

**Board of Regents' Meeting**  
**February 14, 2012**  
**9:00 a.m.**  
**Student Union Building Ballroom C**

# **Tab 1**

AGENDA OF THE MEETING OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO

February 14, 2012

9:00 a.m. – 11:30 a.m. 1:00 p.m. – 3:00 p.m. Student Union Ballroom C

Regents Executive Session/Luncheon, 11:30 a.m. – 1:00 p.m. Cherry Silver Room

TAB

I. Confirmation of a Quorum: Adoption of the Agenda, <i>Regent President Jack L. Fortner</i> .....	1
II. Approval of Summarized Minutes of the January 10, 2012 meeting. ....	2
III. President's Administrative Report, <i>President David J. Schmidly</i> .....	3
IV. <u>Comments from Regents</u>	
V. <u>Public Comment, specific to agenda items</u>	
VI. <u>Comments from Regents' Advisors</u> .....	4
Timothy Ross, President, Faculty Senate	
Mary Clark, President, Staff Council	
Katie Richardson, President, GPSA	
Jaymie Roybal, President, ASUNM	
Waneta Tuttle, President, UNM Alumni Association	
Gary Gordon, Chair, UNM Foundation	
Maria Probasco, President, UNM Parent Association	
Dr. Scott Obenshain, UNM Retiree Association	
VII. Lobo Energy Corporation, Meeting of the Member, <i>Steven R. Beffort, Secretary Treasurer</i> .....	5
A. Approval of the Summarized Minutes of the January 11, 2011 Meeting.	
B. Approval of the FY 2010-11 audit.	
VIII. Approval of Honorary Degree Candidates (A)(B), <i>Regent Bradley Hosmer, Chair ASA</i> .....	6
IX. Approval of final Board of Regents' Policy 3.5 "UNM Health Sciences Board of Directors" .....	7
<i>Regent Gene Gallegos</i>	
X. <u>Regent Committee Reports</u>	

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

Action:

A. Approval of Posthumous Degree for Angelita Muskett, <i>Tim Ross, President, Faculty Senate</i> .....	8
B. Approval of Key Management Personnel Resolution: Facilities Security Clearance .....	9
<i>Carlos Romero, AVP Research</i>	

Information:

C. Honors College Proposal, <i>Chaouki Abdallah, Interim Provost</i> .....	10
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**Finance and Facilities Committee, Regent Don L. Chalmers, Chair**

Consent items:

A. Approval of Disposition of Surplus Property for Main Campus lists dated 12/16/2011 .....	11
& 1/20/2012, <i>Bruce Cherrin, Chief Procurement Officer</i>	
B. Approval of Architect Selection for Hokona Hall Commons Area Renovation .....	12
<i>Vahid Staples, Budget</i>	
C. Approval of Real Property Acquisition of 1709 Las Lomas NE .....	13
<i>Kim Murphy, Director Real Estate</i>	

- D. Approval of Allocation of City Fire Station Land Sale Proceeds to Lobo Development ..... 14  
Corporation, *Kim Murphy, Director, Real Estate*
- E. Approval of Fiscal Watch Report and Monthly Consolidated Financial Report (12/31/2011) ... 15  
*Ava Lovell, Controller, UNM/UNMH*

Action Items:

- F. Approval of UNM Series 2002A Bond Refunding, Andrew Cullen, AVP Budget..... 16
- G. Architect Selection for Student Residence Center Apartments Interior Renovations ..... 17  
*Vahid Staples, Budget*
- H. Approval of STC.UNM Annual Report to the Board of Regents UNM ..... 18  
*Lisa Kuutilla, President, CEO, STU.UNM*
- I. Approval of Casas del Rio Ground Rent Proposal (American Campus Communities)..... 19  
*Kim Murphy, Director, Real Estate*

Information Items:

- J. Provost's Five Year Forecast Budget Recommendation (*draft*) and PSAT Report Update ....20  
*Chaouki Abdallah, Interim Provost*
- K. Tuition and Fee Team Recommendations (*draft*) *Andrew Cullen, AVP Budget*.....21

**Health Sciences Board, Regent Don Chalmers, Vice Chair, Regent Bradley Hosmer**

Consent Items: ..... 22

- A. Approval: UNMH Contract with Tricare Laboratory Services
- B. Approval: UNMH Contract with Maxim Healthcare Services, Inc.d/b/a/ Maxim Staffing Solutions
- C. Approval: UNMH Contract with United Collection Bureau, Inc.
- D. Request for Approval of Architect Selection for Atrisco Heritage Academy School Based Health Center
- E. Approval of Nominations to UNM Medical Group, Inc. Board of Directors

**Audit Committee, Regent Gene Gallegos, Chair,** No Report

XI. Public Comment

XII. Vote to close the meeting and to proceed into Executive Session.

Executive Session will be held from 11:30 a.m. – 1:00 p.m. in the Cherry Silver Room

- A. Discussion and determination where appropriate of threatened or pending litigation Pursuant to Section 10-15-1.H (7) NMSA (1978).
- B. Discussion and determination where appropriate of limited personnel matters pursuant to Section 10-15-1.H (2), NMSA (1978)
- C. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property pursuant to Section 10-15-1 H (8) NMSA (1978).

XIII. Vote to re-open meeting.

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

XIV. Adjournment

# Tab 2

The University of New Mexico  
Board of Regents' Meeting  
January 10, 2012  
Student Union Building Ballroom C  
Meeting Minutes

Members present: President Jack L. Fortner, Vice President Don L. Chalmers, Secretary Treasurer Carolyn J. Abeita, J.E. "Gene" Gallegos, Bradley C. Hosmer, James H. Koch, Jacob P. Wellman (Quorum).

Administration present: President David J. Schmidly, Executive Vice President David Harris, Chancellor Paul Roth, Interim Provost Chauoki Abdallah, Vice President Julia Fulghum (R&D), Vice President Helen Gonzales (Human Resources), Vice President Paul Krebs (Athletics), Vice President Ava Lovell (Controller), CEO Stephen McKernan (UNM Hospitals), Vice President Eliseo Torres (Student Affairs), Interim University Counsel, Lee Peifer.

Regents' Advisors present: President Tim Ross (Faculty Senate), President Mary Clark (Staff Council), President Katie Richardson (GPSA), Vice President Adrian Cortinas (ASUNM), President Waneta Tuttle (Alumni Association), Chair Gary Gordon (UNM Foundation), President Maria Probasco (UNM Parent Association), President Scott Obenshain (UNM Retiree Association).

Regent Fortner called the meeting to order at 9:05 a.m.

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

**Motion to adopt the agenda, as amended, passed unanimously (1<sup>st</sup> Chalmers, 2<sup>nd</sup> Abeita).**

Regent Abeita asked that the agenda be amended to move HSC Information Item C (Capital Project Approval) to an Action Item.

**II. Approval of Summarized Minutes of the December 13, 2011 BOR Meeting, and all Search-related meetings (December 5, 8, 9, 12, 13, 14, 20, 26, 2011 and January 4, 2012) Regent Fortner**

**Motion to approve all the minutes as written passed unanimously (1<sup>st</sup> Chalmers, 2<sup>nd</sup> Gallegos).**

**III. Regents' Meritorious Service Award, Paul Krebs, Vice President Athletics, Regent Fortner**

Regent Fortner presented the Regents' Meritorious Service Award to Paul Krebs for outstanding service to UNM as Vice President of Athletics. He thanked Mr. Krebs for always having a steady hand and steady head in the ever-changing world of athletics, and pointed out his recognition of the importance that our athletes are students. Regent Koch expressed his appreciation as well, and said the university is fortunate to have Mr. Krebs. President Schmidly congratulated Mr. Krebs on the graduation rates of UNM athletes.

Mr. Krebs expressed his thanks to the regents for the award and for their faith in him. He said, "It's almost like a going-away party except I'm not going anywhere." He acknowledged President Schmidly and David Harris for their support. He said UNM is a great university. His colleagues at the table care very much about the students and the university. Athletics is a team, and UNM has great coaches and great staff. Most of all, he feels very fortunate to work with our hard-working student athletes. He also recognized his son and his wife, Marjori, for their support.

**IV. President's Administrative Report, President David Schmidly (report in BOR E-Book)**

President Schmidly congratulated the BOR on the successful presidential search just concluded. The entire process was excellent and it produced an outstanding outcome with the selection of Dr. Robert Frank as the twenty-first President of UNM.

Dr. Schmidly reported progress on the goals set by the BOR. The Formula Funding Task Force completed its work at the end of fall term. The LFC (NM Legislative Finance Committee) budget recommendation has been released. It includes \$755.5 million for upper education, a 5.4% increase over the prior year. There is \$13.5 million for the 1.75 retirement swap, \$15.8 in formula funding for increased workload (based on student completion rather than enrollment), \$13.6 million for state-wide outcome measures and no tuition credit. This recommendation results in more than \$284.5 million for UNM, a 6% increase. DFA (NM Department of Finance and Administration) produced a recommendation that includes additional money for the 1.75% retirement swap, but advocates a base-minus budget. A base-minus budget means the budget would remain flat, at FY2012 levels. Under that scenario, UNM might break even or lose a few hundred thousand dollars; not disastrous, but not as good as the LFC recommendation. The legislative session begins on the 17<sup>th</sup> of the month.

- **The Philanthropic Study Committee should have recommendations ready at the conclusion of its next meeting, in February.**

The President's Strategic Advisory Team presented its initial recommendations to the Strategic Budget Leadership Team in December. The Tuition and Fee Team continues to meet. Changes to the Student Fee Review Board (SFRB) are still under consideration.

- **A presentation about budget development will be made to the F&F (Finance and Facilities) Committee after the legislative session.**

President Schmidly congratulated Provost Abdallah on completing the allocation plan for the \$2 million set aside this year for faculty hiring. UNM will be hiring more than sixty faculty members this year. The plan to hire twenty more faculty each year for the next ten years will result in UNM being able to offer 10% more classes taught by tenure and tenure track faculty.

- **The task force charged with planning for the Honors College and the future of University College should complete its report in February.**
- **A pilot program to improve student retention and success should be ready this spring, with a full implementation in the fall.**

Provost Abdallah has presented a plan to offer fifty additional courses during the summer. The Provost will assess the Office of Equity and Inclusion and he has assembled a Diversity Council.

- **The Diversity Council recommendations will be available by the end of spring term.**

President Schmidly noted the inclusion of inserts highlighting UNM in the New Mexico Business Weekly and the Albuquerque Journal. Hiring for the monthly program on KNME-TV is underway and the first airing should occur this spring.

- **A UNM Status Report will be produced which will show our status relative to peer universities and AAU members that are public flagship research universities. It will be available this spring.**
- **Reports will be given to the BOR regarding the NCAA, the Mountain West Conference and the BCS (Bowl Championship Series) after the respective meetings being held during the coming month.**

President Schmidly thanked Wynn Goering, VP Academic Affairs, for his help with all the branch campuses, especially Gallup.

- **A joint meeting between the BOR and the Gallup Advisory Board will be held in February.**

President Schmidly reflected the UNM community's concern for Jim Linnell.

## **V. Comments from Regents**

Regent Fortner thanked all the members of the presidential search committee. He also thanked staff, faculty, students and administrators for their contributions to the search. The committee

had spirited debates, but Dr. Frank was chosen unanimously. The regent expressed special thanks to Dr. Schmidly for his help during the search. He noted that Dr. Schmidly is already working with Dr. Frank for a smooth transition.

Regent Fortner thanked Ellen Wenzel, Special Assistant to the Board of Regents, for the good job she does. She has developed, over the last seven years, a strong support office for the BOR. He also wished a happy birthday to Regent Wellman and to Ms. Wenzel. Regent Wellman and Ms. Wenzel thanked the regents for the good wishes.

Regent Gallegos noted that the HED (NM Higher Education Dept.) held a meeting on January 4 in Socorro with administrators of twenty five post secondary educational institutions. It provided a great opportunity to discuss areas of shared interest.

Regent Hosmer noted that Regent Koch was responsible for many of the structural and functional changes that have given the BOR the capability to execute the effective governance that it does today. He hopes that the BOR will continue the same type of goal-setting and reporting with Dr. Frank that it used with Dr. Schmidly.

Regent Chalmers said he is delighted with the reception President-Select Frank has received. He expressed appreciation of the way the search committee functioned, the way the community responded to the candidates and a unanimous decision by the BOR. He complimented Regent Fortner on his leadership of the search committee. Regent Chalmers, too, found the HED meeting in Socorro very valuable. He would like to bring back joint meetings with NMSU (New Mexico State University) to discuss substantive issues. He recommended careful planning for any additional funding UNM might receive from the legislature.

Regent Koch commented on the high caliber of the candidates for university president. He congratulated Regent Fortner on his success in conducting the search meetings. It is gratifying to be able to select a native New Mexican and alumnus of UNM. He also favors reconstituting the meetings with NMSU.

Regent Hosmer noted that, while this year there may not be a tuition credit, the cumulative effect over the last several years amounts to something like a 30% tax on education.

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

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

Faculty Senate, President Timothy Ross. Dr. Ross thanked Ellen Wenzel and VP Gonzales for their assistance with the presidential search over the winter break. Dr. Ross sent a letter to faculty explaining the process used in the search. He complimented the candidates and the process.

Over the next six months the Faculty Senate will be processing the Provost's proposal on an Honors College, reorganizing the Senate's structure, assisting the Provost in formulation of an Academic Strategic Plan, and passage of two policies and their two associated policies. Dr. Frank has been invited to attend a Faculty Senate meeting, at his convenience. Dr. Schmidly will go over the agenda from the HED meeting in Socorro with Dr. Ross. Regent Wellman offered his assistance, as well.

Staff Council, President Mary Clark. Ms. Clark complimented the search process; there was a great representation of communities in and outside of the university. She expressed support for President-Select Frank. In conversation with Dr. Frank, she found him to be very concerned with issues important to staff and anxious to continue a dialog with Staff Council. She congratulated Mr. Krebs on his award and thanked him for his work on the search committee.

Two issues of concern to staff, when working on the budget for the coming year, are filling positions left empty during the "Pause and Hold" and pay raises. Staff Council has voted for four items: 1) Resolution #7 requesting reinstatement of tuition remission for personal enrichment courses, 2) Resolution #8 in support of student athletes and welcoming Football Coach Bob Davie, 3) to endorse the Faculty Senate Resolution on the right to free assembly and free speech on campus, and 4) to endorse the GPSA resolution in support of the permanent removal of the tuition credit.



GPSA, Katie Richardson, President. Ms. Richardson congratulated Mr. Krebs on the Meritorious Service award. She also congratulated the BOR on the selection of Dr. Frank as the next president.

Ms. Richardson introduced the GPSA lobbying committee co-chair, Allison Block. She expressed GPSA's thanks to Marc Saavedra for working closely with them to mesh UNM and GPSA priorities during the legislative session. Some of those are the funding formula base plus finding, removal of the tuition credit and Senate Bill 16 authorizing a \$5,000 tax credit for NM owned businesses that hire NM graduates. GPSA and ASUNM are recommending additional safeguards for administration of student fees to ensure current recurring groups will continue to receive funding adequate to continue their service to UNM. Due to the change in student loan interest repayment, graduate students face a 20% "tuition increase" no matter what happens in Santa Fe.

- **Ms. Richardson will provide Regent Gallegos with a breakout of the number resident and non-resident graduate students.**

ASUNM, Adrian Cortinas, Vice President for Jamie Roybal, President. Mr. Cortinas said that ASUNM plans to send about one hundred students to Santa Fe for UNM Day, January 31. He expressed thanks to Marc Saavedra for his help with this initiative.

Mr. Cortinas extended an invitation to Dr. Frank to attend an ASUNM meeting during the coming semester. He offered thanks to the search committee and complimented President Roybal for her work on the search, especially since it was during finals week.

UNM Alumni Association, Waneta Tuttle, President. Ms. Tuttle said it is a real pleasure to welcome an alumnus as University President. She reported that the Legislative Appreciation Reception will be held on January 30<sup>th</sup>. The association is gearing up for its scholarship award process.

UNM Foundation, Gary Gordon, Chair. Mr. Gordon thanked everyone who is participating on the Philanthropy Study Committee.

- **Quarterly and calendar year end investment reports will be available after the Foundation Trustees meet February 9<sup>th</sup> and 10<sup>th</sup>.**

UNM Parent Association, Maria Probasco, President. In addition to her report, Ms. Probasco offered her thanks to Ellen Wenzel for all the work she does for the BOR and the constituency groups. She noted that the association will be able to offer thirty-five \$1,000 scholarships. She said the association is excited to begin work with Dr. Frank. She thanked Marc Saavedra for his help with the legislative agenda.

Retiree Association, Scott Obenshain, President. Dr. Obenshain noted that the association is pleased with the selection of Dr. Frank. An invitation to speak at the association's annual meeting has been extended.

Dr. Obenshain again expressed the concern of the association with the proposed changes to the retirement terms of the ERB (Educational Retirement Board). He noted the significant differences between the PERA (Public Employees Retirement Association) and the ERB and he believes working out a more equitable approach will have long-term benefits for UNM in recruiting faculty and staff.

**VIII. Lobo Development Corporation, Meeting of the Member, David Harris, EVP, Administration**  
**There being no objection, the BOR resolved into the meeting of the Lobo Development Corporation.**

- A. Approval of the Summarized Minutes of the January 11, 2011 Meeting
- B. Approval of the FY 2010-2011 Audit

**Motion to approve the Summarized Minutes of the January 11, 2011 meeting and to approve the FY 2010-2011 Audit passed unanimously (1<sup>st</sup> Chalmers, 2<sup>nd</sup> Hosmer).**

Mr. Harris stated the articles of incorporation of Lobo Development Corp. require that, in a public meeting each year, Lobo Development report that the audit report has been received and have the minutes approved.

**There being no objection, the meeting of the Lobo Development Corporation was adjourned.**

- **Lobo Energy Corporation Meeting of the Member will be on the BOR agenda for February 14, 2012.**

**IX. Regent Committee Reports** (reports in BOR E-Book)

Academic/Student Affairs & Research Committee, Regent Bradley C. Hosmer, Chair (none)

- **Regent Fortner asked that Regent Hosmer and the ASAR Committee address the concerns surrounding Lobo Village safety; that Walt Miller, AVP Student Life, take immediate action, if warranted, and report back at the next BOR meeting.**

Finance and Facilities Committee, Regent Don L. Chalmers, Chair

**Action Item:**

- A. Approval of appointment to UNM Labor Management Relations Board, Justice Joseph Baca, Helen Gonzales, VP Human Resources

**Motion to approve the appointment of Justice Baca to the UNM Labor Management Relations Board passed unanimously (1<sup>st</sup> Chalmers, 2<sup>nd</sup> Gallegos).**

Regent Fortner complimented the selection of Justice Baca.

**Information Items:**

- B. Banking Services, Bruce Cherrin, Chief Procurement Officer & Elizabeth Metzger, Deputy Controller

On September 3, 2011, an RFP for UNM banking services was sent out, to 117 companies and there were four respondents. Bank of America, the current vendor, provided the lowest rates and has provided good service in the past and has been chosen as the vendor. This contract is worth approximately \$175,000 per year; it is for UNMH, Main Campus and all branches. Fees are charged for, among other things, banking transfers, providing the infrastructure for accounts payable, PCard, deposits and receipting from remote locations, and ACH through the FedWire. The agreement is for four years, renewable up to an additional four years. This is an information item only as it is below the threshold amount requiring BOR approval.

In response to Regent Gallegos, the University Treasurer reported that the average balance in checking and money market sweep is between \$30 million and \$100 million.

- C. Monthly Consolidated Financial Report, Ava Lovell, VP HSC/UNM Controller

Health Sciences Board, Regent Carolyn Abeita, Chair

**Consent Items:**

- A. Recommendation to UNM Board of Regents for Approval of Atrisco Heritage Academy Clinic
- B. Recommendation to the UNM Board of Regents for Approval of UNMH Contract-Kurt Salmon US, Inc

**Motion to approve items A. and B. on the Consent Agenda passed unanimously (1<sup>st</sup> Abeita, 2<sup>nd</sup> Chalmers).**

Regent Gallegos asked if the lease with APS (Albuquerque Public Schools) for the clinic has been completed. Kim Murphy, Director Real Estate, stated that negotiations are still underway. Mr. Murphy confirmed to Regent Chalmers that no money would be spent on renovation until a completed lease is in place. The negotiated lease will come before the HSC Board of Directors for approval.

**Action Item:**

- C. Capital Project Approval: Bill & Barbara Richardson Pavilion Emergency Department Triage Renovation-approximately \$337,800

**Motion to approve renovation of the Bill & Barbara Richardson Pavilion Emergency Department Triage passed unanimously (1<sup>st</sup> Abeita, 2<sup>nd</sup> Gallegos).**

**Information Item:**

- D. UNMH Contract with Scrubs Direct-approximately \$350,000

Audit Committee, Regent Gene Gallegos, Chair (no report)

**X. Public Comment** (none)

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

**Motion to proceed into Executive Session passed unanimously at 10:47 a.m. (1<sup>st</sup> Gallegos, 2<sup>nd</sup> Wellman).**

**XII. Executive Session 10:48 a.m. – 12:00 p.m.**

- A. Discussion and determination where appropriate of threatened or pending litigation pursuant to Section 10-15-1.H (7) NMSA (1978).
- B. Discussion and determination where appropriate of limited personnel matters pursuant to Section 10-15-1.H (2) NMSA (1978).
- C. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property pursuant to Section 10-15-1.H (8) NMSA (1978).

**XIII. D. Vote to Re-open the meeting.**

**Motion to return to open session passed at noon (1<sup>st</sup> Wellman, 2<sup>nd</sup> Gallegos).**

- E. Certification that only the matters described in Agenda item XII. 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 no action taken in executive session passed (1<sup>st</sup> Wellman, 2<sup>nd</sup> Abeita).**

**XIV. Adjournment**

**Motion to adjourn the meeting passed at 12:15 p.m. (1<sup>st</sup> Gallegos, 2<sup>nd</sup> Koch).**

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**Jack L. Fortner, President**  
**Board of Regents**

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**Carolyn J. Abeita, Secretary/Treasurer**  
**Board of Regents**

# Tab 3

## **President Schmidly's Administrative Report**

### ***Board of Regents Meeting – Tuesday, February 14, 2012***

Good morning, everyone.

#### **Opening Remarks**

Today I am going to focus my report on updating you on some of the good progress we are making on this year's goals. I will include some updates on what is happening in Santa Fe within that context.

#### **Goal Priority #1**

Goal Priority #1 is to *“Provide leadership that will result in progressive modification to the formula funding model for higher education in New Mexico.”*

- I am pleased that last week HB2 was passed last week with the inclusion of **no** tuition credit– a first in many years. The bill also includes nearly \$9 million new I&G dollars for UNM.
- We are extremely pleased that on Sunday the Senate Finance Committee passed a bill that actually enhanced the House version in a couple of ways, and that this bill was passed intact on a 34 - 6 vote by the full Senate last night. It features a 4% overall increase in the State's budget, and over \$30 million in unspent money. Here are the highlights as they relate to higher ed funding, and to UNM specifically:

- While HB2 contained language that would have opened the door for a rescission at the end of 2012, should expected State revenues not materialize, the Senate bill removes this stipulation.
  - The Senate version also puts UNM in a more favorable position related to RPSP's with about \$250 thousand additional dollars in one-time money for special projects. Also, the Senate bill increases UNM's RPSP overhead rate to 6%, which is 3% more than that was recommended in HB2, and 1% higher than our current rate.
  - And finally, the Senate bill moves forward with the funding formula we have been advocating, also with no tuition credit.
- 
- As for pension reform, there are significant differences in the House and Senate bills, and we are anticipating that there may not be enough time remaining in this session to come to any agreement. We will continue to watch this closely.
  - Also capital outlay is still uncertain, so we will need to stay tuned.
  - A lot of hard work has been done on the part of many at UNM to help to bring us to this place. I want to specifically thank Curt Porter and Julia Fulghum for their work on the formula funding Task Force last fall, and to David Harris, Mark Saavedra and the entire Government

Relations Team that has been working so hard on all of these issues up in Santa Fe during the session.

- Of course, the session still has a couple of days left, and the Governor will still have to sign off on the budget, so we will hold off just a little while before declaring full victory.

### **Goal Priority #2**

Our second priority is to *“Continue the development of the UNM Foundation as an independent, institutionally-related foundation with the capability of executing comprehensive fund-raising campaigns.”*

- I have been very pleased to continue to engage in donor cultivation initiatives, including meeting quarterly with Foundation staff members to review numerous major donor prospects and create plans and to engage top prospects. So far this fiscal year, 331 proposals which total \$112,132,000 have been submitted. Included in the mix are naming opportunities for the University Stadium, the baseball complex, creation of a spinal surgical center, a prostheses research center, and a number of endowed chairs throughout the University.
- I am planning to attend the Foundation’s next regional campaign activity that will take place in May in New York City. I was pleased to meet with Mr. Ed Lewis – our fall commencement speaker - and travel plans are being coordinated so that I can meet with him again soon.

- I have also been coordinating with Dr. Frank as he begins to meet current and potential donors to insure that continuity in leadership participation in private philanthropy continues uninterrupted through the next year.
- We continue to work to ensure that the Foundation will have the funding it needs to maintain its operations and successfully focus on the next four-year public phase of the comprehensive campaign. Toward that end, a Philanthropic Study Committee formed by Regent Fortner completed its work last Friday in benchmarking other institutions on their development operations and funding mechanisms. A draft is now being prepared that outlines this committee's recommendations over the next five years to grow private philanthropic support for UNM. The committee has accelerated its original schedule and is planning to provide their recommendations to the Regents and the Trustees in March 2012.

### **Goal Priority #3**

Priority three is to *“Develop and implement a Main Campus Strategic Budgeting Process to guide budget development and financial management into the future.”* I am pleased that this process is continuing to move along well, and is keeping with the anticipated budget development calendar.

- Provost Abdallah recently presented - both to the Regents' Academic and Student Affairs Committee and to the Finance and Facilities Committee - his five-year forecast budget recommendations.



- Additionally, the preliminary draft recommendations of the Tuition and Fees Team and the President’s Strategic Advisory Team were presented at F&F last Thursday, and will be presented to you later this morning.
- I know that all of the working groups are taking the Regents’ perspectives on the cost issue very seriously as they go about their work.
- Additionally, there have been meetings with incoming President Frank to ensure he is fully briefed on both the budget process and key issues.
- At this stage, we are continuing to balance the development of preliminary recommendations with the fact that the legislature is still in session and we truly will not know exactly what level of state support UNM will receive until the session ends.

#### **Goal Priority #4**

Our fourth priority is to *“Work with the Office of the Provost to ensure strong, mission-centric operations.”* There continues to be quite a bit of activity and progress related to this goal.

- **Faculty Hiring** - We are very pleased that Arts and Sciences is on track to hire more than 50 faculty members, while other colleges are on

track to hire up to 15. The \$2M allocation has contributed to about 20 of those. The deans were asked for multi-year hiring plans, and the Academic affairs office is conducting an Academic planning effort that anticipates hiring around 20 faculty members per year for the next 10 years.

- **Increasing # of Classes Taught by Tenure-track Faculty** - As a result of the hiring plan, we will be well on our way to increase by 10% each year the number of classes taught by tenure or tenure-track faculty. The Academic affairs office is also working on ways to encourage and reward good undergraduate teaching.
- **Honors College & University College** - The preliminary report on the Honors College is now posted on the Academic Affairs web site, and the final report of the implementation task force is expected by the end of February. Additionally, the University College report will be completed by the beginning of March.
- **Student Success Committee** - The provost has assembled a committee on student success that combines advising, tutoring, coaching, and career services. The committee includes representation from Academic affairs, Enrollment management, Students Services and Academic units.

- **Training of Advisors** - Associate Provost Greg Heileman & AVP Terry Babbitt brought to campus a coaching trainer who trained 20 of our advisers for the pilot that will be unveiled in early Spring 2012, with full implementation projected to be in place by Fall 2012.
- **Additional Summer Courses** - The provost in collaboration with the EVP Harris has presented a plan to the president to offer 50 more courses in the summer 2012 semester to help student graduation and retention.
- **Audit of Advising Processes** - We also have recently audited our advising processes and expect a report from the national advising organization (NACADA) within 3 weeks. We are also in the process of collecting data to measure UNM against peer institutions and anticipate that this will help to inform our strategies.
- **OEI Assessment** - The effort launched last fall to assess the Office of equity & Inclusion continues through the work of the Diversity Council. The Council is on track to propose UM-specific strategies by the end of the spring 2012 semester.

Now, all of the initiatives I have just mentioned are happening under the leadership of Provost Chaouki Abdallah. You will note that I did not use the term “Interim” Provost, and that is for a reason. When Dr. Frank and I met last week, we agreed that the momentum that was started when Dr.

Abdallah assumed the position of Provost last summer has been remarkable. As a result, we agreed to remove the interim status of his position until June 30, 2013. In the meantime, a national search will proceed as planned during the fall 2012 semester. I want to personally thank Provost Abdallah for the great work he is leading on behalf of UNM.

### **Goal Priority #5**

Our fifth priority is to *“Develop and implement a strategy to educate the citizens of New Mexico on the unique mission and value of UNM as a comprehensive research university.”*

- I am pleased to announce that the first airing of the local television collaboration between UNM’s Communication and Marketing and KNME occurred on January 19<sup>th</sup>. The show - titled “Connect” - features UNM faculty discussing the implications of their work as it relates to New Mexico and the world at large, and also explores how researchers engage with UNM students to address compelling questions we face as a society.
- “Connect” is hosted by Augusta Meyers, and last month featured History Professor Virginia Scharff, who recently wrote "The Women Jefferson Loved." Additionally, Dr. Eva Chi shared her groundbreaking research into finding a cure for Alzheimers, and Dr. Yasamin Mostofi explored the question of how we can get robots to think for themselves.

- Next show will air Thursday, February 16th at 7pm on KNME 5.1 and on Sunday, February 19th at 5pm on KNMD 9.1. The line-up for this next episode will feature Dr. C. Jeffery Brinker, UNM Professor in Chemical and Nuclear Engineering, Molecular Genetics and Microbiology. Dr. Brinker and his students are building and engineering nanoscale materials to deliver drugs directly to cancer cells.
- Additionally, UNM nursing student Antoinette Russell will share her experiences volunteering at a community-based clinic in Kenya. And, Dr. Carl B. Agee from UNM's Department of Earth and Planetary Sciences will be interviewed about a newly acquired Martian meteorite.

### **Goal Priority #6**

The sixth priority is to *“Follow and advise the Board of Regents on key issues regarding college athletics.”*

I have some significant news to announce on this topic, as a result of a meeting that occurred this past weekend. I participated in a meeting on Sunday with Presidents and Chancellors from 16 universities, during which we agreed to partner to form a new intercollegiate athletic association that will begin competition in the 2013-14 academic year.

All 16 of our institutions agreed that we would build this new association on the sound principles of enhancing student-athlete academic and competitive

experience, as well as bringing fiscal discipline into athletics and ensuring competitive fairness.

The plan is to have an official league name announced sometime this summer. Logistics related to bylaws, conference governance, media agreements, and management plans will be finalized and announced later in the year.

While there are many details still to be worked out, I believe that this is a move that fits very well with UNM's commitment to student success and fiscal integrity.

### **Goal Priority #7**

And our final priority is for me to complete several "*irons-in-the-fire*" before I leave office at the end of May.

- **Campus Master Plan** – If you have driven around campus recently, you have undoubtedly noticed that the construction on our main campus housing project is progressing at a rapid pace. We are on target to complete this next phase of on-campus housing in time for students to move in for the fall 2012 semester.
- **Terms on Various Boards** – As I mentioned when I reported to you last month, I am continuing to wrap up my terms on various Boards this spring and next fall. In early March I will be attending American College

and University Presidents' Climate Commitment (ACUPCC) Southwest Regional Collaborative Symposium on March 1<sup>st</sup> and 2<sup>nd</sup>, and have been invited to participate on a panel of Presidents to discuss the progress we are making on our various sustainability initiatives.

- **UNM Gallup –**

- We held a very productive joint session between the UNM Board of Regents and the UNM-Gallup Advisory Board on February 11. Each of our branch operating agreements call for such meetings to be held regularly, in order to strengthen the understanding and relationships of those who govern our campuses.
- As part of its FY 13 budget preparations, UNM-Gallup is planning to fill six critical faculty vacancies in key programmatic areas. Searches for several of these positions are already underway. Plans are also being developed for a pilot of a community-based, learner-centered approach to teaching developmental courses. If successful it could significantly reduce the amount of time students spend in remediation before beginning their major studies.

- **Presidential Transition** – As you know, Dr. Frank was on campus last week, and he and I spent some important time together discussing the presidential transition. I look forward to continuing to work with him to ensure that this transition proceeds seamlessly.

This concludes my report.

Materials will be provided at the BOR meeting.



**Tab 4**



**GPSA @ UNM**  
Graduate And Professional Student Association

**GPSA Resolution in Support of Electronic Salary Book**  
*Adopted by the GPSA Legislative Council January 28<sup>th</sup> 2012*  
*Signed as Joint Legislative/Executive February 6<sup>th</sup>, 2012*

WHEREAS the University of New Mexico is a public institution of higher education; and

WHEREAS budgetary transparency ensures that UNM wisely invests resources toward our public mission; and

WHEREAS state law requires that state employee salaries be publicly available; and

WHEREAS UNM received more than \$274 million in state appropriations for 2011-2012; and

WHEREAS a paper copy of the UNM salary book each year is made publicly available in the Zimmerman library; and

WHEREAS the salary book in the library can only be used as a reference; and

WHEREAS the salary book is not available for check out; and

WHEREAS the lack of an electronic copy of the salary book is an impediment to transparency and accessibility; and

WHEREAS graduate assistants teach or support forty percent of UNM classes, and graduate research assistants are an essential part of realizing the UNM research mission; and

WHEREAS understanding the compensation of faculty, graduate assistants and administration is of primary concern in making sure UNM is able to attract the best and brightest in the higher education market while maintaining financial responsibility;

NOW THEREFORE BE IT RESOLVED that the University of New Mexico provide an electronic spreadsheet of the salary book online; and

BE IT FURTHER RESOLVED that a comparable electronic salary book be made available containing all student employees and graduate assistantship salaries by department; and

BE IT FURTHER RESOLVED that salaries be identified by position and not names of individuals; and

BE IT ULTIMATELY RESOLVED THAT a copy of this resolution be sent to UNM President Dr. David J. Schmidly, Executive Vice President David Harris, Vice President of Human Resources Helen Gonzales, Associate Vice President Andrew Cullen, ASUNM President Jaymie Roybal, GPSA President Katie Richardson, Staff Council President Mary Clark, and Faculty Senate President Tim Ross.



**RESOLUTION FOR A PROCESS REVIEW IN HONORARY DEGREE NOMINATIONS**

*Adopted by GPSA Legislative Council January 28<sup>th</sup>, 2012*

*Signed as Joint Legislative / Executive February 6<sup>th</sup>, 2012*

WHEREAS the awarding of honorary degrees is an excellent opportunity for the University of New Mexico to acknowledge and celebrate outstanding individual contributions to the social welfare;

WHEREAS the Honorary Degree Subcommittee (HDS) of the Faculty Senate Graduate and Professional Committee (SGPC) determines the nominees that are considered for honorary degrees;

WHEREAS nominations are provided to the HDS by advocates and personal acquaintances of the nominees;

WHEREAS no additional information or research is required before considering a nominee for an honorary degree;

WHEREAS the confidentiality of each nominee is important, especially when considering public figures for meritorious recognition;

WHEREAS the HDS-determined nominations are forwarded to the SGPC and eventually the Board of Regents for approval, but only a brief biography of each is provided for a decision regarding approval;

WHEREAS a Regent raised concern about the process of reviewing candidates since no counter-evidence is presented;

WHEREAS the HDS Chair stated that members of the HDS are responsible for due diligence before voting to forward a nomination, that additional information that arises after the fact should not affect the decision-making process, that when concerns about process are raised no one follows up to ensure process review, and that nominations should be taken on good faith because no one would try to embarrass the University;

WHEREAS good intentions should not proscribe a thorough review process to ensure that the integrity of an honorary degree from UNM is not compromised;

WHEREAS from time to time process review is a healthy activity that strengthens our public institutions; and

WHEREAS the Faculty Senate should be responsible for determining its own policies and procedures, while being responsive to their impact on the University;

LET IT BE RESOLVED that GPSA asks the SGPC commit to reviewing the process of determining honorary degree nominees to ensure it balances thorough scrutiny with respect for confidentiality;

FINALLY LET IT BE RESOLVED that a copy of this resolution be sent to GPSA President Katie Richardson, SGPC Chair Linney Wix, HDS Chair Dena Kinney, and Faculty Senate President Tim Ross.



THE UNIVERSITY of  
NEW MEXICO FOUNDATION

UNM Foundation, Inc.  
UNM Regent's Advisor Report  
February 14, 2012

*CHANGING WORLDS*  
*The Campaign for UNM*

*Changing Worlds: The Campaign for UNM* – an eight-year, \$675 million campaign, is making excellent progress towards campaign goal. The Campaign began in 2006 and is planned to conclude in 2014, complementing UNM's 125th Anniversary.

To date, nearly 50,434 donors have given over \$435 million in support of the University's mission.

**Specific fundraising highlights since the last meeting:**

**HSC Office of Diversity Programs & Service** received a \$50,882 gift.

**College of Nursing** received a \$15,000 from the Thomas A. Plein Foundation for the Plein Memorial Scholarship Endowment for Navajo Students.

**Children's Miracle Network** received a gift of \$13,000 from Security's Lending Hand Foundation.

**UNM Children's Hospital** received a gift of \$10,000.

**HSC Cancer Research & Treatment Center** received a gift of \$10,000 for general research; \$5,000 to the Saiki Clinical Oncology Endowment Fund; and \$5,000 for Women's Cancer Research.

**College of Education** received a gift of \$100,000.

**College of Fine Arts** received a \$500,000 gift.

**College of Engineering** received a \$71,000 gift.

**UNM Athletics** received a gift of \$100,000 for the Pit as well as support for the football program.

A regional campaign event is planned for Connecticut in May 2012. This event will be hosted by a donor of the University and will engage and steward major gift donors in this regional area.



### UNM Foundation Operating Budget vs. Actual

FY 11-12, December 31, 2011 (Second Quarter)			
UNM Support	\$ 1,200,000	\$ 602,164	50.2%
Development/Funding/Allocation	6,125,000	2,971,338	48.5%
Short-Term Investment Income	744,450	131,778	17.7%
Unit Salary/Reimbursement	558,900	304,707	54.5%
Unrestricted Gifts	150,000	171,269	114.2%
Other Income & Transfers In/(Out)	-	298	0%

Salaries/Fringe/Benefits	\$ 7,072,583	\$ 3,439,701	49.3%
Operating Expenditures	2,292,584	963,080	42.0%

Surplus/(Deficit)/from Operations	\$ (536,917)	\$ (271,227)	46.2%
Beginning Reserve Balances	2,261,943	2,261,943	N/A

Cost per Dollar Raised *	\$0.17	\$0.11	\$0.12	\$0.09
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\* Budgeted "Cost per Dollar Raised" is \$0.12

### Consolidated Investment Fund - Investment Performance

FY 11-12, December 31, 2011 (Second Quarter)				
FY 11/12 (December 31, 2011)	\$ 31938	21%	9.1%	2.2%
Policy Benchmark *		1.5%	11.7%	1.9%
General Benchmark **				
FY 10/11 (June 30, 2011)	\$ 33630	19.0%	1.5%	4.8%
Policy Benchmark *		19.0%	1.2%	4.1%
General Benchmark **		22.3%	4.7%	4.4%
NACUBO/Commonfund ***		N/A	N/A	N/A

\* Policy Benchmark is a blended benchmark consisting of indices for all asset classes.

\*\* General Benchmark: 70% S&P 500 Index and 30% Barclays Global Aggregate

\*\*\* NACUBO/Commonfund Endowment Study (\$100 million to \$500 million) - Available March 2012

Spending Distribution %	TBD	4.65%	4.65%	4.65%
Total \$ Distribution (millions)	TBD	\$14,869,261	\$15,409,388	\$15,294,369

### Consolidated Investment Fund - Asset Allocation

FY 11-12, December 31, 2011 (Second Quarter)				
Domestic Equity	20.2%	20%	22%	27%
International Equity	19.3%	20%	22%	28%
Fixed Income/Cash	20.4%	20%	21%	20%
Real Assets - Liquid	5.1%	5%	5%	5%
Real Assets - Illiquid	4.7%	5%	4%	0%
Marketable/Alternatives	17.1%	20%	20%	20%
Private Equity	13.2%	10%	6%	0%

THE UNIVERSITY OF NEW MEXICO  
MR. AND MRS. HUGH B. AND HELEN K. WOODWARD ENDOWMENT  
FUNDED BY THE SANDIA FOUNDATION

	2007-08	2008-09	2009-10	2010-11	2011-12 through 12/31/2011
<b>PRINCIPAL/CORPUS</b>					
<b>BEGINNING MARKET VALUE, JULY 1:</b>	\$ 40,007,782	\$ 39,456,137	\$ 30,698,788	\$ 32,422,373	\$ 37,282,001
ADDITIONS	1,323,000	1,395,000	877,500	1,125,000	-
INVESTMENT EARNINGS	283,085	(7,962,327)	3,238,163	6,040,036	(1,438,547) (1)
DEVELOPMENT FUNDING ALLOCATION	(442,878)	(383,681)	(623,475)	(643,802)	(331,077)
SPENDING DISTRIBUTION	(1,714,852)	(1,806,341)	(1,768,603)	(1,661,606)	(819,277) (2)
<b>ENDING MARKET VALUE, JUNE, 30:</b>	<u>\$ 39,456,137</u>	<u>\$ 30,698,788</u>	<u>\$ 32,422,373</u>	<u>\$ 37,282,001</u>	<u>\$ 34,693,100</u>

(1) FY 2011-12 Net investment Earnings: Represents the actual net investment earnings through December 31, 2011. Net investment earnings for the period of July 1, 2011, through December 31, 2011, were -3.72% (net of manager fees).

(2) FY 2011-12 Spending Distribution: Represents the quarterly spending distributions from July 1, 2011, to December 31, 2011.

THE UNIVERSITY OF NEW MEXICO  
WINROCK LAND SALE ENDOWMENT

	2007-08	2008-09	2009-10	2010-11	2011-12 through 12/31/2011
<b>PRINCIPAL/CORPUS</b>					
<b>BEGINNING MARKET VALUE, JULY 1:</b>	\$ 33,899,952	\$ 32,369,380	\$ 24,076,065	\$ 24,767,866	\$ 27,587,901
ADDITIONS	-	-	-	-	-
INVESTMENT EARNINGS	263,110	(6,526,574)	2,544,475	4,553,291	(1,065,167) (1)
DEVELOPMENT FUNDING ALLOCATION	(368,276)	(309,959)	(483,585)	(485,153)	(244,422)
SPENDING DISTRIBUTION	(1,425,406)	(1,456,782)	(1,369,089)	(1,248,103)	(606,248) (2)
<b>ENDING MARKET VALUE, JUNE, 30:</b>	<u>\$ 32,369,380</u>	<u>\$ 24,076,065</u>	<u>\$ 24,767,866</u>	<u>\$ 27,587,901</u>	<u>\$ 25,672,064</u>

(1) **FY 2011-12 Net investment Earnings:** Represents the actual net investment earnings through December 31, 2011. Net investment earnings for the period of July 1, 2011, through December 31, 2011, were -3.72% (net of manager fees).

(2) **FY 2011-12 Spending Distribution:** Represents the quarterly spending distributions from July 1, 2011, to December 31, 2011.

**THE UNIVERSITY OF NEW MEXICO  
REGENTS' ENDOWMENT**

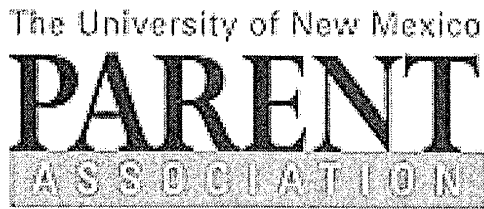
	2007-08	2008-09	2009-10	2010-11	2011-12 through 12/31/2011
<b>PRINCIPAL/CORPUS</b>					
<b>BEGINNING MARKET VALUE, JULY 1:</b>	\$ 36,674,360	\$ 35,018,525	\$ 25,165,952	\$ 25,889,070	\$ 28,836,764
WITHDRAWALS:					
SCHOLARSHIP FUNDING	-	(880,525) (3)	-	-	-
INVESTMENT EARNINGS	284,643	(7,060,716)	2,659,659	4,759,412	(1,113,385) (1)
DEVELOPMENT FUNDING ALLOCATION	(398,416)	(335,326)	(505,476)	(507,115)	(255,487)
SPENDING DISTRIBUTION	(1,542,062)	(1,576,006)	(1,431,065)	(1,304,603)	(633,692) (2)
<b>ENDING MARKET VALUE, JUNE 30:</b>	<u>\$ 35,018,525</u>	<u>\$ 25,165,952</u>	<u>\$ 25,889,070</u>	<u>\$ 28,836,764</u>	<u>\$ 26,834,200</u>

(1) **FY 2011-12 Net investment Earnings:** Represents the actual net investment earnings through December 31, 2011. Net investment earnings for the period of July 1, 2011, through December 31, 2011, were -3.72% (net of manager fees).

(2) **FY 2011-12 Spending Distribution:** Represents the quarterly spending distributions from July 1, 2011, to December 31, 2011.

(3) **FY08-09 Withdrawal for scholarship funding:** \$1,000,000 was authorized to be withdrawn from the Regents' Endowment for FY08-09 scholarship funding. Of the authorized \$1,000,000, \$880,525 was withdrawn from the endowment.





**PARENT ASSOCIATION REPORT TO THE BOARD OF REGENTS**  
**BY: PRESIDENT, MARIA PROBASCO**  
**February 14, 2012**

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I respectfully submit the UNM Parent Association's Report for the BOR Meeting of February 14, 2012. I will not be able to attend this meeting as I will be in Baltimore celebrating my grandson's FIRST Birthday. As the report indicates parents were very busy organizing and attending many events and activities. Below is a snapshot of these:

**Parent Day at the Pit and Silent Auction - Saturday, February 11, 2012.** Parents Christina Kitsos, Anthony Gallegos, Michele Mals, Nick Manole, Emily Miera, Patricia Solano, David Garrett, Bob Notary and Bill Hauenstein, had been worked very hard in planning this event. I will be forwarding registration and income information at the next BOR meeting. As part of this event, the Association is also conducting an **online auction** with additional items up for bid. The online auction opened February 4 and will close on Saturday, February 18, 2012 at Noon. All proceeds from the online/silent auction will go to the Parent Association's Scholarship Fund benefiting UNM-students. I invite everyone to participate, spend some money, have some fun and at the same time support UNM students. Check out the online auction by visiting: <http://parentassociation.unm.edu> or <http://news.unm.edu/?p=24548>.

**Legislative Initiatives:** The Parent Association joined the University Community for UNM Day at the Capitol January 31, 2012. Parents met with many legislators and also members of Governor Martinez administration. The highlights of the Legislative issues we advocated for were:

- a. Support the permanent elimination of the Tuition Tax Credit. If we are successful in this effort, students, parents, and higher education will benefit for years to come.
- b. Support the UNM Legislative Initiatives and in particular the revision of the Funding Formula as it is been proposed to be outcomes-based (Course completion; Increased graduation rates; Degrees awarded; Graduation of at-risk students; Work-force development and student job placement.)
- c. Support the NM Legislative Lottery Scholarship. Support the solvency of the lottery scholarship fund as we believe that accessibility needs to be met with affordability in order for students to succeed. The solvency of the Lottery Scholarship is critical to all New Mexico students.
- d. Support the distribution of new money proportionately between the four-year and two-year sectors – 69% and 31% as outlined in HB2.

**Nominating Committee Update:** The UNM-Parent Association Nominating Committee met on Saturday, January 7, 2012, regarding the upcoming nominations and elections on the UNM-Parent Association Board of Directors. The Parent Association is soliciting names of persons interested in serving a two-year term on the Board. Those interested in serving on the Parent Association Board, will need to submit a letter of interest to include their name, contact information and anything they would like us to

know about them. They are to e-mail their letter of interest at [parenta@unm.edu](mailto:parenta@unm.edu) or call Grant Kitting at 505-281-3617. The deadline for nominations is 5:00pm, Friday, March 30, 2012.

Applications and/or letters of interest and nominations will be accepted from eligible members. Persons nominated must be willing to serve if slated and elected. The Nominating Committee will review all applicants and recommend one person for each vacancy (the "slate") prior to the Board's spring meeting, when the election will occur. The newly elected officers will serve a two-year term beginning June 1, 2012. Additionally, several committee chair positions will become available as well due to term limits. The Association's Bylaws are online at: <http://parentassociation.unm.edu/> for eligibility requirements, Board Officer position descriptions, and Standard Committee descriptions.

**Scholarship Committee:** The UNM Parent Association Scholarship Committee under the leadership of parent, Deborah Kieltyka and honorary member Bob Notary, will begin the annual scholarship selection process for the 2012-2013 academic year. The first committee meeting will be in March. The Scholarship Committee is an integral part of the UNM Parent Association, having awarded more than \$40,000 to deserving undergraduate and graduate students. The committee is comprised of eight to ten parent volunteers.

**Upcoming Events/Activities:**

- o Parent Association Board of Directors Quarterly Meeting – February 23, 2012

## COLAs: The Elephant in the Room

1980 (age 55) - 2010 (age 85) using historical CPI

Age	Income	ERB Member	PERA Member
55	final salary	\$34,043	\$34,043
55	pension	\$20,000	\$25,530
65	pension	\$20,000 (no COLA)	\$32,340 (3%)
85	pension	\$29,600 ("2%" CPI)	\$58,420 (3%)
85	pension	\$28,200 ("1.75%" CPI)	\$58,420 (3%)

Two NM state employees, one in the ERB plan, the other in the PERA plan, who both retired in 1980 at the age of 55 with the same final average salary, would have lived on very different incomes in their retirements. Initially this is due to the differences in the final average salary multiplier, then to the lack of an ERB COLA until age 65 and finally to COLA differences in the two plans.

The ERB member with a final average salary of \$34,043 and 25 years employment, would have had an initial pension of \$20,000 ( $\$34,043 \times 25\text{yr} \times 0.0235 \text{ multiplier} = \$20,000$ ). The PERA member who worked 25 years with the same final average salary at retirement, \$34,043, would have a beginning retirement yearly stipend of \$25,530 ( $\$34,043 \times 25\text{yr} \times 0.03 \text{ multiplier} = \$25,530$ ), a sizable initial advantage over the ERB member. Using the actual historical CPI<sup>1</sup> and the COLA parameters for the ERB and PERA plans and the delay in onsets of the ERB COLA until age 65 and PERA COLA for 2 years after start, the pension histories of these two retirees are plotted in Figure 1. This also includes the effect of the proposed change in the ERB COLA from "2%" to "1.75%". The two pensioners, PERA and ERB, at the age of 85 in 2010, would have annual pensions of \$58,420 and \$29,600, respectively. The proposal presented to the Legislature to reduce the COLA for the ERB members to "1.75%" means that the 85-year-old ERB member would instead have an annual pension of \$28,200, a \$1,400 cut (5% less over the 20 years from age 65 to 85 when the proposed ERB 1.75% COLA would have been in effect.)

As suggested by Russ Goff this is not a huge difference<sup>2</sup>, a 5% decrease in this case for the historical scenario. Perhaps ERB members could live with it, but what about the ELEPHANT (the huge difference between the pensions of ERB and PERA workers) in the room? Does this not require serious rethinking of the pension plans of all the public employees, including, but not just, the teachers? And should not some sort of equity be given first priority? Please put first things first.

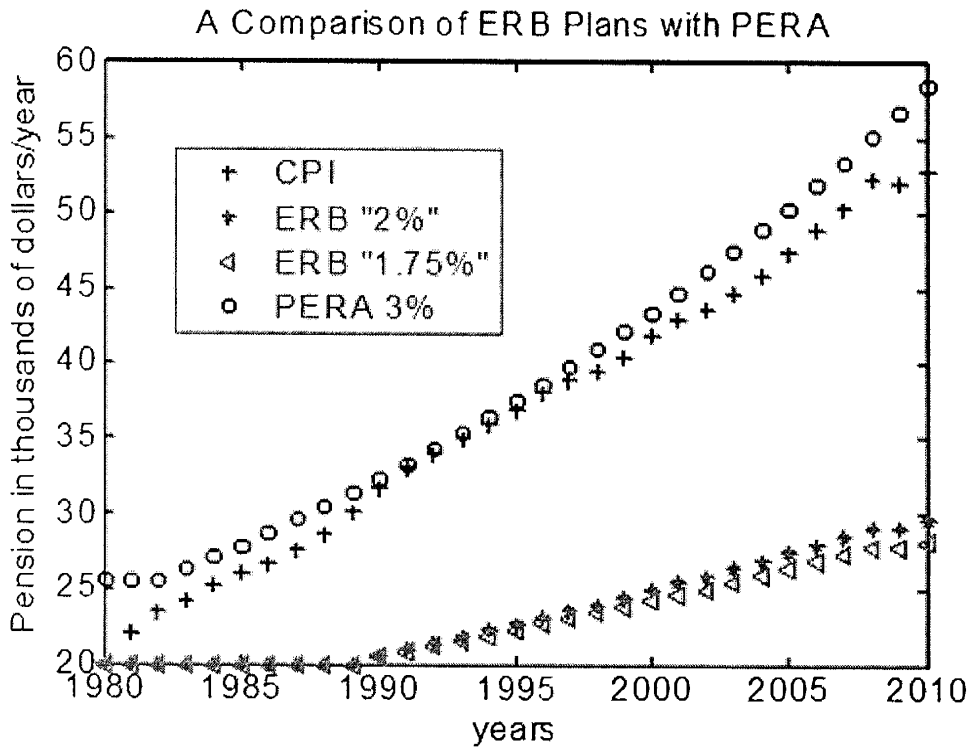


Figure 1. The hypothetical pension history of two retirees who retire in 1980 at age 55 *after having identical salary histories*, an ERB member (bottom, asterisks and triangles) and a PERA member (top, circles). The crosses represent the cost of living based on the historical CPI, normalized to the ERB member's 1980 pension. The average yearly CPI for this period is 3.64%.

Conclusion: If the consequence of the ERB COLA reduction is a mouse, then the discrepancy between PERA and ERB is an elephant.

### Historical Consumer Price Index (CPI)

Only the ERB member COLA is calculated on the CPI. The PERA COLA is a 3% flat rate regardless of the CPI. The average CPI over the 36-year period from 1975 to 2010 inclusive is 4.25%; the last 30 years is 3.68%. To find the "1.75%" ERB colas, multiply the ERB "2%" column by 0.875.

YEAR	CPI %	ERB at "2%"
1975	9.1	4.0
1976	5.8	2.9
1977	6.5	3.25
1978	7.6	3.8
1979	11.3	4.0
1980	13.5	4.0
1981	10.3	4.0
1982	6.2	3.1
1983	3.2	2.0
1984	4.3	2.15
1985	3.6	2.0
1986	1.9	1.9
1987	3.6	2.0
1988	4.1	2.05
1989	4.8	2.4
1990	5.4	2.7
1991	4.2	2.1
1992	3.0	2.0
1993	3.0	2.0
1994	2.6	2.0
1995	2.8	2.0
1996	3.0	2.0
1997	2.3	2.0
1998	1.6	1.6
1999	2.2	2.0
2000	3.4	2.0
2001	2.8	2.0
2002	1.6	1.6
2003	2.3	2.0
2004	2.7	2.0
2005	3.4	2.0
2006	3.2	2.0
2007	2.8	2.0
2008	3.8	2.0
2009	-0.4	0.0
2010	1.6	1.6

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1. Consumer Price Index, U. S. Department of Labor, Bureau of Labor Statistics, Washington D. C.

2. H. Russell Goff, New Mexico Association of Educational Retirees, Newsletter, 34, 6, December 2011



To: President Regent Fortner, UNM Board of Regents

From: Katie Richardson, GPSA President

Date: 2/14/2012

Re: Investing in Graduates and Graduate Education

This year is a transformational time for UNM. Under new leadership in Academic Affairs, the Board of Regents will soon be considering the UNM budget and the advantages of investing significantly in new faculty hires. This is a time for UNM to contemplate the importance of graduates and graduate education in our role as the state's flagship research university.

GPSA is excited to be engaging in this conversation across campus, specifically with the graduate education working group of the University Council on Academic Planning, the Provost, the Tuition and Fees Team and the Strategic Budget Leadership Team. In particular, we are seeking to understand how our academic priorities may drive strategic budgetary decisions.

