

Board of Regents' Meeting
May 14, 2013
9:00 a.m.
Student Union Building Ballroom C

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

May 14, 2013

9:00 a.m. noon --1:00 p.m. – 3:00 p.m. Student Union Ballroom C

Regents Executive Session/Luncheon, 1:00 p.m. Cherry Silver Room

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- William Miller, President-Elect, UNM Retiree Association

- Amy Neel, President, Faculty Senate
- Mary Clark, President, Staff Council
- Marissa Silva, President, Priscilla Poliana, President-Elect, GPSA
- Carl Alongi, Vice Chair, UNM Foundation
- Caroline Muraida, President, ASUNM

VI. Public Comment

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

VIII. Executive Session:

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

IX. Vote to re-open meeting.

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

X. Adjournment

BOR Agenda 5.14.2013 +

The University of New Mexico
Board of Regents' Meeting
April 9, 2013
Student Union Building Ballroom C
Meeting Minutes

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

Administration present: President Robert Frank, Provost Chaouki Abdallah, Executive Vice President David Harris, Chancellor Paul Roth, Vice President Josephine de Leon (Equity and Inclusion), Vice President Paul Krebs (Athletics), Sr. Executive Officer Ava Lovell (Finance and Administration), Vice President Eliseo Torres (Student Affairs), Interim Vice President Jewel Washington (Human Resources), Interim University Counsel Lee Peifer.

Regents' Advisors present: President Amy Neel (Faculty Senate), President Mary Clark (Staff Council), President Caroline Muraida (ASUNM), President Marisa Silva (GPSA).

Regent Fortner called the meeting to order at 9:02 a.m.

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

Motion to approve the Agenda passed unanimously. (1st Gallegos, 2nd Overton)

II. Approval of Summarized Minutes of the March 11, 2013 BOR meeting, Regent Fortner

Motion to approve the minutes of the March 11, 2013 meeting passed unanimously (1st Gallegos, 2nd Koch).

III. President's Administrative Report, Regent Fortner

President Frank stated that he looks forward to working with the Regents in the afternoon on the budget.

Comments from Regents (none)

Public Comment, specific to agenda items

Cynthia Stewart commented on Retiree Health Care Benefits and negative impact on the pre-65 group in regards to it being age discrimination as the pre-65 group has been singled out.

Beverly Burris commented on Retiree Health Care Benefits and negative impact on the pre-65 group stating that many retirees may not be able to afford health insurance at all.

Corrine Sedillo commented on the proposed tuition increases. She thinks the increases seem rather large and she would like to voice her concern and asks the board to reconsider increases for tuition.

Carol Stephens commented on Retiree Health Care Benefits and presented the Regents with some materials on how to lessen the burden on pre-65 and reduce costs based on financial advice given by the Harvard Business Review to make systematic investments in prevention.

Barbara Gabaldon commented on Retiree Health Care Benefits and stated that it is important for UNM to preserve benefits but that the burden should not fall on the pre-65 retirees.

Ilse Biel Graduate Student commented on the importance of the funds for the GA/TA/RA lines and thanked on behalf of GPSA the Board and Administration for the \$280,000 made available for the program. She encourages the university to continue such a program because of the positive effect it had on the recipients and benefit the departments at UNM.

IV. Regent Committee Reports (reports are included in BOR E-Book)

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

Consent Items:

Motion to approve consent agenda items 1, 2, 3, 4 & 5 passed unanimously (1st Koch, 2nd Gallegos).

1. Monthly Consolidated Financial Reports
2. Disposition of Surplus Property for Main Campus on list dated 3/15/2013
3. Contract Approvals: Bruce Cherrin
 - a. Financial Services – FY 2013 Audit Contract Approval
 - b. UNM Athletics – Daktronics
 - c. UNM Information Technologies – Microsoft Corporation
4. Approval of Lease of Real Property – UNMH Addiction and Substance Abuse Clinic 2600 Yale Blvd. SE
5. Approval of Third Amendment to Lease of Real Property for UNMH Eye Clinic 1600 University, NE

Action Item:

6. Approval of Naming Requests
 - a. Establishment and Naming for Dr. Anthony T. and Eileen K. Yeung Center for Endoscopic Surgery
 - b. New Tennis Facility
 - c. Lobo Field Bullpens

Motion to approve the Naming Requests passed unanimously (1st Gallegos, 2nd Koch).

Breda Bova (Chair, Naming Committee) gave the presentation. This request is for the establishment and naming of the Dr. Anthony T. and Eileen K. Yeung Center for Endoscopic Spine Surgery. Dr. Yeung and his family made a very generous gift to HSC and we are asking for approval of naming the center. The next request is in regards to the new tennis facility in which the McKinnon Family made a very generous donation to UNM. They are asking that the new tennis facility be named the McKinnon Family Tennis Center. The Kennedy family also made a generous donation to UNM and would like to name a court at the McKinnon Family Tennis Center, the Jack and Susan Kennedy Family Court. The next is to name one of the Baseball Bullpens the Tate, Branch, Dodge, Jeep, Chrysler Bullpen. It will be at the southeast area of Lobo Field because Tate, Branch, Dodge, Jeep, Chrysler is in Hobbs and Hobbs is in the South East corner of NM.

7. Approval of Los Alamos Campus Mill Rate Resolution

Motion to approve the Los Alamos Campus Mil Rate Resolution passed unanimously (1st Koch, 2nd Gallegos).

Dr. Cedric Page (Director, UNM Los Alamos Branch) gave the presentation. This request is for the approval of the Los Alamos Campus Mil Rate Resolution later this year. In the last 5 years, UNM LA has received a 38% decrease in state appropriation along with a 14% increase in enrollment. They have addressed these changes by ramping up efforts to obtain more grants and contracts and have been successful along with a tuition increase. These new grants have allowed the campus to start new programs appreciated and expected by the community. While grants will

deplete in about 3 years, they feel that it would be an opportune time to reach out to the local community for support given the decline in state support for programs. Dr. Steve Borickter, (Chair, UNM LA Advisory Board) commented that UNM LA has a 1 Mil Levy, which is the lowest of all UNM branch campuses and was required to start the branch 30 years ago. They had not yet increased that local support so they are requesting the Board of Regents approval to move to 3 Mil, a 2 Mil request to the voters in September. The present level of funding is inadequate for sustainability of the campus and its vision. They have developed a strategic plan and engaged many member of the local community to create a vision that aligns well with the community of Los Alamos. The newly created Los Alamos Committee for Higher Education has begun the process of preparing for the Mil Request and has begun communication to the community. Per the request at the F&F Meeting regarding the support of the local elected officials, they have gathered verbal support from all seven county counselors of Los Alamos County.

8. Approval of Retiree Health Care Task Force Report and Recommendations

Motion to approve the Retiree Health Care Task Force Report and Recommendations died on the floor with no second (1st Koch).

Fran Wilkinson (Co-Chair, Retiree Health Care Task Force) stated that the committee has worked together to develop a recommendation that honors UNM's commitment to provide viable retiree health care. They realize that by some standards, UNM's retiree health care may seem generous but they remind the BOR that a major component that attracts and retains UNM employees despite UNM's salaries being far below national averages is the benefit package UNM offers. Many retirees have stated that having continuing affordable health care was an important factor in planning for and determining their retirement date rather than waiting longer to retire. An initial proposal was brought before the Audit Committee on March 8, which recommended reductions in UNM's Accrued Actuarial Liabilities (AAL) from 40% to 50% with a 2% VEBA and did not separate the blended pool of actives and retirees. The Audit Committee gave a new mandate to reduce the post-employment AAL by at least 50% and far more while phasing the changes over a 3-year period and preserving the current pre-65 salary tiers. The recommendation does do that but working with the UNM consultant actuaries, the university would need to move from the blended pool to the separate retiree experience as they called. The proposal reduces UNM's AAL by 52.5%. At the F&F Committee meeting Regents added a plan design change for a high deductible plan for pre-65 retirees coupled with GAP insurance that would cover the high-deductible cost. The task force has not had the opportunity to review or discuss any UNM retiree specific information connected with such a plan in order to analyze the impact that the high deductible with GAP insurance may have on retiree health care benefits. Therefore, in consultation with task force members we cannot recommend for or against such a change until the committee has been able to study and discuss its implications. Such a change is not part of the current recommendation and they ask the Board not to derail the collaboration that has gone into this process. It is not that the committee opposes this change but that they have not had time to study it fully.

Hans Barson (Co-Chair, Retiree Health Care Task Force) stated that many people recognize the difficulties that are faced by UNM, and by procuring and paying for health care. We cannot endorse at this time the high deductible plan with gap insurance for the reason that there has not been studied. There are certain exclusions and limitations of such a gap plan that could negate its promised benefits, which raises concern, so it needs to be digested by the committee. Finally, in regards to a comment made earlier, as we are proposing moving toward a pre-funding model, both UNM and employee dollars, the university needs to guarantee that the benefit promised in the future is going to be there and that it is a wise investment for both the institution and individuals.

Mike Duran (Chief Operations Officer, Human Resources) presented the recommendation that was accepted and supported by the F&F Committee. Mr. Duran reviewed the Retiree Health Care Task Force charge, which included revisions to the recommendations following review at the Audit Committee on March 8. This included reducing the AAL by at least 50%, phase in changes over several fiscal years, preserve current pre-65 retiree premium salary tiers, consider design plan changes such as the high deductible health plan and bring forward a clear description of the VEBA Trust. The revised scenario was presented to the F&F Committee on April 5. Table 1 of the recommendation includes a phasing in plan of 3 fiscal years in which the VEBA percentage begins at 1% and rises to 2% by the 3rd fiscal year and an AAL decrease of 52%. Additional Regent's recommendations include a high deductible plan and Gap insurance for Pre-65 retirees. Table 2 represents the Pre-65 Retiree salary tiers and proposed shared health care premiums. Mr. Duran stated that the VEBA Trust is a vehicle to fund the future liability of Post Retirement Benefits. The current structure of the VEBA Trust is that UNM and Retirees will fund it equally. The VEBA Trust will subsidize UNM's portion of the premiums for Post Retirement Benefits upon solvency. Employees will be considered opted-in unless they exercise their option to opt-out of the plan. The VEBA Trust will go into effect January 1, 2014. Employees hired prior to 1/1/2014 who do not opt-out will receive premium subsidy at the highest subsidy level. If they opt-out and then opt-in, they will receive premium subsidy based on VEBA service credit earned. They may opt-out at the initial enrollment period or at a subsequent open enrollment period. If they opt-out, they will have a one-time opportunity to opt-in during open enrollment five years following opt-out election.

** The item was brought back to the table at 3:00PM for discussion per Regent Gallegos.

Motion to approve the Retiree Health Care Task Force Report and Recommendations with the understanding that the Task Force will make further study on the high-deductible, Gap insurance plan and adjust the plan to mitigate the impact on the pre-65 retirees passed unanimously (1st Gallegos, 2nd Koch).

Regent Gallegos presented a 3-part motion. First, with the budget to go into effect for FY 2014 that we adopt what is table 2 by the task force recommendation, which involves a three-year ratcheting down of the University of New Mexico portion, might say the employer portion, of the cost as opposed to the retiree portion. Second, that because of the impact that will have on presently retired not yet 65 retirees there be some mitigation or safety net, but you can calculate to save them harmless. Third, that the question of the VEBA trust and the restructuring the insurance plan, such as increasing the deductible, increasing the co-insurance and so forth, be further studied and thoroughly investigated, and brought before the audit committee in order to give guidance to the administration. It would include the cost to the university along with the cost of sharing the retirees premium cost. Regent Koch requested the Gap insurance be included in the motion. Regent Gallegos agreed that would be part in parcel of trying to examine the plan so that it is a less costly plan.

Regent Fortner restated the motion for clarification that we are going forward with this with the understanding that we are going to tweak the cost to the pre-65 retirees. And, going out to market to see if the Gap proposal Regent Koch recommended would be viable part.

EVP Harris stated that because the VEBA is relatively complicated and the Internal Revenue Service must sanction it, that it will take some time as Regent Gallegos indicated for us to assemble the information and bring it back before the Audit Committee. We have been advised that it can take as long as six months. The Regents need to understand, as Andrew Cullen indicated, that there is a cost of implementation embedded in the budget that you have just reviewed it would be our intention to implement this with the advent of the policy year on July 1 upon recommendation of the Task Force.

Amy Neel stated that she is not sure what advantage going ahead with the three-year decrease of UNM contributions will have without any other part of the plan in place, and I am confused on how you can hold pre-65 retirees harmless because this primarily targets pre-65 retirees.

President Fortner requested that there be a way to tweak the plan regarding the pre-65 retirees so the burden would not be so severe.

EVP Harris stated that he does not believe that the plan is to put only that one component in place but the total plan that had been presented this morning by the task force and shifting the burden internally.

President Frank stated we would work with the Task Force to examine ways to mitigate which is something we had in the back of our minds already so you are simply instructing us to do what we would have done already.

Regent Fortner believes that one of the reasons this died for lack of second earlier is because the Regents did not have the information and we realize that that issue can at least be looked at. Also in talking to EVP Harris, he thought it was a catastrophically bad decision. He convinced me of the importance of doing it now cause otherwise we're going to be looking at a \$200 million unfunded mandate.

EVP Harris stated that in two years the occurred liability could be upwards of \$200 million it would really damage UNM's financial well-being.

Fran Wilkinson stated that it went from \$152 million last year to \$162 million this year, and we are hearing possibly \$175 million next year, so if this does die today we cannot look at it again until next year. In terms of the task force looking at ways to mitigate to the pre-65 impact we would be delighted to do that. A couple of options that come immediately to the top of my head; one is a longer phasing period on that, and another, our original proposal that came out of the task force and went to the Audit Committee that was later changed had a blended pool of active and pre-65 retirees which was a much lower premium than the non-blended option that we came up with after we met with the Audit Committee. Those are just a couple possibilities we would really need to talk about it in the committee and task force we do not want to come up with off the cuff.

Regent Fortner stated that the public comments earlier on Retiree Health Care were compelling and addressing the pre-65 issue would address their concern.

