

Tab 1

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

March 12, 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, *Regent President Jack L. Fortner*..... 1

II. Approval of the Summarized Minutes of the February 14, 2012 BOR Meeting and the BOR Special Meeting with Gallup Campus Advisory Board February 11, 2012.2

III. Election of the 2012-2013 Officers of the Board of Regents

IV. Adoption of Policy Concerning Public Notice of Regents' Meetings 3
BOR Calendar 2012-2013

V. President's Administrative Report, *President David J. Schmidly* 4

VI. Comments from Regents

VII. Public Comment, specific to agenda items

VIII. Comments from Regents' Advisors 5
Timothy Ross, President, Faculty Senate
Mary Clark, President, Staff Council
Representative for Katie Richardson President, GPSA
Representative for Jaymie Roybal, President, ASUNM
Waneta Tuttle, President, UNM Alumni Association
Henry Nemcik, President, for Gary Gordon, Chair, UNM Foundation
Maria Probasco, President, UNM Parent Association
Dr. Scott Obenshain, UNM Retiree Association

IX. Lobo Energy By-Law Revision, *Lee Peifer, University Counsel* 6

X. Regent Committee Reports

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

Action:

A. Revision of Section B in Faculty Handbook of Lecturer Policy, *Timothy Ross, FS President* 7

Information:

B. "Keeping College Affordable, *Terry Babbitt, AVP Enrollment Management*..... 8

C. Lobo Village Update, *Eliseo "Cheo" Torres, VP Student Affairs* 9

D. SFRB Process Update, *GPSA, ASUNM Representatives*..... 10

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

Consent Items:

A. Approval of Capital Project for Student Residence Center Apartments Interior 11
Renovations, *Vahid Staples, Planning, Budget & Analysis*

B. Approval of Contracts: UNM Financial Services-FY 12 Financial Audit Services, 12
Bruce Cherrin, Chief Procurement Officer

- C. Approval of STC.UNM Appointment to the Board of Directors, (Robert Nath),..... 13
Lisa Kuuttila, President, CEO, STC.UNM
- D. Approval of Lobo Development Corporation Board of Directors Nominations 14
(Stephen Ciepiela, reappointment Maria Griego-Raby)
Steve Beffort, Secretary/Treasurer, Lobo Development Corporation
- E. Approval of Lobo Development Corporation Proposed Amendment of Bylaws..... 15

Action Items:

- F. Financing Approval of Second Gas Turbine Cogeneration Unit at Fort Utilities Center,..... 16
David W. Harris, EVP & COO

Information Items:

- G. UNM Monthly Financial Report Update, *Ava Lovell, Controller, UNM/UNMH* 17
- H. Final Accounting of Presidential Search, *Helen Gonzales, VP Human Resources*..... 18
- I. Energy Conservation Update, *Jason Strauss, Manager, Lobo Energy Conservation* 19

Health Sciences Board, Regent Don L. Chalmers, Vice Chair

Consent Items:

- A. Request for Additional Funding to Crenshaw Endowed Chair20
Nancy Ridenour, Dean School of Nursing
- B. UNMH Contract Approval: Owens and Minor, *Steve McKernan, CEO UNM Hospitals*
- C. UNMH Contract Approval: Cerner Corporation
- D. UNMH Contract Approval: NCO Financial System
- E. UNMH Contract Approval: Bernard Hodes Group

Action Items:

- F. Construction Manager at Risk for Adult Hospital Addition.....21
Bruce Cherrin Chief Procurement Officer, Steve McKernan, CEO UNM Hospitals
- G. 1650 University Core and Shell Renovation, *Kim Murphy, Director Real Estate*22

Audit Committee, Regent Gene Gallegos, Chair

- A. Summary Report Audit Committee Meeting February 16, 2012.....23

XI. Public Comment

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

XIII. 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).

XIV. D. Vote to re-open meeting.

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

XV. Adjournment

Tab 2

The University of New Mexico
Board of Regents' Meeting
February 14, 2012
Student Union Building Ballroom C
Meeting Minutes

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

Member unable to attend: Secretary Treasurer Carolyn J. Abeita.

Administration present: President David J. Schmidly, Executive Vice President David Harris, Chancellor Paul Roth, Provost Chaouki Abdallah, Vice President Josephine De Leon (Equity & Inclusion) Vice President Julia Fulghum (R&D), Vice President Helen Gonzales (Human Resources), Vice President Paul Krebs (Athletics), Vice President Ava Lovell (Controller), 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), President Jamie Roybal (ASUNM), President Waneta Tuttle (Alumni Association), Chair Gary Gordon (UNM Foundation), President Scott Obenshain (UNM Retiree Association).

Regent Fortner called the meeting to order at 9:01 a.m.

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

Motion to adopt the agenda passed without dissent (1st Chalmers, 2nd Gallegos).

II. Approval of Summarized Minutes of the January 10, 2012 BOR Meeting, Regent Fortner

Motion to approve the minutes passed without dissent (1st Gallegos, 2nd Chalmers).

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

Priority 1. Provide leadership on the funding formula. HB (House Bill) 2 passed and for the first time in many years, there is no tuition credit. UNM is in line to receive nearly \$9 million in new I&G (Instruction and General) funding. Over the last three budget cycles, UNM has lost \$33 million in I&G funds, so this is a step in the right direction. In the NM Senate, approximately \$250 thousand was added to RPSPs (Research and Public Service Projects). Pension reform and capital outlay are still uncertain. Dr. Schmidly expressed thanks to Julia Fulghum and Curt Porter for their efforts, over several months, with the Funding Formula Task Force. Additionally, everyone at UNM owes thanks to David Harris, Marc Saavedra, Joe Thompson and the Government Relations team.

Priority 2. Continue development of the UNM Foundation. This year the Foundation has submitted 331 proposals totaling over \$121 million. President Schmidly is coordinating with incoming President Frank to assure a seamless transition in the fundraising efforts of the President's office

- **The Philanthropic Study Committee plan should be ready to submit to the Foundation Trustees and to the Regents in March.**

Priority 3. The Strategic Budget process is on track. The legislature is still in session, so we don't yet know the exact level of state support.

Priority 4. Work with the Office of the Provost to insure strong mission-centric operations. Arts & Sciences is on track to hire more than fifty faculty members, and the other colleges are hiring up to fifteen. The deans have developed multi-year hiring plans. We hope to be able to add twenty faculty members per year over the next ten years. President Schmidly confirmed to Regent Fortner that there are efforts to hire minority faculty. We should be able to increase, by 10% each year, the number of classes taught by tenure and tenure track faculty.

- **The final report of the Honors College Implementation Task Force will be in by the end of this month.**
- **The University College report should be completed by the beginning of March.**

Twenty advisors have been trained in coaching for a pilot program this spring, with a full implementation in the fall.

The Provost, in collaboration with EVP Harris, has developed a plan to offer fifty more courses in Summer 2012.

- **A report from NACADA (National Academic Advising Association) is expected within three weeks.**
- **The Diversity Council will issue a report on the Office of Equity and Inclusion by the end of the spring semester.**

In agreement with Dr. Frank, the term “Interim” has been removed from Chaouki Abdallah’s title of Provost, until June 2013.

Priority 5. Educate New Mexico on the unique mission and value of UNM. Articles have been published in the Albuquerque Journal and New Mexico Business Weekly and last month marked the first airing of Connect, collaboration between UNM Communication and Marketing and KNME.

Priority 6. Advise the BOR regarding college athletics. Beginning in academic year 2013-14, a new athletic conference involving sixteen universities, including UNM, will be formed. By laws, governance and TV contracts are some of the items yet to be worked out.

Priority 7. Complete “irons in the fire.” The campus master plan is done. The new campus housing should be ready for students in Fall 2012. Dr. Schmidly is wrapping up service on several boards. The transition to Dr. Frank’s administration is going very well.

IV. Comments from Regents

Regent Fortner attended the Hispanic Legislators reception, at which Josie de Leon, Vice President Equity and Inclusion, received an award.

Regent Chalmers said the joint meeting between the BOR and the UNMG (UNM Gallup) Advisory Board was very productive. Meetings should be scheduled annually with the advisory boards of each of the branches. He reiterated the goal of the BOR to have more and earlier input in the budget process.

V. Public Comment, specific to agenda items (none)

VI. Comments from Regents’ Advisors (reports received are included in BOR E-Book)

ASUNM, Jaymie Roybal, President. Ms. Roybal reviewed UNM Day at the Legislature and thanked the Government Relations staff for their work. ASUNM and GPSA are sponsoring Ride the Bus week.

- **The SFRB (Student Fee Review Board) will deliver its final recommendations on Wednesday.**

Faculty Senate, President Timothy Ross. Dr. Ross gave updates on several policies. Senate committees will be reviewing the Honors College proposal. The schedule for individual regents to meet with the Faculty Senate Operations Committee is finished.

- **On Thursday, it will be determined whether the Honors College proposal must go to the state after approval of the BOR.**
- **The Career Lecturer Track policy will go out for a vote by the full faculty this month.**

Staff Council, President Mary Clark. Ms. Clark noted that both proposals introduced in the legislature regarding retirement increase employee contributions. While that may be inevitable, it

does not necessarily move toward actuarial solvency of the fund, but rather moves the burden from the employer to the employee. Ms. Clark asked for UNM support of staff participation in staff council and attending sponsored events. She congratulated Josie de Leon on receiving the Dolores Huerta award.

GPSA, Katie Richardson, President. Ms. Richardson congratulated President Schmidly on the removal of the tuition credit. Ms. Richardson would like input from the Diversity Council on its initiative before budget development is complete. She thanked AVP Andrew Cullen for sitting in on the SFRB meetings. The first GPSA budget priority is the creation of an assistantship for each new faculty position hired. The second priority is support for the Graduate Student Scholarship Fund. Third priority is the implementation a recommendation to set aside 20% of any new tuition increases and invest it in need-based aid for undergraduates.

Regent Wellman thanked Ms. Richardson, Ms. Roybal and everyone who has spent so much of their time working on the SFRB recommendation.

UNM Alumni Association, Waneta Tuttle, President. Ms. Tuttle announced winners of Alumni awards: the Zimmerman award to Dr. David Hovda, the Rodey award to Michael Glennon, the Fergusson award to Marty Wilson and the Faculty Teaching award to Kathleen Washburn.

UNM Foundation, Gary Gordon, Chair. Mr. Gordon reported a very successful trustee meeting. Dr. Frank was able to attend. Mr. Gordon provided articles on best practices in supporting foundations. He announced that, with the help of VP Lovell and EVP Harris, funds raised privately by the foundation have been identified as being held in the university's treasury. Those funds will provide a significant portion of the Foundation budget this fiscal year. The basis points for the spending distribution have been lowered; this year's distribution will be just under \$14 million. He reported that for the first six months of this year, giving is less than the past two years. For the 2011 calendar year, the return on assets was 1.73%. The return on all assets for 2009, 2010 and 2011 is 9.05%.

Regent Gallegos pointed out that the spending distribution had been at 4.65% for several years. Mr. Gordon replied that last year, at 4.65%, the distribution was as \$14.896 million. This year, even at 4.65%, it would have gone down because the corpus has gone down; it would have gone down to \$14.4 million. Mr. Gordon said that the target return is 8%; 4.5% is the spending distribution, 1.85 basis points are for the developmental funding allocation and there is inflation and trying to preserve purchasing power.

Regent Gallegos asked what portion of donations are a result of Foundation fundraising. Mr. Gordon said it was fair to say that the Foundation has credit for raising all the funds presented.

Mr. Gordon thanked everyone who is participating on the Philanthropy Study Committee.

- **Future Foundation reports will be produced such that all the material is legible.**

Retiree Association, Scott Obenshain, President. Dr. Obenshain gave a presentation demonstrating the difference between PERA (Public Employees Retiree Association) and ERB (Educational Retirement Board) pensions. Even having the same salary at retirement, the PERA pension would be higher from year one. ERB retirees are at a significant disadvantage, not only to PERA, but to the CPI (Consumer Price Index). The Retiree Association will continue to work to preserve the 2% COLA.

VII. Lobo Energy Corporation, Meeting of the Member, Steven R. Beffort, Secretary Treasurer

There being no objection, the BOR resolved into the meeting of the Lobo Energy Corporation.

A. Approval of the Summarized Minutes of the January 11, 2011 Meeting

Motion to approve the Summarized Minutes of the January 11, 2011 passed without dissent (1st Chalmers, 2nd Hosmer).

B. Approval of the FY 2010-2011 Audit

Motion to approve the FY 2010-2011 Audit passed without dissent (1st Gallegos, 2nd Hosmer).

- **Regent Chalmers asked for an update on energy savings at the next BOR meeting.**

Regent Gallegos asked why Lobo Development went through F&F but Lobo Energy did not. EVP Harris said the minutes and audit report came directly before the BOR because the appropriate staff were not available and because the meeting must be held once a year. Both corporations should go through F&F. Regent Chalmers said that it was permissible for those two items to come directly before the BOR.

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

VIII. Approval of Honorary Degree Candidates, Regent Bradley Hosmer

Motion to approve the award of honorary degrees passed without dissent (1st Hosmer, 2nd Koch).

Regent Hosmer said the nominations had been vetted by the Faculty Senate and the Regents' committee. While all five candidates are very impressive, the two who were selected rose to the top.

The degrees will be awarded to US Senator Jeff Bingaman and John "Jack" Campbell, former UNM Anthropology Chair, at spring 2012 Commencement.

IX. Approval of final Board of Regents' Policy 3.5 "UNM Health Sciences Board of Directors, Regent Gene Gallegos

Motion to approve Board of Regents' Policy 3.5, as amended, and as amended to change "biannually" to "semiannually" passed, with Regent Koch not voting (1st Gallegos, 2nd Hosmer).

Regent Gallegos reported that this draft incorporated the changes requested at the Dec. 2011 BOR meeting.

Regent Chalmers noted that the financial report to the BOR should be made semiannually, not biannually, as presented here. This is a minor wording change, not a content change, and does not have to go back to committee.

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

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

Action:

A. Approval of Posthumous Degree for Angelita Muskett

Motion to approve the award of Posthumous Degree to Angelita Muskett passed without dissent (1st Hosmer, 2nd Wellman).

B. Approval of Key Management Personnel Resolution: Facilities Security Clearance

Motion to approve the Resolution passed without dissent (1st Hosmer, 2nd Gallegos).

Information:

C. Honors College Proposal, Provost Chaouki Abdallah

Provost Abdallah said that, while UNM has a very successful honors program, less than 5% of students are involved in it. With an Honors College, we can not only keep high achieving students in New Mexico, but attract them from out of state. This proposal budgets about \$1.5 million for the college and anticipates funding of \$1.9 to \$2 million based on the new funding formula and student participation. Curricula will be developed by a new faculty committee when this proposal is approved.

In response to Regent Wellman, Provost Abdallah said funding will come through the already budgeted funding for new faculty hires and that the existing Honors Program under University College will be folded in under the new Dean of Honors College and Interdisciplinary Studies.

Dr. Ross informed Regent Gallegos that the eight faculty committees not involved in curriculum are looking at the proposal now. The other three faculty committees will look at the proposal in March. It is hoped this will be ready for Faculty Senate approval by the end of April. Then it will come to the ASAR Committee and the BOR in May and June. If all goes well, the college will exist by Fall 2012, although another two to three years will be needed to remodel/construct class and residence space. If the proposal has to be approved by the state, it will take longer.

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 and 1/20/2012
- B. Approval of Architect Selection for Hokona Hall Commons Area Renovation
- C. Approval of Real Property Acquisition of 1709 Las Lomas NE
- D. Approval of Allocation of City Fire Station Land Sale Proceeds to Lobo Development Corporation
- E. Approval of Fiscal Watch Report and Monthly Consolidated Financial Report

Motion to approve consent agenda items A, B, C, D & E passed without dissent (1st Chalmers, 2nd Gallegos).

Regent Chalmers said Item D. was originally to be a land swap with the city, but due to timing issues, UNM will sell this land to the city and later purchase city land for a clinic. The allocation to Lobo Development will allow it to develop infrastructure for the fire station and other development on South Campus.

Action Item:

- F. Approval of UNM Series 2002A Bond Refunding, Andrew Cullen, AVP Budget

Motion to approve UNM Series 2002A Bond refunding passed without dissent (1st Chalmers, 2nd Wellman).

Regent Chalmers said that “refunding” sounds like we’re giving money back. It is really refinancing the bonds at a more favorable rate.

Mr. Cullen said this had been approved by F&F and the BOR in September 2011. The transaction was postponed until now to avoid possible negative tax consequences. There has been a substantial improvement since then, up from \$185 thousand average annual savings (5.75% present value savings) to over \$750 thousand (16.7%).

Mr. Cullen introduced Jason Hughes from First Southwest. Mr. Hughes noted that the funds received will be invested in AAA securities so it will be available to pay bond holders in June. UNM’s bond rating is AA.

Regent Wellman asked if this would affect the facility fee and the bond rate students pay annually. Mr. Cullen said typically that rate is not revisited. In the next several years, we may have additional cash flow that could be dedicated to new projects.

Regent Gallegos asked about UNM bonding capacity. Mr. Cullen said the coverage ratio has improved; it is low three-time coverage to high three-time coverage. It will be calculated using the most recent financial statements closer to the end of the fiscal year.

- G. Approval of Architect Selection for Student Residence Center Apartments Interior Renovations, Vahid Staples, Budget

Motion to approve the selection of DNCA Architect for the Student Residence Center Apartments interior renovation passed with Regents Fortner, Chalmers, Hosmer and Wellman voting aye, and Regents Gallegos and Koch voting no (1st Chalmers, 2nd Wellman).

Mr. Staples described the project and the process to select the architect. The project is not being done in-house because of limited in-house capacity and the need to address over 75,000 square feet of space in a very rapid time frame. The construction time is about four months and the housing must be back on line for fall semester.

Regent Chalmers said the recommendation from the F&F Committee to approve this item was not unanimous.

Regent Fortner asked why UNM doesn't provide weekly "maid" service as it used to do. He believes that would probably work to lower repair and improvement costs. Walt Miller, AVP Student Life, believes the maid service was eliminated to keep rental rates down.

Regent Gallegos said \$30 thousand for an architect, when the project is changing shower fixtures, putting in new carpet, new appliances, and things like that, seems unnecessary. It should be a matter of routine for those in charge of housing.

Regent Koch confirmed with Bruce Cherrin, Chief Procurement Officer that this project would qualify as a "design and build." As such, the architect fee would have been included in the bids from contractors. He believes if that were done the architect fee would be lower than \$30 thousand. If the project was put out to bid as a "design and build" the tight time frame and the architect fee would be included in the bid.

Mr. Cherrin said in-house people are already working on the project. Had "design and build" been employed from the beginning, it would have been useful. The project has progressed too far, and the process defined here is the best process for it now.

Regent Koch said the legislature allows a public entity to "design and build" to make the process faster and less expensive. Mr. Cherrin said UNM has used the "design and build" process before on small projects.

Regent Gallegos asked why we have done this type of renovation to five buildings over three years, but now timing is critical. Mr. Staples said UNM housing now has to be competitive with the other campus housing coming on line. He believes funding was not in place to do all twelve buildings over three years.

Regent Koch emphasized that UNM should look at using the "design and build" process in the future. Regent Hosmer agreed, saying "design and build" should be endorsed as a practice.

- H. Approval of STC.UNM Annual Report to the Board of Regents, Lisa Kuuttilla, President & CEO, Sandra Begay Campbell, Board Chair

Motion to approve STC.UNM Annual Report to the Board of Regents passed without dissent (1st Chalmers, 2nd Gallegos).

STC.UNM income for the year was over \$3 million, five new companies were started, and outreach to UNM and the community was broadened. Student interns have worked for STC for about seven years; they come from many areas of the University. It has a substantial portfolio of start-up companies, poised to grow and be acquired.

Ms. Begay Campbell said serving on the STC.UNM board allows her to see research all the way to commercialization. STC is now looking for a product that might bring UNM wide recognition; something like Gatorade® did for another university. She is proud to be a part of such a stable and efficient organization.

Regent Gallegos said it is a pleasure and an education to serve on the STC.UNM board. He stressed that STC is now over \$3 million in licensing income. Regent Chalmers pointed out that this is one way the university can help itself with funding and not rely on outside sources.

- I. Approval of Casas del Rio Ground Rent Proposal (American Campus Communities), Kim Murphy, Director, Real Estate

Motion to approve Casas del Rio ground rent proposal passed without dissent (1st Chalmers, 2nd Gallegos).

Mr. Miller explained this adjustment to the amount of ground rent for the initial year is due to updated contract pricing. The pricing was not finalized at the time the ground rent for this year was set. Per the agreement, the ground rent would be raised or lowered based on the total development and construction costs. The project is about \$4.7 million over the preliminary budget set in May 2011 due to three reasons: connecting to the UNM central heating and cooling system (\$3 million), architectural design changes (\$500 thousand) and less-than-favorable pricing from Lobo Village subcontractors (\$1.2 million). ACC offers to set the first year ground lease at \$484,742 or to change the parameters in the formula and do a total accounting at the end of the project. Because connecting to the central heating and cooling system will save some operational costs, ACC is willing to lower their target yield to 7.25% from 7.5%. Mr. Miller has determined that UNM is better served to accept the ground rent of \$484,742 for this first year. Lobo Development and the F&F Committee concur.

In response to Regent Wellman, Mr. Miller said this proposal would set the first year ground rent. The ground lease also provides, and these stipulations are not being modified by this change, that the initial rent would be increased by 3% per year for the first five years. The sixth year begins the variable rent scenario, whereby UNM gets a set percentage (9%) of ACC's gross revenue, with a floor set to protect the university against low occupancy levels. Mr. Miller said the initial rent received would stay with Lobo Development to provide seed capital for commercial development. As commercial development activity results in ground rent revenue to the University cash flow from ACC projects can be redirected.

Information Items:

- J. Provost's Five Year Forecast Budget Recommendation (draft) and PSAT Report Update, Chaouki Abdallah, Provost

Provost Abdallah reported to President Fortner that the newly hired faculty, and those to whom offers have been extended, reflect great diversity.

The PSAT (President's Strategic Advisory Team) suggested effort should be expended on retaining students, which leads to more graduates, quicker graduation, and less student debt. This proposal would approach those goals by hiring more tenure and tenure track faculty. That faculty mentors graduate students and attracts research funding.

Salary compaction and equity are a problem in hiring. For example, a particular faculty member is hired at a rate \$5,000 more than the position is budgeted. Current faculty members are making less, so it would cost \$60 to \$70 thousand per year to hire that person and provide equity to current faculty. If that is multiplied across the entire university, we come up short by about \$4 million. Lecturers and teachers are more cost effective in teaching the large freshman courses and lowering the student to teacher ratio.

Hiring and training more advisors will also help with student retention.

Dr. Schmidly asked if the Provost's model included adding an assistantship for each new faculty hire. The Provost replied that it is not included, but he is working on it; perhaps some Extended University funding might be directed there.

Regent Gallegos asked how top faculty is recruited. Faculty is recruited at department and college level by advertising in appropriate journals and web sites and by word of mouth. Most of the positions are at entry level. However, incoming President Frank is interested in hiring members of the National Academies. For that we would partner for the VP for Research and with the National Labs. Search firms are not normally used to hire faculty. Many universities are still not able to hire, so we are getting more applicants than in past years.

Regent Koch asked if the Provost knew which faculty might be at risk of being recruited by other schools and if preventive measures could be taken. The Provost responded the deans had done a preliminary assessment and stated that that is where the \$4 million figure came from. He noted that raising everyone to average HED would cost \$8 million. It needs to be reevaluated each year. Regent Koch believes we should be more proactive in contracting key faculty at higher rates, before they begin looking elsewhere.

Dr. Fulghum said the Sandia Lab MOU signed this fall includes joint hires between UNM and Sandia. We will work together on four or five hires, true split salaries, at a National Academy or National Academy level, one each year, in an area that will gain national visibility and credibility. UNM will become more competitive in areas of research expertise that is of interest to our students and faculty and to the lab's technical staff and mission. The first hire will be in the School of Engineering with a goal of having a joint search committee in August. Dr. Fulghum hopes to have the same type of process in place with Los Alamos Lab by August 2013.

Regent Hosmer said the ASAR Committee firmly endorses this proposal. Regent Chalmers appreciates the work the Provost has done; it is a great example of what the new money appropriated by the legislature will be used for.

K. Tuition and Fee Team Recommendations (draft), Andrew Cullen, AVP Budget

Mr. Cullen said he has been pulling together information for many different groups, including the Provost's academic plan, in an effort to give the BOR as much information as possible as early in the budget process as possible. Mid-year reviews with departments that have key budget drivers are currently being conducted. Health care premiums are likely to increase, we hope to hold state risk management premiums steady and utility costs may be stable for 2013 due to a warm winter and low natural gas prices. Coming presentations are F&F March 1, ASAR March 7, BOR March 12 (draft proposal) and the Budget Summit March 23.

This team's charge was not to make a recommendation on tuition and fee increases, but to look at policies which can improve the processes. This draft, along with the Provost's draft,

would go to the Strategic Budget Leadership Team which is gathering all the components to make the tuition and fee recommendation.

Professor Amy Neel presented two recommendations they are making and one recommendation they have, so far, declined to make. The first recommendation is to establish a “peer list” that better represents the mix of flagship and research institutions with which we can compare costs and financial aid. Historically, UNM has had low tuition and fees. There is a national trend to report “net price” to students considering college. That price is the cost of attendance, which includes tuition and fees, room and board, books and supplies minus any grants and tax credits. UNM has a relatively low net price, but when we calculated average net cost as a percentage of state median family income, it doesn’t look quite so good, at 24%. We are working on Regent Hosmer’s questions about how much UNM students actually pay; how many pay nothing, how many pay ½ the total cost of attendance, how many pay 100% of the full cost.

The most important recommendation, we feel, is to set aside 20% of future tuition increases for need-based institutional financial aid. UNM provides less institutional aid per student and sets aside far less institutional money for need-based aid than other universities.

The recommendation the team has so far declined to make is guaranteed tuition, incentivizing students to graduate in four years by offering a set tuition for four years, or providing a financial reward at the end if students graduate in four years. The real world incentives are already quite substantial, far more than UNM could provide. But those incentives are being ignored by students all over the country. Regent Gallegos stated the decision (or lack of a decision) to graduate in four years is not necessarily a financial one, but to retain a preferred lifestyle. Ms. Richardson feels that, for many students, the decision may revolve around being able to keep a job to finance college and take enough credits to graduate in four years. Regent Chalmers would like to work toward making it feasible for students to graduate in four years and he feels the Provost’s recommendation for more and better advising will facilitate that.

Regent Gallegos said information such as the inflation rate and the trend of inflation nationally and in New Mexico, and the cost of living Albuquerque would be very valuable in making tuition and fees decisions. Just comparing the amount of tuition and fees does not take into account economic factors in different parts of the country.

Mr. Cullen said the changes to the SFRB will be implemented for a year to see how they work.

- **The SFRB budget proposal will be coming to the SBLT (Strategic Budget Leadership Team) by February 15.**
- **Regent Hosmer asked for recommendations on the criteria to be used for making this decision as the BOR had stipulated.**
- **EVP Harris and AVP Cullen will complete a budget development timeline to be forwarded to all the regents.**

Budget information and recommendations will be discussed at the F&F meeting March 1st, the ASAR meeting March 7th and the BOR meeting March 12th prior to the Budget Summit on March 23rd.

Health Sciences Board, Regent Bradley Hosmer, Acting Chair

Consent Items:

- A. Approval: UNMH Contract with Tricore 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

Motion to approve items A, B, & C on the Consent Agenda passed without dissent (1st Hosmer, 2nd Chalmers).

Motion to approve item D on the Consent Agenda passed without dissent (1st Hosmer, 2nd Chalmers).

Motion to approve item E on the Consent Agenda passed without dissent (1st Hosmer, 2nd Gallegos).

Chancellor Roth said that with the restructuring, a year ago, of the UNMMG (UNM Medical Group-the clinical practice arm of the School of Medicine) the department chairs elected nine board members with initial terms of one, two or three years. The one year terms have been completed and the Health Sciences Board is recommending these nominees for appointment to three year terms: Carolyn Voss, MD, Tom Williams, MD, Martha McGrew, MD and Robb McLean, MD.

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

XI. Public Comment

Jolene Peterson (paraphrased, submitted letter): To the UNM Board of Regents, UNM Presidents Frank and Schmidly, Provost Abdallah, Student Senate President Roybal.

Students of the MLT (Medical Laboratory Technician) Program are deeply concerned. The termination of the current MLT Program Director, Loretta Gonzales, will have a great impact on whether we graduate from the MLT program in July 2012, whether we will be able to take the MLT certifying exam and on the accreditation of the MLT Program.

Beginning in January 2012, MLT students met, on more than one occasion, with Chair Teresa Wilkins and Dean Neal Mangham to express their concerns. The answers received were questionable, at best. We believe the MLT Program Director was not given a reason for her termination, nor were two other full-time faculty members, who are Navajo. To date, neither the Dean nor the Chair has met with Ms. Gonzales about the MLT Program's accreditation and the welfare of the MLT students. The MLT Program accreditation is due October 1, 2012 and requires a MLT Program Director.

We feel students and Gallup community members were not give sufficient time to express their concerns at the joint meeting of the UNMG Board of Advisors and the UNM BOR.

It is our understanding that the published UNMG catalog is a contract between the student and the university. If the demands presented to Executive Director Sylvia Andrew are not met to our satisfaction, we will go to higher authorities and seek legal counsel.

Priscilla Smith (paraphrased, submitted letter): President Fortner, esteemed members of the Board of Regents. In the sixties there was a dream that the branch campuses would provide some kind of good training for people to staff the twenty plus twelve medical facilities,

Indian Health Service in the Gallup area. It was supposed to be an articulated two plus two, seamless into Albuquerque, that students could be able to get better jobs. That was the dream that we had for branch campuses. And it was a dream that UNM had as the branch being an integral part of this community. Somewhere along the line the career-based, seamless articulation is still a dream.

We have the advent of a new Gallup Indian Medical Center to provide more services. It is going to need even more staffing, and I tell you we need Bachelors, we need doctors, but we also need the very good two-year programs that are going to be the supporting staff. With our two year seamless articulation, we hope they may go for their Bachelor's and their Master's, and come back to the Navajo reservation and the Arizona reservations and provide healthcare for the people there that most need it. They have been trying for years to recruit people and it's just not working, because the Indian Health Service wants their people trained, they want them to articulate with better programs. When I was there it was a dream about to come true. I had many professionals graduating from my program because you all, as regents, encouraged them and we were able to do it. But listen to what's happening in Gallup. Human Services Program lost their director and did not replace her. The Dental Assistant Program Director is leaving in June. Where is the application to replace that person? Where is the application to replace some of the other programs, the MLT? I'm just shocked. How in the world do you continue a program when you have a staff of one? \$300 thousand of Gallup GO Bonds was spent on the RadTech program three years ago and it's yet to be instituted. And RadTechs are needed all over, even the Phoenix area. Nursing programs not accredited; they were ten years ago, now they're not.

Tell me you support the health care initiative. Please help me to tell those people in Gallup, at the Chamber, at the county, anyone that will listen, that we are, in fact, encouraging students to go into health careers. Please note that I got this stat from the internet: it says that in New Mexico in health care services alone a 43% increase in employment is expected. That's how many more people we need; we need almost double the ones we have. And the same thing with hospitals. We have a lot of people who are good and who are doing their work, but we need 50% more.

Please help us to realize the two year dream. Please help us to support the branch campuses. Give us a chance to prove to you that we can do it. We have a dream for our kids. We need you all to look at this issue, to support the two year mandate in Gallup and give us the support that we need for certified, qualified professional people. We have to keep those people. We have to have them certified. We have to keep them happy because we need those professionals in the Gallup area to get our students ready and to provide for that need in the community. We've invested a lot of time. The students have invested a lot of time. Can I ask for your help?

Regent Gallegos asked, "What is the help that you need?"

