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University of New Mexico Board of Regents Minutes for May 14, 2004

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**MINUTES OF THE MEETING OF
THE REGENTS OF THE UNIVERSITY OF NEW MEXICO**

May 14, 2004

The Regents of the University of New Mexico met on Friday, May 14, 2004, in the Student Union Building Ballroom. A copy of the public notice is on file in the Office of the President.

Regents present:

James H. Koch, President
Jack L. Fortner, Vice President
María Griego-Raby, Secretary/Treasurer
Sandra Begay-Campbell
Douglas Brown
Andrea L. Cook

Regents absent with previous notice:

John M. "Mel" Eaves

President and Vice Presidents present:

Louis Caldera, President
Brian Foster, Provost/Executive Vice President for Academic Affairs
David Harris, Executive Vice President for Administration
Phil Eaton, Vice President, Health Sciences Center
Eliseo Torres, Vice President for Student Affairs
Wynn Goering, Interim Vice President for Advancement

Regents' Advisors present:

Beverly Burris, President, Faculty Senate
Alan Morgan, President, Staff Council
Aaron Kugler, President, GPSA
Jennifer Onuska, President, ASUNM
Steve Bacchus, President, Alumni Association
Robert Goodman, Chair, UNM Foundation

Others in attendance:

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

Regent James Koch presided and called the meeting to order at 1:02 p.m.

ADOPTION OF AGENDA

Regent Fortner moved to adopt the agenda. Regent Cook seconded the motion. The motion carried unanimously.

APPROVAL OF SUMMARIZED MINUTES OF THE APRIL 13, 2004 MEETING OF THE BOARD OF REGENTS

Regent Griego-Raby moved for approval of the summarized minutes of the April 13, 2004 meeting of the Board of Regents. Regent Cook seconded. The motion carried by a vote of 6-0.

APPROVAL OF SUMMARIZED MINUTES OF THE MARCH 25, 2004 SPECIAL MEETING OF THE BOARD OF REGENTS

Regent Fortner moved for approval of the summarized minutes of the March 25, 2004 meeting of the Board of Regents. Regent Cook seconded. The motion carried by a vote of 6-0.

RECOGNITION OF UNM'S 2004 WOMEN'S BASKETBALL TEAM AND COACH DON FLANAGAN

Congratulations were extended to the University of New Mexico Women's Basketball Team, along with Head Coach Don Flanagan for winning the 2004 Mountain West Conference Women's Basketball Championship. The Regents presented Coach Flanagan with a plaque in recognition of his and the team's accomplishments.

PUBLIC INPUT

None

ADMINISTRATIVE REPORT

President Louis Caldera welcomed Executive Vice President for Administration, Mr. David Harris to his first Board of Regents meeting. The President announced that the 2004 Spring Commencement would be Saturday, May 15 at University Arena. Approximately 2800 degrees will be conferred. Three individuals will receive honorary doctorate degrees: Ms. Denise Chavez, Mr. Ed Lewis and the Honorable Stewart Udall. Ms. Chavez will present the Commencement speech. Governor Richardson will be the guest speaker at the School of Law Convocation. Several events have occurred in the last few weeks recognizing Faculty and staff of the University. These events included: presentation of the Annual Research Lecture by Professor Joan Bybee; the annual Published Professors dinner where faculty were recognized for publishing over 100 books and/or chapters; the Teacher of the Year awards recognizing Teaching Assistants, Lecturers and Faculty and the recognition of Professor Christopher Mead as the UNM Presidential Teaching Fellow for 2004-2006; and the Staff Service Awards celebrating the dedication and commitment of the employees of the University recognizing over 300 employees

on their 5, 10, 15, 20, 25 year service dates. Seven individuals were recognized for 35 years of service.

COMMENTS FROM REGENTS' ADVISORS

Beverly Burris, PhD, President, Faculty Senate

Dr. Beverly Burris, President, Faculty Senate, announced that Professor Christopher Smith from the School of Engineering has been elected President-Elect. Dr. Ed DeSantis will serve as President for the coming year. Three new members were elected to the Operations Committee: Barry Kues and Anita Obermeier from the College of Arts and Sciences and Tom White from the School of Medicine. The Faculty Senate had its second Review Week Forum on April 21 st . Dr. Burris plans to continue work on the Review Week proposal as Past-President of the Faculty Senate. The Operations Committee met with EVP David Harris on May 11, 2004.