Fran Wilkinson stated that there are 5000 actives and there are only 750 pre-65 retirees so she agrees that the task force needs to mitigate the impact on the pre-65 group.

Regent James suggested looking at different salary tiers and adjusting those in order to reduce the burden on the retirees that have that final salary that is lower than someone who retired at a six-figure salary.

Fran Wilkinson stated that the Task Force did look into that but kept them as is because of the short turn-around time to obtain information and go forward. They discussed adding a higher tier or changing those tiers in some way because the \$35,000 tier is the final and lowest tier.

Hans Barson stated that the Task Force specifically looked at making the tiers for the retirees match the tiers for the actives however; it did not get UNM as far as we wanted to in terms of reduction in accrued liability and saving UNM money. It is better for the retirees but it costs a little bit more.

Regent Gallegos confirmed that by changing the employer's share that we are going to be reducing the unfunded liability.

Information Items:

9. Contract Information
 - a. PPD Engineering – Utility Master Plan
10. Semi-Annual HSC Financial Presentation

Health Sciences Board, Regent Suzanne Quillen, Chair

Action Items:

1. Request for Tuition Differential, Occupational Therapy Graduate Program

Motion to approve the Request for Tuition Differential, Occupational Therapy Graduate Program passed unanimously (1st Quillen, 2nd Gallegos).

The Occupational Therapy Graduate Program is requesting a tuition differential. The program currently has a significant gap between expenses and I&G funding. The tuition differential will help offset costs. It will begin in Fall 2013 and will be set at \$140 per credit hour each semester. The program is ranked high nationally and requires a lot intensive hands-on training for accreditation, which in turn makes it a costly program to run. The program has had a budget shortfall in the past few years, which has been supported by the School of Medicine. In order to stabilize and grow the program and remain responsible the program needs to have enough budget to cover the costs. The tuition increase would not affect enrollment or applications.

2. Request for Approval of College of Nursing Graduates

Motion to approve the College of Nursing Graduates passed unanimously (1st Koch, 2nd Hosmer).

College of Nursing Degree Candidates	
Doctoral and MFA Degree	1
Master's Degree	22
Bachelor's Degree	
RN-BSN	22
BSN	48
Total	93

3. Request for Approval of College of Pharmacy Graduates

Motion to approve the College of Pharmacy Graduates passed unanimously (1st Hosmer, 2nd Gallegos).

College of Pharmacy Degree Candidates	
Doctor of Pharmacy Degree	86
Total	86

4. Request for Approval of School of Medicine Graduates

Motion to approve the School of Medicine Graduates passed unanimously (1st James, 2nd Gallegos).

College of Nursing Degree Candidates	
Doctoral Degree	66
Master's Degree	24

Bachelor's Degree	58
Total	148

- Request for Approval of Manual R. Cristobal to Sandoval Regional Medical Center, Inc.

Motion to approve the Manual R. Cristobal to Sandoval Regional Medical Center, Inc. passed unanimously (1st Koch, 2nd Gallegos).

- Request for Approval UNMH Equipment Disposition

Motion to approve the UNMH Equipment Disposition passed unanimously. (1st Overton, 2nd Koch)

Information Items:

- Request for Approval of UNMH Contract with Siemens Medical Solutions, USA, Inc.

Academic/Student Affairs & Research Committee, Regent Jacob Wellman Vice Chair

Action Items:

- Approval of Spring 2013 Degree Candidates

Motion to approve the Spring 2013 Degree Candidates passed unanimously (1st Hosmer, 2nd Gallegos).

UNM Degree Candidates	
Doctoral and MFA Degree	417
Master's Degree	762
Bachelor's Degree	2624
Associate's Degree	208
Total	4011

- Approval of Posthumous Degree for Kenneth Lindemann

Motion to approve the Posthumous Degree for Kenneth Lindemann passed unanimously (1st Hosmer, 2nd Gallegos).

- Approval of C1187-New AS Computer Science (LA)

Motion to approve the C1187-New AAS Computer Science (LA) passed unanimously (1st Hosmer, 2nd Gallegos).

Dr. Kate Masingale made the presentation. There is a slight realignment to the AAS Computer Science Degree. UNM LA has had an AAS in Computer Science for many years which is largely transferable because the use many of the same 100 and 200 level courses that UNM does in Computer Science. UNM LA has decided to more fully align a complete transferable degree that has the first 2 years in computer Science at our campus the on difference is and entry-level course, which UNM is developing for Main Campus, and they have a capstone course.

- Approval of C1080-New (BIS) Bachelor of Integrative Studies

Motion to approve the C1080-New (BIS) Bachelor of Integrative Studies passed unanimously (1st Hosmer, 2nd Gallegos).

Tracy Skip (Director, University Studies) gave the presentation. This request is for the University College to refine/realign the Bachelor of University Studies program into a Bachelor of Liberal Arts and a Bachelor of Integrative Studies. This realignment allows for more faculty mentoring involvement with the students and a Senior Capstone project. This is a substantial increase in the curriculum for the University Studies Degree.

Audit Committee, Regent Gene Gallegos, Chair

1. Summary Audit Committee Meeting 3/8/2013

Regent Gallegos provided a summary of the Audit Committee Meeting held on 3/8/2013. At this meeting, four UNMH audits were considered and approved. The entry conference for the annual outside audit took place, KPMG will audit the university and its units, and Moss Adams will audit the clinical areas and the cost will be as it is under a 3-year contract, \$917,000. The rest of the committee time was spent on a lengthy discussion of the Retiree Health Care report.

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

Faculty Senate, President Amy Neel. Dr. Neel brought forth a list of the top professors at UNM. Which include all the professors at UNM who educate nearly 30,000 students. This is who it takes to advance the knowledge and promote creativity in dozens of fields, serve the community, advance economic development in UNM and to make the world a better place. Dr. Neel commended the new President, the Provost, deans, administration and staff. She mentioned the many efforts in place to advance student success at UNM and believes that these changes are worth having students pay an extra 200-600 per year that it will cost to fund these efforts. She is again advocating for compensation of all faculties for 2013-2014 and asked the Regents to seriously consider the new tuition plan and to support the efforts of UNM to move NM forward.

Staff Council, President Mary Clark Ms. Clark discussed the Staff as Students event run twice a year by staff council to register staff members and give them advisement so they can become students at UNM. Ms. Clark strongly encouraged the Regents to adopt the tuition proposal and commented that it is important for UNM to change the way the university has done business in the past. President Frank is moving the university in the right direction encouraging students to succeed. UNM is set to move in a very positive direction and be the university of this century. Ms. Clark has never seen a more cohesive group working together, students, staff, faculty and administration, to make UNM the best university it can be.

GPSA, President Marisa Silva Ms. Silva introduced supporting documents including a presentation that detailed a timeline and an overview of the SFRB process, which begins annually in the Fall and complies in accordance with University Policy 1310. This year was a successful SFRB process. They appreciate the support of President Frank and the Office of Planning, Budget & Analysis in adopting a slightly revised model from last year's policy 1310. Voting recommendations must be taken through a super majority 6 out of 7 votes. The SFRB is comprised of two Graduate or Professional members, 5 undergraduates as well as alternates. Most of the recommendations were unanimous. The SFRB began interfacing with applicants in November 2012 and all candidates completed a 17-page application outlining their current use of student fees as well as additional sources of funding, and an itemization of any increase. They allotted several one-time awards, which come from reserves. Including a \$10,000 support to TEDx ABQ who will be giving a presentation to UNM in September 2013.

ASUNM, President Caroline Muraida Ms. Muraida spoke to some of the processes of the SFRB. They began with a very thorough discussion about what is the nature of a student fee. What should students be paying for through student fees. They provided a detailed presentation of the SFRB timeline and process and a detailed explanation of decreases, increases and no awards as well. All supporting documents are also available on ASUNM and GPSA websites as well.

V. Public Comment

Laura Comer represented over 1000 members of the university community, students, faculty, staff and taxpayers in calling for UNM to divest from fossil fuels.

Jim Delapojature commented on urging of UNM to divest from fossil fuels.

Alma Rosa Silva Bañuelos (Director, LGBTQ Resource Center) commented that LGBTQ Resource Center has become the leader at UNM for LGBTQ affairs. She presented a history of the Resource Center and its current efforts. Ms. Silva Bañuelos stated that she is the only professional staff for the LGBTQ Resource Center and she is requesting for a one-time allocation for professional support staff. Students William Campeo, Ariel Sheer and Eli Caucins spoke on behalf of the LGBTQ Resource Center and the support it has provided them.

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

Motion to proceed into Executive Session passed unanimously at 12:10 p.m. (1st Koch, 2nd Fortner).

VII. Executive Session 12:10 p.m. – 1:23 p.m.

- A. Discussion and determination where appropriate of limited personnel matters pursuant to Section 10-15-1.H (2) NMSA (1978).
- B. Discussion and determination where appropriate of threatened or pending litigation pursuant to Section 10-15-1.H (7) NMSA (1978).

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

Motion to return to open session passed at 1:24 p.m. (1st James, 2nd Fortner).

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

Motion to certify that no action was taken in executive session passed. (1st James, 2nd Fortner).

IX. Reconvene

Action Item:

X. FY 2014 Budget-Regents

Main Campus

Motion to approve the unblocking of tuition with a 6.6% increase and partial unblocking of fees, accepting the SFRB recommendations with the exception of the Athletics fee to be at \$907,000, as well as a 3% faculty compensation increase, a 1% staff compensation increase and a one-time staff compensation supplement of \$1000 passed with Regents Fortner, Koch, Gallegos, Hosmer, and Quillen voting yea and Regents James and Overton voting nay (1st Gallegos, 2nd Koch).

President Frank: The University has developed an innovative budget presentation that focuses the budget in a way that has not previously been focused, driving student success. We believe this is important because when a budget aligns with student success it focuses the university on the thing that is most important, moving students toward graduation. The sad fact is that today only 15% of the students that enter UNM graduate in four years. This is a trend that has changed dramatically over the years for a number of various reasons. Only 46% of our students will graduate within 6 years. In NM, we are at the bottom of national statistics at our graduation rate. It is a state crisis and a national crisis. So we have to take this very seriously in our state. And so we believe that this budget aligns with the state priorities, and we believe that the University of New Mexico needs to be the state leader in doing something very dramatic and innovative. The budget we're

proposing aligns with a number of steps we've taken within the university to focus on student success. So we're coming to you today with a big proposal. We are asking a lot of you and our students today but we believe it is the right time to ask a lot and we believe that you are the right Board of Regents to ask a lot of and these are the right students to ask a lot of. This is a great university, it has great potential, so this is the right moment to try and take a big step. If we don't take this big step I despair what will happen. This is a plan that has been developed over 6 months by a group of our leaders. It has our student leadership, faculty leadership and administrative leadership. It was put together in a set of layers of these groups working together on both the expense side and revenue side. This isn't just a plan that came together in a week, we've put it together by thinking what are the challenges, what are the opportunities and how can integrate it. One of the most important things I think it does is focuses our students on graduating in four years and graduating with much less debt.

What we are focusing on here are investments. We have made a series of investments in this university that enhance our performance. The Board of Regents appointed me president of this university on January 4, 2012. In February 2012 Provost Chaouki Abdallah came to Kent, Ohio where I was provost at that point and he brought several of his key members of his provost team. We spent a whole day talking about what we could get off the ground quickly that could begin to focus on student and leadership changes here at the University of New Mexico. So we spent a day, they looked at some of the things we were doing at Kent State, we looked at some of the things that were happening at UNM, and we looked at things that were going on across the nation and said how can we accelerate performance quickly, and effectively and make changes. So that's about 15 months ago. First of all we said what can we do with the issues that are going on with the faculty. At that point UNM was already losing faculty and at that point we said how can we grow and retain faculty. How can we retain that list of faculty that Dr. Neel gave Regent Koch. We knew we were losing our best faculty so how can we retain those faculty knowing that we had budgetary tough times still ahead of us.

Also, we knew that we weren't getting the best and brightest students, they were leaving NM to go to other places so what differences could we make? There was an effort at that point already to start the honors college, but we wanted to make sure that it accelerated and pushed it forward. More importantly, we wanted to make sure that every honors student in NM was invited to the University of New Mexico. Also, UNM had a paltry number of international students. We didn't have an international presence on this campus. We didn't have an international office. Today we have an office in Beijing. We have three staff working for us in Beijing, China and we're recruiting students in the People's Republic of China. We did not have a way to address the fact that many students came to us with totally deficient math skills. Since then we have established a Math MaLL, which is capable of taking students who come on this campus and are math deficient and brings them up to skills in one semester and moves them on to entry-level math here at UNM. That required us to do several things; we had to create a physical place for them to take this class, identify a software package, find the faculty and teach them how to use that software package. Mark Peceny (Dean, College of Arts & Sciences) and the math faculty came together and agreed to do it and adopted it. We had to run a pilot program and implement it, we have done all of those things so when you talk about universities not moving quickly, our university did all that from February of last year (2012) until now. That is moving very quickly, most businesses can't move that quickly; our university did all of that.

We have also implemented the Foundations of Excellence. we went to the University of South Carolina and brought the Gardener program here they've been here all year. We've had 200 faculty and staff look at how we welcome a student to this university. From how we send them a letter, how they start all the entry process, and they are writing a series of 10 reports that are going to look at everything we do to bring a student to this university. In the next few weeks, we are going to look at how we have to change all of our entry processes of a first year student's experience at UNM. It is going to be a cataclysmic fundamental change of a first year student

here at UNM. We've also looked at the Lobo Achieve program. The Lobo Achieve program is part of our early alert program that will try to identify students at risk.

Finally, we have the Lobo Early Start program which will let at risk students be admitted to the university early so that they get special tutoring. We know that if we admit these students and give them summer exposure to the university, we can take students that can get abysmal ACT courses and give them exposure to math and English programs, and those students can go forward and graduate. They would normally fail at UNM but with these kinds of programs these at risk students will become graduates. So we have been able to demonstrate that we can take at risk students, many of them minority students, and make them successful graduates. We have implemented many student success programs in the last year, which is an extraordinary record of success, mostly by the Provost's office that has brought people from all across the university to implement these programs. These things require resources, they require reallocating of resources away from other programs. They require day and night implementation efforts and require people. Now the people working on these programs are bone tired because they have been expending themselves without additional hires. There's a point when you wear out doing this and there is a point where you have diminishing returns. I would suggest we're probably reaching some of those points pretty quickly.