Ms. Smith replied that she doesn't believe the health care core is being supported. Notice the people who are missing who are needed to lead these programs, to certify the students in a professional way to be good employees. We don't have the support to find these certified professional people. And when we do, they don't take care of them. They did not care to work with Loretta. They did not care to realize they should nurture valuable employees. I'm saying that about Dental. I'm saying that about Human Services. I'm saying that about the RadTech program that has yet to come into play. Notice, no support for the health core. We need certified professional people for the two year vision.

Regent Fortner told Ms. Smith that she and Ms. Peterson are due some answers.

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

Motion to proceed into Executive Session passed unanimously at 12:20 p.m. (1st Gallegos, 2nd Chalmers).

XIII. Executive Session 12:21 p.m. – 1:29 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).

XIV. D. Vote to Re-open the meeting.

Motion to return to open session passed at 1:30 p.m. (1st Fortner, 2nd Hosmer).

- 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 action taken in executive session passed (1st Wellman, 2nd Gallegos).

- **The BOR President will have the authority to appoint Regent Hosmer to receive briefings on classified programs.**
- Motion to approve made and seconded as follows:

Without affecting the terms of the Security Managerial Group Resolution approved by the Board on February 14, 2012, Regent Bradley Hosmer, because he currently holds a personnel clearance (PCL) equivalent to the University's Facility Clearance (FCL), is hereby authorized to receive classified briefings and to otherwise be informed of classified research at the University.

XV. Adjournment

Motion to adjourn the meeting passed at 1:31 p.m. (1st Fortner, 2nd Koch).

Jack. L. Fortner, President
Board of Regents

Don L. Chalmers, Vice President
Board of Regents

The University of New Mexico
Special Meeting of the Board of Regents
with the Gallup Campus Advisory Board
February 11, 2012, 9:00 a.m.
Tow Diehm Athletic Facility
Meeting Minutes

Board of Regents Members present: President Jack L. Fortner, Vice President Don L. Chalmers, Bradley C. Hosmer, James H. Koch, Jacob P. Wellman (Quorum).

Board of Regents unable to attend: Secretary Treasurer Carolyn J. Abeita, J.E. Gene Gallegos.

Gallup Advisory Board Members present: Chair Theresa Dowling, Vice Chair Virginia Chavez, Secretary June Shack, Edwin Begay, Gloria Skeet de Cruz.

Gallup Campus Administration present: Executive Director Sylvia Andrew, Interim Dean of Instruction Neal Mangham, Director of Student Services Zeke Garcia, Navajo Nation Scholarship Office: Rose Graham.

Main Campus Administration present: President David J. Schmidly, Executive Vice President David Harris, Chancellor Paul Roth, Provost Chaouki Abdallah, Deputy Provost Wynn Goering, Vice President Human Resources Helen Gonzales, Internal Audit Director Manu Patel, Interim University Counsel, Lee Peifer, Chief of Staff Breda Bova, Special Assistant to the BOR Ellen Wenzel, Administrative Coordinator Antonette Martinez, Interim Auditor Lisa Wauneka

Regent Fortner called the meeting to order at 9:00 a.m.

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

Motion to adopt the agenda passed (1st Fortner, 2nd Chalmers).

II. Welcome and Introductions

President Schmidly welcomed everyone in attendance, noting Deputy Provost Wynn Goering has been working closely with UNMG since September 2011.

Regent President Fortner introduced the members of the UNMG (UNM Gallup) Advisory Board. Regent Chalmers noted that the MOU (Memorandum of Understanding) between UNM and UNMG specifies an annual meeting between their Boards. This is the first such meeting since he began his tenure on the BOR and he offered apologies that the meetings had not been held in past years. Regent Chalmers expressed the conviction that Regent Fortner would be diligent in scheduling meetings, at least annually, in the future. Regent Fortner said his wife received one of her degrees through UNMG; he has family in Gallup. He welcomed all those attending, particularly those from Gallup.

III. Gallup Campus Update, Dr. Sylvia Andrew, Director, Neal Mangham, Zeke Garcia

Campus Profile, Campus Challenges, Strategic Plan

Dr. Andrew thanked the BOR for their welcome and the opportunity to bring UNMG to them. The initial slide of the presentation was a view of the recently completed Student Services and Technology Building. It is the first Silver LEEDS building constructed in Gallup. She introduced the updated Vision and Mission of UNMG, emphasizing "... a context of respect for the traditions and values of the many groups it serves." She gave a brief history of UNMG, spoke of the south campus on Zuni Pueblo, and provided statistics about the community UNMG serves and the support UNMG receives from that community.

Zeke Garcia was introduced by Dr. Andrew. Mr. Garcia presented data on student populations, demographics, and financial aid. He reported that they have cut back on student loans to avoid sending their students out with debt. 70% of students find employment after attending UNMG.

The other 30 % are encouraged to continue their education and many do. Regent Hosmer asked if the unemployment rate for graduates was known. The difference between the prevailing unemployment rate and that rate for graduates could be a measure of merit.

Regent Chalmers noted that one of the measures of student success on Main Campus is the graduation rate after six years. The number of Associate Degrees awarded and Certificates issued at UNMG seems to be low. The Regent understands that many of their classes are for adult education and not geared toward getting a degree, but asked if the rate of degree completion was known for those who enrolled with the objective of getting a degree. UNMG is hoping to develop a mechanism to track that information; it is complicated by changes in student focus and goals during their education. Dr Andrew noted that 8% of those that enter the school continue on. Within three years 40% of the students earn degrees or certificates. Another 5% go on to complete.

Dr. Neal Mangham reported 80% of those who enroll at UNMG need to take one or more remedial courses. He noted the success of April Longhair, now working at Los Alamos labs and pursuing a degree in Earth and Planetary Sciences, who required remedial English at enrollment. The faculty count in the presentation is somewhat out of date; he reported that Academic Affairs currently has sixty-one regularly appointed, full time faculty members, nearly 60% of whom are from designated minority groups; 20% of the faculty have a terminal degree, 54% have a Master's, and the others are principally certified in trades. Dr. Mangham enumerated the wide number of programs offered at UNMG. Gallup is working to align their programs with those at UNM Main. Anderson School of Management helped with reordering the business courses. The next program to be evaluated for alignment with UNM will be Sciences. UNMG is working with UNM Valencia in developing "green" construction and energy efficiency programs for both campuses. On adult education, 100% of those who took the UNMG GED preparation course passed the test on the first try. Faculty who have been so successful with adult education have partnered with regularly appointed faculty members to develop a pilot program to address the remedial courses.

- **Program assessments should be completed by the end of the summer.**
- **UNMG will enter candidacy with the NLN (National League of Nursing) in the fall.**

Under an MOU with the Navajo Nation, UNMG has developed a Professional Development Program. Entrepreneurship Institute has been developed within the business program; rather than move away, students can start their own businesses locally.

Dr. Andrew reported that, this fiscal year, the Navajo Nation has given UNMG more than \$491 thousand in scholarship money. It has given more than \$1.5 million to UNM Albuquerque this year.

Dr. Mangham detailed development of the Strategic Plan, the Academic Plan and the first phase of the Master Plan for site and land use. UNMG is between steps 4 and 5 on the Strategic Plan. The final draft of the Strategic Plan has been endorsed by the Staff Senate and expected to be endorsed by the Faculty Senate on Feb. 17th. After endorsement by the UNMG Board of Advisors, it will come before the BOR for approval. The six strategic directions in the presentation are not shown in order of importance.

- **The Strategic Plan should be ready to come before the BOR in 2012.**

The Academic Plan must achieve the appropriate balance between the various academic missions.

Dr. Mangham complimented Main Campus Planning Department for the proactive stance it has taken toward the UNMG Master Plan process.

Regent Chalmers expressed concern at the need for remediation for 80% of entering students. He wondered if the College of Education could establish a program, as Anderson School did. He feels UNM should be held responsible for lowering the amount of remediation necessary. Dr. Mangham said they are working with area high schools on what UNMG expects from their graduates and how the university might help those schools deliver. Regent Chalmers feels the Gallup theme of “Stay Close, Go Far” expresses the way to develop more and better teachers and teaching methods. It comes from the community. He again recommended that the COE establish a program to enhance education received before a student gets to UNMG. Dr. Mangham said that, through the Extended University, UNMG students can receive a Bachelor’s in Education and immediately go into elementary teaching.

Regent Fortner said he believes much of the 80% may be attributable to a language barrier because Navajo is the first language of those students. It was confirmed that many more students required remediation in English than in computation. However, among 18-19 year old students, Navajo is now the second language; now many do not speak good English or good Navajo. Feeder schools need to focus on English.

Board Member Begay believes that neither UNM nor any college is at fault for not providing service. The majority of New Mexico schools do not provide services, whether it’s for Native Americans, for Hispanics, or others. The schools are responsible.

Rose Graham discussed a change in policies to address outcomes. She also spoke about summer institutes for college preparation to be offered on the Navajo Nation.

Regent Koch noted that this issue is not unique to Gallup. The language barrier is a concern and a difficulty. UNM is not responsible, although we have to help where we can. The problem is public school funding in New Mexico. He complimented the presentation and said the state does not realize all that UNMG is doing.

Regent Hosmer expressed the view that the main impediment is the feeder system. Noting the state is becoming more rigorous regarding outcomes, he offered the suggestion that UNMG help McKinley County consider the K-12 situation as more central to its future than is the Gallup Campus. “You may consider encouraging local schools districts to define the purpose of the K-12 system as producing graduates who are prepared to go to college.”

Board Member Virginia Chavez is also a member of the Zuni School Board. She said that school board is concerned their students are not college ready. That is why the partnership with the Gallup Advisory Board is important. She is concerned that their teachers do not have high expectations of their minority students.

Regent Hosmer agreed that the K-12 system is living with the “tyranny of lowered expectations.” He believes that, in this state, a multicultural background is accepted as an academic disability. That is just an excuse. Education can overcome it; it can be an advantage.

A comment was made that 70% of the graduates of Colorado schools needed remedial math. Of those that take the math, 40% drop out.

The Gallup, McKinley and Zuni school boards are united in planning a program. The College of Education is being considered as an external evaluator of the pilot program.

Operating Agreement

The Operating Agreement requires review every two years, but requires no action or signatory change unless the Agreement is to be changed. Regent Chalmers stressed that it does require an annual meeting of the boards. It was pointed out that basically the same agreement is in place with all branches and that such an annual meeting is in each of the agreements.

- **Regent Chalmers asked that metrics be devised so progress can be measured.**

Audit Update

Internal Audit Director Manu Patel reviewed the audit reports issued in January 2010 and April 2011.

Of the twenty six recommendations in the 2010 audit, twenty five have been implemented. The outstanding item is in Information Technology. UNM Gallup is working with Main Campus to implement this item.

Of the twenty four recommendations in the 2011 audit, fifteen have been implemented. Most of the remaining nine recommendations will be implemented by the end of the calendar year. Internal Audit staff will continue to follow up on the implementations.

- **Regent Chalmers suggested that a report on the progress on the 2011 recommendations and a review of the 2009 audit findings be made at the next annual meeting of the BOR and BOA.**

IV. Gallup Strategic Plan

(See discussion under III. above.)

Motion to adjourn the meeting for lunch passed at 11:30 a.m. without dissent (1st Fortner, 2nd Koch).

V. Vote to close the meeting and to proceed into Executive Session N/A

VI. Executive Session N/A

VII. D. Vote to Re-open the Meeting N/A

VIII. Adjournment

Motion to adjourn the meeting passed at 12:12 p.m. (1st Fortner, 2nd Chalmers).

Regent Jack L. Fortner
President, Board of Regents

Regent Don L. Chalmers
Vice President, Board of Regents

Tab 3

**The University of New Mexico
Board of Regents' Policy Manual**

1.3 Subject: PUBLIC NOTICE OF REGENTS' MEETINGS

Adopted: September 12, 1996

Amended: December 8, 1998

Amended: March 11, 2002

Amended: September 9, 2003

Amended: March 14, 2005

Policy

1. This Policy is adopted pursuant to the New Mexico Open Meetings Act, § 10-15-1, et seq., NMSA 1978.

2. Regular Meetings.

a. Regular meetings of the Board of Regents will be held in the Student Union Building on the second Monday in March and on the second Tuesday in January, February, April, May, June, August, September, October, November, and December, unless otherwise announced in the Notice of Regular Meetings, pursuant to this Resolution.

b. Notice of Regular Meetings. Notice to the public of the regular meetings of the Board of Regents will specify the date, time, and place thereof and will state that a copy of the agenda will be available in the Public Affairs Office and at such other locations chosen by the President of the University, at least twenty-four (24) hours prior to the meeting. Notice will be given to those newspapers and broadcast stations that have filed a written request with the Public Affairs Office for such notices of meetings. Notice will be by mail, facsimile machine, or electronic mail at least ten (10) days prior to the meeting.

3. Special Meetings.

a. Special meetings of the Board of Regents may be called by the President of the Board or any four (4) members of the Board.

b. Notice of Special Meetings. Notice to the public of special meetings of the Board of Regents will specify the date, time, and place thereof and will state that a copy of the agenda will be available in the Public Affairs Office and at such other locations chosen by the President of the University, at least twenty-four (24) hours prior to the meeting. Notice will be given to those newspapers and broadcast stations that have filed a written request with the Public Affairs Office for such notices of meetings. Notice by mail, facsimile machine, or electronic mail will be given at least three (3) days prior to the meeting.

4. Emergency Meetings.

a. Emergency meetings of the Board of Regents may be called by the President of the Board or any four (4) members of the Board only in the event of unforeseen circumstances that, if not addressed immediately by the Board, will likely result in injury or damage to persons or property or substantial financial loss to the University. The Board will avoid emergency meetings whenever possible.

b. Notice of Emergency Meetings. Notice to the public of emergency meetings of the Board of Regents will specify the date, time, place, and subject matter thereof and will be given to those newspapers and broadcast stations that have filed a written request with the Public Affairs Office for such notices of

meetings. Notice will be by telephone, facsimile machine, or electronic mail and at locations chosen by the President of the University, at least twenty-four (24) hours prior to the meeting or by such other notice as soon as possible and as may be practicable under the circumstances.

5. Compliance with the Americans with Disabilities Act. In addition to the information specified above, all notices shall include the following language:

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in a meeting of the Board of Regents, please contact the Office of Public Affairs at least one week prior to the meeting. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the Office of Public Affairs if an accessible format is needed.

6. Telephone Meetings. A member of the Board of Regents may participate in a regular, special, or emergency meeting of the Board by means of a conference telephone or other similar communications equipment when it is otherwise difficult or impossible for the member to attend the meeting in person. Each member participating by conference telephone must be identified when speaking, all participants must be able to hear each other at the same time, and members of the public attending the meeting must be able to hear any member of the Board who speaks during the meeting. The minutes of any meeting at which there is telephone participation shall identify the Regent(s) who was not physically present but who participated by conference telephone or other similar communications equipment.

7. Closed Meetings (Executive Sessions).

a. Exceptions to Open Meetings Act. Meetings of the Board of Regents may be closed, according to the procedures set out below, only if the matter to be considered falls within one of the enumerated exceptions defined in Section 10-15-1(H) of the Open Meetings Act or if closure can be implied from or required by other laws or constitutional principles which specifically or necessarily preserve the confidentiality of certain information.

b. Closing an Open Meeting.

Closing of a meeting shall be by a majority vote of a quorum of the Board during the open meeting, with the vote of each member being recorded. The motion shall state: (1) the authority for the closure (the statutory provision); and (2) the subject to be discussed with reasonable specificity. The matter to be discussed must have been included on the agenda, except for emergency matters.

c. Calling a Closed Meeting Outside an Open Meeting.

(1) Notice that a meeting will be closed, in whole or in part, will be given as specified above for a regular, special or emergency meeting, as appropriate, by so specifying either in the notice of the meeting or on the agenda. The notice shall state the specific provision of the law authorizing the closed meeting and shall state the subject to be discussed with reasonable specificity.

(2) The minutes of the next open meeting shall contain information about the closed meeting, including the date, time, place, and subject matter of the closed meeting, the names of the Regents present at the closed meeting, the names of the absent Regents, and a statement that the matters discussed in the closed meeting were limited only to those specified in the notice of the closed meeting.

d. Action. Any final action taken as a result of discussions in a closed meeting shall be made by a vote

of the Board of Regents at an open public meeting, with the exceptions allowed under Section 10-15-1 (H).

8. Agendas. A copy of the agenda for each regular and special meeting of the Board of Regents will be available at least twenty-four (24) hours prior to the meeting (and the notice of the meeting shall so state) at the Public Affairs Office and at such other locations chosen by the President of the University. Except for emergency matters, the Board shall take action only on items appearing on the agenda. The intent to close a regular meeting and the subject matter involved shall be included in the agenda.

9. Public Input at Meetings. An opportunity for public input regarding agenda items shall be provided at each regular meeting during Board consideration of the agenda item in question. The President of the Board of Regents shall determine the length of time to be allowed for public input for each agenda item, the sequence in which individuals may address the Board, and the length of time that will be allowed for each person to address the Board. The Board President may request that a group designate a spokesperson.

10. Minutes.

a. The Board of Regents shall approve and keep written minutes of all its meetings. The minutes shall include, at a minimum: (1) the date, time, and place of the meeting; (2) the names of Regents in attendance and those absent; (3) a statement of what proposals were considered; and (4) a record of any decisions made by the Board and how each Regent voted.

b. Draft minutes shall be prepared within ten (10) working days after the meeting and must be available for public inspection. The draft minutes must clearly indicate that they are not the official minutes and are subject to approval by the Board.

c. Draft minutes shall be approved, amended, or disapproved at the next regular meeting where a quorum is present. Minutes shall not become official until approved by the Board of Regents. Official minutes are subject to public inspection.

d. No minutes need to be kept during closed sessions, but information about the closed session must be recorded as specified in the "Closed Meetings" section of this resolution.

e. Audio tapes of Board of Regents' meetings shall be kept for three years.

References

Open Meetings Act, § 10-15-1 NMSA 1978.

Comments should be sent to BRPM@UNM.edu

Go to:

[Table of Contents](#)

[Table of Contents - Section 1](#)

[Regents' Policy Manual Homepage](#)



The University of New Mexico
Albuquerque, New Mexico

**The University of New Mexico
Board of Regents' Policy Manual**

1.1 Subject: RESPONSIBILITIES OF THE BOARD OF REGENTS

Adopted: September 12, 1996

Amended: December 14, 2004

Ultimate Responsibility for the Governance of the University

The Board of Regents is responsible for the governance of the University of New Mexico. This responsibility may be exercised only by the Board as a unit; individual Regents are without power to act separately in the transaction of University business, except when one of the Board's officers is specifically authorized to act on behalf of the Board.

The Board's power to govern the University includes fiduciary responsibility for the assets and programs of the University, establishment of goals and policies to guide the University and oversight of the functioning of the University. The Board vests responsibility for the operation and management of the University in the President of the University.

Duties and Functions of the Board

The Board shall carry out the duties and functions authorized by law and specified in this policy manual including, but not limited to the following:

1. Appoint a President of the University who serves as Chief Executive Officer; and delegate authority to the President for effective operation of the University.
2. Adopt Board of Regents' policies for the governance of the University, and at least biennially, review the Regents' Policy Manual for compliance and revision, in addition to revisions submitted, as necessary, at any time.
3. Establish, and periodically review, the mission, goals, objectives of the University, and a long-range campus master plan for the physical development of the University; create colleges, schools and branches.
4. Approve the constitution or other governing document of faculty, staff, and student governing bodies and component or affiliated organizations, as determined to be appropriate by the President and the Board.
5. Approve all degrees awarded by the University.
6. Enter into, and review biennially, operating agreements with the Board of Advisors of each branch college.
7. Approve the organizational structure for the University, and any major revisions proposed by the President.
8. Take any other actions required by law to be decided at the level of the Board.

The Board reserves the right to consider and determine any matter relating to the University.

References

N.M. Const. art. XII, § 13; NMSA 1978, §§ 21-1-1 *et seq.* and 21-7-1 *et seq.*

Comments should be sent to BRPM@UNM.edu

Go to:

[Table of Contents](#)

[Table of Contents - Section 1](#)

[Regents' Policy Manual Homepage](#)



The University of New Mexico
Albuquerque, New Mexico

Tab 4

Materials will be provided at the BOR meeting.

Tab 5



March 07, 2012

Dear Regent President Fortner and members of the Board of Regents,

The past few years have taken a toll on UNM staff. We have seen our paychecks shrink due to the increase in ERB employee contributions, not once but twice. We have seen the cost of health care insurance premiums rise, parking fees increase, and the tuition remission benefit for personal enrichment classes disappear. Our workload continues to increase as student enrollment increases while staff jobs made vacant during the Pause and Hold are left unfilled. Nevertheless, our productivity remains high. We continue to register our students, tend to the grounds and landscaping, write and process grants, pay bills, fix the plumbing, drive the shuttle buses full of students to their classes, maintain the campus IT systems and so much more. But as a valuable part for this University, staff is a resource that has been neglected.

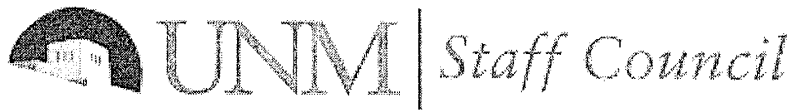
The Staff Council believes that now is the time to reinvest in staff. For fiscal year 2013, we support an equal compensation increase for staff and faculty. It has been reported in the media that UNM employees will receive a increase in our paychecks as the 1.75% ERB swap will sunset at the end of June. This is not a pay increase. This is money that was taken from us to help balance the state's budget. Staff need and deserve a true compensation increase.

UNM staff supports the recruitment and hiring of more faculty. We support the creation of an Honors College. We support the desire to increase our enrollment, improve our retention and increase our graduation rates. However, with increased faculty and increased student enrollment, we also recognize the need to fill vacant staff positions so that staff, who assumed more duties over the past few years, can begin to get some relief. Staff are overworked and this is a dangerous trend as it leads to increased stress on the job, health problems and family issues.

Although the past few years have been difficult for staff, we have remained committed to excellence, focused on the goal of student success, and diligent in our efforts to help the University succeed.

Please show your support to UNM staff by supporting an increase to our compensation.

Thank you,
Mary Clark, President
Staff Council



UNM Staff Council 2012 Resolution #1

Support for "UNM Ride the Bus Week, February 20-24, 2012"

Author: Ann Rickard, on behalf of the Parking and Transportation Committee

Presented to Staff Council on Tuesday, February, 21, 2012

Council Action: APPROVED BY THE STAFF COUNCIL EXECUTIVE COMMITTEE

1. Whereas, UNM President, David J. Schmidly has signed the American College & University President's Climate Commitment, committing the University of New Mexico to carbon neutrality by 2050; and
2. Whereas commuting by automobile accounts for 21% of the University's total carbon emissions output; and
3. Whereas, UBPPM Policy #2100 – Sustainability – states that "The University encourages a diverse campus culture that harmonizes UNM's sustainable goals of environmental protection, social equity, and economic opportunity within the context of its education, research, and public service missions;" and
4. Whereas, one of our University core values is sustainability; and
5. Whereas, the University of New Mexico is the single largest trip-generator in New Mexico; and
6. Whereas, statistics show that 40% of UNM staff members are currently using alternative transportation to access campus and of those 12.7 percent are using the ABQRide free bus pass program as a primary form of transportation to UNM; and
7. Whereas the Graduate & Professional Student Association (GPSA) and the Associated Students of UNM (ASUNM) are working in collaboration to bring awareness to the ABQRide free bus pass program with UNM Ride the Bus Week, February 20-24, 2012;
8. Therefore, be it resolved that the UNM Staff Council endorses UNM Ride the Bus Week on February 20-24, 2012.
9. Copies of this resolution shall be sent to the UNM Board of Regents, David J. Schmidly, President of UNM, Robert Nelson, Associate Director of Parking & Transportation Services, Katie Richardson, President of GPSA and Jaymie Roybal, President of ASUNM.

Ellen Wenzel

From: GPSA Council <legchair@unm.edu>
Sent: Monday, March 05, 2012 9:22 PM
To: regents@unm.edu; ewenzel@unm.edu; unmpres@unm.edu; wellman@unm.edu; chaouki@ece.unm.edu; dwharris@unm.edu; acullen@unm.edu; ross@unm.edu; katie.gpsa@gmail.com; mary@unm.edu; jlroybal@unm.edu
Cc: gforbes@unm.edu; browndm@mgt.unm.edu; markpec@unm.edu; kkrause@unm.edu; garyh@unm.edu; rhowell@unm.edu; gcroman@unm.edu; ucdesai@unm.edu; wgilbert@unm.edu; washburn@law.unm.edu; PRoth@salud.unm.edu
Subject: Graduate Student Resolution for Budget Process
Attachments: EI-SR-12-002_GET Resolution_Final.pdf
Importance: High

Dear Trusted Servants and Deans of the University of New Mexico,

Please find the attached Graduate & Professional Student Association (GPSA) Joint Executive/Legislative Resolution #EI-SR-12-002, as approved by the GPSA Legislature on March 5, 2012, regarding graduate and professional student support of “Graduate Assistant Funding Lines and 2012-13 Budget Process”.

This Resolution presents an opportunity for UNM colleges and administration to support our common strategic objectives to increase the instructor-to-student ratio of core classes while also attracting high-level graduate students; ultimately promoting student retention, expediting time to graduation, and affecting our mission to be a nationally recognized research institution. We ask for an increase in graduate assistantships commensurate with the projected enrollment level and request a mechanism to uniformly account for graduate and teaching assistant funding within the budget process.

GPSA asks you to sincerely consider our resolve on this matter. It is my duty, as GPSA Council Chair, to present this important GPSA legislation to your office and request your consideration of our constituency’s appeal for effective action for UNM students.

The GPSA commits to sharing this Resolution with Board of Regents; David Schmidly, UNM President; Dr. Chaouki Abdallah, Provost & Executive Vice President for Academic Affairs; David Harris, Executive Vice President for Administration; Andrew Cullen, Associate Vice President of Planning, Budget & Analysis; Dr. Tim Ross, Faculty Senate President; Mary Clark, Staff President; Katie Richardson, GPSA President; Jaymie Roybal, ASUNM President; and the Deans of UNM Colleges.

If you need any additional information or have any questions, please contact the GPSA President, Katie Richardson at katie.gpsa@gmail.com.

Respectfully,

Megan C. O’Laughlin

Chair, Graduate & Professional Student Council

Office: UNM SUB, Room 1021



GPSA @ UNM

Graduate And Professional Student Association

A Resolution of the Graduate and Professional Student Association

Submitted by: Graduate Employees Together (GET)

Co-Sponsored by: GPSA Assistantships & Benefits and Student Support & Advocacy Committees

Adopted by GPSA Legislative Council, March 5, 2012

Jointly signed by GPSA President, March 5, 2012

WHEREAS the projected enrollment increase for 2012-13 is 5% and State funding will increase by \$9 million; and

WHEREAS concerns about university funds nonetheless remain high; and

WHEREAS the UNM Board of Regents and administration have expressed on numerous occasions their desire to improve the undergraduate retention and graduation rates, to decrease the time to graduation for graduate students, and to lower the instructor-to-student ratio; and

WHEREAS UNM prides itself on being the state's flagship research institution; and

WHEREAS graduate assistance to professors supports the research mission of the institution, by lowering faculty workload, leading to more time for research and results in more incoming research funds and higher recognition; and

WHEREAS 1,679 (approximately 28%) of 6,000 enrolled graduate students were employed by UNM in the 2010 Fall semester as graduate assistants (GAs), teaching assistants (TAs), research assistants (RAs) and project assistants (PAs); and

WHEREAS this 28% of enrolled graduate students taught or supported close to 40% of all undergraduate courses at UNM; and

WHEREAS many graduate and professional students teach core classes, of 100 or more students, that are compulsory for graduation; and

WHEREAS increasing graduate and professional employee lines would lead toward a lower instructor-to-student ratio, directly improving undergraduate retention and graduation rates;

WHEREAS graduate and professional retention and graduation will be expedited through more on-campus employment; and

WHEREAS increasing student retention and graduation will generate more state funds;

THEREFORE, BE IT RESOLVED by the UNM Graduate and Professional Student Association that there be greater transparency, by tracking & uniformly reporting graduate and professional student assistantships, including FTE, by department and college, in the UNM budget process; and

BE IT FURTHER RESOLVED that graduate and professional assistantships be included in the Provost's five-year plan and as a line item in the annual budget process; and

BE IT FURTHER RESOLVED that graduate student employee lines for 2012-13 be increased commensurate with the projected student enrolment increase;

THEREFORE, BE IT FINALLY RESOLVED that this GPSA Resolution will be forwarded to: Board of Regents; David Schmidly, UNM President; Dr. Chaouki Abdallah, Provost & Executive Vice President for Academic Affairs; David Harris, Executive Vice President for Administration; Andrew Cullen, Associate Vice President of Planning, Budget & Analysis; Dr. Tim Ross, Faculty Senate President; Mary Clark, Staff President; Katie Richardson, GPSA President; Jaymie Roybal, ASUNM President; and the Deans of UNM Colleges.

**UNIVERSITY OF NEW MEXICO
ALUMNI ASSOCIATION
BOARD OF REGENTS REPORT
March 12, 2012**

Vision (Why we exist): *The Alumni Association is a vital partner in the continued excellence of the University of New Mexico through the significant engagement of alumni.*

Mission (What we are striving for): *To serve as a bridge between alumni and the university ensuring the continued success of the university and enriching the lives of alumni.*

<p>Foster enduring involvement with, pride in and commitment to UNM, its colleges, schools and programs.</p>	<p>Young Alumni are hosting a Game Watch social in Phoenix, AZ, to watch the Men's Lobo Basketball team in the first round of the MWC on Thursday, March 8 at the Half Moon Sport Grill. Members of the Young Alumni Board will be in Phoenix for the NASPA Conference and wanted to reach out to the local young alums in the area.</p> <p>The UNM Alumni Association Scholarship Program was a success. For the academic year 2012-2013, the Association will provide 19 undergraduate scholarships and 4 graduate scholarships. Over 100 students applied.</p>
<p>Engage students in ways that will develop lifetime ties to UNM.</p> <p>Expand the tradition of philanthropy toward UNM among alumni.</p>	<p>Trailblazers, UNM Alumni student ambassadors, recently were awarded the 2013 CASE ASAP District 4 Conference. Over 40 schools from NM, OK, TX, AR, and LA participate in District 4 and will arrive on campus March 15-17, 2013.</p> <p>UNM Young Alumni will host a “Sock Hop” on March 30 at The Cellar in hopes of collecting 2012 pairs of new socks for homeless families in New Mexico. The group is also sponsoring its annual Daffodil Days on March 24th to raise money for Presbyterian Home Healthcare and Hospice. The group is making plans for its first annual Duke City Sleep Out held at Balloon Fiesta Park on May 4th to raise awareness for homelessness in New Mexico.</p>
<p>Communicate effectively with our diverse group of alumni.</p>	<p>The annual Washington, DC Congressional reception was held on Tuesday, February 28th. A group of 150 plus alumni, friends and congressional staffers attended. Regent Fortner, President Schmidly and Vice President Fulgham represented the University along with a number of other UNM staff members. Senators Bingaman and Udall, along with Congressman Ben Ray Lujan attended.</p> <p>The UNM Alumni Association, Anderson School of Management and the School of Engineering are hosting a Lobo Culinary event in Scottsdale, Arizona on Saturday, April 21st from 5:00-7:00 pm for Phoenix and Tucson area alumni.</p>

Enhance services and benefits for alumni.

The Alumni Association is partnering with the Lobo Club to host receptions for alumni boosters and friends attending the **Mountain West Conference Tournament** in Las Vegas. A pre-game event was held prior to the Lobo Men's game on Thursday evening, March 8th, and again on Saturday, March 10th.