The removal of the tuition credit provides an opportunity for student tuition to remain on campus and directly address UNM's mission. Since the new funding formula will reward outcomes like graduation and the completion of credit hours, we believe it will be appropriate to focus new spending on the retention and graduation of students. If additional revenue from the new funding formula becomes available, GPSA has considered what investments may bolster graduate education at UNM. With appreciation of the complexity of UNM's budget, we are beginning to engage in discussions about each of the following initiatives:

**1) Creating new assistantship positions:** GPSA endorses Provost Abdallah's plan to hire 20 new faculty each year over the next five years. Each of these faculty will be teaching additional courses at UNM which will hopefully make an impact in student retention as class sizes shrink. UNM must invest in the success of this new instruction by providing appropriate assistantship support. More than 40% of classes at UNM are currently assisted by graduate students. Furthermore, prior to securing outside research grants, new faculty will need start-up funds to hire research assistants to maximize productivity. *GPSA suggests that each new faculty member be supported by a new research or graduate assistantship position.*

**2) Investing in the Graduate Scholarship Fund:** Need-based aid has been shown to significantly improve student retention. In collaboration with the Faculty Senate and UNM Foundation, GPSA has worked to raise funds for \$1,000 scholarships to help students who demonstrate need and are more than halfway to their degrees. GPSA fundraising yielded more than \$4,000 from the UNM community and from mailers sent to GPSA alumni across the country. GPSA council is considering appropriating an additional \$20,000 for the effort at the end of this month. *GPSA recommends that UNM invest \$100,000 for each of the next five years to retain our graduate students.*

**3) Improving retention and graduation:** We know that in the absence of significant new money from state appropriations, these initiatives may result in increased tuition. Additional costs may adversely affect student outcomes measured by the new formula. *We suggest that the Board adopt the recommendation of the Tuition and Fee team: to set aside 20% of any tuition increase for the purpose of institutional need-based aid.*

As a reminder, beginning July 1, 2012 the federal government will no longer offer subsidized loans to graduate students. The average GPSA member will owe \$5,000 more upon graduation. With the new funding formula rewarding outcomes, UNM should consider implementing strategic initiatives to offset the loss of subsidized loans. The suggestions here provide new positions and the financial support that will help UNM retain graduates in the coming year.

# Tab 5

# LOBO ENERGY, INC.

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December 13, 2011

David W. Harris  
E.V. P. for Administration, COO, CFO  
The University of New Mexico  
Albuquerque NM 87131-0001

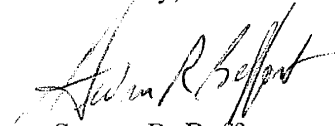
Dear Executive Vice President Harris:

Lobo Energy, Inc. requests that the annual meeting of the member be held during the Board of Regents' meeting on January 10, 2012. There are two action items to be presented to the Board of Regents for approval: the Minutes from the prior meeting and the FY 2010-11 audit.

A report on the progress of UNM's energy conservation program may be presented at the request of the Board of Regents.

Thank you.

Sincerely,



Steven R. Belfort  
President/C.E.O.



The Annual meeting of the member was on January 11, 2011. Below is the excerpt from the BOR Minutes:

**VIII. Lobo Energy Inc., Meeting of the Member,** Steven R. Beffort, CEO, Jason Galloway, Manager, Moss Adams.

A. Motion to open the meeting and approval of the Summarized Minutes of the March 20, 2009 Meeting (report in BOR eBook).

**Motion approved** unanimously to approve the minutes (1st Fortner, 2nd Wisdom).

B. Approval of the FY 2009/2010 Audit

**Motion approved** unanimously to approve the audit (1st Koch, 2nd Fortner).

Mr. Galloway stated that it was a clean, unqualified opinion on Lobo Energy Inc. financial statements.

C. Energy Conservation Presentation, Steven R. Beffort/Jason M. Strauss (report in BOR eBook)

BOR Minutes 12/14/2010 7

Mr. Strauss: This information on the past decade of energy conservation at the university is broken down into two concepts; one being production increases with bringing the campus power plant on line, and two, the energy conservation program. Our power plant has reduced energy density (BTU/square foot) by 30%. The energy conservation program has produced net avoided costs of \$4.1 million over the last 30 months. Over a decade the university has grown by 24% but we're using 13% less energy.

Mr. Strauss told Regent Gallegos that there is some room for growth with the current energy generation system but that a second co-generation unit would allow the university to produce more of its own power and reduce its dependence on outside vendors. The co-generation unit that is on-line is used based on the cost of outside power so at times it runs at 100%, at other times less. Regent Chalmers was told that "net avoided costs" is net of all expenses.

The consumption reduction allowed us to postpone the purchase of a \$2.5 million chiller and earned the university several Energy Star awards.

Regent Chalmers asked, "Net avoided costs were net of what expenses?" Mr. Strauss replied, "It is net of all expenses; that is contract payments, that is labor, that is paper, that is net of all the expenses we have."

Regent Chalmers asked if the pro forma going into the contract had been compared to actual. Ms. Strauss stated that Energy Education, Inc. (EEI) said through performance year two we'd be at roughly \$4.3 million. We're at \$4.1 million and some change. He said, "In my opinion, basically the contract is performing as they said it would perform and we're getting the return on investment that was proposed to us." Mr. Strauss told Regent Gallegos that, of the \$2.3 million in the University Total Expenses line, \$1.9 million was paid to the contract during a performance year. Payments will extend through year four. EEI has pledged, in the contract, support through at least a ten year period with no additional payments.

Mr. Strauss said that this success story is the result of leadership by the BOR, efforts of administration, faculty, staff, and students and work by the Physical Plant staff. It is a cultural shift that has happened on campus. It shows what can be achieved if everyone is working for the same thing.

There were no objections to adjournment of the meetings of Lobo Development Corp. and Lobo Energy, Inc. and the meetings were adjourned (1st Gallegos, 2nd, Wisdom).

Jewel M. Glavey, Business Manager  
Lobo Energy Incorporated  
800 Bradbury Dr. SE, Suite 216  
Albuquerque NM 87106-4310  
Phone: 505/272-7118  
Fax: 505/272-7072

**LOBO ENERGY INCORPORATED**  
(A Component Unit of the University of New Mexico)

**Table of Contents**

	<b>Page</b>
Official Roster	1
Independent Auditors' Report	2
Management's Discussion and Analysis	4
Financial Statements:	
Balance Sheets	7
Statements of Revenues, Expenses, and Changes in Net Assets	8
Statements of Cash Flows	9
Notes to Financial Statements	10
<b>Supplementary Information</b>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16
Schedule of Findings and Responses	18
Exit Conference	19

**LOBO ENERGY INCORPORATED**  
(A Component Unit of the University of New Mexico)

Official Roster

June 30, 2011

**OFFICERS**

Steven R. Beffort  
Mary S. Vosevich  
Jewel M. Glavey

**MEMBERS**

David J. Schmidly  
David W. Harris  
Stephen W. McKernan  
Steven R. Beffort  
Jon Word  
Thomas J. Ruiz  
Bruno E. Carrara  
Jacob P. Wellman  
Geraldine Forbes-Isais



**KPMG LLP**  
Suite 700  
Two Park Square  
6565 Americas Parkway NE  
PO Box 3990  
Albuquerque, NM 87190

## **Independent Auditors' Report**

The Board of Directors  
Lobo Energy Incorporated  
and  
Mr. Hector Balderas, State Auditor:

We have audited the accompanying balance sheet of Lobo Energy Incorporated, a component unit of the University of New Mexico (Lobo Energy), as of June 30, 2011, and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of Lobo Energy's management. Our responsibility is to express an opinion on these financial statements based on our audit. The accompanying financial statements of Lobo Energy as of June 30, 2010 were audited by other auditors whose report thereon dated October 12, 2010 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Lobo Energy's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lobo Energy Incorporated as of June 30, 2011, and the changes in its financial position and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2011, on our consideration of Lobo Energy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 4 through 6 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement, and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

KPMG LLP

October 26, 2011

**LOBO ENERGY INCORPORATED**  
(A Component Unit of the University of New Mexico)

Management's Discussion and Analysis

June 30, 2011, 2010 and 2009

The following discussion and analysis provides an overview of the financial position and activities of Lobo Energy Incorporated (Lobo Energy) as of and for the fiscal years ended June 30, 2011, 2010, and 2009. This discussion should be read in conjunction with the accompanying financial statements and notes. Management has prepared the basic financial statements and the related note disclosures along with this discussion and analysis. As such, the financial statements, notes, and this discussion are the responsibility of Lobo Energy's management.

**Financial Highlights**

- Lobo Energy's net assets increased \$221,434 from \$165,925 in 2010 to \$387,359 in fiscal year 2011, due to additional funds received from the UNM Physical Plant Department from fees assessed to various departments for utilities services. During fiscal year 2010, Lobo Energy's net assets decreased \$54,017 from \$219,942 in fiscal year 2009 to \$165,925 in fiscal year 2010, due to an increase in administrative expenses.
- During fiscal year 2011, Lobo Energy's operating revenue increased by \$274,272 and operating expenses increased by \$1,002, resulting in net operating income of \$215,882 in fiscal year 2011, compared to net operating loss of \$57,388 in fiscal year 2010. During fiscal year 2010, operating revenue increased by \$721,200 and operating expenses increased by \$444,374, resulting in a decrease in net operating loss of \$276,826.
- Cash increased in fiscal year 2011 by \$256,027, resulting in cash on deposit with fiscal agent and cash on hand at the close of fiscal year 2011 of \$583,079. The increase during fiscal year 2011 is primarily due to an increase in revenue compared to relatively consistent expenses in fiscal year 2011. Cash decreased in fiscal year 2010 by \$91,151, resulting in cash on deposit with fiscal agent and cash on hand at the close of fiscal year 2010 of \$327,052. The decrease during fiscal year 2010 is primarily due to an increase in project expenses.

**Using This Annual Report**

This annual report consists of a series of financial statements. The balance sheets; statements of revenues, expenses, and changes in net assets; and statements of cash flows provide information about the activities of Lobo Energy.

The balance sheets provide information about Lobo Energy's overall financial status. The statements of revenues, expenses, and changes in net assets provide information about the operating revenues and expenses and the nonoperating revenues and expenses of Lobo Energy. The statements of cash flows provide information related to the cash inflows and outflows of Lobo Energy.

**LOBO ENERGY INCORPORATED**  
(A Component Unit of the University of New Mexico)

Management's Discussion and Analysis

June 30, 2011, 2010 and 2009

**Financial Information**

Lobo Energy's condensed financial information as of and for the fiscal years ended June 30, 2011, 2010, and 2009 are provided in the following table:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Current assets	\$ 583,079	327,052	418,203
Other assets	30	30	30
Capital assets	—	10,491	24,480
Total assets	<u>\$ 583,109</u>	<u>337,573</u>	<u>442,713</u>
Current liabilities	\$ 195,750	171,648	222,771
Net assets	<u>387,359</u>	<u>165,925</u>	<u>219,942</u>
Total liabilities and net assets	<u>\$ 583,109</u>	<u>337,573</u>	<u>442,713</u>
Operating revenue	\$ 2,919,072	2,644,800	1,923,600
Operating expenses	<u>2,703,190</u>	<u>2,702,188</u>	<u>2,257,814</u>
Operating income (loss)	215,882	(57,388)	(334,214)
Nonoperating revenue	<u>5,552</u>	<u>3,371</u>	<u>12,531</u>
Change in net assets	221,434	(54,017)	(321,683)
Net assets, beginning of year	<u>165,925</u>	<u>219,942</u>	<u>541,625</u>
Net assets, end of year	<u>\$ 387,359</u>	<u>165,925</u>	<u>219,942</u>

**Balance Sheets**

As of June 30, 2011 and 2010, Lobo Energy has cash in the amount of \$583,079 and \$327,052, respectively; of which \$566,968 and \$324,079, respectively, is held by Lobo Energy's fiscal agent, the University of New Mexico (UNM), and \$16,111 and \$2,973, respectively, is held in an operating bank account at a financial institution. Cash increased primarily as a result of an increase in revenue.

A majority of the June 30, 2011, 2010, and 2009 net assets are held as equity in the form of unrestricted net assets of \$387,359, \$165,925, and \$219,942, respectively. The remainder is current liabilities.

**LOBO ENERGY INCORPORATED**  
(A Component Unit of the University of New Mexico)

Management's Discussion and Analysis

June 30, 2011, 2010 and 2009

***Statements of Revenues, Expenses, and Changes in Net Asset***

*Revenues* – There were no earnings under the original Management Services Agreement (MSA) during fiscal years 2009, 2010, and 2011. The first revised MSA became effective November 1, 2005, after the expiration of the original agreement between UNM and Lobo Energy. The MSA was revised again effective November 1, 2010, to update the terms of the agreement. Under the current revised agreement, total revenue earned during fiscal years 2011 and 2010 for utility project management services and other project management services was \$2,919,072 and \$2,644,800, respectively, and includes \$480,000 in both fiscal years for utilities management services and \$2,439,072 and \$2,164,800, respectively, for other management services. The increase in revenue was due to additional funds that were assessed to various departments for support of the energy conservation program.

*Expenses* – Total operating expenses increased \$1,002 during the fiscal year ended June 30, 2011 due to a decrease of \$38,531 in project expenses and an increase of \$39,533 in administrative expenses. This change was primarily due to the fact that the corporation began to pay wages to the President effective July 1, 2010, increasing administrative salaries. Prior to fiscal year 2011, the President, who was a UNM employee, was paid by UNM. Total operating expenses increased \$444,375 during the fiscal year ended June 30, 2010 due to an increase of \$440,678 in project expenses and an increase of \$3,697 in administrative expenses. This change was primarily due to the fact that the renewable energy project was started during the fiscal year and the energy conservation project was ongoing for the entire fiscal year, increasing project salaries, and operating expenses.

UNM is the fiscal agent of Lobo Energy. UNM holds the majority of Lobo Energy's net assets and invests the holdings in a commingled account with UNM's other investments. The pro rata interest earnings are credited to Lobo Energy's account monthly. Lobo Energy transfers funds to its checking account as needed.

**Factors Impacting Future Periods**

Under the terms of the contract that Lobo Energy entered into with Energy Education, Inc. in April 2008 Lobo Energy shall make four years of payments to Energy Education. The contract is in effect for a period of ten years. No payments were made during the first six months during the early stages of implementation of the energy-conservation program. Performance year three of the energy-conservation contract comes to an end on September 30, 2011. After the fourth performance year ends on September 30, 2012, Lobo Energy, Inc. will make no more payments to Energy Education for the duration of the ten-year contract.

**Contacting Lobo Energy's Financial Management**

This report is meant to accurately describe the financial condition and position of Lobo Energy.

If you have questions about this report or need additional financial information, contact Lobo Energy Incorporated at 801 University Boulevard SE, Suite 207, Albuquerque, New Mexico 87106-4345.



**LOBO ENERGY INCORPORATED**  
(A Component Unit of the University of New Mexico)

Balance Sheets

June 30, 2011 and 2010

<b>Assets</b>	<u><b>2011</b></u>	<u><b>2010</b></u>
Current assets:		
Cash on deposit with fiscal agent	\$ 566,968	324,079
Cash on deposit with bank	16,111	2,973
Total current assets	<u>583,079</u>	<u>327,052</u>
Noncurrent assets:		
Other assets	30	30
Total noncurrent assets	<u>30</u>	<u>30</u>
Capital assets:		
Computer software, net	—	10,491
Total assets	<u>\$ 583,109</u>	<u>337,573</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 195,750	171,648
Total liabilities	<u>195,750</u>	<u>171,648</u>
Net assets:		
Invested in capital assets	—	10,491
Unrestricted	387,359	155,434
Total net assets	<u>387,359</u>	<u>165,925</u>
Total liabilities and net assets	<u>\$ 583,109</u>	<u>337,573</u>

See accompanying notes to financial statements.

**LOBO ENERGY INCORPORATED**  
(A Component Unit of the University of New Mexico)

Statements of Revenues, Expenses, and Changes in Net Assets  
Years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating revenue:		
Utilities management services	\$ 480,000	480,000
Other management services	<u>2,439,072</u>	<u>2,164,800</u>
Total operating revenue	<u>2,919,072</u>	<u>2,644,800</u>
Operating expenses:		
Administrative expenses	141,785	102,252
Project expenses	<u>2,561,405</u>	<u>2,599,936</u>
Total operating expenses	<u>2,703,190</u>	<u>2,702,188</u>
Operating gain/loss	215,882	(57,388)
Nonoperating revenue:		
Interest revenue	<u>5,552</u>	<u>3,371</u>
Change in net assets	221,434	(54,017)
Net assets, beginning of year	<u>165,925</u>	<u>219,942</u>
Net assets, end of year	<u><u>\$ 387,359</u></u>	<u><u>165,925</u></u>

See accompanying notes to financial statements.

**LOBO ENERGY INCORPORATED**  
(A Component Unit of the University of New Mexico)

Statements of Cash Flows

Years ended June 30, 2011 and 2010

	<b>2011</b>	<b>2010</b>
Cash flows from operating activities:		
Receipts from customers	\$ 2,919,072	2,644,800
Payments to other suppliers of goods or services	(2,193,782)	(2,309,211)
Payments to employees for services	(474,815)	(430,111)
Net cash provided by (used in) operating activities	250,475	(94,522)
Cash flows from investing activity:		
Interest received on deposits with fiscal agent	5,552	3,371
Net increase (decrease) in cash and cash equivalents	256,027	(91,151)
Cash and cash equivalents, beginning of year	327,052	418,203
Cash and cash equivalents, end of year	\$ 583,079	327,052
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating gain/loss	\$ 215,882	(57,388)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation expense	10,491	13,989
Change in accounts payable and accrued expenses	24,102	(51,123)
Net cash provided by (used in) operating activities	\$ 250,475	(94,522)

See accompanying notes to financial statements.

**LOBO ENERGY INCORPORATED**  
(A Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2011 and 2010

**(1) Description of Business**

Lobo Energy Incorporated (a component unit of the University of New Mexico) (Lobo Energy) is owned, controlled, and was established by the University of New Mexico's (UNM) Board of Regents.

Lobo Energy was incorporated in the State of New Mexico on July 15, 1998. It was organized under the amended State of New Mexico's University Research Park Act. The name of the Act has since been changed to the University Research Park and Economic Development Act.

Lobo Energy was established to provide UNM with services outlined in an Interim Services Agreement (ISA) that included procuring electricity and natural gas for UNM, installing an energy metering and management system, and developing a Master Utility Business Plan (plan) for the upgrade and improvement of the utility infrastructure. Lobo Energy completed the installation of a metering and monitoring system and developed and integrated energy procurement methods into UNM's procurement processes. Lobo Energy's Board of Directors approved the plan in June 2000. UNM implemented the business plan and financed and constructed the projects contemplated in the business plan.

In developing the plan, Lobo Energy employed several consultants to assist in assessing the utility infrastructure needs, defining a technical solution, and determining the financial parameters of that solution. The combined efforts resulted in a comprehensive plan that described many utility improvement projects, their construction costs, and the financial impacts upon the utility services. The utility systems included in the plan were renewed through a series of construction projects over a period of several years.

Lobo Energy conducted its business under the terms of a November 2000-2005 Management Services Agreement (MSA) that replaced the original ISA. Under the MSA, with respect to existing and any and all new utility systems and equipment, UNM continued to own, finance, operate, maintain, and in all respects control the utility equipment and systems. Lobo Energy provided project management services and transition management services for the duration of the project. The utility upgrade project was completed during 2006.

Lobo Energy currently provides services to UNM under the terms of a revised MSA, which is effective November 2010 – 2015 (note 3). Under the revised MSA, Lobo Energy provides UNM with two types of management services: utility project management services and other management and planning services.

UNM requested that Lobo Energy implement an energy conservation program on the campus during fiscal year 2008. Lobo Energy entered into a contract with Energy Education, Inc. (EEI), a corporation that specializes in this field. Lobo Energy hired six energy conservation educators (ECEs). Contract payments began after the first six months the contract was in effect. The ongoing program continues to be very effective. UNM has experienced a dramatic decrease in its energy consumption, as well as a reduction in the size of its carbon footprint, since the onset of the project.

During fiscal year 2009, Lobo Energy was asked by UNM to explore renewable energy applications that might be viable on the campus, decreasing the use of energy. Lobo Energy issued a Request for Information (RFI) regarding potential renewable energy projects for installation on the UNM campus when funding becomes available.

**LOBO ENERGY INCORPORATED**  
(A Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2011 and 2010

Lobo Energy provides services only to UNM.

**(2) Summary of Significant Accounting Policies and Practices**

**(a) Basis of Accounting**

Effective July 1, 2010, Lobo Energy adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Contained in Pre-November 30, 1989 and AICPA Pronouncements*, which supersedes GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The adoption of GASB 62 had no impact on Lobo Energy's accounting policies, as Lobo Energy had previously elected in accordance with GASB 20 to not apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, and applicable FASB pronouncements issued on or before November 30, 1989 have now been incorporated into GASB pronouncements.

As a proprietary fund, Lobo Energy's financial statements are reported using a flow of economic resources measurement focus and the full accrual basis of accounting. Accordingly, revenues are recognized when they are earned and expenses are recognized as soon as the liability is incurred. Operating revenues and expenses are those incurred that relate directly to energy and project management services. All other revenues and expenses are considered nonoperating.

The accompanying financial statements include only the accounts of Lobo Energy, which has no component units.

**(b) Net Assets**

For accounting and reporting purposes, Lobo Energy reports its net assets in the following net asset categories as applicable:

- *Invested in capital assets* – capital assets, net of accumulated depreciation.
- *Unrestricted* – Net assets that are not subject to externally imposed constraints.

**(c) Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statements dates and the reported amounts of revenues and expenses during these reporting periods. Due to uncertainties inherent in the estimation process, actual results could differ from those estimates.

**LOBO ENERGY INCORPORATED**  
(A Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2011 and 2010

**(d) Cash and Cash Equivalents**

For purposes of the statement of cash flows, Lobo Energy considers cash and cash equivalents to be cash deposits and amounts held by its fiscal agent.

**(e) Revenue Recognition**

Lobo Energy recognizes operating revenue as transition and project management services; fees for these services are earned under the terms of the MSA.

**(f) Capital Assets**

Lobo Energy has no capital assets as of June 30, 2011. Lobo Energy's policy is to capitalize all disbursements for equipment, software, and furnishings in excess of \$5,000. Items with a cost of less than \$5,000 are expensed in the year of acquisition. Donated equipment is recorded at fair market value at the date of donation. Repairs and maintenance expenses are charged to operations when incurred and major improvements and replacements are capitalized. Amortization is provided for on software using the straight-line basis over estimated useful lives of three to seven years.

**(g) Income Taxes**

Lobo Energy is exempt from federal income tax on income related to its exempt purposes under Section 501(a) of the Internal Revenue Code (Code) as an organization described in Section 501(c)(3) of the Code.

**(3) Project Management Services under The Revised Management Services Agreement**

***Utilities Management Services***

Lobo Energy may provide assistance to UNM, as requested, for the management and supervision of its contracts that provide for the:

- a. planning, design, engineering, contracting, energy conservation, and commissioning services for assigned projects;
- b. procurement of equipment and services in the course of implementing the projects;
- c. management of UNM's energy procurement strategies;
- d. recommendations for obtaining cost-effective energy commodities and services from energy suppliers;
- e. management of UNM's energy-related regulatory issues;
- f. recommendations for appropriate actions and strategies in response to regulatory opportunities or events;
- g. administrative tools capable of providing utility operational budgeting, capital project budgeting, major maintenance budgeting, cash flow tracking, and energy savings tracking; and

**LOBO ENERGY INCORPORATED**  
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Notes to Financial Statements

June 30, 2011 and 2010

- h. assistance with developing the energy and administrative capabilities described in items a through g above.

Under the revised MSA, as of November 1, 2010, UNM compensates Lobo Energy for these services at the rate of \$40,000 per month.

***Other Management Services***

- a. development planning services;
- b. additional infrastructure development plans; and
- c. other planning services as assigned.

Under the revised MSA, as of November 1, 2010, UNM pays Lobo Energy a mutually agreed-upon monthly fee for the duration of each project.

**(4) Cash**

Lobo Energy's cash balances include cash on deposit with its fiscal agent and an operating account. Lobo Energy has no statutory or policy requirements; however, it has a policy to deposit funds only in FDIC insured accounts. UNM serves as the fiscal agent for Lobo Energy through which Lobo Energy participates in a pooled bank account maintained by UNM. At June 30, 2011 and 2010, Lobo Energy had a balance in that pooled account of \$566,968 and \$324,079, respectively. As fiscal agent, UNM requires the financial institution holding these pooled funds to maintain minimum collateral amounts. Interest is allocated monthly to Lobo Energy's account based on its balance in the pooled bank account at the end of the preceding month.

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the entity's deposits may not be returned to it. At June 30, 2011 and 2010, the bank and book balance in Lobo Energy's separate checking account was \$16,111 and \$2,973, respectively. Of the bank balance, the entire amount (up to \$250,000) is insured by the FDIC.

**(5) Capital Assets**

A summary of the Lobo Energy's capital assets at June 30, 2011 is as follows:

	<u>Beginning of year</u>	<u>Increase</u>	<u>decrease</u>	<u>End of year</u>
Capital assets being amortized – software	\$ 42,432	—	—	42,432
Accumulated amortization	(31,941)	(10,491)	—	(42,432)
Capital assets, net	<u>\$ 10,491</u>	<u>(10,491)</u>	<u>—</u>	<u>—</u>

**LOBO ENERGY INCORPORATED**  
(A Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2011 and 2010

A summary of the Lobo Energy's capital assets at June 30, 2010 is as follows:

	<u>Beginning of year</u>	<u>Increase</u>	<u>decrease</u>	<u>End of year</u>
Capital assets being amortized – software	\$ 42,432	—	—	42,432
Accumulated amortization	(17,952)	(13,989)	—	(31,941)
Capital assets, net	<u>\$ 24,480</u>	<u>(13,989)</u>	<u>—</u>	<u>10,491</u>

**(6) Major Contracts**

UNM requested that Lobo Energy implement an energy conservation program on the campus during 2008. Lobo Energy entered into a contract with EEI, a corporation that specializes in the reduction of consumption of electricity, gas, propane, fuel oil, water, and sewer. The contract provides for a six-month training period (April – September 2008) in which Lobo Energy hired ECEs to work on UNM's Albuquerque campus, followed by four performance years during which Lobo Energy will pay EEI \$1,924,800 per year, or a total of \$7,699,200. In turn, EEI estimates net savings (cost avoidance) equal to \$57,795,615 for a period of ten performance years effective April 1, 2008. Of the \$57,795,615 in estimated savings, EEI guarantees a cumulative total of \$10,838,672 during the first four performance years. If at the end of each of the first four performance years, the savings from the beginning of the initial training period until the end of each of the first four performance years, respectively, does not exceed the costs, then EEI will reimburse Lobo Energy the amount of this difference, if any, which EEI has not previously reimbursed as of the end of a prior performance year. The savings are computed by the ECEs and EEI, using EnergyCAP software, as prescribed by EEI.

Due to the disproportionately large share of benefit from the program and disproportionately large costs incurred by EEI, termination fees are applicable if Lobo Energy chooses to terminate the contract prior to the conclusion of the first four performance years. Each fee is assessed based on the performance period as follows:

- If terminated before or at the end of the 1st performance year – termination fee is \$2,406,000
- If terminated during or at the end of the 2nd performance year – termination fee is \$1,924,800
- If terminated during or at the end of the 3rd performance year – termination fee is \$1,732,320
- If terminated during the 4th performance year – termination fee is \$1,539,840
- EEI will also bill any past-due amounts that have not been paid

During fiscal years 2008 and 2009, programs were started on UNM's Valencia, Gallup, Los Alamos, and Taos Campuses. The program on each of those campuses is administered by an employee who was already employed on each campus. The programs are ongoing during fiscal years 2010 and 2011.



**LOBO ENERGY INCORPORATED**  
(A Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2011 and 2010

**(7) Defined Contribution Pension Plan**

Lobo Energy entered into, and administers, a 403(b) defined contribution plan effective February 1, 2000 and amended January 1, 2009. As a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan may be amended by a Board of Directors' resolution. All employees of Lobo Energy are eligible to participate and are considered to be immediately vested. The plan allows for variable employee contributions up to the IRS maximum allowed amount. The employer contributes a 100% match up to 6% of each participating employee's gross salary per compensation period. Contributions to the plan for the fiscal years ended June 30, 2011 and 2010 were \$44,266 and \$48,958, respectively, which consisted of \$23,333 and \$25,679 contributed by employees and \$20,933 and \$23,279 contributed by Lobo Energy, respectively.

**(8) Related-Party Transactions**

Effective December 1, 1998, UNM and Lobo Energy entered into a Memorandum of Agreement (MOA) containing the expectations and performance obligations that UNM was seeking from Lobo Energy at that time. The MOA articulates UNM's and Lobo Energy's mutual obligations in planning, developing, and implementing the utility facilities and services required by UNM.

Pursuant to the MOA, UNM provides to Lobo Energy, at no cost to Lobo Energy, facilities support and general business office and associated workspace. The MOA also establishes UNM as the fiscal agent for Lobo Energy, with UNM providing cash and investment management activities for Lobo Energy, at no cost to Lobo Energy.

The MOA may be terminated by UNM and, upon termination, all property of Lobo Energy will be transferred to UNM or other successor organization(s) designated by a resolution of UNM's Board of Regents.

**(9) Contingencies**

Lobo Energy, through UNM, participates in the State of New Mexico Risk Management Program (Risk Management) that provides general liability, auto liability, physical damage, and workers' compensation insurance. The Risk Management program liability insurance coverage includes most employee liability claims; those claims falling outside this state program are in limited amounts and are covered by UNM from its operating budget. UNM's exposure is limited to \$1,000 per any first party incurred property loss, with the exception of theft, which has a \$5,000 deductible.



**KPMG LLP**  
Suite 700  
Two Park Square  
6565 Americas Parkway NE  
PO Box 3990  
Albuquerque, NM 87190

**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Board of Directors  
Lobo Energy Incorporated  
and  
Mr. Hector Balderas, State Auditor:

We have audited the financial statements of Lobo Energy Incorporated, a component unit of the University of New Mexico (Lobo Energy), as of and for the year ended June 30, 2011, and have issued our report thereon dated October 26, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Lobo Energy's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lobo Energy's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Lobo Energy's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lobo Energy's financial statements are free of material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, others within the entity, and the New Mexico State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

October 26, 2011

**LOBO ENERGY INCORPORATED**  
(A Component Unit of the University of New Mexico)

Schedule of Findings and Responses

June 30, 2011 and 2010

**Findings – Financial Statements Audit**

There are no current or prior year state compliance or operational findings to report.

**LOBO ENERGY INCORPORATED**  
(A Component Unit of the University of New Mexico)

Exit Conference

June 30, 2011 and 2010

We discussed the recommendations contained in this letter during the exit conference held October 3, 2011. The exit conference was attended by the following individuals:

**Lobo Energy Incorporated**

Steven R. Beffort, President/CEO

Mary S. Vosevich, Vice President

Jewel M. Glavey, Secretary/Treasurer

**KPMG LLP**

John T. Kennedy, Partner

Gregory C. Monk, Manager

# Tab 6

Materials will be provided at the BOR meeting.

# Tab 7



**The University of New Mexico  
Board of Regents' Policy Manual****3.5 Subject: UNM HEALTH SCIENCES CENTER BOARD OF DIRECTORS**Adopted: December 14, 2010 *Revised Draft 12/15/11***Applicability**

This policy applies to the clinical, operational, financial, research, and educational affairs of the UNM Health Sciences Center (HSC) and the UNM Health System established under **RPM 3.4**. This policy defines the roles and responsibilities of the UNM Health Sciences Center Board of Directors” (the “HSC Board of Directors”). The HSC Board of Directors shall review these roles and responsibilities and recommend any modifications or amendments to this Policy to the Board of Regents for approval by December 2011.

**Policy**

The Regents hereby create and designate the “UNM Health Sciences Center Board of Directors” (the “HSC Board of Directors”) to oversee and govern the clinical, operational, financial, research, and educational affairs of the HSC and the UNM Health System. The members of the HSC Board of Directors shall act only as a Board, and individual directors shall have no power as such. In all cases, the HSC Board of Directors shall conduct its meetings and affairs in compliance with the New Mexico Open Meetings Act, N.M. Stat. ann. § 10-15-1 et seq. (1978), and its records shall be subject to the New Mexico Inspection of Public Records Act, N.M. Stat. ann. § 14-2-1 et seq. (1978).

**1. Composition**

The HSC Board of Directors shall consist of seven (7) members appointed by the President of the Board of Regents as provided in **RPM 1.2** and shall consist of the following members:

- Three (3) of the members of the HSC Board of Directors shall be Regents, one of which will be *the chair* of the Regents’ Finance & Facilities Committee described in **RPM 1.2** *who will also serve as the chair of the HSC Board Finance, Audit and Compliance Committee*; and
- Four (4) of the members of the UNM Health Sciences Center Board of Directors shall be individuals who are not employees or officers of UNM or any of the component schools, colleges, or units of the HSC having the following characteristics: an established record of success in business, education, his or her profession, or research; an understanding of, an appreciation for, and a desire to support the non-profit, educational, and safety-net principles of an academic health center; and, recognized leadership on either a regional, statewide, or nationwide basis in areas of focus of the HSC. In this regard, one of the community members of the HSC Board of Directors shall be the sitting Chair of the UNM Hospitals Board of Trustees.

The members of the initial HSC Board of Directors shall be nominated by a nominating committee consisting of the Chancellor for Health Sciences, a member designated by the President of the Regents, and a member designated by the UNM Hospital Board of Trustees. Thereafter, the specific terms of office of each member of the HSC Board of Directors and the method and manner for appointment and/or reappointment to the HSC Board of Directors shall be as specified in the HSC Board Bylaws, as defined and described below.

## 2. Bylaws

At the organizational meeting of the HSC Board of Directors, the members thereof shall adopt Bylaws for the operation of the HSC Board of Directors (the "HSC Board Bylaws"). The HSC Board Bylaws, and any and all amendments thereto, shall be subject to Regent review and approval.

## 3. Scope of Authority

The Regents hereby delegate, on a continuing basis, to the HSC Board of Directors the responsibility and authority for overseeing and governing the affairs of the HSC and the UNM Health System to the maximum extent permitted by the Constitution and laws of the State of New Mexico, as interpreted, from time to time, by the courts; provided, however, that consistent with the Regents' constitutional and statutory responsibilities, the Regents retain the right to consider, determine, and act upon any matter relating to the HSC and its component units in the exercise of their sound discretion. Subject to the foregoing, the Regents hereby delegate to the HSC Board of Directors as follows:

### 3.1 The HSC Board of Directors shall have authority to act upon the following:

- a. Compliance by the HSC and each of the component schools, colleges, and units within the HSC and the employees thereof with applicable federal and state health care regulatory requirements as well as HSC-wide policies with respect thereto.
- b. Compliance by the HSC and each of the component schools, colleges, and units within the HSC and the employees thereof HIPAA, the HITECH Act, the HIPAA Regulations, and the University's HIPAA compliance program as well as HSC-wide policies with respect thereto.
- c. The licensure, accreditation, planning, patient care, medical staff matters, quality assurance, and relationship with the component schools and colleges within the HSC and the other component units of the HSC. This shall include monitoring the outcomes of accreditation reviews and other peer evaluations. As to the UNM Hospital, the UNM Cancer Center, and UNM SRMC, review at least annually reports relating to licensure, including special services, accreditation, planning, patient care, medical staff matters including quality assurance, and any appropriate corrective action, and relationships with the schools and colleges comprising the HSC.
- d. At appropriate intervals to be determined by the HSC Board of Directors, reports of financial matters relating to each school or college comprising the HSC as well as the Office of Research for the HSC, the UNM Hospital, UNM Cancer Center, UNMMG, UNM SRMC (and such other and future clinical enterprises and/or subsidiaries as may exist as a part of the HSC) including expenses and revenue by source, patient days and visits, and other pertinent financial data and information and financial planning.
- e. The substantive aspects of policies and programs related to the educational philosophy and objectives of the HSC; assessing the HSC's educational and student activities, research activities, and associated support programs for their relationship to the University's mission, vision, and values, as well as quality measures, productivity, and cost; oversight of the manner in which the University's policies are administered as they affect the HSC and HSC faculty.
- f. The HSC's strategies in enrollment management, retention, and student diversity at each of its component schools and colleges and in their respective educational programs.
- g. Assuring effective input from the HSC student, faculty and staff advisors to the HSC Board.
- h. Subject to **RPM 7.8** (describing financial settlements), claims and/or lawsuits involving the HSC and/or the schools and colleges comprising the HSC, the UNM Hospital, UNMMG, UNM SRMC (and such other and future clinical enterprises and/or subsidiaries as may exist as a part of

the HSC) and the development of a loss control program with respect thereto.

**3.2** Matters as to which the HSC Board shall review and make recommendations to the Regents for final approval:

- a. Strategic planning and master facility planning for HSC clinical, educational, and research enterprise activities. In this connection, the HSC shall coordinate any such strategic plans and/or master facility planning with those under the purview of the President of the University.
- b. Developments, including pending legislation, involving significant changes in health care delivery and financing.
- c. New degrees, courses, and curriculum changes required by State law or desired by the colleges and schools comprising the HSC to promote academic excellence at the HSC.
- d. Tuition and fees to be charged at the colleges and schools comprising the HSC.
- e. The establishment or disestablishment of colleges, schools, and graduate divisions, organized multi-campus research units and other major research activities, special training programs, and public service undertakings.
- f. Establishing an annual HSC educational and research enterprise strategic plan for the University.
- g. Proposing changes to Regents' policies relative to HSC academic and student affairs.
- h. The HSC faculty tenure and promotion process to ensure expected outcomes are achieved in attracting and retaining outstanding faculty at the HSC and making recommendations to the Regents with respect to potential improvements thereto.
- i. The appointment of individuals to serve as members of the Boards of Directors of UNMMG and UNM SRMC, and such other and future subsidiary corporations formed to support the HSC consistent with the provisions of the URPEDA.
- j. The formation of one or more corporations in the future under the URPEDA to support the strategic plans and mission of the HSC and its component units.
- k. The transfer of money, personal property, and real property to any one or more URPEDA corporations formed by the Regents to support the HSC and its component units and the proposed terms thereof. In this connection, until the HSC Board of Directors is appointed and acting, the HSC shall coordinate any such plans with the President of the University and the Board of Regents Finance and Facilities Committee.
- l. Review budget requests and proposed legislation. In this connection, during calendar year 2011, the HSC and the HSC Board of Directors shall coordinate any such budget requests and proposed legislation with the President of the University and the Board of Regents Finance and Facilities Committee.

#### **4. Relationship and Reporting to the Board of Regents**

With the exception of matters within the jurisdiction of the Regents' Audit Committee, the HSC Board of Directors shall report their recommendations for approval and actions taken to the Board of Regents, as a committee of the whole, at the Regents' next regularly scheduled meeting. The HSC, the HSC Board of Directors, and the Chancellor for Health Sciences, shall coordinate their activities in the area of capital and operational budgeting, proposed legislation, strategic planning, transfer of assets, and master facility planning with those of the Board of Regents and its applicable committees and the Office of the

President of the University. In this connection, actions and/or recommendations of the HSC Board of Directors in respect of annual capital and/or operational budgeting for the HSC shall be reported to the Board of Regents for normal consideration consistent with procedures established by the Board of Regents relative to the annual capital and/or operation budget of the remainder of the University. *The Chancellor for Health Sciences, and/or designee(s), shall no less than biannually present a detailed financial report and budget status concerning all of its units and business to the Regents' Finance & Facilities Committee.*

Similarly, the HSC, the HSC Board of Directors, and the Chancellor for Health Sciences shall cooperate and coordinate their activities with those of the Regents' Audit Committee and of the University's Internal Audit Department.

All Regent committees established by the Regents for the oversight of the University as a whole shall, if the matter affects or impacts the HSC or the UNM Health System, or is otherwise subject to the jurisdiction of the HSC Board of Directors as set forth in this Policy, shall be presented for review and approval by the HSC Board of Directors prior to presentation to the Regents for final approval.

## 5. Relationship to Subsidiary Corporations

The respective Boards of Directors of UNMMG, UNM SRMC and any and all other future subsidiary corporations formed by the University to support the mission of the HSC under and pursuant to the URPEDA or any successor statute thereto, shall have authority to manage the affairs of that Subsidiary Corporation within the parameters established by a Memorandum of Agreement to be executed by and between the HSC and each such Subsidiary Corporation and approved by the Board of Regents to ensure the alignment of the strategic and long-term plans of each of the component units of the HSC. In this connection, the HSC Board of Directors shall oversee, provide strategic guidance, and monitor the clinical, business, research, educational, and development operations of the Subsidiary Corporations as described more fully above.

## References

New Mexico Open Meetings Act , N.M. Stat. ann. § 10-15-1 et seq. (1978); New Mexico Inspection of Public Records Act, N.M. Stat. ann. § 14-2-1 et seq. (1978); University Research Park and Economic Development Act, N.M. Stat. ann. § 21-28-1 et seq. (1978, as amended); **RPM 3.4** "Health Sciences Center and Services"; **RPM 3.6** "UNM Hospital Board of Trustees"; **RPM 3.7** "Institutional Compliance Program."

Comments should be sent to [BRPM@UNM.edu](mailto:BRPM@UNM.edu)  
[www.unm.edu/~brpm](http://www.unm.edu/~brpm)

[Regents' Policy Manual  
Homepage](#)

[Table of Contents](#)

[Section 3 Contents](#)

[UNM Homepage](#)

# Tab 8



January 26, 2012

TO: Academic Student Affairs and Research Committee  
FROM: Rick Holmes, Office of the University Secretary  
SUBJECT: Posthumous Degree Request for Angelita Muskett

The Faculty Senate approved the posthumous degree request for Angelita Muslkett at the January 24, 2012 Faculty Senate Meeting.

Included is the request from the School of Architecture and Planning and approval for the Faculty Senate Graduate and Professional Committee.

Please place this item on the next Board of Regents Academic Student Affairs and Research Committee meeting agenda for consideration

Thank you.

Attachments



The University of New Mexico

SENATE GRADUATE &  
PROFESSIONAL COMMITTEE  
Linney Wix, Chair  
lwix@unm.edu

**DATE:** December 1, 2011

**TO:** Operations Committee of the Faculty Senate

**FROM:** Linney Wix, Ph.D., Chair *Linney Wix*  
Senate Graduate & Professional Committee

**RE:** Posthumous Degree

At its December 1, 2011 meeting the Senate Graduate & Professional Committee voted to approve a request to grant a posthumous degree to Angelita Muskett (100887332). Please see the attached memo from Geraldine Forbes Isais, Dean, School of Architecture & Planning, detailing this request for Ms. Muskett.

The Senate Graduate & Professional Committee's approval is based primarily on the two conditions specified in the faculty handbook relative to the granting of posthumous degrees. Ms. Muskett had completed the coursework required for the degree and her academic record is in good standing. Therefore, we request that the Faculty Senate support the awarding of a posthumous Master of Architecture to Angelita Muskett. We also request that this item be put on the Senate's agenda at the earliest convenience. The School of Architecture & Planning is concerned on behalf of Ms. Muskett's family that this situation be resolved quickly.

Thank you.

Attachment

Received

NOV 11 2011

Graduate Office  
University of New Mexico



University of New Mexico

School of Architecture + Planning

DATE: November 10, 2011  
TO: Dean, Office of Graduate Studies  
FROM: Geraldine Forbes Isais, Dean  
School of Architecture and Planning  
SUBJECT: REQUEST TO AWARD POSTHUMOUS DEGREE

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I am requesting that the degree of Master of Architecture be awarded posthumously to Angelita Muskett. Angelita started her Masters study in Fall 2010.

Angelita was a student in good standing when she passed away on November 1, 2011. She also graduated from the University of New Mexico with her Associates degree in Art Studio in 2004 and her Bachelor of Fine Arts in 2009.

I hope that you will agree that this is an appropriate action to take. Thank you for your assistance in this matter. If there is any additional information needed, please contact Dean Forbes Isais at 277-2053 or [gforbes@unm.edu](mailto:gforbes@unm.edu).

By signing below I am strongly endorsing this request:

A handwritten signature in black ink, appearing to be "GFI", written over a horizontal line.

Geraldine Forbes Isais  
Dean, School of Architecture and Planning.



# Tab 9



## MEMORANDUM

TO: Bradley Hosmer, Regent Chair  
Academic/Student Affairs and Research Subcommittee

FROM: Carlos R. Romero, Associate Vice President for Research Administration

DATE: January 11, 2012

RE: Security Managerial Group Resolution

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Although classified research is not conducted on campus, the University receives funding for classified research that is conducted off campus by University researchers. In order to be eligible to accept this funding, the University must obtain a facility clearance (“FCL”) and comply with applicable National Industrial Security Operating Manual (“NISPOM”) regulations.

The NISPOM regulations authorize the University to formally exclude members of the Board of Regents from access to classified information, which the University does on an annual basis through a Resolution similar to the one submitted with this memorandum. As a result of this formal exclusion, the members of the Board are not required to obtain Personnel Clearances (“PCL”).

In the Resolution, three key management personnel positions are identified as the Managerial Group charged with safeguarding classified information and ensuring the University’s compliance with the NISPOM regulations. The President, Chancellor for Health Sciences, and Facility Security Officer comprise the Managerial Group, and these individuals must obtain PCLs at least at the level of the University’s FCL.

Attachment: UNM Board of Regents Security Managerial Group Resolution



**Board of Regents of the University of New Mexico  
Security Managerial Group Resolution**

Pursuant to requirements of the National Industrial Security Program, the Board of Regents (Board) adopts the following resolution:

1. Those persons occupying the following key management personnel positions at the University of New Mexico (UNM) shall be known as the Managerial Group for safeguarding classified information. They shall implement the provisions of the National Industrial Security Program Operating Manual (NISPOM).

President  
Chancellor for Health Sciences  
Facility Security Officer

2. The members of the Managerial Group have been processed, or will be processed, for a personnel clearance (PCL) for access to classified information, to the level of the Facility Clearance (FCL) granted to UNM, as provided in the NISPOM (DoD 5220.22-M.) Individuals will be denied access to classified information until such time that their clearances are granted.
3. The Managerial Group is hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified information under classified contracts awarded to UNM, including to the Health Sciences Center and Branch Campus locations. In addition, the Managerial Group shall have the authority and responsibility for the negotiation, execution, and administration of the contracts, consistent with UNM policy, and state and federal law.
4. The members of the Board, all of whom are listed below, shall not require, shall not have, and shall be effectively excluded, under Sec. 2-106.a of NISPOM, from access to all classified information disclosed to UNM. The duties and responsibilities of the members of the Board as a policy-making body do not require access to classified contracts awarded to UNM, and therefore the members need not be processed for a personnel clearance (PCL).

Regent Carolyn J. Abeita  
Regent Donald L. Chalmers  
Regent Jack L. Fortner  
Regent J.E. "Gene" Gallegos  
Regent Bradley C. Hosmer  
Regent James H. Koch  
Regent Jacob P. Wellman

Adopted by the Board of Regents of the University of New Mexico at its regular meeting held \_\_\_\_\_. This resolution supersedes all previous Security Managerial Group Resolutions. A copy of this resolution will be furnished to UNM's Cognizant Security Agency, the Defense Security Service.

\_\_\_\_\_  
President of the Board

\_\_\_\_\_  
Secretary/Treasurer of the Board

# **Tab 10**

# HONORS COLLEGE PLANNING COMMITTEE REPORT

(Submitted: January 20, 2012)

Committee Members: Michael Dougher and Kate Krause (co-chairs), Harold Delaney, Robert Doran, Kate Henz, Manuel Montoya, Mark Ondrias, Rosalie Otero, Pamela Pyle, Ursula Shepherd, Kiyoko Simmons, Jamesina Simpson, and Mary Wolford.

In the fall of 2010, President Schmidly and Provost Ortega charged an Honors Task Force Committee with exploring transformation of the current UNM Honors Program to an Honors College. In May 2011 the Task Force completed its final report. The key findings were:

The appointed Task Force unanimously recommends the establishment of an Honors College at the University of New Mexico. UNM should establish an Honors College that would form an academic community by bringing UNM's best undergraduate students and finest faculty together, fostering advanced and interdisciplinary study. This community would have available a designated residence hall and social programs that support its academic goals. The Honors College should offer the most committed students at UNM a more intense and inspiring academic environment than is available elsewhere.

Built on the current Honors Program, the new College will have the authority to admit students who are otherwise admitted to the University, and such admission will provide the opportunity to live in the separate Honors College residence. The Honors College will also be able to endorse undergraduate degrees granted by the University (as the current Honors Program does) when students meet the academic requirements established by the College. Finally, the College will be given the status necessary to demonstrate its importance to the University in attracting the best students from New Mexico and elsewhere.

Subsequent to this report, Professor Timothy Ross, President of the Faculty Senate, called on Interim Provost Chaouki Abdallah to develop a proposal for the establishment of an Honors College for the Senate's consideration. Interim Provost Abdallah appointed an Honors College Committee to prepare this proposal. The Committee unanimously and strongly agreed with the general conclusions of the Task Force Report and identified several critical components for inclusion in a formal proposal. Those components form the structure and content of the present proposal.

## **Contents:**

1. The value and advantages of an Honors College at UNM
2. Transition from the current Honors Program to an Honors College
3. Honors Students; Curricula and courses\*
4. Core and affiliated faculty and staffing

\* The development of a detailed curriculum awaits approval of this proposal

5. Residence halls and campus facilities
6. Cost estimation and sources of funding

## **1. The Value and Advantages of an Honors College at UNM**

The participating students and faculty in the current Honors Program at UNM find it to be a valuable and enriching experience. Creation of an Honors College would extend and enhance these accomplishments and demonstrate the importance of academic excellence at UNM. In doing so, it would increase the enrollment of high-achieving students, contribute to economic development in New Mexico and improve the academic climate for students and faculty.

### **Enrollment of High-Achieving Students; Economic Development Effects**

An Honors College would attract outstanding students to UNM. The creation of Honors Colleges at other universities provides a competitive advantage in recruiting academically high-achieving students. Virtually every Dean or Director of Honors Colleges at other universities who was contacted by our Committee reported that the creation of their colleges led to significant increases in the proportion of high achieving students who matriculated at their schools as well as increases in their retention and graduation rates.

The proportion of high-achieving New Mexico students who choose to attend UNM is considerably lower than at a majority of our peer institutions. According to the most recent data, UNM enrolled

- 8 of the 101 New Mexican National Merit Semifinalists,
- 150 of the 531 New Mexico high school students (28.2%) scoring 30 or higher on the ACT, and
- 498 of the 1345 New Mexico high school students (37.0%) scoring between 26 and 29 on the ACT.

Among freshmen who enrolled at UNM,

- Only 20% were ranked in the top 10% of their high school class,
- 44% were ranked in the top 25%, and
- 25% scored at the 75<sup>th</sup> percentile or higher on the ACT.

At the University of Arizona, 31% of freshmen ranked in the top 10% of their high school class and 60% in the top 25%. At Arizona State University, 28% ranked in the top 10% and 56% in the top 25%. UNM is in the lowest quartile among its 21 peer institutions in percentage of students who score at or above the 75<sup>th</sup> percentile on the ACT. Clearly, UNM is losing the recruiting battle for the state's highest achieving high school students. Interviews and surveys indicate that the absence of an established Honors College plays an important role in these students' choices to pursue their education elsewhere.

It hurts the state and the university community when a disproportionate number of New Mexico's highest achieving high school students go elsewhere for their education. UNM and the state lose out because:

- Outstanding students who attend colleges and universities out of state often do not return to New Mexico, investing their talents and skills in the economies of their adopted home states.
- Enrolling fewer students with high GPAs, ACT scores, and class ranking and who are likely to remain and graduate negatively affects the University's national ranking;
- The positive peer effects gained by having a critical mass of high-achieving students in UNM classes are lost;
- The qualified pool from which faculty draw for assistance on research, scholarly, and creative projects is reduced; and
- These students do not join the ranks of our alumni and supporters.

Without an established high-quality Honors College, UNM faces diminished ability to recruit high academic achieving athletes, artists, and other students with specific skills. These negative impacts will be exacerbated as the state adopts a new higher education funding formula that emphasizes student retention and graduation rates, especially in the STEM disciplines, majors that positively affect economic development.

### **Participant Benefits**

An Honors College would benefit the institution and its faculty by

- Increasing the number of students and faculty engaged in interdisciplinary work;
- Demonstrating and reinforcing the importance of academic excellence at UNM in all classes, not only classes offered in the Honors curriculum;
- Providing appropriate recognition for departmental faculty who teach honors courses and work directly with honors students;
- Amplifying the role of the Honors curriculum in the fund raising and development efforts of the University; and
- Increasing the number and variety of faculty members who interact and collaborate, broadening the disciplinary scope of the Honors College faculty.

The Honors curriculum would offer interdisciplinary studies and scholarship in a broad range of fields and would provide Honors students opportunities to engage in the same sorts of enrichment programs currently offered to all UNM students, including study abroad programs, experiential and community-based learning, and internships. In addition to curricular benefits, the Honors College would offer social networking benefits, professional development programs, research opportunities with faculty, and leadership workshops.

The curriculum requirements for degrees from the Honors College are described below. The most demanding degree, a major in the Honors College, would require at most 39 credit hours of Honors courses. Thus, even that small group of committed Honors students would take most of their UNM classes with the general undergraduate population. The presence of intellectually curious, motivated students in these classes will contribute significantly to the discourse in class and the academic climate on campus.

## **2. Transition from the current Honors Program to an Honors College**

### **The Current University Honors Program**

The University Honors Program (UHP) originated in 1957 with a group of 30 students and a mission to provide challenging opportunities for an intensive interdisciplinary and cross-cultural liberal arts education to highly motivated, talented, and creative undergraduates in all majors. The UHP promotes interaction among faculty and students, creating a community of scholars and fostering an environment that challenges students to develop intellectually, academically, creatively, and socially. This is accomplished through small, rigorous classes, senior capstone experiences, opportunities for scholarly and creative initiatives, and experiential and international learning options.

Initially the UHP curriculum consisted of a few honors seminars. The instructors were scattered across campus and taught by invitation. In the late 1980s UHP's growth accelerated. The Program recruited a small core of instructors housed and tenured in the UHP and added activities and services for students. In the 2009-10 academic year, 54 faculty members from across campus joined the eight UHP core faculty members to serve 1098 students enrolled in 78 seminars.

Currently students do not graduate with a major or minor from UHP. Completion of 24 credit hours in the program entitles the student to the distinction of University Honors on his or her transcript and diploma. Detailed data regarding current UHP graduates are shown in Appendix A. In the most recent academic year (2010-11), only 2.5% of students receiving bachelor's degrees from UNM (84 of 3,353) graduated with Honors from the UHP, with the vast majority of those (87%) being majors in an Arts & Science discipline. Among the most commonly earned bachelor's degrees at UNM, the BA and the BS, the rates of participation in the UHP are a little higher but still below 5%. Students earning the BS are slightly more likely to participate (25 of 582, or 4.3%) than are those earning the BA (51 of 1269, or 4.0%).

Rates of participation of UNM undergraduates in departmental honors programs are similarly low. In 2010-11, 178 graduates, or 5.3%, received departmental honors. More than half of these earned their degrees in a unit of the College of Arts & Sciences. Many academic units produce departmental honors graduates, but in the majority of these units only 1 or 2 students graduated with departmental honors. Thus, those students were working in relative isolation from other students.

There is some interaction between the UHP and departmental honors programs; an Honors College could enhance and formalize this link. Currently 6 of the 24 hours that Honors students complete are through the senior capstone option, which may be satisfied by completion of a senior thesis, either in UHP or in a departmental honors program. In 2010-11 half of UHP graduates opted to do a senior thesis (39 of 78 UHP graduates), 29 of them as part of a departmental honors program. Roughly a third of all UHP graduates are now completing departmental honors and roughly a sixth of



students completing departmental honors programs are also graduating with the distinction of University Honors.

The current UHP program delivers a high level of academic engagement to a small number of disciplinarily dispersed students. Creation of an Honors College that offers honors courses across a wider range of disciplines would allow motivated students across campus to benefit from synergistic interaction with other high achieving students.

### **3. Honors Students; Curricula and Courses**

The proposed Honors College would retain the mission of the UHP: to support a community of scholars by providing a rigorous, interdisciplinary curriculum to motivated, high-achieving students. The Honors College will enroll exceptional students and provide them with personalized advising, a rigorous and interdisciplinary curriculum, and housing options. Membership will be offered to qualified students from all majors with an emphasis on ensuring participation by a diverse student body.

#### **Recruitment and Enrollment**

The creation of the UNM Honors College will be broadly publicized and prominently featured in all of our recruiting materials and sources of information. High-achieving New Mexico high school students will be identified while still in high school and actively encouraged to meet the admission requirements and apply to UNM's Honors College. Applicants to UNM who qualify for the Honors College will be contacted and encouraged to apply. During Lobo Orientation, students who have been admitted to the Honors College will be brought to the Honors College for a brief information session and registration in Honors courses.

#### **Admission Standards**

The Honors College will design an application form and set admission criteria. The admission criteria will be established with the aim of admitting approximately ten to fifteen percent of the undergraduate population and will include such factors as ACT and SAT scores, high school GPA, high school coursework, extracurricular activities, submitted essays, and other relevant information. While most Honors College students will be admitted as incoming freshmen, alternative paths for admission to the Honors College will be established for transfer students and current UNM students who have attained a high GPA and have successfully completed English 102 and Math 121.

#### **Predicted Enrollment**

Universities with Honors Colleges elsewhere enroll more high-achieving students than does UNM. Establishment of an Honors College at UNM is expected to attract more highly qualified students to UNM and to engage more highly qualified students currently at UNM. Currently, UHP serves slightly more than 1,000 students in an undergraduate population of approximately 20,000, just 5%. Fifteen percent of UNM's 2010 entering freshmen – over 480 students -

scored 27 or higher on the ACT. An Honors College that enrolled these freshmen and similar numbers of sophomores, juniors and seniors would be nearly twice the size of UHP. An Honors College that attracted high-achieving students at rates similar to those at our peer institutions could raise the Honors admissions bar and continue to admit the top 15% of entering freshmen. In either case – by attracting more high-achieving students to UNM or by enrolling more existing UNM students in Honors – the Honors College could realistically expect enrollments of approximately 2,000 students.

### **Curricula and Courses; Student Services**

We propose three possible ways, with different levels of engagement, for students to participate in the Honors College. The Honors College would offer

- an interdisciplinary bachelor's degree, or major;
- an interdisciplinary minor; and
- a transcript and diploma certification.