We have also started a listening campaign when I came here in June 2012. I went out and met with every community that the university engages with. I met with the Academic community and with the communities outside of UNM and I asked, what do you think UNM should do better? I've talked to you many times about what we've heard. We heard that they love the UNM, but they want more from UNM. Most of what we heard is that they want their children to graduate from UNM. They want their students to succeed here. Then we starting talking about how do we make the university more successful in UNM 2020. We reported to you on that several times, we've talked about what will we become in the year 2020. In May, we are going to bring a report that will show you our seven goals, and how each of those goals will set accountability points for our seven major operational areas. Those outcomes will be driven with report cards; you will be able to see where we are going in each area. We've collaborated to change the very models and methods of how we're operating the university that focus on accountability and transparency of operation.

For the last 6 months, this transparent and inclusive group has had multiple meetings, vetted different models and brought six different budget models on the table. Those models were all discussed before they brought this one model. The Strategic Budget Leadership Team, Tuition and Fee Team and Student Fee Review Board were among the efforts with student, faculty and staff leadership.

President Frank requested the ASUNM, GPSA and Faculty Senate President to comment in regards to their participation in the process.

Caroline Muraida: Every year the ASUNM President has the good fortune of being a part of this shared governance process. This year in particular we have had the exciting opportunity to engage in the budgeting process with a new president. With that we carried on our responsibilities as SFRB with our own revisions and processes, and brought our recommendations to the SBLT in early March. All the while we had been meeting with the T&F Team that included representation from Faculty and Staff since early October. While recent developments have been just that, recent, the conversation has been open and we have been happy to sit at the table as student leaders providing contributions and criticisms.

Marisa Silva: I would like to reiterate what ASUNM President Muraida's comments in that we have been a part of the budgeting process throughout the year. We did convene a meeting of the SFRB yesterday in order to run by them these potential new tuition plans. We as all students are concerned about a few constituencies that we don't want to get lost in the shuffle, for example

Freshman. President Frank has already spoken about the intersections of the foundations of excellence. We recall from AVP Babbitt's presentation that financial reasons are primarily why a freshman will not continue a second semester here at UNM, so we would like to see protections in place for them. We similarly would like this board to take into advisement the situation of students already operating under catalogs that require 128 credits or more for their degree completion. The SFRB was supportive of measures that would incentivize student success, we recognize that our annual funding per the State Legislative process is contingent upon these new exit measures and measures of success and certainly, the messaging will take some time to convey to the greater constituents. In addition, protections on the graduate level so that that cost does not spike for students nearing their dissertation and PhD. And lastly the SFRB did ask us to express that any new model we would like it to fall in accordance with policy 13.10 which would allot the first body to see any potential increase in fees would be that body itself in our annual process that begins every fall.

Amy Neel: I have been a part of the T&F Team for 2 years and want to highlight the intense and extensive study that UNM has undertaken to understand its student finances and sticker cost vs. what students actually pay. As well as what students pay to attend our peer or competitor institutions. I think it's unprecedented how much concern that we have given to make sure that our most financially vulnerable students will not be affected by any increases, while still paying for an incredible value that they are going to get from this institution.

President Frank: We're asking you to do a very tough thing today. We are prepared to be accountable for the execution of the program that we are asking you to approve. We are prepared to do it in a way that will help students graduate in a timely manner, and provide them with a great value for their education, and we believe that the students will benefit from the program. They will move through here in a way that will help them move onto the working world in a much more faster and expeditious manner.

President Frank asked Provost Abdallah to discuss some of the investments on the expenditures side included in the budget model.

Provost Chaouki Abdallah: Last year I presented the Iron Triangle to show that we needed to break that triangle in order to achieve access, while keeping the cost manageable and increasing quality. Last year the Regents invested in student success initiatives and in faculty. Last year we achieved an increase by 2% in third semester retention and achieved a 1% increase in graduation. In perspective that is only 30 students but each degree at UNM costs about \$70,000 to graduate so by graduating 30 more students we are saving both the institution, student, parents and the state a lot of money. We are on our way to achieve even better than 2% this year of retention for the third semester and even more than 1% increase from last year, we are on the right track. Including things like the Foundation of Excellence, increasing the number of advising, reallocating resources and many of the other initiatives being done by our staff and faculty. Last year I presented the Regents with a 5-year Academic Plan. The first year has been achieved and we hired more than 80 faculties. This year we scaled back the Academic Plan, due to pressures in other areas, but I ask that the Regents continue to support it. Last year he requested money for equity pay for faculty, there were more than 300 faculties that we were able to give equity adjustments and we were in the 20% for our full professors in salary. This year we are up to 24%, and on Associate Professors we went up from 16% to 24%. And in Assistant Professors, which is where we mostly compete with other institutions, we went up from 26% to 33% in salary so those investments are also starting to pay off. Last year I came to the Regents with stories about faculty UNM was losing and how much retention we have to do and unfortunately we are not able to do a lot more because we are still in the same situation, having to retain and counter offer them. As we move forward and look at the full picture I would like you to look at the value of the UNM degree, and how much a UNM degree is worth versus a one year cost or a two year cost and I believe that with the plan they are proposing the value of the degree and education will go up. I urge the Regents to help us continue on the path that you put us on last year.

Andrew Cullen: Reviewed the list of expenditure categories proposed for the upcoming fiscal year 2014. The first area is a recurring, base compensation increase for faculty and staff. Decoupling those raises at 3% increase for faculty and 1% increase for staff, GA's and TA's. To lessen the difference we are proposing a \$1000 pay supplement for staff similar to what was done last year, funded from balances within the administration. The second area is the Academic Plan year 2 of 5. With most money going to hiring faculty, promotion, distinguished faculty, dealing with compaction issues and faculty retention dollars. The Global Education Office has real revenue generating possibilities for UNM. If international students come in and pay full load of out-of-state tuition, just under \$20,000, this initiative will be paid for if we can bring in 50 international students. Approximately \$1.3M will go to Student Aid/Need Based Aid tied to undergraduate increase and \$306,000 tied to the graduate increase, a total of \$1.6M. This could fund in its entirety the increase for 2450 students if we chose to do so, which is significant need-based aid to offset the Tuition increase. On the revenue side, UNM only received \$2.4M from the state on the workload outcomes process. We were hoping for more. The unblocking of our current tuition process generates about \$8M. We are also choosing to fund on a one-time basis \$3M in recurring expenditures to accumulate that money throughout the year. We felt it was important to put any and all incremental dollars this year into the new programs we have reviewed and fund on a one-time basis, \$3M once again. The SFRB is led by ASUNM President Caroline Muraida and co-chaired by GPSA President Marisa Silva. The fee recommendation made by the SFRB has been carried over and approved by the SBLT in its entirety. It includes various appropriations to the recipients of these dollars with accordance of the SFRB. It also allocates minimum wage funds to those organizations that employ students and pay that minimum wage. At the recommendation of Regent Koch it also includes dollars for athletics to get them up to a level equal to our peers within the Mountain West Conference. We did that largely in part to show the ramifications of that proposal. Just as we generate additional tuition dollars through this modified block proposal, we generate additional fee dollars. The fee per credit hour is not increasing this year; we generate more fees because we are charging fees on hours 13, 14 and 15, which had not been the case previously. The result is we generate additional dollars, when we subtract out what the students recommended, when we subtract out what Athletics is being recommended at by Regent Koch we come up with an amount in reserve of about \$800,000. In honoring the students request we were proposed that those monies remain in reserve and that that they be discussed as their overall processes this year.

Regent Overton: Can we discuss Libraries and Athletics? So you said the SBLT was supporting the SFRB recommendations? Can you explain to me the differences between what the SFRB recommended in regards to Libraries and Athletics and the new change that you just proposed?

Andrew Cullen: The SBLT is supporting the SFRB recommendation. No change regarding the Library, the students felt pretty strongly that libraries should be funded with I&G funds and in fact under this proposed model they are. Last year the libraries were funded to the tune of \$460,000 with one-time funds, so we all agreed the need was there and we wanted to fund it, however we did so on a one-time basis. This year we actually include a similar amount of \$466,000 on a permanent basis in this plan from I&G funds. That's absolutely consistent with what the students wanted.

For Athletics, the SBLT followed through on what the students recommended through their process. And again at the encouragement of Regent Koch we put in that increase to bring us up to the peers of the Mountain West Conference.

Regent Overton: So when you say the increase, that increase is referring to the increase that comes if we accept the new model of student fees?

Andrew Cullen: Yes, the new model results in the additional generation of student fees. These additional revenues cover the recommendation of the SFRB, would cover that increase to athletics and would still leave about \$800,000 in reserves.

Regent Overton requested ASUNM President Caroline Muraida to comment on what the SFRB position was on increased revenues of fees under a new tuition and fee model.

Caroline M: As per policy 1310, which outlines the responsibilities and duties of the SFRB, any additional revenue generated through the charging of fees goes first to the SFRB to process the information and allocate it through our processes meaning that all applicants will be given the same treatment, it also controls for year to year changes. There's variability, responsibility, integrity in our process and as such we chose to allocate any additional revenue from this year into our reserves to be subject to our review in the fall.

Regent Overton: I would like to clarify, so the amount that you've recommended in SFRB recommendation is different than is in this recommendation, right, it is about a \$900,000 difference?

Caroline M: Right, a difference going towards Athletics, and we have our reasoning for the SFRB recommendation as it is without any sort of amendments.

Andrew Cullen referred to Terry Babbitt to discuss the tuition plan.

Terry Babbitt: This is our innovative and an integrated strategy to try and improve graduation rates. Beginning with student aid and gift aid at UNM we understand that averages don't dictate the plight of every single individual student. In relation to our peers, at ASU their tuition, fees and books are about \$9,400 the average gift aid, grant money, not student loans or self-help, is \$5,500. At the University of Arizona it's also over \$9,000 for tuition, fees and books, their gift aid on average per student is \$6,200. At UNM where we have grant programs and gift aid that allow our students to have access. The tuition, fees and books are \$6,450 and the average grant aid is \$7,689. So in this instance on the average students actually have money left, a refund. So the story is they have more resources in the tuition charges here, and peers have less gift aid available than we do. They are also needy schools. The average number of UNM students on Pell Grants is 38%, at Arizona State University it is 38% and at University of Arizona it is about 32%. So their students are in a similar situation.

Regent Fortner: The graph makes it look like UNM students are getting more money in aid than it costs to go to school.

Terry Babbitt: That is correct on average. About 8,000 of our students who have a lottery scholarship, a Pell Grant, different types of grant aid actually receive more gift aid than what we charge in tuition, fees and books. This is 8,000 out of 22,000 undergraduate students. The additional money potentially goes towards other costs of attendance including living/dorm costs. The present tuition is \$6,050 but it goes up to \$6450 when you include the average cost for books. This is National Center for Education statistic, it is a year behind so we can compare with peers.

Regent Gallegos: Is the only way to increase the 4 year graduation rate is to charge higher tuition?

Terry B: That is not the concept that I am going to present. The only way to increase 4-year graduation rates in my view is a very integrated approach. It is not just one approach; it's not all the initiatives that were mentioned or the initiatives that have been started. It also takes things like this integrated together, and the tuition structure is one tool that I am presenting.

Regent Gallegos: For example, if you take a slice of students that came in with an ACT of 24 or better and a 3.0 GPA in high school, what is their 4-year graduation rate?

Terry B: It is a lot higher than 15%, their 6-year graduation rate goes up substantially when you get around a 24 it gets to 55% on the 6th year. So selectivity on almost every instance will increase your rates but what the foundations and principles that we have started our work on is also access. We do have an admission preparation component to the integrated strategy where we have students that are challenged and need extra preparation as President Frank mentioned that we are going to support and give them an ultimatum to go to summer school but to maintain access, and economically that number right there that you mentioned cuts out half the freshman class or probably 1500 students.

Regent Gallegos: Well the only thing that I have seen in the presentation so far is supposed to enhance graduation rate is unblock tuition and raise the cost.

Terry B: We will show the concept of why we believe in our model.

Regent James: I continually hear that the cost of education here at UNM is too high but I think that we've done a tremendous amount of work to provide grant and aid to help students to deal with the tuition, fees and books and again maybe part of the discussion that we need to have is how to transition this university away from this commuter type of a situation towards more students living on campus.

Terry B: At two institutions we are regionally compared to, they actually pay after grant aid \$3,919 at ASU and \$3,030 at U of A, and a UNM student on average gets \$1239 in refund. So the concept Regent Gallegos was referring to is not just increasing tuition to help students graduate, we wanted to take an integrated, strategic approach to everything at our disposal to help students, in particularly the 4-year graduation rate which has been 12-15%. On student course loads hours 1-21 for an academic year, the amount of hours they have registered for, we have at 15 credit hour load 8000 students and at the 12 credit hour load 6,870 students. So the problem is these 12-14 credit hour loads because it is going to take them over 5 years to graduate.

Regent Gallegos: Do you have any data on how many of those taking 12 hours are working, and that is why they are taking 12 hours?

Terry B: A lot of our students do work; we have different surveys that indicate the amounts of work. We have very traditional freshman that we just surveyed in the foundations of excellence component, we had a thousand respondents and very few of them were working. So I think we have a very broad mix of students from traditional freshman, some work a lot and many don't work as much, to students who do commute and work a substantial number of hours.