Lobo Day events have hopefully been taking place across the country. In commemoration of the University's founding on February 28th, 1889, the Alumni Association sent speakers out to a number of alumni chapters. The next event will be in Washington, DC on March 18th. UNM alumna, Patricia McArdle, is the speaker. She spent part of career with the State Department, most recently in Afghanistan. Patricia authored a novel titled 'Farishita'. The title character is a diplomat stationed in Afghanistan.

Garner greater recognition and visibility for Alumni Association programs and service to the university and community.

The **Alumni Memorial Chapel** will recognize its **50th Anniversary** on Saturday and Sunday, **April 28-29** with several events. "Celebrate and Remember" is the theme for the anniversary. On Saturday, April 28, members from the UNM ROTC programs will 'remember' our alumni who have fallen in combat since WWI. They will conduct a memorial flag ceremony in their honor. On Sunday, April 29, couples who have been married in the Alumni Chapel are invited to 'celebrate' with a program of music, reflection, chapel history and a mass vow renewal. An open house will follow at Hodgkin Hall, the Alumni Center. The commemorative poster was rendered by J.D. Wellborn.

Executive Summary: Philanthropy Study Committee Final Report

The charge to this committee is to make recommendations for maximizing fundraising support at UNM. The importance of fundraising has been emphasized with the candidates in the UNM Presidential search. As other funding sources are negatively impacted by current economic conditions, private fundraising support will become an increasingly important revenue source in maintaining the core mission at UNM”

In order to fulfill the Committee charge, the proceedings and presentations **focused on benchmarking other institutions, both peer and aspirational**, by evaluating the size and scope of the peers’ development operations and funding mechanisms. Drawing from this evaluation, the Committee considered UNM’s philanthropic effort encompassing staffing, funding, and design of philanthropic efforts going forward. This careful and thoughtful analysis provided the foundation for the recommendations made in the full report.

The Committee’s recommendations on Foundation staffing will frame the funding discussion which will in turn determine the budget and funding sources for the UNM Foundation budget. The Committee report on these recommendations will be an important part of the UNM FY12/13 budget process and should be presented to leadership as early in that process as possible with the goal now being mid-March, 2012.

The opportunity is to develop an interdependent model that is both strategic and measurable in terms of return on investment. Given that the average amount raised per frontline development officers at comparable institutions is about \$1.8 - \$2 million and the number of UNMF frontline staff is 25, our base fund raising potential is currently \$50 - \$60 million. Several factors have contributed to higher than average dollars raised per UNM development officer in the past several years such as the receipt of several extraordinary gifts. The McConnell Survey, data from an outside consultant, was presented comparing UNMF staffing and compensation levels. According to this survey the UNMF compares favorably in terms of compensation and has fewer positions filled at lower salary levels than the other organizations surveyed.

Philanthropy Study Committee Conclusions

- *The Foundation exists to support the University. A seamless, transparent partnership between the University and the Foundation is very important to success.*
- *Given the decline in the University’s funding and the return on investment realized by investing in the Foundation, we need to invest more in fundraising.*
- *An important goal of the Committee has to be to recommend a sustainable funding model. Achieving a sustainable model will likely take the form of a funding/build-up/transition plan over a number of years, with near-term and long-term goals carefully distinguished. It is instructive to look at UNM and the Foundation as a single entity, and distinguish between funds flows into the whole, and funds flows between the parts.*
- *Any staff reductions will immediately negatively affect fundraising capacity of the organization.*

A list of suggestions as prioritized by members of the Committee:

- Increase the level of institutional support from the University, the direct beneficiary of the investment in fundraising. Possible means of support suggested include:

- cost sharing agreements (*As us currently done in several departments, costs for fundraisers are shared between the Foundation and the department*)
- fees for services (*The Foundation provides annual fund services, computer services, communication services and fundraising support. Costs for these services could be agreed upon to through a multiple year contract.*)
- explore the option of having Academic Affairs contribute **\$200,000** in recurring funds from its budget
- eliminate the current charge for Foundation for office space - **\$300,000**
- eliminate the planned charge for employee benefit costs for the UNM employees assigned to the Foundation - **\$290,000**
- Improve the return on the \$50 million on deposit with the University by either
 - revising the University's current investment policy allowing the portfolio to generate at least a 3% return - **\$1,500,000** (*Note: This results in \$600,000 more investment income than the \$900,000 presently projected*), or
 - allow the Foundation to hold and invest these funds until needed by the University. (*Note: Additional investment income reduces the amount of institutional support*)
- Reduce the spending distribution by 1% making available to the Foundation - **\$2.7 - \$3 million** (*Note: The spending distribution has "restricted purposes" attached to it; therefore, it could not be distributed to the University then made available to the Foundation*)

Committee Recommendations

Given the foregoing, and after careful and thorough deliberation, the recommendations of this Committee are:

- A motion was approved to recommend a funding model that calls for 16 total new hires to be added over the 5 year projected period. This motion was seconded and carried with 1 abstaining vote.
- Committee members recommended that additional data be added to the final report (Data – Appendix 23) and that a ten year projected model also be included (Assumptions and Model – Appendix 24).
- *Institutional support be provided by the University to fund budgetary requirements net of other revenue sources*
- *Investigate how callable funds be held by the Foundation or University could be invested in a higher yield, low risk strategy.*
- *As revenue sources are variable due to economic conditions, operating deficits due to lower than projected revenues will be minimized by using a reserve with an annual allocation to the reserve.*



PARENT ASSOCIATION REPORT TO THE BOARD OF REGENTS
BY: PRESIDENT, MARIA PROBASCO
March 12, 2012

Parent Day at the Pit and Silent Auction—February 11, 2012: This event was very successful in terms of attendance and revenue generated for scholarships. A huge thank you goes to members of the committee for their hard work. The members of the committee were: Christina Kitsos, Anthony Gallegos, Michele Mals, Nick Manole, Emily Miera, Patricia Solano, David Garrett, Bob Notary, Angela Koury Daniel Perea, Angi Gonzales-Carver, Britany Jaeger, Monika Roberts, Cheryl Wallace and Bill Hauenstein. I would also like to recognize the Division of Enrollment Management for their help and support and Donna Hoff from the Provost's Office.

We were honored to have Dr. and Mrs. Robert Frank, new UNM President, attend the event and speak to parents, and also Mrs. Janet Schmidly, Dr. Cheo Torres and Dr. Terry Babbitt.

Parent Association Board of Directors Meeting—February 23, 2012: Below are action items presented and voted on the affirmative at this meeting:

- A. 2012/2013 Scholarships - \$40,000 (Forty, \$1,000 Scholarships).
- B. Creation of Parent Association Scholarship Endowment Account with the Foundation— Beginning Amount of \$15,000.
- C. 2012 Holiday Ornament:
 - a. Feature Hodgkin Hall (1st UNM Building and Alumni Association Bldg)
 - b. Produce 700 ornaments
- D. Scholarship Committee Chairs: Deborah Kieltyka and Bob Notary
- E. Glenn Dorman, Bylaws and Elections Committee Chair: Is proposing that this committee also be responsible for periodic assessment of the Association's mission accomplishment.
- F. Grant Kitting, Nominating Committee Co-Chair:
 - a. A President and Vice President will be selected in May 2012. The President will serve a two year term from June 1, 2012 through May 31, 2014. The Vice President will serve a one year term through May 31, 2013. Prior to the conclusion of the VP term, new Bylaws will be developed that will allow for the selection of a President-elect position that would begin a two year term beginning June 1, 2013. This would be a two year commitment with a President-elect title from June 1, 2013 through May 31, 2014 and then the President title from June 1, 2014 through May

31, 2015. Each year a new President-elect will be selected to serve one year as President-elect and one year as President.

- b. To keep the organization on track during this transition, the current President will serve as Past-President during the year June 1, 2012 through May 31, 2013. The Past-President position will not be required after that point as there will always be a President-elect person “in training”.

Nominating Committee: The Parent Association Nominating Committee met on January 7, January 17 and February 22, 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, they 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 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.

Upcoming Events/Activities:

- o Meet UNM Fair: Saturday, March 31, 2012
- o Scholarships Committee begins their work in March to award \$40,000 in scholarships (Forty, \$1,000 needs-based scholarships to UNM students).

Tab 6

Date: March 6, 2012

To: Regent Jack Fortner, President Board of Regents

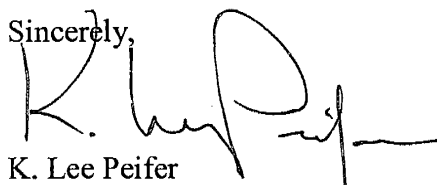
From K. Lee Peifer, Interim University Counsel

Re: Proposed Amendment to Bylaws of Lobo Energy Incorporated

Article IV, Section 1, of the Bylaws of Lobo Energy, Incorporated (“LEI”), as adopted by the Board of Directors of the corporation and as approved by the Board of Regents of the University of New Mexico, sets forth the number and constitution of the LEI Board of Directors. The Board of Regents, as sole member of LEI, proposes to amend the Bylaws, subject to and conditioned upon approval thereof by the LEI Board of Directors, to: (i) increase the number of directors from seven to eight; and, (ii) to add an additional Regent member to the LEI Board; and, (iii) to provide a method for filling Regent vacancies in Article IV Section 6 of the Bylaws. A proposed Amendment to the Bylaws is attached.

Please place the proposed Amendment to the Bylaws of Lobo Energy Incorporated on the agenda for the March 12, 2012 meeting of the Board of Regents.

Sincerely,


K. Lee Peifer
Interim University Counsel

**FIRST AMENDMENT TO BYLAWS
OF
LOBO ENERGY, INCORPORATED**

Article IV BOARD OF DIRECTORS, Section 1, of the Bylaws of Lobo Energy, Incorporated as adopted by the Board of Directors of the corporation and as approved by the Board of Regents of the University of New Mexico, is hereby deleted in its entirety and replaced with:

Section 1. The business and property of the corporation shall be managed and controlled by the Board of Directors. The number of directors shall be no less than eight. The directors shall consist of up to two Regents of the University of New Mexico; the President of the University of New Mexico, the Executive Vice President of Administration for the University of New Mexico; two deans or directors of the University, one of whom shall be from the Health Sciences Center, appointed by the President of the University of New Mexico; and at least two public members who are not employees or Regents of the University of New Mexico. The public members shall be appointed by the Board of Regents. The two deans or directors of the University shall be named by the President of the University at the organizational meeting of the Board and those two will join the Board immediately.

The public members of the Board of Directors shall serve a term of four years. Any public member may serve more than one term.

Article IV BOARD OF DIRECTORS, Section 6, of the Bylaws of Lobo Energy, Incorporated is hereby deleted in its entirety and replaced with:

Section 6. Vacancies. Any vacancy of a public member of the Board shall be filled for the unexpired term by the Regents. Any vacancy of members of the Board who are the two deans or directors shall be appointed by the President of the University of New Mexico. Any vacancy of a Regent member of the Board shall be filled by the Board of Regents.

We certify that the above First Amendment to the Bylaws of the corporation was adopted by the Board of Directors on the _____ day of _____ 2012.

President/Date

Secretary/Date

Tab 7

A brief overview of changes in the Faculty Handbook to enhance the status of Lecturers in the University, including the HSC.

1. **Lecturers are included in the Faculty Constitution as voting faculty members.**

A51
Policy

FACULTY CONSTITUTION

Article I. The University Faculty

Sec. 1(a) Membership: *The University Faculty shall consist of the Professors, Associate Professors, Assistant Professors, Lecturers, and Instructors, including part-time and temporary appointees.....*

(b) Voting Faculty: *Members of the University who are eligible to vote shall include all full-time members of the University Faculty holding professorial rank (instructors, assistant professors, associate professors, and professors) or lectureships....*

2. **Lecturers are defined as non-probationary faculty members by the Policy on Academic Freedom and Tenure.**

2.3 NON-TENURE-TRACK FACULTY TITLES

2.3.2 Lecturer

(a) Lecturer I—The title used for individuals who have qualifications equivalent to teaching assistants or graduate students and who are not currently graduate students at the University in the same department as their academic appointment.

(b) Lecturer II—The title used for qualified professionals who have completed all requirements except the dissertation for the terminal degree (or equivalent) in their fields of study and who are not currently graduate students at the University in the same department as their academic appointment. It may also be used for professionals who have the terminal degree but only limited experience in teaching or scholarly work, or for professionals who do not have the terminal degree but have extensive experience.

(c) Lecturer III—The title used for qualified professionals who hold the terminal degree (or equivalent) in their fields of study and who have additional experience in teaching and scholarly work.

3. **Lecturers number greater than 50 in The Health Sciences Center.**

- i) **33 in the SOM include 9 in HSLIC, 6 in Radiological Sciences, 4 in Med Lab Sciences, and 1 or 2 in the PA Program, the MPH Program, the PT Program, the OT Program, and others;**
- ii) **17 in the CON;**
- iii) **3 in the COP.**

4. **The Lecturer appointment is currently annually renewable, with no commitment extending beyond one year.**

3.4 CONTINUING NON-TENURE-TRACK APPOINTMENTS

3.4.2 Lecturers

Lecturers are appointed for annual terms renewable in the discretion of the University. Written notice that a faculty member serving as a full-time lecturer is not to be continued in service shall be given according to the following minimum periods of notice: (1) not later than Mar. 31 of the first academic year of service or (2) not later than Dec. 15 of the second or subsequent academic year of service.

5. **A faculty task force sanctioned by the Office of the Provost, the Faculty Senate, and the Committee on Academic Freedom and Tenure has made a proposal that would enhance the status of Lecturers by providing for:**
- a) **the possibility of promotion;**
 - b) **term contracts of two years or three years for Senior and Principal Lecturers, respectively;**
 - c) **paid academic leave of up to one semester or 6 months for 9-month and 12-month faculty, respectively.**

The proposal, which has been endorsed by the HSC Faculty Council, the SOM Committee of Chairs, the Committee on Academic Freedom and Tenure, the Directors of the HSC HPPH programs, and others, will be put for a vote to the voting faculty of the University. A draft of the ballot is inserted below:

DRAFT

Proposal:

Subject to approval by the UNM Faculty and the UNM Board of Regents:

“Lecturer” position description revised in sections **2.3.2** and **3.4.2**, and added as section **5.4** to the ***UNM Faculty Handbook***:

2.3 NON-TENURE-TRACK FACULTY TITLES

2.3.2 Lecturer

Faculty may be appointed to the position of Lecturer I, II, or III. These appointments are for professionals with appropriate academic qualifications, who are demonstrably competent in the relevant areas of their disciplines. While not eligible for tenure, lecturers in each numerical class may hold the rank of Lecturer. Senior Lecturer, or Principal Lecturer.

- (a) Lecturer I—The title used for individuals who have qualifications equivalent to teaching assistants or graduate students

and who are not currently graduate students at the University in the same department as their academic appointment.

(b) Lecturer II—The title used for qualified professionals who have completed all requirements except the dissertation for the terminal degree (or equivalent) in their fields of study and who are not currently graduate students at the University in the same department as their academic appointment. It may also be used for professionals who have the terminal degree but only limited experience in teaching or scholarly work, or for professionals who do not have the terminal degree but have extensive experience.

(c) Lecturer III—The title used for qualified professionals who hold the terminal degree (or equivalent) in their fields of study and who have additional experience in teaching and scholarly work.

3.4 CONTINUING NON-TENURE-TRACK APPOINTMENTS

3.4.2 Lecturers

Lecturers are initially appointed to annual terms renewable at the discretion of the University. Written notice regarding the status of a lecturer shall be given according to the following minimum periods of notice: (1) not later than March 31 of the first academic year of service or (2) not later than December 15 of the second or subsequent academic year of service. Lecturers who have completed at least three academic years of continuous service are eligible for renewable two-year term appointments. Senior Lecturers serve on renewable two-year term appointments, and Principal Lecturers serve on renewable three-year term appointments. Two- and three-year term appointments are renewable at the discretion of the University. Notice of the status of these term appointments will be given no later than December 15 of the final year of the term appointment.

5.4 UNIVERSITY-INITIATED TERMINATION OF CONTRACT OF A NON-TENURED FACULTY MEMBER

(a) The University has the discretion whether or not to renew

the annual contract of probationary or non-tenure-track faculty members (for probationary faculty—Sec. 3.2(c) for notice periods and Sec. 4.2.4, 4.2.5, and 6.4.1 for rights of appeal; for continuing non-tenure-track faculty—Sec. 3.4 for notice periods). For Faculty members on two- or three-year term appointments, the University’s discretionary renewal or non-renewal may be exercised only during the final year of the appointment; the notice periods specified above apply to the final year of the appointment. For non-tenured faculty members with two or three year term appointments, these term appointments may be terminated early, on the expiration date of an annual contract, following the procedures described in Sec. 5. 3.

(b) Under the extraordinary circumstances and with proof of adequate cause as outlined in Sec. 5.3.2, a non-tenured faculty member’s annual contract may be terminated before its expiration and/or without regard for the notice periods or terminal contract requirements set forth in this Policy. A decision to terminate the contract of a non-tenured faculty member under these circumstances shall be made by the Provost/ VPHS after recommendations by the chair and the dean. At each administrative level, the faculty member shall be fully informed in writing of the reasons proposed for such termination and shall be given an adequate opportunity to respond in writing and/or orally to the Provost/VPHS prior to the final decision. The faculty member shall have the right to appeal a termination decision by the Provost/VPHS to the Academic Freedom and Tenure Committee on grounds within the Committee’s jurisdiction (Sec. 6.2); however, such appeal shall not postpone the date of termination.

Shall the revisions to the *UNM Faculty Handbook*, Section B, 2.3.2, 3.4.2, and 5.4 to update the Lecturer position be approved?

Yes, I approve these revisions **No**, I do not approve these revisions

For implementation of the language, the following processes are proposed:

1. Shall the Provost, Chancellor, and Faculty Senate devise a new policy for Section C of the Faculty Handbook that will specify the terms, conditions, and procedures under which Principal Lecturers may be granted paid academic leave

of up to one semester for those on nine-month contracts and up to six months for those on twelve month contracts?

Yes, I approve this process **No**, I do not approve this process

2. Shall the Provost and Chancellor devise procedures for the Main Campus and Health Sciences Center, respectively, in collaboration with the Faculty Senate, that will specify promotion criteria and promotion-review processes for Lecturers?

Yes, I approve this process **No**, I do not approve this process

- 6. The proposed changes are supported by the Deans of the SOM, CON, and COP; by the Director of the Health Sciences Library and Informatics Center; and by the Chancellor for Health Sciences.**

[Close preview](#)

Ballot: UNM Faculty Handbook Revisions

Dear Faculty Colleagues:

One of the duties of the Academic Freedom and Tenure Committee as stated in the *UNM Faculty Handbook* is to review the Policy on Academic Freedom and Tenure from time to time and recommend appropriate revisions. As Senior Vice Provost for Academic Affairs and as the Vice Chancellor, HSC Academic Affairs, after consultation with faculty governance leaders and the deans, we have asked the AF&T Committee to review a proposed change in the *Handbook* policy. This change is in the description of the Lecturer faculty titles and procedures governing their appointment and annual review. The proposed policy revisions are included in this web-based ballot.

These policy revisions have been considered by the Teaching Enhancement Committee, the Undergraduate Committee, the Faculty Senate Operations Committee, the HSC Council, the SOM Committee of Chairs and the AF&T Committee. According to the *Faculty Handbook* all policy revisions must be approved by the University Faculty and subsequently by the Board of Regents. First, it is important that we provide you with the history that led to this proposal.

Of the more than 400 lecturers currently employed by UNM, 320 are on main campus and another 50 lecturers are currently hired by the HSC. Unlike tenure-track faculty positions, there is no clearly established career path for lecturers. When an individual is hired as a lecturer, he or she will remain in that position with no opportunity for advancement or promotion. In addition to retaining the same title for the duration of their careers, lecturers do not receive financial rewards or other compensation for years of service other than standard cost of living raises. Lecturers also cannot expect a commitment of more than one year from their departments in terms of duration of contract. Collectively, lack of opportunity for advancement, lack of merit-based increases in compensation, and a lack of any job security beyond one-year contracts are issues of great concern to lecturers, and we believe that a well defined, equitable career path with opportunity for advancement and financial and other compensations should become policy.

A task force was convened in 2009 to evaluate the issues and provide potential solutions. Based on their report, the following issues were identified. Lecturers play a vital role at the University of New Mexico. They teach core courses upon which students will build their knowledge as they progress through other programs within and beyond the university. They also teach upper level undergraduate and graduate courses and develop new courses for their respective departments. Furthermore, they teach high volume non-major courses that are required by other disciplines within the university. In addition to their teaching duties, lecturers are active and involved members of their departments as evidenced by service on various committees, research participation, and service to the greater university and to the larger community.

To provide a career-track for full-time lecturers and to recognize individuals who perform at or above the level expected by both their departments and the university at large, we are suggesting changes to the *Faculty Handbook*. Implementation of these changes, once approved, will be handled by the Provost, Chancellor, and Faculty Senate as appropriate.

Thank you for considering this proposal.

Sincerely,

Michael Dougher, Ph.D.
Senior Vice Provost for Academic Affairs

John Trotter, Ph.D.
Vice Chancellor, HSC Academic Affairs

[Start](#)[Close preview](#)

Close preview

Ballot: UNM Faculty Handbook Revisions

Please review the proposed revisions and processes below and submit your vote at the end of this ballot.

Proposal:

Subject to approval by the UNM Faculty and the UNM Board of Regents:

"Lecturer" position description revised in sections 2.3.2, 3.4.2 and section 5.4 in the *UNM Faculty Handbook*.

Underscored text = new

[~~Bracketed text~~] = delete

Unmarked text = no changes

2.3 NON-TENURE-TRACK FACULTY TITLES

2.3.2 Lecturer

Faculty may be appointed to the position of Lecturer I, II, or III. These appointments are for professionals with appropriate academic qualifications, who are demonstrably competent in the relevant areas of their disciplines. While not eligible for tenure, lecturers in each numerical class may hold the rank of Lecturer, Senior Lecturer, or Principal Lecturer.

(a) Lecturer I—The title used for individuals who have qualifications equivalent to teaching assistants or graduate students and who are not currently graduate students at the University in the same department as their academic appointment.

(b) Lecturer II—The title used for qualified professionals who have completed all requirements except the dissertation for the terminal degree (or equivalent) in their fields of study and who are not currently graduate students at the University in the same department as their academic appointment. It may also be used for professionals who have the terminal degree but only limited experience in teaching or scholarly work, or for professionals who do not have the terminal degree but have extensive experience.

(c) Lecturer III—The title used for qualified professionals who hold the terminal degree (or equivalent) in their fields of study and who have additional experience in teaching and scholarly work.

3.4 CONTINUING NON-TENURE-TRACK APPOINTMENTS

3.4.2 Lecturers

~~[Lecturers are appointed for annual terms renewable in the discretion of the University. Written notice that a faculty member serving as a full-time lecturer is not to be continued in service shall be given according to the following minimum periods of notice: (1) not later than Mar. 31 of the first academic year of service or (2) not later than Dec. 15 of the second or subsequent academic year of service.]~~

Lecturers are initially appointed to annual terms renewable at the discretion of the University. Written notice regarding the status of a lecturer shall be given according to the following minimum periods of notice: (1) not later than March 31 of the first academic year of service or (2) not later than December 15 of the second or

subsequent academic year of service. Lecturers who have completed at least three academic years of continuous service are eligible for renewable two-year term appointments. Senior Lecturers serve on renewable two-year term appointments, and Principal Lecturers serve on renewable three-year term appointments. Two- and three-year term appointments are renewable at the discretion of the University. Notice of the status of these term appointments will be given no later than December 15 of the final year of the term appointment.

5.4 UNIVERSITY-INITIATED TERMINATION OF CONTRACT OF A NON-TENURED FACULTY MEMBER

~~[(a) The University has the discretion whether or not to renew the annual contract of probationary or non-tenure-track faculty members (for probationary faculty—Sec. 3.2(c) for notice periods and Sec. 4.2.4, 4.2.5, and 6.4.1 for rights of appeal; for continuing non-tenure-track faculty—Sec. 3.4 for notice periods)-]~~

(a) The University has the discretion whether or not to renew the annual contract of probationary or non-tenure-track faculty members (for probationary faculty—Sec. 3.2(c) for notice periods and Sec. 4.2.4, 4.2.5, and 6.4.1 for rights of appeal; for continuing non-tenure-track faculty—Sec. 3.4 for notice periods). For Faculty members on two- or three-year term appointments, the University's discretionary renewal or non-renewal may be exercised only during the final year of the appointment; the notice periods specified above apply to the final year of the appointment. For non-tenured faculty members with two or three year term appointments, these term appointments may be terminated early, on the expiration date of an annual contract, following the procedures described in Sec. 5, 3.

(b) Under the extraordinary circumstances and with proof of adequate cause as outlined in Sec. 5.3.2, a non-tenured faculty member's annual contract may be terminated before its expiration and/or without regard for the notice periods or terminal contract requirements set forth in this Policy. A decision to terminate the contract of a non-tenured faculty member under these circumstances shall be made by the Provost/ VPHS after recommendations by the chair and the dean. At each administrative level, the faculty member shall be fully informed in writing of the reasons proposed for such termination and shall be given an adequate opportunity to respond in writing and/or orally to the Provost/VPHS prior to the final decision. The faculty member shall have the right to appeal a termination decision by the Provost/VPHS to the Academic Freedom and Tenure Committee on grounds within the Committee's jurisdiction (Sec. 6.2); however, such appeal shall not postpone the date of termination.

Shall the revisions to the *UNM Faculty Handbook*, Section B, 2.3.2, 3.4.2 and 5.4 to update the Lecturer position be approved?

Yes, I approve these revisions No, I do not approve these revisions Abstain

For implementation of the language, the following processes are proposed:

1. Shall the Provost, Chancellor, and Faculty Senate devise a new policy for Section C of the Faculty Handbook that will specify the terms, conditions, and procedures under which Principal Lecturers may be granted paid academic leave of up to one semester for those on nine-month contracts and up to six months for those on twelve month contracts?

Yes, I approve this process No, I do not approve this process Abstain

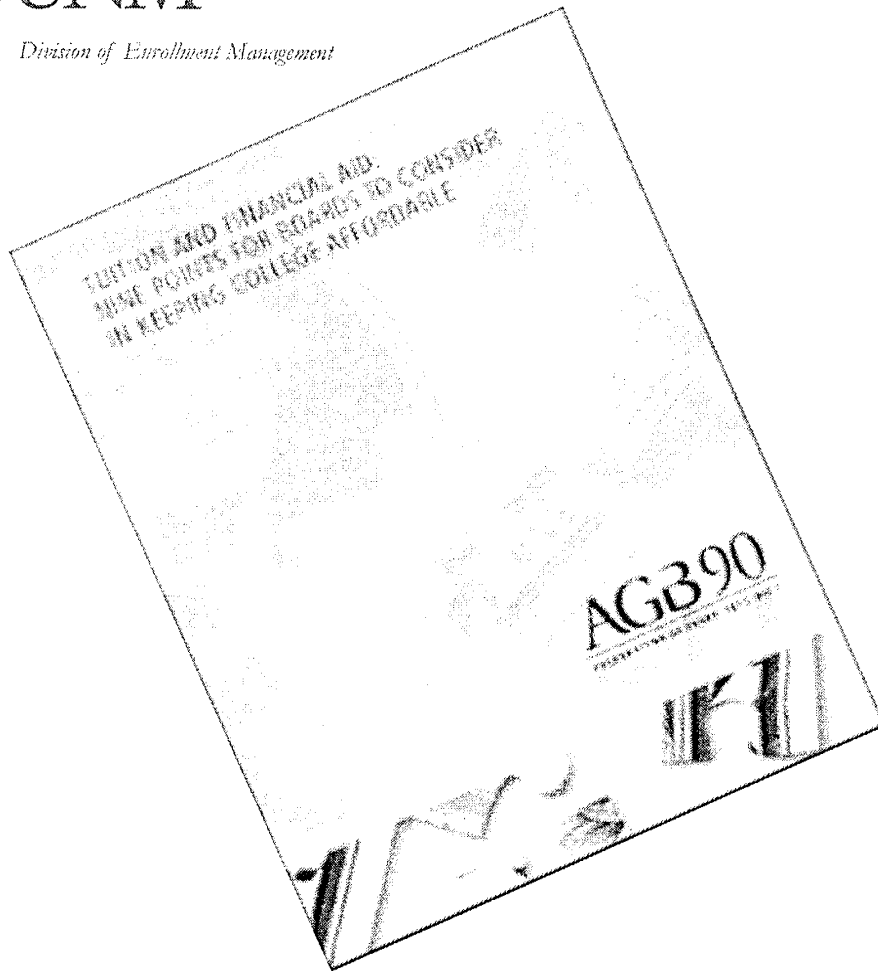
2. Shall the Provost, Chancellor, and Faculty Senate devise procedures for the Main Campus and Health Sciences Center, respectively, in collaboration with the Faculty Senate, that will specify promotion criteria and promotion-review processes for Lecturers?

Yes, I approve this process No, I do not approve this process Abstain

Tab 8



Division of Enrollment Management



Tuition and Financial Aid: Nine Points for Boards to Consider In Keeping College Affordable

AGB ASSOCIATION OF
GOVERNING BOARDS
OF UNIVERSITIES AND COLLEGES



Division of Enrollment Management

9 points = 28 questions boards should ask

We condensed this to about 15 questions

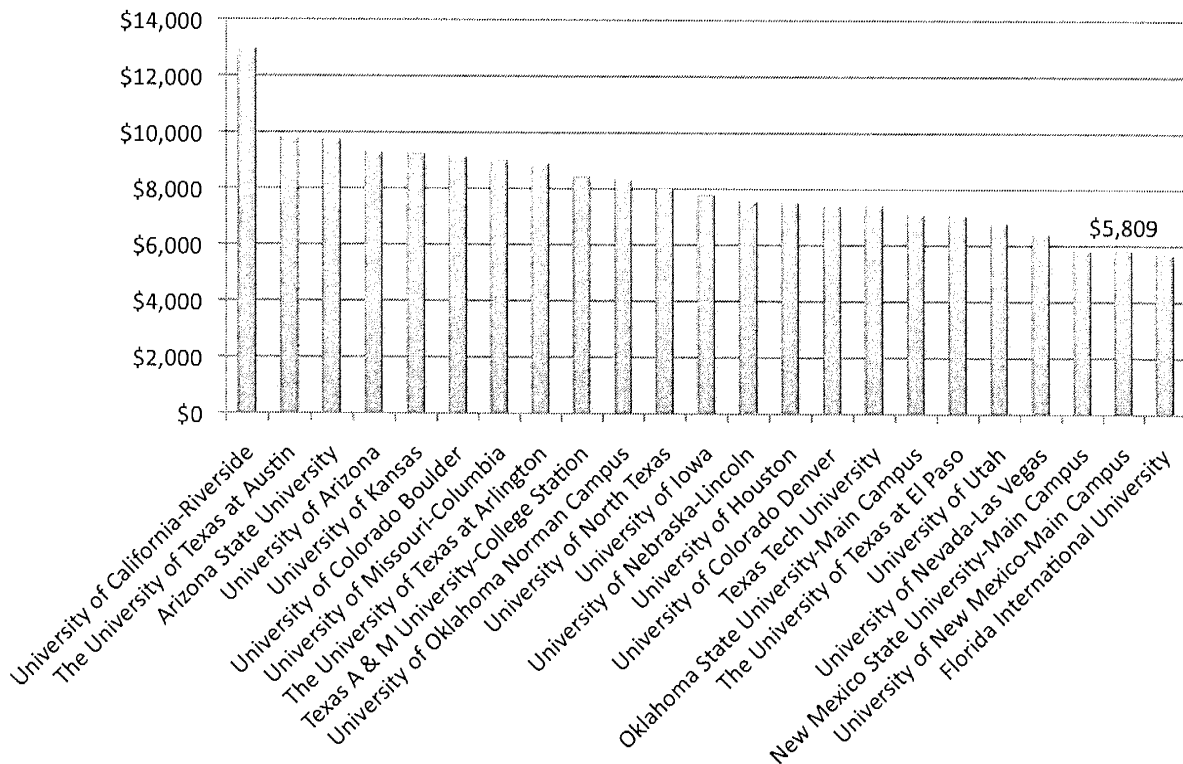
This presentation highlights some of the information

How do tuition and fees at your institution compare to the national average for your sector? Regional?