The Honors College will offer a full complement of interdisciplinary Honors Courses and will work with units to offer upper division Honors courses in disciplines. The disciplinary honors courses will be open only to Honors College students and will be designed to be accessible to Honors students who are not majoring in the discipline, thus promoting cross-discipline enrollment. The creation of specific curricula and course offerings will be developed for review and approval by the Faculty Senate contingent upon Provost approval of this proposal.

**Interdisciplinary Major in University Honors.** The most intensive offering of the Honors College will be an interdisciplinary bachelors' degree in University Honors. This degree would be conferred by the Honors College on students who have completed a rigorous course of study that clearly differentiates the degree from degrees offered in other UNM units. The degree will require:

- Academic excellence in courses offered by the Honors College and honors courses offered in the disciplines;
- Integrated curriculum with stated Student Learning Objectives and Assessment procedures; and
- Completion of a substantial Capstone Project.

Students choosing this major are expected to be among the most academically motivated Honors students. The rigorous and interdisciplinary nature of the major will prepare students for graduate or professional school as well as for positions of leadership in the private and public sector.

**Interdisciplinary Minor in University Honors.** The Honors minor will be similar to what is currently offered by the UHP, and will be awarded to students who complete a sufficient number of upper division Honors courses outside of their discipline. This curriculum will allow high achieving students who are not Honors College majors to broaden their honors experience while obtaining a bachelor's degree in their chosen discipline.

**Honors certificate issued by the Honors College.** The Honors certificate will acknowledge Honors College students who have chosen to take their University Core courses in the Honors College or who have taken fewer upper division Honors courses than would entitle them to a minor. To support this path, the Honors College will create a suite of lower division courses open only to Honors College students that satisfy the University Core. The Honors College will establish minimum requirements for the Honors Certificate.

**Disciplinary Honors Courses.** Participating departments will be encouraged to create honors sections of existing upper-division courses as well as innovative topics courses, generally with fewer prerequisites than found in other upper division courses in order to attract honors students from multiple disciplines. The disciplinary Honors courses would serve both the Honors College and bolster departmental honors programs. High-achieving students would find more opportunities to engage in rigorous academic pursuits and more classmates with whom to work, encouraging them to pursue departmental honors. While individual departments will continue to have final authority over their own departmental honors program, the Honors College can serve to strengthen these programs by encouraging best practices across the disciplines. For example, the Honors College could establish minimum criteria for applying a departmental honors thesis toward a University Honors degree or designation.

### **Scholarship and Leadership Development**

A Student Support Center (the Center) dedicated to the Honors College will coordinate student services. The Center will enhance students' college life outside of the classroom, assist them in becoming successful college students, and prepare these students for their academic and professional careers after graduating from UNM.

This Center will promote the development of academic and leadership skills by

- introducing students to social and academic services provided at UNM;
- offering workshops to prepare students for future leadership roles at UNM and beyond;
- coordinating and supporting National Honor Societies, including Phi Beta Kappa, Phi Kappa Phi and Golden Key and institutional special awards and honors such as the Clauve Award and the SUB Wall of Excellence; and
- preparing students for competitive scholarships and other opportunities.

### **National & International Scholarships and Fellowships (NISF) and the Center for Academic Excellence and Leadership Development (CAELD)**

The NISF and CAELD will be housed in the Center. NISF informs student scholars about opportunities for nationally prestigious scholarships and supports students applying for prestigious scholarships. CAELD prepares students for the next step after graduating from UNM by offering comprehensive resources, opportunities and workshops that emphasize academic excellence,

research, leadership, and community service. Housing NISF and CAELD in the Honors College will make services available and accessible for Honors students.

### **Honors College Advisement**

Students admitted to the Honors College will be advised by a cadre of advisors familiar with the requirements for all degrees and certifications offered by the Honors College as well as the requirements of departmental honors programs.

### **Integration with Campus Units**

Honors College students are expected to be active members of the larger campus community, fully integrated into the fabric of student life at UNM. The Center will facilitate cooperation with other units on campus for the development and enhancement of the Honors College students including Athletics, Office of Graduate Studies and Graduate Resource Center, Career Services Center, Office of International Programs, Alumni Association, Research and Creativity Conferences. The support of Athletics and a full description of a proposed scholar-athlete program are attached as Appendix B. That program will allow UNM to recruit academically motivated and talented student athletes.

## **4. Core and affiliated faculty and staffing**

In order to provide the curriculum and services described above to significantly more students than are currently enrolled in UHP, the Honors College must be a funded, autonomous College led by a Dean and executive team, with a full complement of core faculty, affiliated faculty, administrative staff, and advisors. Our estimates for these needs reflect the potential growth possible and advisable over the next 3-5 years. Minimum personnel requirements will be the following:

1. Dean,
  2. Associate Dean,
  3. Accountant,
  4. Administrative Assistant,
  5. Development Associate for College
  6. 4 full-time advisors dedicated exclusively to the Honors College, and
- A core of 12 full-time tenure stream faculty members representing the full spectrum of disciplines (natural and physical sciences, social sciences, humanities, and fine arts) plus affiliated faculty and instructors.

### **Honors College Faculty**

UHP currently houses nine faculty members including the director. Together with affiliated faculty and non-tenure stream instructors, these faculty members serve a fairly small population. UHP admits 300 freshmen each year; more than 1200 students participate in the UHP program in a given academic year. However, fewer than 100 students graduate with a University Honors certification. The expanded enrollment described above, and the course offerings necessary to support the degrees described above, will require significant increases in faculty, including three additional Honors faculty over the next 3-5 years. If the College grows as expected, it is likely that an additional

3-6 core Honors faculty will be added in subsequent years. These core faculty will be tenure track in the Honors College, teach Honors courses, supervise independent studies, oversee research and thesis options and provide oversight for extracurricular activities and programs, including *Scribendi* and *Conexiones*. Each of these faculty members will be granted an adjunct (or most appropriate) appointment in a unit on campus that is compatible with the faculty member's academic background.

### **Affiliated Faculty and Instructors**

**Honors Fellows** Six faculty members from other colleges will be identified as Honors Fellows. These individuals will serve for an extended period of time (3-5 years) to allow them to become integrated into the Honors community. Fellows will receive course releases from their home units, funded by the Honors College.

**Lecturers, PTIs and Adjuncts** Twelve Honors faculty plus six fellows, each teaching two courses per semester, could teach 36 classes per semester. Honors courses are currently capped at 17 students. Maintaining that class size, 36 classes would reach at most only 612 students, a fraction of the target enrollment of 2,000 Honors students. UHP hires 20-22 non-tenure stream instructors per semester. To assure sufficient seats and adequate offerings, the Honors College would continue to hire non-tenure stream instructors.

**Discipline-based Faculty; Disciplinary Honors Courses** Faculty members in other colleges will offer Honors courses in their disciplines. Funding for these courses will be through those units, with hiring incentives to encourage participation. Faculty members who teach honors courses will not be expected to do so as an overload. The Honors College would provide training in honors teaching. The number of courses to be offered by this group will vary, but a target of two courses per year in each participating department would yield a wide variety of courses adequate to meet the needs of Honors majors, minors and certificate students.

### **Capacity**

The faculty described above could provide the following classes each semester:

- 36 courses taught by Honors Faculty and Fellows,
- 7 disciplinary honors courses, and
- 23 courses taught by non-tenure-stream faculty.

If classes are capped at the current 17, these 66 courses could provide just over 1,122 student-seats. The UHP currently serves 750-800 students per semester. With these proposed changes, the new college could double its capacity in the next 3-5 years. While Honors minors and certificate students will not enroll in an Honors course every semester, majors will be expected to take multiple Honors courses every semester. Additional offerings by the disciplines or by non-tenure stream faculty would be necessary to provide 2000 student-seats per semester. (See Sample Enrollment projections in Appendix C.)

## **5. Residence halls and campus facilities**

The most successful Honors Colleges among our peer institutions offer a comprehensive college experience, with a separate facility that includes a residence hall for Honors students, seminar space, social space and other amenities. Honors students live, work, study and play together in an environment that is also integrated with the larger campus community. The spreadsheet attached to this proposal as Appendix D details the proposed components of an Honors College at UNM and estimates the cost of the facility at \$79.2 million. The estimate includes the cost of providing

- seminar and conference rooms,
- large and small group study areas,
- a computer lab,
- dorm rooms for lower and upper division students,
- lounges and social areas,
- eating facilities including a café, dining hall and kitchenettes,
- an administrative suite housing faculty, advisement and administrative offices, and
- classroom space, including a large auditorium.

Events scheduled in public areas in the Honors College would be available to the larger community, contributing to the academic culture at UNM. For example, the auditorium would be available for guest lectures, conferences and panel presentations and other special events. Obviously, the construction of the envisioned Honors Center is a long-term project. The Honors College can be established in the interim, but it would be highly desirable to create an Honors Residence Hall coincident with the opening of the Honors College.

## **6. Cost estimation and sources of funding**

In addition to facility costs, establishment of the Honors College would require recurring funding for staff, faculty, and operating expenses outlined above. Two key assumptions are included: 1) the current Honors Program budget will be incorporated into the Honors College; and 2) when new tenure/tenure track lines become available, the Provost will accordingly reward departments and units that have or plan to hire faculty who will also affiliate with the Honors College. Given these assumptions, estimated new Instruction and General funding needed for the creation of an Honors College is approximately \$1,385,000 (see Appendix E for details).

Also reported in Appendix E is an estimate of additional tuition and funding formula revenues if, as expected, the Honors College attracts an additional 75 students ranked within the top 25% of their high school classes (a 3% increase over current enrollments). This estimate is \$1.9 million.

### **Fundraising**

Given the continued support of the UNM President for an Honors College as one of the University's top goals, fundraising for the College could expand exponentially. There is little correlation between number of gifts and total giving to the Honors

Program: one significant major gift raised by the University President in 2008 accounted for 42% of all private giving to Honors in the 2000 – 2010 timeframe.

According to the UNM Foundation, major donors are most likely to direct gifts to:

- Student stipends, for need or merit-based awards that help students with research or study abroad
- Programmatic support to underwrite major initiatives such as study abroad, visiting lectures, service learning and experiential learning (including Scribendi Journal)
- Faculty support to recruit outstanding faculty on a permanent or visiting basis
- Capital support for the construction of Honors College facilities.

The Honors College will require a budget from the University that covers its basic operations, including staff support and funding for development and alumni relations. That is, the Honors College cannot depend on donor gifts to cover its basic operating costs. Instead, these gifts should be used strategically to enhance the College and move it toward excellence. In that regard, it is critical that the Dean be able to spend between 25 – 50% of his or her time on fundraising activities. These should include maintaining warm and close relationships with top Honors donors and prospects; attending local and national gatherings to promote the college; meeting with donors and prospects one-on-one both locally and nationally; communicating with donors and prospects continually via e-mail, phone and in person; collaborating with UNM administration and faculty and UNM Foundation staff on gift proposals; and providing guidance and oversight to a comprehensive marketing and communication effort which includes print and electronic communication pieces and an annual signature event for donors and students.

The support of the UNM President, the Provost, Deans, and the Athletic Director will be essential in order for the Honors College to reach its fundraising potential. Given such a positive environment, the pool of potential donors to the Honors College would soon include the University's top prospects, i.e., those individuals who want to be affiliated with excellence. The annual private gift total to the Honors College should rise to the \$1,000,000 level by fiscal year 2013-2014. This total would be made up of cash, pledges and intended estate gifts. There is always potential that a College naming gift, in the \$15,000,000 range, could also be procured during the University's next Comprehensive Campaign, beginning after FY 2015.

## APPENDIX A

**Table 1. Students Graduating with Honors from University Honors Program, 2010-11, by College**

College	UHP Graduates	Total Graduates
Arts & Sciences (% within A&S)	73 (4.6%)	1588
Other Colleges		
Anderson Schools of Management	5	491
Education	0	396
Fine Arts	1	185
Nursing	0	171
Architecture and Planning	0	60
Engineering	2	199
Medicine	2	89
University Studies	1	174
Total for Other Colleges (% within Other)	11 (0.6%)	1765
<b>Total (% Overall)</b>	<b>84 (2.5%)</b>	<b>3353</b>

**Table 2. Students Graduating with Honors from University Honors Program , 2010-11, by Degree**

Degree	UHP Graduates	Total Graduates
BA (% within BA)	51 (4.0%)	1269
BS (% within BS)	25 (4.3%)	582
Other bachelor degree (% within Other)	8 (0.5%)	1502
<b>Total (% Overall)</b>	<b>84 (2.5%)</b>	<b>3353</b>

**Table 3. Students Graduating with Departmental Honors, 2010-11, by College**

College	Departmental Honors Graduates	Total Graduates
Arts & Sciences (% within A&S)	100 (6.3%)	1588
Other Colleges		
Anderson Schools of Management	0	491
Education	0	396
Fine Arts	17	185
Nursing	37	171
Architecture and Planning	0	60
Engineering	17	199
Medicine	6	89
University Studies	1	174
Total for Other Colleges (% within Other)	78 (4.4%)	1765
<b>Total (% Overall)</b>	<b>178 (5.3%)</b>	<b>3353</b>



Thirty-three different units on campus graduated at least one student with departmental honors last academic year, as shown in Table 4.

**Table 4. Programs Producing Graduates with Departmental Honors, 2010-2011, by Unit**

College	Department, Program or Unit	Number
Arts & Sciences	<b>Total Arts and Sciences</b>	<b>100</b>
	Anthropology	10
	Biochemistry	11
	Biology	16
	Earth & Planetary Sciences	4
	Economics	1
	English	3
	English-Philosophy	2
	Environmental Science	8
	Geography	2
	German	1
	History	2
	Languages	1
	Latin American Studies	1
	Mathematics	1
	Philosophy	2
	Physics	2
	Political Science	12
	Psychology	18
	Signed Language Interpretation	1
Sociology	1	
Spanish	1	
Engineering	<b>Total Engineering</b>	<b>17</b>
	Chemical Engineering	5
	Civil Engineering	6
	Computer Engineering	1
	Electrical Engineering	3
	Mechanical Engineering	1
	Nuclear Engineering	1
Fine Arts	<b>Total Fine Arts</b>	<b>17</b>
	Art Studio	12
	Music	1
	Theatre	4
Nursing	Nursing	37
Medicine	Medical Lab Science	6
University Studies	Native American Studies	1

Table 5 below describes the requirements for graduating with disciplinary honors. Most require at least six credit hours in independent study, senior thesis, or special courses open only to candidates for graduation with departmental honors. Further, the vast majority require completion of a senior thesis with some requiring an oral defense or oral presentation based on the thesis research.

**Table 5. Requirements for Graduating with Departmental or Disciplinary Honors**

Department	GPA	Credit Hours	Courses	Thesis, etc.
<b>Arts &amp; Sciences</b>				
Anthropology		6	497-498	Thesis
Biology	3.2 cumulative, 3.5 in major	6	400	Thesis, oral
Biochemistry		6	497-498	Thesis, oral
Chemistry	3.2 cumulative, 3.5 in major	≥ 3	497-498	Thesis, oral
E&PS		6	493,495	Thesis, defense
Economics	3.2	≥ 7	497,498, 499	Thesis
English	3.2 cumulative, 3.5 in major	≥ 7	412,497,490	Thesis
Geography		6	“advanced coursework”	Thesis
History		9	Honors courses	Thesis
Latin Amer St		6	497, 499	Thesis, oral
Mathematics	3.2 cumulative, 3.5 in major	6	499	Thesis, seminar
Philosophy		6	497, 499	Thesis
Physics	3.25	2	456	Thesis, oral
Political Science		9	495,496,497	Thesis
Psychology		12	391-2,491-2	Thesis, oral
Sociology	3.25 cumulative, 3.5 in major	6	399,499	Thesis
<b>Engineering</b>		≥ 6		
<b>Fine Arts</b>		6		Thesis or creative project
<b>Nursing</b>		4?	498,499	

## Appendix B

### Honors College – Scholars and Champions Initiative

The Honors College will be a conduit to improve the relationship within the academy as it relates to athletics.

During the month of October 2011, members of this task force, in conjunction with the Anderson School of Management, UNM Athletics, the Center for Academic Excellence and Leadership Development and the University Honors Program, invited Dr. Zeb Baker, a well-established scholar of athletics and athletic institutions to work with us to devise a strategy to improve the relationship between academics and athletics. UNM's student athlete advisory committee constructed the following statement regarding this proposal:

The Student-Athlete Advisory Committee (SAAC) would like to identify its support for the Scholars and Champions Initiative. SAAC is the student-athlete's voice to the athletic department, the university, and the community as a whole. SAAC consists of two representatives from each varsity sport as well as an executive leadership board. Together as a committee we strive to enhance the student-athlete experience by promoting opportunity in every aspect of life. Beginning with our SAAC representatives, we foster a positive student-athlete self-image, while emphasizing academics, athletics, and community involvement.

The Scholars and Champions Initiative would successfully encompass the objectives and needs high-achieving student-athletes. SAAC is familiar with these types of well-rounded young people and feel that this initiative would better support their needs and further catalyze their success. As student-athletes striving to improve the value of our academic and athletic experience, SAAC members look for opportunities to differentiate ourselves from others. The Scholars and Champions Initiative would allow UNM student-athletes to stand out from their competition, providing greater opportunities for success. We feel that the high achieving academic student-athletes may not always receive the attention and support that they require to reach their greatest potential. By fostering this program from college entrance through graduation, UNM would be able to prepare these high-achieving students for the future success including: grooming our student-athletes for outstanding opportunities to further their education such as the Rhoades scholarship, preparing our student-athletes for the expectations and rigor of graduate school, providing marketable skills in our student-athletes which would be valued by high profile internships etc. The Scholars and Champions Initiative would set UNM student-athletes apart not only due to their high motivation and well- rounded nature but their outstanding preparation for success ( November 2011).

**Proposal: Establish a "Scholars and Champions Initiative" to attract high-achieving student-athletes to academic programs**

High-achieving student-athletes represent a class of undergraduate learners who are, by nature, driven, directed, and ambitious, balancing by necessity their scholastic and competitive obligations in order to realize success in the classroom and on the field of play. As leaders among their teammates and classmates, they typically find meaningful and substantive ways to contribute to their campus and community. They are the right combination of scholar and champion, symbolizing the best of the academic and athletic cultures of the university.

As such, high-achieving student-athletes exemplify the integration of academics and athletics to which UNM aspires. They are a vital point of convergence between UNM's institutional mission and its competitive ambitions, a community of learners who thrive in both academic and athletic arenas. Their achievements on and off the field make them an ideal though largely untapped reservoir of participants in UNM's top level academic programs. By leveraging the athletic recruitment process, a select number of high-achieving high school prospects could be targeted early as potential candidates for nationally and internationally prestigious scholarship opportunities. Once enrolled in UNM, these students could be cultivated in the University Honors Program (and proposed Honors College), offering them a world-class level of instruction — and the program itself a beneficial community of learners, by which it might grow its profile, appeal, and relevance to a wider campus population.

By coordinating assets and practices already successfully in place in the Center for Academic Excellence and Leadership Development (CAELD), University Honors Program, and the Lobo Center for Student-Athlete Success, UNM could foster an enduring partnership between its academic and athletic cultures that centers on enhancing the scholastic, service, and sporting experience of these high-achieving student-athletes. This endeavor — “Scholars and Champions Initiative” — will demand collaboration among these three groups, while similarly proposing an innovative and unprecedented pathway toward increasing and enriching the participation, preparation, and presentation of UNM's best students in nationally and internationally competitive postgraduate scholarship programs.

The Honors College Task Force has explored possibilities for establishing a permanent relationship between academics and athletics that mutually meets the demands of operating as a Research I institution and a NCAA Division I athletic program. Out of their discussions arose the idea of utilizing high-achieving student-athletes as a pool of quality candidates for fellowship opportunities, such as the Rhodes, Marshall, Truman, or Gates Cambridge Scholarships. There are many precedents for cultivating the best student-athletes as candidates for these programs. The Rhodes Scholarship, for example, has historically proven open to candidacies from this group of students. Byron White (Colorado, football, 1938), Pete Dawkins (West Point, football, 1959), Bill Bradley (Princeton, basketball, 1965), and Pat Haden (Southern California, football, 1978) are among those who have been selected as Rhodes Scholars. More recently, Myron Rolle (Florida State, football, 2008) and Albuquerque native Justine Schluntz (Arizona, swimming and diving, 2010) have made their way to Oxford, with Greg McElroy (Alabama, football, 2010) being a finalist. Even internationally, the Rhodes Trust has bestowed this honor on Meghana

Narayan of India (2001), an international swimming champion; and Mari Rubie of South Africa (2010), a triathlete who competed in the 2008 Beijing Olympics.

What's more, members of UNM's own coaching staffs have experience with this brand of high-achieving student-athlete. While serving as head track and field coach at Butler University, Joe Franklin recruited and coached Fraser Thompson, a long-distance runner, who was named a Rhodes Scholar in 2002. The superlative Advance Progress Rates (APR) achieved by the majority of UNM's men's and women's Olympic sport programs indicates, as well, that top-level academic talent is already being attracted.

**Purposes for this initiative.** An institution like West Point has regularly leveraged its cadets' military service in developing their candidacies for fellowships. UNM could do the same with student-athletes. In this way, the Scholars and Champions Initiative would creatively and effectively utilize academic and athletic excellence as a basis for successful candidacies for the full range of fellowship programs. But this initiative would also seek to integrate the preparation for candidacy, as coordinated by CAELD, into a student-athlete's overall academic experience, placing them in the University Honors Program alongside similarly high-achieving students from the general undergraduate population. The initiative would serve to routinize CAELD's role in the candidacy of each of these student-athletes' degree programs, as well as establishing the University Honors Program as an incubator of top talent from every sector of the campus community. And it substantially regularizes the bonds between academics and athletics through the pursuit of excellent students who select UNM as their institution of choice.

**Collaboration between CAELD, University Honors Program, and Lobo Center.** High-achieving student-athletes will require the guidance and expertise of CAELD in developing their candidacy; the intellectual foundation of the University Honors Program and its faculty; and the home base assistance inside the athletics department of the Lobo Center. In turn, this initiative will only work as well as the quality of the collaboration between these three centers in the service of these candidates. There are various points upon which such a collaboration can be founded:

**Recruitment of high-achieving student-athletes.** Collaboration here is twofold. First, the Lobo Center should coordinate with coaches to identify a select number of high school prospects whose academic record indicates the potential for top level academic success commensurate with candidacy for nationally and internationally competitive fellowship programs (preferably a high school GPA of 3.8 or higher). Together with CAELD, the Lobo Center would work with coaches to make fellowship candidacy a significant and attractive portion of the recruitment process. Second, during that prospect's official visit, appointments would be made with CAELD personnel and University Honors Program faculty to discuss the possibilities of working toward such a candidacy. All three centers would play an integral role in selling that prospect on the potentialities of such a candidacy for their academic experience and future professional development.

**Degree completion.** These student-athletes' course schedules each semester should be constructed in such a way as to accommodate the rigors of candidacy, participation in the University Honors Program, and, of course, athletic competition. Here, CAELD, Lobo Center, and University Honors Program leaders should collaborate on the development of innovative means for making candidacy and competition centralized components of the student-athlete's progress toward graduation. The Lobo Center should also play a pivotal role in educating coaches on, and advocating inside the athletics department for, the benefits which will accrue to their program by creating and nurturing a place for these kinds of student-athletes.

**Managing the progress toward candidacy.** This collaboration will particularly require intensive, long-term work between CAELD and the University Honors Program faculty. If the expectation of this initiative is to build top level candidates throughout the academic experience of these high-achieving student-athletes, then CAELD and the University Honors Program will need to create and coordinate the conditions by which such candidacy cultivation takes place — in the classroom and beyond. These practices could easily be transferred to the Honors College when it comes into being.

**Managing the development of candidacy.** Here, all three centers will be required to do their part in cultivating that student at the point where candidate applications are made to these fellowship programs. Utilizing practices already in place in CAELD, which develop the complete program of candidacy, the Lobo Center and University Honors faculty should play an integral role in aiding the student to develop their candidacy.

**Developing scholarship opportunities for international students.** As various foundations — like the Soros and Gates Foundations, respectively — amend their qualifications for fellowship applications to include international student candidacies, CAELD and the Lobo Center should develop various strategies to leverage the considerable experience of the athletics department in recruiting and signing international student-athletes so as to build scholarship opportunities for this particular class of undergraduate students. High-achieving international student-athletes would make an especially attractive group of candidates for these fellowships — and establish UNM's place in the vanguard of those institutions working for the academic and financial welfare of international undergraduates.

Such a position would require several skills, integrating the work done as a faculty member with the work done as a strategic learning advisor at the Lobo Center. Given the unique position that this job would require, and the specific qualifications needed to accomplish the goals set forth by the initiative, I suggest the establishment of such a position in the following manner.

**The establishment of a tenure-track salary line within the honors program/honors college for this position.** Such a line would be offered at the minimum salary offering of \$45,000. This would establish a set of responsibilities in accord with the tenure conditions of the UHP/Honors College, and would be for a scholar that can offer interdisciplinary studies related to athletics as its core subject

matter with the intent of introducing more student-athletes to the culture of world-class interdisciplinary study at UNM.

**A supplemental buy-in from the athletics department**, which would give the position the additional duties set forth by the Scholars and Champions initiative. This position would offer outreach to high-achieving student-athletes, which is a service that the Lobo Center does not currently supply but is eager to do so. The buy-in would cost \$45,000, which would be consistent with the market rate for a learning strategist with a PhD. Coincidentally, this would send a message about equal purchase by both academics and athletics. This position (an endowed chair), the program itself, or both could be a named position, which could attract benefactors on the athletics side to contribute to it on a regular basis with recognizable buy-in. This could be achieved as part of the current efforts to establish funding for the honors college, but can also be seen as a reasonable first step towards realizing the college. This position could be filled by the end of the academic year, with the intent to begin in the fall of 2012.

## Appendix C

### Enrollment Examples

The following examples assume that courses are taught at capacity and that:

- 10% of the undergraduate student population will participate in the Honors College at some level;
- The Honors Major will require 39 credit hours of Honors-designated course work (thirteen 3-credit courses, including thesis or capstone hours);
- The Honors Minor will require 24 credit hours (eight 3-credit courses), similar to the current UHP Honors designation;
- The Honors Certificate will require 15 credit hours (five 3-credit courses);
- Some students admitted to the Honors College will take only a few honors courses; and
- Courses that satisfy degree and certificate requirements will include lower division honors courses, upper division honors courses and disciplinary honors courses.

#### Example 1, requiring approximately 50-60 courses per semester:

2,000 students participate in the Honors College, distributed as follows:

- 50 students seeking an Honors major;
- 150 students seeking an Honors minor;
- 500 students seeking an Honors certificate; and
- 1,300 students enrolled in three Honors courses over a four-year undergraduate career.

Total student-seat demand over 8 semesters:

- 50 Majors x 13 courses = 650
- 150 Minors x 8 courses = 1200
- 500 Certificate Students x 5 courses = 2500
- 1300 x 3 courses = 3900

Total for all students over 8 semesters = 8,250, or just over 1,031 student-seats per semester.

- Capped at 17 students per course, 61 courses per semester
- Capped at 20 students per course, 52 courses per semester

The core Honors College faculty of twelve could offer 24 of these courses. Six Honors Fellows temporarily housed in the Honors College could offer an additional 12. Disciplinary honors and courses taught by non-tenure stream faculty would need to offer up to 25 additional courses, for example, 10 in the disciplines and 15 by non-tenure stream faculty.



**Example 2, requiring approximately 56-66 courses per semester:**

2,000 students participate in the Honors College, distributed as follows:

- 60 students seeking an Honors major;
- 200 students seeking an Honors minor;
- 700 students seeking an Honors certificate; and
- 1,040 students enrolled in three Honors courses over a four-year undergraduate career.

Total student-seat demand over 8 semesters:

- 60 Majors x 13 courses = 780
- 200 Minors x 8 courses = 1600
- 700 Certificate Students x 5 courses = 3500
- 1040 x 3 courses = 3120

Total for all students over 8 semesters = 9,000 or 1,125 student-seats per semester.

- Capped at 17 students per course, 66 courses per semester
- Capped at 20 students per course, 56 courses per semester

The core Honors College faculty of twelve could offer 24 of these courses. Six Honors Fellows temporarily housed in the Honors College could offer an additional 12. Disciplinary honors and courses taught by non-tenure stream faculty would need to offer up to 30 additional courses, for example, 7 in the disciplines and 23 by non-tenure stream faculty. Over time as new tenure/tenure track faculty are awarded by the Provost to the Schools and Colleges more courses can be taught by tenure track faculty in the disciplines. The Honors Dean would have flexibility in how to structure the non-tenure stream faculty budget within Honors and perhaps convert part-time instructors to lecturers.

APPENDIX D

UNM Honors College Program Brief Draft		12.15.2011									
	Floor	Capacity	Sq Ft	Quantity	Total Capacity	Total Sq. Ft.	\$ Per Sq. Ft. Development Cost	Total Estimated Cost Development Cost	Historical Information Sources	Notes	
Study Rooms				16	200	1,000			The basis of programming and development budget information is from ACC Student Housing Development Component II: Phase I Preliminary Materials Dated February 2, 2011		
Seminar Room		20	400	+	80	1,600					
Group Study - Small		8	160	+	32	640					
Group Study - Large		14	280	+	56	1,120					
Quiet Study		8	160	+	32	640					
Counseling		2	120	+	180	1,440					
Computer Commons		20	800	1	20	800					
Residential						1,200	296,160				
Freshman / Sophomore	2 / 3		250	731	1,000	182,700				2+2 BR / 1 Bath	
Junior / Senior	4		50	1760	200	88,000				4 Private BR / Private Bath ea BR	
Resident Advisors	2 / 3 / 4		40	400	40	16,000				1 BR / Private Bath	
Lounges & Commons			16	670		10,720					
Activity Room / Cafe /	1	400	1	8000	400	9,000					
Kitchenette	1		+	400		1,600					
Total Net Square Footage						121,750					
						102,187.5	\$140.00	\$16,306,140.00		1.25 Net to Gross	
Dining						20,160			The basis of programming and development budget information is from Walter Miller document as related to the retrofit study for La Posada 6.17.2008		
Dining / Classics Library			1	300	300	6,000				3 Turns per Meal	
Kitchen / Back of the House	1					14,160				236%	
Total Net Square Footage						20,160					
Total Gross Square Footage						28,224	\$550.00	\$15,718,100.00			1.4 Net to Gross
Administrative Suite	1				260	4,140	\$265.00	\$1,097,100.00			
Dean's Office				1	240	2,400					
Associate Dean's Office				1	160	1,600					
Administrative Assistant				1	110	1,100					
Faculty Offices				15	120	1,800					
Staff Offices				+	100	400					
Conference Room		20	1	540	1	540					
Conference Room		10	1	396	1	396					
Kitchenette			1	98		98					
Reception Desk			1	140		140					
Writing			1	128		128					

# APPENDIX E



**APPENDIX E**

**Cost Estimation and Sources of Funding**

**COST ESTIMATION**

<b>Faculty</b>	
Dean	\$ 160,000
Associate Dean - SAC and course buy-out	40,000
T/TT Faculty(1)	75,000
T/TT Faculty	75,000
T/TT Faculty	75,000
Honor Fellows (6) - 4 course buyouts/year @ \$7000/course (2)	168,000
Lecturer (1)	45,000
Part Time Instructors - 12 courses/year @ \$3,800/ course	45,600
	\$ 683,600
<b>Staff</b>	
Accountant I	\$ 40,000
Admin I for Deans Office	27,000
Development Associate	54,000
Admin I for Scholarship Office	27,000
CAELD, NISF Program Specialist	45,000
Academic Advisors (4)	144,000
	\$ 337,000
<b>Benefits</b>	
Fringe Benefits (29%)	\$ 289,134
<b>Total Salary and Benefits</b>	<b>\$ 1,309,734</b>
<b>Other</b>	
Recruitment Budget	\$ 25,000
Supply and Equipment Budget	50,000
	\$ 75,000
<b>Total</b>	<b>\$ 1,384,734</b>

**Tuition & Funding Formula Assumptions**

Assumptions:

- 90 new students to the University that graduated within the top 25% of their class.
  - Each student averages 26 credit hours per year to graduate in 5
  - 85% retention rate
  - Half of a student's credit hours are lower division/half upper
- Instruction/Instructional Support Expenditure calculation used by the State Funding Formula.

**Gross Tuition & Formula Revenue**

Freshman Year	90 students * 26 ch * \$151.48 = \$354,463
Sophomore Year	77 students * 26 ch * \$151.48 = \$303,263
Junior Year	65 students * 26 ch * \$242.96 = \$410,602
Senior Year	55 students * 26 ch * \$334.44 = \$478,249
5th Year Senior	45 students * 26 ch * 334.44 = \$391,295

Total Gross Tuition & Formula Revenue =	<b>\$ 1,937,872</b>
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Notes: (1) Market Salaries for tenure stream faculty vary widely depending on discipline; \$75000 is an estimated average that would include humanities, physical and social sciences  
 (2) Course buy-out costs will depend on current college policies. For example, A&S is moving to a policy that charges 1/8 of annual salary for one course buy-out.

# **Tab 11**

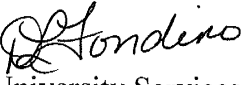


**University Services**

University Services Business Operations	UNM Surplus Property
UNM Copy Center	UnivServ Shipping and Receiving
UNM Mailing Systems	UNM Inventory Control
UNM Records Management	Chem Stores/CRLS
<a href="http://www.unm.edu/~univserv/">http://www.unm.edu/~univserv/</a>	Copier Management Program

Date: December 16, 2011

To: Bruce Cherrin, Chief Procurement Officer  
Purchasing Department

From: Debra L. Fondino   
Associate Director, University Services

Subject: Equipment Disposition – December 2011

Attached for your review and submission to the Board of Regents is the Surplus Property Disposition Detail list for the month of December, 2011.

Consistent with UNM Board of Regents Policy 7.9 and the Disposition of Surplus Property Act, 13-6-1, NMSA 1978, and based upon documentation submitted by the UNM departments responsible for the equipment, I certify that the equipment identified on the list is worn-out, unusable or obsolete to the extent that the items are no longer economical or safe for continued use by the University. I recommend that the items be deleted from UNM's inventory and disposed of in accordance with the above noted Regents Policy and Surplus Property Act.

Surplus Property Department  
Disposition Detail List  
as of 12-16-11

UNIM#	Department surplus equipment	Description	Manufacturer	Model#	Serial#	Year	Acquisition Cost	NBV	Method Of Disposal Desc	Disposal Date
90722	Undergrad Med Ed BMC Administrat	VCR	IVC	870	9106	1975	6,448.00	-	Obsolete	12/02/2011
186788	Undergrad Med Ed BMC Administrat	VIDEO CAMERA	JVC	KY 20U	17350198	1989	8,100.00	-	Too Costly to Repair	12/02/2011
186789	Undergrad Med Ed BMC Administrat	VIDEO CAMERA	JVC	KY 20U	17350202	1989	8,100.00	-	Too Costly to Repair	12/02/2011
197466	Undergrad Med Ed BMC Administrat	SWITCHER VIDEO	JVC	KMD6000M	12650152	1992	6,674.00	-	Too Costly to Repair	12/02/2011
(1) 205010	Intercollegiate Athletics	MOWER LAWN POWER	JACOBSEN	HR5111	691161733	1994	27,497.00	-	Obsolete	12/14/2011
205138	Undergrad Med Ed BMC Administrat	VCR	JVC	BR5822V	07811595	1994	5,631.00	-	Too Costly to Repair	12/02/2011
205139	Undergrad Med Ed BMC Administrat	VIDEO CAMERA	JVC	GYX2	09850116	1994	6,967.00	-	Too Costly to Repair	12/02/2011
221219	College of Pharmacy	PROJECTOR	INFOCUS	580	2AB0607416	1996	7,098.00	-	Obsolete	11/18/2011
228681	College of Pharmacy	COMPUTER PROJECTOR	INFOCUS	SVGA450	4G7314031	1997	6,164.00	-	Obsolete	11/18/2011
228682	College of Pharmacy	COMPUTER PROJECTOR	INFOCUS	SVGA450	4G7525795	1997	8,370.00	-	Obsolete	11/18/2011
232100	Undergrad Med Ed BMC Administrat	RECORDER/PLAYER/AUDI	VIDEO TECH SERVICES	AJD640	G8TRB0018	1998	8,957.00	-	Too Costly to Repair	12/02/2011
(2) 232101	Undergrad Med Ed BMC Administrat	MODULE CONTROL EDITO	VIDEO TECH SERVICES	AJD650	CK882564	1998	10,169.00	-	Too Costly to Repair	12/02/2011
232104	Undergrad Med Ed BMC Administrat	CAMERA	VIDEO TECH SERVICES	EZ1DVC	B8HY00251	1998	6,577.00	-	Too Costly to Repair	12/02/2011
232105	Undergrad Med Ed BMC Administrat	CAMERA	VIDEO TECH SERVICES	EZ1DVC	B8HY00116	1998	7,027.00	-	Too Costly to Repair	12/02/2011
232804	Undergrad Med Ed BMC Administrat	CAMCORDER	CANON	XL1DV	MA0000481	1998	7,479.00	-	Too Costly to Repair	12/02/2011
236748	Undergrad Med Ed BMC Administrat	RECORDER/PLAYER/EDIT	JVC	BR525	09310333	1999	6,380.00	-	Too Costly to Repair	12/02/2011
(3) 244178	New Mexico Union	STEAMER	NATL	ATMOSPHERIC	06411601	1999	5,342.00	-	Too Costly to Repair	12/02/2011
263609	Undergrad Med Ed BMC Administrat	DIGITAL CAMERA	UNKNOWN/OTHER	4000E	12G24479MS	2000	21,230.00	5,072.43	Too Costly to Repair	12/16/2011
(4) N00001096	Surgery Dental Services	Computer Server	Dell	PE6600	J1QPM51	2003	6,524.00	-	Beyond Repair	12/02/2011
N00009953	Computer Engr PI # 10	Computer System	Intel (Alienware)	AREA-51 7500 RE	PC-435222A	2004	14,515.71	-	Obsolete	12/14/2011
						2006	6,572.10	-	Beyond Repair	12/16/2011

Total Disposition Items: 21

Disposition value: 191,821.81

Disposition book value: 5,072.43

December 16, 2011

Additional Notes to Surplus listings dated 12/16/11:

**1 –Asset# 205010**, a 17-year old power lawn mower used in the Athletics department, was no longer in working condition and therefore sent to Surplus Property for disposal through auction.

**2 –Asset# 232101** is a Module Control Editor used for over 10 years in UME Assessment & Learning. It no longer functions properly and the cost to repair is not economical. It also does not support the current technology of HD.

There are a few other items along with this Editor that are being disposed of from Video Tech Services, JVC and Canon. These items are all older and obsolete, not cost effective to attempt to update and do not support the HD technology.

**3 –Asset# 244178**, a National Groen Hyper Steam HyCapacity Oven, is 11 years old and obsolete. More importantly, the New Mexico Student Union has incrementally spent over \$23,000 over the past five years in an attempt to repair the unit. It is simply no longer feasible to consider keeping and maintaining it.

**4 –Asset# N00001096** is a 2004 computer server that is old technology and was replaced by a newer server with a warranty to support clinical applications. Replacement was done to assure that old failing equipment was not used to house critical applications.

Note: Any item of value in this list will be re-sold through all means available, i.e.: Request for Bid, Auction house, special auction, online sale, to recover the maximum monies to re-invest in the mission of the requesting department.




## University Services

University Services Business Operations    UNM Surplus Property  
UNM Copy Center    UnivServ Shipping and Receiving  
UNM Mailing Systems    UNM Inventory Control  
UNM Records Management    Chem Stores/CRLS  
<http://www.unm.edu/~univserv/>    Print Management Program

Date:            January 20, 2012

To:              Bruce Cherrin, Chief Procurement Officer  
                    Purchasing Department

From:            Debra L. Fondino   
                    Associate Director, University Services

Subject:         Equipment Disposition – January 2012

Attached for your review and submission to the Board of Regents is the Surplus Property Disposition Detail list for the month of January, 2012.

Consistent with UNM Board of Regents Policy 7.9 and the Disposition of Surplus Property Act, 13-6-1, NMSA 1978, and based upon documentation submitted by the UNM departments responsible for the equipment, I certify that the equipment identified on the list is worn-out, unusable or obsolete to the extent that the items are no longer economical or safe for continued use by the University. I recommend that the items be deleted from UNM's inventory and disposed of in accordance with the above noted Regents Policy and Surplus Property Act.



Surplus Property Department  
Disposition Detail List  
as of 1-20-12

Department surplus equipment									
UNM#	Description	Manufacturer	Model#	Serial#	Year	Acquisition Cost	NBV	Method Of Disposal Desc	Disposal Date
262373	Administrative Support	DELL	POWEREDGE	2D2DX21	2003	6,982.00	-	Obsolete	01/06/2012
(1) N00010489	Biochemistry Molecular Biol Chair	Eppendorf	E5333000026 MC	5333 48476	2007	5,719.50	1,634.10	Too Costly to Repair	01/20/2012
(2) 244428	Cancer Research Treatment Ctr CR	DELL	PowerEdge	BOZR201	2000	10,427.00	-	Too Costly to Repair	01/06/2012
259122	Cancer Research Treatment Ctr CR	DELL	PowerVault 220S	FT9TZ11	2002	7,260.00	-	Obsolete	01/06/2012
264298	Cancer Research Treatment Ctr CR	DELL	POWEREDGE 2800	2HH8P31	2003	6,187.00	-	Obsolete	01/06/2012
(3) 216528	Cinematic Arts Department	LASER	CS2000	0800160102F	1995	15,089.00	-	Obsolete	12/22/2011
(4) 228934	Electrical Computer Engineering	SILICON GRAPHICS	W1017554G64	0800690ZD7C5	1997	14,271.00	-	Obsolete	01/20/2012
(4) 229319	Electrical Computer Engineering	COMMUNICATION SERVER ACOUSTA COMM.	II	B-AC22-4504	1998	12,140.00	-	Obsolete	01/20/2012
(4) 229318	Electrical Computer Engineering	COMMUNICATION SERVER ACOUSTA COMM.	II	B-AC22-4502	1998	10,624.00	-	Obsolete	01/20/2012
(4) 229317	Electrical Computer Engineering	COMMUNICATION SERVER ACOUSTA COMM.	II	B-AC22-4503	1998	10,345.00	-	Obsolete	01/20/2012
205522	General Clinical Research Ctr GCR	FORMA SCIENTIFIC	8458	8490000923	1994	7,064.00	-	Too Costly to Repair	01/17/2012
260278	HS Library and Informatics Center	DELL	PowerEdge 4600	DC5XG21	2003	7,365.00	-	Obsolete	01/06/2012
260232	HS Library and Informatics Center	DELL	Poweredge 4600	5N8SB21	2003	6,777.00	-	Obsolete	01/06/2012
264501	HS Library and Informatics Center	DELL	POWEREDGE 2650	6JHRS31	2004	5,997.00	-	Obsolete	01/06/2012
(5) 185791	KNME Operations	IDB	MACS 50	007	1989	77,772.00	-	Too Costly to Repair	01/17/2012
(5) 201831	KNME Operations	SONY	BVW70	17123	1995	47,506.00	-	Too Costly to Repair	01/17/2012
(5) 201832	KNME Operations	SONY	BVW70	17150	1995	47,506.00	-	Too Costly to Repair	01/17/2012
(5) 183981	KNME Operations	SONY	BVM65	10353	1989	20,750.00	-	Too Costly to Repair	01/17/2012
(5) 197811	KNME Operations	TEKTRONIX	14501	B021225	1993	15,449.00	-	Too Costly to Repair	01/17/2012
(5) 197820	KNME Operations	TEKTRONIX	TDC10	B010183	1993	10,000.00	-	Too Costly to Repair	01/17/2012
146593	KNME Operations	TV TECH	TRANSLATOR TV	124	1984	6,907.00	-	Obsolete	01/17/2012
177260	KNME Operations	SATCOM TE	4010	94	1986	6,000.00	-	Obsolete	01/17/2012
(6) N00023254	Student Life Info Technology	1-American Dynamics	ZU 12	928A09310000002	2009	17,361.11	4,822.61	Too Costly to Repair	12/22/2011
(6) N00023255	Student Life Info Technology	1-AD Fiber Expansion Storage	2u/Single Controller	928A09310000001	2009	11,736.11	3,260.11	Too Costly to Repair	12/22/2011
253873	TECHS	DELL	PowerEdge 2550	9TXJ1111	2002	5,713.00	-	Obsolete	01/06/2012

Total Disposition Items: 25

Disposition value: 392,953.72

Disposition bookvalue: 9,716.82

January 20, 2012

Additional Notes to Surplus listings dated 1/20/12:

**1 –Asset# N00010489** is an Eppendorf Mastercycler (polymerase chain reaction machine-PCR) used in the Biochemistry & Molecular Biology labs for real-time PCR experiments amplifying DNA. It is designed to provide maximum protection against evaporation of reaction solution and for low sample consumption and reduced reagent 212 costs. It contains a cushion that conforms to the shape of any consumable. The snug fit of the cushion in combination with the high pressure and excellent heating capabilities of the lid reduce evaporation to a minimum.

However, the lid on this unit has been broken. Since it is a discontinued model, replacement parts are difficult to find; therefore, it is no longer useable. It is hopeful that other labs in the country will buy this unit for its value in replacement parts for their existing equipment.

**2 –Asset# 244428**, a 12-year old computer file server used at the Cancer Research Treatment Center, was being retained as a source of spare parts for similar equipment that had not yet been retired. There are no longer any useful parts remaining.

**3 –Asset# 216528** is a computer which was used in conjunction with an Avid video editor and a Media 100 video editor disposed of in October 2011. These items were all transferred to the Cinematic Arts inventory from the College of Fine Arts Department of Theater and Dance and Media Technology Services. All were slated for surplus but instead transferred them to Cinematic Arts in the hopes these assets would be compatible with the current program in use. However, both proved to be tremendously out of date and incapable of being upgraded to the present-day standards of computer technology editing systems. It was then decided to finally send the items to Surplus Property.

**4 –Assets# 228934, 229319, 229318, and 229317** are all Communication Server equipment used in the Department of Electrical and Computer Engineering. Considering the age of approximately 15 years, these items have been obsolete for quite some time and are no longer functional.

**5 –Assets# 185791, 201831, 201832, 183981, 197811, and 197820** are all components of KNME communication equipment and translators that have not been in service since 2009 or 2010. The systems are past the end of their useful lives and parts are extremely difficult to obtain as a result. This makes it no longer feasible or cost effective to keep running.

**6 –Assets# N00023254 and N00023255** are two pieces of American Dynamics servers in Student Life which are no longer of viable use due to the lack of hard disk storage, data cables or power cables and are therefore rendered as useless.

These server pieces were originally part of the overall video surveillance system for the Redondo Village Apartments. Once the old system failed, replacement costs for a new system were found to be a less expensive alternative. The new system is technologically improved and will have a longer life. Note: Student Life did not replace the entire system. They kept the cameras and the other working pieces in order to minimize the unexpected cost.

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Note: Any item of value in this list will be re-sold through all means available, i.e.: Request for Bid, Auction house, special auction, online sale, to recover the maximum monies to re-invest in the mission of the requesting department.

**Tab 12**

**APPROVAL OF ARCHITECT SELECTION for  
HOKONA HALL COMMONS AREA RENOVATION  
UNIVERSITY OF NEW MEXICO  
February 14, 2012**

**RECOMMENDED ACTION:**

As required by Section 7.11 of the Regents Policy Manual, it is recommended that the Board of Regents approve the selection of the following architect for design and planning for Hokona Hall Commons Area Renovation. Project approval will be requested at a future meeting of the Board of Regents.

**Recommended Firm:** Design Plus LLC, Albuquerque, NM

**PROJECT DESCRIPTION:**

1. The project will renovate a total of 13,961 SF of space. It will improve circulation, accessibility, and restore aged areas of the building to a level of quality and functionality for student social and academic activities worthy of the building's historical stature.
2. An elevator will be installed which will provide access between all four levels of the building.
3. The project will update and improve the restroom facilities in the walk-out ground level.
4. An outdoor social area north of the ground level, visually separated from nearby roads and parking areas will be constructed.

**RATIONALE:**

1. This recommendation is based on a Request for Proposals selection process in accordance with State of NM Procurement Regulations.
2. On January 20, 2012 the selection committee evaluated 10 written proposals. Of those 4 firms were selected to make oral presentations on January 31, 2012. The finalists are listed below in order of their ranking following the presentations. The fee for those finalists is also included:
  - a. Design Plus LLC: \$144,225
  - b. Gregory T. Hicks & Assoc., PC: \$150,830
  - c. Vigil & Associates Architectural Group, PC: \$144,244
  - d. NCA Architects-Planners, AIA: \$142,529The fee is based upon price and anticipated work hours.
3. The firm selected has an expert team of experienced Architects and Engineers.
4. The A/E selected has great experience in renovation projects of this type.
5. The A/E selected submitted the best combination of fee and excellence.
6. The selection committee included:  
Rick Henrard, Group Manager, Office of Capital Projects;  
Eric Schwaner, Sr. Construction/Project Manager, Office of Capital Projects;  
Wayne Sullivan, Residence Life Manager, Residence Life and Student Housing;  
Robert Garman, Manager, Maintenance & Construction, PPD Area Three;  
Robert Doran, University Architect, Office of Planning and Campus Development;

David Penasa, Facilities Engineer, PPD Engineering & Energy Services;  
Levon Van Ert, Telecomm Facilities Manager, IT Networks;  
Louella Phillips, Network Specialist, IT Deputy CIO

**FUNDING:**

The total estimated Project Budget is \$3,285,000:

- \$3,285,000 is to be funded from Residence Life and Student Housing Plant Fund Balances

# **Tab 13**



## Memo

**To:** David W. Harris, Executive Vice President for Administration, COO and CFO  
**From:** Kim D. Murphy, Director of Real Estate *KDM*  
**Date:** January 31, 2012  
**Re:** Real Property Acquisition of 1709 Las Lomas Road NE

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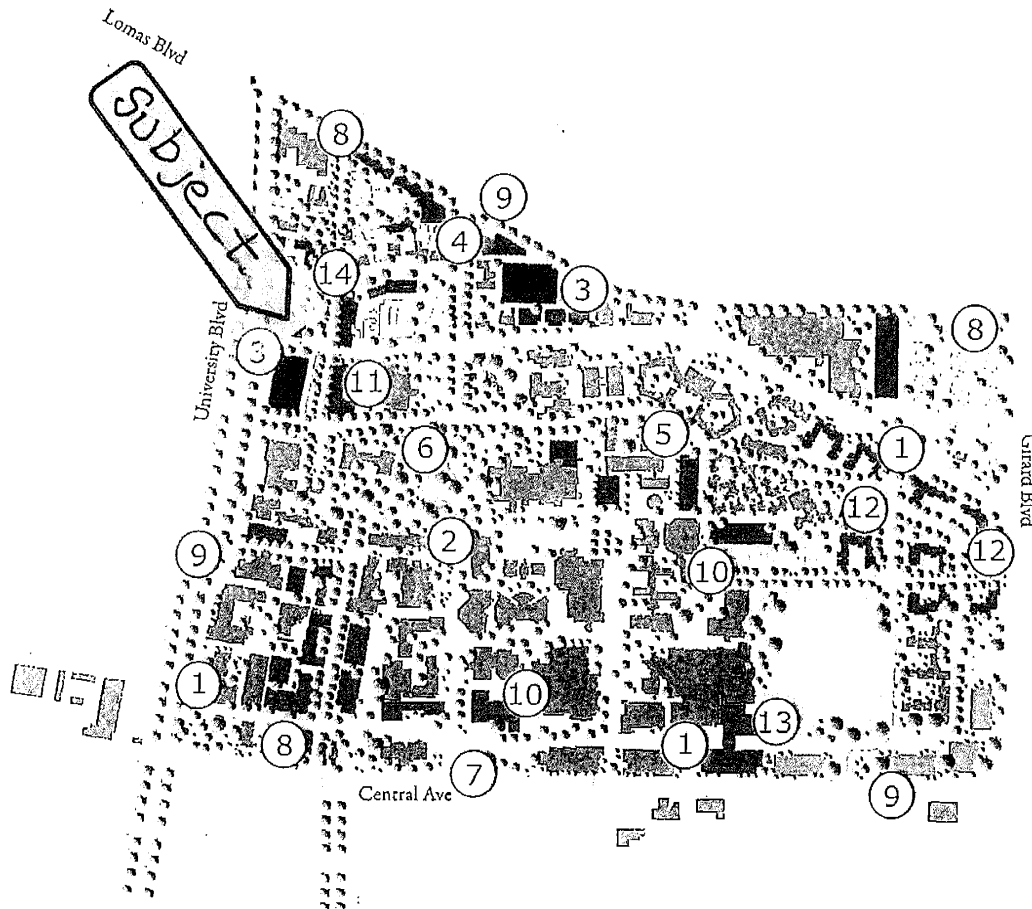
Pursuant to Board of Regents Policy 7.9 ("Property Management"), we are requesting approval to purchase a single-family residence located at 1709 Las Lomas Road NE. The property is improved with a single-story residence containing 1,373 square feet with a 703 square foot basement and was constructed circa 1930. The lot contains 6,250 square feet with 50 feet of frontage and a depth of 125 feet.

The property is located on the north side of Las Lomas Road, approximately 200 feet east of University Boulevard. The lots adjoining the property to the east and west are owned by the University. This area is identified on the UNM Master Plan as a proposed future building site and is immediately north of the Central Campus Academic Core and adjacent to a planned Multi-disciplinary Research Facility (proximate to Dane Smith Hall). The highest and best use of the improvements would be for interim office or administrative use until such time as the property and adjoining lands are redeveloped in accordance with the UNM Master Plan.

The property is owned by Carson E. Morris, Pablo A. Reyes Lizana, E. Lee Morris, as individuals. The residence was listed for sale on November 3, 2011 at \$339,000. The price was reduced to \$309,000 on November 13 and to \$299,000 on December 5. The contract price is \$250,000, which is supported by a current market value appraisal of \$250,000.

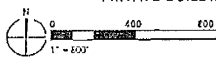
The funding source for this transaction will be determined by the EVP for Administration. With Regents approval, the Real Estate Department will complete due diligence on the property to insure compliance with the Higher Education Department and State Board of Finance requirements. University Counsel will prepare transaction documents.





**Major Proposed Developments for Central Campus**

- LEGEND**
- PROPOSED BUILDING
  - PROPOSED STRUCTURED PARKING
  - PRIVATE/PUBLIC DEVELOPMENT
  - EXISTING UNM
  - PRIVATE BUILDINGS



**Proposed Road Network and Circulation Improvements:**

1. Restrict automobile access on the Central Campus.
2. Establish a "people mover" corridor that connects Central Avenue with Lomas Boulevard.
3. Cap parking on Central Campus and provide accessible short-term parking.
4. Reconfigure Yale Boulevard to function as a primary gateway to the north side of the Central Campus.

**Open Space and Pedestrian/Bike Circulation:**

5. Improve the pedestrian/bike paseo between the dorms and west of University Blvd.
6. Renew the Duck Pond area with new fixtures, pathways, and amenities.
7. Identify clear bicycle paths and lanes on Redondo and Campus Drive.

8. Improve bicycle and pedestrian entrances at Vassar/Lomas, Terrace/Central, and Lomas/Buena Vista.

**Proposed Facilities Improvements:**

9. Create a more defined edge along segments of Central Avenue, and Lomas Boulevard.
10. Prioritize academic expansion on remaining infill sites, such as the reservoir site, in the academic core of the Central Campus.
11. Construct a multi-disciplinary research facility on the Central Campus.
12. Increase housing on the Central Campus to increase the number of undergraduates living on campus.
13. Develop a student-centered recreation center in a location accessible for students.
14. Redevelop themed student housing along Mesa Vista.

**Tab 14**

## Memo

To: David Harris, EVP for Administration, CFO & COO  
From: Kim Murphy, Associate Vice President, LDC *KDM*  
Date: January 31, 2012  
Re: LDC Recommendation: Allocation Of City Fire Station (Gibson)  
Land Sale Proceeds to Lobo Development Corporation

### Action:

On January 30, 2012, the Board of Directors of Lobo Development Corporation approved and recommends approval to the Regents Finance & Facilities Committee the allocation of proceeds from the sale of land to the City of Albuquerque, Fire Department to Lobo Development Corporation to be used to fund subdivision improvements adjoining the Fire Station site and nearby commercial sites and for expenses related to the transaction.

### Background

The City of Albuquerque and the University entered into an Exchange Agreement effective September 13, 2011 whereby the City would acquire an approximate 1.3 acre parcel from UNM located on Gibson Blvd. SE to be used for a new Fire Station. The University would acquire an approximate 2.2 acre parcel located on North 4<sup>th</sup> Street NW to be used as a Community Health Clinic by UNMH. The agreement anticipated that the parties would close a simultaneous exchange of parcels and that the City would pay to UNM the difference in cash. Regents approval of the exchange indicated that UNMH would reimburse UNM Administration for the value of the North 4<sup>th</sup> Street NW parcel.

The Exchange Agreement also provides that in the event one party is unable or unwilling to close the exchange, the other party may elect to purchase the property of the other party upon cash payment. The City is ready to award the construction contract for the Fire Station and desires to purchase the UNM parcel in order to complete the construction on schedule. UNMH has additional work to complete before its ready to close its side of the transaction. Consequently, the City and UNM closed on the sale/purchase of

the Gibson Fire Station parcel effective January 28, 2012. Net land sale proceeds to UNM amount to \$827,229.

