to-transaction basis through the office of Planning, Budget & Analysis was not a very efficient way of doing things which was changed immediately. The recommendation was to change that so they are allocated at the end of the semester based on the final enrollments. Course fees are intended to be paid for those students who benefit from taking that particular course. These fees and the use of those fees are reported to the Academic and Student Affairs Research Committee. The main component for course fees is that all students who pay them must benefit from paying them, in "Big Red" policy. There are two of them, the class fees that students pay if they attend Chemistry for example and need



certain chemicals in the lab. Those are particular class fees. There are also curriculum fees, fees applied to every course across the entire curriculum. These are paid by course. Differential tuition is different, it should be tied to the cost of delivering the program and paid by major. The idea is that students in less expensive programs should not be subsidize those in more expensive programs. Done now largely for College of Nursing and many graduate programs.

Differential Tuition and Curriculum Fees are the two issues because they are, in many cases, doing the same thing. This is one item that the committee will try to clarify is how these two items should be paid. Currently the Responsibility Oriented Management (ROM) program is allowing for the costs of each program to be fully realized.

5. Student Affairs Initiatives
  - a. ~~Civil Campus Council~~
  - b. Housing Report

Cheo Torres provided an update to the Regents' on Student Affairs. Veronica Mendez-Cruz was recognized for her 27 years of service to the University, she will be retiring as the Director of El Centro de la Raza. Mr. Torres also recognized UNM student Jaen Emmanuel Ugalde, who won the Hispanic Association of Colleges and Universities Quiz TV game show held in Chicago on August 24. The beginning of the fall semester was a success including the Upward Bound Program, summer courses for college readiness. Mr. Torres discussed the success for student scholarships raising over \$350,000, and receiving over \$7 million in STEM grants.

Chris Vallejos provided information on UNM Housing, which is currently at 93% occupancy. The target goal was 90%, for fall FY13, the goal has been surpassed. For UNM owned properties, Residence Halls are at 92% capacity and Student Family Housing is at 98% capacity. For ACC owned properties, Casas del Rio is at 98% and Lobo Village is at 89%. The total capacity for UNM and ACC properties is 4113 and the current fall housing contracts total 3839. Living Learning Program was discussed and the partnership has started to grow across the University. The program allows students to connect to campus.

Audit Committee, Regent Gene Gallegos, Chair

No report (Committee scheduled to meet September 19, 2013.)

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

UNM Alumni Association. President Randy Roister President Roister reviewed the mission of the UNM Alumni Association, which is to serve as a bridge between the Alumni and the University to ensure the continued success of the University and enrich the lives of the Alumni. The many traditions and new programs being developed were discussed, such as Lobo Living room. Homecoming is September 23 through 27, and the Alumni Association will host a number of events. The Zia Award recipients are Gig Brummell, Leslie Hoffman, Madeline King, Jay Rosenblum, Peter Sanchez and Frank Sedillo. The Lobo Award Recipient is Chris Schuler and a new award for Inspirational Young Alumni will be awarded to Abigail Eaves.

UNM Foundation. President Carl Alongi President Alongi provided an update on the Changing Worlds campaign with the UNM Foundation (UNMF), which is 85% complete. This past fiscal year the UNMF raised \$81,598,617 in private support. Of the \$81.5 million raised, \$13.5 million was added to the Consolidated Investment Fund, \$13.5 was transferred to the University for scholarships and programs, and \$37.5 was added as a result of investment performance.

UNM Retiree Association. President Don Duszynski President Duszynski provided an update on current activities with the Retiree Association. A retreat will be held at the Sevilleta National Wildlife Refuge on October 30. The Retiree Association is involved in the Save ERB- Cost of Living Allowance initiative; members are petitioning and participating. There is an active member of the Retiree Association on the ERB Stakeholder's Board. An update was provided on

retirement health care issues. Also provided was information on “Best Practices” of other universities and Retirees. The goal is to establish an Emeriti College staffed by retirees, allow for a phased retirement program, mentoring, preservation of intellectual property, a Retiree center and various opportunities for involvement across campus. Regent Hosmer stated that he would like to see some of these ideas turned into proposals in the near future.