Regent Fortner: Terry, assuming that it is 128 credit hours to graduate and the idea is that we want people to graduate in a timely manner if you average 12.8 hrs per semester you will graduate in 5 yrs. If you average 14.2 hrs you will graduate in 4 ½ yrs. And obviously if you take 16 hrs a semester you will graduate in 4 yrs but I would guess that you don't have the same students taking 12 hrs every semester. A student who is taking 12 hours in his first semester and then maybe his 4th or 6th semester trying to figure out his course load. And if they are pre-med the time when they take their hardest biology class they are going to take 12 hrs and so what I'm trying to figure out is, we don't want to punish the people who are being wise, who at least 1 or 2 semesters are going to take 12 hours and they are going to make it up taking 18 hrs. There is nothing wrong with someone who graduates in 4 ½ or 5 years right?

Terry B: I think that if that was the case and if I was confident that all of our students were doing that then it would absolutely be fine but the problem is 15% of them are and doing what you are suggesting and graduating in 4 years.

Regent Fortner: But I'm not using the 4 year plan, I don't like the 4 year plan. But let's be more realistic of 4 ½ or 5 year plan, because a 4 year plan works great for the BA/MD people. Their classes are all set, and they are always going to get into the classes they need. But that is not true for people who change majors, and it is acceptable to change majors, or the people who want to graduate in 4 ½ or 5 years. So my question is, are we penalizing these people who want to graduate in 4 ½ or 5 years because the 5 year is still an acceptable measure right? If every one of our students graduated in 5 years, we would be happy.

Terry: We would, our 5 year rate is 37%, but the point is that no one is acting on this even with these being free credit hours. I understand that there are variables, and there are students doing different things but 15% 4 year rates, 37% 5 year rates and 46% 6 year rates. Everyone has to improve. And we can't improve with this high a percentage of students at the 12 hour rate. And we certainly are basing this on the need for completions, outcomes, graduations, to help us with funding, as well in the new state funding formula because it is based on graduation numbers.

Regent Fortner halted for the reception for former Regents Abeita and Wellman. Recess starting at 12:10pm and will convene after lunch. Regent Fortner called the meeting to order at 1:24pm.

Terry: We are trying to incentivize students to move from taking 12 hours to 15-18 hours with the tuition model to take more credit hours. It currently costs the same amount of money to take 12 through 18 hours and the strategy we are trying to propose is that we move from a block to a modified block. Several of our peers have gone away with block but it is a big change, so what this proposal does in the green is students pay for 12, 13 and 14 hours and then on the 15th hour rate they actually get 16, 17 and 18 hours free just as they did in the old block, the modified block. One of the considerations that came out of the Tuition and Fee Team after discussion is that we have to start unblocking tuition. It hasn't had the impact that it was supposed to have; you're paying for 12 credit hours you get 6 more free and I've showed you the data that our students are still in the 12 hour mark. So strategically we would like to encourage a rate that is actually less at the 15, 16 and 17 credit hours, actually costs less to take those hours than it does at the 12 credit hours. So in order to do that you have to structure a model that has some tuition increases and some tuition decreases. Essentially the way it works is we have a tuition increase for part time hours so this \$235.25 is a tuition increase so students at 6 hours pay \$200 more and students at 3 hours pay \$300 more and that's an increase all the way up to the part where it's unblocked. So your biggest increases are right in here and what you try to model that with is a decrease at hours 15-27 or however many they take is actually a decrease credit hour cost with no change in fees. It's not a tuition decrease overall because we've unblocked these hours, we're paying for these hours extra but we propose it in a way that 12 hours of tuition and fees actually cost more right here at this figure than the 15 hours or the 18 hours. They are actually less per hour but the whole rate of taking 15 hours, because you're now charging for 12, 13 and 14, is about 8% higher at the 15 hour load, and about 8% higher at the 18 hour load. Those are where you are trying to encourage the \$480 increase.

Regent Gallegos: Right now if you take 15 hours and pay \$6050 tuition that is \$400 an hour right?

Terry: Yes.

Regent Gallegos: So what your saying is the \$400 then on top of that if your taking 15 or more hours you add another \$166 to it but if you're taking 12 you add \$235 to it?

Terry: We start a base of \$201 per credit hour, for the tuition part per semester, so on a semester basis we've increased these hours at the part time level. We're charging for these hours 13 and 14 and the total cost for 15 hours when you charge for those for the year is \$6500 so it's a \$486 increase of about 8%. What we've done by increasing the cost of the part time hours is made that cost higher so it's actually about \$300 higher around \$6800 to take 12 credit hours and that increase is about 13.56% increase \$820 dollars. So what we've tried to do is say for less money you're going to get 15 hours or 18 hours compared to 12 hours.

Regent Overton: Can you also explain how the fees fit into this?

Terry: There is no fee increase so the fees are \$50.99 a credit hour so that makes this total around \$285 per credit hour for these hours in here just like you are the tuition. The fee increase is not a huge amount at 15 credit hours but it is some fee increase obviously. The total new revenue from fees ended up being about \$2M.

Regent Gallegos: Just so it is clear does the student taking 12 hours pay the same amount for student fees as the student taking 15 hours in this proposal?

Terry: The fees go up with the hours except for hours 15-18

Regent Gallegos: How does that have any connection with the theory behind this that you're getting more courses so you pay more for the hours otherwise it is free. How does that relate to student fees?

Terry: It is really just the unblocking strategy of when you unblock these hours to unblock the tuition part and not the fee part is even more complex, I'm not saying it couldn't be done but it's really a matter of unblock the hours that's an hourly rate and unblock the fees that's an hourly rate.

Regent Overton: My concern about doing them together is that we have current policy of what student fees are and how they are defined and so wrapping it up into this new model change in effect changes the policy that we have on board. So in my opinion you can't do it at the same time you have to change your student fee policy if we are going to accept this presentation. It needs to be separated. Terry requested Andrew Cullen to speak to the current student fee policy.

Andrew: The overall philosophy that on a per credit hour basis there is a cost associated with that. There is a cost associated with instruction, there is a cost associated with our students being on campus and taking advantage with. The Student Fee Review Board policy is just that it's a policy for the SFRB.

Regent Overton: But I am talking about the definition of a student fee and how it is defined by policy, currently it is defined as a full time student pays full time student fee. So we're talking about changing the fee policy.

Andrew Cullen: I guess I would say our definition of a full time student is 12 hours and we know that doesn't get them graduated in four years.

Regent Overton: So then does this model change, are we in effect trying to change the definition of a full time student with this model?

Andrew Cullen: No.

Regent Overton: So then there is no reason to change a full time student definition of student fee. Right? My opinion.

Andrew: I think the whole philosophy on unblocking the tuition and fees is that we can't offer those courses for free. That is the difficulty of it. As I look at what the SFRB does, they make a recommendation to the administration. There is no definition of what a student fee is, I know our students have attempted to quantify or qualify that in some way, if you were to go to 15 different universities you would find 15 different examples of what's funded with fees and what's funded with tuition. So that's something we need to work through this summer and I know President Frank has committed to do that.

Regent James: One point of clarification, so currently the fee rate per student credit hour is 50.99 and that is this same rate for each credit hour no matter if you are at 1 through 5 or 10 and it's only as we go to 13, 14 and 15 where there is 0 student fees, is that correct?

Terry: Yes it is the same rate, it is one rate.

Fortner: It is unblocking of the fees too right?

Terry: Yes.

James: So we are not changing the rate of student fees. We're simply charging for the tuition, for those hours that had previously not been charged so we're not changing the fee rate structure, we're not changing how the fees are being administered we're simply changing the tuition policy.

Terry: That is the primary idea. The entire concept really focuses around the block has not worked for its intent of free credit hours as an incentive so regardless of the other stuff, that this is complex but the problem is we have not done anything to encourage higher course loads. I understand individuals are individuals with different circumstances and what this does is start to modify the block. Some schools that go outside of the block they start to do a little piece each year. This is a step in modifying the block but really the bottom line is it costs you less to take 15 or 18 hours than it does 12 hours even though there are increases it actually costs you less to take those number of courses.

Regent Gallegos: As the economists would say, you would use pricing to signal what behaviors or outcomes you want so are we signaling here that it is preferable for a student who otherwise can't afford it unless he or she works that they go into debt? That they take out loans so that they can take 16 or 17 hours?

Terry: I think we have tried to demonstrate that we have financial aid that we're going to support students with \$1.6M if that's their circumstance and also there is also quite a bit of grant aid already. What we're really saying is we're not focusing on the punitive side although this is character change, culture change; however you want to say it and maybe you can use the word punitive. If we can encourage them to take that extra 3 hours at the cost that we're describing they are going to graduate a lot quicker the data is they are going to graduate a year or 2 years or more earlier and it is going to save them the estimates we used \$30,000 a year, \$12,000 a year you can use any figure you want in terms of how much they're saving by graduating early but we think this encourages them in the right direction. We do have other financial support mechanisms that we've been talking about in addition to the financial aid, in addition to the grants that are already there. We have collaboration with the credit union where we are going to be able to do micro-lending opportunities, emergency financial aid loans. It is a centralized financial support structure that we have never had before that we are going to be implementing to account for emergencies. Regent Gallegos the kinds of things you've mentioned students may encounter, working, life, difficulties.

Regent Gallegos: Isn't there less funding in store for Pell Grants, Congress is cutting those funds?

Terry: That is always a concern. The budget on a federal level and particularly financial aid that I pay close attention to there's actually a plan to increase Pell Grants under President Obama's plan the cuts may end up being that there is not an increase I don't find that in a federal communities that they are going to let Pell Grants be cut that much but it's always a possibility it's on the table in discussion.

President Frank: We are concerned about the future of Pell Grants, but I must remind you that today we're losing faculty on a daily basis through counter offers. We brought this proposal to you today is for two reasons. One, we believe it channels our students into a route that will increase their student success and two, it also allows us to raise money to address a compelling need to keep faculty here at UNM. We have looked at every other way to do it and there is simply no other way to do it, you cannot find a balanced method that addresses these simultaneously. If we do not find a way to do this we will continue to lose our faculty we will simply have no competitive faculty to be a research university, we will become a community college. And so for you as Regents, you face the challenge, do you want to have no great faculty to be a research university or let them all go away and we can become the university of I don't know. The types of universities that we are now competing with are at levels that are dismal at best. We're four years without raises and before that we were already competing with a set of universities that weren't research universities. We have found ways to address our most needy students with financial aid so I think we have addressed the needy quite compellingly. I believe this presentation has been quite powerful in my mind in addressing each and every of those types of issues especially the most powerful issue that NM faces, to move from being the 49th of 50th state in student graduation in the country. We are at the bottom of the nation. If we don't do something we will remain at the bottom of the nation. We have no grounds not to act.

Regent Gallegos: There is no disagreement that the faculty and staff salary increases are needed. It seems to me that when you face a need like this you do not only look at one place to find that revenue. For year 2011 the Regents were asked to and approved a tuition increase of 7.9%. Let's talk about unrestricted because that's the funds that we're talking about, the I&G state appropriation. The financial statement for year end 2011 shows that revenue exceeded expense by \$28.8M. Year 2012 we were asked to approve a tuition increase of about 4.9% the audited financial statements showed that revenue exceeded expense at the end of that year by \$30.5M. When faced with a budget you would expect to review how prior budgets came out. What was the outcome? What happened by raising tuition and so forth? We've had no presentation in that regard. We have no information other than to say you just can't do it. When we talk about the large sums of reserves, unexpended balances that are in various departments of the university, we've had no information about that except it's committed. We ought to have a fair investigation of that and maybe we will be convinced that those funds are not available. But most of that is untouched. We also know that we've had an auxiliary reserve fund, bookstore, parking and so forth yield revenue beyond expense. We only have half the budget, just this small slice and we only look in one place, student's pocket books when we want more money. I need to be convinced that there are no significant funds being held in various pockets around this university that can be used for these purposes. Maybe when we have a complete presentation and examine it we will be convinced, no those funds are not available. But we only get the picture that's brought to us, a small picture, here is your choice, and there is no other choice year after year. So for my part until all other sources and resources are really brought forward, laid out and thoroughly examined I don't think that we should be making budget decisions.

Regent Fortner: As I understood, Gene is saying that there is a reserve, revenue in excess of expenses, of \$28.8M on year and the next year about \$30.5M in the unrestricted funds, state appropriation, I&G?

Provost Chaouki Abdallah: There are reserves in academic units they've grown over a couple of years when we were not hiring. This past year those reserves went down by 20% and we are on track to deplete all of the reserves that are in the academic units right now in 3 years. And the

reason those reserves are where they are is because when we hire faculty we need to commit for 2 or 3 years for start-ups and other things. More importantly than this however, those are one time moneys, once they are gone they are gone. And therefore if we go down by 20% this year and next year we go down by another 20% and so on after 3 years if we were to use them for recurring expenses once they are gone we are back to the same issue. The reason those reserves were built up is because we were not hiring.

And let me say one more thing about the whole discussion, the whole point of this was not really to focus on just how much we need today, the whole point was that we are on a track today to increase graduation and increase the success as you saw with the investments you made with the last few years. Our graduation rate was going down, our faculty were leaving, and we had many empty slots. So we can choose to look at the cost of what we are doing or we can look at it being put back into these initiatives. We can slow down these initiatives or invest in them. But the ultimate goal in 3 years from now is to increase graduation rates, or we can stay the same. So from where I'm sitting in Academic Affairs I know there is money we are investing heavily into these initiatives that we talked about and most importantly we're paying for it, if not today, tomorrow in counter offers or we let faculty go. Last year when you gave me the million dollars to do the equity adjustment and so on I was able to retain 25 faculties. But I am not able to retain those faculties, so if it goes forward and we don't get money for retention then this year we will have fewer faculty as well as eventually what's going to happen is these courses at the beginning and all of the resources that we're putting in are going to be going away.

Regent Koch: I think the Regents need to take a position on the two portions of the budget, President's Office Initiatives and Academic Affairs. Faculty and staff salaries have been a topic for the past several years. I am not sure what it will do to the increase but by adopting those two portions of the budget, we immediately send a message to faculty and staff. Regents have to make a stand in regards to those areas. That takes care of salary increases and then we can move on to other areas.