The Exchange Agreement further provides that UNM will improve the Fire Station parcel with perimeter subdivision infrastructure on a comparable basis to the City's North 4<sup>th</sup> Street NW parcel. An engineer's estimate of this and related subdivision infrastructure is \$678,748.

### Conclusion & Recommendation

Therefore, the Board of Directors of Lobo Development Corporation has approved and recommends approval by the Regents Finance & Facilities Committee the allocation of proceeds from the sale of land to the City of Albuquerque, Fire Department in the amount of \$827,229 to Lobo Development Corporation to be used to fund subdivision improvements adjoining the Fire Station site and nearby commercial sites and to reimburse LDC for expenses related to the transaction.

# **Tab 15**



Office of the Vice President for HSC/UNM Finance  
and University Controller  
1 University of New Mexico  
MSCO1 1300  
Albuquerque, NM 87131

## MEMORANDUM

**DATE:** January 17, 2012

**TO:** David W. Harris  
Executive Vice President for Administration

**FROM:** Ava J. Lovell, CPA  
HSC Senior Executive Financial Officer  
& University Controller

**RE:** One (1) Action Item and One (1) Information Item for Board of Regents' Finance & Facilities Committee Meeting

### *Action Item.*

The Fiscal Watch Report that is to be submitted to the HED Executive Director through December 31, 2011 will be presented at the February 2, 2012 Finance & Facilities Committee meeting. The Report contains the following information: A comparison of the approved annual operating and plant fund budgets with the current year-to-date information, a comparison of the most current year to prior-year information, a Balance Sheet and a Statement of Cash Flows.

The Report is to be reviewed and approved by the Board of Regents at the February 2, 2012 Finance & Facilities Committee meeting. We have prior approval to distribute the Report at the meeting in lieu of including the report in the bound agenda book (or on-line copy).

### *Information Item.*

The Monthly Consolidated Financial Report for the month ended December 31, 2011 will be presented at the February 2, 2012 Finance & Facilities Committee meeting. In order to present the most-timely financial information at this meeting, we have prior approval to distribute the Report at the meeting in lieu of including the report in the bound agenda book (or on-line copy).



Office of the HSC Senior Executive Financial Officer  
and University Controller  
1 University of New Mexico  
MSCO1 1300  
Albuquerque, NM 87131

FILE COPY

DATE: February 2, 2012  
TO: Deborah DeMella  
Institutional Auditor  
New Mexico Higher Education Department  
RE: Financial Status as of December 31, 2011

By signing below, the parties are indicating they are aware that timely and routine processes are in place and being followed and where appropriate, reviewed and approved by the Board of Regents related to:

- o Comparison of approved annual operating and plant fund budgets with year-to-date revenues, expenditures and transfers;
- o Comparison of current year-to-date to prior year's activities in operating and plant fund revenues, expenditures and transfers;
- o Statement of net assets; and
- o Statement of cash flow.

University of New Mexico

Don Chalmers, Chair, Board of Regents-F&F or designee

Date

David J. Schmidly, President

Date

2-9-12

David W. Harris, Chief Financial Officer

Date

2/9/12

## **Executive Summary**

### **University of New Mexico Consolidated Financial Report**

#### **FY 2012, 6 months ending 12/31/2011**

This report covers current fund operations for the University, including Main Campus, Branch Campuses and HSC Campus.

This report displays the “**Benchmark Rate**” percentage. The Benchmark Rate is used as a guide to analyze how budgeted revenue is coming in or whether we are spending budgeted expenses too rapidly. For December, we would expect to see income and expense for 6 months of the year or 50% (6 months divided by 12 months) of the full year operating budget.

**Instruction and General** operations (approximately 90% of this operation resides on Main Campus) projected an unfavorable net margin of \$15.5M for the FY 2012 UNM Operating Budget. This unfavorable budgeted net margin is comprised of a \$13.9M use of reserve at the Main Campus, a \$1.8M use of reserve at the Branch Campuses and a favorable net margin at the HSC Campus of \$185K. The \$13.9M use of reserve at Main Campus is primarily due to \$9.2M of one-time monies funding the I&G Budget and Academic Affairs budgeting approximately \$4.0M in reserve balances. As of 12/31/11 these operations produced a favorable net margin of \$17.0M. Tuition and Fees Revenue and F&A Revenue are both up 5% compared to the operating budget. In addition, the total actual Instruction and General expenses are 4% less than budgeted.

The next block of information shows our **Unrestricted Research** operations. The activity in these operations is essentially 50% Main Campus and 50% HSC Campus. The FY 2012 UNM Operating Budget showed a use of reserve of \$10.3M, of which a \$4.1M unfavorable net margin is related to Main Campus and a \$6.2M unfavorable net margin is related to HSC Campus. The \$4.1M use of reserve at Main Campus is primarily due to Academic Affairs departments budgeting reserve balances. At the HSC Campus approximately \$800K of reserves were budgeted by SOM Departments to support Chairs' Letter of Offer packages and anticipated startup package costs. Another \$2.16M of reserves was budgeted by the SOM Dean for one-time support of SOM Units. The College of Pharmacy budgeted \$233K for faculty bridge funding. Additionally, at the HSC \$3.0M is budgeted for various capital projects during FY 2012. The actual unfavorable net margin is \$3.0M as of 12/31/11 and is primarily due to the timing of transfers to Unrestricted Research in combination with expenses running less than budget at the Main Campus.

The third block of numbers on the first page is a summary of our **Clinical** operations. These operations are essentially all the patient care activities of the HSC Campus, including the UNM Hospitals, SOM physician professional services, Cancer Center operations and Housestaff/Medical Residents who are being trained in the UNM and VA hospitals. The FY 2012 UNM Operating Budget projected an unfavorable net margin of \$3.4M. The major factor contributing to this unfavorable net margin is the School of Medicine budgeting a use of reserve of \$2.8M for FY 2012. The budgeted use of reserve is primarily due to the SOM new faculty hires for FY 2012. Clinical operations show an unfavorable net margin of \$2.0M as of 12/31/11. UNM Hospitals produced a favorable net margin of \$647K and the HSC Campus had an unfavorable net margin of \$2.6M as of 12/31/2011. The results for UNMH are a positive net margin of \$647K and the combined results for the Behavioral Health Operations (BHO) are running at break even. The HSC unfavorable net margin of \$2.6M as of 12/31/11 can be primarily attributed to transfers to plant funds for projects underway for: academic space in Pathology and Dental Medicine; laboratory space in Biochemistry and Molecular Biology, and for backfill renovations.



The fourth business category shown on the first page of this report is **Unrestricted Public Service**. The operations in this category include special projects funded by State Appropriations, for example Project ECHO, and non-endowed gifts flowing from the UNM Foundation to departments and many small events funded by user fees. The FY 2012 UNM Operating Budget projected an unfavorable net margin of \$4.9M. This unfavorable budgeted net margin is comprised of a \$4.3M use of reserve at the Main and Branch Campuses and a budgeted use of reserve of \$660K at the HSC Campus. The \$4.3M use of reserve at the Main and Branch Campuses is primarily due to Academic Affairs departments budgeting reserve balances. There are \$2.7M of budgeted reserves within non-endowed spending indices and approximately \$1.4M of budgeted reserves within Academic Affairs General Public Service indices. Actual revenue is greater than expense by \$2.6M as of 12/31/11 with HSC Campus having an unfavorable net margin of \$543K and the Main and Branch Campuses producing a favorable net margin totaling \$3.2M. The favorable net margin at the Main Campus is due to increased gift revenue, the timing of transfers to Unrestricted Public Service and expenses currently running less than budget.

Page 2 of this report begins with the **Student Aid** function. The FY 2012 UNM Operating Budget projected an unfavorable net margin of \$9.5M. This unfavorable budgeted net margin is comprised of a \$8.8M use of reserve at the Main Campus and a budgeted use of reserve of \$676K at the HSC Campus. The budgeted use of balance at Main Campus is primarily due to Academic Affairs departments and Enrollment Management budgeting reserve balances for the payout of major and departmental scholarships in the new fiscal year. The actual unfavorable net margin is \$3.8M as of 12/31/11. The revenue and expenditures are at 49% and 48% of the budget benchmark respectively. The unfavorable net margin is primarily due to Main Campus departments spending down prior year's surplus balances.

**Student Activities** are the operations of Student Government and Student organizations. The FY 2012 UNM Operating Budget shows a use of reserve of \$201K. These operations show an unfavorable performance of \$8K as of 12/31/11.

#### **Auxiliaries and Athletics**

The FY 2012 UNM Operating Budget for Auxiliaries and Athletics projected a use of reserve of \$1.8M. This use of reserve is primarily due to a combination of Athletics budgeting a \$494K use of reserve, Bookstore budgeting a use of reserve of \$716K, Parking and Transportation budgeting a use of reserve of \$200K, Student Health Center budgeting a use of reserve of \$100K, AVP Ops/Student Life budgeting a use of reserve of \$260K, the Branch Campuses budgeting an unfavorable net margin of \$8K and all other units budgeting an unfavorable net margin of \$10K.

Actual performance as of December 31, 2011 for the Auxiliaries and Athletics is an unfavorable net margin of \$1.1M. Units with a positive net operating income through December are: Parking and Transportation, Ticketing Services, Young Ranch, Taos & Lawrence Ranch, Housing and Food Service, Student Health Center, Art Museum and the Maxwell Museum.

**Sponsored programs** operations are our contract and grant research and public service projects funded by outside agencies and companies. These operations will always record a zero net revenue over expense by the nature of their funding. The agency pays for a service or research project, and normally any unspent funds must be returned to the agency.

The **total net** favorable revenue over expenses for UNM current operations is \$9.7 million for the six months ending 12/31/11, primarily driven by the favorable net margin of \$17.0M in Instruction and General operations.

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents  
For the six month period ended December 31, 2011  
Preliminary and Unaudited

**University of New Mexico - Consolidated Total Operations Current Funds**

	FY 2012 Full Year Operating Budget	FY 2012 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 50%
<b>Instruction and General</b>				
Tuition and Fees Revenues	155,520,895	85,391,815	(70,129,080)	55%
State/Local Appropriations	245,655,915	121,927,045	(123,728,870)	50%
F & A Revenues	39,500,000	21,626,714	(17,873,286)	55%
Transfers	(56,307,151)	(27,346,605)	28,960,546	49%
Other Revenues	22,505,192	11,414,763	(11,090,429)	51%
Total Instruction and General Revenues	406,874,851	213,013,732	(193,861,119)	52%
Salaries	254,813,079	127,533,549	127,279,530	50%
Benefits	75,065,122	32,172,356	42,892,766	43%
Other Expenses	92,523,914	36,347,081	56,176,833	39%
Total Instruction and General Expenses	422,402,115	196,052,986	226,349,129	46%
Net Instruction and General Revenue/(Expense)	(15,527,264)	16,960,746	32,488,010	
<b>Research</b>				
State/Local Appropriations	9,573,008	5,118,539	(4,454,469)	53%
Transfers	24,411,521	10,506,790	(13,904,731)	43%
Other Revenues	3,775,641	1,231,685	(2,543,956)	33%
Total Research Revenues	37,760,170	16,857,014	(20,903,156)	45%
Salaries and Benefits	26,788,722	11,509,672	15,279,050	43%
Other Expenses	21,287,670	8,357,762	12,929,908	39%
Total Research Expenses	48,076,392	19,867,434	28,208,958	41%
Net Research Revenue/(Expense)	(10,316,222)	(3,010,420)	7,305,802	
<b>Clinical Operations</b>				
State/Local Appropriations	22,147,400	10,654,376	(11,493,024)	48%
Physician Professional Fee Revenues	100,253,515	48,676,681	(51,576,834)	49%
Hospital Facility Revenues	635,690,439	324,289,470	(311,400,969)	51%
Other Patient Revenues, net of Allowance	86,350,684	42,449,068	(43,901,616)	49%
Mil Levy	90,562,935	44,658,118	(45,904,817)	49%
Investment Income	4,127,881	628,190	(3,499,691)	15%
Gifts	2,425,503	1,638,261	(787,242)	68%
Housestaff Revenues	30,423,113	15,776,178	(14,646,935)	52%
Other Revenues	13,514,329	6,804,862	(6,709,467)	50%
Total Clinical Operations Revenues	985,495,799	495,575,204	(489,920,595)	50%
Salaries and Benefits	546,284,184	273,239,587	273,044,597	50%
Debt Service	7,958,752	4,377,804	3,580,948	55%
Housestaff Expenses	30,451,294	14,959,245	15,492,049	49%
Other Expenses	404,174,207	204,964,967	199,209,240	51%
Total Clinical Operations Expenses	988,868,437	497,541,603	491,326,834	50%
Net Clinical Operations Revenue/(Expense)	(3,372,638)	(1,966,399)	1,406,239	
<b>Public Service</b>				
State/Local Appropriations	3,526,500	1,764,278	(1,762,222)	50%
Sales and Services Revenues	10,661,189	6,062,900	(4,598,289)	57%
Gifts	7,056,723	5,335,694	(1,721,029)	76%
Transfers	2,332,108	212,675	(2,119,433)	9%
Other Revenues	4,687,356	2,475,815	(2,211,541)	53%
Total Public Service Revenues	28,263,876	15,851,362	(12,412,514)	56%
Salaries and Benefits	15,434,447	7,410,081	8,024,366	48%
Other Expenses	17,763,069	5,802,925	11,960,144	33%
Total Public Service Expenses	33,197,516	13,213,006	19,984,510	40%
Net Public Service Revenue/(Expense)	(4,933,640)	2,638,356	7,571,996	

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents  
For the six month period ended December 31, 2011  
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2012 Full Year Operating Budget	FY 2012 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 50%
<b>Student Aid</b>				
Gifts	2,451,568	1,563,424	(888,144)	64%
State Lottery Scholarship	32,700,000	16,350,000	(16,350,000)	50%
Transfers	13,104,867	5,607,732	(7,497,135)	43%
Other Revenues	552,964	552,095	(869)	100%
Total Student Aid Revenues	48,809,399	24,073,251	(24,736,148)	49%
Salaries and Benefits	3,695,995	2,031,639	1,664,356	55%
Other Expenses	54,609,260	25,802,271	28,806,989	47%
Total Student Aid Expenses	58,305,255	27,833,910	30,471,345	48%
Net Student Aid Revenue/(Expense)	(9,495,856)	(3,760,659)	5,735,197	
<b>Student Activities</b>				
Fee Revenues	5,705,246	2,760,475	(2,944,771)	48%
Sales and Services Revenues	1,197,410	846,503	(350,907)	71%
Transfers	756,679	124,028	(632,651)	16%
Other Revenues	151,487	79,267	(72,220)	52%
Total Student Activities Revenues	7,810,822	3,810,273	(4,000,549)	49%
Salaries and Benefits	4,237,719	1,995,033	2,242,686	47%
Other Expenses	3,774,525	1,823,404	1,951,121	48%
Total Student Activities Expenses	8,012,244	3,818,437	4,193,807	48%
Net Student Activities Revenue/(Expense)	(201,422)	(8,164)	193,258	
<b>Auxiliaries and Athletics</b>				
Branch Campuses Auxiliary Revenues	2,728,296	1,338,647	(1,389,649)	49%
Main Campus Auxiliaries Revenues	52,697,732	25,758,885	(26,938,847)	49%
Athletics Revenues	30,342,530	15,550,295	(14,792,235)	51%
Total Auxiliaries and Athletics Revenues	85,768,558	42,647,827	(43,120,731)	50%
Branch Campuses Auxiliary Expenses	2,736,699	1,348,973	1,387,726	49%
Main Campus Auxiliaries Expenses	53,983,002	25,720,229	28,262,773	48%
Athletics Expenses	30,836,430	16,714,950	14,121,480	54%
Total Auxiliaries and Athletics Expenses	87,556,131	43,784,152	43,771,979	50%
Net Auxiliaries and Athletics Revenue/(Expense)	(1,787,573)	(1,136,325)	651,248	
<b>Sponsored Programs</b>				
Federal Grants and Contracts Revenues	195,470,345	126,156,666	(69,313,679)	65%
State and Local Grants and Contracts Revenues	37,608,854	12,709,484	(24,899,370)	34%
Non-Governmental Grants and Contracts Revenues	22,642,464	13,282,270	(9,360,194)	59%
Gifts	190,776	77,500	(113,276)	41%
Transfers	1,740,256	2,775,581	1,035,325	159%
Other Revenues	130,000	-	(130,000)	0%
Total Sponsored Programs Revenues	257,782,695	155,001,501	(102,781,194)	60%
Salaries and Benefits	131,907,274	62,781,311	69,125,963	48%
Other Expenses	125,875,421	92,220,190	33,655,231	73%
Total Sponsored Programs Expenses	257,782,695	155,001,501	102,781,194	60%
Net Sponsored Programs Revenue/(Expense)	-	-	-	
<b>Contingencies</b>				
Total Contingency Revenues	11,048,807	-	11,048,807	0%
Total Contingency Expenses	(8,750,983)	-	(8,750,983)	0%
Net Contingencies Revenue/(Expense)	19,799,790	-	19,799,790	
<b>Net Current Revenue/(Expense)</b>	<b>(25,834,825)</b>	<b>9,717,135</b>	<b>75,151,540</b>	
<b>Beginning Net Assets Unrestricted</b>		<b>301,886,009</b>		
<b>Ending Net Assets Unrestricted</b>		<b>311,603,144</b>		

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents  
For the six month period ended December 31, 2011  
Preliminary and Unaudited

**University of New Mexico - Consolidated Total Operations Current Funds**

	FY 2012 Full Year Operating Budget	FY 2012 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 50%
<b>University of New Mexico - Results of Athletics and Auxiliary Operations</b>				
<b>Results of Athletics Operations:</b>				
Athletics Revenues	33,516,731	16,909,605	(16,607,126)	50%
Athletics Transfers	(3,174,201)	(1,359,310)	1,814,891	43%
Total Athletics Revenues	30,342,530	15,550,295	(14,792,235)	51%
Athletics Expenses				
Salaries and Benefits	13,259,616	6,980,148	6,279,468	53%
Grant-in-Aid	3,837,520	1,708,497	2,129,023	45%
Other Expenses	13,739,294	8,026,305	5,712,989	58%
Total Athletics Expenses	30,836,430	16,714,950	14,121,480	54%
Net Athletics Revenue/(Expense)	(493,900)	(1,164,655)	(670,755)	
<b>Results of Auxiliary Operations:</b>				
<b>VP for Institutional Support Services</b>				
Bookstore Revenues	18,287,250	10,104,808	(8,182,442)	55%
Bookstore Transfers	(1,390,000)	(1,175,003)	214,997	85%
Total Bookstore Revenues	16,897,250	8,929,805	(7,967,445)	53%
Total Bookstore Expenses	17,613,020	9,167,205	8,445,815	52%
Net Bookstore Revenue/(Expense)	(715,770)	(237,400)	478,370	
Public Events Revenues	4,722,820	1,034,200	(3,688,620)	22%
Public Events Transfers	149,730	74,868	(74,862)	50%
Total Public Events Revenues	4,872,550	1,109,068	(3,763,482)	23%
Total Public Events Expenses	4,872,550	1,598,842	3,273,708	33%
Net Public Events Revenue/(Expense)	-	(489,774)	(489,774)	
Golf Courses Revenues	2,211,054	1,043,258	(1,167,796)	47%
Golf Courses Transfers	(39,252)	(19,626)	19,626	50%
Total Golf Courses Revenues	2,171,802	1,023,632	(1,148,170)	47%
Total Golf Courses Expenses	2,171,802	1,210,353	961,449	56%
Net Golf Courses Revenue/(Expense)	-	(186,721)	(186,721)	
Parking and Transportation Revenues	7,796,976	5,012,828	(2,784,148)	64%
Parking and Trans Transfers	(2,448,807)	(1,260,041)	1,188,766	51%
Total Parking and Trans Revenues	5,348,169	3,752,787	(1,595,382)	70%
Total Parking and Trans Expenses	5,548,169	2,698,520	2,849,649	49%
Net Parking and Trans Revenue/(Expense)	(200,000)	1,054,267	1,254,267	
Ticketing Services Revenues	526,000	585,814	59,814	111%
Ticketing Services Transfers	348	37,674	37,326	10826%
Total Ticketing Services Revenues	526,348	623,488	97,140	118%
Total Ticketing Services Expenses	526,348	423,670	102,678	80%
Net Ticketing Services Revenue/(Expense)	-	199,818	199,818	
Faculty Club Revenues	50,000	20,873	(29,127)	42%
Faculty Club Expenses	50,000	29,046	20,954	58%
Net Faculty Club Revenue/(Expense)	-	(8,173)	(8,173)	
Young Ranch Revenues	55,536	89,554	34,018	161%
Young Ranch Expenses	55,536	27,166	28,370	49%
Net Young Ranch Revenue/(Expense)	-	62,388	62,388	
Taos & Lawrence Ranch Revenues	50,740	15,000	(35,740)	30%
Taos & Lawrence Ranch Expenses	50,740	14,660	36,080	29%
Net Taos & Lawrence Ranch Revenue/(Expense)	-	340	340	
Total VP for Institutional Support Services Revenues	29,972,395	15,564,207	(14,408,188)	52%
Total VP for Institutional Support Services Expenses	30,888,165	15,169,462	15,718,703	49%
Net VP for Institutional Support Services Revenue/(Expense)	(915,770)	394,745	1,310,515	

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents  
For the six month period ended December 31, 2011  
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2012 Full Year Operating Budget	FY 2012 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 50%
<b>VP for Student Affairs</b>				
AVP Ops/Student Life Revenues	2,345,426	1,531,392	(814,034)	65%
AVP Ops/Student Life Transfers	(522,506)	(860,602)	(338,096)	165%
Total AVP Ops/Student Life Revenues	1,822,920	670,790	(1,152,130)	37%
Total AVP Ops/Student Life Expenses	2,082,420	1,107,679	974,741	53%
Net AVP Ops/Student Life Revenue/(Expense)	(259,500)	(436,889)	(177,389)	
Housing and Food Service Revenues	15,189,800	8,974,461	(6,215,339)	59%
Housing Transfers	(3,813,600)	(4,000,000)	(186,400)	105%
Total Housing and Food Service Revenues	11,376,200	4,974,461	(6,401,739)	44%
Total Housing and Food Service Expenses	11,376,200	4,610,641	6,765,559	41%
Net Housing and Food Service Revenue/(Expense)	-	363,820	363,820	
Student Health Center Revenues	7,034,342	3,584,684	(3,449,658)	51%
Student Health Center Expenses	7,134,342	3,367,933	3,766,409	47%
Net Student Health Center Revenue/(Expense)	(100,000)	216,751	316,751	
Student Union Revenues	2,181,266	847,995	(1,333,271)	39%
Student Union Expenses	2,181,266	1,255,391	925,875	58%
Net Student Union Revenue/(Expense)	-	(407,396)	(407,396)	
Lobo Cash Revenues	54,498	40,691	(13,807)	75%
Lobo Cash Expenses	54,498	47,740	(6,758)	88%
Net Lobo Cash Revenue/(Expense)	-	(7,049)	(7,049)	
Total VP for Student Affairs Revenues	22,469,226	10,118,620	(12,350,605)	45%
Total VP for Student Affairs Expenses	22,828,726	10,389,384	12,439,342	46%
Net VP for Student Affairs Revenue/(Expense)	(359,500)	(270,764)	88,736	
<b>Provost and Other Units</b>				
CE Conference Ctr Revenues	246,000	132,771	(113,229)	54%
CE Conference Ctr Transfers	(67,389)	(70,895)	(3,506)	105%
Total CE Conference Ctr Revenues	178,611	61,876	(116,735)	35%
Total CE Conference Ctr Expenses	178,611	124,204	54,407	70%
Net CE Conference Ctr Revenue/(Expense)	-	(62,328)	(62,328)	
Art Museum Revenues	-	5,175	5,175	N/A
Art Museum Expenses	-	-	-	N/A
Net Art Museum Revenue/(Expense)	-	5,175	5,175	
Maxwell Museum Revenues	25,000	23,348	(1,652)	93%
Maxwell Museum Expenses	25,000	5,843	19,157	23%
Net Maxwell Museum Revenue/(Expense)	-	17,505	17,505	
Other Revenues	52,500	(14,341)	(66,841)	-27%
Other Expenses	62,500	31,337	31,163	50%
Net Other Revenue/(Expense)	(10,000)	(45,678)	(35,678)	
Total Provost and Other Units Revenues	256,111	76,058	(180,053)	30%
Total Provost and Other Units Expenses	266,111	161,384	104,727	61%
Net Provost and Other Units Revenue/(Expense)	(10,000)	(85,326)	(75,326)	
<b>Auxiliary Totals</b>				
Total Auxiliary & Concessions Revenues	52,697,732	25,758,885	(26,938,847)	49%
Total Auxiliary & Concessions Expenses	53,983,002	25,720,229	28,262,773	48%
Net Auxiliary Revenue/(Expense)	(1,285,270)	38,656	1,323,926	
Net Athletics Revenue/(Expense)	(493,900)	(1,164,655)	(670,755)	
Net Auxiliary and Athletics Revenue/(Expense)	(1,779,170)	(1,125,999)	653,171	
Net Branch Campuses Aux Revenue/(Expense)	(8,403)	(10,326)	(1,923)	
Net All Auxiliary and Athletics Revenue/(Expense)	(1,787,573)	(1,136,325)	651,248	

UNIM Debt Service Schedule

As of December 31, 2011

\*Includes Hospital Debt

Sub Lien System Imp Revenue Bonds Series 2007 A&B: Interest Range 4.096% to 5.28% Final Maturity Year 2036	Fixed Rate	\$136,710,000	\$135,080,000	\$1,695,000	\$3,353,477	\$3,353,477	\$8,401,954
Sub Lien System Imp Revenue Bonds Series 2005: Interest Range 3.0% to 5.0% Final Maturity Year 2035	Fixed Rate	\$125,575,000	\$120,255,000	\$1,925,000	\$2,759,914	\$2,759,914	\$7,444,828
<sup>(1)</sup> Hospital Mortgage Revenue Bonds Series 2004: Interest Range 2.0% to 5.0% Final Maturity Year 2031	Fixed Rate	\$192,250,000	\$174,435,000	\$4,790,000 (\$2,365,000 paid 7/1/2011) (\$2,425,000 due 1/1/2012)	\$4,167,650 (due 1/1/2012)	\$4,119,659 (due 7/1/2012)	\$13,077,309
Sub Lien System Rfdg Revenue Bonds Series 2003 A: Interest Range 2.0% to 5.25% Final Maturity Year 2018	Fixed Rate	\$21,660,000	\$10,585,000	\$1,025,000	\$277,856	\$277,856	\$1,580,712
Sub Lien System Rfdg Revenue Bonds Series 2003 B&C: Interest Range 1.35% to 5.625% Final Maturity Years B 2024 & C 2033	Fixed Rate	\$11,805,000	\$10,035,000	\$260,000	\$244,717	\$244,717	\$749,434
Sub Lien Sys Rfdg & Imp Revenue Bonds Series 2002 A: Interest Range 2.5% to 5.25% Final Maturity Year 2032	Fixed Rate	\$58,860,000	\$45,525,000	\$2,155,000	\$1,160,482	\$1,160,482	\$4,475,964
Sub Lien Sys Rfdg Revenue Bonds <sup>(2)</sup> Series 2002 B: Synthetic Fixed Int. Rate 3.83% Final Maturity Year 2026	Variable Rate	\$25,475,000	\$24,890,000	\$1,370,000	\$476,643	\$476,643	\$2,323,286
Sub Lien System Rfdg Revenue Bonds <sup>(2)</sup> Series 2002 C: Synthetic Fixed Int. Rate 3.94% Final Maturity Year 2030	Variable Rate	\$37,840,000	\$36,390,000	\$365,000	\$716,883	\$716,883	\$1,798,766
Sub Lien System Imp Revenue Bonds Series 2000: Interest Range 4.65% to 6.35% Final Maturity Year 2019	Variable Rate	\$52,625,000	\$39,185,000	\$1,915,000	\$783,700	\$783,700	\$3,482,400
System Revenue Rfdg Bonds Series 1992 A: Interest Range 5.6% to 6.25% Final Maturity Year 2021	Fixed Rate	\$53,231,671	\$3,304,714	\$546,584	\$284,208	\$284,208	\$1,115,000
<b>Grand Total</b>		<b>\$752,821,671</b>	<b>\$620,514,714</b>	<b>\$17,676,584</b>	<b>\$14,852,468</b>	<b>\$14,804,477</b>	<b>\$47,333,529</b>

Note: See attached matrix for funding sources.

(1) Source: UNIM Hospital - Both UNIM Hospital Principal and interest payments are made on July 1st and January 1st.

(2) Variable Rate bonds reflect the actual synthetically fixed interest rate that UNIM pays.

It is noted that all ranges of interest rates and final maturity dates are reflective of Serial bonds.

## FY12 UNM Debt Service - Source of Funds

As of December 31, 2011

	Series 2007A&B	Series 2005	Series 2004	Series 2003R&C	Series 2003A	Series 2002C	Series 2002B	Series 2002A	Series 2001	Series 2000A&B	Series 1992A
Student Fees- Facility	X	X			X	X	X	X			X
Student Fees - IT		X					X				
Capitalized Interest	X										
Parking Services	X	X				X		X			X
UNM Hospital			X		X		X				X
Bookstore					X	X					X
Housing & Dining Services					X	X		X			
Building R&R					X		X	X			X
Real Estate Department	X			X			X	X			
Physical Plant Department	X	X						X	X		
Telecommunications		X						X			
Athletics	X										
Information & Technology Funds		X				X					
KNME											X
Popejoy Hall						X					
MTTC Bldg.							X				
Opto Bldg (CHTM Res Park)							X				
CRTC							X				
Continuing Education							X				
Equipment R&R		X									
Golf Course - North & South						X					
HSC	X							X			
UNM Development Revenues	X										
Interest on Reserve Funds					X	X	X	X			

**MAIN CAMPUS**

Organization Level 3	(A)				(B)				(B/A)			
	Pooled Revenues	Transfers	Other Revenues	Total Revenues	Faculty Salaries	Staff Salaries	Student Salaries	Benefits		Other Expenditures	Total Expenditures	Net Revenues/ (Expenditures)
<i>Instruction, Academic and Student Support Services</i>												
AAC UNM West and Branch Initiatives	779,849	0	41,360	821,209	136,791	103,114	2,700	62,912	131,612	437,129	384,080	53.23%
ABA Provost Administrative Units	14,097,145	85,783	106,335	14,289,263	749,458	2,366,702	702,330	60,172	718,450	4,617,112	9,672,151	32.31%
ABB University College	2,535,366	41,590	234	2,577,190	849,443	358,266	62,733	1,213	223,372	1,494,028	1,083,162	57.97%
ABC School of Public Administration	983,358	950	13	984,321	378,918	68,226	23,272	0	44,063	514,479	469,842	52.27%
ABD VP for Equity & Inclusion	1,032,175	106,250	(99)	1,138,326	98,736	221,669	86,305	0	50,944	457,654	680,672	40.20%
ABE VP Division of Enrollment Mgmt	5,859,430	(294,442)	51,449	5,616,437	73,986	2,227,524	81,986	0	479,201	2,862,697	2,753,740	50.97%
ABG College of Fine Arts	10,113,636	(32,916)	64,854	10,145,574	3,317,528	1,134,886	428,505	138,559	683,828	5,703,306	4,442,268	56.21%
ABH College of Arts Sciences	51,361,088	26,718	18,525	51,406,331	16,923,567	3,730,972	4,965,379	1,243,877	1,331,282	28,195,076	23,211,254	54.85%
ABI Anderson Schools of Management	9,126,827	21,563	1,289	9,149,689	3,621,249	786,031	360,521	176,550	531,608	5,475,960	3,673,729	59.85%
ABJ College of Education	12,850,332	6,014	3,365	12,859,711	4,611,108	1,290,608	544,585	135,726	906,398	7,088,426	5,771,285	55.12%
ABK School of Engineering	13,819,547	(57,889)	5,783	13,767,441	4,823,705	1,128,828	505,908	114,039	501,343	7,073,823	6,683,618	51.38%
ABL School of Law	8,654,643	(60,350)	20,300	8,614,593	2,179,390	1,012,460	102,883	376	765,845	4,060,954	4,553,640	47.14%
ABM School of Architecture Planning	3,107,045	0	32,876	3,139,921	1,260,529	224,642	115,268	14,273	131,387	1,746,099	1,383,822	55.61%
ABN University Libraries	12,986,505	28,150	213,823	13,228,478	1,175,784	2,004,068	226,608	0	3,395,533	6,801,993	6,426,485	51.42%
ABO Continuing Education	1,417,003	290,026	70,662	1,777,691	773,420	684,842	43,348	(86,598)	642,938	2,057,950	(280,256)	115.77%
ABP Extended University	9,406,465	(750,885)	1,408	8,657,008	138,408	1,645,793	157,432	168,946	347,479	2,458,060	6,198,948	28.39%
ABQ VP Research & Economic Development	90,993	0	0	90,993	0	26,364	488	0	17,103	43,555	47,038	48.31%
ACA VP Student Affairs Administration	1,379,959	(72,872)	53,127	1,360,214	95,542	368,753	26,253	0	161,787	652,334	707,880	47.96%
ACB VP Student Affairs Independent Dept	715,149	13	881	716,043	325,289	433,464	22,954	21,816	63,404	433,464	282,580	60.54%
ACC Associate VP Student Services	1,675,191	9,113	44,847	1,729,151	3,198	651,257	113,518	17,818	180,374	986,165	762,986	55.88%
ACD Associate VP Student Life	817,035	118,929	10,860	946,824	3,192	393,778	3,500	0	122,761	523,232	423,593	55.26%
<b>Sub-Total</b>	<b>162,808,763</b>	<b>(534,256)</b>	<b>741,994</b>	<b>163,016,411</b>	<b>41,212,952</b>	<b>20,774,072</b>	<b>8,576,478</b>	<b>2,069,681</b>	<b>11,030,711</b>	<b>83,663,894</b>	<b>79,352,517</b>	<b>51.32%</b>
<i>University Support Services</i>												
AAA President Admin Indpnt Office	4,931,518	(1,458)	430	4,930,490	273,375	1,499,810	30,372	1,630	387,482	2,192,670	2,737,820	44.47%
ADA EVP Administration	5,779,008	253,900	142,341	6,175,249	11,370	2,661,098	39,614	5,000	523,040	3,240,122	2,935,127	52.47%
ADD Controller	6,848,957	1,131,750	454,520	8,435,227	0	3,653,327	73,790	119,406	375,661	4,222,184	4,213,043	50.05%
ADF Human Resources	1,765,100	0	134,925	1,900,025	0	769,549	12,592	0	144,306	926,448	973,577	48.76%
ADG VP Institutional Support Services	34,352,502	231,954	17,168	34,601,624	0	5,122,770	14,395	1,394,896	11,083,949	17,616,011	16,965,613	50.91%
ADI Government & Community Relations	161,053	0	0	161,053	0	80,254	0	0	438	80,892	80,361	50.10%
ADJ Information Technologies	8,163,667	271,196	136	8,434,999	0	306,511	10,898	0	4,030,185	4,347,594	4,067,405	51.54%
AEA VP Institutional Advancement	0	1,200,000	0	1,200,000	0	405,047	16,170	1	192,415	613,633	586,367	51.14%
<b>Sub-Total</b>	<b>62,001,805</b>	<b>3,087,342</b>	<b>749,519</b>	<b>65,838,666</b>	<b>284,745</b>	<b>14,496,367</b>	<b>197,831</b>	<b>1,520,934</b>	<b>16,737,477</b>	<b>33,239,354</b>	<b>32,599,312</b>	<b>50.49%</b>
Non-Operational Monitoring Activity	(100,644,325)	(28,347,825)	5,273,651	(123,718,500)	0	0	0	0	(585,134)	(585,134)	(123,133,366)	
Fringe Benefit Pool	41,628,142	(39,902)	0	41,588,240	43,425	0	0	18,942,765	0	18,986,190	22,602,050	
<b>Sub-Total</b>	<b>(59,016,183)</b>	<b>(28,387,728)</b>	<b>5,273,651</b>	<b>(82,130,260)</b>	<b>43,425</b>	<b>0</b>	<b>0</b>	<b>18,942,765</b>	<b>(585,134)</b>	<b>18,401,056</b>	<b>(100,531,316)</b>	
<b>TOTAL MAIN CAMPUS</b>	<b>165,794,384</b>	<b>(25,834,642)</b>	<b>6,765,075</b>	<b>146,724,817</b>	<b>41,541,122</b>	<b>35,272,439</b>	<b>8,774,309</b>	<b>22,533,380</b>	<b>27,183,054</b>	<b>135,304,304</b>	<b>11,420,513</b>	



**INTERCOLLEGIATE ATHLETICS**

Organization Level 3	(A)				(B)				(B/A)			
	Pooled Revenues	Transfers	Other Revenues	Total Revenues	Faculty Salaries	Staff Salaries	Student Salaries	Benefits	Other Expenditures	Total Expenditures	Net Revenues/ (Expenditures)	Burn Rate
ADC Interscholastic Athletics	692,772	75,000	2,194	769,966	0	233,863	0	8,067	355,350	597,280	172,686	77.57%
<b>TOTAL ATHLETICS</b>	<b>692,772</b>	<b>75,000</b>	<b>2,194</b>	<b>769,966</b>	<b>0</b>	<b>233,863</b>	<b>0</b>	<b>8,067</b>	<b>355,350</b>	<b>597,280</b>	<b>172,686</b>	<b>77.57%</b>
<b>BRANCH CAMPUSES</b>												
AGA Gallup Branch	4,961,414	(604,529)	55,082	4,411,967	2,320,021	1,516,496	57,573	12,979	1,240,798	5,147,867	(735,900)	116.68%
AGB Los Alamos Branch	1,039,661	(26,241)	69,697	1,083,116	629,598	464,677	7,326	18,472	255,339	1,375,412	(292,296)	126.99%
AGC Taos Branch	1,740,607	(65,686)	201,819	1,876,541	1,049,949	749,217	28,850	3,954	638,381	2,470,351	(693,810)	131.64%
AGD Valencia County Branch	2,654,264	(651,431)	125,744	2,128,576	1,280,243	1,227,302	81,231	5,373	643,622	3,437,770	(1,309,194)	161.51%
<b>Sub-Total</b>	<b>10,395,945</b>	<b>(1,348,087)</b>	<b>452,341</b>	<b>9,500,200</b>	<b>5,279,809</b>	<b>3,957,693</b>	<b>174,980</b>	<b>40,778</b>	<b>2,978,140</b>	<b>12,431,400</b>	<b>(2,931,200)</b>	<b>130.85%</b>
Fringe Benefit Pool	5,599,530	(53,539)	0	5,545,991	0	0	0	2,245,846	1	2,245,847	3,300,144	
<b>Sub-Total</b>	<b>5,599,530</b>	<b>(53,539)</b>	<b>0</b>	<b>5,545,991</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,245,846</b>	<b>1</b>	<b>2,245,847</b>	<b>3,300,144</b>	
<b>TOTAL BRANCH CAMPUSES</b>	<b>15,995,475</b>	<b>(1,401,626)</b>	<b>452,341</b>	<b>15,046,191</b>	<b>5,279,809</b>	<b>3,957,693</b>	<b>174,980</b>	<b>2,286,624</b>	<b>2,978,141</b>	<b>14,677,247</b>	<b>368,944</b>	

**HEALTH SCIENCES CENTER**

Organization Level 3	(A)				(B)				(B/A)			
	Pooled Revenues	Transfers	Other Revenues	Total Revenues	Faculty Salaries	Staff Salaries	Student Salaries	Benefits	Other Expenditures	Total Expenditures	Net Revenues/ (Expenditures)	Burn Rate
AFA VP HSC Administration	18,754,480	(4,926,844)	86,031	13,813,667	465,734	4,284,589	11,660	14,175	2,757,896	7,534,054	6,379,613	54.15%
AFB HS Library and Informatics Center	5,291,402	51,757	17,222	5,360,381	487,148	1,055,239	25,660	11,166	1,020,671	2,599,884	2,760,497	48.50%
AFC School of Medicine	46,819,917	(4,069,780)	42,971	42,793,108	11,194,133	8,925,264	401,330	99,630	1,073,062	21,694,419	21,098,689	50.70%
AFD College of Nursing	6,273,733	266,396	4,150	6,544,279	1,985,246	722,649	111,973	134,893	227,381	3,192,142	3,352,137	48.78%
AFE College of Pharmacy	5,942,472	(306,765)	5,072	5,640,779	1,780,654	516,010	182,587	151,412	368,526	2,999,189	2,641,590	53.17%
AFI HSC VP Research	27,712	(25,066)	0	2,626	0	0	0	0	0	0	2,626	0.00%
<b>Sub-Total</b>	<b>83,109,716</b>	<b>(9,010,322)</b>	<b>155,446</b>	<b>74,254,840</b>	<b>15,922,915</b>	<b>15,504,751</b>	<b>733,210</b>	<b>411,276</b>	<b>5,447,536</b>	<b>38,019,688</b>	<b>36,235,152</b>	<b>51.20%</b>
Non-Operational Monitoring Activity	(55,082,754)	8,827,018	4,039,707	(42,216,029)	0	0	0	0	383,001	383,001	(42,599,030)	
Fringe Benefit Pool	18,435,981	(2,033)	0	18,433,948	0	138,459	0	6,933,009	0	7,071,468	11,362,480	
<b>Sub-Total</b>	<b>(36,646,773)</b>	<b>8,824,985</b>	<b>4,039,707</b>	<b>(23,782,081)</b>	<b>0</b>	<b>138,459</b>	<b>0</b>	<b>6,933,009</b>	<b>383,001</b>	<b>7,454,469</b>	<b>(31,236,550)</b>	
<b>TOTAL HEALTH SCIENCES CENTER</b>	<b>46,462,943</b>	<b>(185,337)</b>	<b>4,195,153</b>	<b>50,472,759</b>	<b>15,922,915</b>	<b>15,643,210</b>	<b>733,210</b>	<b>7,344,285</b>	<b>5,830,537</b>	<b>45,474,157</b>	<b>4,998,602</b>	
<b>GRAND TOTAL</b>	<b>228,945,574</b>	<b>(27,346,605)</b>	<b>11,414,763</b>	<b>213,013,732</b>	<b>62,743,846</b>	<b>55,107,205</b>	<b>9,662,498</b>	<b>32,172,356</b>	<b>36,347,081</b>	<b>196,052,886</b>	<b>16,960,746</b>	

Organization Level 3	FY 2012 YTD Faculty Compensation	FY 2012 YTD Staff Compensation	Ga Ta Ra Pa Salaries	Housestaff Salaries	Student Employment	Workstudy	FY 2012 YTD Student Compensation	FY 2012 YTD Total Compensation	% of FY 2012 YTD Total	FY 2012 Full Year Compensation Original Budget	Benchmark (80%) FY 2012 YTD Total Compensation to FY 2012 Total Budget	FY 2011 Full Year Compensation Actual at 6/30/2011	FY 2012 YTD Total Compensation to FY 2011 Full Year Actual
<b>Instruction, Academic and Student Support Services (Main &amp; Branches)</b>													
Anderson Schools of Management ASM													
Assoc. VP Student Life (ACD)	3,828,347	816,716	319,883	75,301	1,435	396,919	5,041,382	4.20%	9,987,892	50.47%	10,045,989	50.18%	
Associate VP Student Services	5,487	2,867,609	36,374	687,961	18,979	743,944	3,617,000	3.01%	8,597,275	42.12%	7,160,048	30.63%	
College of Arts Sciences A S	7,959	997,072	18,748	370,307	52,751	404,718	1,409,790	1.17%	2,810,889	50.15%	2,772,115	50.85%	
College of Education COE	17,310,455	4,328,284	4,933,205	190,070	52,751	5,316,736	26,955,475	22.45%	49,752,576	54.18%	62,594,774	51.25%	
College of Fine Arts CFA	4,866,353	1,557,267	547,447	47,732	5,988	6,059,686	6,859,686	5.71%	13,177,329	52.05%	13,416,036	51.13%	
Continuing Education Cent Ed	3,400,995	1,196,438	377,646	107,098	23,127	507,671	5,447,304	4.29%	9,417,977	54.65%	10,480,847	48.05%	
Extended University Ext Univ	783,611	775,674	18,637	23,451	1,261	43,348	1,602,633	1.34%	4,324,364	37.06%	3,176,336	50.46%	
Gallup Branch	138,408	1,845,793	44,763	101,173	11,486	157,432	1,941,634	1.62%	3,924,315	49.48%	3,776,547	51.39%	
LosAlamos Branch	2,327,441	1,566,831	4,164	26,106	30,858	61,127	3,965,389	3.30%	8,946,880	44.21%	8,277,530	47.78%	
Provost Administrative Units	532,796	480,895	1,685	2,133	7,258	1,103,979	2,136,326	0.94%	2,316,326	48.53%	2,217,812	51.00%	
School of Architecture Planning	750,158	3,544,259	685,263	179,590	50,544	925,313	5,219,731	4.35%	10,912,513	41.57%	9,527,460	54.79%	
School of Engineering	1,321,113	242,394	104,628	12,888	4,467	121,889	1,666,395	1.40%	3,267,451	51.58%	3,906,954	51.06%	
School of Law	5,103,905	1,269,674	585,284	162,927	9,580	767,266	7,140,845	5.95%	14,585,526	48.95%	14,046,748	50.83%	
School of Public Administration	2,466,351	1,412,669	26,451	105,022	7,425	112,447	3,991,476	3.33%	8,751,176	45.61%	7,993,278	50.00%	
Tees Branch	378,918	68,226	31,856	3,012	972	30,455	477,580	0.40%	989,463	48.27%	966,793	47.91%	
University College UC	1,054,254	804,525	54,804	18,356	4,880	53,135	1,919,000	1.59%	3,851,780	48.56%	3,692,538	51.70%	
University Libraries	880,943	368,266	99,802	3,651	4,880	53,135	1,310,344	1.09%	3,348,120	39.20%	2,979,722	44.04%	
UNM West and Branch Initiatives	1,346,769	2,856,579	99,802	162,882	67,882	309,887	3,730,885	3.11%	8,086,671	46.16%	7,820,947	47.73%	
Valencia County Branch	136,791	103,114	2,700	-	-	2,100	242,605	0.20%	472,975	51.34%	462,182	52.49%	
VP Division of Enrollment Mgmt	1,280,821	1,343,353	15,750	42,235	38,445	96,439	2,720,603	2.27%	6,185,673	43.96%	5,123,736	58.10%	
VP for Equity & Inclusion	73,986	2,232,952	6,049	74,568	27,161	107,788	2,414,737	2.01%	5,032,446	47.96%	4,602,334	48.76%	
VP Resrch & Econ Devlpmnt	96,736	282,221	52,884	36,183	12,543	147,042	703,121	0.42%	703,121	72.25%	1,602,516	31.70%	
VP Student Affairs Administration	526,663	1,718,903	21,206	42,911	1,575	71,317	2,316,882	1.93%	4,918,047	47.11%	4,498,778	51.50%	
VP Student Affairs Individual Deal IC	100,500	383,507	6,577	21,744	3,380	31,111	515,171	0.43%	1,136,771	45.37%	1,101,482	46.82%	
Sub-Total Instruction, Academic and Student Support Services (Main & Branches)	48,737,353	34,209,413	7,952,758	2,155,519	2,680,472	435,689	94,231,184	78.51%	180,610,051	49.44%	185,867,864	50.70%	
<b>University Support Services (Main &amp; Branches)</b>													
Controller	-	3,860,311	4,000	71,652	3,715	79,367	3,939,678	3.28%	7,862,217	50.11%	8,445,373	46.65%	
EVP Administration	54,795	2,716,527	-	37,662	1,951	39,614	2,810,936	2.39%	6,016,994	47.70%	5,804,475	48.46%	
Government & Community Relations	-	86,322	-	6,986	-	6,986	93,319	0.08%	185,247	50.10%	196,802	47.42%	
Human Resources HR	-	789,546	4,032	7,685	675	12,882	782,142	0.65%	1,562,461	50.05%	1,700,418	46.00%	
Information Technology Services	-	306,511	-	9,444	1,494	10,938	317,409	0.28%	743,642	42.68%	491,026	54.64%	
President Admin Indpnt Office	273,375	1,613,621	7,900	21,095	1,777	30,372	1,916,768	1.60%	4,254,623	44.95%	3,993,109	46.00%	
VP Institutional Adv College	-	405,047	-	11,941	4,229	16,170	421,217	0.35%	898,845	46.85%	953,714	43.89%	
VP Institutional Support Services	4,000	9,185,228	-	354,141	10,138	364,279	9,533,508	7.94%	19,883,051	47.95%	18,355,449	51.91%	
Sub-Total University Support Services (Main & Branches)	332,170	18,882,517	15,332	520,817	23,940	560,288	19,874,975	16.56%	41,420,080	47.95%	39,956,396	48.74%	
<b>Intercollegiate Athletics</b>													
Intercollegiate Athletics	5,951	5,753,939	74,752	87,455	3,480	165,697	5,925,588	4.94%	10,255,548	57.76%	10,870,090	54.51%	
Sub-Total Intercollegiate Athletics	5,951	5,753,939	74,752	87,455	3,480	165,697	5,925,588	4.94%	10,255,548	57.76%	10,870,090	54.51%	
<b>TOTAL Compensation (Main, Branches and Athletics)</b>	<b>49,075,475</b>	<b>59,945,869</b>	<b>8,043,042</b>	<b>3,288,744</b>	<b>463,099</b>	<b>12,010,403</b>	<b>120,031,747</b>	<b>100.00%</b>	<b>242,285,679</b>	<b>49.54%</b>	<b>236,694,350</b>	<b>50.71%</b>	

Organization Level 3	FY 2012 YTD		FY 2012 YTD		FY 2012 YTD		FY 2012 YTD		FY 2012 YTD Total Compensation	% of FY 2012 YTD Total	FY 2012 Full Year Compensation Original Budget	Benchmark (60%) FY 2012 YTD Total Compensation to FY 2012 Total Budget	FY 2011 Full Year Compensation Actual at 6/30/2011	FY 2012 YTD Total Compensation to FY 2011 Full Year Actual
	Faculty Compensation	Staff Compensation	Ga Ta Ra Pa Salaries	Housestaff Salaries	Student Employment	Workstudy	Student Compensation	Student Compensation						
<i>Health Sciences Center</i>	2,027,253	766,707	97,779	11,658	2,536	111,973	2,905,533	2.40%	6,336,915	45.43%	5,631,022	51.61%		
College of Nursing	1,936,732	1,194,435	146,391	28,967	3,313	223,531	3,354,758	2.77%	8,023,615	41.81%	6,459,716	51.93%		
College of Pharmacy	487,148	1,195,190	-	22,647	3,012	25,659	1,711,957	1.41%	3,676,144	46.57%	3,690,693	46.38%		
H.S. Library and Informatics Center	65,919,526	26,442,442	388,131	404,315	18,307	14,287,920	109,649,888	87.85%	208,119,428	51.24%	193,712,830	53.40%		
School of Medicine	792,169	4,814,373	21,873	12,846	-	90,458	5,667,000	4.67%	9,640,069	38.08%	10,196,510	55.47%		
VP HSC Administration	214,175	736,463	-	25,992	1,695	27,697	978,335	38.63%	2,512,876	38.63%	1,659,079	58.86%		
HSC VP Research	71,377,063	35,153,610	655,174	13,536,765	306,425	28,773	121,267,811	100.00%	238,369,069	50.67%	227,351,950	53.33%		
<i>Sponsored Programs</i>	17,507,431	21,663,340	7,699,946	2,871,040	1,329,609	1,551,504	92,323,070	-	120,593,093	-	107,363,212	-		
<b>TOTAL Compensation (Main, Branches, Athletics, HSC and Sponsored Programs)</b>	137,659,968	115,963,019	15,898,161	15,623,325	5,124,778	2,043,376	293,612,627	-	601,157,781	-	571,499,933	-		

# The University of New Mexico

## Summary of Operating and Plant Funds

(Unadjusted and Unaudited)

Fiscal Year 2011-2012 as of December 31, 2011

Operating Funds	FY 2011-2012 Original Budget	FY 2011-2012 Actuals as of December 31, 2011	Percentage Earned/Spent
<b>REVENUES</b>			
Tuition and Mandatory Fees	\$ 155,040,852	\$ 144,907,556	93.5%
Student Fees	9,221,315	3,754,473	40.7%
Federal Appropriations	29,953,113	-	0.0%
State Appropriations	274,896,308	132,490,999	48.2%
Local Appropriations	6,785,186	2,619,441	38.6%
Land & Perm Fund	13,801,821	4,359,775	31.6%
Gifts, Grants & Contracts	299,518,231	164,230,237	54.8%
Indirect Cost Recovery	39,789,913	21,757,547	54.7%
Sales & Services	340,803,015	163,515,937	48.0%
Other	65,396,376	15,648,760	23.9%
Use of Balance	19,205,040	-	0.0%
<b>Total Revenue</b>	<b>\$ 1,254,411,170</b>	<b>\$ 653,284,725</b>	<b>52.1%</b>
<b>EXPENDITURES</b>			
Instruction	\$ 255,628,342	\$ 118,610,516	46.4%
Student Social & Cultural	8,282,766	3,763,970	45.4%
Research	172,784,799	98,275,998	56.9%
Public Service	296,607,137	133,704,393	45.1%
Academic Support	49,427,545	22,802,704	46.1%
Student Services	27,976,916	11,684,645	41.8%
Institutional Support	58,065,146	25,425,198	43.8%
Operations and maintenance of plant	48,568,668	23,661,036	48.7%
Student Aid	99,782,895	61,712,043	61.8%
Internal Services	2,584,741	-	0.0%
Auxiliary Enterprises	57,057,178	25,451,900	44.6%
Intercollegiate Athletics	31,845,000	16,161,972	50.8%
Independent Operations (clinical)	105,413,776	22,025,934	20.9%
<b>Total Expenditures</b>	<b>\$ 1,214,024,909</b>	<b>\$ 563,280,309</b>	<b>46.4%</b>
<b>Net Transfers</b>	<b>40,386,261</b>	<b>22,072,223</b>	<b>54.7%</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 1,254,411,170</b>	<b>\$ 585,352,532</b>	<b>46.7%</b>
<b>Increase in Fund Balance</b>	<b>\$ -</b>	<b>\$ 67,932,193</b>	

Plant Funds	FY 2011-2012 Original Budget	FY 2011-2012 Actuals as of December 31, 2011	Percentage Earned/Spent
<b>REVENUES AND TRANSFERS</b>			
Student Fees	\$ 14,501,500	\$ 12,869,866	88.7%
UNM Bond Proceeds	2,770,499	-	0.0%
Gifts, Grants and Contracts	-	913,670	N/A
Interest Income	-	546,839	N/A
State Appropriation	440,000	-	0.0%
State/Local Bonds	37,160,960	2,346,246	6.3%
Land, Bldg and Equipment Rent	2,008,715	726,263	36.2%
Other	12,136,814	1,700,748	14.0%
Use of Balance	16,010,382	-	N/A
<b>Total Revenues</b>	<b>\$ 85,028,870</b>	<b>\$ 19,103,632</b>	<b>22.5%</b>
Plant Transfers	40,386,261	22,072,223	54.7%
<b>Total Revenues and Transfers</b>	<b>\$ 125,415,131</b>	<b>\$ 41,175,855</b>	<b>32.8%</b>
<b>EXPENDITURES</b>			
Capital Projects	\$ 53,175,982	\$ 29,941,264	56.3%
Building Renewal	26,168,240	6,352,053	24.3%
Equipment Renewal	8,600,000	804,936	9.4%
Auxiliary and Internal Service Renewal/Replacement	-	558,254	N/A
Debt Retirement	37,470,909	10,759,209	28.7%
<b>Total Expenditures</b>	<b>\$ 125,415,131</b>	<b>\$ 48,415,716</b>	<b>38.6%</b>
<b>Decrease in Fund Balance</b>	<b>\$ -</b>	<b>\$ (7,239,861)</b>	

# The University of New Mexico

## Comparison of Operating and Plant Funds (Unadjusted and Unaudited) Fiscal Year 2011-2012 as of December 31, 2011

Operating Funds	FY 2011-2012 Actuals as of December 31, 2011	FY 2010-2011 Actuals as of December 31, 2010	% Variance Increase/ (Decrease)
<b>REVENUES</b>			
Tuition and Mandatory Fees	\$ 144,907,556	\$ 131,875,891	9.9%
Student Fees	3,754,473	3,915,348	-4.1%
State Appropriations	132,490,999	145,180,078	-8.7%
Local Appropriations	2,619,441	1,602,509	63.5%
Land & Perm Fund	4,359,775	4,148,559	5.1%
Gifts, Grants & Contracts	164,230,237	212,451,633	-22.7%
Indirect Cost Recovery	21,757,547	21,210,532	2.6%
Sales & Services	163,515,937	154,466,862	5.9%
Other	15,648,760	19,857,128	-21.2%
<b>Total Revenue</b>	<b>\$ 653,284,725</b>	<b>\$ 694,708,540</b>	<b>-6.0%</b>
<b>EXPENDITURES</b>			
Instruction	\$ 118,610,516	\$ 118,446,002	0.1%
Student Social & Cultural	3,763,970	3,461,961	8.7%
Research	98,275,998	100,781,605	-2.5%
Public Service	133,704,393	132,414,000	1.0%
Academic Support	22,802,704	21,785,027	4.7%
Student Services	11,684,645	11,916,229	-1.9%
Institutional Support	25,425,198	24,542,714	3.6%
Operations and maintenance of plant	23,661,036	21,820,548	8.4%
Student Aid	61,712,043	59,796,503	3.2%
Auxiliary Enterprises	25,451,900	25,820,169	-1.4%
Intercollegiate Athletics	16,161,972	15,243,493	6.0%
Independent Operations (clinical)	22,025,934	31,571,330	-30.2%
<b>Total Expenditures</b>	<b>\$ 563,280,309</b>	<b>\$ 567,599,581</b>	<b>-0.8%</b>
<b>Net Transfers</b>	<b>22,072,223</b>	<b>22,031,356</b>	<b>0.2%</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 585,352,532</b>	<b>\$ 589,630,937</b>	<b>-0.7%</b>
<b>Increase in Fund Balance</b>	<b>\$ 67,932,193</b>	<b>\$ 105,077,603</b>	

Plant Funds	FY 2011-2012 Actuals as of December 31, 2011	FY 2010-2011 Actuals as of December 31, 2010	% Variance Increase/ (Decrease)
<b>REVENUES AND TRANSFERS</b>			
Student Fees	\$ 12,869,866	\$ 13,113,512	-1.9%
Gifts, Grants and Contracts	913,670	2,686,209	-66.0%
Interest Income	546,839	1,122,006	-51.3%
State Bonds	2,346,246	3,126,931	-25.0%
Land, Bldg and Equipment Rent	726,263	274,031	165.0%
Other	1,700,748	2,227,719	-23.7%
<b>Total Revenues</b>	<b>\$ 19,103,632</b>	<b>\$ 22,550,408</b>	<b>-15.3%</b>
Plant Transfers	22,072,223	22,031,356	0.2%
<b>Total Revenues and Transfers</b>	<b>\$ 41,175,855</b>	<b>\$ 44,581,764</b>	<b>-7.6%</b>
<b>EXPENDITURES</b>			
Capital Projects	\$ 29,941,264	\$ 109,765,337	-72.7%
Building Renewal	6,352,053	4,423,540	43.6%
Equipment Renewal	804,936	712,512	13.0%
Auxiliary and Internal Service Renewal/Replacement	558,254	273,682	104.0%
Debt Retirement	10,759,209	10,442,654	3.0%
<b>Total Expenditures</b>	<b>\$ 48,415,716</b>	<b>\$ 125,617,725</b>	<b>-61.5%</b>
<b>Decrease in Fund Balance</b>	<b>\$ (7,239,861)</b>	<b>\$ (81,035,961)</b>	

# The University of New Mexico

## Statement of Net Assets (Unaudited and Unadjusted) As of December 31, 2011

Assets	
Current assets	
Cash and cash equivalents	\$60,224,578
Short term investments	312,400,950
Accounts receivable, net	122,706,399
Patient receivables, net	3,551,560
Notes receivable, net	3,059,608
Due from related parties	36,272,447
Inventories	9,491,797
Deferred Outflow of resources-interest rate swaps	8,016,390
Derivative instruments-interest rate swaps overlay note	2,071,329
Prepaid expenses and other assets	14,146,212
Total current assets	<u>571,941,270</u>
Noncurrent assets	
Notes receivable - noncurrent	\$11,164,919
State Investment Council	157,882,943
Investments	332,453,434
Due From Component Units	0
Other noncurrent assets	6,867,262
Endowed fine art	6,011,486
Capital assets, net	979,370,213
Total noncurrent assets	<u>1,493,750,257</u>
Total assets	<u>2,065,691,527</u>
Liabilities	
Current liabilities	
Accounts payable	\$56,596,140
Accrued compensated absences	24,944,962
Other payables	9,776,309
Deferred revenue	25,388,285
Bonds payable - current	12,886,584
Derivative instruments-interest rate swaps	8,016,390
Deposits and funds held for others	9,474,853
Total current liabilities	<u>147,083,523</u>
Noncurrent liabilities	
Bonds payable - noncurrent	\$433,506,112
Equipment loaned to UNM	4,638,543
Due to component units	139,686,987
Student loan program	13,241,550
OPEB Obligation	19,790,000
Deferred annuities payable	298,984
Total noncurrent liabilities	<u>611,162,176</u>
Total liabilities	<u>758,245,699</u>
Net Assets	
Invested in Capital Assets, net of Related Debt	\$563,944,505
Restricted for:	
Nonexpendable:	
Scholarships	102,944,517
State Investment Council	167,884,460
Grants, bequests and contributions	6,011,486
Expendable:	
Scholarships and other	2,701,775
Grants, bequests and contributions	4,509,121
Capital Projects	3,268,164
Debt Service	20,512,084
Unrestricted	374,977,384
Year-to-date change in net assets	60,692,332
Total Net Assets	<u>\$1,307,445,828</u>

# The University of New Mexico

## Cash Flow

(Unaudited and Unadjusted)

For the three months ended December 31, 2011

### Cash flow from operating activities:

Payments from tuition and fees	\$	87,345,459
Payments from grants and contracts		181,850,354
Payments from insurance and patients		103,134,589
Payments to suppliers		(175,089,934)
Payments for utilities		(10,332,435)
Payments to employees		(287,624,783)
Payments for benefits		(73,557,321)
Payments for scholarships and fellowships		(64,210,421)
Loans issued to students and employees		(575,847)
Collection of loans from students and employees		1,192,136
Payments from sales and services		54,273,741
Other receipts		20,163,601
Net cash used by operating activities	\$	<u>(163,430,861)</u>

### Cash flow from noncapital financing activities:

State appropriations	\$	132,695,351
Local appropriations		2,619,441
Other non operating payments		(2,652,132)
Net cash provided by noncapital financing activities	\$	<u>132,662,660</u>

### Cash flow from capital financing activities:

Interest pmts on bonds	\$	(13,183,914)
Capital appropriations		1,892,706
Capital gifts & grants		2,346,246
Capital Asset activity, net		(582,755)
Other payments		(543,917)
Net cash provided by capital financing activities	\$	<u>(10,071,634)</u>

### Cash flow from investing activities:

Proceeds from sale & maturity of investments	\$	74,634,024
Purchase of investments		(140,163,857)
Investment income		11,525,091
Net cash provided by investing activities	\$	<u>(54,004,742)</u>

<b>Net decrease from cash and cash equivalents</b>	\$	<b>(94,844,577)</b>
Cash and cash equivalents at beginning of year		<u>155,069,155</u>
Cash and cash equivalents end of the second quarter	\$	<u><u>60,224,578</u></u>

**Tab 16**





*Department of Planning, Budget & Analysis*

**MEMORANDUM**

TO: Members of the Board of Regents' Finance & Facilities Committee

THRU: David J. Schmidly, President  
David W. Harris, EVP for Administration, COO and CFO

FROM: Andrew Cullen, Associate VP Office of Planning, Budget & Analysis

DATE: February 1, 2012

A handwritten signature in black ink, appearing to read "Andrew Cullen", is written over the "FROM:" line of the memorandum.