Alan Morgan, President, Staff Council

Alan Morgan, President, Staff Council, announced that officer elections will be held on Tuesday, May 18. Mr. Morgan said farewell as a Regents Advisor, he also thanked the Regents for the learning experience.

Aaron Kugler, President, GPSA

Aaron Kugler, President, GPSA, announced that he would be graduating on Saturday. The GPSA held their annual Recognition Reception; the event recognizes all of the individuals who keep the organization running throughout the year. Mr. Kugler thanked Regent Brown and VP Torres for attending the event. He also thanked President Caldera and others in the Administration for the past year's work. He then introduced Mr. Buckner Creel who will serve as President of GPSA for the coming year.

Jennifer Onuska, President, ASUNM

Jennifer Onuska, President, ASUNM, discussed two recent events sponsored by ASUNM – the annual Fiestas on campus and Spring Storm. Over 900 volunteers participated in Spring Storm this year. Both events were highly successful. Ms. Onuska thanked several in the University's Administration for their help and guidance over the past two years serving as a Regents Advisor. She then announced that Mr. Kevin Stevenson will serve as ASUNM President and Regent Advisor for 2004-2005. Mr. Justin Crosby will serve as Vice-President.

Stephen Bacchus, President, UNM Alumni Association

Steve Bacchus, President, Alumni Association, announced that the Star Scholars Program held their final two dinners for 2004 in Albuquerque with over 700 students and parents attending. The Alumni Association will co-host with President and Mrs. Caldera a reception at University House following Commencement. The Board of Directors will meet June 4 with a dinner that evening to recognize and honor their volunteers. Mr. Coleman Travelstead will be the incoming President of the Association.

Robert Goodman, Chair, UNM Foundation

Robert Goodman, Chair, UNM Foundation, announced that eight new Board members had been elected during the April Board meeting. Mr. Bob Bovinette will become the Chairman of the Investment Committee. Mr. Goodman has been elected as Chair of the Foundation for another term.

COMMENTS FROM REGENTS

Regent Begay-Campbell acknowledged that Professor and Associate Provost Nancy Uscher will be moving on to a Provost's position in California. Regent Begay-Campbell voiced her concern about a loss of continuity in the Administration. She also congratulated Vice President Phil Eaton on his 35 years of service to the University. Regent Brown offered congratulations and welcome to Buckner Creel and Kevin Stevenson on their election to President of GPSA and ASUNM.

Commission on Higher Education Report

Professor Burris, Commission on Higher Education (CHE) District 2 Representative, reported that the CHE had not met since the last Regents' meeting. The CHE will vote on a proposed Strategic Plan at the June meeting which will be June 24 and 25 in Albuquerque.

LAMBDA RAIL

President Caldera presented information to the Regents concerning a contract that the University is preparing to enter in to with the National LambdaRail Association. The University received a state appropriation of one million dollars toward a five million dollar enrollment fee to become a part of the Association. This initiative will provide a high level of broadband connectivity to the internet. Becoming a member of the Association at this time will allow the University to have a seat on the Association Board.

ACADEMIC/STUDENT AFFAIRS REGENTS' COMMITTEE

Regent Cook, Chair, Academic/Student Affairs committee presented information and background on the committee's recommended action item as follows:

2004 Spring Session Candidates for Degrees

The candidates for degrees were approved unanimously by voice vote at the Faculty Senate on April 27, 2004 and by the Academic/Student Affairs Committee earlier in the day. Regent Fortner moved to approve the candidates and Regent Griego-Raby seconded. The motion carried by a vote of 6 – 0.

Approval to Award *Posthumous* Bachelor of Arts Degree in Sociology to Meryl Kie

Regent Fortner moved to approve the award of a Posthumous Bachelor of Arts Degree to Ms. Kie. Regent Begay-Campbell seconded. The motion carried by a vote of 6 - 0.