In 2011-12, public four-year colleges charge, on average, tuition and fees for in-state students: \$8,244

UNM = \$5,809

In-state Tuition and Fees 2011-12

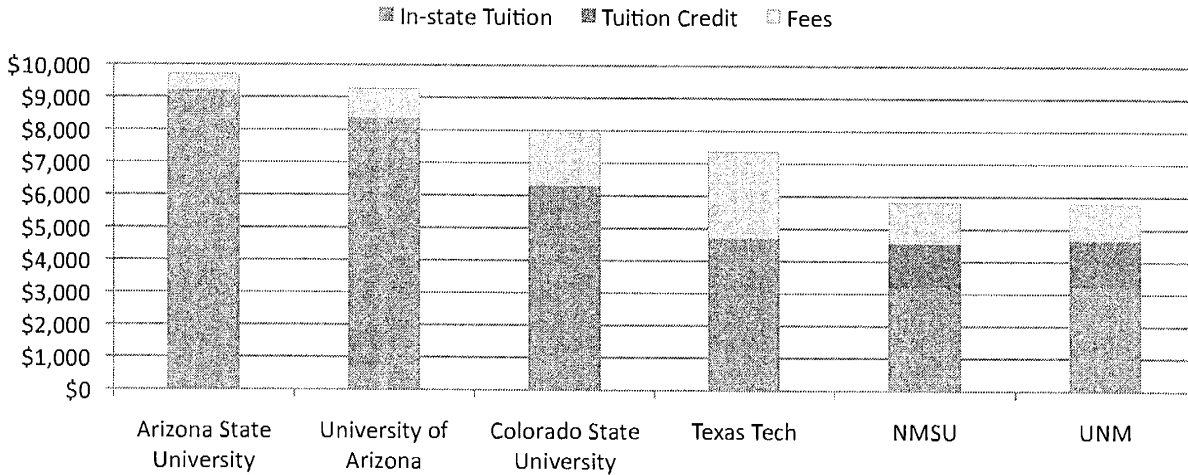




Division of Enrollment Management

Regional Comparison

Undergraduate Tuition and Fees 2011-12



How fast have tuition and fees gone up in recent years?

	UNM Total Tuition and Fees 2007-2012 Compounded Growth Rate	20 Peer Institution Average Total Tuition and Fees 2007-2012 Compounded Growth Rate Net to the University	UNM Net Total Tuition and Fees 2007-2012 Compounded Growth Rate Net to UNM (minus tuition credit)
	6.02%	7.49%	3.30%
Current Tuition and Fees	\$5,809	\$7,923	\$4,084
Compounded Growth Rate of New Mexico Personal Income 2005-2010			3.10%



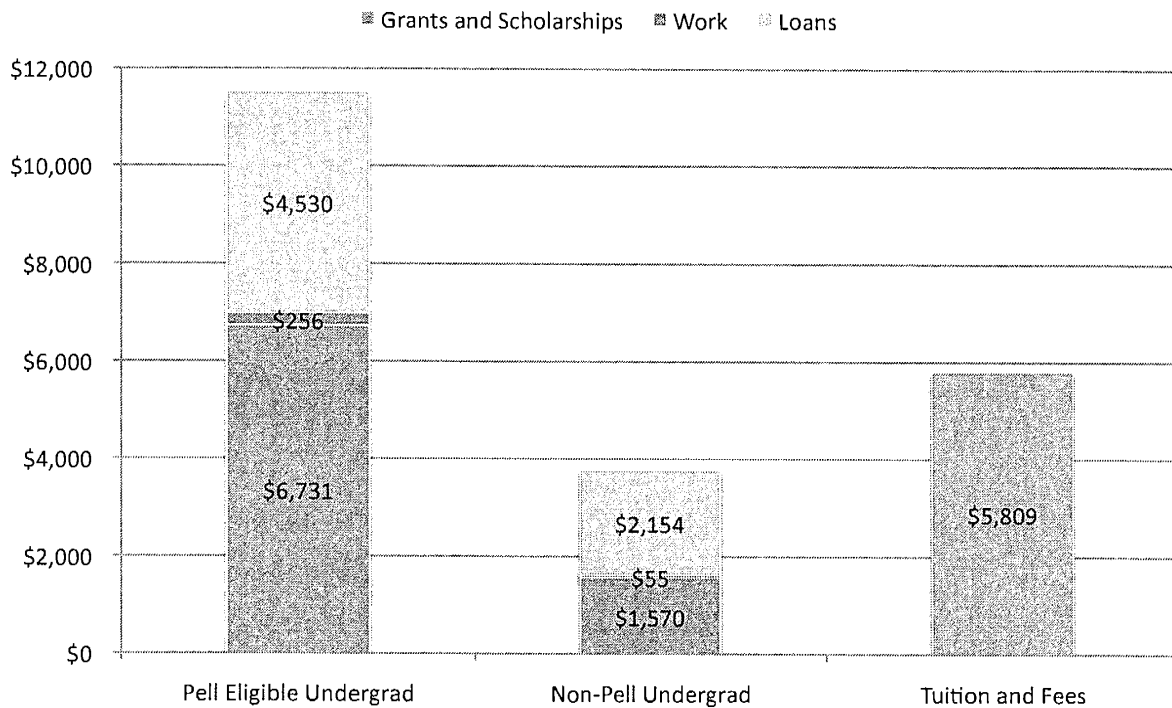
Division of Enrollment Management

What is the average grant received by students on financial aid at your institution?

\$5,318 for first time, full time students on an annual basis

\$8,595 for all undergraduates on an annual basis

Average Financial Aid Awards



How much of the financial aid at your institution is allocated on the basis of financial need and how much is allocated on the basis of academic, athletic, or other characteristics?

Institutional aid (UNM)= 25% to need and 75% to merit. Institutional aid constitutes less than 20% of all grants. Total grant aid = 58% to need and 42% to merit.



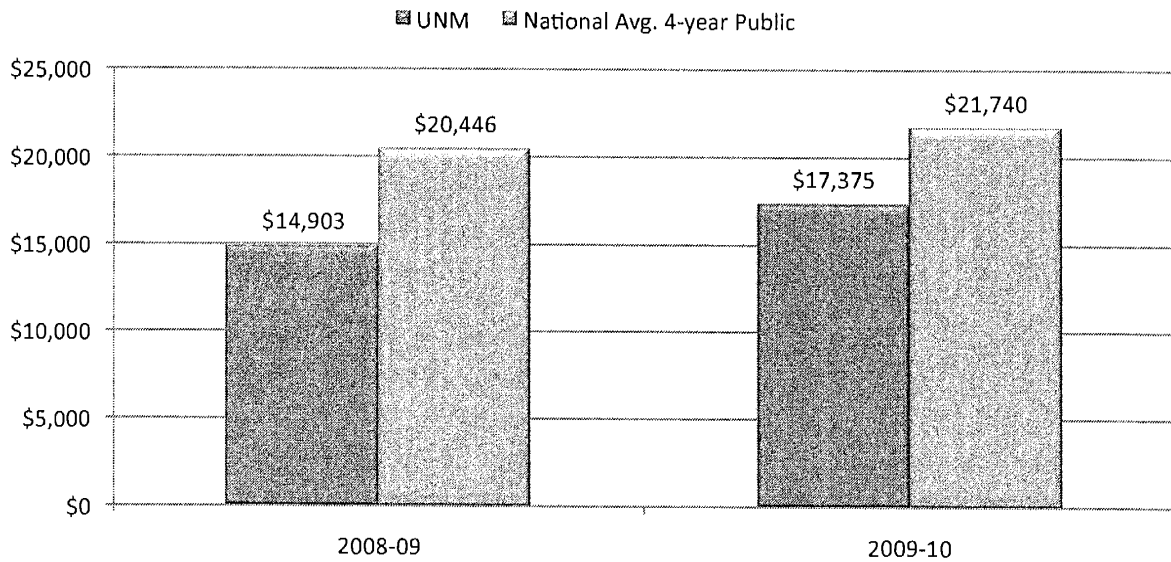
Division of Enrollment Management

Ⓢ How many of your students borrow to help finance their education?

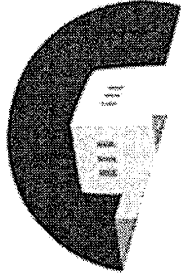
46% of those with Bachelor degrees have loans compared to 56% national public 4-year average

Ⓢ What is the average debt level at graduation?

Average Debt of Bachelor Degree Recipients



Tab 9



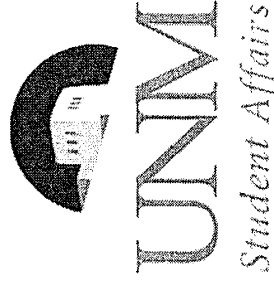
UNM

Student Affairs

**Residence Hall
Safety Development Plan**

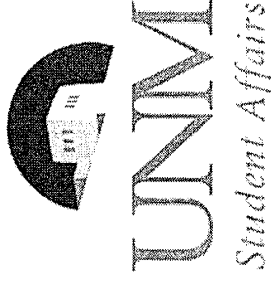
Residence Hall Safety Development Committee Members

- *Eliseo Torres, Vice President for Student Affairs*
- *Walt Miller, Associate Vice President for Student Life*
- *Kathy Guimond, Chief of UNM Police*
- *Kim Kloepfel, Interim Dean of Students*
- *Brent McPherson, General Manager, ACC*
- *Ruth Stoddard, Associate Director of Student Services, RLSH*
- *Beverly Kloepfel, Director of UNM SHAC*
- *Robert Burford, Student Conduct Officer, DOS*
- *Kim Murphy, Director, UNM Real Estate*



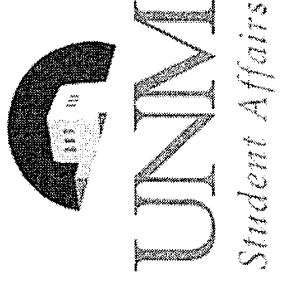
Committee Charges

- Ensure safety of student residents as we shift from non-traditional commuter campus to traditional residential campus
- Address Lobo Village and Main Campus Housing concerns
 - Alcohol
 - Community and property damage
 - Disruptive behaviors
 - Noise complaints
 - Threatening behavior and assault



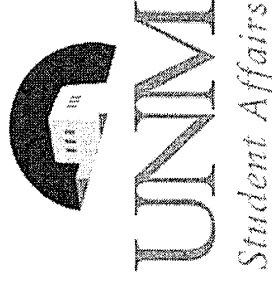
Committees

Committee	Chair	Meeting Date(s)
Assessment/Survey	Kim Kloeppel	March 2012
Disciplinary procedures	Rob Burford, Ruth Stoddard	March 2012
Alcohol Awareness Education Programs	Ruth Stoddard, Kim Kloeppel, Beverly Kloeppel	March 2012
Alcohol-free buildings at Lobo Village	Brent McPherson	March 2012
Quiet Hours	Brent McPherson, Ruth Stoddard	March 2012
Community Advisors/ Residence Advisors Training	Brent McPherson, Ruth Stoddard	May 2012
Campus Security Transparency Model <i>(to coincide with opening of Casas del Rio)</i>	Kathy Guimond, Walt Miller	July 2012



Statistics

- Current capacity for all UNM housing is 2,237
- Student Family Housing is 200 students
- Lobo Village current capacity is 864 students
- Casas del Rio is already 40% leased with 1000 students slated to move in 8/2012
- Casas del Rio 258 beds were lost, but 1028 beds will be added
- Total student capacity as of August 20, 2012 will be 4,043



Tab 10

Student Fee Review Board 2011-2012

Katie Richardson, Chair

Jaymie Roybal, Vice Chair

Angelica Gallegos

Dylan Hoffman

Japji Hundal

Gregory Montoya-Mora

Elisa Guadalupe Pintor

Matthew Rush

Cassie Thompson

Summary

2010-2011: \$486.49

Request for 2011-2012: \$715.32

Amount approved by the SFRB: \$503.20

Requests Unmet by Fees

Basic Instructional Need

University Libraries \$255,448

electronic serial inflation FY 13

Information Technologies

\$1,300,000

staff salaries, admin of labs and computers in classroom, IT help desk

Equipment & Facility Improvements

Information Technologies

\$983,000

computer renewal in labs and classrooms

Language Learning Center Renovation

\$196,748

accessible only to students taking language courses

Requests Unmet by Fees

Instructional Support

Center for Academic Program Support

\$225,101

tutors ¼ of students, yields improved graduation rate

invest in student outcomes

\$300,000 yields 70% increase in staff, touch ½ of UNM

Community Learning Public Service

\$24,076

corps members serve in neighborhood-driven projects

first generation college students

Research Service Learning Program

\$34,829

undergraduate credit hours

research opportunities that engage greater community

Requests Unmet by Fees

Student Community & Well-Being

LGBTQ Resource Center

\$44,050

currently funded 100% through fees, unlike other centers
director salary and benefits typically through I&G

Recreational Services

\$100,000

73% I&G facility = additional \$270k O&M costs
faculty & staff payroll deduction
Johnson Center used by College of Ed, Athletics
return 2009-2010 evening and weekend hours

Tab 11



Office of Capital Projects

**MEMORANDUM TO ADVANCE
COMMITTEE AGENDA ITEM TO
THE BOARD OF REGENTS
THE UNIVERSITY OF NEW MEXICO**

DATE: February 17, 2012
TO: David W. Harris, EVP for Administration, COO & CFO
FROM: Vahid Staples, Budget Officer, Office of Planning, Budget & Analysis
RE: Requested Approval

RECOMMENDED ACTION:

Recommend to the Board of Regents Finance and Facilities Committee the following:

1. Request for Capital Project Approval for Student Residence Center Apartments Interior Renovations

Please see attached summary and drawings.

cc: Chris Vallejos, Associate VP, Institutional Support Services
Mary Kenney, Robert Doran - PCD
W. Turner, R. Henrard, C. Martinez, E. Schwaner, T. Sanchez – OCP
Walt Miller, Associate VP, Student Life
Wayne Sullivan, Manager, Residence Life & Student Housing

**REQUEST FOR CAPITAL PROJECT APPROVAL for
STUDENT RESIDENCE CENTER (SRC) APARTMENTS INTERIOR RENOVATIONS
UNIVERSITY OF NEW MEXICO
March 12, 2012**

REQUESTED ACTION:

In accordance with Section 7.12 of the Board of Regents Policy Manual and as required by the New Mexico Higher Education Department and New Mexico State Board of Finance, project approval is requested for Student Residence Center (SRC) Apartments Interior Upgrades, UNM, Albuquerque Main Campus.

PROJECT DESCRIPTION:

The project will address approximately 75,850 SF of interior space. The project will complete the last 7 of 12 total buildings and will include replacement of kitchen and bathroom cabinets, countertops, and plumbing fixtures. Installation of new shower surrounds, shower pans, fixtures, shower doors and replacement of bathroom light fixtures. It will also include new carpet and vinyl flooring throughout, and patching and painting of walls and ceilings as needed. New kitchen appliances will also be included, and, if the budget allows, replacement of bedroom and living area light fixtures.

PROJECT RATIONALE:

This project will work towards improving the livability of the Student Residence Center Apartments. It will modernize the student living spaces to a level of quality and functionality appropriate for student academic and social activities. The entire facility consists of 12 units which are three stories each and house an average of 36 students. It is the intent of this project to complete the renovation process that has been ongoing for the past 3 years on the final seven remaining units.

FUNDING:

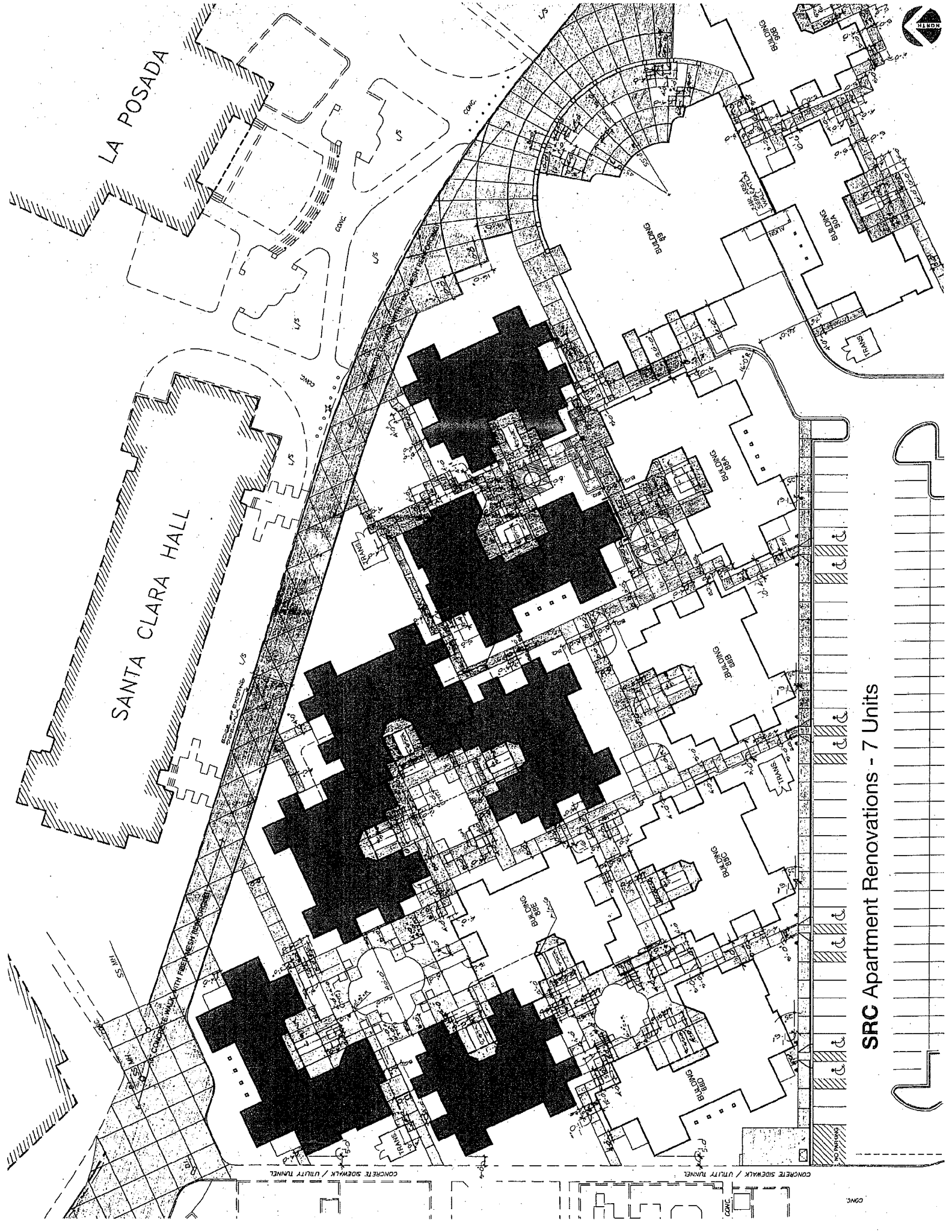
The total estimated Project Budget is \$1,545,000:

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

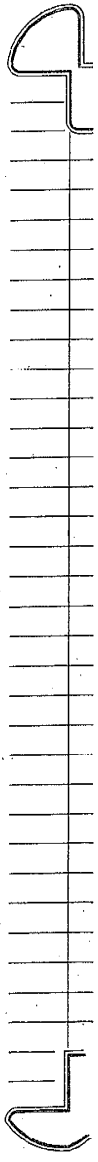


LA POSADA

SANTA CLARA HALL



SRC Apartment Renovations - 7 Units

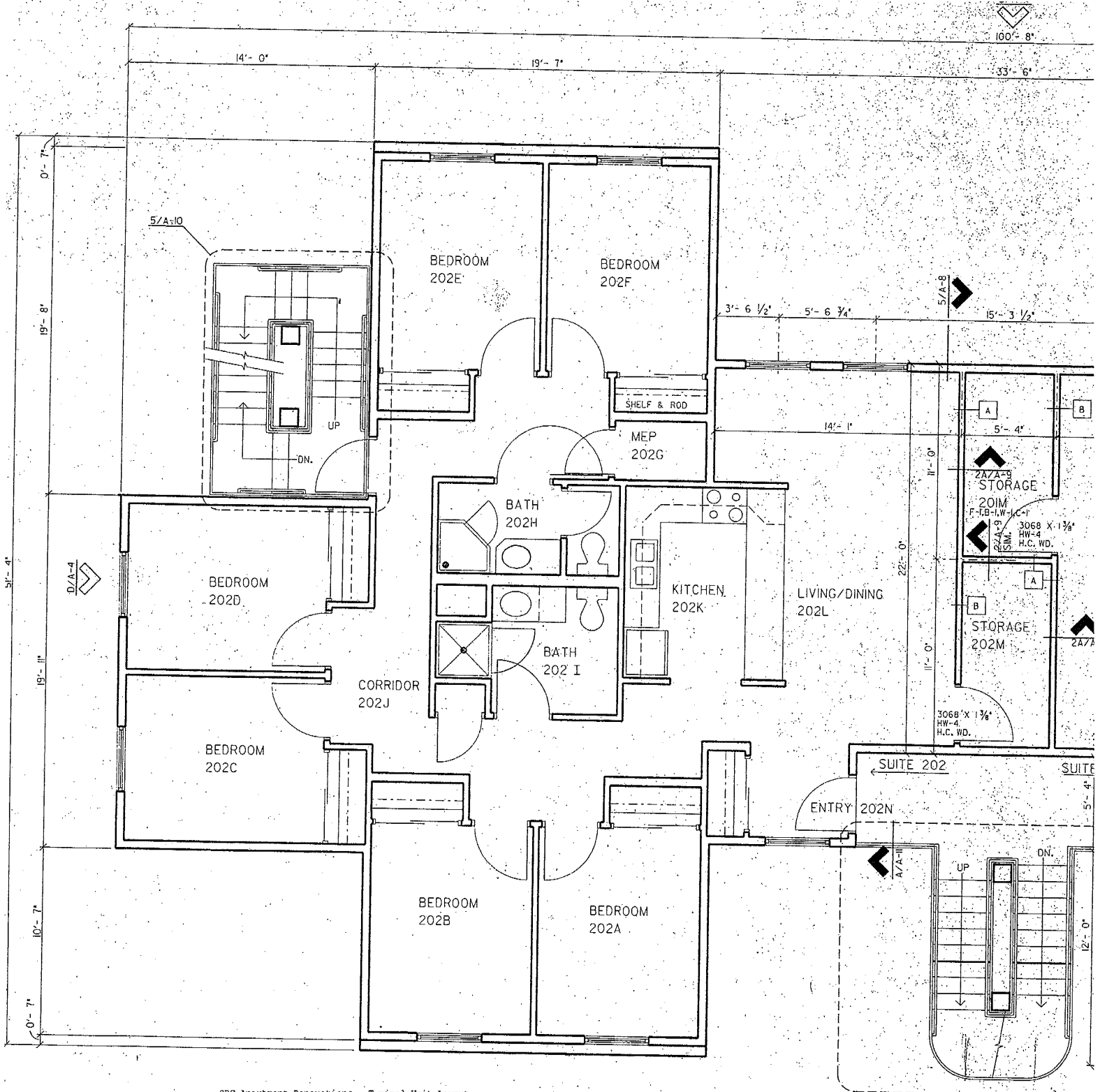


CONCRETE SIDEWALK / UTILITY TUNNEL

CONCRETE

ASPH/FLT

FINISH



SRC Apartment Renovations - Typical Unit Layout

BUILDING TYPE: ...



Tab 12



THE UNIVERSITY of
NEW MEXICO

Purchasing Department
MSCO1 1240
1 University of New Mexico
Albuquerque, NM 87131-0001

TO: David Harris, Executive Vice President for Administration

FROM: Bruce Cherrin, Chief Procurement Officer

DATE: March 1, 2012

RE: FY 2012 Audit Contract Approval

This memo is to request the approval of the contract for the University of New Mexico's FY2012 financial and compliance audit. Through a competitive Request for Proposal process in March, 2011, KPMG LLP and Moss Adams LLP proposed jointly to perform the audit services and were selected by the evaluation committee. The multi-year proposal was for audit services for the years ending 6/30/2011, 6/30/2012, and 6/30/2013, and this is the second year of the three-year proposal.

KPMG LLP and Moss Adams LLP will jointly perform the FY2012 financial and compliance audit for the University of New Mexico, UNM Hospitals, and the University's component units including: The University of New Mexico Foundation, Inc., The Robert O. Anderson Schools of Management Foundation, STC.UNM, The University of New Mexico Lobo Club, Lobo Development Corp., Lobo Energy, Inc., Sandoval Regional Medical Center, The UNM Medical Group and The University of New Mexico Alumni Association. Three small special purpose audits are also required: KNME Television and KUNM Radio stations' Corporation for Public Broadcasting audits and reports; and the UNM Intercollegiate Athletics program NCAA review and report. A small State Agency, the New Mexico Sentencing Commission is also included under the UNM audit contract.

The total 3-year proposal cost is \$2,610,000 plus NM GRT. The total 3-year proposal cost for the previous Audit Contract was \$2,495,000 plus NM GRT. The proposed audit fees for KPMG LLP and Moss Adams, LLP for FY2012 are \$887,000 plus NM GRT.



State of New Mexico
OFFICE OF THE STATE AUDITOR

Hector H. Balderas
State Auditor

Carla C. Martinez
Deputy State Auditor

TO: AGENCIES UNDER THE NEW MEXICO AUDIT ACT

FROM: HECTOR H. BALDERAS, STATE AUDITOR

Handwritten signature of Hector H. Balderas in black ink.

DATE: FEBRUARY 16, 2012

**SUBJECT: NOTIFICATION - CONTRACTING FOR AUDIT SERVICES FOR THE FISCAL YEAR
ENDING JUNE 30, 2012**

In accordance with the Audit Act, Sections 12-6-1 through 12-6-14 NMSA 1978, you are hereby notified that your agency's fiscal year-end 2012 financial and compliance audit is to be conducted by an independent public accountant (IPA). This letter is your agency's authority to seek proposals for the financial and compliance audit in accordance with the Procurement Code and 2.2.2 NMAC "*Requirements for Contracting and Conducting Audits of Agencies.*" The deadline for all agencies to submit their IPA recommendations to the Office of the State Auditor (Office) has changed and you will need to refer to section 2.2.2.8 B (6) (a) (i-iv) of the 2012 Audit Rule - www.osanm.org/state-auditor-rule, for new recommendation submission deadlines.

Please note that in 2011 the Office had changed the contracting process and your agency will be affected by this change. You will now submit your IPA recommendation form (recommendation) and audit contract together for approval to the Office after obtaining all of the required signatures. Agencies that are subject to oversight by Higher Education Department (HED) have the additional requirement of submitting their IPA recommendation to HED for approval prior to submitting the recommendation to the Office. Per Section 2.2.2.8(B)(6)(e) NMAC, any recommendations and the related audit contract that are submitted to the Office with errors or omissions will be rejected by the Office. The Office will return the rejected recommendation and audit contract to the agency with a checklist indicating the reason(s) for the rejection. An agency's resubmission of the recommendation and audit contract will be processed after correct recommendations and related audit contracts that were submitted timely. The Office will then process any IPA recommendation forms and audit contracts that were submitted late or were rejected by the Office and not resubmitted correctly by the deadline.

The following items are currently available on our website at www.osanm.org to help you comply with the Procurement Code and the Audit Rule 2012 requirements during the IPA selection process:

- ***Schedule of Statewide Audit Rule and Tiered System Trainings for Governmental Agencies and IPAs***
- These trainings provide the information governmental agencies and IPAs need in order to submit complete, correct information to the Office to obtain a contract for audit services or agreed upon procedures for entities eligible to qualify under the Tiered System. Enclosed with this letter is a schedule of the trainings. **The Office highly recommends that each agency and IPA firm send appropriate personnel to at least one of the trainings of the Audit Rule trainings and a Tiered**

2540 Camino Edward Ortiz, Suite A, Santa Fe, New Mexico 87507

Toll Free 1-800-432-55 17

Local (505) 476-3800 • Fax (505) 827-3512

<http://www.osanm.org> • 1-866-OSA-FRAUD

System training, if applicable. Representatives of the governing authority, top management, and employees of the finance division are encouraged to attend.

- **Sample of the Audit Contract** - This form is provided for agency use in the Request for Proposal process and for review by prospective IPAs.
- **Contract Log** - This log illustrates the prior year audit fees by agency. The list is provided for information purposes only and is not intended to set the fee for any agency's audit.
- **6/2 Year Agency Listing** – Please note that in 2011 the Office had changed the 6/2 year rotation requirement. The 6/2 year rotation requirement is still in effect if for at least one year out of the six years, the audit fees exceeded \$50,000, excluding gross receipts. Otherwise, the rotation requirement is 12/2 years if the audit fees for twelve consecutive years do not exceed \$50,000 in any one fiscal year, excluding gross receipts tax. That being said, if your agency name appears on the list of agencies that have been audited by the same IPA for six consecutive years, and the audit fees exceed \$50,000, excluding gross receipts tax, for at least one year over the last six years, your agency must select a new auditor. If your agency was inadvertently omitted from this list, but you had the same IPA for the past six years please contact my office. You are still required to select a new auditor.
- **List of Approved IPA's** – This list reflects only IPAs who have submitted approved firm profiles to the Office.

In addition to the items above, please note that the 2012 Audit Rule, 2.2.2 NMAC, Requirements for Contracting and Conducting Audits of Agencies will be available on our website on February 15, 2012. Please note that the section which implements the tiered financial reporting system is Section 2.2.2.16 NMAC. Furthermore, the list of IPA's approved to perform **only** Agreed Upon Procedures Engagements will be coming soon. This list will reflect IPA firms that have submitted firm information to the Office pursuant to 2.2.2.16(D)(1) of NMAC. A local public body may solicit services from these firms only for agreed upon procedures engagements that are required by the tiered financial reporting system under Section 2.2.2.16 NMAC

Please be reminded that the Office will not accept audit reports by e-mail. Rather, the agency or auditor must submit an organized bound hardcopy of the draft audit report for the Office to review. The submitted hardcopy of the report must be postmarked by the audit report's due date or delivered to the Office by 5:00 p.m. on the report's due date. Section 2.2.2.9(C)(1) NMAC requires the following: "Unfinished or excessively deficient reports will not satisfy this requirement; such reports will be rejected and returned to the IPA and the office may take action in accordance with Subsection C of 2.2.2.13 NMAC." Please note, if a report is rejected, the report will **not** be considered accepted by the Office. Therefore, if an audit report is rejected on or near its respective due date, the IPA must include a late audit finding if the subsequent report submitted does not meet the due date. In addition, the subsequent submission of a rejected report will be not be given precedence to initially submitted reports and therefore a report that was initially rejected may take longer through the review process. We encourage all firms to ensure a quality review has been performed on all audit reports *prior* to being submitted to the Office. Also, when the Office indicates to the auditor and the agency that the audit report review is complete and that the final report should be submitted to the Office, the auditor or the agency **must submit a digital format PDF version of the final report to the Office along with the final hardcopies.**

Please submit audit reports or other correspondence to the following address:

Office of the State Auditor
2540 Camino Edward Ortiz, Ste #A
Santa Fe, New Mexico 87507

If you have any questions concerning how to procure your agency's auditor, please contact Frank Valdez at 505-476-3841.

Enclosure

IPA Recommendation Form for Audits

(Please print on your agency's letterhead)

- ❖ **Complete the audit contract (including obtaining the IPA's signature) and submit it to the Office of the State Auditor with this form by the deadline indicated at 2.2.2.8(B)(6)(c).**

I.