**SUBJECT: Pricing Resolution for the University of New Mexico Subordinate Lien System Refunding Revenue Bonds, Series 2012**

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Attached please find a draft Resolution of the Regents of the University of New Mexico which sets forth the terms of the \$46.5M Subordinate Lien System Refunding Revenue Bonds, Series 2012. Proceeds from the sale of the Series 2012 Bonds will be used to refinance certain maturities of the outstanding Series 2002A Bonds. The refunding is expected to produce annual savings for fiscal years 2013 through 2032. No extension of debt is occurring.

The Resolution will be updated to its final form effective February 14, 2012 and will include all final terms and conditions as documented from the sale of the bonds on February 13, 2012. The completed Resolution will be available for your consideration and recommended for approval during the February 14, 2012 Regents' meeting.

The planned November 2011 issuance of refunding bonds was deferred when it was determined that a portion of the Series 2002A bond issue to be refunded was not eligible to be advance refunded: issuance and closing of a refunding bond issue more than 90 days in advance of the first optional redemption date. Therefore, it was advised to postpone issuance of refunding bonds so that closing could occur within 90 days of the June 1, 2012 optional redemption date for Series 2002A, and the full amount of Series 2002A bonds could be refunded.

When the prospective refunding was presented and approved by the Board of Regents at the September 1, 2011 meeting, prospective total savings were slightly above \$5.1 million or approximately \$259,000 per year from 2013 through 2032. Projected net present value savings of approximately \$3.5 million equaled 8.09% of \$43.37 million principal amount to be refunded.

Since the decision in November to defer issuance of the refunding bonds in order to be able to include the full outstanding principal amount, the interest rate market has moved favorably to UNM and this transaction. Tax-exempt interest rates have declined; and, as measured by the "Bond Buyer Index" achieved a 45 year historical low level two weeks ago.

Recent interest rates indicate prospective savings, net of interest on debt service reserve funds, of approximately \$8.4 million or \$420,000 per year from 2013 through 2032. Net present value savings in that case would be approximately \$4.45 million or over 10.2% of the \$43.37 million refunded amount. It is hoped that a continuation of favorable interest rates along with allowed application of defined excess reserve fund balance will result in enhanced savings from the refunding issue.

Thank you for your consideration.

**RESOLUTION**

**of**

**THE REGENTS  
OF THE  
UNIVERSITY OF NEW MEXICO**

Setting Forth the Terms of its:

\$46,500,000

The Regents of The University of New Mexico  
Subordinate Lien System Refunding Revenue Bonds,  
Series 2012

Dated February 14, 2012

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**CERTIFICATE AS TO RESOLUTION**

I, the duly qualified and acting Secretary and Treasurer of The Regents of the University of New Mexico, hereby certify that attached hereto is a true and correct copy of a resolution duly adopted by The Regents of the University of New Mexico at a meeting thereof held on February 14, 2012, notice of which was duly given and at which a quorum was present and acting throughout.

WITNESS my hand and seal this 14<sup>th</sup> day of February, 2012.

[SEAL]

THE REGENTS OF THE UNIVERSITY OF  
NEW MEXICO

By \_\_\_\_\_  
Secretary and Treasurer

STATE OF NEW MEXICO            )  
COUNTY OF BERNALILLO        ) ss.  
CITY OF ALBUQUERQUE           )

The Regents of the University of New Mexico convened at the regular meeting place of the Regents in the Student Union Building (Ballroom C) at the University of New Mexico in Albuquerque, New Mexico, at 9:00 a.m. on February 14, 2012.

There were present:

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Those absent:

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The members present constituting a quorum, the Regents transacted the following business:

Regent \_\_\_\_\_ moved that the pricing resolution be adopted and  
Regent \_\_\_\_\_ seconded the motion.

The motion to adopt the pricing resolution prevailed upon the following vote:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

The pricing resolution as adopted is as follows:

**THE REGENTS OF THE UNIVERSITY OF NEW MEXICO  
RESOLUTION**

SETTING FORTH THE TERMS OF THE PREVIOUSLY AUTHORIZED SUBORDINATE LIEN SYSTEM REFUNDING REVENUE BONDS, SERIES 2012 IN AN AGGREGATE PRINCIPAL AMOUNT OF \$46,500,000 OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO; RATIFYING AND APPROVING THE EXECUTION AND DELIVERY OF THE PURCHASE CONTRACT RELATING TO SUCH BONDS; AMENDING THE AUTHORIZING RESOLUTION TO CLARIFY PROVISIONS RELATING TO THE SUBORDINATE LIEN PARITY BONDS RESERVE FUND; PRESCRIBING OTHER DETAILS CONCERNING SUCH BONDS; APPROVING THE DISTRIBUTION OF THE OFFICIAL STATEMENT; AND AUTHORIZING ANY OTHER NECESSARY ACTION TO EFFECT THE DELIVERY OF THE SERIES 2012 BONDS.

WHEREAS, The Regents of the University of New Mexico (the “Regents”) have previously adopted on September 13, 2011 a parameters bond resolution (the “Bond Authorizing Resolution”) authorizing the issuance of the Series 2012 Bonds; and

WHEREAS, the Regents wish to adopt this resolution (the “Pricing Resolution”, and together with the Bond Authorizing Resolution, the “Resolution”) to supplement and amend the provisions of the Bond Authorizing Resolution by setting forth herein the final terms of the Series 2012 Bonds (defined herein and referred to as the “Bonds”); and

WHEREAS, the 2002B Bonds, 2002C Bonds, and 2003A Bonds are outstanding Subordinate Lien Parity Bonds with cash funded reserve accounts; and

WHEREAS, the 2000B Bonds, 2001 Bonds, 2003B Bonds, 2003C Bonds, 2005 Bonds, 2007A Bonds, and 2007B Bonds are outstanding Subordinate Lien Parity Bonds with reserve fund surety bond policies for each respective issue; and

WHEREAS, the Regents also have outstanding a Drinking Water State Revolving Fund Taxable Loan and Subsidy Agreement dated January 29, 2010 between the New Mexico Finance Authority and the Regents with a lien on the Pledged Revenues subordinate to the lien thereon of the Subordinate Lien Parity Bonds; and

WHEREAS, the Regents wish to amend the Bond Authorizing Resolution to clarify the provisions relating to the Subordinate Lien Parity Bonds Reserve Fund to state that moneys held in the Subordinate Lien Parity Bonds Reserve Fund will be treated as a common reserve for those Subordinate Lien Parity Bonds for which the Reserve Requirement was satisfied with the deposit of cash and that Subordinate Lien Parity Bonds with a surety bond funded reserve can only look to the surety policy issued for the respective reserve, and not to cash in the Subordinate Lien Parity Bonds Reserve Fund, to make up for deficiencies in the Subordinate Lien Parity Bonds debt service account for that respective bond issue; and

WHEREAS, the capitalized terms used herein are defined in Section 1.01 of the Bond Authorizing Resolution and shall have such meanings herein as set forth therein, unless the context clearly requires otherwise; and

WHEREAS, the Purchaser has offered to purchase the Bonds pursuant to the Purchase Contract upon the terms and conditions set forth therein and herein and the Regents have determined and hereby determine to accept the offer of the Purchaser; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF NEW MEXICO, AS FOLLOWS:

## ARTICLE I

### PURCHASE CONTRACTS, OFFICIAL STATEMENT AND RELATED MATTERS

**Section 1.01. Purchase Contract.** The Regents hereby approve the terms of the Purchase Contract relating to the Bonds and authorize and approve the execution and delivery of the Purchase Contract by an Authorized Officer.

**Section 1.02. Official Statement.** The Regents hereby authorize and approve the distribution of the Official Statement relating to the Bonds.

**Section 1.03. Paying Agent and Escrow Agent.** The Regents hereby appoint BOKF, N.A. dba Bank of Albuquerque, as Paying Agent and Registrar for the Bonds and Wells Fargo Bank, N.A., Denver, Colorado, as Escrow Agent for the Refunded 2002A Bonds.

**Section 1.04. Other Necessary Actions.** The Regents hereby authorize and approve any other necessary action to be performed by an Authorized Officer to effectuate the delivery of the Bonds to the Purchaser.

## ARTICLE II

### THE SERIES 2012 BONDS

**Section 2.01. Details.** The Bonds shall be designated “The Regents of the University of New Mexico Subordinate Lien System Refunding Revenue Bonds, Series 2012” (the “Bonds”). The Bonds shall be issued only as fully registered bonds in denominations of \$5,000 or any integral multiple thereof and numbered consecutively with such prefixes or other distinguishing designations as the Registrar may determine necessary or appropriate to distinguish one Bond from another.

**Section 2.02. Dated Date, Interest Rates and Maturity Dates.** The Bonds shall be dated as of date of delivery, and shall mature at such times and in such amounts and shall bear interest at the rates as indicated below:

<b>Series 2012 Bonds</b>		
<b>Maturity Date</b> <b><u>(June 1)</u></b>	<b>Principal</b> <b><u>Amount</u></b>	<b>Interest</b> <b><u>Rate</u></b>
2012	\$	%
2013		%
2014		%
2015		%
2016		%
2017		%
2018		%
2019		%
2020		%
2021		%
2022		%
2023		%
2024		%
2025		%
2026		%
2027		%
2032*		%

\*Term Bonds, subject to mandatory sinking fund redemption.

**Section 2.03. Payment of the Bonds; Transfers to Paying Agent.** Payments on the Bonds shall be made in such coin or currency of the United States of America as, at the respective time of payment, is legal tender for the payment of public and private debts. The Regents shall transfer funds to the Paying Agent on a timely basis so that the Paying Agent may make payments of the principal of, premium, if any, and interest on the Bonds, when due, to the Owners. The Regents shall notify the Paying Agent if there is or will be an insufficient amount of money legally available to pay principal and interest on the Bonds when due.

The principal of and premium, if any, on the Bonds shall be payable to the Owners upon presentation and surrender of their bonds at the Principal Office of the Paying Agent.

Interest on the Bonds shall be payable on June 1, 2012 and on each December 1 and June 1 thereafter by the Paying Agent by check mailed on the date on which due to the Owners at the close of business on the Record Date to the registered addresses of the Owners appearing on the Bond Register.

**Section 2.04. Optional Redemption.** The Bonds maturing on and after June 1, 2022 shall be subject to redemption provided that, on the date of redemption, there is no Continuing Event of Default under the Bond Resolution while any of the 2000B Bonds, 2001 Bonds, 2002B Bonds, 2002C Bonds, 2003A Bonds, 2003B Bonds or 2003C Bonds remain outstanding, at the option of the Regents, at any time on or after June 1, 2021, in whole or in part, and if in part, the Bonds to be prepaid or redeemed shall be selected in such order of maturities as the Regents shall determine and if less than all of the Bonds of



a particular maturity are to be redeemed, then by lot in such manner as the Paying Agent shall determine, at the redemption prices (expressed as a percentage of the principal amount of the Bonds being redeemed) indicated below plus accrued interest, if any, to the redemption date:

<b>Redemption Period</b>	<b>Redemption Price</b>
June 1, 2021 and thereafter	100%

**Section 2.05. Mandatory Sinking Fund Redemption.** The Series 2012 Bonds maturing on June 1, 2032 shall be subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date on June 1 in the years and in the principal amounts stated below:

<u>Year (June 1)</u>	<u>Amount</u>
2028	\$
2029	
2030	
2031	
2032*	

\* Maturity Date

**Section 2.06. Bond Form.** The Bonds and certificate of authentication shall be in substantially the form set forth in Exhibit A to the Bond Authorizing Resolution with such changes as are necessary to conform to this Pricing Resolution.

### ARTICLE III

#### AMENDMENTS TO BOND AUTHORIZING RESOLUTION

**Section 3.01. Revisions and Supplements to the Bond Authorizing Resolution.** As provided in Section 10.01 of the Bond Authorizing Resolution, the following revisions and supplements are made to the Bond Authorizing Resolution to update the name of the issue and clarify the provisions relating to the Subordinate Lien Parity Bonds Reserve Fund.

A. **Name of the Issue.** References in the Bond Authorizing Resolution to “Series 2011” are hereby amended to mean “Series 2012.”

B. **Definitions.** The definitions of Reserve Requirement and Subordinate Lien Parity Bonds Reserve Fund Surety Bond in Article I of the Bond Authorizing Resolution are revised to read as follows:

“*Reserve Requirement*” for (a) cash funded reserve accounts shall mean the average annual Debt Service on all Subordinate Lien Parity Bonds with cash funded reserve accounts as calculated from time to time or as to any particular issue of Subordinate Lien Parity Bonds, if less, the maximum amount of proceeds

of such Subordinate Lien Parity Bonds permitted to be placed in a reserve fund by the Code or (b) for a reserve account funded with the purchase of a reserve fund surety bond, the least of the following with respect to the Subordinate Lien Parity Bonds for which the reserve fund surety is obtained (i) 10% of the proceeds (ii) the maximum annual debt service or (iii) 125% of the average annual debt service as permitted by the Code.

\* \* \*

"*Subordinate Lien Parity Bonds Reserve Fund Surety Bond*" means the policy or policies of insurance or surety bond or bonds issued to the Regents in an amount which is equal to the Reserve Requirement, the proceeds of which shall be used only to prevent deficiencies in the payment of the principal of or interest on Subordinate Lien Parity Bonds for which such policy was obtained resulting from insufficient amounts being on deposit in the Subordinate Lien Parity Bond Service Fund to make such payments of principal and interest as the same become due. Such policy or surety bond shall be written by the provider of the Subordinate Lien Parity Bonds Reserve Fund Surety Bond or by a similar entity experienced in insuring municipal bonds whose policies of insurance would not in and of itself adversely affect either the rating on Subordinate Lien Parity Bonds by Moody's or by S&P in effect on the date of delivery of the applicable Subordinate Lien Parity Bonds and provided that at the time of the issuance of such policy or surety bond such entity or the component insurance companies thereof shall have received the highest policyholder rating accorded Subordinate Lien Parity Bonds Reserve Fund Surety Bond providers by S&P and Moody's. If there is any change in such policy or surety bond, the Regents shall notify Moody's and S&P.

C. **Amended Section 5.03(v) Subordinate Lien Parity Bonds Reserve Fund.** Subparagraph (v) of Section 5.03 of the Bond Authorizing Resolution is revised in its entirety to read:

\* \* \*

(v) *Subordinate Lien Parity Bonds Reserve Fund.* After and subject to the payments required by subparagraphs (i), (ii) and (iii) above, and except as provided in this subparagraph (v) and subparagraph (vi) hereof, any money required to be credited or transferred from the Pledged Revenues Fund to the Series 2000, Series 2001, Series 2002, Series 2003, Series 2005, Series 2007 or Series 2012 Reserve Account of the Subordinate Lien Parity Bonds Reserve Fund shall be so deposited or credited.

The Reserve Requirement for a series of Subordinate Lien Parity Bonds may be satisfied by a deposit of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond in the Subordinate Lien Parity Bonds Reserve Fund or the deposit of bond proceeds or Pledged Revenues in the Subordinate Lien Parity Bonds Reserve Fund. Commencing upon the date of delivery of the Bonds, the Regents shall deposit or cause to be deposited Bond proceeds or other funds in the Subordinate Lien Parity Bonds Reserve Fund to satisfy the Reserve Requirement. Any form of such deposit may be exchanged for any

other permitted form of deposit of an equivalent amount; provided, however, (A) if the Regents desire to substitute a reserve fund surety bond for a reserve account initially funded with cash, it must obtain a policy covering all of the common cash reserve accounts for the Subordinate Lien Parity Bonds with cash funded reserves to draw on the reserve fund surety bond; (b) that debt payable by the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond shall be rated at least “Aaa” by Moody’s and “AAA” by S&P (if the provider is an insurance company) or “Aa” by Moody’s and “AA” by S&P (if the provider is a bank or other financial institution); (C) that prior to the expiration of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond in any account, another Subordinate Lien Parity Bonds Reserve Fund Surety Bond of equivalent credit quality is provided, and, if such replacement Subordinate Lien parity Bonds Reserve Fund Surety Bond is unavailable, the Reserve Requirement will be funded on a scheduled basis or at one time prior to the expiration of the existing Subordinate Lien Parity Bonds Reserve Fund Surety Bond; (D) if the terms of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond prohibit replenishment after draw-down, the Regents shall provide an additional Subordinate Lien Parity Bonds Reserve Fund Surety Bond or sufficient funds to ensure satisfaction of the Reserve Requirement; and if a Subordinate Lien Parity Bonds Reserve Fund Surety Bond permits premature termination without payment, the conditions for such premature termination will be limited to a default on any Subordinate Lien Parity Bonds.

If the full amount necessary to pay the Debt Service on a series of Subordinate Lien Parity Bonds is not on deposit in the related Interest Account or Principal Account, when due, the amount necessary to pay the deficiency shall be transferred to that Principal Account or Interest Account (a) from money on deposit in the Subordinate Lien Parity Bonds Reserve Fund, if the Reserve Requirement for the Subordinate Lien Parity Bonds with the deficiency was funded or satisfied with moneys or investments on deposit or credited to the Subordinate Lien Parity Bonds Reserve Fund, or (b) from a draw on the respective Subordinate Lien Parity Bonds Reserve Fund Surety Bond if the Reserve Requirement for the Subordinate Lien Parity Bonds with the deficiency was funded with the purchase of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond. Deficiencies in the Interest Accounts or Principal Accounts for Subordinate Lien Parity Bonds with reserve accounts funded with the purchase of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond can only be satisfied with draws on the respective Subordinate Lien Reserve Fund Surety Bonds and not from moneys or investments on deposit in the Subordinate Lien Parity Bonds Reserve Fund. The amount transferred from the Subordinate Lien Parity Bonds Reserve Fund and amounts required to be reimbursed on a Subordinate Lien Parity Bonds Reserve Fund Surety Bond to pay Debt Service on the Subordinate Lien parity Bonds shall be reimbursed on a pro-rata basis to the Subordinate Lien Parity Bonds Reserve Fund and the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond from the first amounts available therefor in the Pledged Revenues Fund no later than the end of the next full Fiscal Year or such other period of time as set forth in the Regents resolution authorizing the issuance of the applicable Subordinate Lien Parity Bonds.

The amount of money and, to the extent the coverage of such surety bond will permit, the proceeds of any Subordinate Lien Parity Bonds Reserve Fund Surety Bond on

deposit in the Series 2000, Series 2001, Series 2002, Series 2003, Series 2005, Series 2007 or Series 2011 Reserve Account shall be used first to pay any deficiency in the amount available to pay Debt Service on the 2000B Bonds, 2001 Bonds, 2002B Bonds, 2002C Bonds, 2003A Bonds, 2003B Bonds, 2003C Bonds, 2005 Bonds, 2007A Bonds, Series 2007B Bonds or Series 2012 Bonds, as the case may be, and second, to pay any deficiency in the amount available to pay amounts owing under the applicable Qualified Exchange Agreement; provided, however, that the use of such moneys or proceeds of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond to pay amounts owing under the applicable Qualified Exchange Agreement shall only be made with the Insurer's consent so long as the Insurer is rated "A" or above by S&P and Moody's.

\* \* \*

D. **Parity Bonds.** Section 6.02 of Article VI of the Bond Authorizing Resolution is revised in its entirety to read as follows:

**Section 6.02 Parity Bonds.**

(a) ***Limitations Upon Issuance of Subordinate Lien Parity Bonds.***

Nothing in the Bond Resolution shall be construed in such a manner as to prevent the issuance by the Regents of Subordinate Lien Parity Bonds payable from the Pledged Revenues and constituting a lien upon the Pledged Revenues on a parity with the lien of the Bonds, nor to prevent the issuance of bonds or other obligations refunding all or a part of the Bonds. Before any such additional Subordinate Lien Parity Bonds are issued (excluding refunding bonds or refunding obligations which refund Subordinate Lien Parity Bonds) all of the following conditions shall be met:

(i) the Pledged Revenues received by the University in each of the two completed Fiscal Years immediately preceding the issuance of the additional bonds must be at least 200% of the highest Debt Service requirement for any succeeding Fiscal Year measured from the date of computation on all Outstanding Subordinate Lien Parity Bonds and Superior Lien Parity Bonds, but excluding the bonds proposed to be issued. A written certification, opinion, verification or other determination by the Associate Vice-President for Planning, Budget and Analysis of the University, or his or her successor in function, that the annual Pledged Revenues for such preceding Fiscal Years are at least equal to such amounts and the determinations of such amounts shall be conclusively presumed to be accurate in determining the right of the University to authorize, issue, sell and deliver the additional Subordinate Lien Parity Bonds; and

(ii) the Pledged Revenues received by the University in each of the two completed Fiscal Years immediately preceding the issuance of the additional bonds must be at least 175% of the highest Debt Service requirement for any succeeding Fiscal Year measured from the date of computation on all Outstanding Subordinate Lien Parity Bonds and Superior Lien Parity Bonds and on the issue of bonds then proposed to be issued. A written certification, opinion, verification or other determination by the Associate Vice-President for Planning, Budget and Analysis of the University, or his or

her successor in function, that the annual Pledged Revenues for such preceding Fiscal Years are at least equal to such amounts and the determinations of such amounts shall be conclusively presumed to be accurate in determining the right of the University to authorize, issue, sell and deliver the additional Subordinate Lien Parity Bonds. The Associate Vice-President for Planning, Budget and Analysis of the University, or his or her successor in function, may take into account the adjustments hereafter provided in this subparagraph (ii). If the proceedings authorizing the additional bonds pledge and provide for payment into the applicable Bond Service Fund of income or revenues in addition to the Pledged Revenues, the amount received from such additional pledged source of income or revenue by the University for payment into the applicable Bond Service Fund in each of the two completed Fiscal Years immediately preceding the issuance of the additional bonds may be taken into consideration and added to the Pledged Revenues received in each such Fiscal Year for purposes of the computation required to be made under the provisions of this subparagraph (ii). There shall also be taken into consideration and added to the Pledged Revenues received in each such completed Fiscal Year for the purposes of such computation the smallest amount of gross income or revenues estimated by the Associate Vice-President for Planning, Budget and Analysis of the University, or his or her successor in function, to be produced in any future Fiscal Year from the operation of the additional facilities to be acquired with the proceeds of the additional bonds, which estimate in the case of housing facilities shall be based on a presumed eighty percent (80%) occupancy of such facilities at rentals equivalent to those charged by the University for similar facilities during the Fiscal Year immediately preceding the issuance of the additional bonds. If in the proceedings authorizing the additional bonds there is an agreement or covenant to increase student fees included as part of the Pledged Revenues beyond the amount imposed during each of the two preceding Fiscal Years, the additional income or revenues which would have been received in such preceding Fiscal Years if the increased fees had been in effect may also be taken into consideration and added to the Pledged Revenues received in each such Fiscal Year for the purposes of such computation. Such estimate shall be made by the Associate Vice-President for Planning, Budget and Analysis of the University, or his or her successor in function, and shall be predicated on the number of students actually paying the increased fees in such Fiscal Year; and

(iii) payments into the respective bond service funds, the Superior Lien Parity Bonds Reserve Fund and the Subordinate Lien Parity Bonds Reserve Fund required by Section 5.03 shall be current.

(iv) So long as the 1992A Bonds, the 2000B Bonds, the 2001 Bonds, the 2002B Bonds, the 2002C Bonds, the 2003A Bonds, the 2003B Bonds, the 2003C Bonds, the 2005 Bonds, the 2007A Bonds, and the 2007B Bonds are outstanding, if, after delivery of the Subordinate Lien Parity Bonds, the Reserve Requirement for any succeeding Fiscal Year on all Subordinate Lien Parity Bonds then Outstanding with a cash funded Reserve Requirement and the Subordinate Lien Parity Bonds proposed to be issued will be in excess of the money or investments on deposit in the Subordinate Lien Parity Bonds Reserve Fund, the proceedings authorizing the issuance of the Subordinate Lien Parity Bonds must provide for the deposit in the Subordinate Lien Parity Bonds Reserve Fund, of 75% of the additional Reserve Requirement at or prior to issuance of the

Subordinate Lien Parity Bonds and within two years after the delivery of the Subordinate Lien Parity Bonds, through approximately equal semiannual payments into the Subordinate Lien Parity Bonds Reserve Fund, of that amount which, together with the moneys and investments then on deposit in the Subordinate Lien Parity Bonds Reserve Fund will equal the Reserve Requirement. The Regents may choose to purchase a Reserve Fund Surety Bond for the proposed Subordinate Lien Parity Bonds in lieu of making cash deposits in the Subordinate Lien Parity Bonds Reserve Fund; and

(v) if there is a Superior Lien Parity Bonds Reserve Fund Surety Bond or a Subordinate Lien Parity Bonds Reserve Fund Surety Bond still in effect, the Associate Vice-President for Planning, Budget and Analysis of the University, or his or her successor in function, on behalf of the Regents shall certify to the provider of the Superior Lien Parity Bonds Reserve Fund Surety Bond or Subordinate Lien Parity Bonds Reserve Fund Surety Bond that the conditions in subparagraphs (i) through (iv) of this Section have been satisfied; and

(vi) After the 1992A Bonds, the 2000B Bonds, the 2001Bonds, the 2002B Bonds, the 2002C Bonds, the 2003A Bonds, the 2003B Bonds, the 2003C Bonds, the 2005 Bonds, the 2007A Bonds, and the 2007B Bonds have been paid in full, defeased or are no longer Outstanding, the Subsections (iv) and (v) above shall no longer apply, and the Regents will not be required to fund a reserve account for the proposed Subordinate Lien Parity Bonds.

(vii) In making the computations required by subparagraphs (i) and (ii) of this Section to determine if Subordinate Lien Parity Bonds may be issued (A) Subordinate Lien Parity Bonds which bear a variable or fluctuating interest rate (including any Subordinate Lien Parity Bonds proposed to be issued) shall be deemed to bear the average interest rate borne by outstanding Subordinate Lien Parity Bonds which bear a variable or fluctuating interest rate during the immediately preceding Fiscal Year, and (B) the variable interest rate used to determine the net payments under any Qualified Exchange Agreement shall be deemed to be the rate referred to in clause (A) above. For purposes of this subparagraph (vii), in the event that there are no outstanding Subordinate Lien Parity Bonds which bear a variable rate, the rate in clauses (A) and (B) above shall be the average interest rate that Subordinate Lien Parity Bonds would have borne during the immediately preceding Fiscal Year in the opinion of the Associate Vice-President for Planning, Budget and Analysis of the University, or his or her successor in function.

(b) ***Junior Lien Obligations Permitted; Certain Obligations Prohibited.*** Nothing herein contained shall be construed to prevent the Regents from issuing obligations with a lien junior and subordinate to the lien on Pledged Revenues of Subordinate Lien Parity Bonds. The Regents shall not be permitted to issue obligations with a lien prior and superior to the lien on Pledged Revenues of Subordinate Lien Parity Bonds.

## ARTICLE IV

### MISCELLANEOUS

**Section 4.01. Resolution Irrepealable; Construction with Bond Authorizing Resolution.** Except with respect to amendments as provided in the Bond Authorizing Resolution, after any of the Bonds are issued, this Pricing Resolution shall be and remain irrepealable until the Bonds, the interest thereon shall be fully paid, canceled and discharged or there has been defeasance of the Bonds. It is the express intention of the Regents that the terms and provisions of this Pricing Resolution supplement the terms and provisions of the Bond Authorizing Resolution and that the terms and provisions of the Bond Authorizing Resolution which do not conflict with the terms and provisions hereof shall be operative and controlling with respect to the Bonds.

**Section 4.02. Severability.** If any one or more provisions of this Pricing Resolution or the application thereof to any set of circumstances shall ever be held by final decision of a court of competent jurisdiction to be invalid or ineffective for any reason, such holding shall not affect the validity and enforceability of the remaining provisions and pledges of this Pricing Resolution or the application of such remaining provisions to other circumstances.

**Section 4.03. Repealer Clause.** All bylaws, orders and resolutions of the Regents or the University, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order or resolution, or part thereof, heretofore repealed.

**Section 4.04. Ratification.** All action heretofore taken (not inconsistent with the express provisions of the Resolution) by the Regents and Authorized Officers the University directed toward the Project, and toward the authorization, sale and issuance of the Bonds to the Purchaser is hereby ratified, approved, confirmed and determined to be in compliance with parameters set forth in the Bond Authorizing Resolution including, specifically, Section 2.03 thereof.

**Section 4.05. Governing Law.** This Pricing Resolution shall be governed by the laws of the State without reference to choice of law principles thereof.

**Section 4.06. Effective Date.** This resolution shall take immediate effect.

[Remainder of page intentionally left blank]

ADOPTED AND APPROVED this 14<sup>th</sup> day of February, 2012.

THE REGENTS OF THE UNIVERSITY OF  
NEW MEXICO

[SEAL]

By \_\_\_\_\_  
President

ATTEST:

By \_\_\_\_\_  
Secretary and Treasurer

[Signature Page to Pricing Resolution]

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# **Tab 17**

**APPROVAL OF ARCHITECT SELECTION for  
STUDENT RESIDENCE CENTER APARTMENTS INTERIOR RENOVATIONS  
UNIVERSITY OF NEW MEXICO  
February 14, 2012**

**RECOMMENDED ACTION:**

As required by Section 7.11 of the Regents Policy Manual, it is recommended that the Board of Regents approve the selection of the following architect for design and planning for the Student Residence Center (SRC) Apartments Interior Renovations, UNM, Albuquerque Main Campus. Project approval will be requested at a future meeting of the Board of Regents.

**Recommended Firm:** DNCA Architect, Albuquerque, New Mexico

**PROJECT DESCRIPTION:**

1. Project will address approximately 75,850 SF of space.
2. Project will complete the last 7 of 12 total buildings. The 5 buildings that have been renovated were completed over the last 3 years.
3. Project will include replacement of kitchen and bathroom cabinets and countertops.
4. Replacement of kitchen and bathroom plumbing fixtures.
5. Replacement of bathroom light fixtures.
6. Installation of new shower surrounds, fixtures and shower doors.
7. New kitchen appliances.
8. Replacement of carpet and VCT tile throughout.
9. Patching and painting of walls and ceilings as needed.
10. If budget allows, replacement of bedroom and living area light fixtures.

**RATIONALE:**

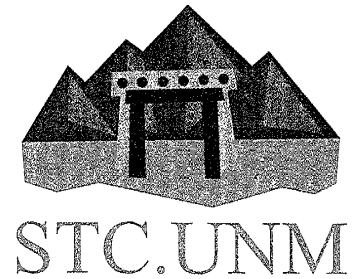
1. This recommendation is based on invitation for proposals selection process in accordance with State of NM Procurement Regulations.
2. On January 25, 2012 the selection committee evaluated 2 written proposals. The finalists are listed below in order of their ranking following the evaluation of their proposals. The fee associated with each finalist is also included:
  - a. DNCA Architect: **\$30,000.00**
  - b. Vigil and Associates Architectural Group: **\$32,500.00**The fee is based upon an Hourly Task / Fee Schedule.
3. DNCA has worked with UNM in the past on renovation projects such as the Tamarind Institute and the Los Alamos Classroom project.
4. Devendra Contractor and his team are well experienced in this type of interior renovation.
5. The selection committee included: Rick Henrard, Group Manager, Office of Capital Projects; Eric Schwaner, Sr. Construction/Project Manager, Office of Capital Projects; Wayne Sullivan, Residence Life Manager, Residence Life and Student Housing; Robert Garman, Manager, Maintenance & Construction, PPD Area Three.

**FUNDING:**

The total estimated Project Budget is \$1,545,000:

- \$1,545,000 is funded from Residence Life and Student Housing Plant Fund Balances

# **Tab 18**



HAND DELIVERED

December 16, 2011

Cenissa Martinez  
Executive Assistant to the Executive  
Vice President for Administration  
University of New Mexico  
Scholes Hall, Room 111  
MSC05 3350  
1 University of New Mexico  
Albuquerque, NM 87131-0001

Re: STC.UNM Annual Report to the Board of Regents of the University of New Mexico

Dear Cenissa:

Attached please find 1 hard copy of STC's Annual Report to the Board of Regents for the January 12, 2012 F & F Committee Meeting. I have also emailed you an electronic copy.

Let me know if you need anything else.

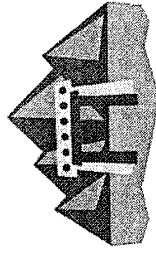
Many thanks for your assistance!

Sincerely,

Denise Bissell  
Communications Specialist  
STC.UNM  
[dbissell@stc.unm.edu](mailto:dbissell@stc.unm.edu)  
272-7310

# **Annual Report to The Board of Regents of The University of New Mexico**

**January 12, 2012**



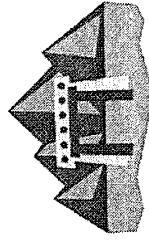
**STC.UNM**  
THE INNOVATION DOOR TO  
THE UNIVERSITY OF NEW MEXICO

801 University Blvd. SE, Suite 101 · Albuquerque, NM 87106 ·  
T: 505-272-7900 · F: 505-272-7300 · W: [stc.unm.edu](http://stc.unm.edu)

# Outline

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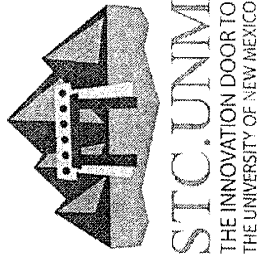
- ❖ FY2011 Audit Report
  - Presented by Mr. John Kennedy, Partner, KPMG
- ❖ FY2011 Goals & Accomplishments
- ❖ STC.UNM License Income Forecast & FY2011 Data
- ❖ Personnel
- ❖ STC.UNM Metrics 1995 - 2011
- ❖ STC.UNM Peer Institution Comparison



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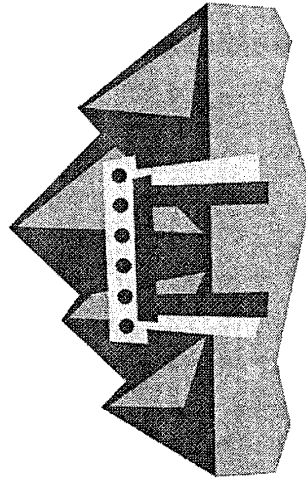
# **FY2011 Audit Report**

**John Kennedy**  
**Partner, KPMG**





*cutting through complexity™*



**STC.UNNM**  
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THE UNIVERSITY OF NEW MEXICO

PUBLIC REPORT

**STC.UNNM**

**UNM Regents  
Finance and Facilities Committee**

**Financials Statements  
Year Ended June 30, 2011**

Audit



## Financial Audit Overview

### **KPMG's Role**

- To perform audit procedures, and issue the auditors' report (opinion)
- To perform audit in accordance with general accepted auditing standards and the New Mexico State Auditor Rule 2.2.2NMAC
- Report other matters to the Board of Directors and the Finance and Audit Committee (SAS No. 114)

### **Audit Fieldwork**

- Started and completed during August and September 2011

***Financial Statements were delivered to the Office of the State Auditor for review on October 21, 2011. There were no comments and the release letter was issued on November 15, 2011.***

## Financial Statement Highlights

- Audit plan executed as planned, no modifications necessary
  - Issued an unqualified audit opinion
- Variance Analysis 2011 vs. 2010**
- Net assets declined to \$464k in 2011 vs. \$733k in 2010 (\$270k change)
    - Primarily due to a \$265k increase in patent activity
  - Current assets overall consistent
  - Capital assets increase \$35k due to purchase of software system
  - Accounts payable increased \$134k due to increase in patent activity, as well as timing of the UNM counsel approvals of patent attorney fees .
  - Due to UNM increased \$300k due to timing of payments to UNM for royalty sharing.
  - Revenue funding from UNM net decrease \$80k due to budget constraints
  - Licensing/royalty revenue decreased \$682k due to settlements closed in 2010.
  - Licensing distributions decreased \$321k due to decrease in the licensing income.
  - G and A expense overall consistent

# Required Communications

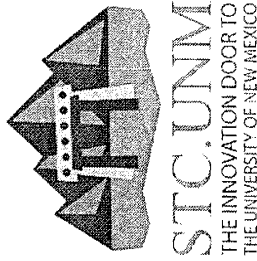
- ❖ **Auditor's responsibility under Generally Accepted Auditing Standards**
  - Audit designed to provide reasonable, not absolute assurance
  - Management is responsible for the financial statements
- ❖ **SAS 99 fraud communications**
  - Fraud communications were held with key management personnel during the audit and the Board Chair
  - No illegal acts or instances of fraud noted
- ❖ **STC.UNM has quality accounting personnel in place**
- ❖ **No audit differences**
- ❖ **We noted no matters during our audit that we consider to be financial reporting significant deficiencies or material weaknesses**
  - We did not conduct our procedures for the purpose of issuing an opinion on internal controls
- ❖ **No instances of noncompliance material to the financial statements identified**
- ❖ **Significant accounting policies**
  - Accounting policies utilized by STC.UNM are appropriate and have been consistently applied
  - There were not any policies adopted related to controversial areas

## **Required Communications, cont.**

- ❖ *No disagreements with management*
- ❖ *No consultation with other accountants that we are aware of*
- ❖ *No major issues discussed with management prior to our retention*
- ❖ *No difficulties encountered in performing the audit*
  - Management is helpful and responsive, which improves the efficiency of the audit
- ❖ *No significant accounting that involves management judgments and estimates*
- ❖ *No significant transactions with alternative treatment were discussed*
- ❖ *Other material written communications*
  - Management representation letter has been provided
  - Engagement letter documenting audit relationship
- ❖ *No new technical developments with significant impact*
- ❖ *In our professional judgment, KPMG had no relationships with STC.UNM that would impair independence during the year ended June 30, 2011*

# **FY2011 Goals and Accomplishments**

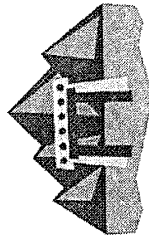
**Lisa Kuuttilla  
President & CEO, STC.UNM**



# FY2011 Goals and Plans

---

1. Continue a vibrant UNM inreach program, while looking for ways to expand
2. Expand outreach efforts locally, nationally and internationally for STC technologies and the organization
3. Achieve key metrics, balancing pipeline and service metrics
4. Improve STC operations with organizational adjustments, technology and policies

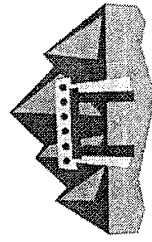


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THE UNIVERSITY OF NEW MEXICO

January 12, 2012

# FY2011 Goals and Plans

- ❖ **Goal 1: Continue a vibrant UNM inreach program, while looking for ways to expand**
- ❖ **Plans:**
  - Hold 8 seminars at UNM covering a range of commercialization topics
  - Employ 8-10 student interns from UNM: law, science, engineering and business
  - Publish STC newsletters twice per year
  - Hold 8<sup>th</sup> Annual Creative Awards event in spring 2011 and give 2<sup>nd</sup> Annual Innovation Fellow Award (selected by STC Board committee)
  - IP and commercialization presentations for inventors, departments and classes
  - RFP, awards and management of gap-fund projects for FY2011
  - Convene the Faculty Entrepreneurs Network
  - Publish a 2011 STC calendar, highlighting technology commercialization at UNM
  - Incorporate new web-based IP management system into inreach program

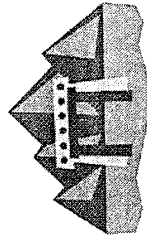


# Goal 1 Plans:

*Continue a vibrant UNM inreach program, while looking for ways to expand*  
Hold 8 seminars at UNM covering a range of commercialization topics

## Seminars

- ❖ ***Managing Creativity: Inspiration, Perspiration, Collaboration and Beyond / A Second Look at the Google Book Settlement***
  - September 29, 2010 / Charles C. Valauskas, J.D.
- ❖ ***The Patent Reform Act — Should You Start Working Out and Saving More?***
  - November 10, 2010 / Timothy M. Hsieh, Ph.D., J.D.
- ❖ ***An Inside Look at the U. S. Patent & Trademark Office: Current Practice and Trends***
  - November 15, 2010 / Henry Coleman, Ph.D., J.D.



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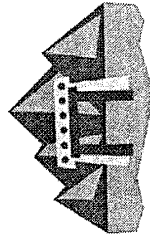


# Goal 1 Plans:

*Continue a vibrant UNM inreach program, while looking for ways to expand Hold 8 seminars at UNM covering a range of commercialization topics*

## Seminars

- ❖ ***Emerging Minority Business Leaders Summer Institute: Developing the Next Generation of Minority Entrepreneurs in Technology Management***
  - January 25, 2011 / Tyrone Taylor
- ❖ ***Seeing Your Discoveries Put Into Practice: How to Move Early Stage Research Into the Clinic***
  - March 09, 2011 / Lisa Kuuttila & Jovan Heusser
- ❖ ***Are Genetic Sequences Still Patentable?***
  - March 31, 2011 / Christopher Gram



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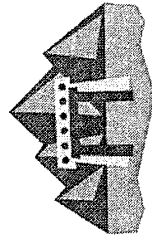
January 12, 2012

# Goal 1 Plans:

*Continue a vibrant UNM inreach program, while looking for ways to expand  
Employ 8-10 student interns from UNM: law, science, engineering and business*

## STC Student Interns: Summer 2011

- ❖ **Max De Azevedo** (School of Law)
- ❖ **Anh Le** (School of Engineering)
- ❖ **Paulina San Millan** (Anderson School of Management)
- ❖ **Stephanie Ober** (College of Arts & Sciences and School of Engineering)
- ❖ **Chelsea Okamoto** (College of Arts & Sciences)
- ❖ **Roshaon Ross** (College of Arts & Sciences)



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# Goal 1 Plans:

Continue a vibrant UNM inreach program, while looking for ways to expand  
Publish STC newsletters twice a year  
Twice-A-Year Newsletter

**Brian Sweeney**  
Optical Illusion



**Technology Highlights**

### Optical Phase Shift Fluid Flow Me to UNM

Currently, all methods for measuring fluid flow are a variety of optical techniques. However, for certain, a commonly used method is to put a laser through a lens and a diffraction grating. The light that is diffracted by the grating is then focused onto a detector. The detector measures the intensity of the light, which is proportional to the flow rate. However, this method is limited by the resolution of the detector and the stability of the laser. A new method, called optical phase shift, has been developed at UNM. This method uses a laser and a diffraction grating to create a phase shift in the light. The phase shift is then measured by a detector. This method is more accurate and stable than the traditional method.

**Cancer Therapeutic Developed by U.S. Patent**

Dr. David J. Slamon, Professor and Chairman of the Department of Molecular Biology and Genetics, has developed a new cancer therapeutic. The drug, called *Docetaxel*, is a taxane derivative. It is used to treat breast cancer, lung cancer, and prostate cancer. The drug is currently being tested in clinical trials. Dr. Slamon is also the co-inventor of the drug. The drug is currently being tested in clinical trials. The drug is currently being tested in clinical trials.

**U.S. Patent**

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**STCUNM**  
The University of New Mexico  
Department of Molecular Biology and Genetics

**Postal**

# MERCADO

Door to the Marketplace

Volume XXI - Spring 2011

**press releases**

Press Releases July 1, 2010 thru December 31, 2010

**interms**

Interms

**a closer look**

STCUNM and the Department of Molecular Biology and Genetics

**Out**

**Out**

**Out**

**Out**

**In This Issue**

- Physicians' Corner 191
- Research Highlights 192
- News Releases 193
- What's New 194
- People at STC 195
- Health Care News 196

**Physicians' Corner**

Dr. David J. Slamon, Professor and Chairman of the Department of Molecular Biology and Genetics, has developed a new cancer therapeutic. The drug, called *Docetaxel*, is a taxane derivative. It is used to treat breast cancer, lung cancer, and prostate cancer. The drug is currently being tested in clinical trials. Dr. Slamon is also the co-inventor of the drug. The drug is currently being tested in clinical trials.

**President's Corner**

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**Out**

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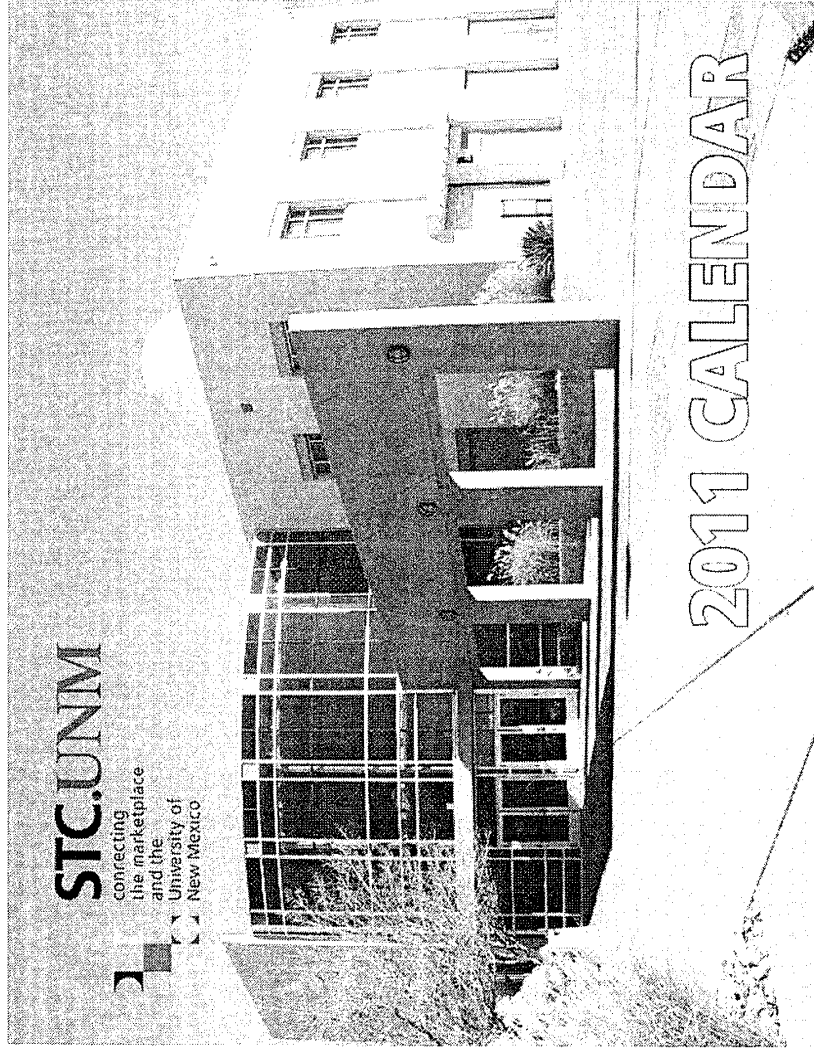
January 12, 2012

# Goal 1 Plans:

*Continue a vibrant UNM inreach program, while looking for ways to expand*

*Publish 2011 STC calendar, highlighting technology commercialization at UNM*

## 2011 STC Calendar



January 12, 2012

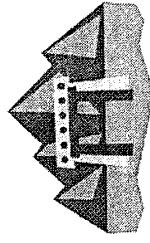
16

# Goal 1 Plans:

*Continue a vibrant UNM inreach program, while looking for ways to expand RFP, awards and management of gap-fund projects for FY2011*

## Gap Fund @ UNM

- ❖ RFP issued for fifth annual call for proposals in August 2010
- ❖ 18 proposals received (compared with 13 last year) in September 2010
- ❖ Gap Fund @ UNM Committee reviewed and selected projects in October 2010



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# Goal 1 Plans:

*Continue a vibrant UNM inreach program, while looking for ways to expand RFP, awards and management of gap-fund projects for FY2011*

## Gap Fund @ UNM: FY2011 Gap-Funded Projects

- ❖ Title: ***Intra-Cavity Enhanced Cryogenic Optical REfrigerator (ICECORE)***
  - PI: Dr. Mansoor Sheik-Bahae, Dept. of Physics & Astronomy (\$25,000)
  
- ❖ Title: ***Novel Prophylactic Treatments of Temporal Lobe Epilepsy by Targeting Early Cl<sup>-</sup> Transporter Pathology in the Deep Entorhinal Cortex***
  - PI: Dr. Wolfgang Mueller, Dept. of Neurosurgery (\$10,000)
  
- ❖ Title: ***Receptor-Targeting Radionuclide Therapy of Melanoma***
  - PI: Dr. Yubin Miao, College of Pharmacy (\$15,000)

Note: The funds will be provided by the STC endowment account this year, not from UNM, due to budget issues.

# Goal 1 Plans:

Continue a vibrant UNM inreach program, while looking for ways to expand  
Convene the Faculty Entrepreneurs Network—Fall Seminar

UNM FACULTY ENTREPRENEURS NETWORK FALL SEMINAR

## “Faculty Consulting and Start-ups: Navigating UNM Policies”

*UNM entrepreneurial faculty are cordially invited to an informal seminar and networking session on guidelines and policies for faculty consulting and new company start-ups.*

### Time/Location:

November 1, 2010, 4:00 pm to 5:30 pm  
Rotunda, UNM Science & Technology Park  
Light refreshments will be provided

### Co-Presenters and Moderators:

Lisa Kuuurila  
President & CEO  
STC.UNM

Michele Huff  
Lead Attorney  
Research & Technology Law Division  
Interim Deputy University Counsel  
UNM Office of University Counsel

### Panel Participants:

Sanjay Krishna, Ph.D.  
Professor  
Dept. of Electrical & Computer Engineering  
Associate Director, Center for High Technology Materials  
Co-Founder and CTO, SK Infrared LLC

Larry A. Sklar, Ph.D.  
Regents' Professor  
Dept. of Pathology  
Associate Director of Basic Research, UNM Cancer Center  
Director, New Mexico Molecular Libraries Screening Center  
Co-Founder and Scientific Advisor, Intellicyt

### Co-Sponsored by:

STC.UNM and the Research and Technology Law Division

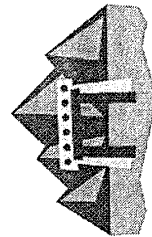
**STC.UNM**

Supporting  
the growth of  
the marketplace  
and the U.S. of  
New Mexico



The University of New Mexico

RSVP to Denise Bissell at [dbissell@stcunm.edu](mailto:dbissell@stcunm.edu) or (505) 272-7310



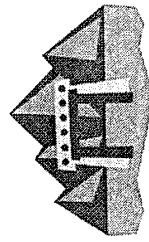
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# Goal 1 Plans:

*Continue a vibrant UNM inreach program, while looking for ways to expand Visits with Inventors*

	<b>FY2010</b>	<b>FY2011</b>
<b>Q1</b>	89	81
<b>Q2</b>	122	105
<b>Q3</b>	91	121
<b>Q4</b>	101	123
<b>Total:</b>	<b>403</b>	<b>430</b>



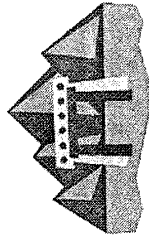
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January 12, 2012



# FY2011 Goals and Plans

- ❖ **Goal 2: Expand outreach efforts locally, nationally and internationally for STC technologies and the organization**
- ❖ **Plans:**
  - Continue an active LVL program, reaching out to entrepreneurs and investors, while looking for new ways to catalyze start-ups
  - Network, and with STC Board Community Relationships Committee support, represent STC, and speak at New Mexico business community forums
  - Complete backlog of outstanding commercialization agreements with Sandia
  - Support UNM in economic development efforts
  - Seek opportunities for visibility for STC, nationally and internationally, via speaking engagements and other avenues (serve on AUTM's Public Policy and Advocacy Committees)
  - Continue a vigorous marketing program for STC technologies, using social networking tools
  - Pursue opportunities for assertion licensing
  - Incorporate use of new IP management system into outreach efforts

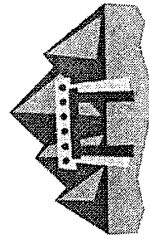


# Goal 2 Plans:

*Expand outreach efforts locally, nationally and internationally for STC technologies and the organization  
Continue an active LVL program, reaching out to entrepreneurs and investors, while looking for new ways to  
catalyze start-ups*

## Commercialization Forum Series — Fall Semester 2010 / Spring 2011

- ❖ **Commercializing Your Intellectual Property: What Are the Options?**
  - September 23, 2010 / Ms. Lisa Kuuttila
- ❖ **Venture Capital 101—Myth vs. Reality**
  - October 13, 2010 / Mr. David Blivin
- ❖ **Repurposing Drugs for Commercialization**
  - October 21, 2010 / Robert Hromas, M.D.
- ❖ **Taking a University Technology to Market**
  - February 17, 2011/ Stephen D. Hersee, Ph.D.; Petros Varangis, Ph.D.; and Mr. Thomas J. Stephenson
- ❖ **The Four Pillars of Successful Startups – and Where to Go from There: What Every Entrepreneur Needs to Know About Building a Sustainable Company**
  - March 24, 2011 / Barbara Kline
- ❖ **TVC CCET Seminar Series**
  - **SBIR—Win More Grants!**
    - August 24, 2010 / Mr. Jim Greenwood
  - **Get Your Technology Funded**
    - November 4, 2010 / Robert Berger, Ph.D.