Update on Revisions to the Sabbatical Leave Policy

Regent Fortner moved to accept the changes to the Sabbatical Leave Policy as presented in the Agenda Program. Regent Griego-Raby seconded. The motion carried by a vote of 6 – 0.

New Degree Program Proposal – Master of Construction Management

This degree program will be within the School of Engineering and the Department of Civil Engineering. The proposed degree is a logical extension of the Bachelor of Science degree in Construction Management that is currently offered in the Department. Regent Begay-Campbell moved to approve the proposed degree. Regent Fortner seconded. The motion carried by a vote of 6 – 0.

Graduation Project Update

Regent Cook requested that Professor David Stuart make a short presentation on the Graduation Project. This program was founded in 1996 to help students who dropped out of the university when they had at least 98 credits toward a degree and a GPA of 2.0 or better to return to the university and finish their degree program. So far the program has located 3,495 eligible students, and 1,568 have returned to the University. At this time, 68% of the Project's "returned" students have graduated. Professor Stuart requested that the Regents approve a request from the Graduation Project to increase tuition support from a maximum of \$400 a semester for four semesters to \$500 a semester for four semesters, and to increase the number of graduate students that can be supported from 10 to 25 under a new spending ceiling of \$120,000 per year of Regents' endowment. Regent Begay-Campbell moved to approve this request. Regent Griego-Raby seconded. The motion carried by a vote of 6 – 0.

Information Item

Information was provided to the committee by Mr. Ron Martinez concerning the various scholarships available to New Mexico students.

FINANCE AND FACILITIES REGENTS' COMMITTEE

Regent Sandra Begay-Campbell, Vice-Chair, Finance & Facilities Committee, presented information and background on the committee's recommended action items as follows.

Surplus Property Disposition List Dates 4/22/04

Regent Begay-Campbell moved that the Board approve the Surplus Property Disposition list dated April 22, 2004. The items on the disposition list were certified by Bruce Cherrin, Director of Purchasing and University Services, as "worn-out, unusable or obsolete." Regent Brown seconded. The motion carried by a vote of 6 – 0.

Fiscal Watch Program Report as of March 31, 2004

Regent Brown moved to approve the Fiscal Watch Program report of March 31, 2004. Regent Cook seconded. The motion carried by a vote of 6 – 0.

Revision to Consolidated Investment Fund Endowment Investment Management Policy

The UNM Foundation requested approval of a revision to the Consolidated Investment Fund Endowment Investment Management Policy. This revision would be to Policy III, Investment Policy, Section A.: Asset Allocation and would include this additional wording to the policy: "With regard to venture capital investments, including private equity, the 5% maximum allocation pertains to invested capital not committed capital. Because of the way cash is normally drawn down for these types of investments, it is understood that it may be necessary to commit capital of up to 7.5% in order to achieve an allocation of 5% invested capital." Regent Brown moved to accept this revision to the policy. Regent Cook seconded. The motion carried by a vote of 6 – 0.

Approval of Basis Point Allocation to UNM Development Office

The UNM Foundation requested the ratification and continuation of 90bp of the market value of the Consolidated Investment Fund to be allocated to the University's Development Office. This rate has been in effect since FY01-02. Regent Begay-Campbell moved for approval. Regent Brown seconded. The motion carried by a vote of 6 – 0.

Budget Revision for 2003-04 Operating Budget

The University is required to submit a revised budget to the Commission on Higher Education and then to the Department of Finance and Administration if year-end projections show that actual revenue, transfer, or expenditure levels will exceed those initially budgeted. Budget revisions for FY 2003-04 fall into broad general categories including: 1) change in revenue projections; 2) use of fund balances for one-time expenditures; 3) increases in restricted grant and contract expenditures; 4) miscellaneous. Regent Fortner moved to approve the budget revisions as submitted. Regent Cook seconded. The motion carried by a vote of 6 – 0.