Agency Contact Information Requirement

Name of Agency: University of New Mexico
Address of Agency: 1 University of New Mexico, MSC01 1300
Phone # of Agency: (505) 277-5111 FAX# of Agency (505) 277-7662
City: Albuquerque (State: NM) Zip: 8 7 1 3 1- 0 0 0 1 Web Site Address: www.unm.edu

Agency Head Contact Information

Name of Agency Head: David J. Schmidly Title of Agency Head: President
E-mail address of Agency Head: unmpres@unm.edu

Agency Contact Information

Name of Agency Contact: Ava J. Lovell Title of Agency Contact: HSC Sr Exec Fin Officer
Phone # of Agency Contact: (505) 277-5111 FAX# of Agency Contact (505) 277-7662
E-mail address of Agency Contact: alovell@salud.unm.edu

Notice: Please fill out e-mail address of contact person. All fully executed contracts will be sent via e-mail.

II.

Recommended Independent Public Accountant (IPA) Information

Name of IPA Firm: KPMG LLP
Phone # (505) 884-3939 Fax: (505) 212-5339 E-mail Address: creinhart@kpmg.com

Name of the IPA Firm's on-site manager: Cynthia Reinhart
(Note: The name of the On-Site Manager must match the name listed in the Audit Contract. If there is a change, the Office of the State Auditor must be notified in writing)

III.

For which Fiscal Year (FY) is this recommendation being made: 2012
Estimated Audit Start Date 3/15/2012 **Estimated Completion Date** 11/30/2012

IV.

Please check the box below that applies to your agency (a Single Audit should have been included in the procurement if the agency expended \$500,000 or more of federal funds. American Recovery and Reinvestment Act (ARRA) expenditures should be included in this determination):

- My agency procured an annual financial and compliance audit without a Single Audit.
- My agency procured an annual financial and compliance audit with a Single Audit.

V.

Please check the appropriate box below:

- This is a multi-year award and this request applies to the 2nd year of a 3 year Proposal.
- This is a one year procurement award for only the fiscal year indicated in Section III.

VI.

Rotation Requirement: (Per Section 2.2.2.8(C)(b) NMAC)

How many years has your agency contracted with the IPA recommended above for annual compliance audit services consecutively without a minimum of a 2 year break? 0. If this is considered a small purchase (no more than \$50,000 excluding gross receipts tax (GRT)); in any of those consecutive years has the cost of the audit engagement been over \$50,000 (excluding GRT)? Yes No

VII.

BREAKDOWN	<input type="checkbox"/>		<input checked="" type="checkbox"/>		<input type="checkbox"/>	
	1 st Year Hours FYE <u>2011</u>	1 st Year Cost _____	2 nd Year Hours FYE <u>2012</u>	2 nd Year Cost _____	3 rd Year Hours FYE <u>2013</u>	3 rd Year Cost _____
AGENCY CONTRACTS						
Financial Statement Audit	<u>3,360</u>	<u>KPMG LLP</u>	<u>3,360</u>	<u>436,000</u>	<u>3,360</u>	<u>450,000</u>
Federal Single Audit	<u>4</u>	<u>62,090</u>	<u>840</u>	<u>110,000</u>	<u>840</u>	<u>113,000</u>
Financial Statement Preparation	<u>949,000</u>	<u>N/A</u>	_____	<u>N/A</u>	_____	<u>N/A</u>
Other allowed nonaudit Services	<u>90</u>	<u>12,000</u>	<u>90</u>	<u>12,000</u>	<u>90</u>	<u>13,000</u>
Other (housing authorities, or other component units)	<u>2,145</u>	<u>262,000</u>	<u>2,145</u>	<u>329,000</u>	<u>2,145</u>	<u>341,000</u>
SUB TOTAL	<u>6,435</u>	<u>806,000</u>	<u>6,435</u>	<u>887,000</u>	<u>6,435</u>	<u>917,000</u>
Gross Receipts Tax		<u>56,420</u>		<u>62,090</u>		<u>64,190</u>
TOTAL COMPENSATION		<u>862,420</u>		<u>949,090</u>		<u>981,190</u>

I hereby certify that all the information submitted in this recommendation is true, accurate and complete to the best of my knowledge. Furthermore, I also hereby certify that, to the best of knowledge, my agency complied with applicable provisions of the New Mexico Procurement Code (Sections 13-1-28 through 13-1-199 NMSA 1978) and the Audit Rule (2.2.2 NMAC) in the procurement of the IPA and recommendation to the State Auditor. Finally, I hereby attest that I have the authority to certify the information submitted in this recommendation on behalf of the agency.

Agency Head/Designee: _____
(Signature)

Ava J. Lovell

(Print Name)

HSC Sr Exec Fin Officer 3/1/12
(Title and Date)

(THIS SECTION APPLIES TO SCHOOLS AND UNIVERSITIES ONLY)

This IPA recommendation has been reviewed and approved by our oversight agency (please select one) the Higher Education Department (HED) or the Public Education Department (PED) for state-chartered charter schools as required by Section 12-6-14 NMSA 1978, and as indicated by the following oversight agency signature and date.

Oversight Agency Signature

Printed name of signer

Date

**STATE OF NEW MEXICO
AUDIT CONTRACT**

This CONTRACT is made and entered into this 1st day of March, 2012, by and between the University of New Mexico hereinafter referred to as the "Agency", and KPMG LLP hereinafter referred to as the "Contractor", and is effective as of the date upon which it is approved by the Office of the State Auditor, hereinafter referred to as "State Auditor".

IT IS MUTUALLY AGREED BETWEEN THE PARTIES:

1. SCOPE OF WORK (Include in Paragraph 25 any expansion of scope)

- A. The Contractor shall conduct a financial and compliance audit of the college or university using the business-type activity model consisting of the Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; Statement of Cash Flows; and budget comparison schedules presented in the format required by Section 2.2.212(E)(2) NMAC for the period from **July 1, 2011 through June 30, 2012**.
- B. The audit scope requires the Contractor to provide an opinion on the budget comparison schedules (see AAG-SLV 14.53 and the requirements of Section 2.2.2.12(E)(2) NMAC). A SAS No. 119 opinion on the budget comparison does not meet this requirement.
- C. The Contractor shall apply certain limited procedures to the Management Discussion and Analysis (MD&A) and report deficiencies in or the omission of required information in accordance with the requirements of SAS AU 558.05 through .09.
- D. The audit shall be conducted in accordance with auditing standards generally accepted in the United States, *Government Auditing Standards*, OMB Circular A-133, and *Requirements for Contracting and Conducting Governmental Audits* (2.2.2 NMAC).

2. DELIVERY AND REPRODUCTION

- A. In order to meet the delivery terms of this Contract, the Contractor shall deliver the following documents to the State Auditor on or before **November 15, 2012** and in accordance with 2.2.2.9 NMAC:
 - (1) an organized, bound and paginated hard copy of the Agency's audit report for review;

- (2) a copy of the dated and signed engagement letter required by Section 2.2.2.8(L) NMAC if not previously submitted;
 - (3) a copy of the signed management representation letter required by SAS AU 333;
 - (4) a list of the passed adjustments required by SAS No. 89.04; and
 - (5) a copy of the completed State Auditor Report Review Guide available at www.osanm.org.
- B. For purposes of 2.2.2 NMAC, reports postmarked by the Agency's due date provided in Section 2.2.2.9(A) NMAC will be considered received by the due date provided in that section. Unfinished or excessively deficient reports will not satisfy this requirement; such reports will be rejected and returned to the Contractor and the State Auditor may take action in accordance with Subsection C of 2.2.2.13 NMAC. If copies of the engagement letter, management representation letter, list of past adjustments and the completed Report Review Guide are not received by the State Auditor with the audit report or prior to submittal of the audit report, the report will not be considered submitted to the State Auditor.
- C. As soon as the Contractor becomes aware that circumstances exist that will make the Agency's audit report late, the Contractor shall immediately provide written notification of the situation to the State Auditor. The notification shall include an explanation regarding why the audit report will be late, when the IPA expects to submit the report and a concurring signature by the Agency. The Agency's oversight agency should also be notified, but confidential audit information shall be omitted from that notification.
- D. Pursuant to Section 2.2.2.8(L) NMAC, the Contractor shall prepare a written and dated engagement letter which identifies the specific responsibilities of the Contractor and the Agency. The Contractor shall submit to the State Auditor an electronic copy of the signed and dated engagement letter and a list of client prepared documents with expected delivery dates within ten (10) days of the entrance conference.
- E. After its review of the audit report pursuant to 2.2.2.13 NMAC, the State Auditor will authorize the Contractor to print and submit the final audit report. Within two business days from the date of the authorization to print and submit the final audit report, the Contractor shall provide the State Auditor with **THREE** copies of the report and an electronic version of the audit report, in PDF format. After the State Auditor officially releases the audit report by issuance of a release letter, the Contractor shall deliver 4 copies of the audit report to the Agency. Every member of the Agency's governing authority shall receive a copy of the report.
- F. The Agency, upon delivery of its audit report, shall submit the required copies of the data collection form, audit report and corrective action plan to the federal clearinghouse

designated by the Office of Management and Budget and each federal awarding agency if the schedule of findings and questioned costs disclose audit findings directly related to federal awards.

3. COMPENSATION

A. The total amount payable by the Agency to the Contractor under this agreement, including New Mexico gross receipts tax, shall not exceed \$949,090.

B. Total Compensation will consist of the following:

SERVICES	AMOUNTS
(1) Financial statement audit	436,000
(2) Federal single audit	110,000
(3) Financial statement preparation	N/A
(4) Other nonaudit services, such as depreciation schedule updates	12,000
(5) Other (i.e., component units)	329,000

Gross Receipts Tax = 62,090

Total Compensation = 949,090

C. The Agency shall pay the Contractor the New Mexico gross receipts tax levied on the amounts payable under this agreement and invoiced by the Contractor.

D. Pursuant to Section 12-6-14 NMSA 1978 and the corresponding rule, Section 2.2.2.8(I), the State Auditor may authorize progress payments to the Contractor by the Agency; provided that the authorization is based upon evidence of the percentage of audit work completed as of the date of the request for partial payment. Progress payments up to 69% do not require State Auditor approval, provided that the Agency certifies receipt of services. The Agency must monitor audit progress and make progress payments only up to the percentage that the audit is completed prior to making the 69% payment. Progress payments from 70% to 90% require State Auditor approval after being approved by the Agency. If requested by the State Auditor, the Agency shall provide a copy of the approved progress billings. The State Auditor may allow only the first 50% of progress payments to be made without State Auditor approval if the Contractor's previous audits were submitted after the due date. Final payment for services rendered by the Contractor shall not be made until a determination and written finding is made by the State Auditor in the release letter that the audit has been made in a competent manner in accordance with the provisions of this Contract and applicable rules of the State Auditor.

4. **TERM**

- A. THIS CONTRACT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE STATE AUDITOR. Unless terminated pursuant to Paragraphs 5 or 19, infra, this Contract shall terminate one calendar year after the date on which it is signed by the State Auditor.
- B. If awarded based on a multi-year proposal, this Contract may be extended by the parties for two successive one-year terms at the same price, terms and conditions as stated in the original proposal. Each annual extension of the contract shall be executed by mutual agreement of the parties and approval of the State Auditor pursuant to Section 2.2.2.8(B)(4) NMAC.

5. **TERMINATION, BREACH AND REMEDIES**

- A. This Contract may be terminated, without cause, by either of the parties upon written notice delivered to the other party at least ten (10) days prior to the intended date of termination. This Contract may be terminated immediately by either of the parties upon written notice delivered to the other party if a material breach of any of the terms of this Contract occurs. Unjustified failure to deliver the audit report in accordance with Paragraph 2, supra, shall constitute a material breach of this Contract. The Agency may immediately terminate this Contract upon written notice to the Contractor pursuant to Paragraph 19, infra. Pursuant to Section 2.2.2.8(N), the State Auditor also may immediately terminate this Contract upon written notice to the Contractor after determining that the audit has been unduly delayed, or for any other reason. By termination pursuant to this Paragraph, neither party may nullify obligations already incurred for performance or failure to perform prior to the date of termination. *THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE OTHER LEGAL RIGHTS AND REMEDIES AFFORDED THE STATE CAUSED BY THE CONTRACTOR'S DEFAULT OR BREACH OF THIS CONTRACT.*
- B. If the Agency terminates this Contract under this paragraph, the Contractor shall be entitled to compensation for work performed prior to termination in the amount of earned, but not yet paid, progress payments, if any, that the State Auditor has authorized as provided in Paragraph 3(D), supra. If the Contractor terminates this Contract under this paragraph, the Contractor shall repay to the Agency the full amount of any progress payments for work performed under the terms of this Contract.
- C. If the Agency or the Contractor terminates this Contract pursuant to this paragraph, the party that terminates the Contract shall immediately send the State Auditor written notice of the termination.
- D. The State Auditor may disqualify the Contractor from eligibility to contract for audit services with the State of New Mexico if the Contractor knowingly makes false statements, false assurances or false disclosures under this Contract. The State Auditor

on behalf of the Agency or the Agency may bring a civil action for damages or any other relief against a Contractor for a material breach of this Contract.

6. STATUS OF CONTRACTOR

The Contractor and its agents and employees are independent contractors performing professional services for the Agency and are not employees of the Agency. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles or any other benefits afforded to employees of the Agency as a result of this Contract. The Contractor agrees not to purport to bind the State of New Mexico to any obligation not assumed under this Contract unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

7. ASSIGNMENT

The Contractor shall not assign or transfer any interest in this Contract or assign any claims for money due or to become due under this Contract.

8. SUBCONTRACTING

The Contractor shall not subcontract any portion of the services to be performed under this Contract without the prior written approval of the Agency and the State Auditor. An agreement between the Contractor and a subcontractor to subcontract any portion of the services under this Contract shall be completed on a form prescribed by the State Auditor. The agreement shall be an amendment to this Contract and shall specify the portion of the audit services to be performed by the subcontractor, how the responsibility for the audit will be shared between the Contractor and the subcontractor, the party responsible for signing the audit report and the method by which the subcontractor will be paid. Pursuant to Section 2.2.2.8(G) NMAC, the Contractor may subcontract only with independent public accountants who have submitted completed and approved firm profiles as provided in Section 2.2.2.8(A) NMAC.

9. RECORDS AND AUDIT

The Contractor shall maintain detailed time records that indicate the date, time, and nature of services rendered during the term of this Contract. The Contractor shall retain the records for a period of five (5) years from the date of final payment under this contract. The records shall be subject to inspection by the Agency and the State Auditor. The Agency and the State Auditor shall have the right to audit billings both before and after payment. Payment under this Contract shall not foreclose the right of the Agency or the State Auditor on behalf of the Agency to recover excessive or illegal payments.

10. RELEASE

The Contractor, upon receiving final payment of the amounts due under the Contract,

releases the State Auditor, the Agency, its officers and employees and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under this Contract. This paragraph does not release the Contractor from any liabilities, claims or obligations whatsoever arising from or under this Contract.

11. CONFIDENTIALITY

All information provided to or developed by the Contractor from any source whatsoever in the performance of this Contract shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the Agency and the State Auditor.

12. PRODUCT OF SERVICES; COPYRIGHT AND REPORT USE

Nothing developed or produced, in whole or in part, by the Contractor under this Contract shall be the subject of an application for copyright by or on behalf of the Contractor. The Agency and the State Auditor may post the audited financial statements on their respective websites. The Contractor agrees that the FCD of DFA is free to use the audited financial statements of the educational institutions established by Article 12, Section 11 of the Constitution of New Mexico, in the statewide Comprehensive Annual Financial Report (CAFR) and that the Contractor's audit report may be relied upon during the audit of the statewide CAFR, if applicable.

13. CONFLICT OF INTEREST

The Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Contract. The Contractor certifies that the requirements of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978, regarding contracting with a public officer, state employee or former state employee have been followed.

14. INDEPENDENCE

The Contractor affirms and represents its personal, external and organizational independence from the Agency in accordance with the *Government Auditing Standards 2003 Revision*, issued by the Comptroller General of the United States, and 2.2.2.8(H) NMAC. The Contractor shall immediately notify the State Auditor and the Agency in writing if any impairment to the Contractor's independence occurs or may occur during the period of this Contract.

15. AMENDMENT

This Contract shall not be altered, changed or amended except by prior written agreement of the parties and prior written approval of the State Auditor. Any amendments to this

Contract shall comply with the Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978. **The engagement letter or any documentation included with the engagement letter shall not be interpreted to amend the contract.**

16. MERGER

This Contract incorporates all of the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Contract.

17. APPLICABLE LAW

The laws of the State of New Mexico shall govern this Contract. By execution of this Contract, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Contract.

18. AGENCY BOOKS AND RECORDS

The Agency is responsible for maintaining control of all books and records at all times and the Contractor shall not remove any books and records from the Agency's possession for any reason.

19. APPROPRIATIONS

The terms of this Contract are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico and the Agency's governing body for the performance of this Contract. If sufficient appropriations and authorization are not made by the Legislature and the Agency's governing body, this Contract shall terminate upon written notice being given by the Agency to the Contractor. This section of the Contract does not supersede the Agency's requirement to have an annual audit pursuant to Section 12-6-3(A) NMSA 1978.

20. PENALTIES FOR VIOLATION OF LAW

The Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities and kickbacks.

21. EQUAL OPPORTUNITY COMPLIANCE

The Contractor agrees to abide by all Federal and State laws, rules and regulations, and executive orders of the Governor of the State of New Mexico pertaining to equal

employment opportunity. In accordance with all such laws, rules, regulations and orders, the Contractor assures that no person in the United States shall, on the grounds of race, age, religion, color, national origin, ancestry, sex, physical or mental handicap or serious medical condition, spousal affiliation, sexual orientation or gender identity be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Contract. If the Contractor is found not to be in compliance with these requirements during the life of this Contract, the Contractor agrees to take appropriate steps to correct these deficiencies.

22. WORKING PAPERS

- A. The Contractor shall retain the working papers of the Agency's audit conducted pursuant to this Contract for a period of five (5) years from the date shown on the opinion letter of the audit report, or longer if requested by the federal cognizant agency for audit, oversight agency for audit, pass through-entity or the State Auditor. The State Auditor shall have access to the working papers at the State Auditor's discretion. When requested by the State Auditor, the Contractor shall deliver the original or clear, legible copies of all working papers to the State Auditor.
- B. The working papers of a predecessor Contractor are to be made available to a successor Contractor in accordance with SAS No. 84. Any costs incurred are to be borne by the requestor Contractor.

23. DESIGNATED ON-SITE STAFF

The Contractor's on-site individual auditor responsible for supervision of work and completion of the audit is Cynthia Reinhart. The Contractor shall notify the Agency and the State Auditor in writing of any changes in staff assigned to perform the audit.

24. INVALID TERM OR CONDITION

If any term or condition of this Contract shall be held invalid or unenforceable, the remainder of this Contract shall not be affected.

25. OTHER PROVISIONS

The audit shall cover the whole reporting entity of the college or university including all component units, pursuant to Sections 2.2.2.10(A) and 2.2.2.12(E)(3) NMAC, *Requirements for Contracting and Conducting Audits of Agencies*. If a 501(c)(3) component unit organization had a gross annual income in excess of \$100,000, Section 6-5A-4 NMSA 1978 requires that entity be audited regardless of materiality.

IN WITNESS WHEREOF, the parties have executed this Contract as of the date of signature by the State Auditor.

AGENCY

NAME: University of New Mexico

BY: _____

TITLE: _____

DATE: _____

CONTRACTOR

NAME: KPMG LLP

BY: _____

TITLE: _____

DATE: _____

This Contract has been approved by:

STATE AUDITOR

BY: _____

TITLE: DEPUTY STATE AUDITOR

DATE: _____

State Auditor Contract No. **12** - _____

Contract No. _____

STATE OF NEW MEXICO
AUDIT CONTRACT ADDENDUM
FOR SUBCONTRACTOR

Pursuant to Section 2.2.2.8(G)(2) of 2.2.2 NMAC *Requirements for Contracting and Conducting Audits of Agencies*, the Contractor hereby enters into an agreement with Moss Adams, LLP, hereinafter referred to as the Subcontractor, to subcontract a portion of the services to be performed under this audit contract.

The subcontractor shall perform the following portion(s) of the contracted audit services: University of New Mexico Hospital, University of New Mexico Behavioral Health, University of New Mexico Medical Group (UNMMG), Sandoval Regional Medical Center (SRMC), New Mexico Sentencing Commission.

Responsibility for the audit will

 X Remain with the Contractor; or
_____ Be shared between the Contractor and Subcontractor.

The audit report will be signed by

 X The Contractor; or
_____ The Contractor and the Subcontractor.

The method used to pay the subcontractor will be separate billings by both firms will be submitted to UNM, UNMH, SRMC, and UNMMG.

SUBCONTRACTOR
Moss Adams, LLP

(Name)
BY: _____
TITLE: _____
DATE: _____

CONTRACTOR
KPMG LLP

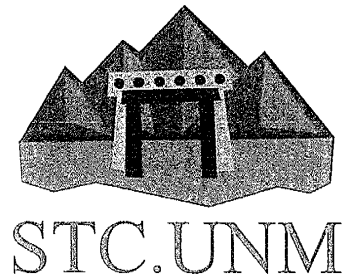
(Name)
BY: _____
TITLE: _____
DATE: _____

AGENCY
University of New Mexico

(Name)
BY: _____
TITLE: _____
DATE: _____

STATE AUDITOR
BY: _____
HECTOR H. BALDERAS
DATE: _____

Tab 13



MEMORANDUM

TO: University of New Mexico
Board of Regents
Finance & Facilities Committee Meeting

FROM: STC.UNM
Board of Directors

DATE: February 17, 2012

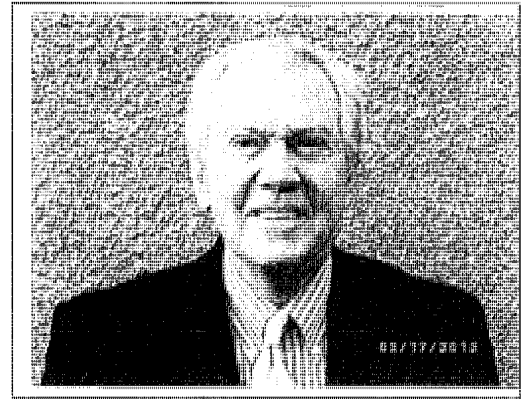
RE: Appointment to STC.UNM Board of Directors

STC.UNM submits for approval the appointment of Mr. Robert Nath to its Board of Directors for a four-year term, beginning upon approval by the Regents and ending June 30, 2016. Mr. Nath was recommended for appointment by the STC Nominating Committee at the STC Board of Directors' January 27, 2012 board meeting and was approved by the STC Board, subject to the Board of Regents' approval.

Mr. Robert Nath

bio attached

Mr. Robert Nath
Co-Founder and Chairman
Quasar International, Inc., Retired



Education

BS – Mechanical Engineering, University of Minnesota

Business/Research Background

After receiving his BS in mechanical engineering in 1959 from the University of Minnesota, Mr. Nath began a nearly 20-year career with Caterpillar Inc., working in new product development, international marketing management, sales management and corporate acquisitions. During Mr. Nath's tenure, Caterpillar Inc. was recognized as one of the top three US exporters. Subsequently, Mr. Nath was appointed Deputy Assistant Secretary of Commerce in the Carter administration and continued to serve in that capacity in the Reagan administration under the leadership Secretary of Commerce Malcolm Baldrige. His responsibilities included expanding trade in eastern Europe, maintaining trade relations with the Soviet Union, and facilitating the development of US trade with China.

Mr. Nath's professional career continued at Atlantic Richfield Company where he served as Vice President in charge of photovoltaic and other new green technologies. In addition, he was the Founder, Chairman and technology inventor of Cyclean, Inc., a venture-financed company focused on recycling asphalt pavement material with minimal pollution. In 1992, Mr. Nath co-founded Quasar International, Inc., a company based in Albuquerque that developed and manufactured resonance-based nondestructive test systems. The company's product is based on a resonant vibration frequency measurement technique developed at Los Alamos National Laboratory. Mr. Nath was responsible for designing the systems for use in factories and his co-founding partner was responsible for developing the advanced mathematical analysis techniques underlying the systems. The mathematic analysis techniques were used to spin off from Quasar a biotech company, also based in Albuquerque, called Exagen Diagnostics, Inc. Exagen develops and manufactures genomic marker tests for irritable bowel syndrome, inflammatory bowel disease, breast cancer and other diseases. In 2007, Quasar was acquired by Magnaflux, a division of Illinois Tool Works, a \$16 billion company operating in 52 countries that develops engineered products and specialty systems. Magnaflux Quasar continues to develop advanced resonant testing methods for production testing of aluminum, ductile iron and other casting and metal-forming methods, as well as for applications in aerospace and ceramics.

Particular Knowledge and Skills

Mr. Nath holds six patents in the area of recyclable asphalt pavement material, the basis of his start-up company Cyclean, Inc. The proprietary technology, which combines warm air and microwave heating, is used in Cyclean plants in the US and The Netherlands and has produced over two million tons (~\$40 million) of hot asphalt material using 90% recycled pavement. As a serial entrepreneur and investor, Mr. Nath has extensive business expertise in evaluating technologies suitable for commercialization and investment. He has personally funded and developed several technologies, commercialized some, raised funds for venture start-ups, and successfully sold one of his own companies. Mr. Nath retired from Magnaflux in January 2012 but remains active in other technology development areas.

Tab 14

LOBO DEVELOPMENT CORPORATION

801 University Blvd. SE, Suite 207
Albuquerque NM 87106-4345

Phone: 505/272-7118
Fax: 505/272-7072

January 13, 2012

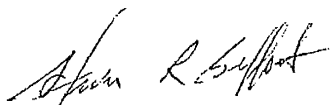
Mr. David W. Harris
E.V.P. for Administration, COO, CFO
The University of New Mexico
Albuquerque NM 87131

RE: Nominations of Stephen J. Ciepiela and Mario Griego-Raby - Lobo Development Corporation Board of Directors

Per the terms of corporate Bylaws, Lobo Development Corporation's non-positional board members are to be appointed by the Board of Regents of The University of New Mexico for terms of one year. The terms of two non-positional board members expired in September and November 2011.

The Board of Directors requests that you place the nomination of Stephen J. Ciepiela and the reappointment of Maria Griego-Raby on the agenda for the March meeting of the Board of Regents' Finance & Facilities Committee. Biographical data is enclosed.

Sincerely,



Steven R. Beffort
Secretary/Treasurer

Enclosure



The Strategic Blueprint Formula™

PRINCIPAL BIOGRAPHY



Stephen J. Ciepiela, is co-founder and President of Charles Stephen and company, Inc. He has almost 30 years of experience in the areas of financial planning, income planning, investment strategies, and risk management as it relates to retirement and transition planning. He is the co-creator of The Strategic Blueprint Formula™, a process to utilize and develop strategies to help clients achieve financial independence and attain their goals. He has also created The Retirement Planning Optimization Process™ to assist clients with retirement and transition planning. He has completed studies to be an Exit Planning Advisor with the Business Enterprise Institute, Inc., a company dedicated to providing exit planning and education to business owners.

Mr. Ciepiela received both his Bachelor's and Master's degrees from the University of New Mexico following an undergraduate education at the United States Air Force Academy. He received his Certified Financial Planner (CFP) designation from the College for Financial Planning in Denver, Colorado. He is registered as an Investment Advisor with the Securities and Exchange Commission. He has earned the Accredited Investment Fiduciary (AIF®) designation, awarded by the Center for Fiduciary Studies and the Certified Retirement Counselor (CRC®) designation.

Mr. Ciepiela has published numerous articles and is a frequent speaker on the subjects of financial, retirement, and exit planning. He also served as Adjunct Professor with College for Financial Planning, teaching the Tax Planning and Management Course.

Mr. Ciepiela was named as one of the top 200 Financial Planners in America in a Special Issue of Money Magazine, as chosen by his peers.

Additionally, Mr. Ciepiela has been listed in "Who's Who in Finance and Industry," "Who's Who in Financial Planning" and "Who's Who in Business."

MARÍA GRIEGO-RABY
800 20TH STREET NW
ALBUQUERQUE, NEW MEXICO 87104
(505) 881-8070

EDUCATION

Master of Business Administration, University of New Mexico, Anderson Schools of Management, 1986

Bachelor of Business Administration, Anderson Schools of Management; Marketing concentration, Spanish minor, University of New Mexico, 1980

La Universidad de las Americas, Puebla, Mexico; Spanish concentration, 1979

EXPERIENCE

President, Principal - 1988 To Present

Contract Associates, Inc. – Manages and leads 25 member company in Albuquerque, New Mexico. Owned and operated International business in Juarez, Mexico for seven (7) years, Ambiente Comercial.

Professional Fundraiser - 1983-1985

Stanford University, Palo Alto, CA, Office of Development. Traveled the United States; motivated, trained and directed alumni volunteers in fundraising for the University's annual fund campaign.

Administrative Analyst - 1980-1983

Amoco Production Company, Denver, CO. Oil field Roustabout and Management Trainee. Worked in oil fields and natural gas plants. Managed gas and oil field activities in northern Colorado, Kansas, and Nebraska.

AWARDS & RECOGNITIONS

- Hispanic Business Magazine Top 500 List – Largest U.S. Hispanic Owned Companies, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009.
- New Mexico 8(a) & Minority Business Development Association, Regional Director Award, 2005.
- Minority Enterprise Development, Regional Minority Supplier/Distributor of the Year, 2002.
- Greater Albuquerque Chamber of Commerce Maxie Anderson Small Business Award, 2002.
- University of New Mexico Robert O. Anderson Schools of Management Hall of Fame, 2001.
- University of New Mexico Alumni Association Zia Award, 2000.
- United States Hispanic Chamber of Commerce Business Woman of the Year, 1999.
- Los Alamos National Laboratory – Overall Best JIT Vendor, 1996.

- United States Small Business Administration Minority Small Business Person of the Year Award (Albuquerque District Office), 1996.
- United States Small Business Administration Administrator's Award for Excellence (Los Alamos National Laboratory), 1995, 1997.
- Top 25 Women Owned Business in New Mexico, 1994, 1995, 1996.
- Rio Grande Minority Purchasing Council - Minority Supplier of the Year, 1990, 1992, 1995.
- Los Alamos National Laboratory - Minority Supplier of the Year Award, 1992.
- United States Small Business Administration Administrator's Award for Excellence (Naval Weapons Evaluation Facility 1992; Holloman Air Force Base 1994)
- U.S. West Communications Minority & Woman Owned Business Enterprise Award, 1989.

CURRENT AFFILIATIONS

University of New Mexico Anderson Schools National Advisory Board, Mountain States Insurance Board of Directors, Chair-New Mexico Student Loans Guarantee Corporation Board of Directors, UNM-STC Board of Directors, Lobo Development Board of Directors.

PAST AFFILIATIONS

State of New Mexico Board of Finance, Chair-Board of Trustees University of New Mexico Hospital, Spanish Colonial Arts Society Board, New Mexico Community Capital Board of Directors, Los Puentes Charter School Board of Directors, University of New Mexico Board of Regents, Albuquerque Hispano Chamber of Commerce Board of Directors, Albuquerque Community Foundation Board of Directors, Past President UNM Alumni Association, New Mexico Student Loans Board of Directors, Greater Albuquerque Chamber of Commerce's Leadership Albuquerque Curriculum Committee Chairperson and Vice Chair, Governor's Prayer Breakfast Executive Committee, Board of Directors, Rio Grande Minority Purchasing Council Board of Directors, Presbyterian Hospital Foundation Board of Directors, Presbyterian Healthcare Services Board of Directors, The Albuquerque Conservation Association (TACA) Board of Directors, New Mexico Chapter International Facility Management Association (IFMA) Founding Member Board of Directors, New Mexico Symphony Board of Directors, UNM/ Anderson Schools of Management Board of Directors, Albuquerque Zoological Society Board of Directors, YWCA Woman on The Move Award Nominee. She was also honored as a distinguished graduate of Albuquerque High School.