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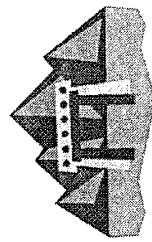
January 12, 2012

# Goal 2 Plans:

*Expand outreach efforts locally, nationally and internationally for STC technologies and the organization  
Continue an active LVL program, reaching out to entrepreneurs and investors, while looking for new ways to catalyze start-ups*

## Potential Business Partners

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Investor Presentations	52	73	93	60	36	39	40
Entrepreneur Visits	46	47	20	52	85	56	45
Outside Inventor Visits	27	16	23	16	6	9	19



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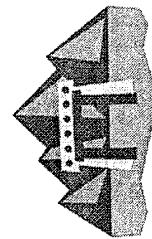
January 12, 2012

# Goal 2 Plans:

*Expand outreach efforts locally, nationally and internationally for STC technologies and the organization. Continue an active LVL program, reaching out to entrepreneurs and investors, while looking for new ways to catalyze start-ups*

## Start-up Updates — FY2011

- ❖ **MagnetoOrganics**
  - Option agreement extension until 9/30/11
- ❖ **Nanocrystal**
  - Completed Asian subsidiary – Nanocrystal Asia
  - Series B fundraising completed; LOI with strategic investor; two sublicense agreements completed
  - Space in STC LVL
  - Exercised options and completed 2 license agreements
- ❖ **Azano**
  - SBIR funding secured
  - Sponsored research agreement underway with VA
  - Joint venture with Oso BioPharmaceuticals—Azoso
  - 48D funding received
- ❖ **nanomR**
  - License agreement signed, including equity for STC
  - Series A round closed with \$5.5 million raised from vSpring, Sun Mountain Capital and Dow Ventures
  - An additional \$2.5 million raised in January 2010
  - 48D funding received
- ❖ **SK Infrared LLC**
  - Option signed
  - SBIR secured
  - Phase II awarded
  - Space in STC LVL
  - Investor introductions underway
  - 48D funding received
  - Additional SBIR awarded
- ❖ **Proteasure**
  - Option agreement signed
- ❖ **Respira**
  - Signed license agreement
  - Partnership with Emergent Technologies
  - \$1 million investment capital committed
- ❖ **IntelliCyt**
  - Series C fundraising closed
  - Strategic partnership with Beckman Coulter
  - Sales and earned royalties
  - 48D funding received
- ❖ **Quatros**
  - Optioned portfolio of related various compounds
  - Secured 2 SBIR grants
- ❖ **GLO-USA**
  - Completed license agreement
- ❖ **ProtoHIT, Inc.**
  - License agreement completed
  - Closed on A round—additional investors including New Mexico Community Capital
- ❖ **zNano**
  - Option agreement signed
  - SBIRs under development
  - Introduction to TVC
- ❖ **Lotus Leaf Coatings, Inc.**
  - Option agreement signed
  - Strategic partner
  - Angel funding closed
  - Extended option

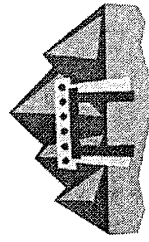


# Goal 2 Plans:

*Expand outreach efforts locally, nationally and internationally for STC technologies and the organization  
Continue an active LVL program, reaching out to entrepreneurs and investors, while looking for new ways to catalyze start-ups*

## Start-up Options / Licenses Recently Signed

- ❖ FY2011 Signed Agreements
  - **Avisa Pharma**
    - Graham Timmins' cystic fibrosis technology
    - Recruited entrepreneur
    - Completed option
    - LVL virtual tenant
  - **Vaccine Company – AgilVax**
    - Recruiting entrepreneur
    - Southwest Medical Technologies funding
    - Option signed
  - **Magic Dragon Technologies**
    - Option signed
    - PUF technology
  - **Wedge Health Communications**
    - U Consider This
    - Way to Serve
    - Option signed
  - **BVB Inc.**
    - Signed option
    - Development activities underway



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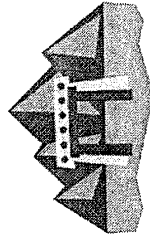
January 12, 2012

# Goal 2 Plans:

*Expand outreach efforts locally, nationally and internationally for STC technologies and the organization (1) Network, and with STC Board Community Relationships Committee support, represent STC and speak at New Mexico business community forums and (2) support UNM in economic development efforts*

## FY2011 Activities

- ❖ **STC was represented at 25 events / meetings related to New Mexico economic development**
  - ❑ New Mexico Angels
  - ❑ ENGAGE
  - ❑ ASM Technology Business Plan Competition
  - ❑ Congressman Heinrich's Science & Technology Advisory Committee Meeting
  - ❑ Albuquerque Economic Development Co-hosted Seminar for STC Start-ups
  - ❑ NMEDD: Delegation from Jalisco, Mexico
  - ❑ Sandia Innovation and IP Awards Dinner
  - ❑ MRCOG: Life Sciences & Health Industries Workshop
  - ❑ Innovate El Paso
  - ❑ UK Trade Mission Delegation
  - ❑ AUTM Western Regional Meeting Site Selection
  - ❑ NM – Israeli Business Exchange
  - ❑ Greater Albuquerque Chamber of Commerce luncheon
  - ❑ API Management Advisory Board
  - ❑ NM Forum on Technology Transfer and Economic Development



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*Expand outreach efforts locally, nationally and internationally for STC technologies and the organization (1) Network, and with STC Board Community Relationships Committee support, represent STC and speak at New Mexico business community forums and (2) support UNM in economic development efforts*

## FY2011 Activities

*Support UNM with economic development activities and initiatives*

### ❖ Partnerships

	Sandia	LANL
Jointly-owned inventions	109	37
Number of Commercialization Agreements	48	21
Number in which STC has taken lead	35	21
Number of option and license agreements executed with STC as lead	14	2
Number of option and license agreements executed with partners as lead	5	0

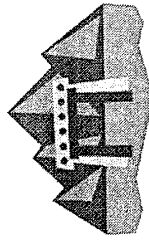
- Currently have 20 outstanding commercialization agreements with Sandia

# Goal 2 Plans:

*Expand outreach efforts locally, nationally and internationally for STC technologies and the organization  
Seek opportunities for visibility for STC, nationally and internationally, via speaking engagements and other  
avenues (serve on AUTM's Public Policy and Advocacy Committees)*

## **foliodirect / WolfWare FY2011 Activities**

- ❖ **4 vendor organizations**
  - STC.UNM, University of Washington, Purdue, Columbia
- ❖ **72 active products for sale in 12 categories**
- ❖ **263 new users since last quarter (9,460 total registered users)**
- ❖ **458 new purchases (7,444 total transactions)**
- ❖ **Total revenue to date: \$220,846**
- ❖ **Flintbox now live and will complete transition from foliodirect to Flintbox this year**



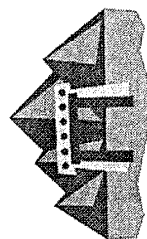


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*Expand outreach efforts locally, nationally and internationally for STC technologies and the organization  
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## Company Visits / FY2011 Activities

FY2007	FY2008	FY2009	FY2010	FY 2011
114	83	154	114	67



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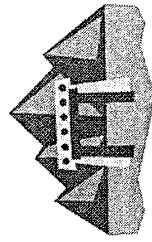
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*Expand outreach efforts locally, nationally and internationally for STC technologies and the organization  
Seek opportunities for visibility for STC, nationally and internationally, via speaking engagements and other  
avenues (serve on AUTM's Public Policy and Advocacy Committees)*

## 2011 Creative Awards Event

### Award Recipients

- |                          |                               |                          |                              |
|--------------------------|-------------------------------|--------------------------|------------------------------|
| <input type="checkbox"/> | Ganesh Balakrishnan, Ph.D.    | <input type="checkbox"/> | Xuejun Liu, Ph.D.            |
| <input type="checkbox"/> | Cristian-George Bologa, Ph.D. | <input type="checkbox"/> | Tudor I. Oprea, M.D., Ph.D.  |
| <input type="checkbox"/> | C. Jeffrey Brinker, Ph.D.     | <input type="checkbox"/> | Hien Pham, Ph.D.             |
| <input type="checkbox"/> | Steven R. J. Brueck, Ph.D.    | <input type="checkbox"/> | Svetlana Poroseva, Ph.D.     |
| <input type="checkbox"/> | Hitendra S. Chand, Ph.D.      | <input type="checkbox"/> | Sarita Prasad                |
| <input type="checkbox"/> | Daniel F. Cimino, M.S.        | <input type="checkbox"/> | Eric R. Prossnitz, Ph.D.     |
| <input type="checkbox"/> | Laurence A. Cole, Ph.D.       | <input type="checkbox"/> | Alexander K. Raub, Ph.D.     |
| <input type="checkbox"/> | Abhaya K. Datye, Ph.D.        | <input type="checkbox"/> | Tamara Roitbak, Ph.D.        |
| <input type="checkbox"/> | L. Ralph Dawson, Ph.D.        | <input type="checkbox"/> | Elsa Romero                  |
| <input type="checkbox"/> | Vojo P. Deretic, Ph.D.        | <input type="checkbox"/> | Wolfgang G. Rudolph, Ph.D.   |
| <input type="checkbox"/> | Bruce S. Edwards, Ph.D.       | <input type="checkbox"/> | Edl Schamiloglu, Ph.D.       |
| <input type="checkbox"/> | Andrew Frauenglass            | <input type="checkbox"/> | Peter C. Simons, Ph.D.       |
| <input type="checkbox"/> | Mikhail I. Fuks, Ph.D.        | <input type="checkbox"/> | Larry A. Sklar, Ph.D.        |
| <input type="checkbox"/> | Sang M. Han, Ph.D.            | <input type="checkbox"/> | James L. Thomas, Ph.D.       |
| <input type="checkbox"/> | Linnea K. Ista, M.S.          | <input type="checkbox"/> | Graham Timmins, Ph.D.        |
| <input type="checkbox"/> | Ravinder Jain, Ph.D.          | <input type="checkbox"/> | Angela Wandinger-Ness, Ph.D. |
| <input type="checkbox"/> | Xingmao Jiang, Ph.D.          | <input type="checkbox"/> | Timothy L. Ward, Ph.D.       |
| <input type="checkbox"/> | Courtney R. Johnson, M.D.     | <input type="checkbox"/> | W. Gill Woodall, Ph.D.       |
| <input type="checkbox"/> | Walter Kiesel, Ph.D.          |                          |                              |



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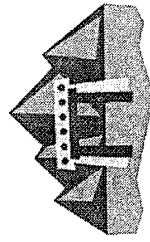
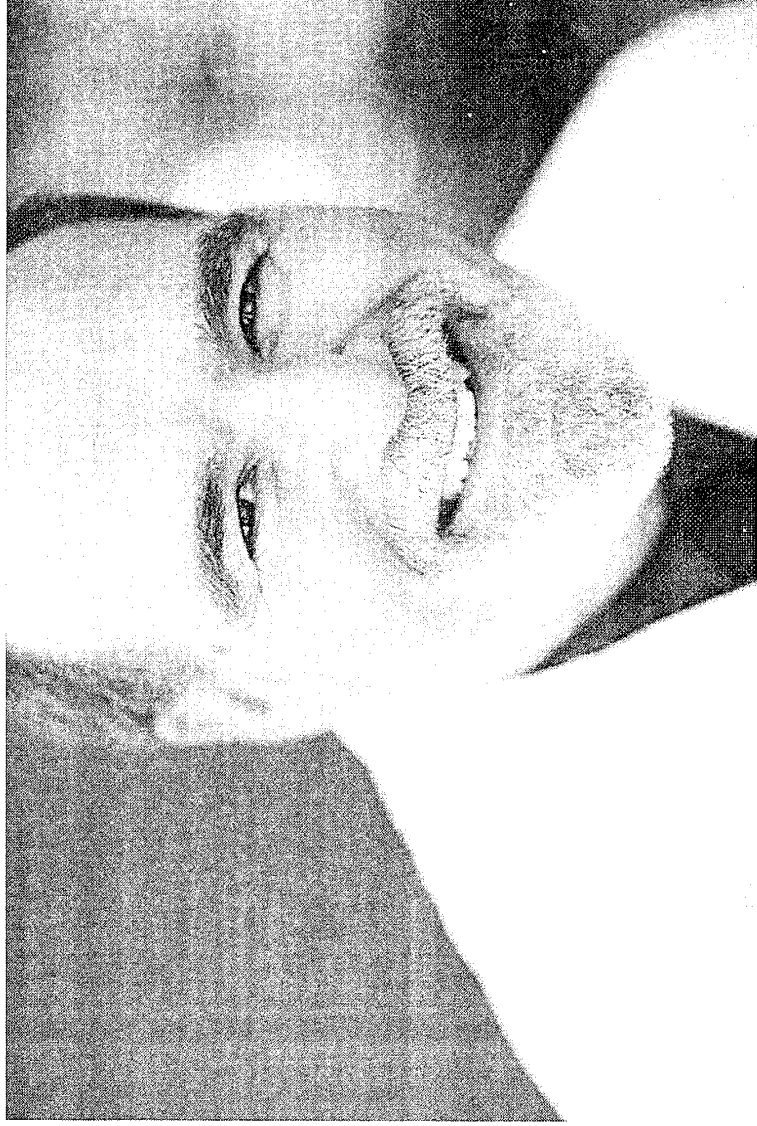
January 12, 2012

# Goal 2 Plans:

*Expand outreach efforts locally, nationally and internationally for STC technologies and the organization*  
*Seek opportunities for visibility for STC, nationally and internationally, via speaking engagements and other avenues (serve on AUTM's Public Policy and Advocacy Committees)*

## 2011 Creative Awards Event

2011 Innovation Fellow Larry Sklar



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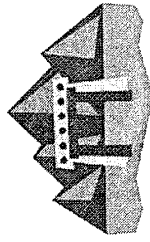
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avenues (serve on AUTM's Public Policy and Advocacy Committees)*

## **Patent Reform Activities / Bayh – Dole FY2011**

- ❖ **Speaker at Innovation Alliance Conference entitled  
“Patents, Innovation and Job Creation: A Virtuous  
Circle,” January 21, 2011, in Washington, D.C.**
- ❖ **Signatory on Amicus Brief in support of i4i position in  
Microsoft v. i4i**
- ❖ **Signatory on Amicus Brief in support of Stanford  
University position in Roche v. Stanford**
- ❖ **Participant in letters / calls with colleagues in  
opposition to aspects of S.23 and H.R. 1249 regarding  
patent change**



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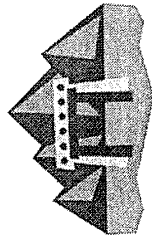
- ❖ **Flintbox provides**
  - Capability to follow RSS feeds of technology keywords to replace our "Technology Email Alerts"
  - Tech Scout alerts to monitor relevant new Projects, Groups, or Researchers that are posted on STC's Flintbox
  
- ❖ **STC currently has 338+ technologies posted on Flintbox**
  - ❖ 64,255 page views of 370 different records in Q4 FY2011
  - ❖ Most viewed technology: Solar Oven Plans (STC Ref. Number 2007-004)
  
- ❖ **Wolfware products have been transitioned to Flintbox**
  - Currently have 12 products available for sale

# Goal 2 Plans:

*Expand outreach efforts locally, nationally and internationally for STC technologies and the organization  
Pursue opportunities for assertion licensing*

## **Stadheim & Grear**

- ❖ **First assertion licensing agreement with Stadheim & Grear signed Q1 FY2008**
  - Settlement / license with Toshiba Corporation, NEC/Renesas, Hynix, TSMC, Samsung, Elpida
  
- ❖ **Filed lawsuit against Intel Corp. in November 2010**



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January 12, 2012

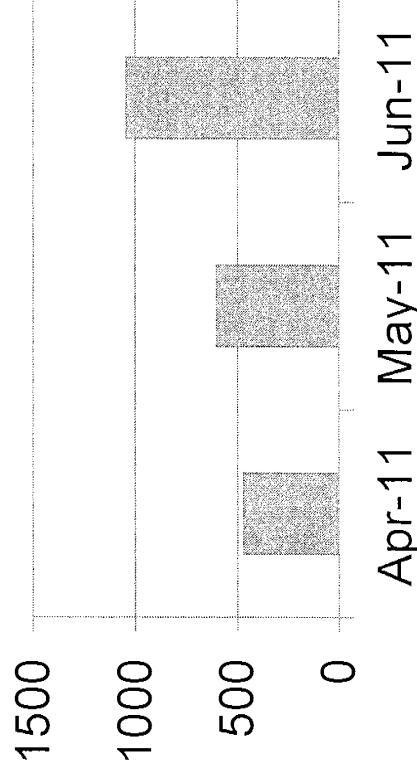
# Goal 2 Plans:

*Expand outreach efforts locally, nationally and internationally for STC technologies and the organization  
Continue a vigorous marketing program for STC technologies, using social networking tools*

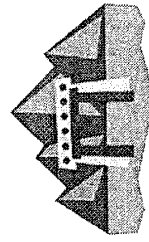
## Marketing Activities

- ❖ Executed 134 email campaigns in FY2011
  - ❑ Markets included non-steroidal anti-inflammatories, carbon foam materials, robotics, photovoltaic/solar cells, instruments for biological sciences, genomics, astronomy/metrolgy, nanoparticles, chromatography data software, cancer pharmaceuticals, image rendering, LED headlights, optical communications, 3D audio, flow cytometry, MEMS, semiconductor fabrication, water treatment, neurodegenerative treatment, petroleum equipment, medical imaging, defense
  - ❑ 4,308 was the total for marketing interactions for FY2011

## Marketing Interactions



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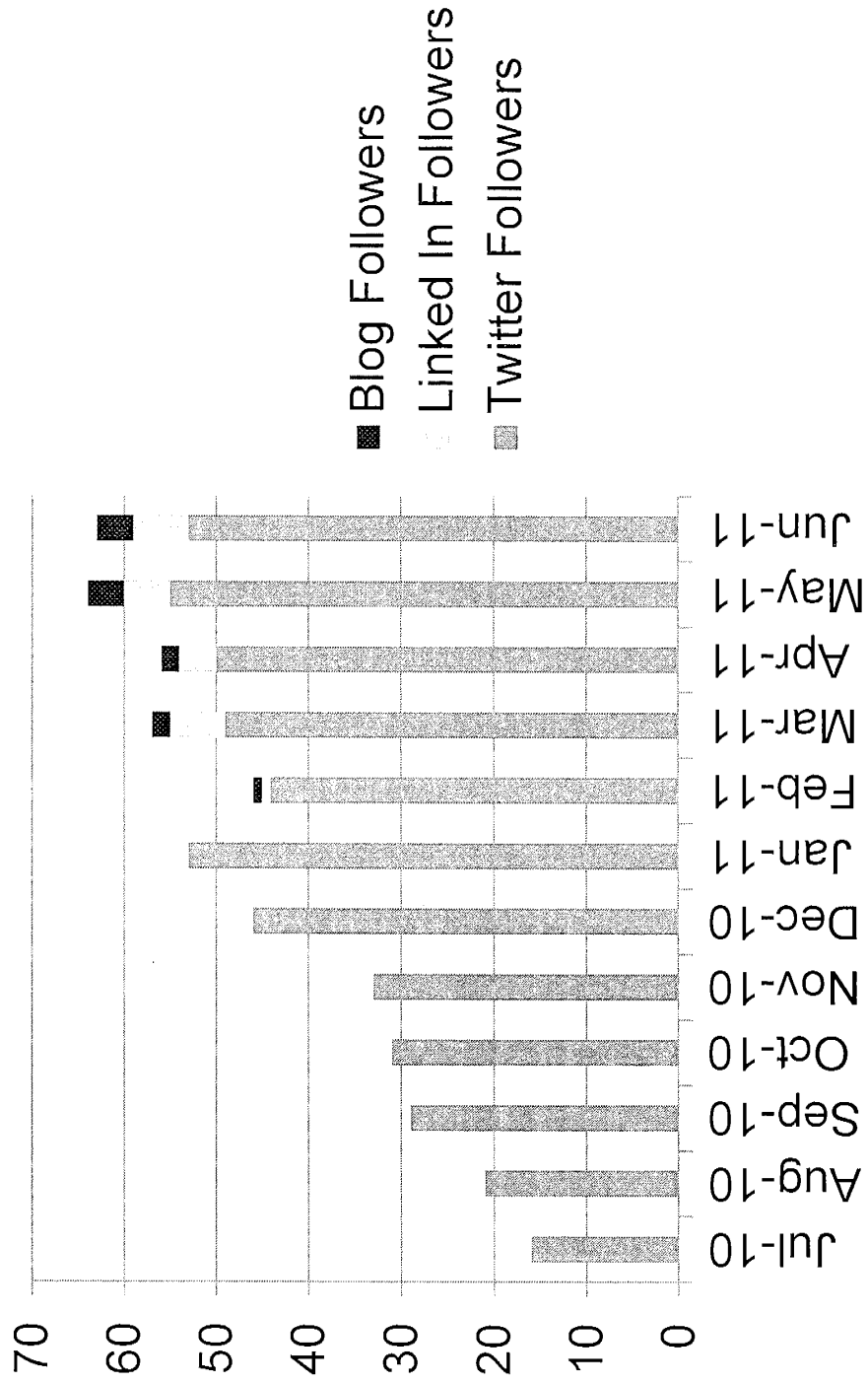


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# Goal 2 Plans:

*Expand outreach efforts locally, nationally and internationally for STC technologies and the organization  
Continue a vigorous marketing program for STC technologies, using social networking tools*

## Social Media Activities–FY2011



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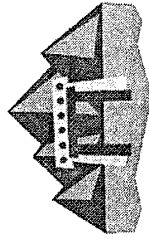


# Goal 2 Plans:

*Expand outreach efforts locally, nationally and internationally for STC technologies and the organization  
Continue a vigorous marketing program for STC technologies, using social networking tools*

## LVL Activities

- ❖ **LVL Market Research Projects**
  - Marketing Plan based on infrared imaging and skin cancer markets for SK Infrared
  - Microscopy market segments for Periodic Structures
- ❖ **LoboVentureLab Tenants**
  - **Physical Tenants**
    - SK Infrared
    - Nanocrystal
    - Actoprobe – *new tenant*
  - **Virtual Tenants**
    - Periodic Structures
    - Avisa Pharma – *new tenant*
  - **Prospective Tenants**
    - LAVA, Lotus Leaf, Proteasure, Magic Dragon, TransMix Safe Lock, Tom Brennan
- ❖ **Developed LoboVentureLab LinkedIn Group for the purpose of targeting UNM Alumni**
- ❖ **Developed LVL Tenant Log-in with valuable resources as an added bonus for tenants**

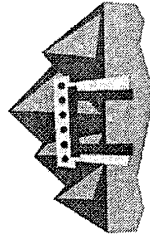


# Goal 2 Plans:

*Expand outreach efforts locally, nationally and internationally for STC technologies and the organization  
Continue a vigorous marketing program for STC technologies, using social networking tools*

## Impact the Economy

- ❖ Study conducted by UNM's Bureau of Business and Economic Research, sponsored by UNM's Office of the Vice President for Research and Economic Development – completed January 2011
- ❖ In 2009 alone, 16 STC start-ups:
  - ❑ Generated \$18 million impact on the local economy
  - ❑ 162 high-paying jobs
  - ❑ \$7 million in revenue
  - ❑ \$8.5 million in salaries and benefits
  - ❑ \$18 million goods / services and spending



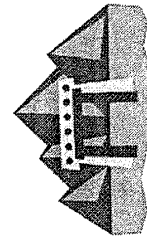
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# Goal 3 Plans:

*Achieve key FY2011 metrics, balancing pipeline and service metrics*

	FY 2006 (Actual)	FY 2007 (Actual)	FY 2008 (Actual)	FY 2009 (Actual)	FY 2010 (Actual)	FY2011 (Goal)	FY2011 (Actual)
Disclosures	96	85	112	113	122	115	110
New U.S. patent applications filed	62	69	76	84	106	75	99
Issued patents	13	11	11	15	26	20	30
License/Option agreements	30	25	21	38	36	25	36
Start-up companies	7	8	6	8	5	5	5
Licensing income	\$781,864	\$718,524	\$588,188	\$805,381	\$3,777,863	\$1,923,000	\$3,095,933
Patent cost reimbursement income	\$188,721	\$219,784	\$271,764	\$264,008	\$198,510	\$289,000	\$237,285
<b>Total income:</b>	<b>\$970,585</b>	<b>\$938,308</b>	<b>\$859,952</b>	<b>\$1,069,389</b>	<b>\$3,976,373</b>	<b>\$2,212,000</b>	<b>\$3,333,218</b>



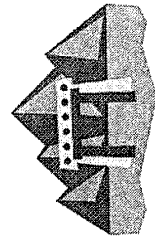
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# Goal 3 Plans:

Achieve key FY2011 metrics, balancing pipeline and service metrics

- ❖ Pipeline & Service Metrics
  - Research income facilitated by STC
  - Confidentiality agreements
  - Visits with inventors
  - IIAs signed

	FY2007	FY2008	FY2009	FY2010	FY2011 (Target)	FY2011 (Actual)
Research income facilitated by STC	\$2,265,390	\$1,939,340	\$2,309,583	\$1,317,793	>\$2,000,000	TBD
Confidentiality Agreements	105	98	117	99	110	67
Visits with inventors	193	206	382	403	400	430
IIA's signed	7	24	18	24	-	15



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# Goal 3 Plans:

*Achieve key FY2011 metrics, balancing pipeline and service metrics*

	FY 2005 (Actual)	FY 2006 (Actual)	FY 2007 (Actual)	FY 2008 (Actual)	FY 2009 (Actual)	FY 2010 (Actual)	FY 2011 (Actual)
Income (license)	\$774,943	\$781,864	\$718,524	\$563,194	\$805,111	\$3,777,863	\$3,095,933
Income (patent reimbursement)	\$97,531	\$188,721	\$219,783	\$270,882	\$264,008	\$198,510	\$237,285
<b>Total Income</b>	<b>\$872,474</b>	<b>\$970,585</b>	<b>\$938,307</b>	<b>\$834,076</b>	<b>\$1,069,119</b>	<b>\$3,976,373</b>	<b>\$3,333,218</b>

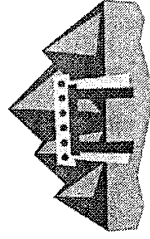
	FY 2005 (Actual)	FY 2006 (Actual)	FY 2007 (Actual)	FY 2008 (Actual)	FY 2009 (Actual)	FY 2010 (Actual)	FY 2011 (Actual)
Patent expenses	\$723,910	\$794,008	\$733,909	\$821,656	\$1,113,521	\$1,062,666	\$1,327,732
Less patent cost reimbursements	\$97,531	\$188,721	\$219,783	\$270,882	\$264,048	\$198,510	\$237,285
<b>Total Net Patent Expenses</b>	<b>\$626,379</b>	<b>\$605,287</b>	<b>\$514,126</b>	<b>\$550,774</b>	<b>\$849,473</b>	<b>\$864,156</b>	<b>\$1,090,447</b>

# Goal 3 Plans:

*Achieve key FY2011 metrics, balancing pipeline and service metrics*

## ❖ FY2011 Data:

- STC filed patent applications on **83** of the **102** patent disclosures in FY2011 (**81%** vs. **74%** in FY2010)
- STC generated **\$2,246,424** of new (agreements) license income in FY2011, representing **73%** of total license income (vs. **\$3,583,750** of new income in FY2010 – **95%** of total)
- Of the **110** total disclosures (patents & copyrights) received in FY2011, representing **78** lead inventors, **26** were first-time inventors (**33%** vs. **26%** in FY2010)

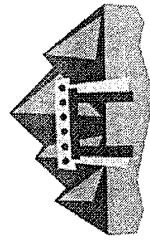


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# Goal 4 Plans:

*Improve STC operations with organizational adjustments, technology and policies*

- ❖ **Plans:**
  - ❑ Migrate to a new web-based IP management system
  - ❑ Complete assessment of patent costs and variables which affect costs in effort to best manage patent budget
  - ❑ Complete review and re-issue all template agreements in light of new court cases
  - ❑ Move to the use of external data storage/servers



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January 12, 2012

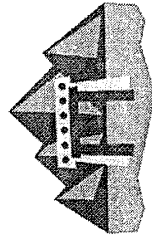
# Goal 4 Plans:

*Improve STC operations with organizational adjustments, technology and policies*

*(1) Migrate to a new web-based IP management system; and (2) move to the use of external data storage/servers*

## IT: Updates

- ❖ **Website Statistics**
  - STC Main Website – 3,153 visits, 9,545 page views in 4Q2011
  - Innovation Door – 129 visits, 215 page views in 4Q2011
- ❖ **Flintbox to now replaces previous “Technology Portfolio” and “Technology Email Alerts”**
- ❖ **foliodirect Acquisition by Wellspring Worldwide agreement in place and will be completed by end of calendar year**
- ❖ **STC has plans to move, Active Directory, DNS, file server and email to external hosts (preferably UNM) by end of calendar year**
  - Better support
  - Eliminate the need to self maintain



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January 12, 2012

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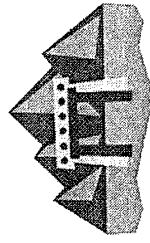
# Goal 4 Plans:

*Improve STC operations with organizational adjustments, technology and policies*

*(1) Migrate to a new web-based IP management system; and (2) move to the use of external data storage/servers*

## IT: Updates (continued)

- ❖ **New STC Logo and Colors implemented on Website and Social Networking Sites**
- ❖ **STC now joined Twitter, Linked In, and Vimeo**
- ❖ **Website revamp and integration with new KMS was completed July 5, 2011**
  - ❑ More easily accessible
  - ❑ Better layout and content separation
  - ❑ Updated content and integration with Sophia and Flintbox
  - ❑ Plans for Mobile version to be developed
- ❖ **STC working with UNM IT to set up Web Host**
  - ❑ Development and Production Server has been set up, however, STC decides to stay with in-house server until other services are moved to UNM
  - ❑ Better support
  - ❑ Eliminate the need to self-maintain
- ❖ **Innovation Door Technology Transfer Blog website has been set up and well received**
  - ❑ [www.innovationdoor.com](http://www.innovationdoor.com)

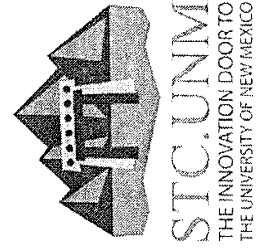


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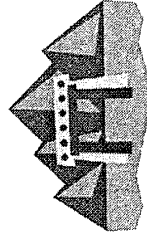
# STC License Income Forecast and FY2011 Data



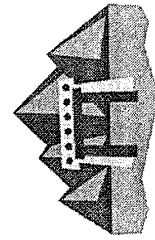
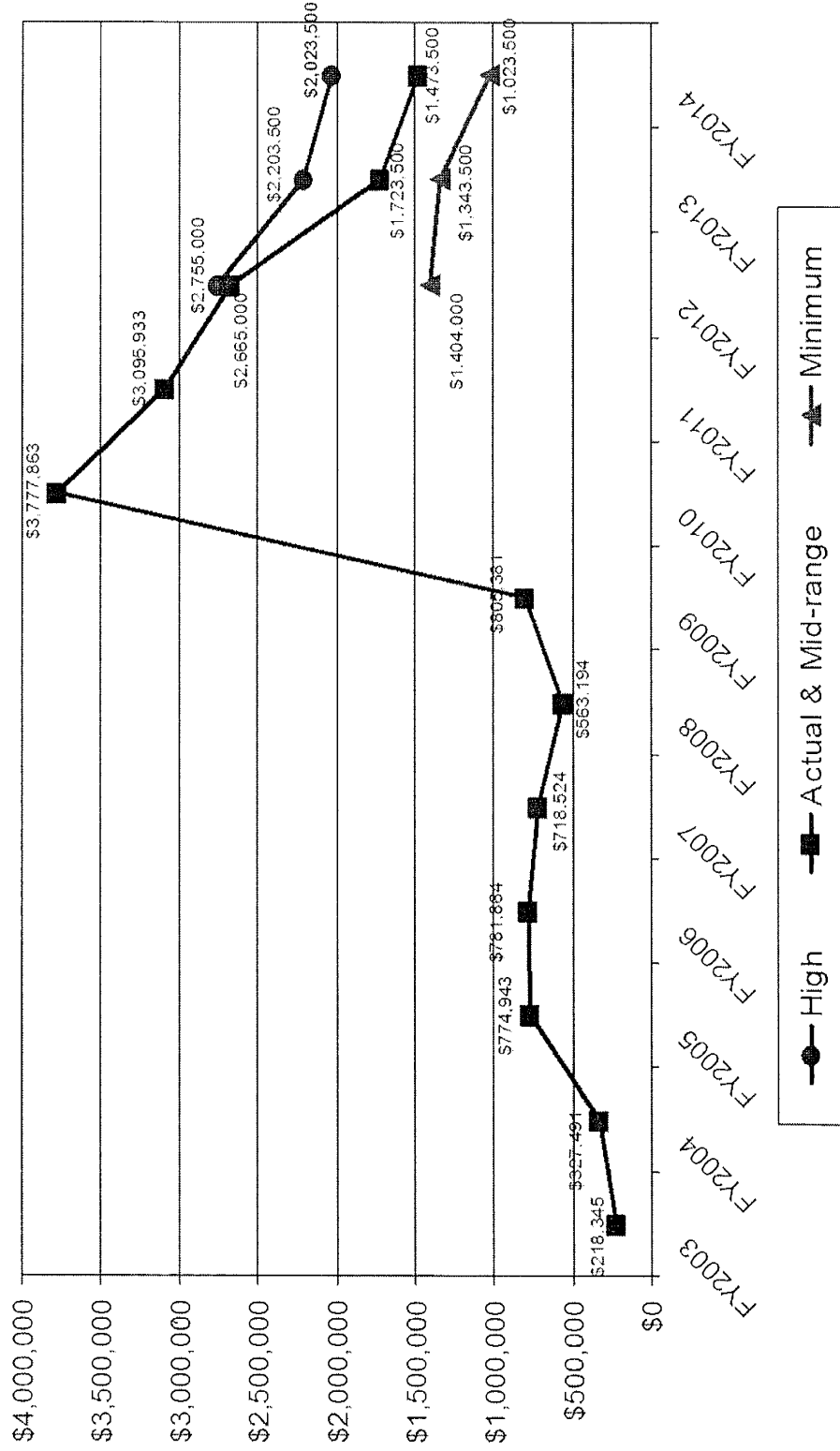
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# STC License Income Actual & Forecast Assumptions

- ❖ FY2012 mid-level represents approx. **\$600,000** of new regular licenses, and **\$665,000** of new assertion licenses
- ❖ Minimum numbers for FY2012 through FY2014 represent minimum fees and payments from existing licenses
- ❖ FY2013 mid-level represents **\$380,000** of new license income and/or minimums from deals closed in FY2012
- ❖ FY2013 upper end represents **\$480,000** of new license income and/or minimums from deals closed in FY2012
- ❖ FY2014 mid-level represents **\$450,000** of new license income and/or minimums from deals closed in FY2012 and FY2013. FY2014 upper end represents **\$550,000** of new license income and/or minimums from deals closed in FY2012 and FY2013
- ❖ No equity liquidations included
- ❖ No forecasted terminations of agreements included
- ❖ No unknown substantial earned royalties forecasted



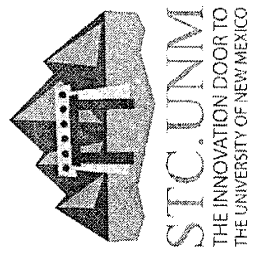
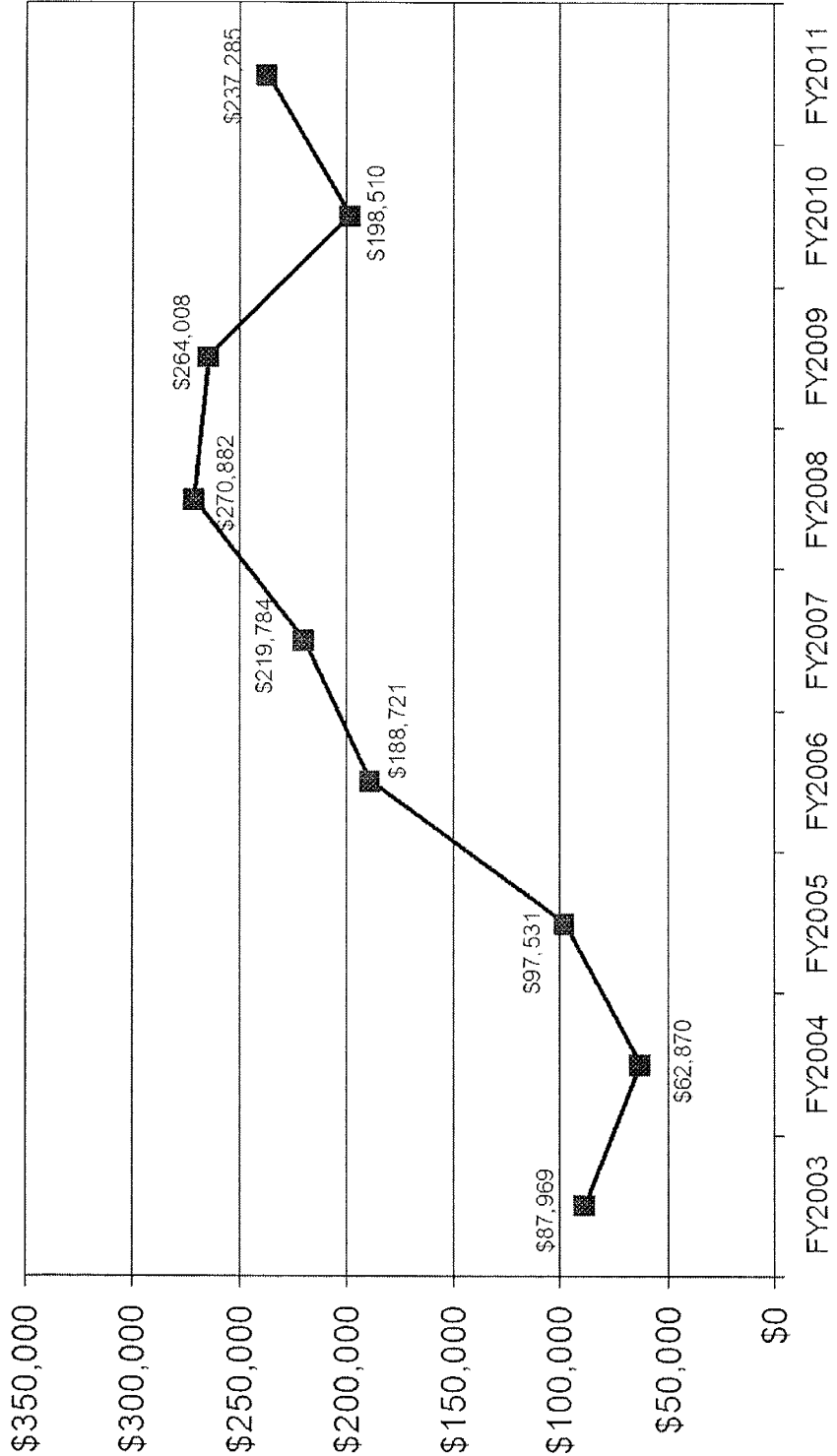
# STC License Income: Updated 3-year Forecast



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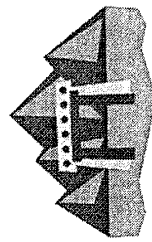
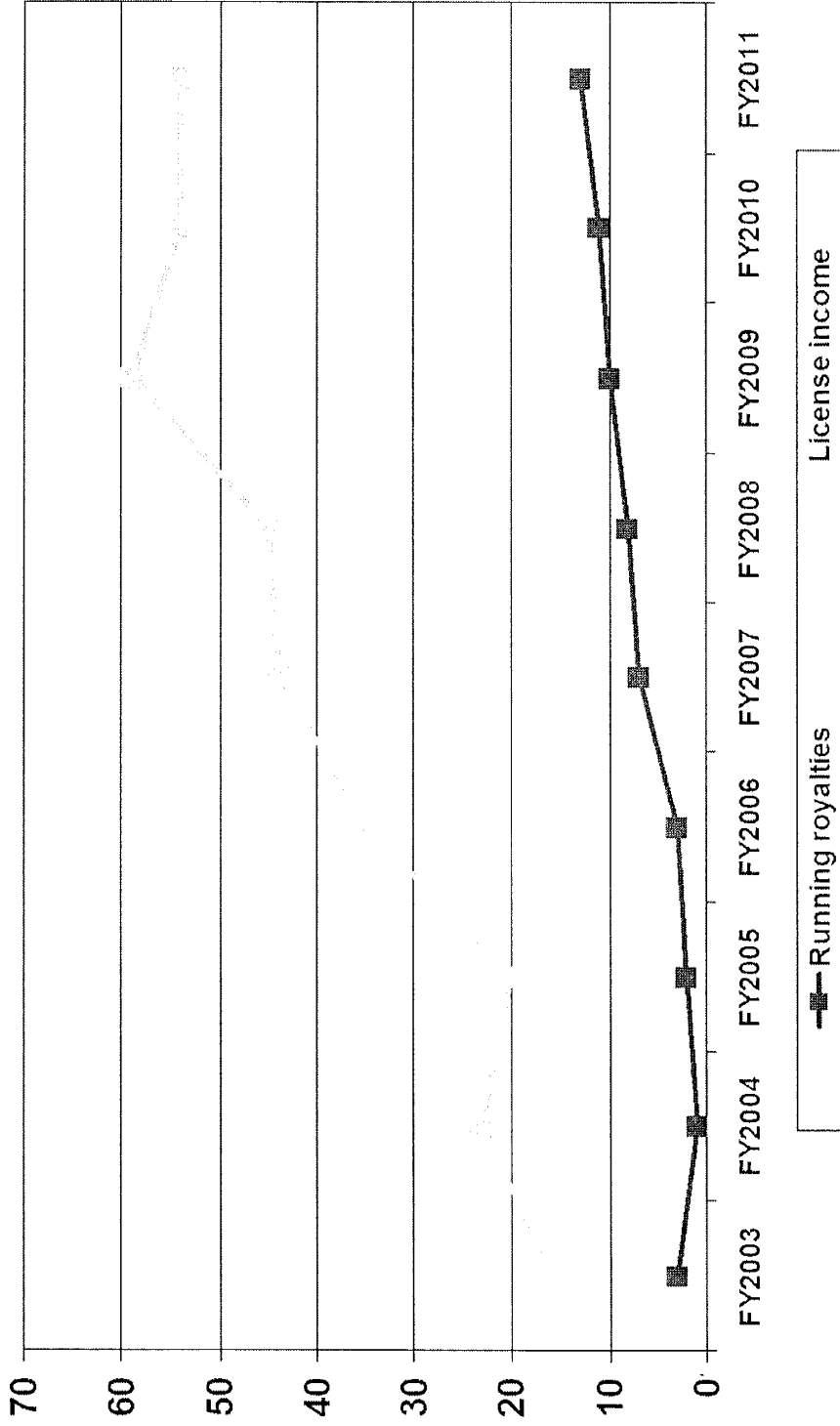
January 12, 2012

# Patent Reimbursement Income



January 12, 2012

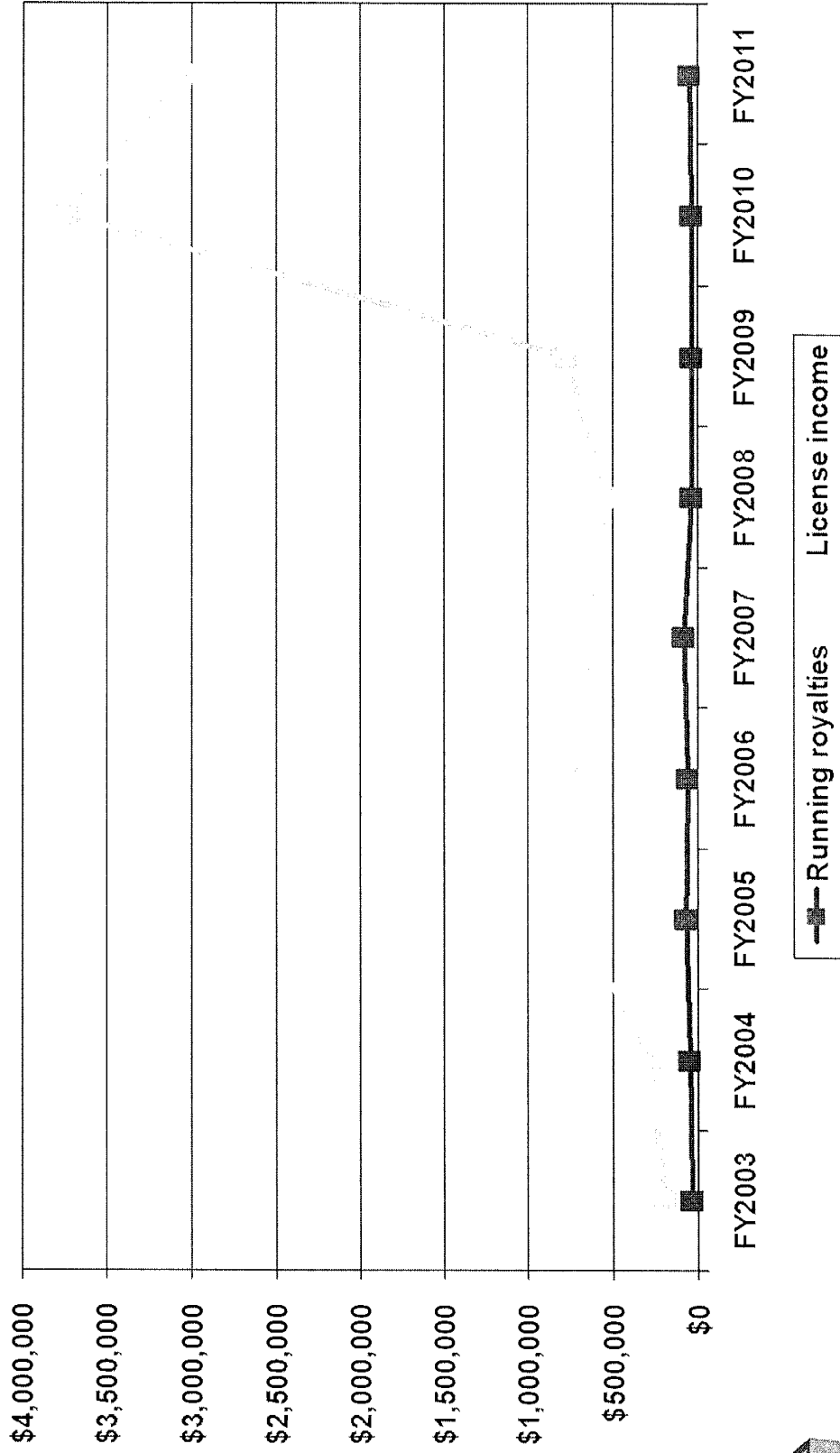
# Total Number of Licenses / Options Yielding Income



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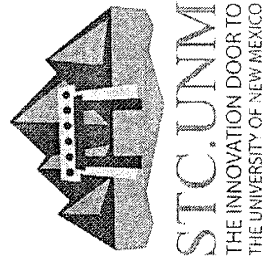
January 12, 2012

# Total Dollar Amount of Licenses / Options Yielding Income



January 12, 2012

# Personnel





# STC.UNM Board Members



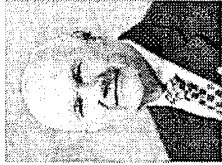
Ms. Sarah Baskin-Jayebor  
Board Chair



Ms. Elizabeth J. Usher-Burris  
President S.C.E.



Ms. Terri L. Cox  
Board Vice Chair



Dr. Lynn H. Schuman  
Board Secretary & Treasurer



Dr. Chandat A. Akshiba



Mr. Douglas M. Brown



Dr. James D. Connor



Dr. Robert M. Byler



Dr. Julia E. Pughan



J.E. (Peter) Galinsky, Esq.



Ms. Heidi-Gregg Haby



Mr. David W. Harb



Dr. Ronald S. Larson



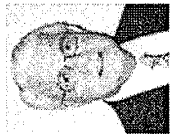
Dr. Georgi E. Merve



Ms. Diana H. Altman



Ms. Cindy Altan



Mr. Fred Monroagan



Dr. Roger L. Moseley



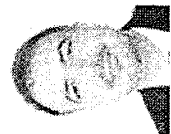
Dr. Paul B. Koch



Pedro F. Suarez, Esq.