President Frank: At F&F Andrew Cullen provided a chart summarizing all your previous tuition and fee history and its 1.3% when you correct for inflation over the last five years. I would also like to emphasize what the Provost said, that all of the University's reserve account for one-time dollars and the average cost for a Natural Science faculty startup package is \$600,000. So all of the faculties we have brought in over the last few years have a price tag of about \$600,000. Even though it seems like a lot of money sitting in reserves each one of those faculties has a startup package that we have to spend out over the next three years. Looks like a lot of money on the books but we are going to burn through that money as they start those labs up. It is also one-time dollars so it does no good for raises.

Regent Hosmer: It has been made clear to me that part of the solution to bringing UNM up to the standards that NM can and should expect is to encourage students and student's families to make a longer term decision about what their course load should be. I acknowledge that there will be some students who simply cannot handle 15 credit hours for many reasons. However, I think it is a universal truth, in my opinion, that people tend to act the way you expect them to act, and UNM has signaled for a long time that it considers 12 hours to be a normal course load and students have responded to that. I believe that it is built into the current proposal that UNM is saying lets change because it is in your interest to take a heavier course load. There will be many exceptions but for the great central tendency, I agree with the university that a 15-hour course load should be the standard. How that is best achieved, we do not know. A proposal has come forward that by graduated tuitions and I am willing to accept that as a working proposal to come back in a year and ask if it worked and how can we refine it. However, I agree that something should be done to improve the average course load of the students here in their interest in cutting their long-term costs down and improving the entire function of the university. Two separate issues, first is increasing course loads for reasons related to the academic apparatus, and the second is funding the entire university to a level that we should expect from it.

Regent Fortner: So if we partially buy into this block, I say partially because we do not buy into the fee increase because that is setting \$2M into a reserve. Instead, we look at the athletic fees and say ok, we are not going to put that \$2M into reserve but we are not going to include the fee as part of the block and then we look at the fees including something to address what Regent Koch proposes. How does that work in terms of a percentage increase?

Andrew Cullen: To Regent Overton's point, what we would essentially want to do is keep this unblocking of the block in place with student fees but reduce the amount of fees from \$50.99 to somewhere in the \$45 range. This would ultimately generate \$600,000 to \$700,000 dollars, the amount of money necessary to fund the students SFRB recommendation. Moreover, the initial calculations that they have run suggested it would come down at the 15 and over the 8% would come down to somewhere around 5.5% to 6%. We only need \$527,000 just to honor the SFRB recommendation.

Andrew Cullen: \$8M is essentially what makes our I&G plan work. What Regent Koch is suggesting is that we fund this \$4.2M and \$4.9M but one key component we've discussed several times is the need based aid. I don't know that the administration would recommend forgoing that. The other sections in the funding recommendations are just flow through dollars. The \$2.8M it comes to UNM and goes right back to ERB to fund our retirement, the same with \$1.387M. The \$600,000 VEBA by us more or less delaying this \$440,000 goes up to \$1.5M. So we would actually lose money on that proposition. The whole idea with the VEBA is that it was going to be more employee contributed than employer. So by us delaying it until January it affects I&G it's more money the employer needs to come up with.

EVP Harris: I don't think we've delayed it till January it's off the table.

Regent Koch: Yes, the VEBA was defeated, we had the debate on that on what we're trying to do with that. And it was defeated. I don't know how you can say that it wasn't as far as I am concerned, maybe they need to come back with a different proposal but right now that can't be built into this budget. So as far as I'm concerned that is not in this budget, even though we didn't vote on it we did vote on it. That's not in here now, it's out.

Andrew Cullen: That was the point that I was trying to make. It is going to cost us a lot more about another \$700,000 in this scenario.

President Frank: It costs us a lot of money that you didn't approve it. It was a very expensive vote you just took.

EVP Harris: It was a vote you didn't take that was very expensive.

Andrew Cullen: So the \$197,000 is for the Police Department security, we've had unfortunately several instances on campus. So point being if we only fund the President's Office Initiatives and Academic Affairs we forgo a number of very important initiatives that are in our plan. If we have to revisit fees, we have to revisit fees but to make these types of decisions here is difficult.

Regent Overton: As I understood your alternate proposal if we still charge a fee at every credit hour, still unblock the fees, then the total number of fees goes down so you don't know what that would do to the total percentage increase of someone taking 15 or 18 credit hours.

President Frank: There is \$2M in the fund right now if you take half of it and sent it to athletics then we fund half of it to the students does that solve the problem?

Regent Overton: It could but it is still a percentage increase that may not be necessary if it will sit in a reserve fund for a year. Maybe we don't need that percentage increase.

President Frank: I'm saying we would find a mechanism not to charge the students that 1 point. That becomes an uncharged point to the students.

Andrew Cullen: Instead of having this reserve of fees do we adjust the overall rate for fees on a per credit hour basis down from \$50.99 to something less it actually comes down to around \$45. Follow through on the same methodology of unblocking the block and charging just as we would tuition for credit hours 1-15, 16-18 are blocked. Reduce the rate to somewhere around \$45 don't generate \$2.2M instead generate \$600,000 that we would then fund the SFRB initiative.

President Frank: Discount the overall fee rate, have enough money to generate the money for the athletic fee that Regent Koch is requesting, that we don't charge students as much. So the motion the Regents would pass would be the same, they would instruct us to discount the fee rate accordingly, we would then calculate what the fee rate would be, it would be a discounted rate, the fee rate would drop to students we would then pass move it to \$4M and we would let you know what the discounted rate would be so everybody wins.

Regent Gallegos: Wouldn't this be that what you're saying even if you keep the unblocking but you would reduce the rate so that instead of generating \$1.7M over the review board. It would generate only \$1M over the review board.

President Frank: But we're doing that by dropping the overall fee rate total so we're just not charging as much fees. So the fees might go from \$51 to \$49. There will be a little tiny increase.

Regent Overton: Can I make a request to get two different sets of numbers, one would be under what you just said we're operating under the premise that the extra money to athletics is going to be accepted and that has not been decided upon yet. It would be helpful to have one model that would show what the new number of fees per credit hour would be if we went with what was recommended by the SFRB and one model that if we went with that model plus what Regent Koch has recommended for the increase to athletics alone. To see those two in parallel before we vote on one.

President Frank: Well I think you have to make a decision today so you are just going to have to hash this out now.

Regent Overton: That's fine so then I think that's the discussion we have.

President Frank: the other alternative is we're just talking about this principle whether you want athletics in or out you can decide that right now. You are just talking about whether it's going to be \$51.55 or \$49.99 I don't think that's material to your conversation.

Regent Overton: I think it is very material to the conversation. It merits discussion, where that extra \$900,000 would go.

Regent Fortner: It merits a conversation, I'll give you my sense I think that athletics needs the money and that's where I hope it goes I think Regent Koch is there I think you represent the students accurately and you think their recommendation is golden. We believe it's a recommendation and for that I say respond.

Regent Overton: Can I yield a few moments for the SFRB chair to fill us in on any gaps from their perspective.

Marisa Silva: We have already crunched some data. The SFRB has met this entire year in good faith even withstanding the \$50 increase unilaterally by this board last year in March. To this end we have tried to be supportive of messaging and acting in good faith in meetings with the

Athletics department. We see the Athletics department as an invaluable member of this community. However the SFRB serves the entire student body and there were 27 additional applicants. I would like to point out highlights of UNM as it compares to the peers in the Mountain West. There is one argument that must be addressed is that athletics needs more funds if you look at this we represent a very healthy medium in terms of both student support and institutional support our program is not necessarily hurting. We are having wonderful success it's a very valuable program but I think it would be very precipitous and irresponsible to allocate additional funds if we have already approved and recommended as a board the continuation of the \$50 increase from last year. If we were to approve an additional \$33 per full time enrolled student depending on how the funding is that would amount to a doubling of the athletics fee in 2 years and an increase is not of grave necessity at this time.

Regent Koch: We are not above them, I have the numbers. Air Force Academy total including fees total \$23M. University of Wyoming total including fees \$13M. Boise total \$9M. UNM total \$6M. These are from all sources. University of Nevada \$8M. UNLV \$20M. Fresno State \$19M. San Diego State \$20M. Colorado State \$12M. San Jose State \$11M. These are all funds from state and NM is \$6M.

Marisa Silva: I would like to point out that our source is cited freely. These are numbers that these institutions reported in 2011 to the NCAA and they are freely available.

Regent Overton: I would like to VP Krebs that we appreciate Athletics, you have done an excellent job especially with the academics of our student athletes, we do recognize that and appreciate your time. I would like to support the student recommendation that was made by the SFRB made to support the number that they recommended to the Athletics department with the understanding that President Frank had stated that we are going to re-evaluate the student fee structure, who gets student fees and how that process works. It's a good time to support the students on the initiatives.

Regent Gallegos: On the SBLT recommendation on student fees there is a line item for \$800,000 reserves is that essential to the SBLT recommendation. So we could adopt if it were the sense of the board the SBLT recommendation less the \$800,000.

Andrew Cullen: That table added the \$1M that assumed the unblocking and left \$800,000 unallocated. It is not our recommendation, we put that in there at the urging of Regent Koch. When we concluded our recommendations we did not have any additional funding for Athletics when we met with the F&F Board Regent Koch asked to model what would happen if we put Athletics up to \$4M.

Regent Gallegos: The \$800,000 would be generated if we were to adopt the President's recommendation on unblocking. If you left out the \$800,000 reserve then you lower by a few dollars and that is where you're coming from.

VP Paul Krebs: If I could make a few comments, to Marisa's point we have engaged in very healthy, constructive dialogue all year long with the students. Currently our students Athletes graduate 16% higher than the student body. When you look at state and university funding and student fees we get \$2M less than the average of our peers. We believe we deserve more funding and support. We generate 80% of our own budget through revenue, more than anybody else in our conference. We're doing things the right way, our students are tremendous representatives in this community, and it is difficult for us to maintain a championship caliber program without additional support from the university. We require all of our students to take 15 credit hours; we have summer school funding, bridge programs and better ratios of mentoring and advising.

Regent Hosmer: I believe that is true this is a unique gap between the student body and Athletics, which is attributable to the activities of the area. I think he is quite right and I support the

statement that they are entitled to as much support as we are able to provide, if we support a good product by reinforcing it this is an opportunity.

Andrew Cullen: So what we've looked is just those group of students that we're talking about that 8% effective increase for students taking 15 hours and above, it's 8% currently as we propose if we were to go ahead and reduce the fees to Regent Fortner's point from the \$2.2M to the \$600,000 or just that amount of money to fund the SFRB recommendation that 8% would come down to about 5.1% effective tuition and fee increase if we were to fold back in the \$900,000 for athletics the 8% comes down to 6.6%. So a 6.6% effective tuition and fee increase for our proposal on the I&G side plus SFRB plus Athletics. And even lower at 5.1% with just the SFRB request.

Regent Overton: Could it be inferred that if we did \$450,000 to Athletics the percentage increase would be right in between 5.1% and 6.6%?

Andrew Cullen: It would be 5.85%

Regent Gallegos: I understand and appreciate the efforts of the SFRB, but it is a recommendation and it's up to us to make a decision. If it is in order I would move that we adopt the recommendations of the SFRB except that we include an increase of \$970,827 for Athletics.

Regent Koch seconded.

Regent Fortner opened for discussion.

Caroline Muraida: We have provided from our own research of both revenues and expenses from Athletic Departments in our conference based on 2011 data from USA Today. This highlights that there is a lot of data that has not been fully examined. We researched data this morning when we became aware of the change in recommendation for an increase to Athletics. I want to reiterate that students support Athletics, we appreciate the value Athletics brings to the university. In a similar fashion we support Student Health, we support CAPS. If we want to talk about Academics and students graduating at higher rates across the university there are applicants to the SFRB that contribute to that directly that aren't receiving substantial increases. CAPS is the Center for Academic Programs and Support, our tutoring program that has received national accolades across the country. I don't want to deviate from the actual point at hand but I do want to make it very clear that we support a re-evaluation of our contribution to athletics in a meaningful and thorough fashion and we don't believe that it can happen in this room right now thoughtfully. That is the student's standpoint.

Andrew Cullen: The 6.6% is the overall I&G plan plus funding student fees honoring the SFRB recommendations about \$550,000 and \$900,000 for Athletics.

Regent Fortner: There is a motion on the floor to accept the SFRB recommendations with the exception of the Athletics fee to be at the \$950,000. I had written down here that if we unblock tuition and partially unblock the fees that we can do those things at about 6.6% increase. So what I would do to Regent Gallegos is offer a friendly amendment to your motion that would put tuition at about 6.6% which does unblock tuition, partially unblocks fees and accepts the SFRB recommendation with the exception of the Athletic fee. Do you accept this amendment to your motion?

Regent Gallegos: Subject to the record showing that the increase would be \$907,000 for Athletics not \$950,000 and that would include a 3% increase in compensation for the faculty, a 1% increase for staff and a one-time staff compensation supplement of \$1000 each.

Regent Fortner: Why don't we just accept that as your amendment to your motion. Do you accept that Regent Koch. That is the new motion on the floor.

Regent Hosmer: I ask my colleagues and the administration for next year to come forward long in advanced before the budget deliberations with a basis for deciding student tuition that is rational, policy based and takes the best estimates of the future we can make. But takes student tuition out the subject at the closing end of the budget issue.

Regent Overton: Requested that Regent Koch explain why he arrived at the current number of \$907,000 for Athletics from student fees.

Regent Koch: I took all the schools within our conference and the total average of student fees and arrived at a figure that moves UNM to the average.

Regent Fortner: We often talk about the mission of the university and the mission of the university cannot always be described in one sentence because we have a lot of missions. One of our missions is to educate students who might not have an opportunity to get an education but for something the university does. That but for might be for Regents or Athletics scholarships. In this case it is providing and education for student athletes who might not otherwise get an education or afford. I imagine that Craig Neel will continue the academic emphasis that Coach Alford did.

Regent Overton: It is difficult to understand the nature of a student fee. I was hoping to fund the athletic request at half \$450,000, and that is ok if we can't do that this year. But if we do move forward and this passes I would request that in the future we work closely with Athletics to come up with more funding opportunities. Coming in at the end and adding a large increase to Athletics I think is difficult for students to accept. I appreciate your comments Regent Fortner but I would strongly ask that the administration come up with more creative ways to fund athletics, this is the second year in a row that this has happened.