Tab 15

LOBO DEVELOPMENT CORPORATION

801 University Blvd. SE, Suite 207
Albuquerque NM 87106-4345

Phone: 505/272-7118
Fax: 505/272-7072

January 21, 2012

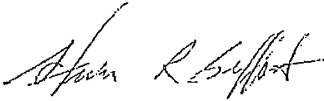
Mr. David W. Harris
E.V.P. for Administration, COO, CFO
The University of New Mexico
Albuquerque NM 87131

RE: Proposed Amendment to Bylaws of Lobo Development Corporation

Article IV, Section 1, of the Bylaws of Lobo Development Corporation sets forth the number of Positional Directors as nine. The Chairman of the Board would like to increase this number to ten and add the University Athletic Director as a Positional Director. A proposed amendment to the Bylaws is attached.

Please place the proposed Amendment of Bylaws of Lobo Development Corporation on the agenda for the March 1, 2012 meeting of the Board of Regents' Finance & Facilities Committee.

Sincerely,



Steven R. Beffort
Secretary/Treasurer

Enclosure

DRAFT

THIRD AMENDMENT TO BYLAWS
OF
LOBO DEVELOPMENT CORPORATION

The Bylaws of Lobo Development Corporation (“the corporation”), as adopted by the Board of Directors of the corporation on March 20, 2008, and as approved by the Board of Regents of the University of New Mexico on October 9, 2007, are hereby amended as follows:

ARTICLE IV: BOARD OF DIRECTORS, Section 1: General Powers and Number of Directors, “The number of directors shall be nine.” is hereby amended to read “The number of directors shall be ten.” “...six of the directors (the “Positional Directors”)...” is hereby amended to read “...seven of the directors (the “Positional Directors”)...” “...and the Secretary/Treasurer of Lobo Development Corporation.” is hereby amended to read “the Secretary/Treasurer of Lobo Development Corporation, and the University Athletic Director.”

President Date

Secretary/Treasurer Date

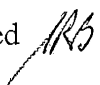
Tab 16

LOBO ENERGY, INC.

MEMORANDUM

TO: Members of the Board of Regents

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

FROM: Steven R. Beffort, President, Lobo Energy Incorporated 

DATE: March 7, 2012

**SUBJECT: Financing Approval of Second Gas Turbine Cogeneration Unit
at Ford Utilities Center**

RECOMMENDED ACTION:

It is recommended that the Board of Regents approve the financing plan for the purchase and installation of the:

Second Gas Turbine Cogeneration Unit at Ford Utilities Center

PROJECT APPROVAL:

The project was approved by the Finance and Facilities Committee on June 2, 2011, and by the Board of Regents on June 27, 2011. At the time of those approvals a commitment was made to come back to the board for approval of the financing of the project. This two-step process was followed in order to allow for the financing decision to be made closer to the time when the financing was actually needed.

PROJECT DESCRIPTION:

In 2004, space within the Ford Utilities Center (Building #116) was extensively renovated including provisions for two nominal 7.5 megawatt gas turbine electric generators (GTG) with heat recovery boilers. This configuration is known as *cogeneration*. The decision was made to phase installation of the two units. One was installed and commissioned in 2005. This project will install the second unit in the space which was already created for it.

FINANCING:

Multiple financing options were considered in conjunction with the UNM Procurement Office. These options included a UNM bond issuance, debt through the New Mexico Finance Authority, debt through the UNM Foundation, debt through UNM cash reserves, and debt through a bank loan. Review of the options determined that the best business decision and the lowest interest rate would be secured through a bank loan. Negotiations will be completed, pending this approval, with expected interest at less than three percent. Payments for the financing would come from the reduced operating expenses in the PPD Utilities Division budget. The project budget is \$9,975,750 and will be funded by financing provided by a Lobo Energy Incorporated (LEI) bank loan. LEI will

hold the asset until payment for the unit is completed and, at that time, the asset will be transferred to UNM. At its meeting on February 22, 2012, the LEI Board of Directors approved this procedure and funding mechanism, pending appropriate legal reviews to ensure that, while University Research Park and Economic Development Act corporations have authority to borrow money, LEI specifically as a UNM Research Park Act corporation has that authority. That review and recommendation was addressed by UNM Counsel, Lee Peifer, and Associate UNM Counsel, Richard Mertz, in the attached documents which include their legal analysis, a letter of opinion by outside bond counsel, and a resolution granting specific approval for this transaction. This process is consistent with the UNM/LEI Management Services Agreement that charges LEI with the task of acting on behalf of, and as an agent for, UNM utilities initiatives. An example of this service is the current multi-year energy-conservation program contracted by LEI on behalf of the UNM Physical Plant.

Thank you for your consideration.

Date: March 1, 2012

To: Board of Regents' Facilities and Finance Committee

From: K. Lee Peifer, Interim University Counsel

Richard Mertz, Associate University Counsel

Re: Information Item - Ford Utilities Center Cogeneration Unit

Background

Lobo Energy, Inc. is planning to purchase, install and operate a second cogeneration unit at the Ford Utility Center. The electricity generated by the unit will be used to supply power and heat to the UNM campus and is projected to generate substantial savings on utility costs. In order to make this purchase, Lobo Energy proposes to enter into an approximately \$10 million bank loan.

Lobo Energy is a Research Park Act Corporation and 501(c)(3) nonprofit corporation incorporated under the laws of the State of New Mexico pursuant to the New Mexico University Research Park and Economic Development Act, Section 21-28-1, *et seq.* NMSA 1978 (the "URPEDA") and the New Mexico Nonprofit Corporation Act, Section 53-8-1 *et seq.* NMSA 1978. Lobo Energy was created by the UNM Board of Regents to support UNM for the purpose of operating the University's utility infrastructure.

Legal Analysis

A. Regents' Policy 7.10, Borrowing and Bonding Authority, authorizes the University to borrow money through the issuance and sale of University bonds or other obligations for purposes that include furnishing and equipping necessary buildings or structures and income producing facilities. This policy, by its own terms, applies to the financial affairs of the University.

B. The Regents have the authority under URPEDA to establish research park corporations that are separate and apart from the state and the University (Section 21-28-4A). As a research park act corporation, Lobo Energy has broad statutory authority.

Once established, the research park act corporation has the authority to: "...make contracts, incur liabilities or borrow money at rates of interest that the research park corporation may determine" (Section 21-28-6E).

Other powers under URPEDA include the power to purchase, own and use property (Section 21-28-6C) and the power to make and execute all contracts, agreements or instruments necessary or convenient in the exercise of the powers and functions of the corporation granted by the URPEDA (Section 21-28-6E).

A research park corporation shall not be deemed an agency, public body or other political subdivision of New Mexico for purposes including applying statutes and laws relating to procurement of goods and services. (Section 21-28-7A)

C. The Articles of Incorporation of Lobo Energy indicate that the corporation was formed to support the University of New Mexico for the purposes of generally providing contractual services including financing, operating, improving and expanding the University's utilities services infrastructure and for all other purposes permitted under the University Research Park Act. The Bylaws for Lobo Energy indicate a closely similar purpose.

D. A 2010 Management Services Agreement between the Regents of The University and Lobo Energy indicates that Lobo Energy will provide, among other obligations, assistance to the University for management and supervision of its contracts that provide for procurement of equipment and services in the course of implementing projects. In return, the University provides resources and funding for Lobo Energy.

The agreement also indicates that with respect to existing and any and all new utility systems and equipment, the University will continue to own, finance, operate, maintain and in all respects, control the utility equipment and systems.

325 North St. Paul Street
Suite 800
Dallas, Texas 75201-3852

214-953-8705 Direct
800-678-3792 Toll Free
214-953-4050 Fax

George H. Williford
Managing Director

george.williford@firstsw.com

Date: March 5, 2012

To: Andrew Cullen

**Cc: David Harris
Steven Beffort
Chris Vallejos
Mary Vosevich
Vahid Staples**

Re: Financing of Co-Generation Project

Lobo Energy, Inc. (“Lobo Energy”) is considering the means to finance construction of a co-generation project (“co-gen project”) to provide additional electrical power to UNM. Direct financing by Lobo Energy through a commercial bank is one alternative under consideration. Based upon the size and purpose of the proposed financing, this method of financing the co-gen project offers advantages from both credit and economic perspectives.

Because Lobo Energy is a non-profit corporation established to produce and provide power, accounted for as a discreet component unit of UNM, it is appropriate that Lobo Energy undertake financing of the co-gen project. Although the rating agencies may determine to include this financing in the debt profile of UNM, based upon the relationship of Lobo Energy and UNM, direct bank financing by Lobo Energy should not have negative impact on the rating position of UNM. First, the size of the proposed financing and annual debt service is not material in relation to the overall debt position of UNM. Separate financing by Lobo Energy would be viewed as specific purpose financing for electrical power production, similar to governmental enterprise financings, versus general purpose bond issuance or financing by UNM payable on a parity basis from combined revenues of UNM.

Direct bank financing by Lobo Energy would be more expeditious and economical than financing otherwise by UNM. Bank financing would avoid disproportionate costs associated with undertaking a bond issuance of only \$10 million. Also, bank financing by Lobo Energy would shorten the time and processes which would be required for bond issuance by UNM.

Please call on us with any questions, or if we can provide additional information.

The University of New Mexico

Board of Regents

Monday, March 12, 2012

RESOLUTION

Today's agenda includes a request from Lobo Energy, Inc. for approval to fund purchase of a cogeneration unit. Lobo Energy, Inc. proposes to purchase, install and operate a second cogeneration unit at the Ford Utilities Center for purposes of providing electric power and heat to the University of New Mexico. There is in effect a 2010 Management Services Agreement between The Regents of the University of New Mexico and Lobo Energy, Inc. (the "Agreement") that sets forth the terms under which Lobo Energy, Inc. will provide management and delivery of utility services in return for resources and funding from the University (copy attached as exhibit A).

Notwithstanding any of the terms and conditions of the Agreement, The Regents of the University of New Mexico hereby authorize Lobo Energy, Inc. to acquire, finance through a bank loan or other method and own the cogeneration unit for the sole purpose of providing electricity and heat for use by the University.

Jack L. Fortner, President, Board of Regents

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

**Management Services Agreement
between the
Regents of
The University of New Mexico
and
Lobo Energy, Incorporated**

Revised Effective November 1, 2010

WHEREAS, the Regents of the University of New Mexico (the "University") desire the continued assistance and support of Lobo Energy, Inc. ("Lobo Energy") in planning for future expansion of utilities systems and infrastructure, energy conservation, development, and other projects, and

WHEREAS, with respect to existing and any and all new utility systems and equipment, the University will continue to own, finance, operate, maintain and, in all respects, control the utility equipment and systems; and

WHEREAS, the Parties desire to enter into this Management Services Agreement to effectuate their mutual intent (the "Agreement")

NOW, THEREFORE, the University and Lobo Energy, agree as follows:

I. SERVICES

1.1 UTILITY PROJECT MANAGEMENT SERVICES

1.1.1 The University will provide:

- a. financing and funding for implementation of projects following completion of planning by Lobo Energy;
- b. continuing contractual relationships with energy service suppliers, including the obligation to procure and pay for energy and services through normal public procurement processes for the University's service requirements;
- c. at its discretion, all resources capable of assisting and supporting Lobo Energy in its management and planning activities; and
- d. cooperation and support to Lobo Energy as it discharges its obligation to provide project management services.

The University shall maintain ownership and control of all aspects of the projects, and continuing ownership, operation and maintenance of its utility equipment, systems, and administration.

Revised Management Services Agreement Between UNM and LEI – November 1, 2010

- 1.1.2 Lobo Energy shall provide assistance to the University, 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 the University's energy procurement strategies;
 - d. recommendations for obtaining cost-effective energy commodities and services from energy suppliers;
 - e. management of the University'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
 - h. assistance with developing the energy and administrative capabilities described in items a through g above.

1.2 OTHER MANAGEMENT AND PLANNING SERVICES

1.2.1 The University will provide:

- a. at its discretion, all resources capable of assisting and supporting Lobo Energy, Inc. in its management and planning activities; and
- b. cooperation and support to Lobo Energy, Inc. as it discharges its obligation to provide project management services.

The University shall maintain continuing ownership, operation and maintenance of all infrastructure, buildings, commercial properties developed, and other assets for which Lobo Energy provides management services and planning activities;

1.2.2 Lobo Energy will provide, at the University's request:

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

1.3 Lobo Energy agrees to provide its cooperation and support to the University for the determination and provision of resources to all projects assigned to Lobo Energy.

II. REPORTING

Lobo Energy agrees to provide to the University:

- a. project management reports that: 1) reflect the status of budget, schedule, and administrative matters and 2) shall be mutually agreed upon and developed as the project informational needs are identified;

Revised Management Services Agreement Between UNM and LEI – November 1, 2010

- b. an annual financial audit performed by an independent certified public accounting firm selected according to policy set for the University and its component units by the State Auditor; and
- c. periodic reports and information reasonably requested regarding Lobo Energy's operations.

III. PAYMENT FOR SERVICES

- 3.1 Utility Project Management. In consideration for provision of utility-related project management services provided under Paragraph 1.1.2 of this Agreement, the University agrees to pay Lobo Energy forty thousand dollars (\$40,000) monthly for its expenses. In addition, the University agrees to pay Lobo Energy a mutually-agreed-upon monthly fee for the duration of other projects assigned to Lobo Energy by the University.
- 3.2 Planning Services. In consideration for provision of development planning activities, as well as other management and planning services provided under this Agreement, the University agrees to pay Lobo Energy a mutually-agreed-upon monthly fee for the duration of each project assigned to Lobo Energy by the University.
- 3.3 Payment of University Obligations to Lobo Energy. The University shall transfer all funds payable to Lobo Energy into the account it maintains for Lobo Energy, Inc. pursuant to this Agreement. Lobo Energy may transfer funds from its University account to its bank checking account as needed.

IV. AMENDMENT OF MANAGEMENT SERVICES AGREEMENT

This Agreement and any attachment(s) may be amended at any time by mutual agreement of the Parties. The Regents of The University of New Mexico must approve all amendments. This Agreement supersedes the previous ISA and MSA agreements between Lobo Energy and the University.

V. TERM OF AGREEMENT

- 5.1 Term. This Agreement shall be effective November 1, 2010, and shall continue for a term of five (5) years.
- 5.2 Extension of Term. This Agreement shall continue for consecutive one-year periods after its expiration or until such time as it is terminated pursuant to Paragraph 5.3.
- 5.3 Termination of Agreement. The University may terminate this Agreement thirty-days (30 days) after written notice to Lobo Energy. Upon termination of this Agreement, all rights and privileges granted, assigned or shared between Lobo Energy and the University shall terminate. Upon termination of this Agreement all property of Lobo Energy shall transfer to the University subject to the prior rights, if any, of any creditors of Lobo Energy.

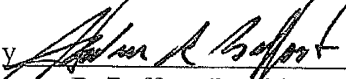
Revised Management Services Agreement Between UNM and LEI – November 1, 2010

VI. DISPUTE RESOLUTION

The Parties agree that any disputes between Lobo Energy and the University shall be first discussed at the project-management level to attempt to resolve the conflict. Upon lack of agreement, utility matters shall be referred to the senior management of Lobo Energy and the Physical Plant Director for discussion and resolution. Upon lack of resolution regarding utility or other matters, the University's Executive Vice President for Administration shall hear the dispute and render the final decision. Both Parties agree to abide by that decision.


IN WITNESS HEREOF, the parties hereto have caused this Agreement to be executed.

Lobo Energy Incorporated

By 
Steven R. Beffort, President

Date MARCH 16, 2011

The Regents of The University of New Mexico

By 
President

Date March 14, 2011

Approved by UNM Board of Regents on: March 14, 2011
Date

Tab 17

Executive Summary

University of New Mexico Consolidated Financial Report

FY 2012, 7 months ending 1/31/2012

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 January, we would expect to see income and expense for 7 months of the year or 58% (7 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 \$14.6M 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 \$803K 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 1/31/12 these operations produced a favorable net margin of \$77.5M. This results from recording actual tuition and fees revenue on a semester basis, as opposed to a monthly basis, as shown by a 101% Benchmark rate for tuition and fees revenue. In addition, F&A Revenues were up 5% overall compared to the operating budget and the total actual Instruction and General expenses are 3% 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 \$3.8M as of 1/31/12 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 \$3.5M as of 1/31/12. UNM Hospitals produced a favorable net margin of \$183K and the HSC Campus had an unfavorable net margin of \$3.7M as of 1/31/2012. The results for UNMH are a positive net margin of \$300K and the combined results for the Behavioral Health Operations (BHO) are running at a loss of \$117K. The HSC unfavorable net margin of \$3.7M as of 1/31/12 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 \$5.0M. 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 \$2.5M as of 1/31/12 with HSC Campus having an unfavorable net margin of \$1.1M and the Main and Branch Campuses producing a favorable net margin totaling \$3.6M. 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 \$8.9M use of reserve at the Main and Branch Campuses 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 \$6.1M as of 1/31/12. The revenues are ahead of the budget benchmark because they are recorded on the semester basis for scholarships and need-based aid to students. 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 \$196K. These operations show a favorable performance of \$933K as of 1/31/12. This results from recording actual fee revenue on a semester basis, as opposed to a monthly basis, as shown by a 72% Benchmark rate for fee revenue.

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 \$49K and all other units budgeting an unfavorable net margin of \$10K.

Actual performance as of January 31, 2012 for the Auxiliaries and Athletics is a favorable net margin of \$2.2M. Units with a positive net operating income through January are: Bookstore, Parking and Transportation, Ticketing Services, Young Ranch, Housing and Food Service, Student Health Center, Student Union, 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 \$69.7 million for the seven months ending 1/31/12, primarily driven by the favorable net margin of \$77.5M in Instruction and General operations.

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
For the seven month period ended January 31, 2012
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 58%
Instruction and General				
Tuition and Fees Revenues	155,810,593	157,978,038	2,167,445	101%
State/Local Appropriations	244,488,606	144,187,992	(100,300,614)	59%
F & A Revenues	39,500,000	24,958,949	(14,541,051)	63%
Transfers	(53,860,557)	(31,786,108)	22,074,449	59%
Other Revenues	22,624,228	13,417,441	(9,206,787)	59%
Total Instruction and General Revenues	408,562,870	308,756,312	(99,806,558)	76%
Salaries	255,375,939	148,815,489	106,560,450	58%
Benefits	74,932,318	38,449,149	36,483,169	51%
Other Expenses	92,809,492	43,961,868	48,847,624	47%
Total Instruction and General Expenses	423,117,749	231,226,506	191,891,243	55%
Net Instruction and General Revenue/(Expense)	(14,554,879)	77,529,806	92,084,685	
Research				
State/Local Appropriations	9,573,008	5,870,454	(3,702,554)	61%
Transfers	24,411,521	12,651,029	(11,760,492)	52%
Other Revenues	3,775,641	1,400,644	(2,374,997)	37%
Total Research Revenues	37,760,170	19,922,127	(17,838,043)	53%
Salaries and Benefits	26,788,722	13,525,146	13,263,576	50%
Other Expenses	21,287,670	10,184,878	11,102,792	48%
Total Research Expenses	48,076,392	23,710,024	24,366,368	49%
Net Research Revenue/(Expense)	(10,316,222)	(3,787,897)	6,528,325	
Clinical Operations				
State/Local Appropriations	22,147,400	12,427,979	(9,719,421)	56%
Physician Professional Fee Revenues	100,253,515	55,754,239	(44,499,276)	56%
Hospital Facility Revenues	635,690,439	379,929,571	(255,760,868)	60%
Other Patient Revenues, net of Allowance	86,350,684	50,609,961	(35,740,723)	59%
Mil Levy	90,562,935	52,101,138	(38,461,797)	58%
Investment Income	4,127,881	518,780	(3,609,101)	13%
Gifts	2,425,503	1,730,865	(694,638)	71%
Housestaff Revenues	30,423,113	18,299,379	(12,123,734)	60%
Other Revenues	13,514,329	7,675,728	(5,838,601)	57%
Total Clinical Operations Revenues	985,495,799	579,047,640	(406,448,159)	59%
Salaries and Benefits	546,284,184	322,575,057	223,709,127	59%
Debt Service	7,958,752	5,099,815	2,858,937	64%
Housestaff Expenses	30,451,294	17,636,506	12,814,788	58%
Other Expenses	404,174,207	237,217,135	166,957,072	59%
Total Clinical Operations Expenses	988,868,437	582,528,513	406,339,924	59%
Net Clinical Operations Revenue/(Expense)	(3,372,638)	(3,480,873)	(108,235)	
Public Service				
State/Local Appropriations	3,526,500	2,056,941	(1,469,559)	58%
Sales and Services Revenues	10,869,955	7,005,012	(3,864,943)	64%
Gifts	6,913,243	6,695,286	(217,957)	97%
Transfers	2,251,336	162,891	(2,088,445)	7%
Other Revenues	4,686,371	3,392,614	(1,293,757)	72%
Total Public Service Revenues	28,247,405	19,312,744	(8,934,661)	68%
Salaries and Benefits	15,401,206	9,101,873	6,299,333	59%
Other Expenses	17,824,509	7,759,210	10,065,299	44%
Total Public Service Expenses	33,225,715	16,861,083	16,364,632	51%
Net Public Service Revenue/(Expense)	(4,978,310)	2,451,661	7,429,971	

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
For the seven month period ended January 31, 2012
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 58%
Student Aid				
Gifts	2,669,793	3,004,042	334,249	113%
State Lottery Scholarship	32,700,000	32,700,000	-	100%
Transfers	13,196,285	7,884,344	(5,311,941)	60%
Other Revenues	525,722	410,961	(114,761)	78%
Total Student Aid Revenues	49,091,800	43,999,347	(5,092,453)	90%
Salaries and Benefits	3,695,995	2,296,461	1,399,534	62%
Other Expenses	54,941,012	47,841,915	7,099,097	87%
Total Student Aid Expenses	58,637,007	50,138,376	8,498,631	86%
Net Student Aid Revenue/(Expense)	(9,545,207)	(6,139,029)	3,406,178	
Student Activities				
Fee Revenues	5,716,580	4,114,307	(1,602,273)	72%
Sales and Services Revenues	1,197,410	945,649	(251,761)	79%
Transfers	756,179	193,216	(562,963)	26%
Other Revenues	151,487	94,629	(56,858)	62%
Total Student Activities Revenues	7,821,656	5,347,801	(2,473,855)	68%
Salaries and Benefits	4,229,791	2,323,199	1,906,592	55%
Other Expenses	3,787,394	2,091,520	1,695,874	55%
Total Student Activities Expenses	8,017,185	4,414,719	3,602,466	55%
Net Student Activities Revenue/(Expense)	(195,529)	933,082	1,128,611	
Auxiliaries and Athletics				
Branch Campuses Auxiliary Revenues	2,783,678	2,139,096	(644,582)	77%
Main Campus Auxiliaries Revenues	52,697,732	35,805,410	(16,892,322)	68%
Athletics Revenues	30,342,530	20,004,492	(10,338,038)	66%
Total Auxiliaries and Athletics Revenues	85,823,940	57,948,998	(27,874,942)	68%
Branch Campuses Auxiliary Expenses	2,832,578	1,869,068	963,510	66%
Main Campus Auxiliaries Expenses	53,983,002	32,815,205	21,167,797	61%
Athletics Expenses	30,836,430	21,097,706	9,738,724	68%
Total Auxiliaries and Athletics Expenses	87,652,010	55,781,979	31,870,031	64%
Net Auxiliaries and Athletics Revenue/(Expense)	(1,828,070)	2,167,019	3,995,089	
Sponsored Programs				
Federal Grants and Contracts Revenues	193,647,747	168,886,015	(24,761,732)	87%
State and Local Grants and Contracts Revenues	37,357,797	15,929,777	(21,428,020)	43%
Non-Governmental Grants and Contracts Revenues	22,642,464	16,163,328	(6,479,136)	71%
Gifts	165,776	155,001	(10,775)	94%
Transfers	1,368,475	3,008,066	1,639,591	220%
Other Revenues	107,628	-	(107,628)	0%
Total Sponsored Programs Revenues	255,289,887	204,142,187	(51,147,700)	80%
Salaries and Benefits	132,246,823	72,567,018	59,679,805	55%
Other Expenses	123,043,064	131,575,169	(8,532,105)	107%
Total Sponsored Programs Expenses	255,289,887	204,142,187	51,147,700	80%
Net Sponsored Programs Revenue/(Expense)	-	-	-	
Contingencies				
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	
Net Current Revenue/(Expense)	(24,991,065)	69,673,769	134,264,414	
Beginning Net Assets Unrestricted		301,886,009		
Ending Net Assets Unrestricted		371,559,778		

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
For the seven month period ended January 31, 2012
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 58%
University of New Mexico - Results of Athletics and Auxiliary Operations				
Results of Athletics Operations:				
Athletics Revenues	33,516,731	21,819,070	(11,697,661)	65%
Athletics Transfers	(3,174,201)	(1,814,578)	1,359,623	57%
Total Athletics Revenues	30,342,530	20,004,492	(10,338,038)	66%
Athletics Expenses				
Salaries and Benefits	13,259,616	8,288,954	4,970,662	63%
Grant-in-Aid	3,837,520	2,895,258	942,262	75%
Other Expenses	13,739,294	9,913,494	3,825,800	72%
Total Athletics Expenses	30,836,430	21,097,706	9,738,724	68%
Net Athletics Revenue/(Expense)	(493,900)	(1,093,214)	(599,314)	
Results of Auxiliary Operations:				
VP for Institutional Support Services				
Bookstore Revenues	18,287,250	15,231,935	(3,055,315)	83%
Bookstore Transfers	(1,390,000)	(1,223,519)	166,481	88%
Total Bookstore Revenues	16,897,250	14,008,416	(2,888,834)	83%
Total Bookstore Expenses	17,613,020	13,145,552	4,467,468	75%
Net Bookstore Revenue/(Expense)	(715,770)	862,864	1,578,634	
Public Events Revenues	4,722,820	1,716,213	(3,006,607)	36%
Public Events Transfers	149,730	87,346	(62,384)	58%
Total Public Events Revenues	4,872,550	1,803,559	(3,068,991)	37%
Total Public Events Expenses	4,872,550	2,189,276	2,683,274	45%
Net Public Events Revenue/(Expense)	-	(385,717)	(385,717)	
Golf Courses Revenues	2,211,054	1,178,590	(1,032,464)	53%
Golf Courses Transfers	(39,252)	(22,897)	16,355	58%
Total Golf Courses Revenues	2,171,802	1,155,693	(1,016,109)	53%
Total Golf Courses Expenses	2,171,802	1,375,885	795,917	63%
Net Golf Courses Revenue/(Expense)	-	(220,192)	(220,192)	
Parking and Transportation Revenues	7,796,976	5,539,211	(2,257,765)	71%
Parking and Trans Transfers	(2,448,807)	(1,418,382)	1,030,425	58%
Total Parking and Trans Revenues	5,348,169	4,120,829	(1,227,340)	77%
Total Parking and Trans Expenses	5,548,169	3,209,601	2,338,568	58%
Net Parking and Trans Revenue/(Expense)	(200,000)	911,228	1,111,228	
Ticketing Services Revenues	526,000	705,782	179,782	134%
Ticketing Services Transfers	348	43,953	43,605	12630%
Total Ticketing Services Revenues	526,348	749,735	223,387	142%
Total Ticketing Services Expenses	526,348	486,071	40,277	92%
Net Ticketing Services Revenue/(Expense)	-	263,664	263,664	
Faculty Club Revenues	50,000	24,303	(25,697)	49%
Faculty Club Expenses	50,000	33,736	16,264	67%
Net Faculty Club Revenue/(Expense)	-	(9,433)	(9,433)	
Young Ranch Revenues	55,536	89,554	34,018	161%
Young Ranch Expenses	55,536	31,513	24,023	57%
Net Young Ranch Revenue/(Expense)	-	58,041	58,041	
Taos & Lawrence Ranch Revenues	50,740	15,000	(35,740)	30%
Taos & Lawrence Ranch Expenses	50,740	19,794	30,946	39%
Net Taos & Lawrence Ranch Revenue/(Expense)	-	(4,794)	(4,794)	
Total VP for Institutional Support Services Revenues	29,972,395	21,967,089	(8,005,306)	73%
Total VP for Institutional Support Services Expenses	30,888,165	20,491,428	10,396,737	66%
Net VP for Institutional Support Services Revenue/(Expense)	(915,770)	1,475,661	2,391,431	

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
For the seven month period ended January 31, 2012
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 58%
VP for Student Affairs				
AVP Ops/Student Life Revenues	2,345,426	1,857,061	(488,365)	79%
AVP Ops/Student Life Transfers	(522,506)	(948,707)	(426,201)	182%
Total AVP Ops/Student Life Revenues	1,822,920	908,354	(914,566)	50%
Total AVP Ops/Student Life Expenses	2,082,420	1,428,281	654,139	69%
Net AVP Ops/Student Life Revenue/(Expense)	(259,500)	(519,927)	(260,427)	
Housing and Food Service Revenues	15,189,800	12,396,636	(2,793,164)	82%
Housing Transfers	(3,813,600)	(6,923,233)	(3,109,633)	182%
Total Housing and Food Service Revenues	11,376,200	5,473,403	(5,902,797)	48%
Total Housing and Food Service Expenses	11,376,200	5,293,071	6,083,129	47%
Net Housing and Food Service Revenue/(Expense)	-	180,332	180,332	
Student Health Center Revenues	7,034,342	5,705,964	(1,328,378)	81%
Student Health Center Expenses	7,134,342	3,916,484	3,217,858	55%
Net Student Health Center Revenue/(Expense)	(100,000)	1,789,480	1,889,480	
Student Union Revenues	2,181,266	1,606,145	(575,121)	74%
Student Union Expenses	2,181,266	1,470,368	710,898	67%
Net Student Union Revenue/(Expense)	-	135,777	135,777	
Lobo Cash Revenues	54,498	39,815	(14,683)	73%
Lobo Cash Expenses	54,498	48,110	(6,388)	88%
Net Lobo Cash Revenue/(Expense)	-	(8,295)	(8,295)	
Total VP for Student Affairs Revenues	22,469,226	13,733,681	(8,735,545)	61%
Total VP for Student Affairs Expenses	22,828,726	12,156,314	10,672,412	53%
Net VP for Student Affairs Revenue/(Expense)	(359,500)	1,577,367	1,936,867	
Provost and Other Units				
CE Conference Ctr Revenues	246,000	150,142	(95,858)	61%
CE Conference Ctr Transfers	(67,389)	(70,895)	(3,506)	105%
Total CE Conference Ctr Revenues	178,611	79,247	(99,364)	44%
Total CE Conference Ctr Expenses	178,611	120,675	57,936	68%
Net CE Conference Ctr Revenue/(Expense)	-	(41,428)	(41,428)	
Art Museum Revenues	-	5,399	5,399	N/A
Art Museum Expenses	-	-	-	N/A
Net Art Museum Revenue/(Expense)	-	5,399	5,399	
Maxwell Museum Revenues	25,000	27,768	2,768	111%
Maxwell Museum Expenses	25,000	8,231	16,769	33%
Net Maxwell Museum Revenue/(Expense)	-	19,537	19,537	
Other Revenues	52,500	(7,774)	(60,274)	-15%
Other Expenses	62,500	38,557	23,943	62%
Net Other Revenue/(Expense)	(10,000)	(46,331)	(36,331)	
Total Provost and Other Units Revenues	256,111	104,640	(151,471)	41%
Total Provost and Other Units Expenses	266,111	167,463	98,648	63%
Net Provost and Other Units Revenue/(Expense)	(10,000)	(62,823)	(52,823)	
Auxiliary Totals				
Total Auxiliary & Concessions Revenues	52,697,732	35,805,410	(16,892,322)	68%
Total Auxiliary & Concessions Expenses	53,983,002	32,815,205	21,167,797	61%
Net Auxiliary Revenue/(Expense)	(1,285,270)	2,990,205	4,275,475	
Net Athletics Revenue/(Expense)	(493,900)	(1,093,214)	(599,314)	
Net Auxiliary and Athletics Revenue/(Expense)	(1,779,170)	1,896,991	3,676,161	
Net Branch Campuses Aux Revenue/(Expense)	(48,900)	270,028	318,928	
Net All Auxiliary and Athletics Revenue/(Expense)	(1,828,070)	2,167,019	3,995,089	

UNM Debt Service Schedule

As of January 31, 2012	UNM Health System	UNM Hospital	UNM Health Services	UNM Health Care	UNM Health Foundation	UNM Health Plan	UNM Health Trust	UNM Health Foundation	UNM Health Plan	UNM Health Trust	UNM Health Foundation	UNM Health Plan	UNM Health Trust
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	\$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	\$2,759,914	\$7,444,828					
(1) 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 paid 1/1/2012)	\$4,119,659 (due 7/1/2012)	\$4,119,659	\$4,119,659	\$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	\$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	\$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	\$1,160,482	\$4,475,964					
Sub Lien Sys Rfdg Revenue Bonds (2) 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	\$476,643	\$2,323,286					
Sub Lien System Rfdg Revenue Bonds (2) 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	\$716,883	\$1,798,766					
Sub Lien System Imp Revenue Bonds Series 2001: 1/2 True Variable Rate (2) Series 2001: 1/2 Synthetic Fixed Interest at 4.16% and 4.19% Final Maturity Year 2026	Variable Rate	\$52,625,000	\$39,185,000	\$1,915,000	\$783,700	\$783,700	\$783,700	\$3,482,400					
Sub Lien System Imp Revenue Bonds Series 2000: Interest Range 4.65% to 6.35% Final Maturity Year 2019	Fixed Rate	\$53,231,671	\$3,304,714	\$546,584	\$284,208	\$284,208	\$284,208	\$1,115,000					
System Revenue Rfdg Bonds Series 1992 A: Interest Range 5.6% to 6.25% Final Maturity Year 2021	Fixed Rate	\$36,790,000	\$20,830,000	\$1,630,000	\$626,938	\$626,938	\$626,938	\$2,883,876					
Grand Total		\$752,821,671	\$620,514,714	\$17,676,584	\$14,852,468	\$14,804,477	\$14,804,477	\$47,333,529					

Note: See attached matrix for funding sources.