Dr. David J. Schmidt



Dr. Dan Sorenson



Mr. Gary Torres

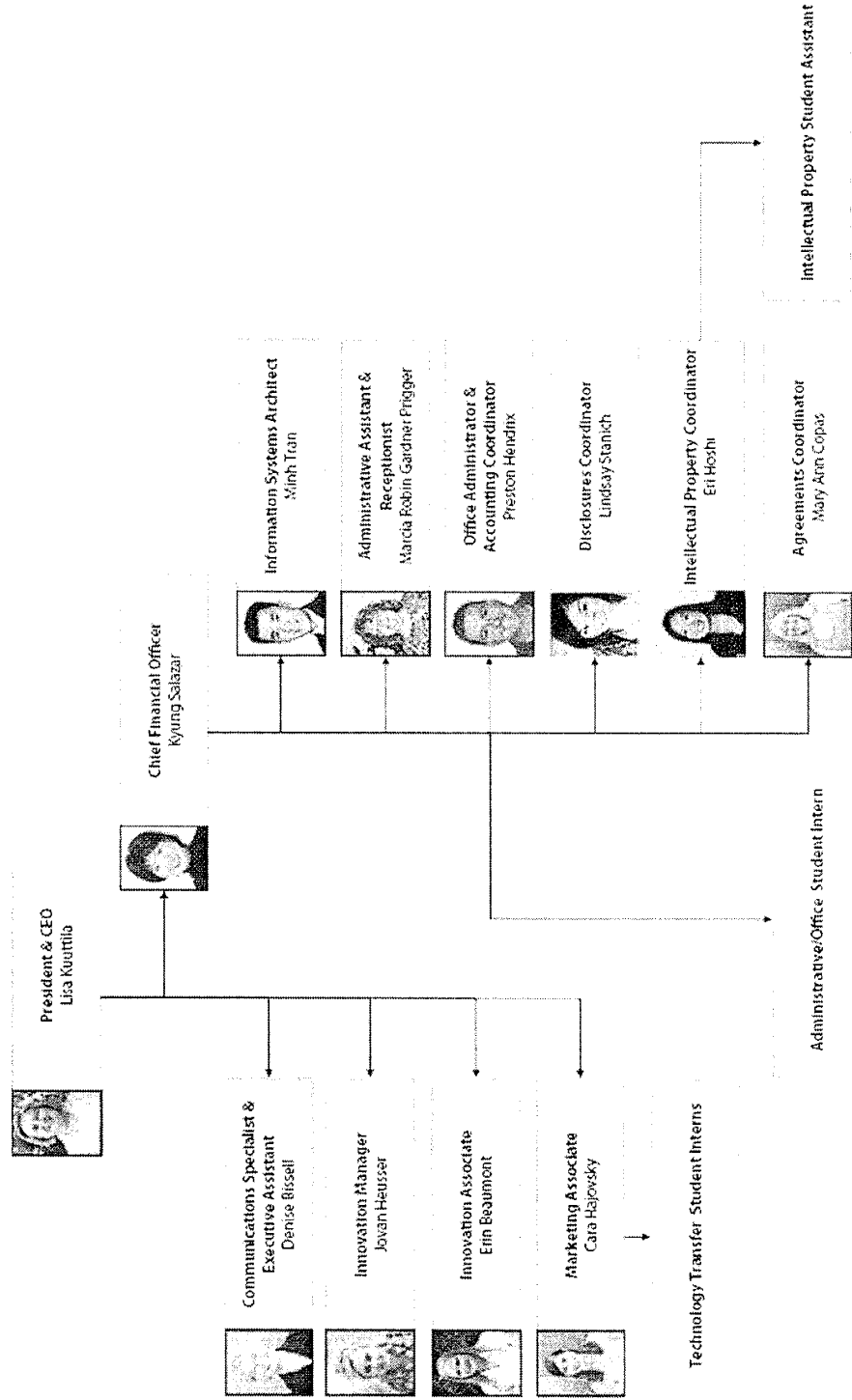


Mr. Charles J. Welborn



Dr. Albert R. C. Westwood

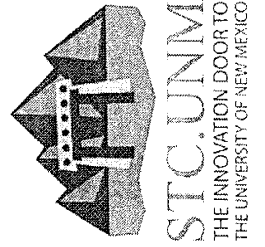
# Organization Chart



January 12, 2012

# STC Metrics

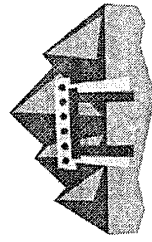
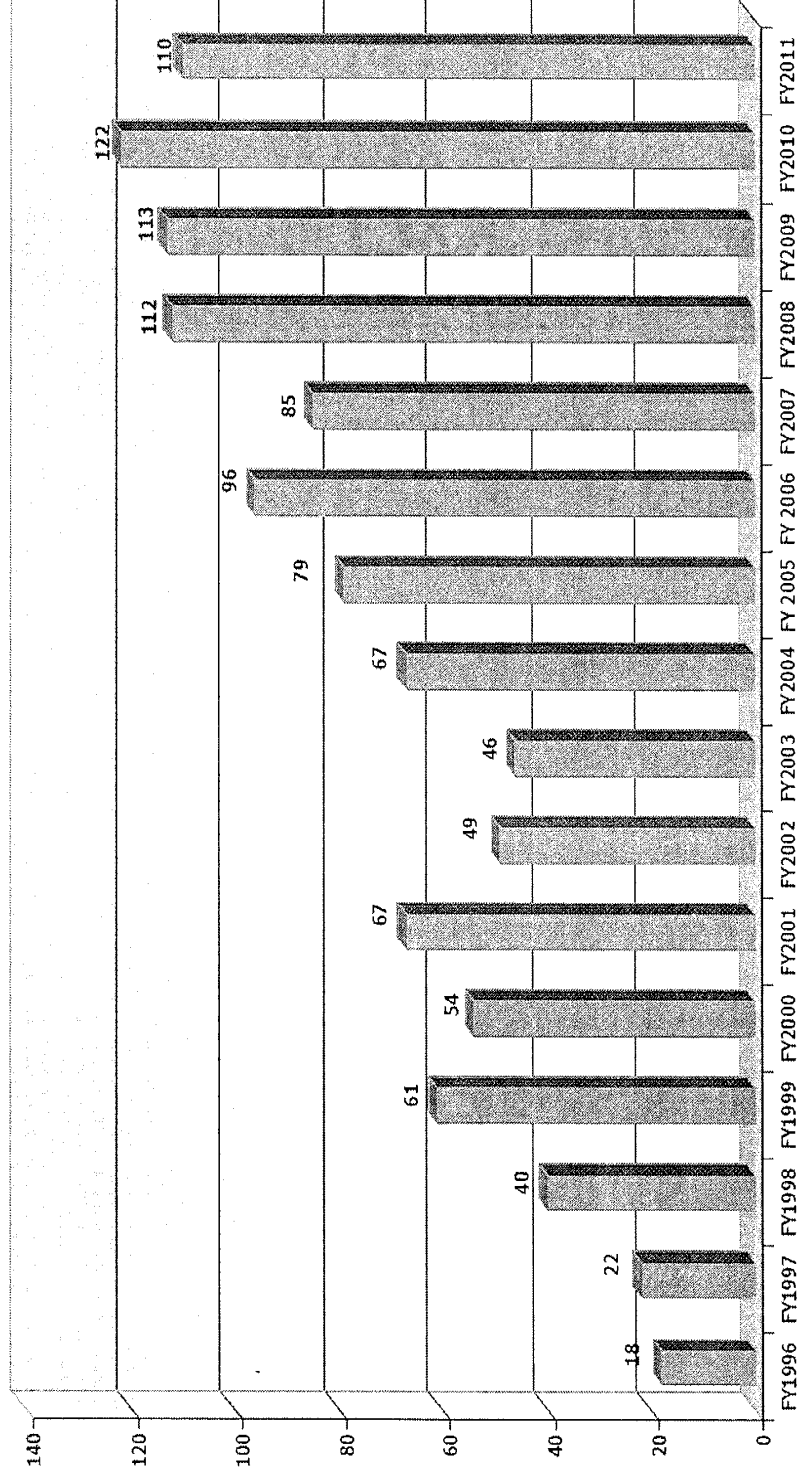
FY1995-2011



January 12, 2012

# Impact, 1995-2011

## Disclosure of New Ideas

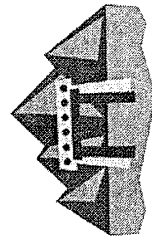


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# Impact, 1995-2011

## New U.S. Patent Applications

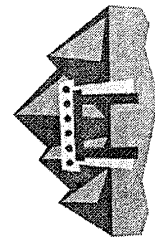
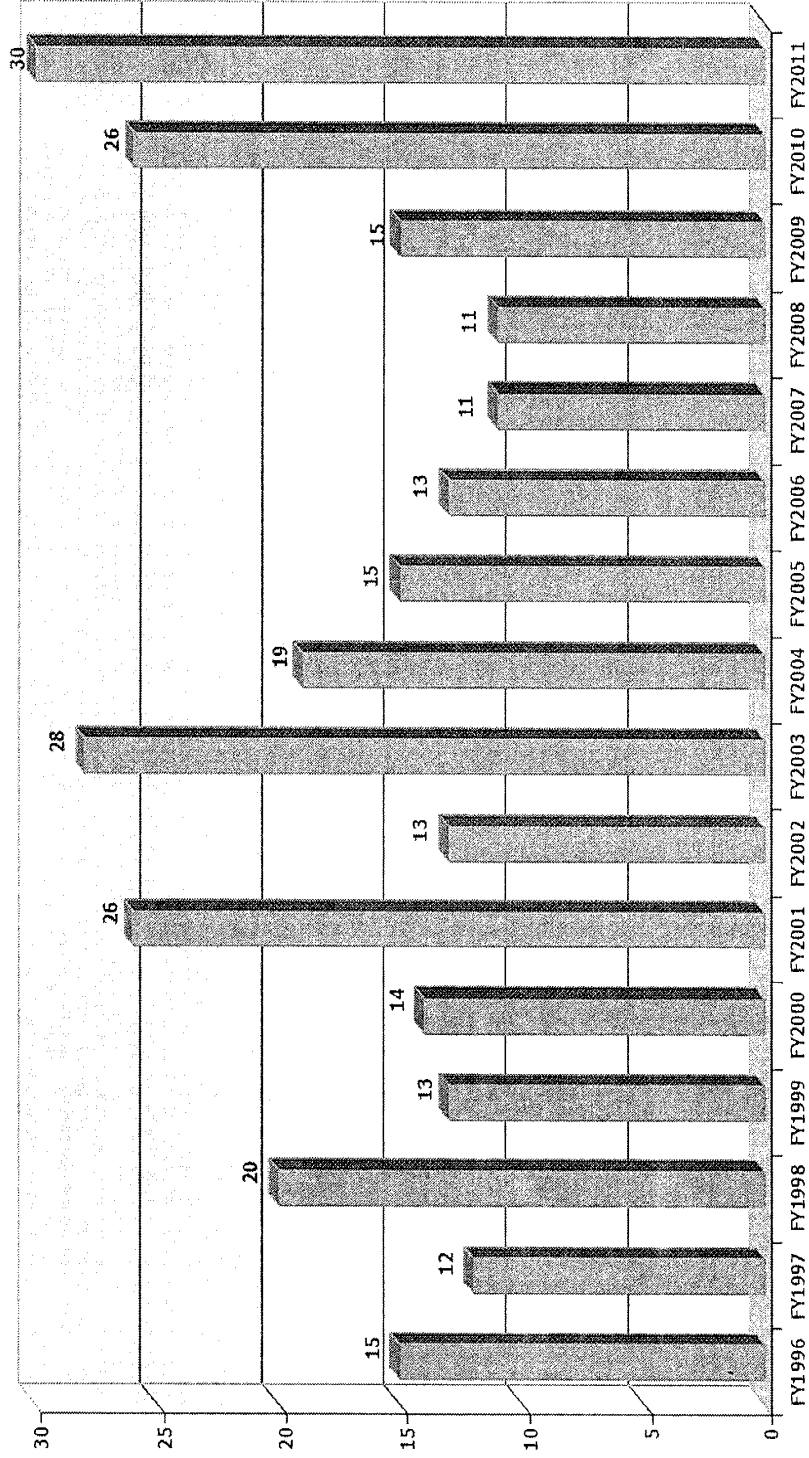


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# Impact, 1995-2011

## Issued Patents

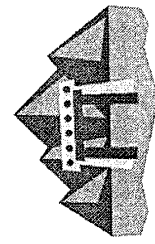


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January 12, 2012

# Impact, 1995-2011

## Option/License Agreements

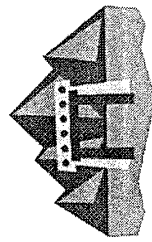
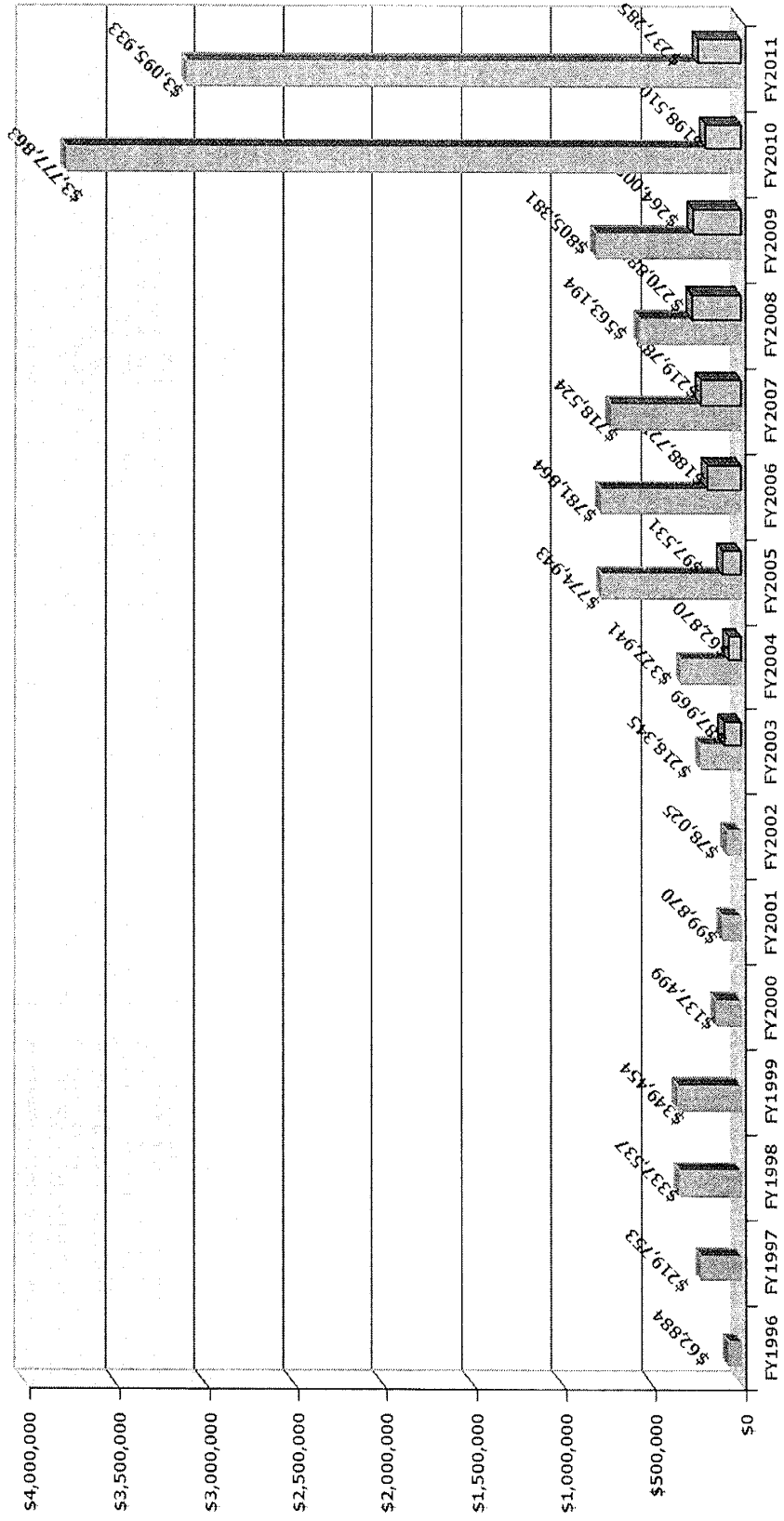


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January 12, 2012

# Impact, 1995-2011

## Royalty and Patent Cost Reimbursement Incomes



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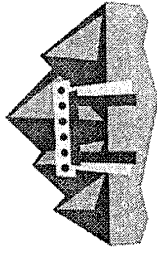
January 12, 2012



# **Peer Institution Comparison**

**FY2010**

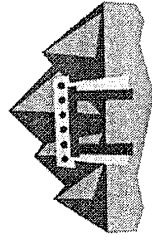
**Commission on Higher Education (CHE)  
Peer Group**



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# CHE Peer Institution

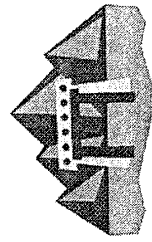
- ❖ University of Arizona (Tucson)
- ❖ University of Arkansas (Fayetteville)
- ❖ University of Colorado (Boulder)
- ❖ University of Iowa (Iowa City)
- ❖ University of Kansas (Lawrence), including medical center
- ❖ University of Kentucky (Lexington) (No Data Available)
- ❖ University of Missouri , All campuses
- ❖ University of Nebraska (Lincoln)
- ❖ University of Oklahoma, All campuses
- ❖ University of Oregon (Eugene)
- ❖ University of South Carolina (Columbia)
- ❖ University of Tennessee (Knoxville)
- ❖ University of Texas (Austin)
- ❖ University of Utah (Salt Lake City)
- ❖ University of Virginia (Charlottesville)
- ❖ University of Washington (Seattle)



# CHE Peer Institution Comparison:

## Technology Transfer Office, Year Established

<i>Technology Transfer Office/University</i>	<i>Year</i>	<i>Age</i>
University of Utah (Salt Lake City)	1968	42
University of Iowa (Iowa City)	1975	35
University of Virginia (Charlottesville)	1977	33
University of Tennessee (Knoxville)	1983	27
University of Washington (Seattle)	1983	27
University of Oklahoma, All Campuses	1984	26
University of Texas (Austin)	1985	25
University of Missouri (Columbia)	1987	23
University of Arizona (Tucson)	1988	22
University of Arkansas (Fayetteville)	1990	20
University of Nebraska (Lincoln)	1992	18
University of Oregon (Eugene)	1992	18
University of Colorado (Boulder)	1993	17
University of South Carolina (Columbia)	1993	17
University of Kansas (Lawrence), including medical center	1994	16
<b>University of New Mexico (Albuquerque)</b>	1995	15

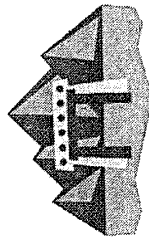


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# CHE Peer Institution Comparison:

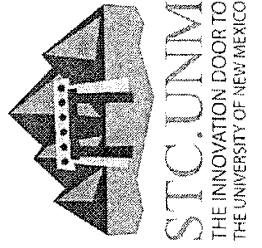
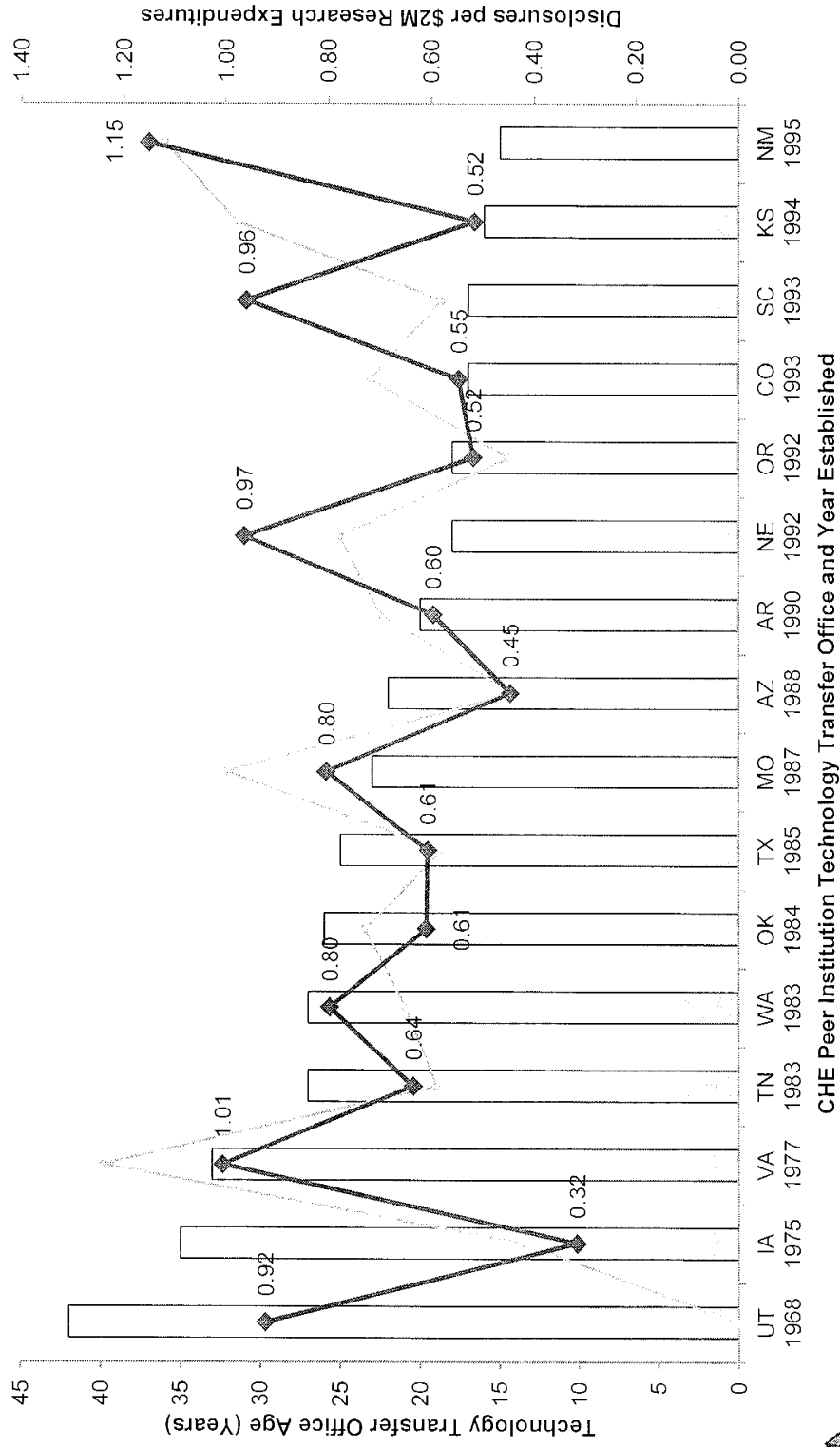
## Research Expenditures

University of Texas (Austin)	\$2,346,099,522
University of Washington (Seattle)	\$887,329,593
University of Colorado (Boulder)	\$847,000,000
University of Arizona (Tucson)	\$586,647,000
University of Utah (Salt Lake City)	\$450,488,999
University of Iowa (Iowa City)	\$444,034,000
University of Nebraska (Lincoln)	\$329,485,904
University of Missouri (Columbia)	\$325,552,703
University of Tennessee (Knoxville)	\$286,280,573
University of Virginia (Charlottesville)	\$276,308,000
University of Kansas (Lawrence), including medical center	\$224,611,000
<b>University of New Mexico (Albuquerque)</b>	<b>\$211,771,042</b>
University of Oklahoma, all campuses	\$160,559,080
University of South Carolina (Columbia)	\$126,994,398
University of Oregon (Eugene)	\$115,609,376
University of Arkansas (Fayetteville)	\$113,905,871



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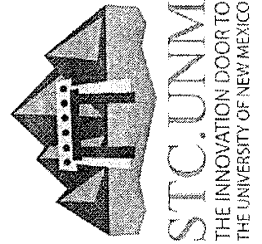
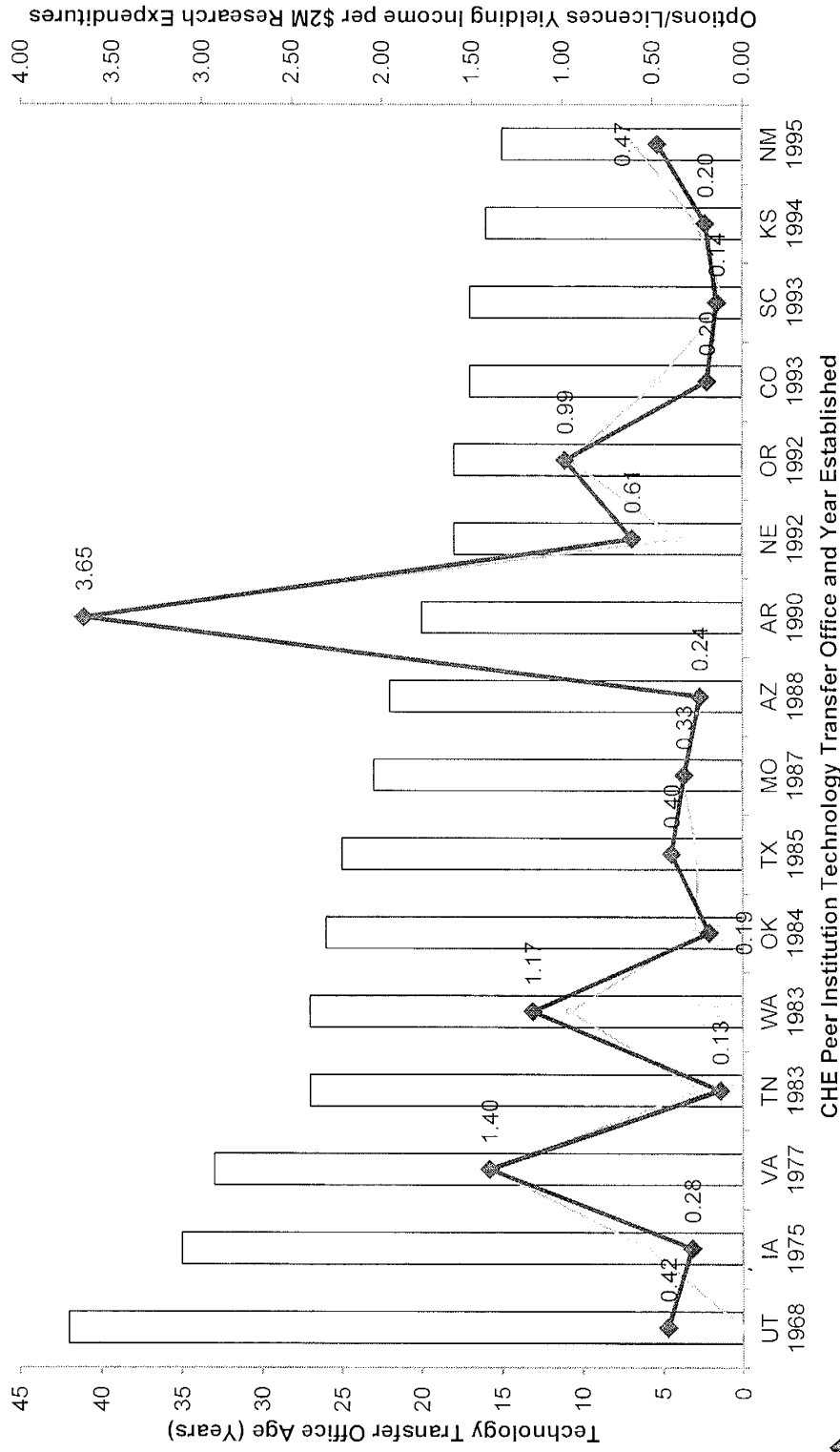
# CHE Peer Institution Comparison: Disclosures/\$2M Research



Legend:   
 Age   
 2009   
 2010

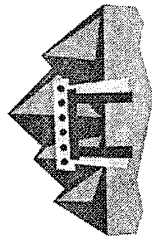
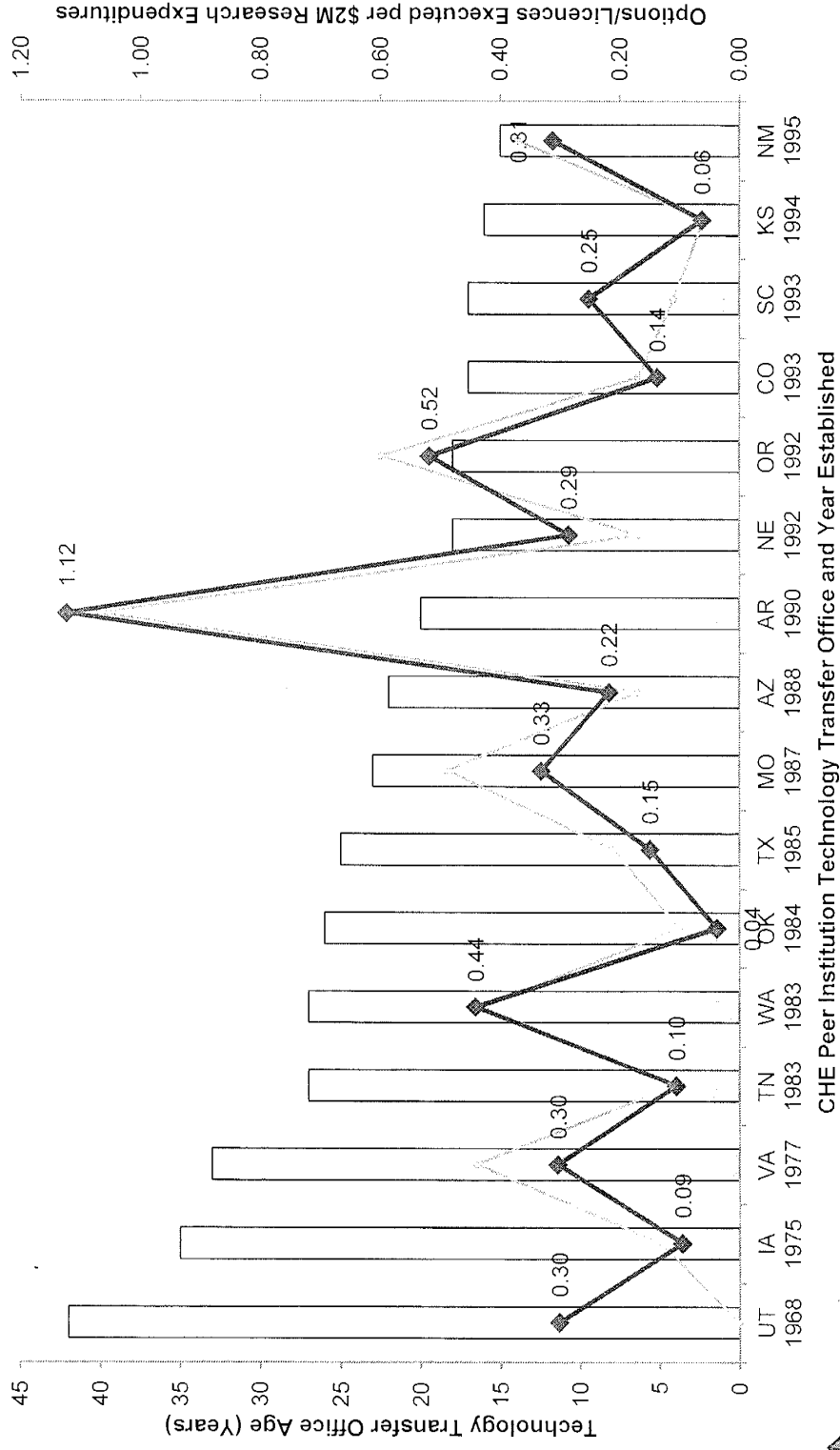
January 12, 2012

# CHE Peer Institution Comparison: Options/Licenses Yielding Income/\$2M Research



January 12, 2012

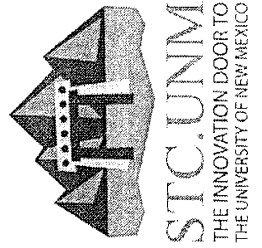
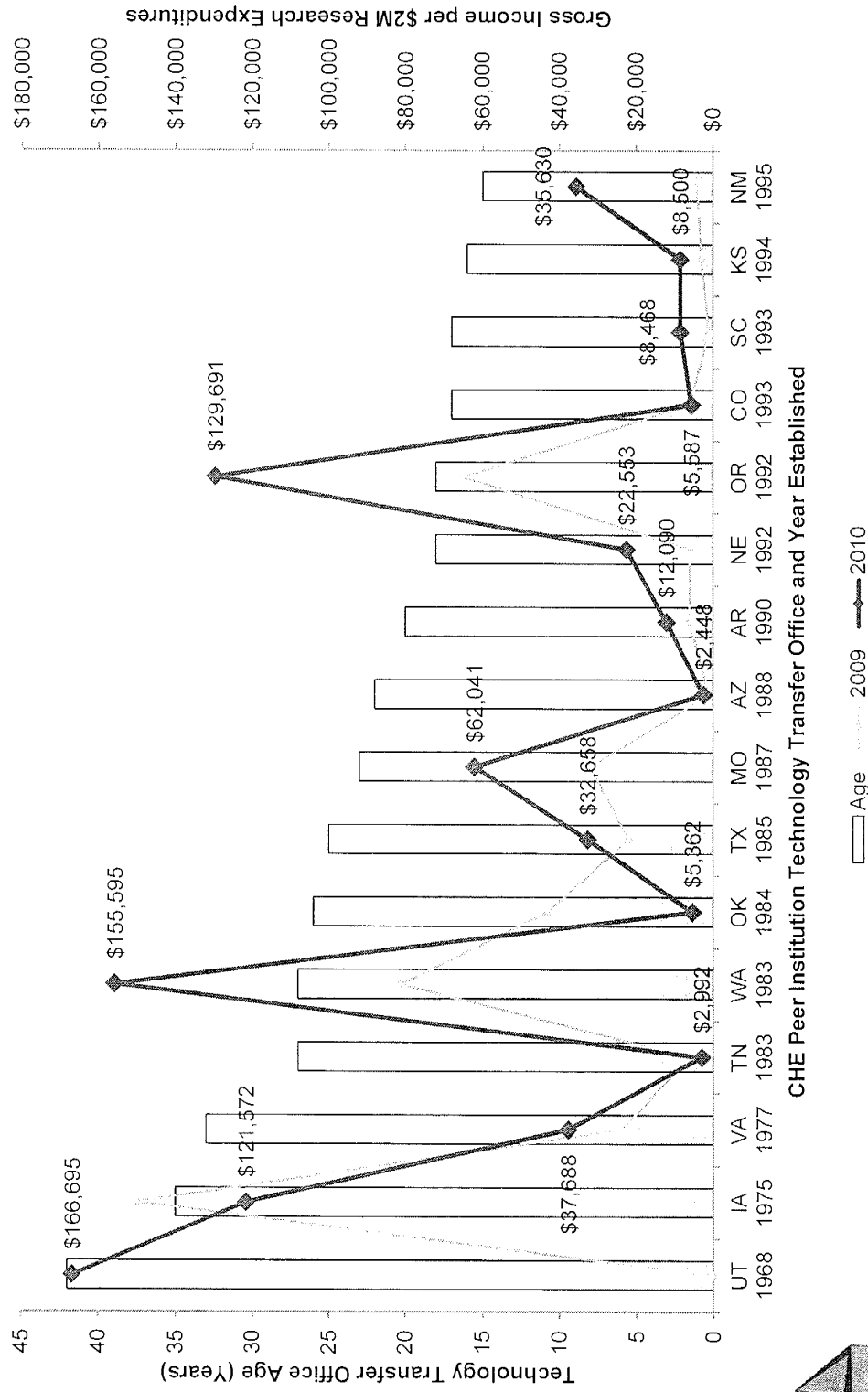
# CHE Peer Institution Comparison: Options/Licenses Executed/\$2M Research



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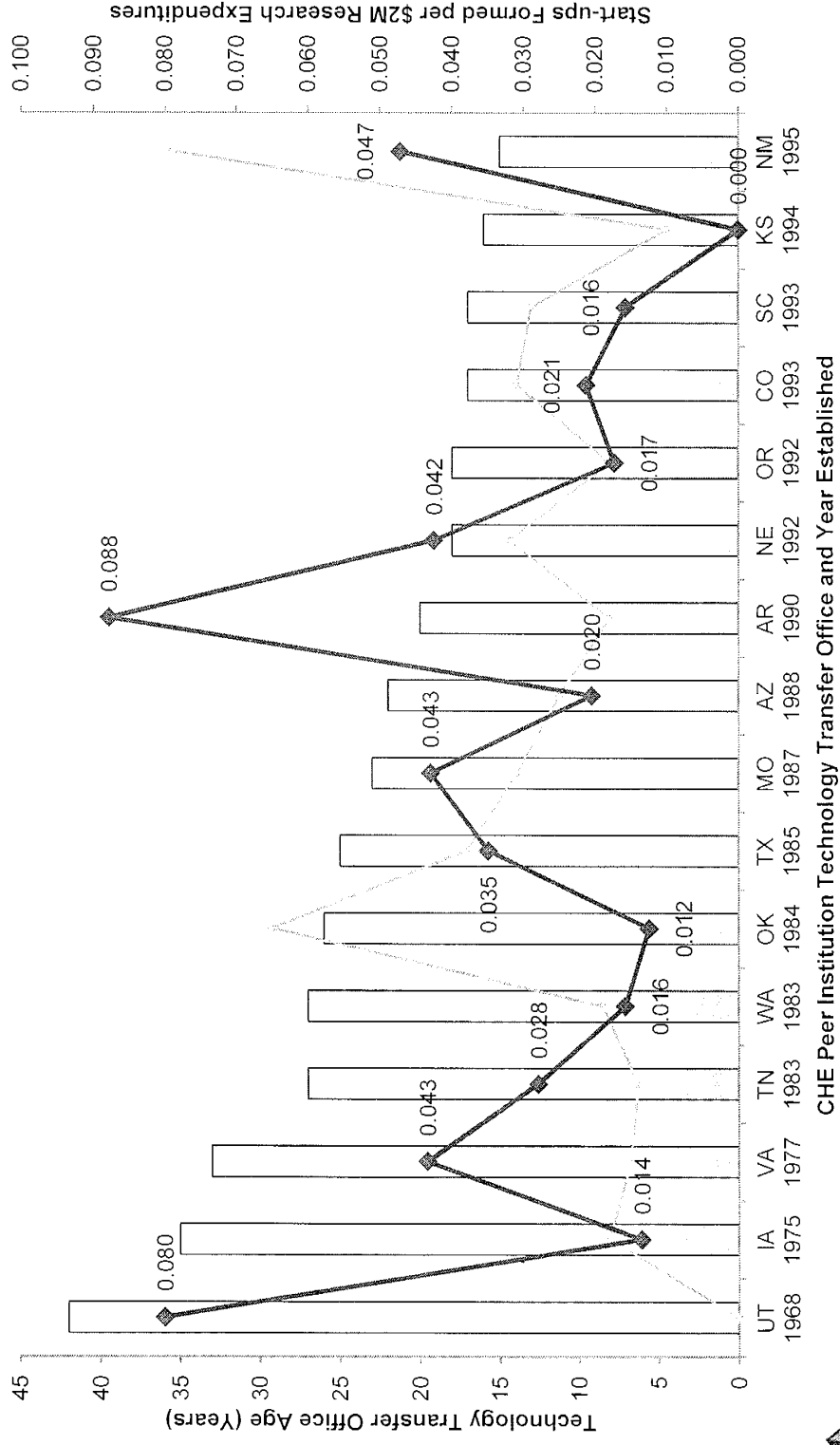
# CHE Peer Institution Comparison: Gross Income/\$2M Research



January 12, 2012



# CHE Peer Institution Comparison: Start-ups Formed/\$2M Research



January 12, 2012

# **Tab 19**

## Memo

To: David Harris, EVP for Administration, CFO & COO  
From: Kim Murphy, Associate Vice President, LDC *KM*  
Date: January 31, 2012  
Re: LDC Recommendation: Casas del Rio Ground Rent Proposal  
(American Campus Communities)

### Action:

On January 30, 2012, the Board of Directors of Lobo Development Corporation approved and recommends approval to the Regents Finance & Facilities Committee a proposal from American Campus Communities (ACC) to set the first year annual ground rent for Casas del Rio Student Housing Project (UNM – Component II, Phase I) on Main Campus at \$484,742.

### Background:

The Ground Lease Agreement between the Regents of the University of New Mexico and ACC provides a formula for determining the first year ground rent based on Actual Total Development and Construction Costs determined at the completion of the project. This approach was necessary because at the time of the approval and execution of the Ground Lease Agreement ACC had not obtained final construction contract pricing on all components of the Project, and construction needed to be commenced by late May 2011 in order to meet the completion deadline of August 2012.

The formula in the Ground Lease Agreement for calculating the first year ground rent is based on the following parameters:

Target Total Development & Construction Cost: \$34,716,388  
First Year Initial Rent: \$484,742  
ACC Yield: 7.50%

The formula provides that if Actual Total Development and Construction Costs are greater than Target Total Development and Construction Costs, the difference is multiplied by ACC Yield and the product is subtracted from the

First Year Initial Rent. If Actual Costs are less than Target Costs, the difference is multiplied by one-half ACC Yield and the product is added to the First Year Initial Rent. The formula also provides that First Year Initial Rent can be no lower than \$305,000.

When its final development and construction project budget was determined, ACC agreed to review the ground rent formula calculations with UNM.

ACC Proposal:

ACC's revised Target Development and Construction Cost is currently \$39,417,359 or \$4,700,971 above the initial Target Cost. The increase is attributable to the following:

- Approximately \$3 million for the 4-pipe mechanical system upgrade which connects to the UNM Central Plant
- Approximately \$1.5 million for 17,271 SF added to the building program
- Approximately \$1.2 million (~3.5%) in general cost increases associated with subcontractor pricing relative to Lobo Village

Because of operational cost savings associated with connecting to the UNM Central Plant, ACC has agreed to lower its target yield from 7.50% to 7.25%, which will allow UNM to realize the target ground rent of \$484,742 for the initial year. An alternative proposed by ACC to fixing the initial year rent today at \$484,742 is to modify the formula parameters by revising Target Cost to \$39,417,359, lowering ACC Yield to 7.25% and increasing first year rent "floor" to \$400,000 and to run the ground rent formula based on Actual Cost at the completion of the project.

Analysis:

ACC's current projected total project cost is \$39,108,754 or about \$308,605 under the revised Target Cost. However, this amount does not reflect unused owner contingency of \$572,802. If this unused contingency were included the current projected total project cost budget would be \$39,681,556 or about \$264,197 over the revised Target Cost, and would result in an initial year ground rent to UNM of \$465,588.

According to ACC, at this time approximately 95% of the current projected total project cost (excluding unused contingency) is either expensed or committed, ie under contract. To date, the uncommitted future costs, including unused contingency, amount to approximately \$2.1 million or about 5% of the current projected total project cost budget. This is the potentially variable portion of the budget that will impact the UNM ground rent calculation.

Examination of ACC's current projected total project cost budget and a sensitivity analysis of the uncommitted future costs, including the unused owner contingency, suggests that final Actual Costs should come in close to revised Target Costs. Further, the opportunity for Actual Costs to be lower than revised Target Costs (resulting in initial year rent greater than \$484,742) appears remote. Therefore, the risk that Actual Costs will be higher than revised Target Costs appears greater than the likelihood that they will be lower.

ACC documents relating to revised Total Cost and first year ground rent are attached.

#### Conclusion & Recommendation

Based on the forgoing, as well as a determination that ground rent for Casas del Rio exceeds market rent for the 4.5 acre leased parcel, the Board of Directors of Lobo Development Corporation approved and recommends approval to the Regents Finance & Facilities Committee the setting of initial year annual ground rent at \$484,742 for the Casas del Rio project.

Upon approval by the Regents Finance & Facilities Committee and the Board of Regents, the EVP for Administration shall direct the preparation of an amendment of the Ground Lease Agreement with ACC and shall be authorized to execute such amendment to reflect this action.

UNM II - Casas del Rio

Budget Comparison Used for Section 5.1.1.1 Amendment

	Budget at Ground Lease Execution in May 2011 (Based on 8% GMP)	Current Budget and Impact If Actual Cost = Budget (Based on 100% GMP)	Variance	Revised Calculation for Section 5.1.1
Total Development and Construction Budget (including Contingency)	\$34,716,388	\$39,417,359	\$4,700,971 <sup>1</sup>	\$39,417,359
Operating Expenses	\$2,136,510	\$1,912,805	(\$223,705) <sup>2</sup>	\$1,912,805
UNM Ground Rent (If Actual Cost = Budget)	\$484,742	\$384,446	(\$100,296)	\$484,742 <sup>3</sup>
ACC Yield (If Actual Cost = Budget)	7.50%	7.50%	(0.00%)	7.25% <sup>3</sup>
Contingency	\$1,735,819	\$837,000	(\$898,819)	\$837,000 <sup>4</sup>

Notes

<sup>1</sup> Variance mainly attributed to:

- a) Approximately \$3m for final 4-pipe system upgrade, which will be offset by operational savings reflected in footnote 2 below
- b) Approximately \$1.5m for 17,271 sq ft added to the project after ground lease execution
- c) Approximately \$1m largely associated with poor sub participation from regional and national sub contractors who participated in the Lobo Village project
- d) Decrease of \$900k in contingency

<sup>2</sup> Operational savings expected with reduced energy costs of final 4-pipe system design

<sup>3</sup> ACC is willing to reduce its required yield from 7.50% to 7.25% in order to maintain UNM's targeted ground rent of \$484,742 vs. the \$384,446 that would be calculated under the existing ground lease. ACC has provided an amendment to the ground lease reflecting the increased budget and lower ACC yield requirement to maintain the original targeted UNM ground rent. Final ground rent will be calculated from actual total development cost in conjunction with the revised section 5.1.1.1 amendment.

<sup>4</sup> Decrease of \$900k in contingency from pre-GMP pricing to post GMP pricing. The \$837,000 is exclusive of General Contractor's agreement to cover the first \$414,000 of change orders (excluding owner upgrades).

Casas de Rio  
Development Cost Analysis  
January 27, 2012

	Revised Project Budget	Actual costs + committed costs as of 1/25/12	Projected (uncommitted) future costs	Total Projected Costs	Variance
<b>SOFT COSTS</b>					
ACC Development Overhead	350,000	350,000	-	350,000	-
Builders Risk	154,889	130,327	-	130,327	(24,562)
Accounting / Audit	15,000	15,000	-	15,000	-
Marketing / Initial Operations	381,333	104,289	377,044	481,333	100,000
Developer Insurance	76,739	42,326	34,413	76,739	-
Developer Legal	175,000	26,585	50,000	76,585	(98,415)
Title / Closing	123,891	123,891	-	123,891	-
Subtotal	1,276,852	792,418	461,457	1,253,875	(22,977)
<b>CONSTRUCTION</b>					
Residential General Construction	30,345,074	30,345,074	265,720	30,610,794	265,720
Residence Hall Coverage	745,524	745,524	-	745,524	-
Furniture, Fixtures & Equipment	2,356,983	2,356,983	(100,000)	2,256,983	(100,000)
Telecom. Wiring & Equipment	368,043	-	468,043	468,043	100,000
Architecture & Engineering	1,579,545	1,579,545	20,000	1,599,545	20,000
Consultants	414,864	414,864	12,000	426,864	12,000
Permits & Fees	34,836	34,836	-	34,836	-
Impact & Connection Fees	350,000	304,454	-	304,454	(45,546)
Surveying / Testing Reports	330,612	200,958	164,654	365,612	35,000
Signage	75,000	-	125,000	125,000	50,000
UNM Expense Reimbursement	353,026	353,026	-	353,026	-
Developer Reimbursement	350,000	191,961	108,039	300,000	(50,000)
Subtotal	37,303,507	36,527,226	1,063,456	37,590,682	287,175
PROJECT CONTINGENCY (1)	837,000	264,198	-	264,198	(572,802)
TOTAL	39,417,359	37,583,841	1,524,913	39,108,754	(308,605)
		95.35%			

(1) The Projected Contingency reflects only items currently identified. The developer expects future unforeseen conditions that will require future use of contingency

## Program Updates

### Residential Unit Increases – 2,613

- While working through the conceptual design increases to bed count and floor area were a direct result of incorporating the physical grade challenges into the building layouts along with the additional staff beds added into the program.

### Community Center Increase – 1,701

- When the UNM proposed Café was eliminated from the design ACC increased the SF of the mailroom and designed a fitness center in its place.

### Lounge and Common Area Increase – 2,130

- Eight study rooms at approximately 1,225 SF were added to the project. Additionally, attic space over the fitness was turned into utility and mechanical space as required to backbone special systems and electrical requirements. In utilizing this space we were able to open up the second floor lounge area to more natural day light opportunities.

### Circulation Increase – 2,119

- This is a direct result the added study rooms and relocation of the utility, mechanical and IDF rooms.

### Maintenance Room Increase – 1,425

- This is a direct result of the of the maintenance shop not being a standalone building and needing to be absorbed in the footprint of building 4.

### Exterior Balconies – 3,035

- This is a direct result of the added balconies (2 added at building 1, 4 added at building 2, 4 added at building 3, 1 added at building 4). Additionally, we increased the size of the existing balconies to make them more usable.

### University Flex Space Increases – 153

- This is a direct result of adding a unisex restroom in the flex space.

### Architectural Building features – 4,095

- This is a direct result of the additional battered walls, recessed windows and pop-outs added to the design.



**Tab 20**

## The Iron Triangle

Three concepts dominate the concerns of public universities: the increasing cost of higher education; the challenge of providing access to new generations of students; and the need to maintain and improve educational quality (along with the need to be accountable for that quality).

Any of these goals would be challenging enough, but most of the presidents see these three missions as being in tension—a change in one impacts the others.

THE UNIVERSITY of NEW MEXICO

**The UNM Student Journey**  
First-time Freshmen, directly from high school (98% of our beginning Freshmen)

★ Identified as point of student vulnerability

\* Orientation for most of this cohort of Freshmen is a 2-day, overnight experience. College Enrollment Program students receive 3-day, 2-night version. Advisement generally provided by University Advisement Center, except for Engineering students

THE UNIVERSITY of NEW MEXICO

## To achieve a Successful UNM Student Journey

- Hire more Tenure-Track Faculty (teach more courses, supervise graduate students, conduct more research, generate research funds).
- Reward & retain the best faculty.
- Hire Lecturers & instructors (teach more courses, lower student/teacher ratio).
- Hire more advisers & academic support personnel.

THE UNIVERSITY of NEW MEXICO



## Fiscal year 2013

<b>Total New Funding</b>	<b>\$4,180,000</b>
New Faculty (20)	\$1,500,000
Fringe (for faculty & Staff)	\$917,209
Distinguished Professors –(MC)	\$130,000
Promotion	\$155,039
Salary Compaction	\$450,000
Support Staff (4)	\$133,752
Advisors (4)	\$150,000
A&S PTI	\$450,000
Faculty Retention	\$100,000
Tuition Waivers (1% Increase)	\$34,000
Student Affairs Initiatives	\$100,000

THE UNIVERSITY of NEW MEXICO



### Fiscal year 2014

<b>Total New Funding</b>	<b>\$3,650,000</b>
New Faculty (20)	\$1,500,000
Fringe (for faculty & Staff)	\$820,543
Distinguished Professors –(MC)	\$40,000
Promotion	\$155,039
Salary Compaction	\$354,418
Support Staff (4)	\$100,000
Advisors	\$120,000
Honors College Dean	\$160,000
Honors College Support	\$216,000
Faculty Retention	\$50,000
Tuition Waivers (1% Increase)	\$34,000
Student Affairs Initiatives	\$100,000



**TO:** ASAR Committee

**FROM:** Chaouki T Abdallah, Interim Provost & EVP for Academic Affairs

**DATE:** February 1, 2012

**SUBJECT:** Five-Year Forecast Budget Recommendation

**CC:** David J. Schmidly, President

The provost has assembled a team to design an Academic plan for the University of New Mexico. While the Academic plan is being formed, the Academic Affairs office at the University of New Mexico has developed a five-year forecast budget that focuses on the following priorities of the Academic Plan:

1. Student Success
2. Building Faculty Strength
3. Recognizing and incentivizing excellent teaching
4. Establishing the Honors college

In support of these priorities, I am including below the budget request for FY 13.

<b>Fiscal Year 2013</b>	
<b>Total New Funding</b>	<b>\$4,180,000</b>
Fringe (for faculty & Staff)	\$917,209
New Faculty (20)	\$1,500,000
Distinguished Professors - Main Campus (MC)	\$130,000
Promotion	\$155,039
Salary Compaction	\$450,000
Support Staff (4)	\$133,752
Advisors (4)	\$150,000
A&S PTI	\$450,000
Faculty Retention	\$100,000
Tuition Waivers (1% Increase)	\$34,000
Student Affairs Initiatives	\$100,000

The proposed budget requests \$2 Million per year for new faculty hires (around 20 faculty members or 2% of the faculty) and approximately 5 supporting staff. The budget request also includes funding requests for promotion (\$155,039) and to address retention (\$100,000) and salary compaction (\$450,000). The budget also includes funds for Academic advisors (4), A&S Part Time Instructors, as well as tuition waivers and student affairs initiatives focusing on student success. Finally, the budget requests \$150,000 for funding distinguished professors awards. Note that these numbers are adjusted in future years as we establish the Honors College (hiring a dean and faculty members) as described in the next 2 pages.

<b>Fiscal Year 2014</b>
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<b>Total New Funding</b>	<b>\$3,650,000</b>
Fringe	820,543
New Faculty	1,500,000
Distinguished Professors - Main Campus	40,000
Promotion	155,039
Salary Compaction	354,418
Support Staff	100,000
Advisors	120,000
Honors College Dean	160,000
Honors College Support	216,000
Faculty Retention	50,000
Tuition Waivers (1% Increase)	34,000
Student Affairs Initiatives	100,000

<b>Fiscal Year 2015</b>	
<b>Total New Funding</b>	<b>\$3,500,000</b>
Fringe	786,822
New Faculty	1,500,000
Distinguished Professors - (MC)	40,000
Promotion	155,039
Salary Compaction	400,000
Support Staff	150,000
Advisors	150,000
Lecturers	134,139
Faculty Retention	50,000
Tuition Waivers (1% Increase)	34,000
Student Affairs Initiatives	100,000

<b>Fiscal Year 2016</b>	
<b>Total New Funding</b>	<b>\$3,500,000</b>
Fringe	786,822
New Faculty	1,500,000
Distinguished Professors - (MC)	40,000
Promotion	155,039
Salary Compaction	400,000
Support Staff	150,000
Advisors	150,000
Lecturers	134,139
Faculty Retention	50,000
Tuition Waivers (1% Increase)	34,000
Student Affairs Initiatives	100,000

<b>Fiscal Year 2017</b>	
<b>Total New Funding</b>	<b>\$3,500,000</b>
Fringe	786,822
New Faculty	1,500,000
Distinguished Professors - (MC)	40,000
Promotion	155,039
Salary Compaction	400,000
Support Staff	150,000
Advisors	150,000
Lecturers	134,139
Faculty Retention	50,000
Tuition Waivers (1% Increase)	34,000
Student Affairs Initiatives	100,000

The Five-year budget recommendation reflects the current vision of the provost. The Provost has requested from all reporting units and offices preliminary proposals against the requested budget. The provost has also discussed the Academic priorities with the appropriate executives. As the Academic plan takes shape, it is anticipated that the budget categories may be adjusted while still reflecting the main Academic priorities of increasing student success and faculty strength and quality.

## Rationale for the 5-Year Budget Request

The Academic Affairs budget request focuses on the following initiatives and metrics:

- 1) **Improve student success & graduation rates:** The latest 6-year graduation rate stands at 45.1%. In recent years, investments that increased the number of advisers and their training have inched the graduation rate up.
  - A) **Strategies:** The Associate Provost for curriculum has assembled a **committee for student success** to coordinate all advising efforts. The committee is developing a strategy that combines advising, coaching, and career advising in order to effect student retention and graduation. The strategy will be unveiled and tested early in Spring 2012 semester, and will come fully online by the Fall 2012 semester. An investment in hiring more advisers is part of the Academic Affairs priorities. A related effort to improve graduation rates is the addition of new summer courses to provide students with an opportunity to catch up and to stay on track. The plan calls for increasing such offerings until the university is able to offer a regular summer semester.
  - B) **Metrics:** Increase the graduation rates by 2% a year. Add 50 new summer courses in Summer 2012. Hire 4 more advisers per year starting in Fall 2012 (cost of \$150,000/year). Fund the last portion of the A&S PTI (\$450,000 in Fall 2012). Hire 10 lecturers/year (\$134,000/year).
- 2) **Enhance academic strength of departments:** In order to reverse the slide in the Tenured-Track faculty members ranks, the board of regents has already provided AA with an investment of \$2 Million to hire new tenure track faculty members. When accounting for benefits, this translates into the hiring of 20 faculty members.
  - A) **Strategies:** The various departments and colleges have submitted hiring plans and they are currently conducting many searches (more than 40 in Arts & Sciences alone and another 20 or so across other colleges). This investment will help to reverse the slide in the number of tenure/tenure-track faculty. The provost has requested the hiring of 20 new faculty members per year. Hiring tenure-track faculty will ultimately increase courses taught by regular faculty, will reduce the student to faculty ratio, and will immediately increase the research productivity (grants, publications and creative works). Moreover, the office of Academic Affairs is requesting funds to retain productive faculty and to fix salary inequities.
  - B) **Metrics:** Hire 20 new faculty members each year for the next 10 years (\$2 Millions/year). Reward distinguished professors (\$150,000/year). Fix salary compaction, inversion, and retention (\$400,000/year). Hire 10 lecturers/year (\$134,000/year)
- 3) **Increase enrollments – undergraduate and graduate:** The provost and the deans council are seeking strategies to increase enrollments at all levels. At the undergraduate level, such efforts include new marketing and financial aid efforts within the state, as well as in Arizona, Texas, and California.
  - A) **Strategies:** It is important to note that the number of NM high school graduates will remain flat over the next few years, so increasing the number of undergraduates will be achieved by more effective recruiting within NM and mostly outside of our State. At the graduate level, efforts to coordinate our international recruiting have started with the appointment of an associate provost for International Affairs. The AP for international affairs is consolidating recruiting efforts and initiatives. Specific efforts focusing on Mexico and Latin America are coordinated with the division of Student Affairs and the school of engineering. The loss of the out-of-state waivers for students taking less than 6 hours has dealt a setback to our efforts to increase graduate enrollments (especially in the nursing program), as did changes in the federal loan programs. On the other hand, recent agreements with Sandia National Laboratories and AFRL by the VPR, will certainly lead to an increase in domestic students enrollments. Another effort to recruit out-of-state and international students calls for using the AMIGO scholarships, potentially in conjunction with funds from other sources (e.g.



CONACYT of Mexico). Many universities are able to generate funds by admitting paying international graduate students, and some UNM colleges (Anderson, Public Administration, Engineering) are well poised to take advantage of such strategies.

- B) Metrics: Increase international students enrollment by 10% a year (about 100 more students) starting in fall 2012. Finalize status of Honors College in Spring 2012 and recruit 100 more honors student the first year. Fund the last portion of the A&S PTI (\$450,000 in Fall 2012). Support Student Affairs and Enrollment Management initiatives (\$100,000/year). Finalize Honors college & University college plans. Encourage colleges to offer executive graduate programs and extended university courses.
- 4) **Enhance cross-college or other interdisciplinary work**: The provost is encouraging the deans to hire inter-departmental and inter-college faculty who can engage in multidisciplinary research and teaching.
- A) Strategies: The Senior Vice Provost is leading a team of Academic leaders to propose a framework for interdisciplinary work. The report of this team will be delivered in the Spring 2012 semester. A related effort is underway to re-focus the University College and to form an Honors college. The results of this effort will also be communicated in the Spring 2012 semester as an implementation plan. An investment in the Honors College will be required over the next couple of years in order to build a residential component, and to hire faculty members. Note that an Honors college is known to help in recruiting undergraduate students.
- B) Metrics: Finalize Honors College and University College plans by Spring 2012 (One time money of around \$2 Million). Increase the honors college student population by 25% per year. Hire 2-4 multidisciplinary faculty members in the Honors College and across colleges.
- 5) **Enhance scholarly productivity**:
- A) Strategies: The hiring of new faculty will have a long-term effect on scholarly productivity. In the more immediate term, the Academic Affairs office has launched a distinguished professor lecture series to highlight and encourage scholarly work. The promotion and tenure requirements continue to stress and reward scholarly productivity.
- B) Metrics: Benchmark scholarly productivity against AAU members. Reward and highlight scholarly and creative works (especially those that receive national awards).
- 6) **Increase diversification of faculty and students**:
- A) Strategies: The provost has formed a diversity council to address the various challenges of diversification on campus. The charge of the committee as provided by the provost in consultation with the president is:

*The charge of the Diversity Council is to review historical documents addressing diversity at UNM and study campus climate policies and best practices addressing diversity and excellence at institutions of higher education. Data from various sources will be evaluated in determining the needs at UNM as we move to establish a UNM model that embraces diversity and excellence. The work of the Diversity Council will culminate with a re-envisioned actionable Diversity Plan that will lead our institution for the next ten years. The committee will seek ways in which this plan may be successfully woven into the very fabric of daily operations at the University of Mexico.*

The council will propose hiring and recruiting strategies for diverse faculty, staff, students, and administrators.

- B) Metrics: While the diversity council will further define the final metrics, the Provost plans to encourage colleges to search for excellent underrepresented faculty by setting part of the faculty funds for such searches.

7) **Minor Capital funding to Support Classrooms on main campus (Capital Funds).**

- A) Strategies: As we strengthen the Academic mission, it is important to provide appropriate learning environments that promote teaching effectiveness, and student learning and retention. Three years ago, \$12.5 million was invested in modernizing approximately 110 classrooms including the complete renovation of Mitchell Hall. Despite this infusion of funding, it was not sufficient to improve the general conditions of some of the classrooms, including new carpet or flooring, paint and/or seating replacement. In particular, a number of our large lecture halls need renewal work and audio-visual enhancements. Additionally, we are three years in to a five-year replacement cycle for classroom technology for those rooms we were able to enhance. It is estimated that we need a minimum of \$500,000 per year in renewal funds to keep our classroom inventory relevant. **Staff from Academic Affairs will be working to develop a list of classroom priorities to put forth as capital funds are prioritized for the upcoming budget years.**
- B) Metrics: The \$500,000 amount will help to renew about 10 classrooms each year.

# **Tab 21**



*Department of Planning, Budget & Analysis*

**MEMORANDUM**

TO: Members of the Board of Regents' Finance & Facilities Committee

THRU: David J. Schmidly, President  
David W. Harris, EVP for Administration, COO and CFO

FROM: Andrew Cullen, Associate VP Office of Planning, Budget & Analysis

DATE: February 1, 2012

A handwritten signature in black ink, appearing to be 'Andrew Cullen', is written over the 'FROM' line of the memorandum.

**SUBJECT: Tuition & Fee Team Recommendations (*draft*)**

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Attached please find the Tuition & Fee Team draft recommendation which will be forwarded in its final version to the Strategic Budget Leadership Team for their consideration in late February. Faculty Senate President Elect Dr. Amy Neel and I look forward to presenting the document and addressing your questions during the F&F meeting. Thank you for your consideration.



## MEMORANDUM

TO: Strategic Budget Leadership Team

FROM: Amy Neel, Ph.D., Speech & Hearing Sciences & Faculty Senate President Elect  
Andrew Cullen, Office of Planning, Budget & Analysis  
Tuition & Fee Team Members (see attached)

DATE: February 2, 2012

**SUBJECT: Tuition and Fee Team Recommendations**

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The Tuition and Fee Team is pleased to forward to your attention the following analysis and recommendations as they pertain to the development of the FY 2012/13 UNM budget. It is important to remember that the team's charge was not to recommend a specific tuition and/or fee increase for FY13, but rather suggest policy and procedural changes that would strengthen the budgeting process at UNM.

The recommendations include changes to formal and informal policies and procedures for tuition and fees, with themes that can be briefly summarized as follows:

- Expand the university's Peer listing to provide a broader range of benchmarks
  - Flagship Schools & Research Institutions
  - Regional Peers
  - Minority/Majority Serving Institutional Peers
- Focus more intently on net price (cost of attendance minus grants and tax credits) than "sticker price" (cost of attendance – tuition and fees, room and board, books and supplies), and on ensuring that any increases in net price are clearly linked to the University's Academic Plan, including most importantly fostering a climate of diversity while improving retention and graduation rates
- Provide a greater opportunity for meaningful student input in the university's budget development process, particularly for fees, which will result in increased dialogue between the university's academic and administrative leaders and student government
- Analyze current tuition and fee allocation procedures, their benefits in serving as incentive-based funding platforms, and their impacts on the long-term finances of the academic and administrative departments which rely on these funds

**UNM Peer Listing:** The University’s current peer list was developed over two decades ago by the predecessor of the Higher Education Department (HED), the Commission on Higher Education (CHE). It was developed by identifying, among other attributes, 1) public flagship universities with similar academic and research programs, 2) total number of degrees awarded in engineering, sciences, business and education, and 3) total enrollment statistics for undergraduate and graduate students. Additionally, at the direction of the state legislature, it excluded schools in California and the upper east coast, and more pointedly made an effort to benchmark to universities west of the Mississippi.