Marisa Silva: I wanted to ask a question that was asked over and over about the potential tuition unblocking but that has not been asked for this potential increase for Athletic fees and with all due respect to Athletics what is the value of adding what would amount to a doubling of the Athletics fee in 2 years. We as a board were very encouraged that the Office of the President and Budget Office has committed to re-evaluate the applicant pool this summer. Especially looking towards the eminent future towards the shadow modeling of the Responsibility Center Management that it's also impending for the coming year. We feel that would be a more deliberate and measured way by which to ensure equity among these applicants because if we are going to be talking about benchmarking we should consider the equity amongst other applicants. If we are going to use the Mountain West to benchmark the Athletics fee what about the Student Health and Counseling Center that serves all students. What about the Center for Academic Programs and Support that contributes to the academic success and the nature of our mission of UNM which is primarily academic. President Fortner stated that yes we have many missions and we are a very diverse community here at UNM but if you were to sum it up into one word I would say it's academic. And to precipitously allot almost \$1M to one applicant out of 28 I don't think is in keeping with an academic mission for all students. \$1M would be a 1% raise for faculty who have gone along with staff 4 years without a raise. That is essential to our academic mission; these are our advisors, mentors, professors, lecturers, deans. I would urge you to please consider the voice of students; it has been hard enough for us to communicate the \$50 increase that that was permanent in nature. It's been hard enough to communicate that with our constituents in one year. And the messaging will not be positively received it will be very cloudy and very contentious to say that we are doubling the fee for one applicant in 2 years.

Caroline Muraida: At the F&F meeting when asked about whether or not students would support the unblocking the tuition particularly an item of fiduciary responsibility. I was questioned directly whether my stance was a personal opinion. I am going to use that anecdote moving forward today that students all 23,471 that Marisa and I represent between the two of us do not support this increase in Athletics at this time. I encourage you to contextualize this one decision

with the same amount of thorough review and benchmarking analysis as all the other applicants as well. And that is what we have been charged with as a SFRB and I think as students if I may my presentation is not on a smart phone device I hope I can maintain your attention for the rest of it but I just want to be clear students do not support this increase and that is not a personal opinion that is a professional one.

Regent Gallegos: Is there a change in non-resident tuition?

Andrew Cullen: No change on non-resident tuition.

Motion to approve the tuition and fee increase of 5.6% at the Los Alamos Branch and 5.8% at the Taos Branch passed unanimously (1st Koch, 2nd Gallegos).

Andrew Cullen: Typical in years past we have to get your approval on the tuition and fee increases for the four branches. Good news regarding Gallup and Valencia, they are proposing no tuition and fee increase for this year. Los Alamos is proposing a 5.6% increase and Taos a 5.8% increase due to the compensation increases for faculty and staff.

Motion to approve the increase for differential tuition at the Anderson School of Management (1st Koch, 2nd Gallegos).

Andrew Cullen: Differential tuition for the Anderson School of Management (ASM). The ASM is proposing a \$15 increase for ASM graduate resident from \$159 to \$174, for graduate non-resident from \$165 to \$180. For non-ASM a \$7 increase from \$75 to \$82.

UNM Health Sciences Center

Motion to approve the FY14 Preliminary Budget of the HSC passed unanimously (1st Quillen, 2nd Gallegos).

Chancellor, Dr. Paul Roth gave an introduction on the FY2014 Preliminary Budget for the Health Sciences Center. He reviewed the UNM HSC Organizational Chart and discussed the Environmental Assessment regarding Research, Education and the Health System. Dr. Roth also discussed the possibility of reinventing Academic Health and that we assure continued integration and balancing of our three missions. That we lean and that funds flow. That we integrate a seamless IT System and advance health equities and workforce needs.

Dr. Richard Larson (Executive Vice Chancellor) presented the Board with the Strategic Plan of the Health Sciences Center. In regards to UNM 2020, the HSC has been tasked with enhancing Health and Health Equity in New Mexico. The objectives are: deliver an integrated HSC academic and service model by 2014, improve public health and population health to the populations we serve by 2014, become recognized as the premier health care choice for NM by 2015, become recognized as top institution for translation of our research into clinical and educational practice by 2015 and build the workforce of NM by providing a premiere and innovative education by 2015.

HSC Strategic Planning Process is aligned with the UNM plan. There has been large effort to incorporate both UNM HSC Academic Enterprise and UNM Health System planning. We have developed a new Vision, Mission and value statement and established goals with strategies and tactics with metrics included for each tactic and the overall vision. In addition, we have identified incidental costs. The Vision is that HSC will work with community partners to help New Mexico make more progress in health and healthy equity than any other state by 2020.

The Mission of HSC is to provide an opportunity for all New Mexicans to obtain an excellent education in the Health Sciences. We will advance health sciences in the most important areas of human health with a focus on the priority health needs of our communities. As a majority-minority state, our mission will ensure that all populations in New Mexico have access to the highest quality health care.

The UNM Health Sciences Center's most important value is a steadfast duty to improve the health of all New Mexicans. We will serve our patients and the public with integrity and accountability. We will strive as an institution and as individuals to recognize, cultivate and promote all forms of diversity; to fully understand the health needs of our communities; and to advance clinical, academic, and research excellence. We are committed to perform our duties with compassion and respect for our patients, learners, and colleagues; and always to conduct ourselves with the highest level of professionalism.

In order for HSC to realize its Vision and Mission, they will achieve the following goals: Integrate the Health System/Health Sciences Center strategic plans, services, approaches and policies, improve public health and health care to the populations we serve by 2014, become recognized as the Premier Health Care Choice for New Mexico by 2015, become recognized as top institution for translation of our research into clinical and educational practice by 2015 and build the workforce of New Mexico by providing a premier and innovative education by 2015.

Ava Lovell (Senior Executive Officer, HSC Finance and Administration) presented the FY2014 Budget Planning. She discussed the preliminary budget revenues for FY14 including: Tuition & Fees, I&G/State Funding, Grants & Contracts, Sales & Services, Commercial Insurance, Medicare, Medicaid, Other Patient Care and Mil Levies. She presented a map of New Mexico's uncompensated care by county totaling \$221.6M with the largest county being Bernalillo at \$180.7M and broke down the costs of physicians and facilities. Ms. Lovell discussed the assumptions of the UNM Health System in regards to the revenues and expenses and compared the prior year, current year and next year along with the FY14 preliminary budget. The HSC Academic Enterprise was discussed in terms of the revenue assumptions. There is no proposed tuition increase and one request for the approval of tuition differential for Occupation Therapy. There was an increase in state funding totaling \$4,262,700 or 4.8% but due to sequestration an decrease in contracts and grants of 4.8%. The expense assumptions for the Academic Enterprise do not include any budgeted salary increases, include a 2.25% ERB increase on all salaries, include an increase of 10% in group health insurance and the possibility of a one-time salary supplement for faculty. Ms. Lovell discussed the various amounts required to reach the 50th percentile for faculty, reviewed the average compensation for 5 years and discussed the current sources of School of Medicine faculty compensation and attrition rates per year. She reviewed prior year, current year and next year comparisons for the Academic Enterprise in revenues and expenditures. In conclusion, she reviewed all components of the HSC FY14 preliminary budget.

XI. Adjournment

Motion to adjourn the meeting passed at 4:37 p.m. (1st Gallegos, 2nd Quillen)

Jack L. Fortner, President

Bradley C. Hosmer, Secretary/Treasurer

Materials will be available at the meeting.

HSC

Executive Summary: FY2013 Budget Adjustment Request (BAR)

The BAR for FY2013 Expenditure Authorization Approval is due to the NM Department of Higher Education on May 1, 2013.

For the UNM Health Sciences Center, only the HSC Academic Enterprise and the UNM Hospitals are required to submit an official BAR to HED.

The overall BAR impact to the **HSC Academic Enterprise** is an unfavorable change in net revenues, transfers and expenditures of \$7,655,709 or 1.46% of the \$525.6 million original budget.

The primary drivers of this change are reductions in budgeted revenue due to reduced Facilities and Administrative (F&A) overhead recoveries on research contracts and grants.

Increases in budgeted expenditures are driven by one-time costs for the \$1,100 per staff employee paid in August, 2012; the one-time Faculty Salary merit supplement based on FY2013 faculty productivity and the unbudgeted Foundation Support Assessment.

The overall BAR impact to the UNM Hospitals FY2013 original budget is a net unfavorable change in net revenues and expenditures of \$3,464,000 or 0.43% of the \$799 million budget.

Essentially all the unfavorable budget change is driven by decreases in patient volume at the UNM Psychiatric Center and reduced Adult Infusion Center revenues resulting from delayed hiring of providers combined with increased medical/surgical supplies.

Please see attached official reports that detail each change in the FY2013 revised budget for the state of NM governmental units as required by NM HED.

Unrestricted

Significant Changes listed below:

- o (\$735,941) Decrease - **Beginning Reserves** change from Original Budget to Audited FY12 Ending Reserves
- o (\$2,634,125) - Net decrease in **Revenues** primarily due to :
 - o (\$443,047) - I&G net decrease due to decrease in F&A revenue
 - o \$552,427 - Research net increase due to increase in Gains on Restricted awards
 - o (\$2,721,083) - Public Service net decrease due to decrease in Patient Revenue at Cancer Center
 - o \$88,194 - Internal Services net Increase due to increase in External Sales & Services revenue
 - o \$335,407 - Student Aid Grants & Stipends net increase due to increase in estimated Endowment revenue
 - o (\$446,023) - Independent Operations net decrease due to decrease in CPH & CTH revenue
- o \$718,222 - Net increase in **Transfers** in primarily due to reduced budgeted transfers to plant for Chair Packages and Chancellor funded renovations
- o \$5,739,806 - Net increase in **Expenditures** primarily due to:
 - o \$1,206,902 - I&G net increase due to Faculty Salary Accrual, Advertising and Branding, and HSLIC Self Supporting expenditures
 - o \$1,684,686 - Research net increase due to Faculty Salary Accrual and Supplies & Expense
 - o \$1,114,672 - Public Service net increase due to Faculty Salary Accrual
 - o \$25,199 - Internal Services net increase due to internal charge expenditures
 - o (\$32,651) - Student Aid Grants & Stipends net decrease due to decrease in Endowment expenditures
 - o \$1,740,998 - Independent Operations net increase due to estimated Group Health Insurance and Professional Liability Insurance

Restricted

- o \$7,724,269 - Net increase in **Revenues** primarily due to:
 - o \$4,760,391 - I&G net increase in Restricted award revenues primarily in CME
 - o (\$1,337,497) - Research net decrease in Restricted award revenues
 - o \$4,330,502 - Public Service net increase in Restricted award revenues
 - o (\$29,127) - Student Aid net decrease in various Restricted award revenues
- o \$7,724,269 - Net increase in **Expenditures and Transfers** primarily due to:
 - o \$4,760,391 - I&G net increase in Restricted award expenses primarily in CME
 - o (\$1,337,497) - Research net decrease in Restricted awards
 - o \$4,330,502 - Public Service net increase in Restricted award expenses
 - o (\$29,127) - Student Aid net decrease in Restricted award expenses

UNM Hospitals

Revenues

- o (\$1,203,340) – Net Decrease Revenues primarily due to:
 - o (\$7,915,369) - Decrease in Patient Revenues due to volumes at UNM Psychiatric Center are lower than originally projected. Expected physician hires at Adult Infusion Center were delayed or did not occur, resulting in lower volumes than originally budgeted
 - o \$6,712,029 - Net increase in Other Operating and Other Non-Operating Revenues primarily due to dividends on investments

Expenses

- o \$408,671 – Net Increase in Expenditures primarily due to increase in Medical Supplies expenses

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2012-13

UNM HEALTH SCIENCES CENTER

UNRESTRICTED
INSTRUCTION & GENERAL

	CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
<i>BEGINNING RESERVES</i>			
<i>REVENUES</i>	\$3,137,257	\$1,795,462	\$4,932,719
<i>TOTAL AVAILABLE</i>	\$102,943,688	(\$443,047)	\$102,500,641
	<u>\$106,080,945</u>	<u>\$1,352,415</u>	<u>\$107,433,360</u>
<i>EXPENSES</i>			
<i>INSTRUCTION</i>	\$67,527,725	(\$372,174)	\$67,155,551
<i>ACADEMIC SUPPORT</i>	\$10,240,229	\$583,406	\$10,823,635
<i>STUDENT SERVICES</i>	\$6,166,980	\$302,374	\$6,469,354
<i>INSTITUTIONAL SUPPORT</i>	\$12,045,644	\$527,370	\$12,573,014
<i>OPERATIONS & MAINTENANCE</i>	\$7,988,400	\$165,926	\$8,154,326
<i>TOTAL EXPENSES</i>	<u>\$103,968,978</u>	<u>\$1,206,902</u>	<u>\$105,175,880</u>
<i>TRANSFERS</i>	(\$1,537,272)	(\$176,479)	(\$1,713,751)
<i>ENDING RESERVES</i>	\$3,649,239	\$321,992	\$3,971,231
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$106,080,945</u>	<u>\$1,352,415</u>	<u>\$107,433,360</u>
TO ADJUST BEGINNING RESERVES TO ACTUAL:			
Increase - To adjust Beginning Reserves to Actual		\$1,795,462	
TOTAL BEGINNING RESERVES		<u>\$1,795,462</u>	
TO INCREASE (DECREASE) REVENUE AS FOLLOWS:			
Increase in CON tuition due to an additional summer semester added		\$315,852	
Increase in COP PharmD tuition differential		\$22,792	
Increase in Physical Therapy Doctorate tuition differential		\$542	
Decrease in F&A revenue		(\$1,200,000)	
Increase in Student fees		\$161,225	
Increase in Miscellaneous revenue		\$256,542	
TOTAL INCREASE (DECREASE) IN REVENUES		<u>(\$443,047)</u>	
TRANSFERS (FROM) OR TO:			
Decrease F&A transfers to Plant		(\$1,540,000)	
Increase in transfers to State Scholarships includes transfers for SOM		\$140,519	
Increase in F&A transfers to Research		\$340,000	
Increase in transfers to Research for Health Policy Research program		\$236,882	
Increase in transfers from Research for Institutional Support		(\$67,217)	
Increase in transfers to Public Service COP Continuing Education & BSGP		\$29,892	
Increase in transfers from Public Service for BA/MD Hiring Plan & HSC Communications budget consolidation		(\$382,132)	
Increase in transfers to Restricted for Cost Share		\$71,641	
Increase in transfers to Plant Fund Major		\$1,000,000	
Increase in transfers to Plant Fund Minor		\$177,805	
Increase in transfers to Main Campus Support		\$38,098	
Increase in transfers from Main Campus for Extended University Services, Online courses and CON Web CT		(\$219,947)	
TOTAL TRANSFERS (FROM) OR TO		<u>(\$176,479)</u>	
TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:			
Decrease in Instruction expenses - HSC Contingency expense reduced, funds transfer to Plant Fund Major & SOM Instruction Expense		(\$1,056,733)	
Increase in Instruction expenses - HSC Contingency expense for Faculty one time compensation increase accrual		\$684,559	
Increase in Academic expenses - HSLIC Library Acquisitions, Administrative & Self Supported Expense		\$533,476	
Increase in Academic expenses - HSC Contingency expense for Faculty one time compensation increase accrual		\$49,930	
Increase in Student Service expenses - Established the SR Associate Dean of Office of Education in the SOM		\$272,574	
Increase in Student Services expenses - HSC Contingency expense for Faculty one time compensation increase accrual		\$29,800	
Increase in Inst Support expenses - Office of Diversity adjustment, Public Affairs for advertising & branding & Admin Equity adjustment		\$511,150	
Increase in Inst Support expenses - HSC Contingency expense for Faculty one time compensation increase accrual		\$16,220	
Increase in Operations and Maintenance of Plant expenses - Maintenance expense & Custodial subcontracts		\$165,926	
TOTAL INCREASE (DECREASE) IN EXPENDITURES		<u>\$1,206,902</u>	