Staff Council, President Gene Henley President Henley provided an update on current initiatives with the Staff Council. Staff has received the compensation at the end of August and is appreciative of the support from the Regents.

ASUNM, President Isaac Romero President Romero provided an update on current initiatives with ASUNM. The Lottery Scholarship summit was a success with great input. ASUNM is looking forward to the Homecoming events.

GPSA, President Priscila Poliana President Poliana gave an update on current initiatives and activities for GPSA. Ms. Poliana is pleased to have students sitting on the Tuition and Fee Policy Committee, and looks forward to reviewing tuition and fees this semester.

**VI. Public Comment (none)**

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

**Motion to close the meeting and proceed into Executive Session passed unanimously at 12:52 p.m. (1<sup>st</sup> Hosmer, 2<sup>nd</sup> Gallegos).**

**Executive Session 12:52 pm. – 1:33 pm., and 1:34 .m. – 2:09 pm.**

1. Discussion and determination where appropriate of limited personnel matters pursuant to Section 10-15-1.H (2), NMSA (1978).
2. Discussion and determination where appropriate of threatened or pending litigation pursuant to Section 10-15-1.H (7), NMSA (1978).
3. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property pursuant to Section 10-15-1.H (8), NMSA (1978)
4. Discussion and determination where appropriate of purchases of more than \$2,500 that can be made from only one source or competitive sealed proposals under the Procurement Code during the contract negotiation process pursuant to Section 10-15-1.H (6), NMSA (1978)

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

**Motion to return to open session to make a public motion, passed at 1:33 p.m. (1<sup>st</sup> Quillen, 2<sup>nd</sup> Gallegos).**

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

**Motion to certify that only those matters described in Agenda Item VII were discussed in Executive Session with one action to be taken and reported in Open Session with a quorum of members present, passed unanimously (1<sup>st</sup> Fortner, 2<sup>nd</sup> Koch).**

**Action: The Board of Regents direct President Frank to proceed with his implementation plan for Innovate ABQ, with the first step to apply for the federal grant, approved by a show of hands, 5-1, in favor, Regent Koch with the dissenting vote; Regent President Fortner was absent.**

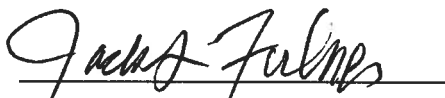
**Motion to return to closed session passed unanimously at 1:34 p.m. (1<sup>st</sup> Quillen, 2<sup>nd</sup> Gallegos).**

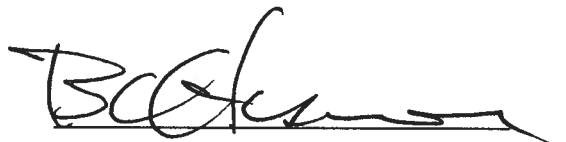
**Motion re-open the meeting and certify that only those matters described in Agenda Item VII were discussed in Executive Session with one action to be taken and reported in Open Session with a quorum of members present, passed unanimously at 2:09. (1<sup>st</sup> Fortner, 2<sup>nd</sup> Koch).**

**Action: The Board of Regents rescinds the termination notice of the lease for the Maui High Performance Computing Center and approves to enter into an Occupancy Agreement with the Army Corps of Engineers. The action passed unanimously; Regent President Fortner was absent (1<sup>st</sup> Gallegos, 2<sup>nd</sup> James).**

**IX. Adjournment**

**Motion to adjourn the meeting passed unanimously at 2:11 p.m. (1<sup>st</sup> Quillen, 2<sup>nd</sup> Gallegos)**

  
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Jack L. Fortner, President

  
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Bradley C. Hosmer, Secretary/Treasurer