Over time, the list has come to be viewed with some degree of skepticism by university personnel and students, as the original schools no longer represent the right mix of flagship schools and research institutions that serve a student demographic as diverse as UNM’s. With the CHE schools serving as the foundation, the revised, multi-faceted peer listing now includes schools in the southwest region of the United States and institutions that serve minority/majority student populations that the University of New Mexico competes with in the recruitment of faculty, staff and students.

Institution Name	
1. Arizona State University - <b>SWR</b>	2. Florida International University - <b>M/M</b>
3. New Mexico State University - <b>SWR</b>	4. Oklahoma State University - <b>SWR</b>
5. Texas A & M University - <b>SWR</b>	6. Texas Tech University - <b>SWR</b>
7. The University of Texas at Arlington - <b>SWR</b>	8. The University of Texas at Austin - <b>CHE</b>
9. The University of Texas at El Paso - <b>SWR</b>	10. University of Arizona - <b>CHE</b>
11. University of California - Riverside - <b>M/M</b>	12. University of Colorado Boulder - <b>CHE</b>
13. University of Colorado Denver - <b>SWR</b>	14. University of Houston - <b>SWR</b>
15. University of Iowa - <b>CHE</b>	16. University of Kansas - <b>CHE</b>
17. University of Missouri - Columbia - <b>CHE</b>	18. University of Nebraska – Lincoln - <b>CHE</b>
19. University of Nevada - Las Vegas - <b>SWR</b>	20. University of North Texas - <b>SWR</b>
21. University of Oklahoma - <b>CHE</b>	22. University of Utah - <b>CHE</b>

**CHE**= Commission of Higher Education

**M/M**= Minority/Majority

**SWR** = Southwest Region

**Recommendation:** *Revise and expand the university’s peer listing to allow for multi-faceted peer comparisons that reflect UNM’s unique position in higher education as a very high-activity flagship research university serving a minority/majority student population.*

**Affordability and Quality:** Before discussing tuition and fees, and more specifically affordability and its relationship to quality at UNM, it’s important to put in context how higher education is unique as an “industry” in the United States. According to data compiled by the Association of Governing Boards of Universities (AGB), “over the past decade, tuition at public four-year colleges has risen at an average annual rate of 5.6 percent beyond general inflation.

That compares to 3.3 percent in the 1990s and 4.2 percent in the 1980s. So it's true that published prices are rising faster than average prices in the economy, and prices at public four-year colleges have been rising especially rapidly by historical standards. But it's also true that this is a long-term pattern, not a new development." There are numerous factors behind this rise in cost, with the following prime examples being:

- The need to supplement/replace declining state support (**14.77% decrease in state appropriations** to UNM since FY2008/2009), while
- Addressing record enrollment increases at Public Higher Education Institutions (**13.48% increase in enrollment** at UNM since FY2007/2008)
- Prices of personnel services, and the resulting competition to recruit qualified faculty and staff, go up more rapidly than prices of manufactured goods
- Although there are exceptions (on-line education), productivity increases in the delivery of academic programs are not easily attained
- Like other industries, universities have experienced rapid expenditure increases in utility costs, employee benefits and technology costs
- In order to make college educations accessible to a wider range of students, universities have had to invest additional funds for merit-based and need-based student aid to raise academic rankings and diversity statistics

The responsibility to tackle these financial challenges must be balanced with the desire to streamline services and expenditures while improving the learning environment for all students. The underlying premise guiding universities' long-term tuition policies, affordability while maintaining quality, is conveyed by the AGB which states, "Students choose location, academic programs, facilities and the opportunities they think they will have. If the institution's leaders don't believe that their institution can attract students through the quality of its programs, it will probably be a hard sell for students. Too low a price and too much bargaining can convey the idea that price is the best thing the college or university has going for it."

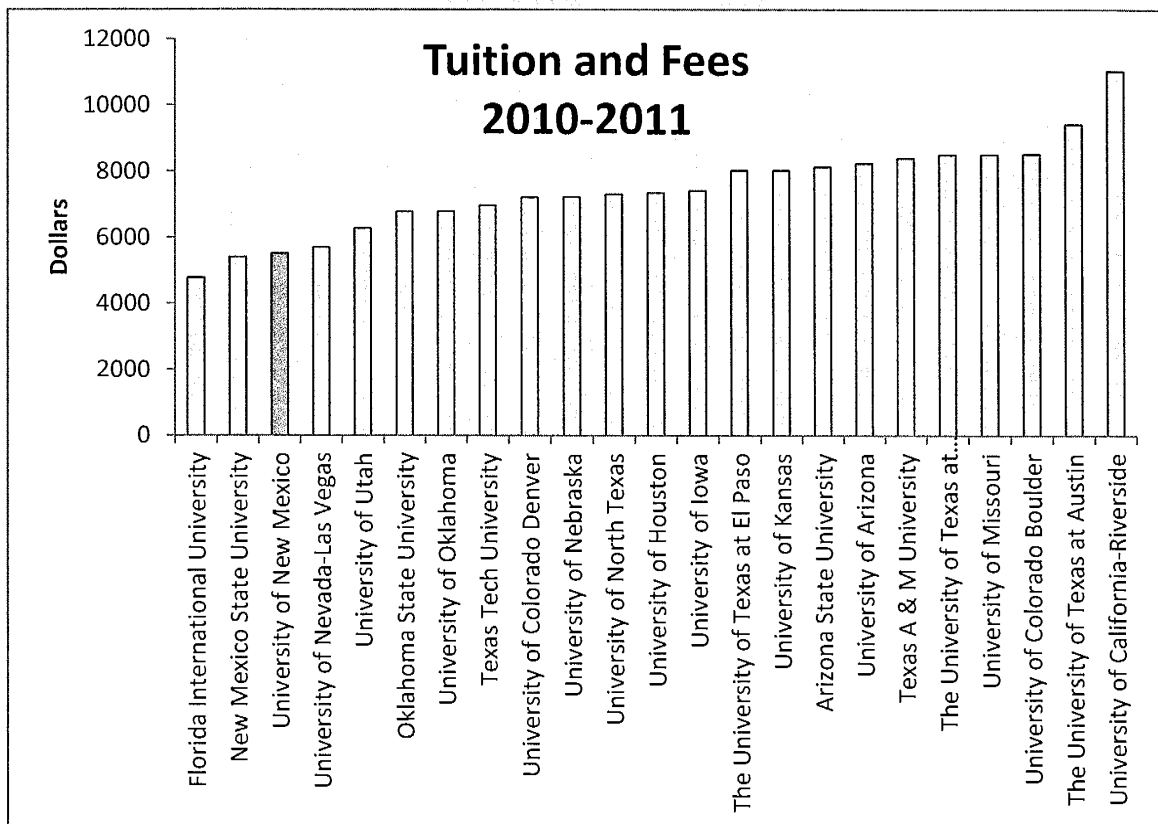
This notion highlights the competing factors of cost of attendance and quality, with the result being the perceived "value" of an education at the University of New Mexico. Currently, a high-quality college education requires the interaction of faculty members with a relatively small number of students. Increases in productivity can be achieved by having fewer faculty members teach larger classes of students, but lower faculty-to-student ratios erode educational quality. Some gains in productivity are possible using on-line instruction, but value of face-to-face interactions for students with tenure/tenure-track faculty cannot be replaced, nor should it be.

It has widely been acknowledged that UNM's "sticker price" for tuition and fees is among the lowest of its peers. Recently compiled data for the proposed peer listing continues to support this belief. For the most recent data available, FY10, UNM's total tuition and fees were \$5,101 for undergraduate residents and \$5,597 for graduate residents, as listed below with our proposed peer listing statistics:

<b>Tuition and Fee Comparisons</b>				
	2007-08		2009-10	
	Undergraduate	Graduate	Undergraduate	Graduate
UNM	\$4,571	\$5,023	\$5,101	\$5,597
Peer Institutions	\$6,353	\$6,191	\$7,453	\$7,673

Furthermore, tuition and fees increases since FY08 have been below our peers. Undergraduate resident tuition and fees increased 11.60% from FY 2007/08 to FY 2010/11, while the peer group increased by an average of 17.32%. A similar situation exists when analyzing graduate resident tuition and fees. During the same time period, the sticker price for tuition and fees at UNM rose 11.43%, as opposed to an average of 23.94% at peer institutions. It is also important to note that UNM's percent increase is very likely overstated in terms of actual dollars generated because the state tuition credit offsets the true new revenue produced and available for instruction, student services, academic/institutional support and maintenance/operations.

In addition to the comparisons of UNM to peer averages, the following graph depicts UNM's gross tuition and fees for FY11 compared to the new, proposed peer group:



The difference between UNM and its peers with regard to sticker price, and certainly the net revenue generated to support operations, has likely widened since FY11. As the table below

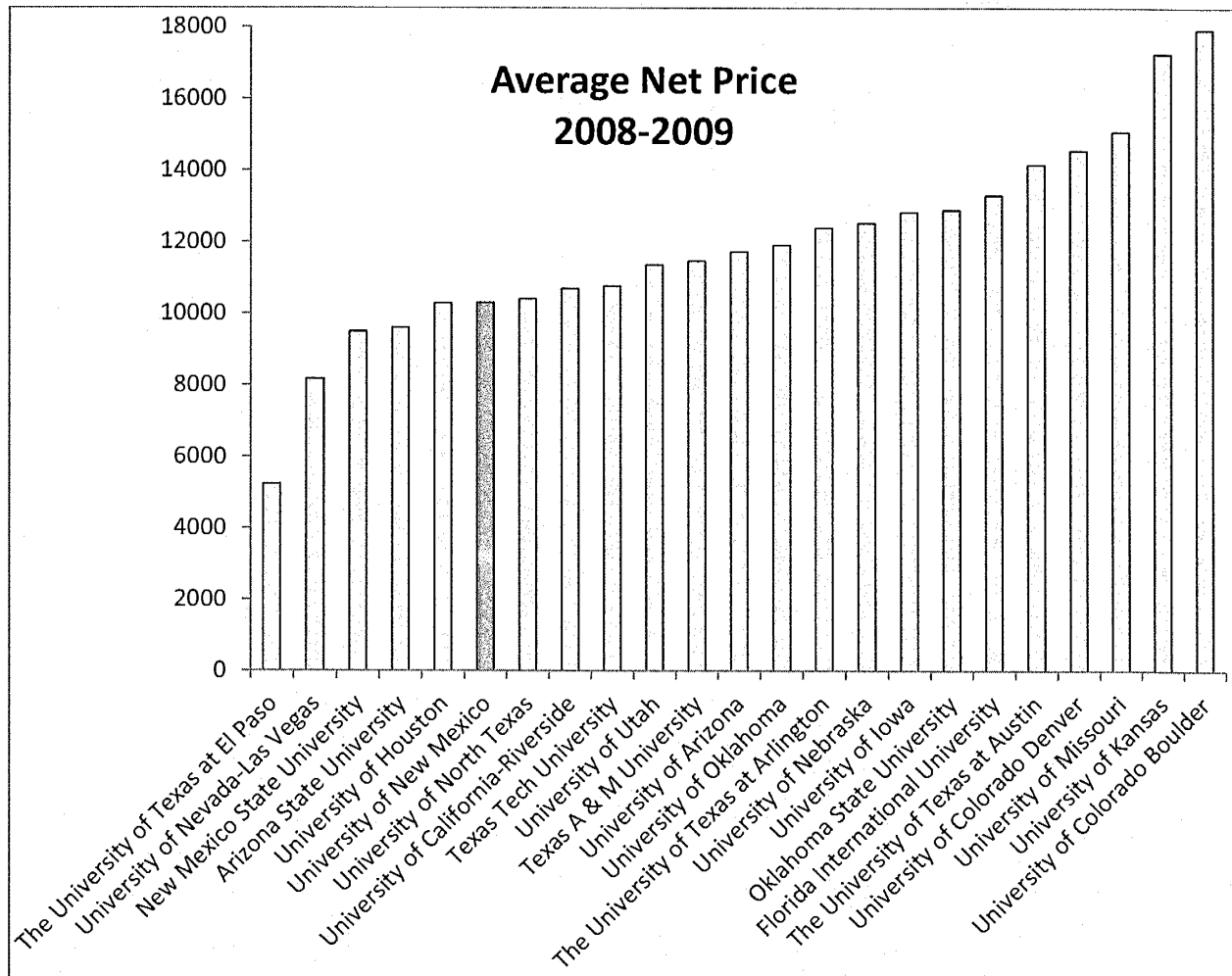


depicts, when the state tuition credit and inflation is considered, UNM's net tuition and fee increase available for operations actually decreased -1.3% for the current fiscal year.

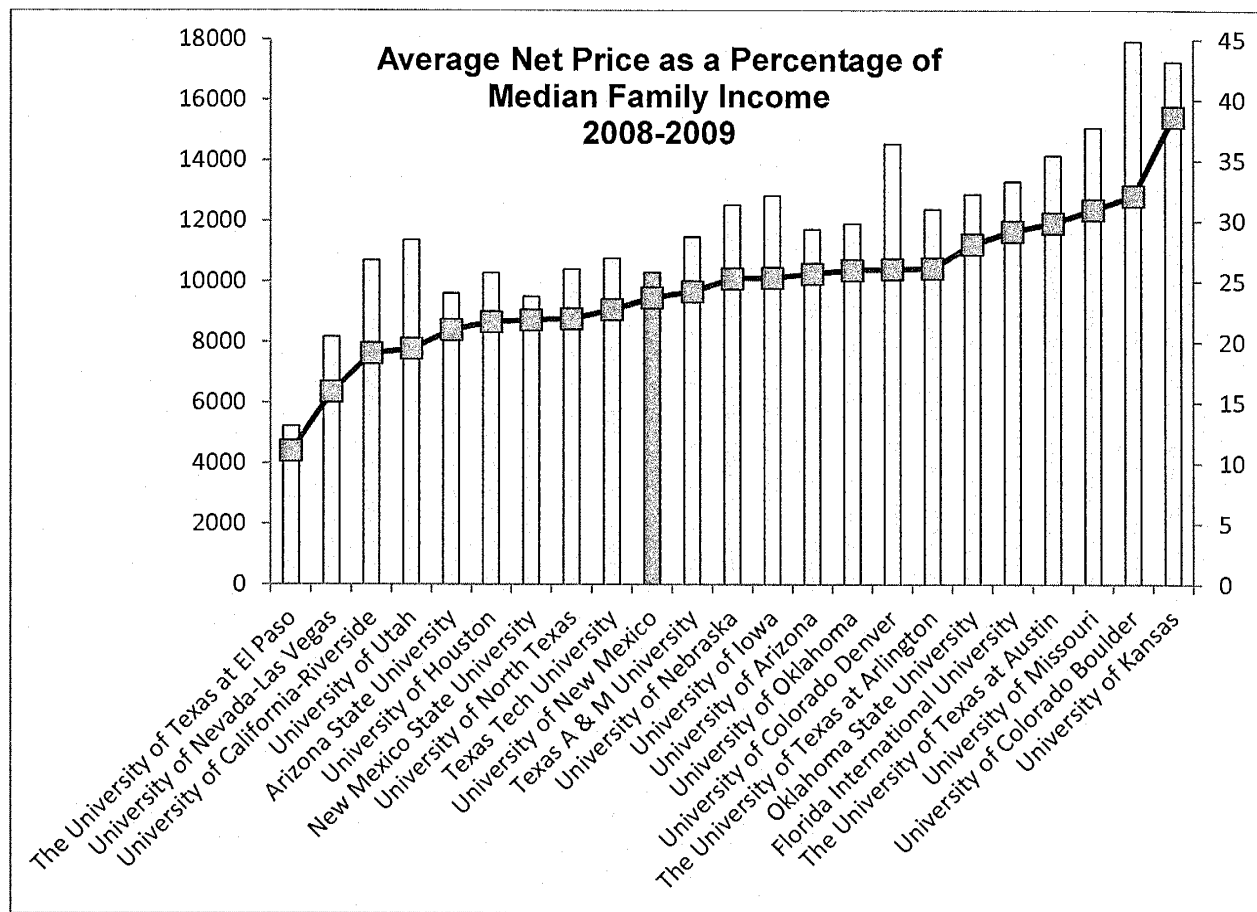
Fiscal Year	Tuition & Fee Increase	Tuition Credit	Net UNM Tuition & Fee Increase	Inflation Percentage	UNM Increase Above/(Below) Inflation %
2011/2012	5.50%	3.10%	2.40%	3.70%	-1.30%

Source: Consumer Price Index, published by the Bureau of Labor & Statistics

As more recent studies suggest, with governing boards struggling to balance university budgets while maintaining access for students in need of financial assistance, a more appropriate tuition and fee metric to consider is student's net price, which is the average price paid by full-time students after subtracting grant aid, federal tax credits, and federal tax deductions. Net price includes tuition and fees, room and board, and other expenses (books, transportation, etc.). In 2009-10, the net price paid by UNM undergraduates was \$10,302, compared to the peer average of \$11,927.



UNM's ranking is slightly less favorable when net price is compared as a percentage of the median family income of New Mexico residents. As the graph below depicts, the UNM net price represented 23.7% of median family income for New Mexico, compared to the peer average of 24.6% of median family income by state.



One way to offset this challenge for New Mexico families is for the University of New Mexico to bolster its institutional aid available for need-based aid. As the following chart depicts, UNM currently allocates approximately 26% of its total institutional aid to students in need of financial assistance, which compares very poorly to UNM's peer group, whose average institutional aid allocated to students in need ranges from 50% to 70% of all available institutional aid granted.

<b>Current</b>	<b>Current Allocations</b>	<b>Scenario Example</b>	<b>Scenario Allocation</b>
<b>Merit Based Aid</b>			
Endowment Funds	\$ 4,000,000		\$ 4,000,000
Instruction & General Funds	\$ 2,743,000		\$ 2,743,000
	<b>\$ 6,743,000</b>		<b>\$ 6,743,000</b>
<b>Need Based Aid</b>			
Instruction & General Funds	\$ 515,000	\$ 1,000,000	\$ 1,515,000
School as Lender Funds (Balance)	\$ 561,000		\$ 561,000
Discretionary 3% Funds	\$ 1,336,000		\$ 1,336,000
	<b>\$ 2,412,000</b>		<b>\$ 3,412,000</b>
<b>Total Institutional Aid</b>	<b>\$ 9,155,000</b>		<b>\$10,155,000</b>
<b>% Institutional Aid to Need-Based</b>	<b>26%</b>		<b>34%</b>
General Note: Other Sources: Pell \$55M, Lottery \$10.8M, and State 3% 2.7M			

Again, when compared to UNM's peer group, the average dollar amount of institutional aid allocated to students in need is far below our peers: \$2,715 to UNM students compared to \$4,240 for our peers, with the result being less institutional aid available for a greater percentage of students who qualify for such need-based aid:

<b>Type of Aid</b>	<b>All sources</b>		<b>State/Local Grant</b>		<b>Institutional Aid</b>		<b>Pell Grant</b>		<b>Federal Student Loan</b>	
	% of students receiving	Avg. amt.	% of students receiving	Avg. amt.	% of students receiving	Avg. amt.	% of students receiving	Avg. amt.	% of students receiving	Avg. amt.
UNM	75	\$7815	78	\$2387	58	\$2715	28	\$3392	32	\$6955
Peer Institutions	54	\$6729	33	\$3120	48	\$4240	24	\$3313	44	\$6320

Other meaningful statistics to consider include:

- 75% of UNM full-time, first-time students received some type of aid in 2008-09 compared to an average of 54% of students at peer institutions
- UNM students receive more state aid in the form of the lottery scholarship than students at peer institutions, but these are not always students who are most in need of financial assistance
- While UNM gives institutional aid to a larger percentage of students, the amount given is less than that given by peer institutions

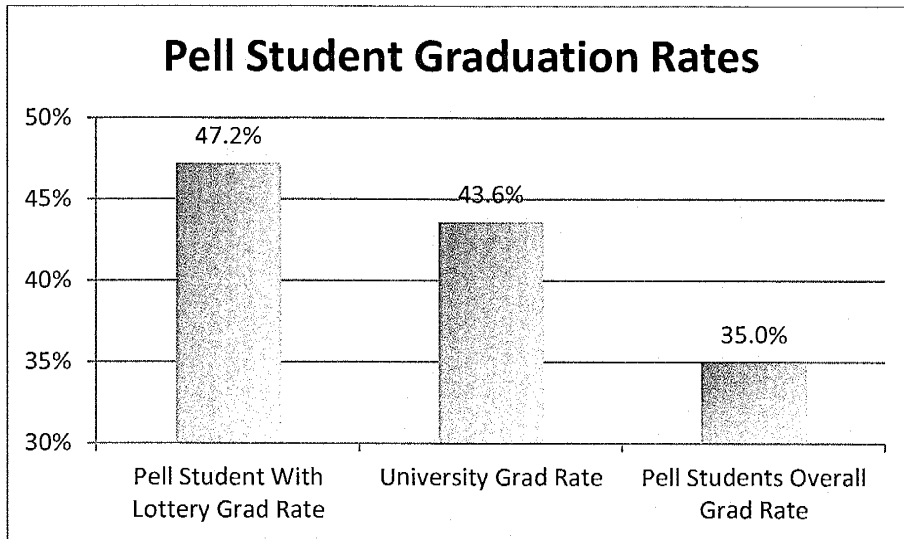
These statistics show how far behind our peer institutions UNM is in making investments in institutional aid. However, we have historically been able to remain competitive by leveraging other funding resources available to us, primarily the Lottery scholarship. The Lottery scholarship represents one of the most generous state-funded financial aid programs in the country, and has allowed UNM to invest fewer dollars than its peers in institutional aid. However, with the financial stability and long-term solvency of the Lottery scholarship fund uncertain, UNM needs to take a proactive approach to increasing its investments in institutional aid.

In addition to uncertainty surrounding the sustainability of the Lottery scholarship, UNM has seen a sharp decline in “school as lender” funds, which have historically made up a significant portion of UNM’s institutional aid (this is not unique to UNM, and is an issue most colleges are dealing with as a result of changes in the way student loans are administered). These reductions in funds, coupled with the potential for decreased support from the Lottery scholarship require a strategic approach to increasing the overall portfolio of financial aid available to UNM students, and increasing institutional aid needs to be the cornerstone of those efforts.

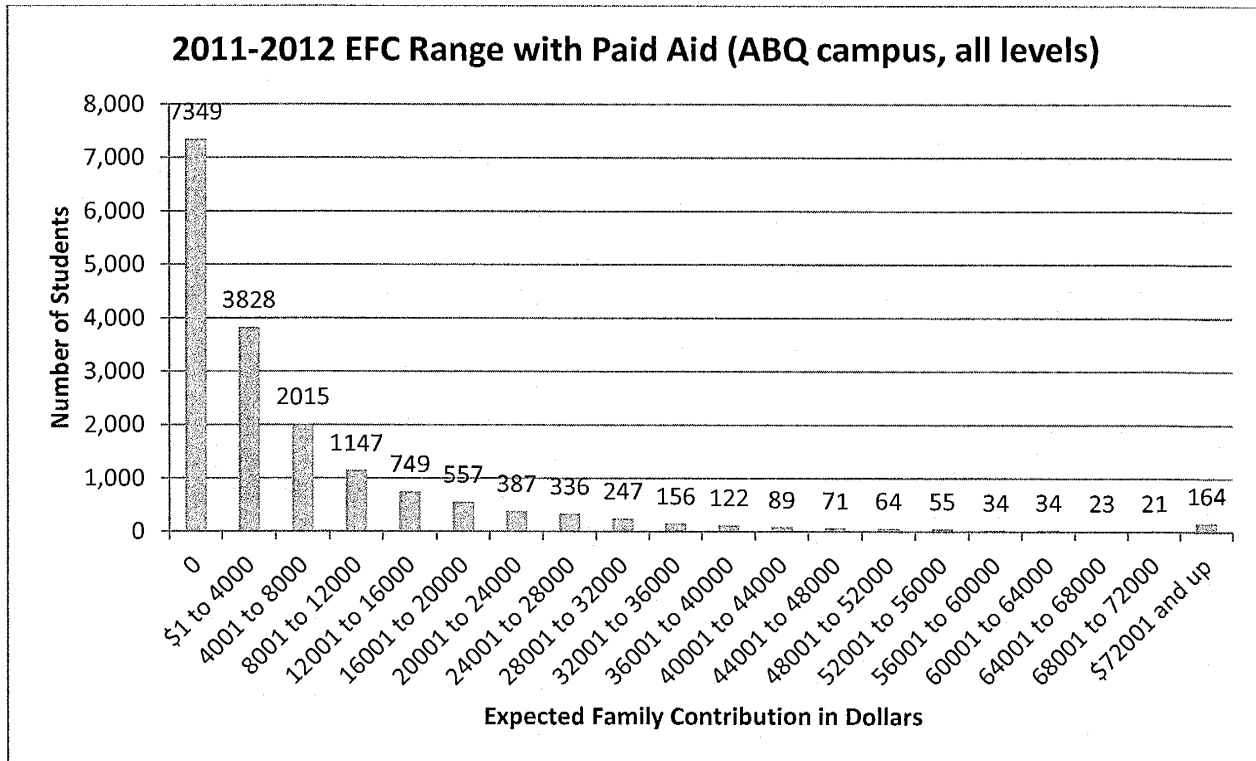
As referenced above, UNM currently dedicates 26% of its \$9.155 million of institutional aid funds to students with need rather than merit. Nationally, public universities with similar admissions standards dedicate 50% to 70% of institutional aid to students with need. For example, Arizona universities set aside 17% of resident undergraduate tuition for need-based aid, and in Texas, public universities must set aside 15% of the proceeds from resident undergraduate rates over \$46 per student credit hour for need-based financial aid.

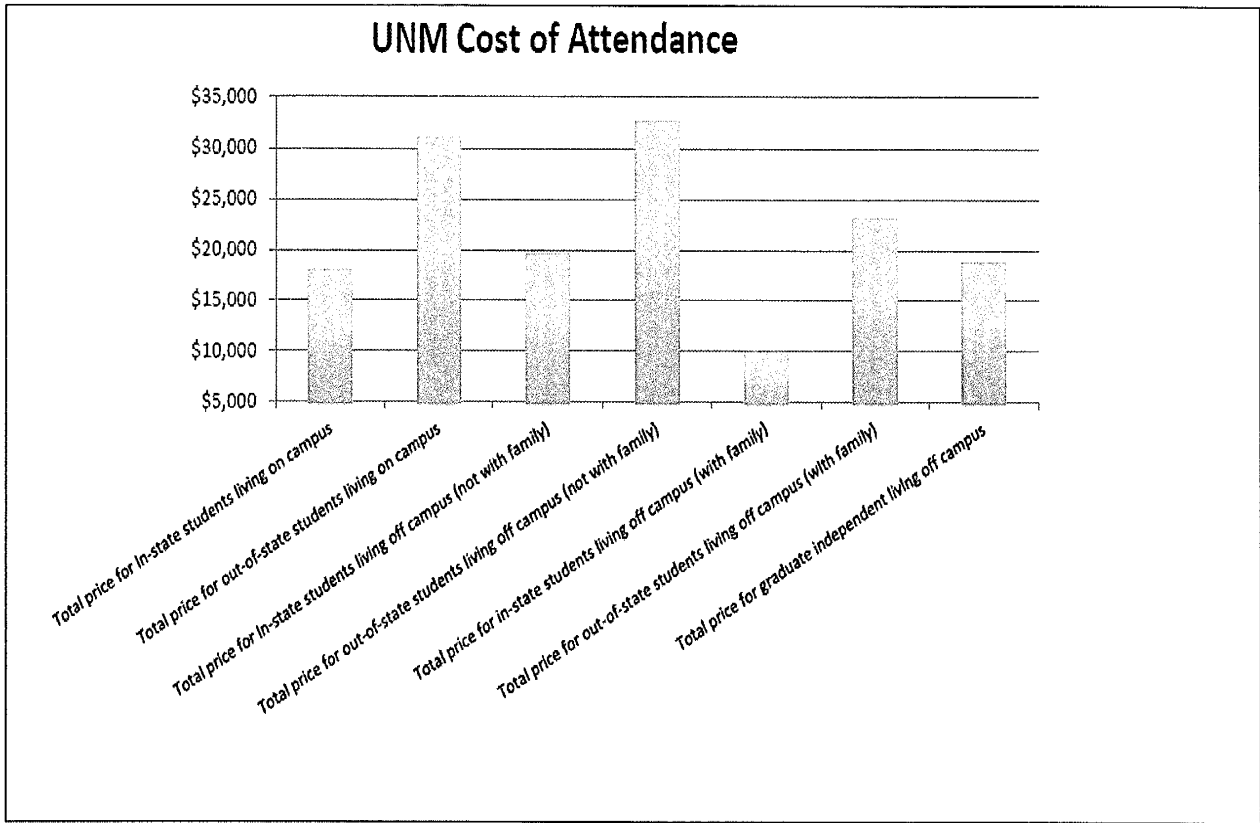
Data show that students who receive financial aid are more successful than those who do not receive aid – students receiving aid consistently post higher retention and graduation rates than those not receiving aid. This fact, coupled with the demographics of our state and our student body, making strategic investments in institutional aid (and specifically need-based aid) will lead to positive improvements in student success.

As an example, the improved graduation rate for Pell recipient students who receive the Legislative Lottery Scholarship (LSS) is remarkably higher than the Pell student rate and overall graduation rates (see graph below). This can be attributed to the additional gift aid provided in the LSS and motivation to start strong academically and maintain this award. Additional need-based institutional grants and emphasizing student need for distributing academic department scholarships will leverage this positive impact on completions.

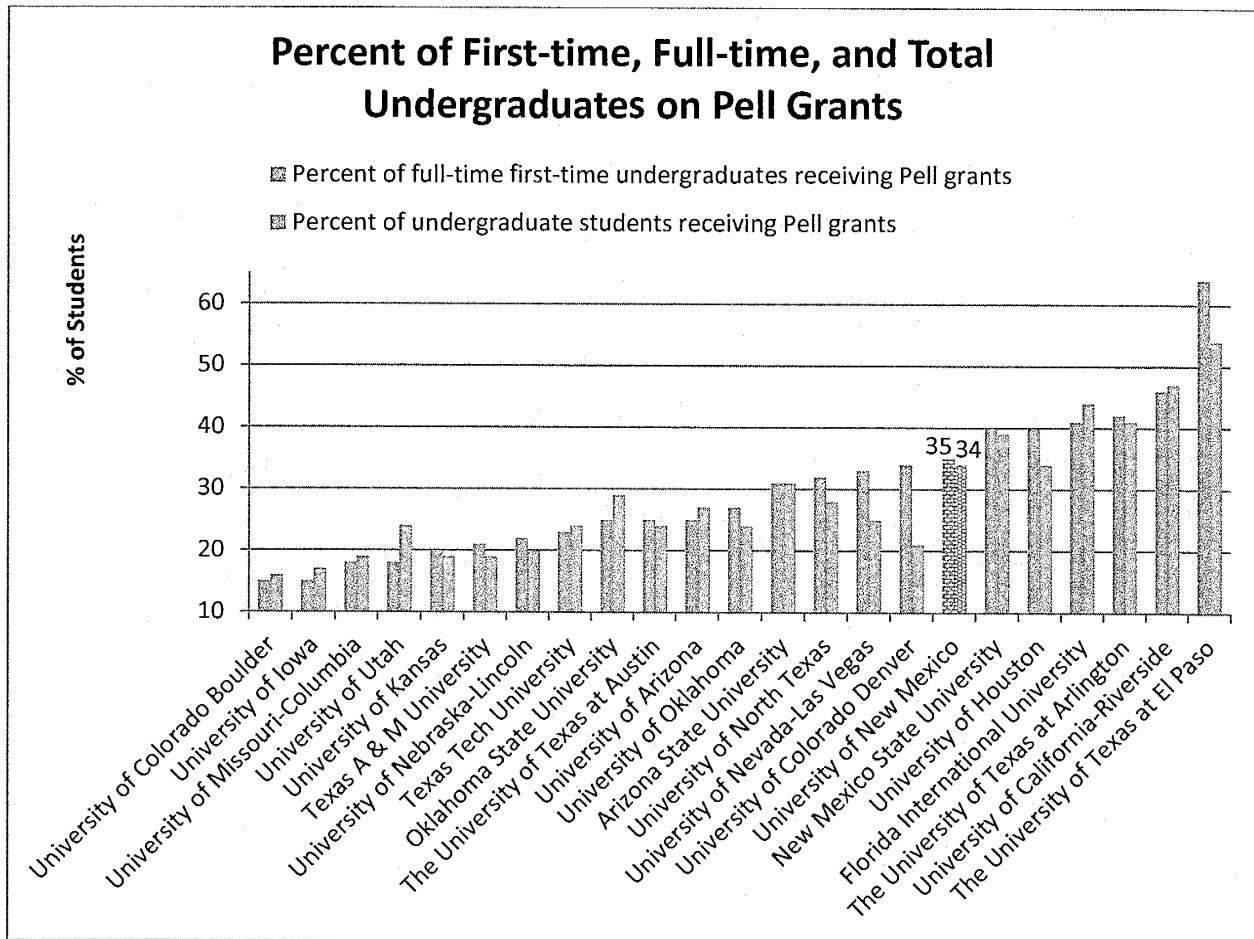


Determining the financial "need" of a campus student body is largely driven by federal methodology for awarding Title IV financial aid such as Pell Grants and Direct Stafford Loans. Eligibility is determined by taking the Cost of Attendance (COA) and subtracting Expected Family Contribution (EFC) to quantify need. UNM students with a zero EFC likely have substantial need. However, COAs vary widely for this group from a part time undergraduate student living at home to a full time graduate student independently living off campus (see charts below).





UNM has a diverse population of financial aid applicants including non-traditional students with families, part-time students with some work income, graduate students with dependents or spouses in college and many others who comprise the financial aid applicant pool. Traditional first time in college (FTIC) students, and undergraduates overall, are slightly above the selected peer average of 30.1% and 28.7%. The additional state gift aid, such as the Legislative Lottery Scholarship, helps keep the net price for these students below our peers.



The quality of instruction and research at UNM is driven by the resources that the university can afford to provide. Statistics show strategic university investments in offsetting the cost of attendance for students will result in improved third semester retention and graduation rates. With this in mind, establishing the net price of attending UNM is the most important task facing the Board of Regents so that current and potential students do not face insurmountable financial barriers to attend the University of New Mexico.

**Recommendation:** *In setting tuition and fee rates, the Regents and Administration should be guided by the goal of making UNM accessible to all qualified New Mexico residents who seek a higher education degree. Under this premise, the university should immediately institute a policy that commits to setting aside a percentage of any future tuition and fee increases (20%) towards institutional financial aid for need-based students to minimize the effect of any yearly tuition and fee increase on accessibility.*

**Student Fees:** In the fall of 2011, the leadership of ASUNM and GPSA proposed a comprehensive set of reforms to the policies and procedures of the Student Fee Review Board (SFRB). The reforms include a shift in board membership, establishing supermajority rules for setting fee levels, implementing an averaging of member recommendations and eliminating the

distinction between recurring and non-recurring status. As part of the policy review process, the UNM Policy Office received a higher than usual number of comments from the campus community concerning the proposed changes.

Most comments on the changes accepted the combination of a shift in membership of the SFRB to five undergraduate and two graduate representatives with the adoption of supermajority rules for the setting of overall levels of student fees. Many have raised concerns, however, about the proposed elimination of the distinction between recurring and non-recurring recipients of student fees. Uncertainty about the impact of the proposed averaging process added to the concerns of those entities that have been classified as recurring recipients of student fees.

In order to address the concerns raised, the Interim Dean of Arts and Sciences, and the Presidents of ASUNM and GPSA proposed additional procedures that complement the proposed policy. These include establishing the Strategic Budget Leadership Team (SBLT) as the President's designee to review, comment and accept, or not, the SFRB recommendation, and requiring the SFRB to deliver initial recommendations to the SBLT by February 15 of any given year. This would allow SFRB members to enter into more comprehensive and meaningful discussions with the SBLT about how student fees fit into the larger budget development picture of the university.

While these recommendations assuaged the concerns of some participants, many still worried about the impact of removal of the line between recurring and non-recurring recipients. With this in mind, the tuition and fee team proposed two additional safeguards designed to address any remaining concerns. First, we suggested that the SBLT establish parameters for the maximum change it would accept for organizations now classified as recurring recipients of student fees. Under no circumstances would previously recurring organizations experience a reduction in fee support that exceeded the SBLT maximum change. Second, it was proposed that this process be tried for the development of the FY13 budget as a one-year trial period.

The proposed amendments allowed the SFRB portions of the plan to be implemented in their entirety to give a fair trial to this innovative process. The designation of the SFRB as the recipient of the recommendations, the February 15 reporting date, and the establishment of a comfort zone for recurring recipients of student fees by the SBLT would provide the safeguards recipients understandably desire. Most importantly, the proposed changes and amendments ensure the participation of student leaders in comprehensive conversations about the entirety of the UNM budget.

During the week of January 23, the SBLT considered the maximum budget reduction threshold it would accept for the FY13 budgeting of student fees for those entities that are now classified as non-recurring. A 10% reduction percentage was approved.

After careful consideration, President Schmidly has approved the revised SFRB procedures and SBLT recommendations, knowing that they can easily be set aside at the end of the one-year trial period. Indeed, to give the university's new leadership team maximum flexibility, we recommend that the proposed policies and procedures expire at the end of FY13 unless they receive a positive endorsement by the new leaders of ASUNM, GPSA, the SBLT, and incoming President Frank.



**Recommendation:** *With the acceptance of the SFRB policy changes and amendments as outlined above on a one-year trial basis, analyze the effectiveness of the FY13 process from the perspective of student government, the SBLT and current student fee recipients.*

**Tuition and Fee Allocations:** Tuition and fees are currently allocated at the University of New Mexico in two ways: 1) on a historical base-plus platform as a pooled revenue allocation from the Office of Planning, Budget & Analysis, and 2) as a direct tuition recapture from the Bursar's office in accordance with previously negotiated terms. In addition to the method of allocation, several of the university's professional schools/colleges have been approved for differential tuition rates from the Board of Regents. In this section of the report, the current procedural practices for differential tuition and the allocation methods used for these entities and other recipients of tuition directly from the Bursar's office will be analyzed and discussed.

**Differential Tuition:** Differential Tuition is charged to students to fund the more expensive underlying cost structures of professional degree programs. The following schools/colleges currently receive differential tuition according to one of the two allocation methods:

- Differential Tuition – Direct Tuition Recapture
  - School of Public Administration
  - School of Nursing
  - School of Pharmacy
- Differential Tuition – Pooled Allocation
  - Anderson School of Business
  - The School of Architecture and Planning
  - The Law School

Under the pooled allocation model, during each budget cycle schools are asked to project their upcoming academic year enrollments. A differential tuition allocation is projected with this information and the incremental amount is added to the school/college pooled revenue allocation. As a matter of fact, in times of fluctuating enrollments, the schools may not receive the exact amount of differential tuition actually generated by final enrollment figures. By moving all schools/colleges to the direct tuition recapture model, all recipients will be assured of receiving the actual differential tuition generated. Additionally, they will be incentivized to meet projected enrollment levels or bear the responsibility of absorbing differential tuition funding shortfalls in years of declining enrollments.

**Recommendation:** *Move all schools and colleges that charge differential tuition to the direct tuition recapture model, ensuring an accurate allocation of differential dollars generated. Given that students in these programs currently face similar financial constraints as the general UNM student population, the university should immediately institute a policy that commits to setting aside a percentage of any future tuition and fee increases (20%) towards institutional financial aid for need-based students to minimize the effect of tuition and fee increases on accessibility.*

**Direct Tuition Recapture:** There are currently two other major entities that receive their budget allocations through the direct tuition recapture model, Extended University (EU) and UNM

West. When initially developed, these two organizations were thought of as entrepreneurial divisions, whereby they would receive funding directly for the student credit hours they generate – direct tuition recapture.

The direct tuition recapture method was implemented in an effort to ensure that their funding would not come at the expense of other I&G academic organizations. The model has been successfully implemented to achieve this objective; however, in the case of EU the explosive growth of on-line instruction has resulted in unintended consequences that warrant discussion during this budget development cycle, including a dramatic percentage shift in I&G revenues available through the pooled allocation method, as detailed in the following chart:

	FY 2008		FY 2012	
	Amount	%	Projection	%
<b>Main Campus Pooled</b>	83,485,440	78%	111,269,863	72%
<b>Main Campus Mandatory Student Fees</b>	19,168,585	18%	25,309,124	16%
<b>Extended University</b>	4,638,778	4%	18,208,078	12%
<b>Total Tuition and Fees</b>	<b>107,292,803</b>	<b>100.00%</b>	<b>154,787,065</b>	<b>100.00%</b>

An analysis of the growth in funds allocated to EU as **tuition** has revealed that they are currently being reimbursed at a per credit hour rate equal to the university’s current **tuition & fee** rate of \$242 per credit hour, which is depicted in the table below:

Description	Amount
Tuition	\$ 194
Fees	48
<b>Subtotal</b>	<b>\$ 242</b>
Base Course Load	24 Hours
<b>Annual Tuition and Fees</b>	<b>\$ 5,809</b>

This rate agreement was put in place when EU was conceived as a component of Continuing Education in an effort to bolster EU’s ability to develop into a self-supporting organization. As the above chart depicts, the fees portion of the reimbursement rate comprises approximately 25% of all EU revenues generated, resulting in approximately \$3.4M in direct tuition recapture returned as tuition but charged at the implied student fee rate. The table below details these revenues for the pooled allocations and the direct tuition recapture totals for UNM West and EU.

<b>Description</b>	<b>FY12 Projection</b>
Tuition	\$ 109,589,118
High School Dual Credit	\$ (487,855)
Bad Debt Allowance	\$ (1,736,729)
Credit Card Fees	\$ (1,016,007)
<b>Net Pooled Tuition Revenues</b>	<b>\$ 106,348,527</b>
Tuition Differentials <sup>1</sup>	\$ 4,921,337
UNM West	\$ 1,273,735
EU Tuition and Fees <sup>2</sup>	\$ 16,934,343
<b>Total Tuition Revenues</b>	<b>\$ 129,477,942</b>
<sup>1</sup> Law, Business, and Architecture and Planning	
<sup>2</sup> EU Direct Tuition Recapture \$ 13,547,474	
EU Mandatory Student Fees \$ 3,386,869	

In addition to the revenues detailed above, EU also charges a \$100 per course technology fee that covers licensing fees and course development costs. The current EU funding agreement raises many complex questions, not the least of which are:

- When entrepreneurial units grow to the extent of the current EU entity, when should they become institutionalized, paying their own fair share of overhead and contributing to the larger academic mission of the university through cross-subsidization of other academic units that may or may not be benefitting financially from offering on-line instruction
- How should the university proceed to ensure the continuation of current on-line financial incentives that have been embraced by academic units across campus
- How can the university incentivize face-to-face instruction in a similar fashion
- What is an appropriate ratio of face-to-face instruction to on-line instruction
- How should the current EU reimbursement rate be modified to ensure the solvency of the current pooled revenues available to academic and administrative units who rely solely on this revenues stream

**Recommendation:** *Pending further discussion.*

## Tuition and Fee Team

	<b>Title/Department</b>
<b>Chairs</b>	
Andrew Cullen	AVP for Planning, Budget & Analysis
Amy Neel	Faculty Senate Operations (President Elect)
<b>Academic Affairs</b>	
Martha Bedard	Dean, University Libraries
Ann Brooks	Faculty, Anderson School of Management
Mary E. Clark	Staff Council President
Philip Ganderton	Director, Undergraduate BA/MD, Assoc. Dean A&S
Kim Klooppel	Interim Dean of Students: Student Affairs
Mark Peceny	Interim Dean, College of Arts and Sciences
Terry Babbitt	Associate Vice President: VPDEM
<b>Administration</b>	
Moira Gerety	Deputy CIO: Information Technologies
Regina Dominguez	Budget Operations Officer, Planning, Budget & Analysis
Kevin Stevenson	Associate Director, Finance and Development CEPR
<b>Students</b>	
Katie Richardson	GPSA Representative – President
Jamie Roybal	ASUNM Representative – President
<b>Regents</b>	
Jake P. Wellman	Student Regent

**Tab 22**



HEALTH SCIENCES CENTER BOARD OF DIRECTORS

February 3, 2012

TO: Jack Fortner, Esq., President  
UNM Board of Regents

FR: Regent/Lt. Gen. Brad Hosmer, Acting Chair *BCH*  
HSC Board of Directors

RE: Request for Items to be placed on UNM Board of Regents' Agenda

cc: Paul B. Roth, MD, MS, FACEP, Chancellor for Health Sciences  
Scot Sauder, Senior Associate University Counsel  
Ava Lovell, Senior Executive Financial Officer  
Pug Burge, HSC Chief Administrative Officer  
Ellen Wenzel, Special Assistant, UNM Board of Regents  
Steve McKernan, HS Chief Operations Officer  
Ella Watt, Chief Financial Officer, UNMH  
Monica Sartelle, Executive Assistant, UNMH Board of Trustees  
Bruce Cherrin, UNM Chief Procurement Officer  
Mary Gauer, Group Manager, Capital Projects

**RECOMMENDED ACTION:**

The Health Sciences Center Board of Directors respectfully requests that the following items be placed on the UNM Board of Regents' Consent Agenda:

- 1) Approval: UNMH Contract with Tricare Laboratory Services
- 2) Approval: UNMH Contract with Maxim Healthcare Services, Inc., d/b/a Maxim Staffing Solutions
- 3) Approval: UNMH Contract with United Collection Bureau, Inc.
- 4) Request for Approval of Architect Selection for Atrisco Heritage Academy School Based Health Center
- 5) Approval of Nominations to the UNM Medical Group, Inc. Board of Directors

Background documentation is attached.

**BACKGROUND:**

At the February 3, 2012 meeting, the HSC Board of Directors discussed the above Information Items. The HSC Board of Directors respectfully recommends placing these items on the UNM Board of Regents Consent Agenda.

Attachments

2012-108-HSCBoD

**UNM Hospitals Board of Trustees**  
**RECOMMENDATION TO HSC BOARD OF DIRECTORS**  
**February 2012**

**Approval**

**(1) Tricare Laboratory Services (TLSC)**

**Source of Funds:** UNM Hospitals Operating Budget

**Description**

TLSC provides clinical and anatomic laboratory services to UNM Hospitals as well as Renal Transplant laboratory screening for potential transplant recipients and donors. Clinical laboratory services include testing and examining blood and other bodily fluids and tissue samples to find disease, infection, and chemical imbalances in patients. Anatomical laboratory services include testing and examining based on the gross, microscopic, chemical, immunologic and molecular examination of organs and tissues.

**Process**

UNMH owns a 50% equity interest in Tricare Laboratory Services Corporation. Previous contract was for 3 years and ran from 1998-2001, the first extension for the previous contract was for 2 years and spanned from 2001-2003, the final extension was for 8 years and spanned from 2003-2011.

**Total Cost**

Dependent on volumes, up to \$33,000,000 per fiscal year.

**(2) Maxim Healthcare Services, Inc. d/b/a Maxim Staffing Solutions**

**Source of Funds:** UNM Hospitals Operating Budget

**Description**

Request for an agreement with Maxim Healthcare Services Inc., to provide short-term or per diem nurses to cover nurse staffing needs throughout UNM Hospitals. Usage is based on need and availability of qualified staff.

**Process**

RFP 180-11. Contract term is one year, plus three additional one-year renewals.

**Total Cost**

Dependent on need, up to \$745,000 per fiscal year.

**(3) United Collection Bureau Inc.**

**Source of Funds:** UNM Hospitals Operating Budget

**Description**

Request to contract with United Collection Bureau to provide extended business office collection services for patient accounts. Self-pay unpaid accounts receivable aged 30 days would be transferred to vendor to collect. Vendor is given 180 days to collect on account before unpaid accounts receivable balance is transferred to a collection agency. Payments to the vendor are on a contingency basis paid at 4.95% of collections on accounts placed.

**Process**

RFP #: 174-11

**Total Cost**

Dependent on volume of accounts and vendor's collection performance. Estimated at \$505,000 per contract year. Initial contract term is for one year with the option to renew each year for three additional years.





Office of Capital Projects

**MEMORANDUM TO ADVANCE  
COMMITTEE AGENDA ITEM TO  
THE BOARD OF REGENTS  
THE UNIVERSITY OF NEW MEXICO**

DATE: January 25, 2012  
TO: Dr. Paul B. Roth, Chancellor for Health Sciences Center  
FROM: Mary Gauer, Group Manager, Office of Capital Projects  
RE: Requested Approval

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**RECOMMENDED ACTION:**

Recommend to the Board of Regents HSC Board of Directors the following:

1. Request for Approval of Architect Selection for Atrisco Heritage Academy School Based Health Center

Please see attached summary.

cc: Pug Burge, Associate VP, Health Sciences Center Administration  
Chris Vallejos, Associate VP, Institutional Support Services  
Vahid Staples, Budget Officer, Office of Planning, Budget & Analysis  
Mary Kenney, Robert Doran – PCD  
W. Turner, R. Henrard, C. Martinez, T. Sanchez – OCP  
Mary Kay Anderson, PhD, FNP-BC, Assoc. Professor & Practice Team Chair  
Nancy Ridenour, PhD, RN, APRN, BC, FAAN, Dean, College of Nursing

**APPROVAL OF ARCHITECT SELECTION for  
ATRISCO HERITAGE ACADEMY SCHOOL BASED HEALTH CENTER  
UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER  
February 14, 2012**

**REQUESTED ACTION:**

In accordance with Section 7.11 of the Board of Regents Policy Manual, it is recommended that the Board of Regents approve the selection of the following architect for design and planning for the School Based Health Center located at the Albuquerque Public School's Atrisco Heritage Academy Campus.

**Recommended Firm: Fanning Bard Tatum Architects (Albuquerque, NM)**

**PROJECT DESCRIPTION:**

1. The project will build out and equip 3,906 square feet of existing shelled space which was specifically designed to accept a community based clinic. This space is located within an administrative building on the campus with independent access to both students and the public. The clinic will include eight exam rooms, a med room, clean and soiled utility rooms, a nurse station, a shared conference space and other necessary support areas to ensure New Mexico Department of Health Licensure.
2. This project supports the Health Resources & Services Administration (HRSA) requirements for their Affordable Care Act Grants for School Based Health Centers Capital Program. The school is located in a federally designated Medically-Underserved Area and Population. The proposed project will provide a comprehensive set of health-related services to students, families of students, school staff, and community members. Oversight will be an effective partnership between Albuquerque Public Schools, the UNM Hospital, and the Health Sciences Center.

**RATIONALE:**

1. This recommendation is based on a sole source selection process in accordance with State of New Mexico Procurement Regulations. The architectural and engineering team designed the existing building and supported the planning for the Atrisco Heritage campus for the last six years.
2. The Fanning Bard Tatum Architects design team for this project is comprised of individuals who have supported numerous projects for the University of New Mexico Hospitals.
3. The fee proposal for basic services is under \$50,000 for the project.

**FUNDING:**

The total estimated Project Budget is \$791,800:

- \$500,000 is funded from HRSA grant, award number C12CS21954
- \$291,800 is funded from UNM Hospital Capital Initiatives Funds



UNM HEALTH SCIENCES CENTER

OFFICE OF THE CHANCELLOR FOR HEALTH SCIENCES

**TO:** Carolyn J. Abeita, Esq., Chair, UNM Health Sciences Center Board of Directors and Member, UNM Board of Regents

**FROM:** Paul B. Roth, MD, MS, FACEP, Chairman of the Board, UNM Medical Group  
Chancellor for Health Sciences

cc: Anthony R. Masciotra, Jr., CPA, President and CEO, UNMMG

**DATE:** January 9, 2012

**RE:** Nominations to the UNM Medical Group, Inc. Board of Directors

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Pursuant to the Amended and Restated Bylaws of UNM Medical Group, Inc. ("UNMMG"), approved by the Board of Regents on December 14, 2010, I respectfully submit for your consideration the following nominees to serve as Directors on the UNMMG Board of Directors in the classes indicated adjacent to their names for three-year terms and seek approval from the HSC Board of Directors to appoint each of the Class A Directors noted below to such Board:

Class A Directors (Up for nomination for CY 2012)

Positional Directors:

Carolyn Voss, MD, Senior Associate Dean for Clinical Affairs, UNM School of Medicine - *Class A*

Nominees from the UNM School of Medicine Committee of Chairs:

Tom Williams, M.D., Chair, Department of Pathology, UNM School of Medicine -- *Class A*  
Martha McGrew, M.D., Chair, Department of Family & Community Medicine -- *Class A*

Nominees from the Physician Advisory Group:

Robb McLean, M.D., Vice Chair, Clinical Operations, Department of Emergency Medicine -- *Class A*

Candidate biographies are attached. Thank you for your consideration.

2012-1558-PBR

**Carolyn Voss, M.D., Vice Chairman of the Board, Executive and Audit Committee**



Carolyn Voss, MD, FACP, received BA degrees in Philosophy and Chemistry from the University of California, San Diego, and completed her MD degree at the University of California at San Francisco. She did her Internal Medicine training at the University of New Mexico, and then joined the faculty at UNM in the newly formed Division of General Internal Medicine. She has been a Professor of Medicine since 2003. She was Chief of General Internal Medicine from 1996-2006, with a one year hiatus during which she served as Interim Chair for the Department of Internal Medicine. In July of 2006, she became the Executive Medical Director and Assistant Dean for Ambulatory Services, and in 2009 was named the Vice President and Senior Associate Dean for Clinical Affairs at UNM HSC. She has served University of New Mexico HSC in numerous ways over the years to promote the growth and development of General Internal Medicine practice, education, and faculty at UNM. She founded the Internal Medicine Hospitalist program, and fostered the development of the Section of Integrative Medicine within the DOIM. She completed the Hedwig van Ameringen Executive Leadership in Academic Medicine Fellowship in 1999, and served as president of the Associated Chiefs of General Internal Medicine in 2006-2007.

**Robb McLean, M.D., Physician Advisory Vice Chair**



Dr. McLean is Vice Chair of Clinical Operations in the Department of Emergency Medicine at UNM. He received his undergraduate degree in History and Science studying medieval philosophy at Harvard College and subsequently attended Indiana University School of Medicine. After completing residency training in Emergency Medicine at the University of New Mexico, Dr. McLean practiced for three years at the University of Tennessee Medical Center in Knoxville. In 2008, he returned to UNM and clinical practice in the Department of Emergency Medicine where he was Assistant Medical Director for 2 years. For the last year he has served both as the Medical Director of the Emergency Department and as an Associate CMIO of UNM Hospital. His interests include clinical efficiency and problem solving with a focus on interdisciplinary engagement. He has served on numerous hospital committees and has been a member of the Physician Advisory Group for two years.

**Martha McGrew, M.D., Finance Committee, Liaison to SRMC BOD**



Dr. McGrew is the Chair of Family and Community Medicine. She joined the faculty of the University of New Mexico School of Medicine in 1990. She is a graduate of Louisiana State University School of Medicine in Shreveport where she also completed her Family Medicine Residency. Following residency, Dr. McGrew completed a faculty development fellowship at the University of California-San Francisco Department of Family Medicine. She joined the faculty at UNM-SOM in 1990.

Dr. McGrew has served a number of leadership roles in the School of Medicine including Family Medicine Clerkship Director, Director of Tutor Training, Vice-chair for Education and Associate Chair. She was selected for the prestigious Executive Leadership in Academic Medicine Fellowship (ELAM) which she completed in 2005. Her department is nationally and internationally known for its innovations in education, primary care, and community oriented research. She is committed to increasing access to care for the citizens of New Mexico through the education of Family Practice residents and other learners in the Health Sciences Center.

Dr. McGrew consults nationally and internationally on Problem-based Learning and Family Medicine Education. She has received numerous teaching awards from the School of Medicine and her Department. Dr. McGrew was named the Albuquerque Top Docs in Family Medicine by Albuquerque Magazine in 2008.

Dr. McGrew continues a very active practice in Family Medicine, with a focus on maternal-child health. Her favorite clinical time is being with residents in labor and delivery and on the maternal-child health service!

**Thomas M. Williams, M.D., Executive and Finance Committee**



Dr. Williams is the Chair of Pathology at the University of New Mexico. He joined the School of Medicine in 1991 from the Hospital of the University of Pennsylvania where he completed his residency in pathology and an NIH immunobiology fellowship. His medical education was at the UNM School of Medicine. Dr. Williams has been a leader in the development of molecular pathology and immunogenetics. Dr. Williams' immunogenetics research has been supported continuously for 20 years by the NIH and private agencies.

Dr. Williams is a member of the Board of Directors of TriCore Reference Laboratories, the National Center for Genome Resources, and La Tierra Sagrada. He chairs the College of American Pathologists' Pharmacogenomics Committee. In 2006-07 he was chief scientific officer for Exagen Diagnostics, a venture capital-funded biotechnology start-up. Dr. Williams was one of the first U.S. pathologists certified in Molecular Genetic Pathology by the American Boards of Medical Genetics and Pathology. He is a native of Hobbs, NM.