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2012-13

UNM HEALTH SCIENCES CENTER

UNRESTRICTED
RESEARCH

	CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
<i>BEGINNING RESERVES</i>	\$16,404,200	\$120,898	\$16,525,098
<i>REVENUES</i>	\$8,724,237	\$552,427	\$9,276,664
<i>TOTAL AVAILABLE</i>	<u>\$25,128,437</u>	<u>\$673,325</u>	<u>\$25,801,762</u>
<i>EXPENSES</i>	\$20,468,989	\$1,684,686	\$22,153,675
<i>TRANSFERS</i>	(\$8,130,343)	\$137,531	(\$7,992,812)
<i>ENDING RESERVES</i>	\$12,789,791	(\$1,148,892)	\$11,640,899
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$25,128,437</u>	<u>\$673,325</u>	<u>\$25,801,762</u>
TO ADJUST BEGINNING RESERVES TO ACTUAL:			
Increase- Adjustment to Reserves		\$120,898	
TOTAL BEGINNING RESERVES		<u>\$120,898</u>	
TO INCREASE (DECREASE) REVENUE AS FOLLOWS:			
Decrease in Tobacco Settlement funds		(\$688,826)	
Increase in Cigarette tax Revenues		\$783,420	
Increase on Gains on Restricted Contracts & Grants and Other revenues		\$457,833	
TOTAL INCREASE (DECREASE) IN REVENUES		<u>\$552,427</u>	
TRANSFERS (FROM) OR TO:			
Increase in transfers from I&G F&A		(\$319,762)	
Increase in transfers from I&G for Health Policy Research funding & BSGP Student Compensation		(\$257,100)	
Increase in transfers to I&G for Institutional support		\$67,217	
Increase in transfers to Restricted for Cost Share		\$187,070	
Increase in transfers from Public Service for MGM F&A and ACGME Accreditation Biostats Positions		(\$286,968)	
Increase in net transfers to Public Service for Debt Service & 1650 Operations & Maintenance		\$259,348	
Increase in transfers to Main I&G for EMBA Scholarships		\$8,844	
Increase in transfers to Main for Cost Share and Start-up costs		\$32,000	
Increase in transfers to Plant Funds		\$446,882	
TOTAL TRANSFERS (FROM) OR TO		<u>\$137,531</u>	
TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:			
Increase in expense - Compensation & Supplies and Expense		\$1,324,214	
Increase in expense - HSC Contingency expense for Faculty one time compensation increase accrual		\$360,472	
TOTAL INCREASE (DECREASE) IN EXPENDITURES		<u>\$1,684,686</u>	

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2012-13

UNM HEALTH SCIENCES CENTER

UNRESTRICTED PUBLIC SERVICE	<u>CURRENT BUDGET</u>	<u>PROPOSED INCREASE (DECREASE)</u>	<u>REVISED BUDGET</u>
<i>BEGINNING RESERVES</i>	\$29,386,830	(\$2,901,319)	\$26,485,511
<i>REVENUES</i>	<u>\$223,649,961</u>	<u>(\$2,721,083)</u>	<u>\$220,928,878</u>
<i>TOTAL AVAILABLE</i>	<u>\$253,036,791</u>	<u>(\$5,622,402)</u>	<u>\$247,414,389</u>
<i>EXPENSES</i>	\$225,015,523	\$1,114,672	\$226,130,195
<i>TRANSFERS</i>	(\$1,076,819)	(\$1,011,564)	(\$2,088,383)
<i>ENDING RESERVES</i>	<u>\$29,098,087</u>	<u>(\$5,725,510)</u>	<u>\$23,372,577</u>
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$253,036,791</u>	<u>(\$5,622,402)</u>	<u>\$247,414,389</u>
TO ADJUST BEGINNING RESERVES TO ACTUAL:			
Decrease - To adjust Beginning Reserves to Actual		<u>(\$2,901,319)</u>	
TOTAL BEGINNING RESERVES		<u>(\$2,901,319)</u>	
TO INCREASE (DECREASE) REVENUE AS FOLLOWS:			
Decrease in Patient revenue Cancer Center		<u>(\$2,721,083)</u>	
TOTAL INCREASE (DECREASE) IN REVENUES		<u>(\$2,721,083)</u>	
TRANSFERS (FROM) OR TO:			
Increase in transfer to I&G for BA/MD hiring plan & Public Affairs consolidation		\$382,132	
Increase in transfer from I&G for COP supplemental Education & CON F&A		(\$29,892)	
Increase in transfers to Restricted for Cost Share		\$364,700	
Increase in transfers to Research for ACGME Accreditation Bioslats Positions, MFM New Hires, Start-up funding & FOM		\$286,968	
Increase in transfer from Research for O&M Debt service, OBGYN Women's health, 1650 O&M, SOM Incentives and NAACHW		(\$803,463)	
Increase in transfers to Student Aid		\$499	
Increase in transfers from Internal Services for BATCAVE UH Salaries		(\$131,500)	
Increase in net transfers to Independent Operations returning Housestaff funding		\$7,043	
Increase in transfers to Endowments		\$25,000	
Increase in transfer to Main Research to support medical legal alliance and A&S and SOM employment agreement,		\$57,500	
Increase in transfer to Main Public Service for Pathways evaluation and support of NMNEC project		\$95,155	
Increase in transfer from Main Public Service for Bond Reduction and Peds Nephrology		(\$10,754)	
Increase in transfer from Main I&G from A&S for teaching spring Biochem class		(\$7,500)	
Increase in net transfers from Plant Funds for SOM		(\$1,756,853)	
Increase in transfer to Main Debt Service		\$508,401	
TOTAL TRANSFERS (FROM) OR TO		<u>(\$1,011,564)</u>	
TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:			
Decrease in expense due to Restricted Awards covering expenses		(\$655,822)	
Increase in expense - HSC Contingency expense for Faculty one time compensation increase accrual		\$1,770,494	
TOTAL INCREASE (DECREASE) IN EXPENDITURES		<u>\$1,114,672</u>	
NAACHW = Native American Alliance for Community Health and Wellness			

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
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UNM HEALTH SCIENCES CENTER

UNRESTRICTED INTERNAL SERVICES	CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
<i>BEGINNING RESERVES</i>	\$72,975	\$143,306	\$216,281
<i>REVENUES</i>	\$94,095	\$88,194	\$182,289
<i>TOTAL AVAILABLE</i>	\$167,070	\$231,500	\$398,570
<i>EXPENSES</i>	\$495,734	\$25,199	\$520,933
<i>TRANSFERS</i>	(\$341,639)	\$35,123	(\$306,516)
<i>ENDING RESERVES</i>	\$12,975	\$241,424	\$184,153
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	\$167,070	\$231,500	\$398,570
TO ADJUST BEGINNING RESERVES TO ACTUAL:			
Increase - To adjust Beginning Reserves to Actual		\$143,306	
TOTAL BEGINNING RESERVES		\$143,306	
TO INCREASE (DECREASE) REVENUE AS FOLLOWS:			
Increase in External Sales revenue Miscellaneous		\$88,194	
TOTAL INCREASE (DECREASE) IN REVENUES		\$88,194	
TRANSFERS (FROM) OR TO:			
Increase in transfer to Plant Funds or equipment depreciation and upgrades		\$35,123	
TOTAL TRANSFERS (FROM) OR TO		\$35,123	
TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:			
Increase in net expenses PPD		\$12,540	
Increase in net expenses Miscellaneous		\$4,892	
Increase in expense - HSC Contingency expense for Faculty one time compensation increase accrual		\$7,767	
TOTAL INCREASE (DECREASE) IN EXPENDITURES		\$25,199	

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
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UNM HEALTH SCIENCES CENTER

UNRESTRICTED STUDENT AID GRANTS & STIPENDS	CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
<i>BEGINNING RESERVES</i>	\$10,699,213	\$387,452	\$11,086,665
<i>REVENUES</i>	\$1,478,123	\$335,407	\$1,813,530
<i>TOTAL AVAILABLE</i>	<u>\$12,177,336</u>	<u>\$722,859</u>	<u>\$12,900,195</u>
<i>EXPENSES</i>	\$4,445,633	(\$32,651)	\$4,412,982
<i>TRANSFERS</i>	(\$2,260,647)	\$158,168	(\$2,102,479)
<i>ENDING RESERVES</i>	\$9,992,350	\$597,342	\$10,589,692
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$12,177,336</u>	<u>\$722,859</u>	<u>\$12,900,195</u>
TO ADJUST BEGINNING RESERVES TO ACTUAL:			
Increase - To adjust Beginning Reserves to Actual		\$387,452	
TOTAL BEGINNING RESERVES		<u>\$387,452</u>	
TO INCREASE (DECREASE) REVENUE AS FOLLOWS:			
Increase in estimated Endowment revenue		\$335,407	
TOTAL INCREASE (DECREASE) IN REVENUES		<u>\$335,407</u>	
TRANSFERS (FROM) OR TO:			
Increase in transfer from I&G for scholarships		(\$140,347)	
Increase in transfer to Research for ACGME Accreditation Biostats Position		\$5,714	
Decrease in net transfers from Endowments		\$96,388	
Increase in transfer to Plant Funds		\$196,413	
TOTAL TRANSFERS (FROM) OR TO		<u>\$158,168</u>	
TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:			
Decrease in Endowment expenditures		(\$335,025)	
Increase in Scholarship expenditures		\$280,609	
Increase in Graduate Fellowships & Stipends		\$21,765	
TOTAL INCREASE (DECREASE) IN EXPENDITURES		<u>(\$32,651)</u>	

UNIVERSITY OF NEW MEXICO
 REQUEST FOR BUDGET REVISIONS
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UNM HEALTH SCIENCES CENTER

UNRESTRICTED INDEPENDENT OPERATIONS	CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
<i>BEGINNING RESERVES</i>	(\$1,353,445)	(\$281,740)	(\$1,635,185)
<i>REVENUES</i>	\$72,791,236	(\$446,023)	\$72,345,213
<i>TOTAL AVAILABLE</i>	<u>\$71,437,791</u>	<u>(\$727,763)</u>	<u>\$70,710,028</u>
<i>EXPENSES</i>	\$75,268,197	\$1,740,998	\$77,009,195
<i>TRANSFERS</i>	\$1,148,228	\$138,999	\$1,287,227
<i>ENDING RESERVES</i>	(\$4,978,634)	(\$2,607,760)	(\$7,586,394)
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$71,437,791</u>	<u>(\$727,763)</u>	<u>\$70,710,028</u>
TO ADJUST BEGINNING RESERVES TO ACTUAL:			
Decrease - To adjust Beginning Reserves to Actual		(\$281,740)	
TOTAL BEGINNING RESERVES		<u>(\$281,740)</u>	
TO INCREASE (DECREASE) REVENUE AS FOLLOWS:			
Decrease in CPH Patient revenue		(\$2,010,222)	
Decrease in CTH Patient revenue		(\$534,122)	
Increase in Housestaff State Funding revenue		\$2,082,917	
Increase in OMI revenue		\$15,404	
TOTAL INCREASE (DECREASE) IN REVENUES		<u>(\$446,023)</u>	
TRANSFERS (FROM) OR TO:			
Increase in transfers to Restricted for Cost Share		\$14,542	
Increase in transfers to Public Service for BATCAVE UH Salaries		\$131,500	
Increase in transfers from Public Service for return of Housestaff balances		(\$7,043)	
TOTAL TRANSFERS (FROM) OR TO		<u>\$138,999</u>	
TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:			
Increase in estimated Housestaff Salaries		\$765,057	
Increase in estimated Housestaff Professional Liability Insurance, Group Insurance and Misc Fringe		\$1,992,133	
Increase in estimated Capital outlay for Carrie Tingley Hospital		\$55,894	
Increase in expense - HSC Contingency expense for Faculty one time compensation increase accrual		\$109,223	
Decrease in estimated Bad Debt expense for Carrie Tingley Hospital		(\$781,672)	
Decrease in estimated Equipment Expense for Childrens Psychiatric Hospital		(\$57,723)	
Decrease in estimated Bad Debt expense for Childrens Psychiatric Hospital		(\$341,914)	
TOTAL INCREASE (DECREASE) IN EXPENDITURES		<u>\$1,740,998</u>	