(1) Source: UNM Hospital - Both UNM 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 UNM 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 January 31, 2012

	Series 2007A&B	Series 2005	Series 2004	Series 2002B&C	Series 2002A	Series 2002C	Series 2002B	Series 2002A	Series 2001	Series 2002A&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	1,001,602	0	59,891	1,061,493	159,590	119,955	2,700	73,857	148,959	505,061	556,432	47.58%
ABA Provost Administrative Units	14,344,118	85,783	106,087	14,535,988	852,147	2,782,880	832,474	62,962	886,476	5,416,941	9,119,048	37.27%
ABB University College	2,548,406	31,590	234	2,580,230	954,553	417,158	69,652	1,213	237,011	1,679,588	900,643	65.09%
ABC School of Public Administration	990,258	950	13	991,221	448,164	79,809	25,680	0	53,170	606,823	384,398	61.22%
ABD VP for Equity & Inclusion	1,032,175	104,250	4	1,136,429	115,778	257,788	101,360	0	52,633	527,559	608,870	46.42%
ABE VP Division of Enrollment Mgmt	5,889,436	(294,442)	61,654	5,655,648	86,317	2,697,691	99,524	0	544,112	3,327,644	2,329,003	58.83%
ABG College of Fine Arts	10,694,796	(20,591)	88,239	10,762,444	3,969,966	1,326,561	506,347	140,894	838,600	6,780,368	3,962,076	63.00%
ABH College of Arts Sciences	51,705,415	27,882	20,307	51,754,605	19,939,383	4,346,495	5,897,028	1,247,293	1,551,018	32,981,217	18,773,388	63.73%
ABI Anderson Schools of Management	9,388,544	21,563	1,099	9,411,205	4,256,453	922,378	411,640	179,924	587,984	6,358,378	3,052,827	67.56%
ABJ College of Education	13,017,282	46,540	3,369	13,067,192	5,377,262	1,490,666	649,040	135,731	575,805	8,228,505	4,838,686	62.97%
ABK School of Engineering	14,060,107	(57,889)	6,703	14,008,921	5,729,727	1,306,930	565,700	121,419	553,088	8,276,864	5,732,057	59.08%
ABL School of Law	8,738,643	(60,350)	24,166	8,702,459	2,548,706	1,167,518	118,872	380	838,964	4,674,439	4,028,020	53.71%
ABM School of Architecture Planning	3,202,572	1,200	34,316	3,238,088	1,489,484	258,822	132,424	14,275	151,158	2,046,163	1,191,925	63.19%
ABN University Libraries	13,271,321	19,391	219,941	13,510,652	1,378,901	2,330,580	260,714	0	3,857,434	7,827,629	5,683,023	57.94%
ABO Continuing Education	1,652,701	271,000	78,505	2,002,206	896,571	789,500	45,908	(60,820)	728,706	2,389,864	(397,658)	119.86%
ABP Extended University	18,139,453	(760,885)	1,604	17,380,172	159,432	1,911,528	182,406	195,111	391,133	2,839,610	14,540,562	16.34%
ABQ VP Research & Economic Development	90,983	0	0	90,983	0	30,758	488	0	19,152	50,397	40,596	55.39%
ACA VP Student Affairs Administration	1,380,704	(72,372)	67,255	1,375,587	111,288	431,103	32,208	0	172,916	747,525	628,061	54.34%
ACB VP Student Affairs Independent Dept	740,597	(10,446)	949	731,100	0	377,933	25,992	25,339	71,850	501,113	229,988	68.54%
ACC Associate VP Student Services	1,700,950	9,113	53,318	1,763,381	3,298	753,832	127,153	20,004	215,280	1,119,566	643,815	63.49%
ACD Associate VP Student Life	817,035	118,929	11,357	947,321	3,192	458,920	4,707	0	128,395	593,214	354,107	62.62%
Sub-Total	174,408,108	(538,784)	839,013	174,708,337	48,480,222	24,156,805	10,092,015	2,157,583	12,601,845	97,488,471	77,219,866	55.80%
<i>University Support Services</i>												
AAA President Admin Indpent Office	4,931,516	(1,458)	90	4,930,150	318,949	1,745,682	37,340	1,630	454,983	2,558,604	2,371,546	51.90%
ADA EYP Administration	8,895,256	309,550	888,804	10,093,610	14,213	3,114,744	43,262	5,000	638,703	3,815,921	6,277,689	37.81%
ADD Controller	6,848,957	1,131,750	621,044	8,601,751	0	4,231,837	88,019	136,221	587,679	5,043,756	3,557,996	58.64%
ADF Human Resources	1,765,100	3,874	157,375	1,926,349	0	896,979	14,784	0	177,344	1,089,107	837,242	56.54%
ADG VP Institutional Support Services	34,352,502	234,538	59,487	34,646,526	0	6,019,450	16,586	1,647,658	12,990,508	20,674,202	13,972,324	59.67%
ADI Government & Community Relations	161,063	0	0	161,063	0	94,092	0	0	530	94,623	66,430	58.75%
ADJ Information Technologies	8,163,667	314,347	171	8,478,184	0	356,552	12,455	0	4,729,641	5,098,648	3,379,536	60.14%
AEA VP Institutional Advancement	0	1,200,000	0	1,200,000	0	471,553	19,349	1	223,335	714,238	485,762	59.52%
Sub-Total	65,118,053	3,192,600	1,726,970	70,037,624	333,162	16,930,900	231,794	1,790,510	19,802,733	39,089,099	30,948,524	55.81%
<i>Non-Operational Monitoring Activity</i>												
Fringe Benefit Pool	(37,093,910)	(32,711,033)	5,355,084	(64,449,858)	0	0	0	0	(536,570)	(536,570)	(63,913,289)	
	41,628,142	(59,271)	0	41,568,871	50,651	0	0	22,179,118	0	22,229,769	19,339,102	
Sub-Total	4,534,232	(32,770,304)	5,355,084	(22,880,987)	50,651	0	0	22,179,118	(536,570)	21,693,199	(44,574,166)	
TOTAL MAIN CAMPUS	244,060,393	(30,116,487)	7,921,068	221,864,974	48,864,035	41,087,705	10,323,810	26,127,212	31,866,008	158,270,770	63,594,204	

INTERCOLLEGIATE ATHLETICS

Organization Level 3	(A)				(B)				Net Revenues/ (Expenditures)	Burn Rate		
	Pooled Revenues	Transfers	Other Revenues	Total Revenues	Faculty Salaries	Staff Salaries	Student Salaries	Benefits			Other Expenditures	Total Expenditures
ADC Intercollegiate Athletics	692,772	75,000	9,274	777,046	0	271,880	0	8,067	415,067	695,013	82,033	89.44%
TOTAL ATHLETICS	692,772	75,000	9,274	777,046	0	271,880	0	8,067	415,067	695,013	82,033	89.44%
BRANCH CAMPUSES	244,753,165	(30,041,487)	7,930,342	222,642,020	48,864,035	41,359,585	10,323,810	26,135,279	32,283,075	158,965,783	63,676,237	
AGA Gallup Branch	8,334,141	(604,529)	80,452	7,810,064	2,650,499	1,767,770	60,258	15,405	1,470,855	5,964,787	1,845,276	76.37%
AGB Los Alamos Branch	1,738,139	(26,241)	73,481	1,785,378	703,510	525,575	8,819	21,350	313,595	1,572,849	212,529	88.10%
AGC Taos Branch	3,343,091	(65,866)	213,475	3,490,680	1,129,524	870,657	35,643	4,399	755,869	2,795,092	694,588	80.10%
AGD Valencia County Branch	5,132,573	(799,033)	140,551	4,474,091	1,438,437	1,427,384	93,538	6,156	964,391	3,929,906	544,185	87.84%
Sub-Total	18,547,943	(1,495,689)	507,958	17,560,213	5,921,970	4,591,386	198,259	47,310	3,504,710	14,263,634	3,296,578	81.23%
Fringe Benefit Pool	5,599,530	(65,455)	0	5,544,075	0	0	0	2,601,979	4	2,601,983	2,942,092	
Sub-Total	5,599,530	(65,455)	0	5,544,075	0	0	0	2,601,979	4	2,601,983	2,942,092	
TOTAL BRANCH CAMPUSES	24,147,473	(1,551,144)	507,958	23,104,287	5,921,970	4,591,386	198,259	2,649,289	3,504,713	16,865,617	6,238,670	

HEALTH SCIENCES CENTER

Organization Level 3	(A)				(B)				Net Revenues/ (Expenditures)	Burn Rate		
	Pooled Revenues	Transfers	Other Revenues	Total Revenues	Faculty Salaries	Staff Salaries	Student Salaries	Benefits			Other Expenditures	Total Expenditures
AFA VP HSC Administration	22,369,481	(5,892,868)	189,887	16,666,500	536,192	4,945,737	12,635	17,113	4,191,693	9,703,370	6,963,130	58.22%
AFB HS Library and Informatics Center	5,508,254	51,705	19,639	5,579,598	567,169	1,217,684	27,506	13,308	1,275,608	3,101,275	2,476,323	55.58%
AFC School of Medicine	47,701,316	(4,848,042)	46,437	42,899,711	14,526,094	8,953,144	462,518	115,720	1,563,468	25,610,944	17,288,767	59.70%
AFD College of Nursing	6,844,498	265,373	830	7,110,701	2,333,361	822,241	129,543	152,636	274,383	3,712,174	3,998,527	52.21%
AFE College of Pharmacy	7,393,135	(363,867)	11,272	7,040,540	2,086,268	611,491	214,201	179,067	432,065	3,523,112	3,517,428	50.04%
AFI HSC VP Research	39,436	(28,091)	0	11,345	0	0	0	0	0	0	11,345	0.00%
Sub-Total	89,856,120	(10,815,790)	268,065	79,308,395	20,049,084	16,550,297	846,403	477,844	7,727,247	45,650,875	33,657,520	57.56%
Non-Operational Monitoring Activity	(50,067,761)	10,624,346	4,711,076	(34,732,339)	0	0	0	0	446,834	446,834	(35,179,173)	
Fringe Benefit Pool	18,435,982	(2,033)	0	18,433,949	0	110,661	0	9,186,737	0	9,297,398	9,136,551	
Sub-Total	(31,631,779)	10,622,313	4,711,076	(16,298,390)	0	110,661	0	9,186,737	446,834	9,744,232	(26,042,622)	
TOTAL HEALTH SCIENCES CENTER	58,224,341	(193,477)	4,979,141	63,010,005	20,049,084	16,660,958	846,403	9,664,581	8,174,081	55,395,107	7,514,898	
GRAND TOTAL	327,124,979	(31,786,108)	13,417,441	308,756,312	74,835,089	62,611,929	11,368,471	38,449,149	43,961,868	231,226,506	77,529,806	

Organization Level 3	FY 2012 YTD Faculty Compensation	FY 2012 YTD Staff Compensation	FY 2012 YTD Go Pa Pa Salaries	FY 2012 YTD 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 (85%) 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
Instruction, Academic and Student Support Services (Main & Branches)													
Anderson Schools of Management ASM	4,483,545	955,943	384,143	-	85,346	1,686	451,175	5,885,682	4.20%	9,987,882	59.04%	10,045,989	56.70%
Assoc. VP Student Life (ACD)	5,817	3,331,028	40,566	-	801,787	24,147	886,900	4,203,344	2.98%	8,587,275	48.95%	7,145,048	58.83%
Associate VP Student Services	9,031	1,153,696	20,945	-	415,745	19,925	456,616	1,619,342	1.15%	2,810,889	57.61%	2,772,115	58.42%
College of Arts Sciences A S	20,386,542	5,017,069	5,827,148	152,643	247,748	61,911	6,289,448	31,703,060	22.59%	49,752,576	63.72%	52,594,174	60.28%
College of Education, COE	5,466,226	1,785,782	642,457	24,625	54,320	6,761	728,163	7,981,271	5.69%	13,177,229	60.57%	13,416,005	59.49%
College of Fine Arts CFA	4,118,596	1,401,689	447,488	-	123,805	25,887	596,979	6,117,144	4.36%	9,417,577	64.95%	10,490,947	58.31%
Continuing Education Cont Ed	908,082	900,838	10,637	-	25,241	2,023	45,906	1,854,827	1.37%	4,324,554	42.89%	3,175,935	58.40%
Extended University Ext Univ	159,432	1,811,528	52,505	-	118,586	13,304	187,466	2,253,365	1.60%	3,924,315	57.42%	3,778,547	58.64%
Gallun Branch	2,657,919	1,828,767	4,800	-	32,469	25,763	63,913	4,548,489	3.24%	8,945,880	50.84%	8,277,530	54.95%
Lacklams Branch	706,710	555,848	1,665	-	2,783	8,919	1,271,378	1,271,378	0.91%	2,316,235	54.89%	2,217,812	57.33%
Pivotal Administrative Units	884,256	4,133,414	815,011	9,917	210,992	59,139	1,095,059	6,112,726	4.35%	10,972,413	57.14%	9,527,850	64.16%
School of Architecture Planning	1,559,536	279,884	149,725	-	19,966	13,986	199,044	1,978,465	1.41%	3,267,451	60.55%	3,300,954	59.94%
School of Engineering	6,038,915	1,473,116	656,746	11,326	172,712	11,398	852,181	8,364,212	5.95%	14,585,236	57.35%	14,048,146	59.54%
School of Law	2,857,134	1,626,597	-	-	120,889	8,250	129,139	4,612,870	3.28%	8,751,176	52.71%	7,983,278	57.68%
School of Public Administration	448,164	79,809	29,768	-	3,012	1,310	34,060	562,064	0.40%	989,463	58.80%	966,793	58.39%
Texas Branch	1,134,486	397,006	60,124	-	27,486	5,888	71,964	1,494,076	1.05%	3,348,120	55.41%	3,692,538	57.80%
University College JC	1,005,553	417,158	114,955	-	5,351	7,984	377,938	1,494,076	1.05%	3,348,120	55.41%	2,979,722	50.14%
University Libraries	1,579,664	2,391,843	114,955	-	186,694	75,256	377,938	4,349,396	3.10%	8,086,871	53.78%	7,820,947	56.61%
UNM Main and Branch Initiatives	159,590	119,955	2,700	-	-	2,700	2,700	282,245	0.20%	472,515	59.72%	462,192	61.07%
Valencia County Branch	1,439,015	1,564,890	18,880	-	46,674	44,180	111,735	3,116,639	2.22%	6,185,673	50.37%	5,123,738	60.61%
VP Division of Enrollment Mgmt	86,317	2,599,492	7,510	-	80,822	27,662	116,194	2,801,993	2.00%	5,032,446	58.86%	4,952,334	56.58%
VP for Equity & Inclusion	115,778	307,216	58,911	57,043	50,371	19,802	184,127	607,180	0.45%	703,121	66.36%	1,682,516	37.89%
VP Research & Econ Develop	615,608	1,975,233	26,513	10,208	47,772	1,835	86,329	2,677,170	1.91%	4,918,047	54.44%	4,498,178	55.51%
VP Student Affairs Administration	115,611	447,524	7,879	-	26,274	3,513	37,665	600,800	0.43%	1,136,771	52.85%	1,101,482	54.34%
VP Student Affairs Independent Dept IC	53,626	1,334	1,334	-	189,356	10,365	201,065	2,761,063	1.99%	5,063,107	54.93%	3,861,751	72.02%
Sub-Total Instruction, Academic and Student Support Services (Main & Branches)	57,011,163	39,720,748	9,338,231	285,761	3,083,724	503,437	13,191,152	109,923,064	78.28%	190,610,051	57.61%	185,867,864	59.14%
University Support Services (Main & Branches)													
Controller	-	4,745,888	4,000	-	84,585	5,342	93,937	4,843,905	3.45%	7,852,217	61.61%	8,445,373	57.35%
EVP Administration	64,853	3,248,911	-	-	40,876	2,366	43,262	3,357,036	2.39%	6,018,994	55.77%	5,604,475	57.84%
Government & Community Relations	-	104,519	-	-	8,726	8,726	8,726	113,247	0.08%	185,247	60.80%	196,802	57.54%
Human Resources HR	-	886,979	5,562	-	9,341	881	14,764	911,763	0.65%	1,562,461	58.35%	1,700,418	53.62%
Information Technology Services	318,949	1,877,434	9,000	-	10,772	1,893	12,465	3,693,007	2.65%	743,642	49.62%	491,026	75.15%
President Admin Inptn Office	-	-	-	-	26,422	1,918	37,340	2,233,724	1.59%	4,264,623	52.88%	3,983,139	56.94%
VP Institutional Adv College	4,054	10,731,373	-	-	14,794	4,555	19,349	490,902	0.35%	886,845	54.61%	959,714	51.15%
VP Institutional Support Services	381,887	22,437,189	18,562	-	418,128	12,642	430,170	11,165,598	7.85%	19,883,051	56.16%	18,395,448	60.89%
Sub-Total University Support Services (Main & Branches)	381,887	22,437,189	18,562	-	612,656	28,807	660,025	23,485,081	16.72%	41,420,080	56.70%	39,556,396	58.76%
Intercollegiate Athletics													
Intercollegiate Athletics	7,028	6,815,292	86,984	-	101,464	4,146	192,594	7,014,915	5.00%	10,255,546	68.40%	10,870,090	64.53%
Sub-Total Intercollegiate Athletics	7,028	6,815,292	86,984	-	101,464	4,146	192,594	7,014,915	5.00%	10,255,546	68.40%	10,870,090	64.53%
TOTAL Compensation (Main, Branches and Athletics)	57,406,060	68,937,230	9,443,716	285,761	3,797,844	536,390	14,043,771	140,423,061	100.00%	242,885,619	57.86%	236,684,350	59.13%


University of New Mexico
 Compensation Analysis by Organization Level 3
 For the seven month period ended January 31, 2012
 Preliminary and Unaudited

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 (68%) 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
Health Sciences Center													
College of Nursing	2,373,074	873,026	112,932	-	13,603	3,003	129,543	3,375,643	2.37%	6,396,915	52.77%	5,631,022	59.95%
College of Pharmacy	2,259,505	1,396,749	165,946	52,387	31,753	4,331	254,427	3,913,881	2.75%	8,023,615	48.78%	6,459,718	60.59%
HIS Library and Informatics Center	557,169	1,385,627	-	-	23,906	3,800	27,506	1,960,302	1.39%	3,676,144	53.87%	3,630,691	53.66%
School of Medicine	78,668,273	28,739,988	446,494	15,716,776	451,174	22,074	16,636,128	125,344,399	88.16%	208,119,429	60.23%	193,712,530	62.76%
VP-HSC Administration	904,025	5,507,965	26,528	15,739	14,368	2,055	55,735	6,463,228	4.55%	9,640,089	67.10%	10,188,510	63.49%
HSC VP Research	234,598	812,423	-	-	28,822	2,055	39,877	1,097,698	0.77%	2,512,876	43.89%	1,859,079	66.46%
	85,324,694	38,717,789	751,610	15,784,912	563,831	35,063	17,135,216	142,171,948	100.00%	236,369,069	59.63%	227,351,350	62.94%
Sponsored Programs								60,346,023		120,593,033		107,363,232	
	20,104,255	25,437,157	8,122,042	3,320,951	1,537,785	1,813,233	14,804,011	342,946,733		601,157,781		571,408,933	
TOTAL Compensation (Main Branches, Athletics, HSC and Sponsored Programs)	162,834,958	134,128,717	18,317,428	19,381,624	5,899,260	2,394,886	46,382,996						

Tab 18



Division of Human Resources
Office of the Vice President

Date: February 23, 2012
 To: Members of the Board of Regents, Finance & Facilities Committee
 From: Helen Gonzales, Vice President, Human Resources 
 Subject: **Presidential Search Budget**

In July 2011, the Board of Regents approved the budget for the Presidential search process. The process is now complete and we have a final accounting of the costs. I'm pleased to report that we have completed the search substantially under budget. For your reference, the budget for the last Presidential search is also included.

Description	2011/12 Estimate	2011/12 Actual	2006 Actual
Search Firm Direct Fee	\$ 130,000	\$ 106,680	\$ 195,471
Indirect Expenses (Search firm support)	\$ 15,000	\$ 12,780	
Direct Expenses (Search firm travel, etc.)	\$ 30,000	\$ 25,222	\$ 24,719
Total Search Firm Expenses	\$ 175,000	\$ 144,682	\$ 220,190
Planning & recruitment expenses (meeting space, refreshments, etc)	\$ 3,600	\$ 1,365	\$ 3,605
Advertising	\$ 15,000	\$ 5,270	\$ 7,750
Semi-finalist interviews	\$ 20,000	combined w/finalist	\$ 18,869
Finalist interviews	\$ 35,000	\$ 23,808	\$ 40,637
Background checks	\$ 3,000	\$ 1,210	-
Misc. Expenses (office supplies, etc)	\$ 2,500	\$ 1,857	\$ 2,855
Additional Search Expenses	\$ 79,100	\$ 33,510	\$ 73,716
Regents contingency	\$ 5,000		
Total Expenses	\$ 259,100	\$ 178,192	\$ 293,906

Tab 19

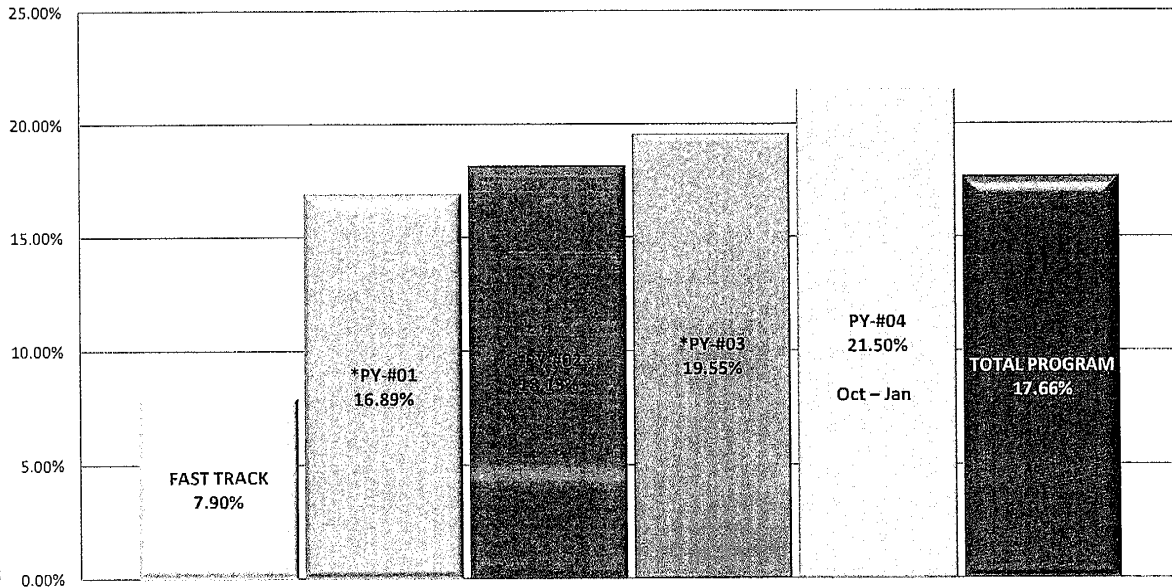


LOBO ENERGY INCORPORATED

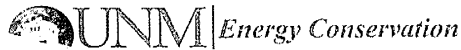
ENERGY CONSERVATION PROGRAM

- Lobo Energy Incorporated provides an energy-conservation program that is process centered and focuses on operational excellence in energy management. The program's mission is to assist The University of New Mexico in preserving natural and financial resources that directly support its commitment to a sustainable future.
 - ✓ This program began in 2008 when Lobo Energy Incorporated entered into a contract with Energy Education, Inc. (EEI).
 - The contract has an unlimited service life with a four-year payment obligation.
 - The program is intended to reduce energy consumption by focusing on modifying the systems of the campus community and refining the management of the buildings.
 - Six Energy Conservation Specialists were hired to aggressively seek ways to reduce energy consumption.
 - This report is intended to demonstrate the results of this program both during and after the contract's life.

AVOIDED ENERGY CONSUMPTION BY PERFORMANCE YEAR

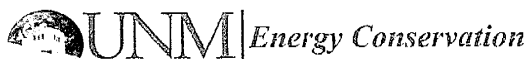


NOTE: * = EQUALS STAND-ALONE PERFORMANCE YEAR



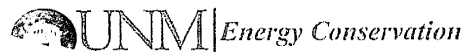
AVOIDED COSTS DEFINED:

Expected Energy Costs	Actual Energy Costs	Program Savings (Avoided Costs)
<p>Amount you would have spent on energy without energy program.</p> <p>This is base-year usage adjusted for changes in weather, equipment, schedules, occupancy and prices.</p>	<p>Actual utility costs for electricity, gas, water, sewer, etc., obtained directly from bills.</p>	<p>The difference between expected and actual costs, calculated in accordance with the International Performance Measurement & Verification Protocol. Does not include savings attributable to reduced equipment maintenance and replacement costs and other collateral benefits.</p>



AVOIDED COST MATRIX

	YEAR 1 (18 - MONTHS)	YEAR 2	YEAR 3	YEAR 4	TOTAL
AVOIDED COST	\$4,570,264	\$4,476,983	\$5,427,319	\$1,948,027	\$16,422,593
UNIVERSITY'S TOTAL INVESTMENT	\$2,601,105	\$2,409,099	\$2,462,614	\$822,529	\$8,295,347
NET AVOIDED COST	\$1,969,159	\$2,067,884	\$2,964,705	\$1,125,498	\$8,127,246

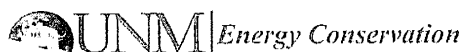


AVOIDED COST MATRIX PROJECTED THRU-2018

	YEAR 1 (18 - MONTHS)	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
AVOIDED COST	\$4,570,264	\$4,476,983	\$5,427,319	\$5,959,276	\$5,959,276	\$5,959,276	\$5,959,276	\$5,959,276	\$5,959,276	\$5,959,276	\$56,189,498
UNIVERSITY'S TOTAL INVESTMENT	\$2,601,105	\$2,409,099	\$2,462,614	\$2,462,614	\$529,206	\$545,082	\$561,435	\$578,278	\$595,626	\$613,495	\$13,358,553
NET AVOIDED COST	\$1,969,159	\$2,067,884	\$2,104,817	\$3,496,662	\$5,430,070	\$5,414,194	\$5,397,841	\$5,380,998	\$5,363,650	\$5,345,781	\$41,971,056

****NOTE:**

- ✓ THE UNIVERSITY'S TOTAL INVESTMENT ASSUMES A 3% ANNUAL INCREASE FOR ALL EXPENSES OUTSIDE OF CONTRACT PAYMENT.
- ✓ AVOIDED COSTS ASSUME THE SAME PROJECTED VALUE OF PERFORMANCE YEAR #03 W/O INCREASE.
- ✓ AFTER PERFORMANCE YEAR #04 CONTRACT PAYMENTS WITH EEI END.



ENERGY REDUCTION IMPACT:

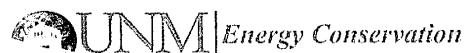
1,173,644 MMBTU

WHICH IS EQUIVALENT TO THE FOLLOWING:

PASSENGER CARS NOT DRIVEN FOR ONE YEAR: **28,955**

TREE SEEDLINGS GROWN FOR 10 YEARS: **4,126,328**

METRIC TONS OF CO²: **161,323**



ENERGY CONSERVATION PROGRAM SUMMARY:

- \$8.1 MILLION IN NET AVOIDED UTILITY COST
- 17.66% CUMULATIVE AVOIDED UTILITY USE SINCE MAY OF 2008
- PROJECTED NET AVOIDED COST OF \$41.9 MILLION THRU 2018
- CONSUMPTION REDUCTION: ALLOWED POSTPONEMENT OF \$2.5 MILLION CHILLER PURCHASE
- COMPLETED 20 ENGINEERING BLITZ AUDITS
- EARNED THE UNIVERSITY SEVERAL ENERGY STAR AWARDS, INCLUDING THE FIRST ENERGY STAR AWARD FOR A TEACHING HOSPITAL (BBRP)

Tab 20

March 8, 2012

TO: Jack Fortner, Esq., President
UNM Board of Regents

FR: Regent Don Chalmers, Acting Chair
HSC Board of Directors

RE: Request for Items to be placed on UNM Board of Regents' Agenda

cc: Paul B. Roth, MD, HSC
Scot Sauder, HSC
Ava Lovell, HSC
Pug Burge, HSC
Ellen Wenzel, Special Assistant, UNM Board of Regents
Steve McKernan, UNMH
Nancy Ridenour, CoN

Ella Watt, UNMH
Monica Sartelle, UNMH BoT
Bruce Cherrin, UNM Procurement
Tom Neale, UNM Real Estate
Don Chalmers, Chair, HSC BoD FACC
Linda Pardo, FACC

RECOMMENDED ACTION:

The Health Sciences Center Board of Directors respectfully requests that the following items be placed on the UNM Board of Regents' agenda as Action Items:

- 1) Construction Manager-at-Risk for Adult Hospital Addition (Steve McKernan)
- 2) 1650 University Core and Shell Renovation (Tom Neale)

And, the BoD requests that the following items be placed on the UNM Board of Regents' Consent Agenda:

- 1) Request for Additional Funding to Crenshaw Endowed Chair (Nancy Ridenour)
- 2) UNMH Contract Approval: Owens and Minor (Steve McKernan)
- 3) UNMH Contract Approval: Cerner Corporation (Steve McKernan)
- 4) UNMH Contract Approval: NCO Financial System (Steve McKernan)
- 5) UNMH Contract Approval: Bernard Hodes Group (Steve McKernan)

Background documentation is attached.