Resolution, Notification, and Certification of Year 2004 Severance Tax Bond Sales

Chapter 126, Laws 2004 appropriated severance tax bond proceeds to the University of New Mexico for 11 projects, totaling \$1,430,000. The Governor vetoed two of the projects in the amount of \$315,000, leaving the list as shown below. As required by the State Board of Finance (SBOF), preliminary certification questionnaires have already been completed for projects to be included in the bond issue. However, for universities the SBOF also requires a final certification from the Board of Regents.

Projects:

Cancer Lab – Imaging Equipment \$400,000
 Women's Softball Complex 280,000
 Student Services Equip./Furn./Fixtures 35,000
 Philosophy Department – Repair/Renovate 100,000
 Political Science Dept. – Repair/Renovate 100,000
 Law School – Information Technology 50,000
 Athletics – "Tow" Diehm Therapy Pool 50,000
 Athletics – "Tow" Diehm Equipment 50,000

Notes: Items (2) and (3) above are comprised of multiple, smaller appropriations.

Items (4) and (5) above will not be included in the bond sale at this time, because the departments cannot use the funds as appropriated.

Regent Fortner moved for approval of the Resolution, Notification, and Certification of Year 2004 Severance Tax Bond Sales. Regent Cook seconded. The motion carried by a vote of 6 – 0.

Capital Project Approval for Castetter Hall Renovations

This project will renovate 6,000 square feet of existing second floor space in Castetter Hall for COBRE (Center of Biomedical Research Excellence) Research Laboratories. The total project budget is \$792,000 funded with \$432,000 from COBRE grant funds, \$310,000 from Biology Department Indirect Cost Reimbursement and \$50,000 from FY 2004-05 UNM minor capital funds for Building Renewal and Replacement. Regent Griego-Raby moved for approval. Regent Begay-Campbell seconded. The motion carried by a vote of 6 – 0.

Contract for Approval: Audit Services for FY 2003-2004

The firm of KPMG has performed the Financial and Federal Single Audit at UNM for the past five years. First on a two-year contract, then on a three-year contract ending with fiscal year 2003. The State Audit Rule allows for six consecutive years with the same audit firm. The conversion from FRS to the Banner system requires that the auditor understand both systems. Since KPMG knows both the University's FRS system and has been involved in the Banner implementation they are in the best position to audit the University effectively and on time. Regent Brown moved to approve KPMG for audit services for FY 2003-2004. Regent Fortner seconded. The motion carried by a vote of 6-0.

Information Items

Information was provided on the Endowment Investment Program.

Mr. Curt Porter presented information on the most current Moody's debt rating. At this time Moody's Investors Service has affirmed the University of New Mexico's long-term Aa3 debt rating but changed the rating outlook to negative. This action affects \$267 million of outstanding debt. The negative outlook reflects the Hospital's significant expansion plans which carry an element of construction risk and the need to meet growth projections in a highly competitive market in order for it to be able to successfully absorb its added debt burden. The affirmation of the Aa3 rating reflects continued strengthening of the University's fundamental credit factors, including growing enrollment and research, consistent state support, favorable reserve levels, diversified revenue streams, and balanced operating performance. No action required.

HEALTH SCIENCES COMMITTEE

Regent Jack Fortner, Chair, Health Sciences committee, presented information and background on the committee's recommended action item as follows:

Approval of Appointments to UNM Health Sciences Center Medical Staff

Regent Fortner noted that this action item was approved by the Clinical Operations Board and then approved by the Health Sciences Committee. Regent Fortner moved to approve the appointments to the UNM Health Sciences Center Medical Staff. Regent Cook seconded the motion. Motion carried by 6-0.

EXECUTIVE SESSION

Regent Brown moved to go into Executive Session. Regent Cook seconded. The motion carried by a vote of 6 – 0. The executive session was limited to matters specified in the motion and previous meeting notice (threatened or pending litigation and UNMH strategic planning).

ADJOURNMENT

Regent Fortner moved to adjourn. Regent Griego-Raby seconded. Voice vote was taken and Board members unanimously approved.

ADJOURNMENT

APPROVED:

ATTEST:

President

Secretary/Treasurer