BACKGROUND:

At the March 7, 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 Action and Consent Agendas.

Attachments

2012-110-HSCBoD

Office of the Dean

To: Ava Lovell
Senior Executive Financial Officer

From: Nancy Ridenour, Dean and Professor
UNM College of Nursing



Date: March 6, 2012

Re: Transfer of Funds to the Virginia P. Crenshaw Endowed Chair, UNM Foundation

Several months ago the University of New Mexico Board of Regents approved the establishment of the Virginia P. Crenshaw Endowed Chair in Nursing. This is the first endowed chair for the UNM College of Nursing. Dr. Crenshaw's bequest of approximately \$1M has been deposited into the Endowed Account with the UNM Foundation. The purpose of her gift was to facilitate improvement of nursing practice, education and research by engaging in nursing and inter-professional education, practice and research. Additionally, this endowed chair will satisfy the requirement by the Robert Wood Johnson (RWJ) Foundation that we have the faculty endowment established at the College. Further, fully endowing this chair will perfectly position us for a renewal grant from the RWJ Foundation.

Action Request

It is critical that this endowment be fully funded, as distributions will provide sustained funding for this important faculty position. The fund must contain \$1.5M to be fully endowed. Therefore, I am requesting that the College of Nursing be allowed to transfer \$500,000 to the endowment. The source of the funds is one-time F&A (Facilities and Administrative). We ask that the HSC Board of Directors approve this request for this one-time transfer of funds.

If approved by the HSC Board, we will present this item to the UNM Board of Regents for their approval.

**UNM Hospitals Board of Trustees
Recommendation to HSC Board of Directors
March 2012**

Approval

(1) Owens and Minor

Source of Funds: UNM Hospitals Operating Budget

Description

Request for four year contract with Owens and Minor as the Novation distributor to provide the operational supply stock for the Central Distribution Unit (CDU) for UNM Hospitals. Operational supplies range from catheters, tubing, gloves, gowns, masks, needles, syringes, solutions, diapers, gauze, cannulas, braces, pillows, lotions, isopropyl alcohol and blood pressure cuffs. The stock is electronically inventoried, automatically ordered and delivered on a “just in time” basis.

Process

Novation Contract

Total Cost: Up to \$24,100,000 per fiscal year.

(2) Cerner Corporation

Source of Funds: UNM Hospitals Operating Budget

Description

Request for the IQ Health Electronic Medical Record (EMR) Portal application. The Portal has functionality to allow patients to access their own Medical Record information and to provide secure communication between patients and providers. To facilitate care through health and schedule reminders. Additionally, IQ Health will satisfy requirements in both the EMR Meaningful Use Incentive and Patient Centered Medical Home programs.

Process

Sole source procurement from Cerner Corporation, the software developer of the Electronic Medical Record.

Total Cost

Remote Hosting one time set up fee	\$ 4,000
Remote Hosting Management fee	120,000
Application One time set up fee	150,000
Application Support fee	150,000
Professional Services	<u>41,530</u>
Total cost	\$461,530

(3) NCO Financial System (NCO)

Source of Funds: UNM Hospitals Operating Budget

Description

Request for three year agreement for full service bad debt collection services for patient accounts where no payment has been received for over 180 days. Contractor, under guidance of UNMH's Patient Financial Services department, will reconcile inventory of delinquent accounts bi-weekly, establish and monitor payment arrangements, assist patients with financial assistance arrangements and provide onsite staff to support these operations. The contractor will assist in this effort for an estimated 12,890 patient accounts. Annual contingency fee is based on 13% of collections received and is based on volume of accounts placed as well as vendor's collection performance.

Process

RFP # 186-11.

Total Cost: Up to \$300,000 per fiscal year, dependent on volume of accounts.

(4) Bernard Hodes Group

Source of Funds: UNM Hospitals Operating Budget

Description

Four year agreement to provide full-service recruitment advertising services for UNMH Hospitals. The Contractor will provide technical marketing expertise to produce cost-efficient and results oriented advertisements that will reach diverse, qualified applicants through appropriate media to fill UNMH's professional employment recruitments needs as directed by UNMH's Humans Resources department.

Process

RFP 190-11

Total Cost: Up to \$300,000 annually per fiscal year.

Tab 21



THE UNIVERSITY OF NEW MEXICO • HEALTH SCIENCES CENTER
UNM HOSPITALS

**REQUEST FOR APPROVAL TO USE CONSTRUCTION MANAGER AT RISK
(CM at Risk) for ADULT HOSPITAL ADDITION – PHASE 1 LANDS WEST.**

RECOMMENDED ACTION:

As required by NMSA 13-1-124.4, it is recommended that the Board of Regents approve the use of the Construction Manager at Risk project delivery method for the ADULT HOSPITAL ADDITION – PHASE 1 LANDS WEST project.

PROJECT DESCRIPTION:

This request is for the planning and programming/design and construction of a new addition to UNM Hospital in the lands west of University Boulevard along Camino de Salud. The architect contract for this project was approved by UNM Health Sciences Center Board of Directors on November 22, 2011. This facility is to be Phase I of the implementation of the Adult Acute Care Hospital identified in the HSC Master plan dated July 1, 2010. The original intent of the master plan was to build the new hospital as a single project. Due to capacity issues in the current hospital, a three phase approach is being taken. This project will consist of a new 100 bed hospital located near the Outpatient Surgery and Imaging Services (OSIS) building and Cancer Center. This project will include adding six additional operating rooms for utility and operational support. Half of the 100 beds may be used for rehabilitation services and long term acute care beds. This facility will also house clinical space for both the Eye Clinic and the CardioVascular Clinic.

Since opening the Pavilion in 2007, an additional 62 beds were opened in the old main hospital. There is no longer any additional space that could be renovated to create more inpatient beds. UNM Hospital currently has 306 adult beds and consistently runs at 95% occupancy rate. The hospital is experiencing a significant increase in neurosciences and surgical oncology services patients. The emergency department at any given time can be holding 10 to 30 patients waiting for an inpatient bed. The average wait time for a patient in the emergency department for an inpatient bed is 24 to 36 hours.

In planning for the 100 bed hospital, consideration was taken of the new 68 bed Sandoval Regional Medical Center scheduled to open in the summer of 2012. There is enough demand within the health system to accommodate patients in both sites. The hospital will be moving forward with an external strategic planning consultant to validate the demand for services and program planning. Additional information regarding funding and feasibility will be brought forward.

The Construction Management at Risk (CMAR) construction method will contribute to the success of this project as follows:



1. A Construction Management at Risk firm will provide in-depth constructability assistance during design, resulting in a closely aligned scope and budget for the project.
2. CMAR allows the Contractor to build the construction schedule during design, resulting in a very efficient construction schedule for the project.
3. Enhanced collaboration during design results in improved construction efficiency. Adding construction expertise into the development of the production documents will reduce conflicts and change orders during construction.
4. The proposed Construction Manager at Risk Selection Committee is:
 - a. Erin Doles – Administrator, Professional Services
 - b. Sheena Ferguson – Chief Nursing Officer
 - c. Jamie Silva-Steele – Administrator, Ambulatory Services
 - d. Mark Kistner - Executive Director, Facilities Services
 - e. Bernard Loeffler – Director, Facilities Planning and Construction
 - f. John Laur, Architect of Record, Dekker/Perich/Sabatini

FUNDING:

The estimate of the Maximum Allowable Construction Cost (MACC) is \$84 million.
Source of Funds: UNM Hospitals Capital Budget

Tab 22

Memo

To: Ava Lovell, HSC Senior Executive Finance Officer and University Controller
From: Thomas Neale, Associate Director of Real Estate
Through: Kim D. Murphy, Director of Real Estate *KDM*
Date: February 27, 2012
Re: Project Approval – Core and Shell Renovation of 1650 University Boulevard NE

The Real Estate Department (RED) on behalf of HSC Administration is requesting Board of Regents' project approval to renovate the core and shell of 1650 University Boulevard NE. The building was constructed in 1983 and contains a gross building area of 104,897 square feet and a rentable area of approximately 92,500 square feet. The site contains 4.6222 acres and is improved with 435 parking spaces. The building is 100% vacant. It was formerly occupied by UNMH and UNMMG for use as administrative offices under a lease that expired in September 2009. The property was foreclosed by the lender and the University acquired the property from Wells Fargo in December 2010 for \$3,500,000, or \$33.37 per square foot. The intended use of the building is to provide administrative space for the Health Sciences Center.

Prior to closing on this acquisition, RED engaged Design Plus to provide a detailed building condition assessment that indicated that the improvements were structurally sound and provided recommendations to enhance the performance of the building systems while extending the economic life. This document was provided to FBT Architects who were engaged in August 2011 to evaluate the property and provide construction documents for the core and shell renovation of the structure. Construction documents were completed in October 2011 and a Request for Proposal was advertised in October 2011 for written proposals from general contractors to provide construction services for the core and shell. The UNM Purchasing Department received seven qualified written proposals to provide construction services. The project budget is supported by these proposals.

Project Overview – Core and Shell Renovation

Renovation and build-out of space for occupants of 1650 University Boulevard NE will occur in several phases. The first phase of this project is the renovation of the building core and shell which is the subject of this request for project approval. The building will not be ready for occupancy until tenant improvements are approved and complete as part of a subsequent phase(s) of the project. The scope of work for the core and shell renovation project includes the following:

- **Site Improvements:** Oil coat and stripe parking lot and upgrade overall site lighting to meet safety guidelines. Provide ADA access to the building and provide code required pathways from existing exit stairs to public space. Repair existing damaged perimeter insulation and damaged stucco.
- **Building Perimeter:** Replace existing glazing system with improved energy performance glass and restore interior perimeter insulation. Restore existing overflow drainage system from rooftop and do patch and repair work on the roof. Install code required fire-rated system between the parking garage and the existing building.
- **Architectural Interiors:** Upgrade core toilets and drinking fountains on floors 1 through 5 to meet ADA guidelines. Upgrade handrails and guardrails in existing emergency exit stairwells to meet current code. Install new finishes in the main hallway. Work within future tenant spaces to be limited to ceiling demolition to support fire suppression system installation.

- **Mechanical and Plumbing:** Add fire protection system throughout the building. Retrofit existing mechanical system to improve energy efficiency by adding controls to existing mechanical system, replacing existing electrical heating system with gas fired hot water system with variable air volume controls. Retrofit existing cooling tower and system with new chillers. Provide new code compliant elevator service. The improvements to the HVAC system will reduce energy costs by approximately 50%, or \$125,000 per year.
- **Electrical and Special Systems:** Replace all branch panels and reorganize existing distribution to create code compliant electrical rooms on all floors. Provide new communication fiber into the building. Construct new main telecommunication distribution room and new stacked technology rooms on each floor.

Project Budget and Funding Sources

The project budget for the core and shell renovation, including hard and soft costs, is \$4,930,000, or \$46.96 per square foot. The funding sources for the project will include reallocation of 2007 system revenue bonds in the amount of \$4,020,000 and \$930,000 from the HSC Capital Initiative Fund. The UNM Health Sciences Center will have administrative and fiscal responsibility for execution of this project and determine the occupancy plan for the building.

Project Rationale

Renovation of the building will add approximately 100,000 square feet of administrative office space that will support current and near-term demand for administrative office space for the UNM Health Sciences Center. The proposed improvements will extend the economic life of the improvements for an additional 30 years.

The acquisition of this property, land and building, was \$3,500,000. The land contains 4.622 acres and has a market value of \$2,400,000 (\$12.00 per square foot), resulting in an allocated cost of the building shell of \$1,100,000, or \$10.50 per square foot. The core and shell budget is \$46.96 per square foot and a reasonable cost to build-out (tenant improvements) the space for the occupants is \$50.00 per square foot. For analytic purposes, the total cost of the building shell acquisition and core and shell renovation, and plus estimated cost for tenant improvements totals \$107.46, rounded to \$110.00 per square foot. Completion of the renovation, including requisite approvals for the core and shell and tenant improvements (to be requested as a separate approval) is approximately thirteen (13) months.

The UNM Office of Capital Projects' cost estimator provided a replacement cost estimate for a generic office building of similar quality at \$230.00 per square foot. The cost to raze the improvements is \$520,000, or approximately \$5.00 per square foot. Demolition of the existing building and delivery of a new building would take approximately twenty-one (21) months. Compared to the proposed renovation scenario of \$110.00 per square foot, the cost to redevelop the site with a new building would be \$235.00 per square foot, or 110% higher.

This request is for project approval for the core and shell renovation of 1650 University Boulevard. Additional approvals will be requested for build-out (tenant improvements) of space for the occupants of the building.

1650 University Boulevard NE

	<u>Time in Months</u>	<u>Cost per Square Foot</u>
Renovate	13	\$110
Raze and Build New	21	\$235

Five-Year Pro-Forma P&L

UNM Health Sciences Center
1650 University Boulevard NE
Annual Cash Flow
March 1, 2012

	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017
--	----------------	----------------	----------------	----------------	----------------

Revenues:
 Rental Income (increase 2% per year beginning year 3)
 (based on current market rate of \$13 per square foot X 92,500 square feet)

Expenses:
 Debt Service (25 year 2007A UNM Bonds)
 Operating Expenses - O&M (\$7/sq. ft., increase 2% per year beginning year 3)
 Total Operating Expenses

Net Operating Income (Loss)

Non-Operating expenses
 Tenant Improvement (year 1, 50% occupancy, year 2, 100% occupancy)

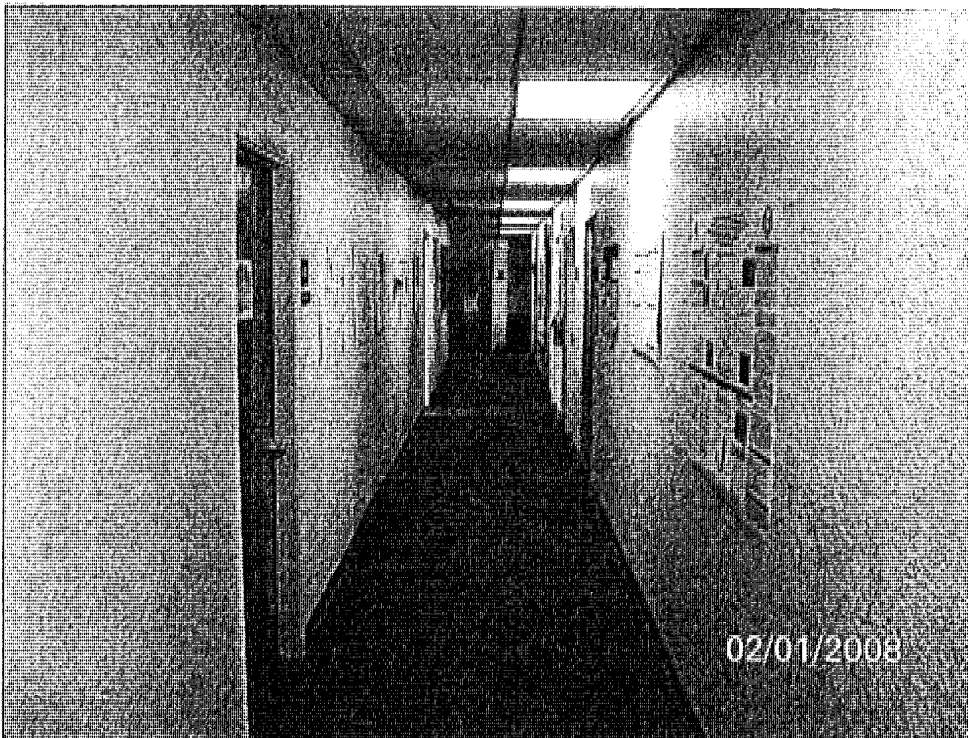
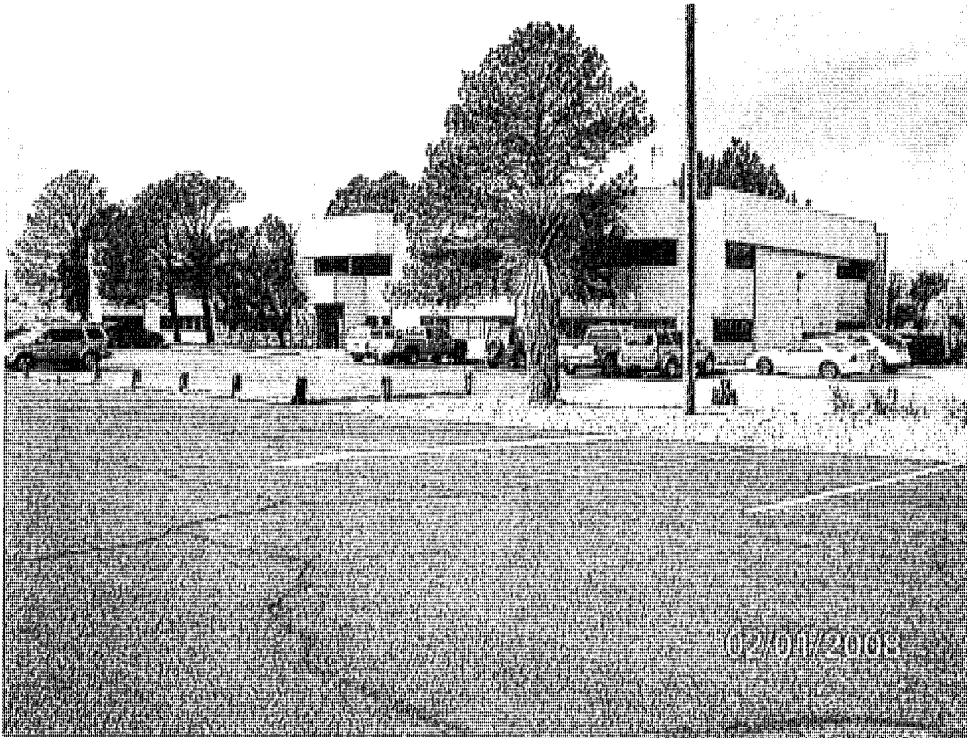
Funding Sources
 Tenant Improvement HSC & Health System

Net Income (Loss)

Rental Income per square foot after Tenant Improvements

	\$601,250	\$1,202,500	\$1,236,550	\$1,251,081	\$1,276,103
	(520,430)	(520,430)	(520,438)	(521,430)	(522,382)
	(323,750)	(647,500)	(660,450)	(673,659)	(687,132)
	(844,180)	(1,167,930)	(1,180,888)	(1,195,089)	(1,209,514)
	<u>(242,930)</u>	<u>34,570</u>	<u>45,662</u>	<u>55,992</u>	<u>66,589</u>
		(2,312,500)			
	2,555,430	2,277,930			
	<u>\$0</u>	<u>\$0</u>	<u>\$45,662</u>	<u>\$55,992</u>	<u>\$66,589</u>
		\$13	\$14	\$14	\$14

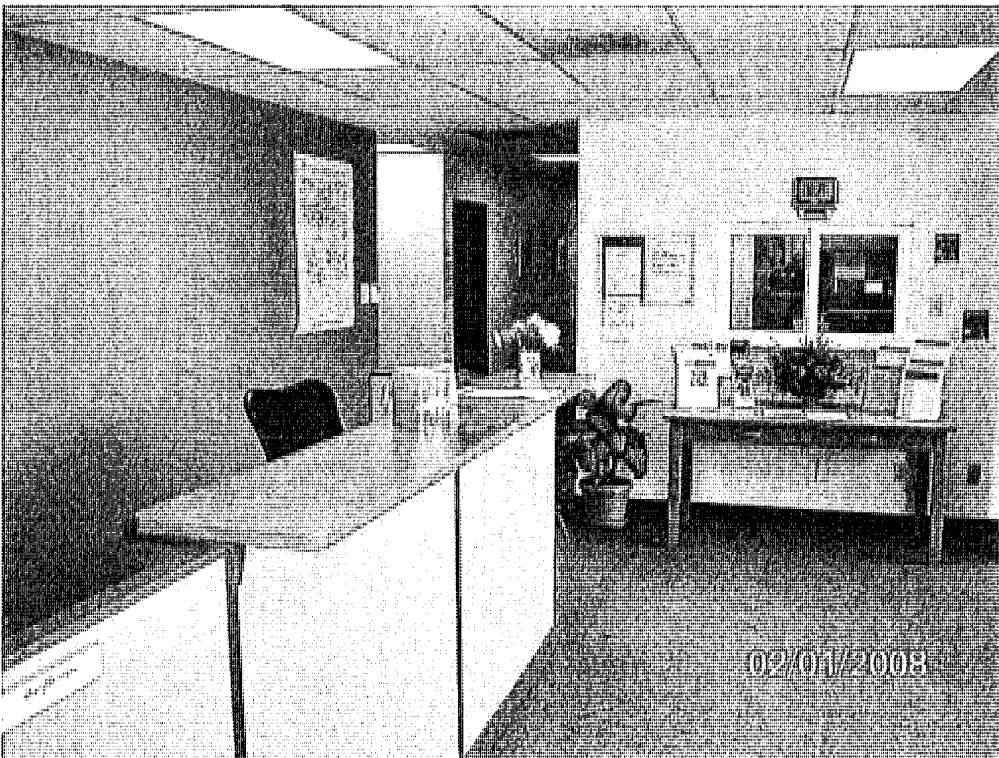
2650 Yale SE
Tenant: UNM CASAA
Rentable area: 22,384 sq. ft.



2301 Yale SE

Tenant: HSC Center for Rural and Community Behavioral Health

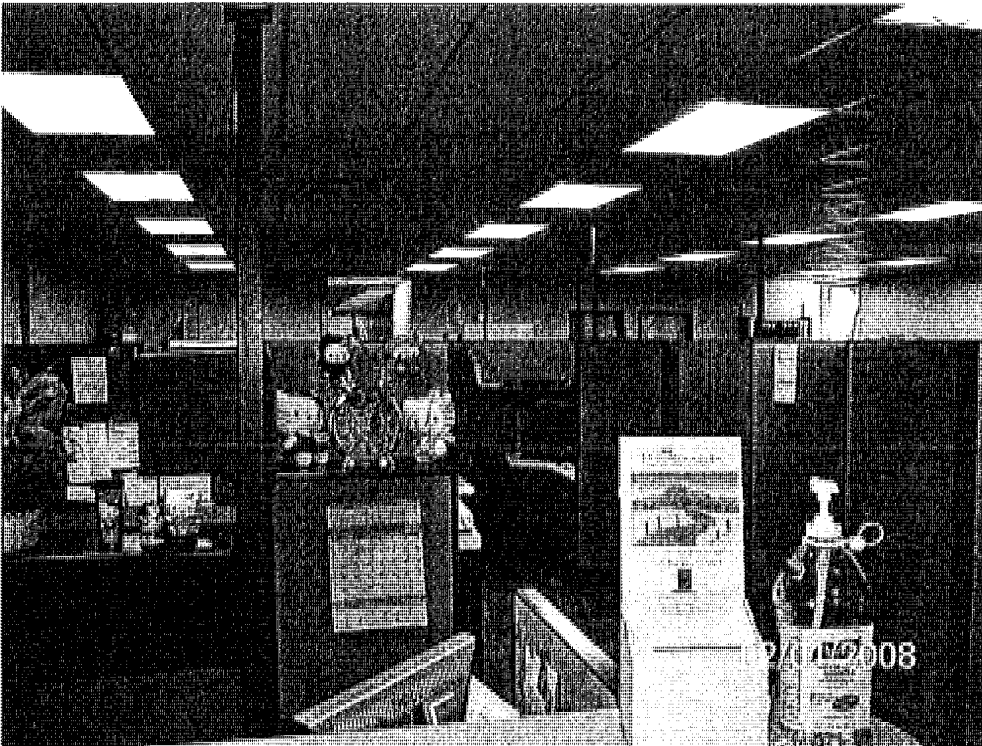
Rentable area: 8,409 sq. ft.



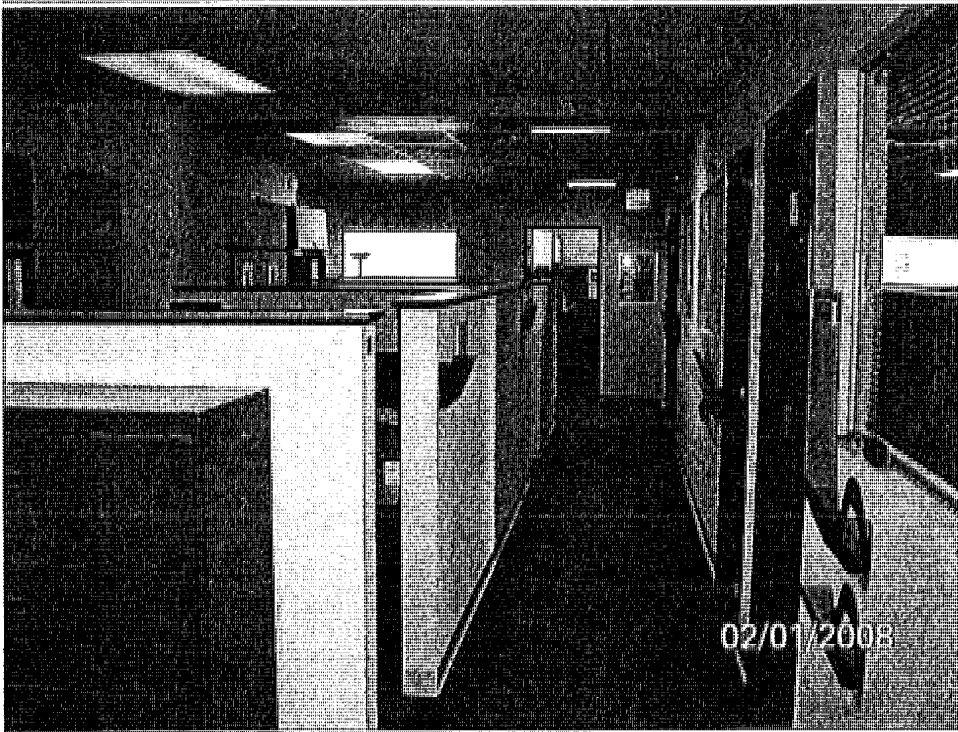
1155 University Blvd. NE
Tenant: UNM Student Success Center and TVC
Rentable area: 50,000 sq. ft.



933 Bradbury Rd. SE
Tenant: UNMH Administration, UNMMG and AIMS
Rentable area: 140,000 sq. ft



2300 Menaul Blvd. NE
Tenant: HSC CDD
Rental area: 37,500 sq. ft.



Tab 23

Report on Regents' Audit Committee Meeting Regular meeting February 16, 2012

The **Regents' Audit Committee (Committee)** regular meeting was held on February 16, 2012, and took the following action:

- The Audit Committee approved minutes from the October 20, 2011 regular Audit Committee meeting.
- The Committee discussed items from previous meetings for follow-up:

Internal Audit Director Patel reported on the status on the five year quality assessment process for Internal Audit. The department is currently two years past due. Director Patel stated the audit manual is 95% complete. The department is also in the process of implementing the audit management software. That is also a part of the peer review process. Then, the department will contract with a reviewing company to come in sometime in the summer or fall and complete the peer review process. Internal Audit recently joined a state and local government audit association that provides the service. Internal Audit will contact that agency as well as Institute of Internal Auditors to inquire about the review. Chairman Gallegos stated that Director Patel should begin the contract process now to get in the queue and not wait for the completion of the manual.

Chairman Gallegos informed Faculty President Ross about the status of the peer review/quality assessment process for Internal Audit (as reported above in this document). Director Patel stated he updated President Ross in an impromptu meeting last week. The Chairman reiterated that he directed Mr. Patel to start the process now, give it priority, and not to wait for completion of the manual or the other items. President Ross stated his concern after talking to Director Patel last week was that it would take place in June. President Ross wants it moved up to occur as soon as possible. Chairman Gallegos stated the problem is the availability of the contractor and the process of getting the contract.

The Chairman stated he is interested in knowing if the faculty disciplinary process is implemented. President Ross informed the Committee he indicated at the last full Board of Regents' meeting that it was approved by the faculty last semester and is in the Faculty Handbook at Section C-07.

- The Committee reviewed the status of audit recommendations. There are five past due. The first one regarding contract review officer training is partially closed. Internal Audit is waiting for University Counsel to set up the training. Per Lee Peifer, University Counsel, there is a new policy office manager. It should still be on track to be available by late spring. The Gallup financial aid accounts reconciliation was completed last week; the information was forwarded to the controller's office. It is cleared, but that occurred after the reports were printed.

The Gallup Advisory Committee met with our Board on Saturday. Director Patel attended the meeting. They reviewed the status of audit recommendations. Feedback received included that Internal Audit should revisit prior recommendations from previous audits to make sure the implementation is complete and documented.

The Real Estate Department has completed an amendment for the lease agreement in recommendation #7. Kim Murphy, Director of Real Estate Operations, informed the committee that a lease amendment for the Mind Research Network (MRN) was delayed due to some billing issues between MRN and the Physical Plant Department. These billing issues also pertain to recommendation #13. The billing issues were resolved in December. It is the Real Estate Department's opinion that they have satisfied the action items for recommendations #7 and #13. This

is somewhat complicated by the fact that MRN has been acquired by Lovelace. Internal Audit agrees with Real Estate, but to satisfy the recommendation, Internal Audit requires the signed agreement as documentation. Lee Peifer stated the situation with MRN, housed on North Campus, is increasingly complicated. Lovelace asked for a conflict waiver to resolve a lease dispute between Lovelace and the University; UNM did not agree to the waiver. Mr. Peifer stated he can provide a report to the Committee at the next meeting. The building is owned by Health Sciences, but investments were made in the structure by MRN.

Kim Murphy also addressed items that are not past due. Director Patel stated some of these items are partially completed and will be cleared when they are included in a procedures manual. Director Murphy provided the Committee with a detailed status report on outstanding recommendations. Chairman Gallegos inquired about how Real Estate contracts with outside counsel. Real Estate has followed Regents' policy when contracting with counsel. The Department goes through Legal. There was no comprehensive procedure outline as a guide for staff, and that is in development. University Counsel has worked over the last few years to take care of as much as possible in house. There is a Request for Proposal process for firms to be approved as outside counsel.

Director Murphy stated Internal Audit considers items #2, #3, and #9 to be partially closed. The reason they are not fully closed is because they are also items that will be addressed in the procedures manual, which is item #1. It is the position of Internal Audit that once Real Estate satisfies the recommendation in item #1, then #2, #3, and #9 will drop off. Internal Audit wants to make sure each of those items is in fact addressed in the procedures manual. The Chairman stated that sounds logical. Recommendation #5 is open regarding lease monitoring. A portion of that item includes cash management. Real Estate has addressed the procedure within the office and provided information to Internal Audit. They also feel that portion is closed. The second part of that, a billing and accounts receivable process, is (per the Controller's office) to be handled through the non-student accounts receivable process as part of Banner. This is implemented on North Campus and by July 1 will also be on Main Campus. Director Patel stated that the new system will provide billing and payment through Banner. This will be complete in July, 2012 and will be cleared at that point. Item #8 is still open, subject to determination by the Executive Vice President for Administration. It is an overall budget issue that has to do with Lobo Development and where revenue will go. Item #14 is regarding exploration of a new account code for real estate leases in order to track them in a comprehensive way. Currently, Real Estate uses an existing account code that allows departments to use that account for short-term room rentals, etc. The Controller's office did not feel a new account code would solve any issues and would not guarantee proper recording. Finally, Real Estate is still in discussions with the Foundation regarding oil and gas revenues. That is an open item.

The Committee approved the following UNMH audits:

- Cash Receipts, dated May 2011; and
- Materials Management and Food and Nutrition/Cafeteria Inventory Process, dated September 2011.

The Committee approved the following Internal Audit Department audits for publication:

- 2012-04 University President's Travel, Entertainment, and Other Expenses for the period of July 1, 2012 through September 30, 2011.

There being no further business, the meeting was adjourned at 11:05 am. (Motion: Regent Hosmer, Second: Chairman Gallegos).