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
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UNM HEALTH SCIENCES CENTER

RESTRICTED
INSTRUCTION & GENERAL

	CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
<i>REVENUES</i>	\$5,904,584	\$4,760,391	\$10,664,975
<i>TOTAL AVAILABLE</i>	<u>\$5,904,584</u>	<u>\$4,760,391</u>	<u>\$10,664,975</u>
<i>EXPENSES</i>			
<i>INSTRUCTION</i>	\$5,904,584	(\$37,676)	\$5,866,908
<i>ACADEMIC SUPPORT</i>	\$0	\$260,260	\$260,260
<i>STUDENT SERVICES</i>	\$0	\$4,759,245	\$4,759,245
<i>INSTITUTIONAL SUPPORT</i>	\$0	\$0	\$0
<i>OPERATIONS & MAINTENANCE</i>	\$0	\$0	\$0
<i>TOTAL EXPENSES</i>	<u>\$5,904,584</u>	<u>\$4,981,829</u>	<u>\$10,886,413</u>
<i>TRANSFERS</i>	\$0	(\$221,438)	(\$221,438)
<i>ENDING RESERVES</i>	\$0	\$0	\$0
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$5,904,584</u>	<u>\$4,760,391</u>	<u>\$10,664,975</u>

TO INCREASE (DECREASE) REVENUE AS FOLLOWS:

Increase in I&G Restricted Awards	\$4,760,391
TOTAL INCREASE (DECREASE) IN REVENUES	<u><u>\$4,760,391</u></u>

TRANSFERS (FROM) OR TO:

Increase in transfers from Unrestricted for I&G Cost Share	(\$221,438)
TOTAL TRANSFERS (FROM) OR TO	<u><u>(\$221,438)</u></u>

TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:

Increase in I&G Restricted Awards	\$4,981,829
TOTAL INCREASE (DECREASE) IN EXPENDITURES	<u><u>\$4,981,829</u></u>

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2012-13

UNM HEALTH SCIENCES CENTER

RESTRICTED
RESEARCH

	CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
<i>REVENUES</i>	\$67,768,648	(\$1,337,497)	\$66,431,151
<i>TOTAL AVAILABLE</i>	<u>\$67,768,648</u>	<u>(\$1,337,497)</u>	<u>\$66,431,151</u>
<i>EXPENSES</i>	\$68,299,461	(\$946,462)	\$67,352,999
<i>TRANSFERS</i>	(\$530,813)	(\$391,035)	(\$921,848)
<i>ENDING RESERVES</i>	\$0	\$0	\$0
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$67,768,648</u>	<u>(\$1,337,497)</u>	<u>\$66,431,151</u>

TO INCREASE (DECREASE) REVENUE AS FOLLOWS:

Decrease in Research Restricted Awards	<u>(\$1,337,497)</u>
TOTAL INCREASE (DECREASE) IN REVENUES	<u>(\$1,337,497)</u>

TRANSFERS (FROM) OR TO:

Increase in transfers from Unrestricted for Research Cost Share	<u>(\$391,035)</u>
TOTAL TRANSFERS (FROM) OR TO	<u>(\$391,035)</u>

TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:

Decrease in Research Restricted Awards	<u>(\$946,462)</u>
TOTAL INCREASE (DECREASE) IN EXPENDITURES	<u>(\$946,462)</u>

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2012-13

UNM HEALTH SCIENCES CENTER

RESTRICTED
PUBLIC SERVICE

	CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
<i>REVENUES</i>	\$30,562,720	\$4,330,502	\$34,893,222
<i>TOTAL AVAILABLE</i>	<u>\$30,562,720</u>	<u>\$4,330,502</u>	<u>\$34,893,222</u>
<i>EXPENSES</i>	\$30,932,457	\$4,337,064	\$35,269,521
<i>TRANSFERS</i>	(\$369,737)	(\$6,562)	(\$376,299)
<i>ENDING RESERVES</i>	\$0	\$0	\$0
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$30,562,720</u>	<u>\$4,330,502</u>	<u>\$34,893,222</u>

TO INCREASE (DECREASE) REVENUE AS FOLLOWS:

Increase in Public Service Restricted Awards	\$4,330,502
TOTAL INCREASE (DECREASE) IN REVENUES	<u>\$4,330,502</u>

TRANSFERS (FROM) OR TO:

Increase in transfers from Unrestricted for Public Service Cost Share	(\$6,562)
TOTAL TRANSFERS (FROM) OR TO	<u>(\$6,562)</u>

TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:

Increase in Public Service Restricted Awards	\$4,337,064
TOTAL INCREASE (DECREASE) IN EXPENDITURES	<u>\$4,337,064</u>

UNIVERSITY OF NEW MEXICO
 REQUEST FOR BUDGET REVISIONS
 FISCAL YEAR 2012-13

UNM HEALTH SCIENCES CENTER

RESTRICTED STUDENT AID GRANT AND STIPENDS	CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
<i>REVENUES</i>	\$2,955,153	(\$29,127)	\$2,926,026
<i>TOTAL AVAILABLE</i>	<u>\$2,955,153</u>	<u>(\$29,127)</u>	<u>\$2,926,026</u>
 <i>EXPENSES</i>	 \$2,955,153	 (\$10,209)	 \$2,944,944
<i>TRANSFERS</i>	\$0	(\$18,918)	(\$18,918)
<i>ENDING RESERVES</i>	\$0	\$0	\$0
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$2,955,153</u>	<u>(\$29,127)</u>	<u>\$2,926,026</u>
 TO INCREASE (DECREASE) REVENUE AS FOLLOWS:			
Decrease in Student & Fellowship Restricted Awards		<u>(\$29,127)</u>	
TOTAL INCREASE (DECREASE) IN REVENUES		<u><u>(\$29,127)</u></u>	
 TRANSFERS (FROM) OR TO:			
Increase in transfers from Unrestricted for Student & Fellowship Cost Share		<u>(\$18,918)</u>	
TOTAL TRANSFERS (FROM) OR TO		<u><u>(\$18,918)</u></u>	
 TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:			
Decrease in Student & Fellowship Restricted Awards		<u>(\$10,209)</u>	
TOTAL INCREASE (DECREASE) IN EXPENDITURES		<u><u>(\$10,209)</u></u>	

UNM Health Sciences Center

Budget FY 2014 & Revised FY 2013 Budget

Ava J. Lovell, CPA

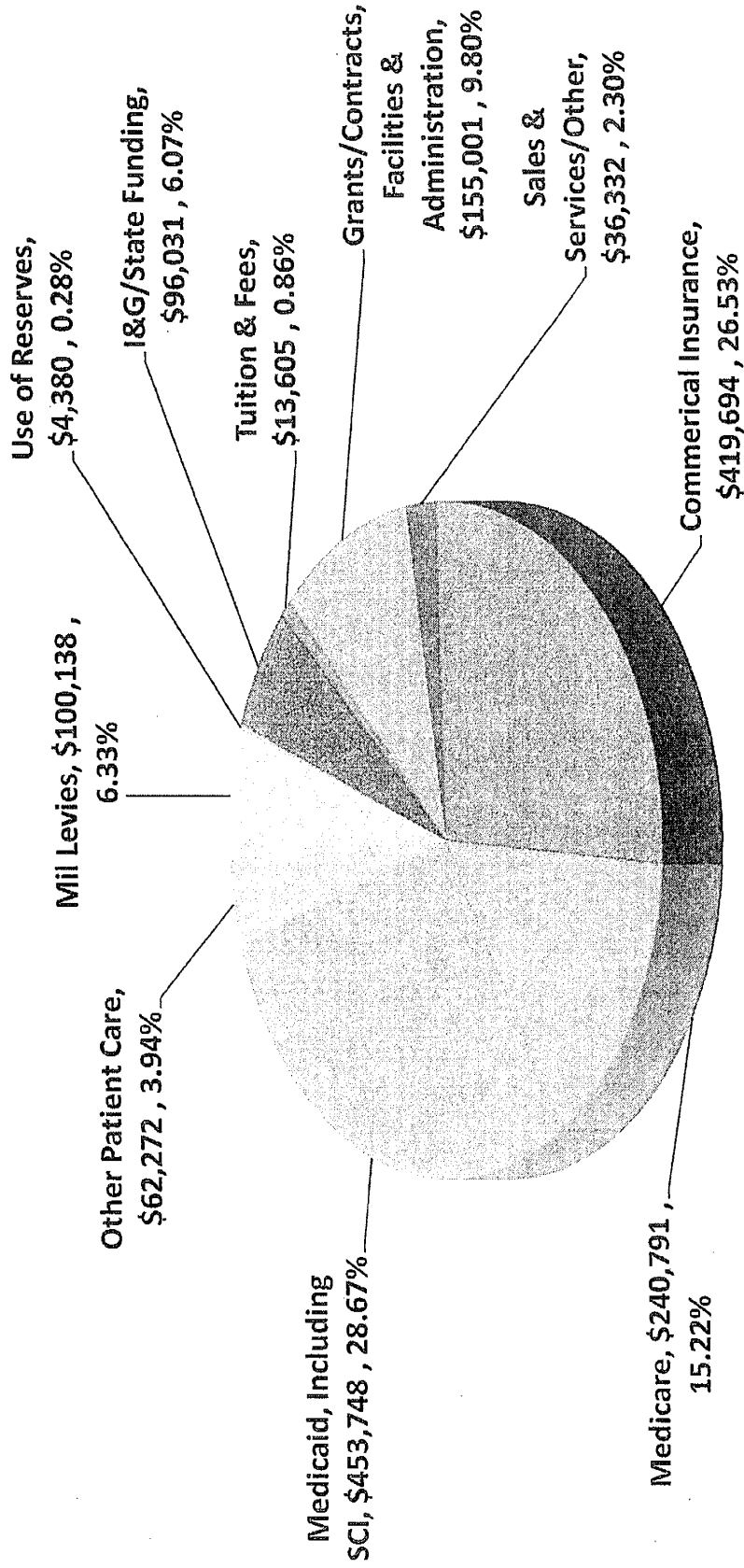
Senior Executive

Officer for Finance & Administration



UNM HSC All Components - Revenues

FY 2014 Budget



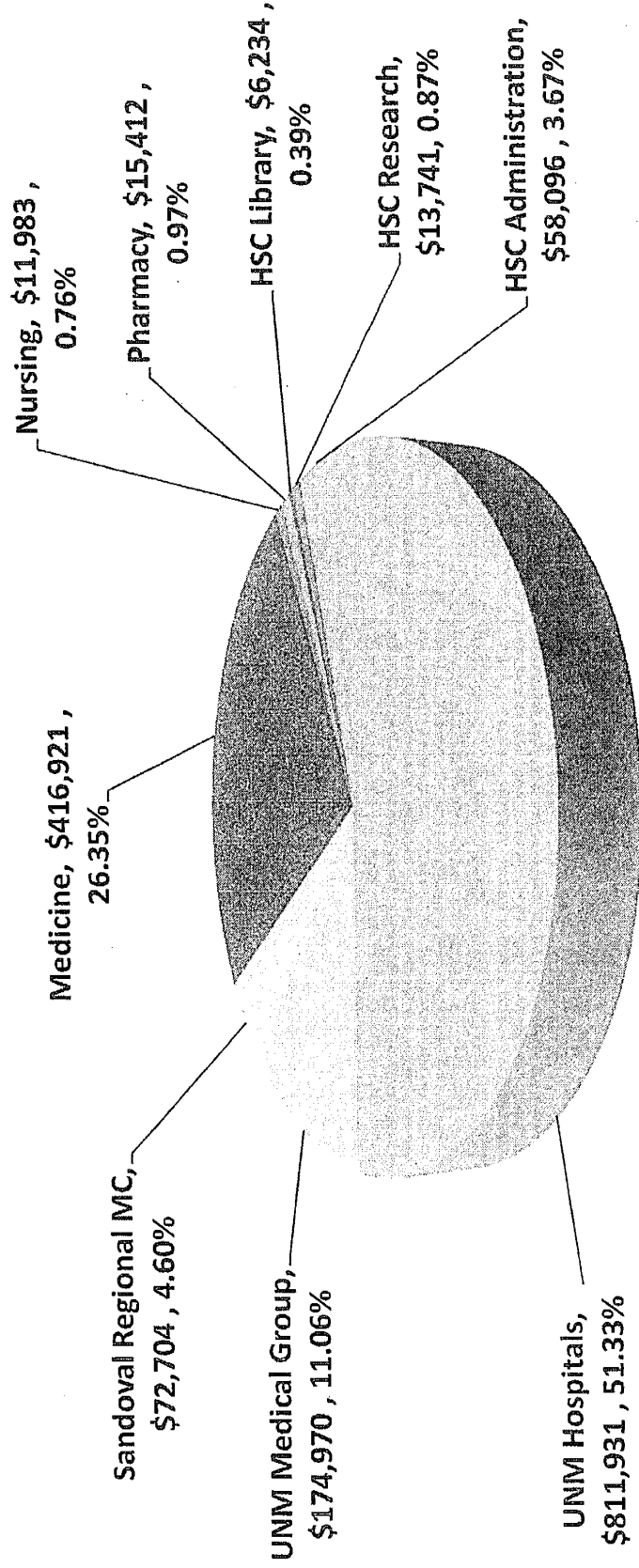
Total Budgeted Revenues \$1,581,992
3.5% Increase over FY 2013

Note: Includes HSC Academic Enterprise, UNM Hospitals, UNM Medical Group and Sandoval Regional Medical Center



UNM HSC All Components - Expenditures

FY 2014 Budget



Note: Includes HSC Academic Enterprise, UNM Hospitals, UNM Medical Group and Sandoval Regional Medical Center

Total Budgeted Expenditures \$1,581,992
3.5% Increase over FY 2013



Total Uncompensated Care At Cost - FY 2012

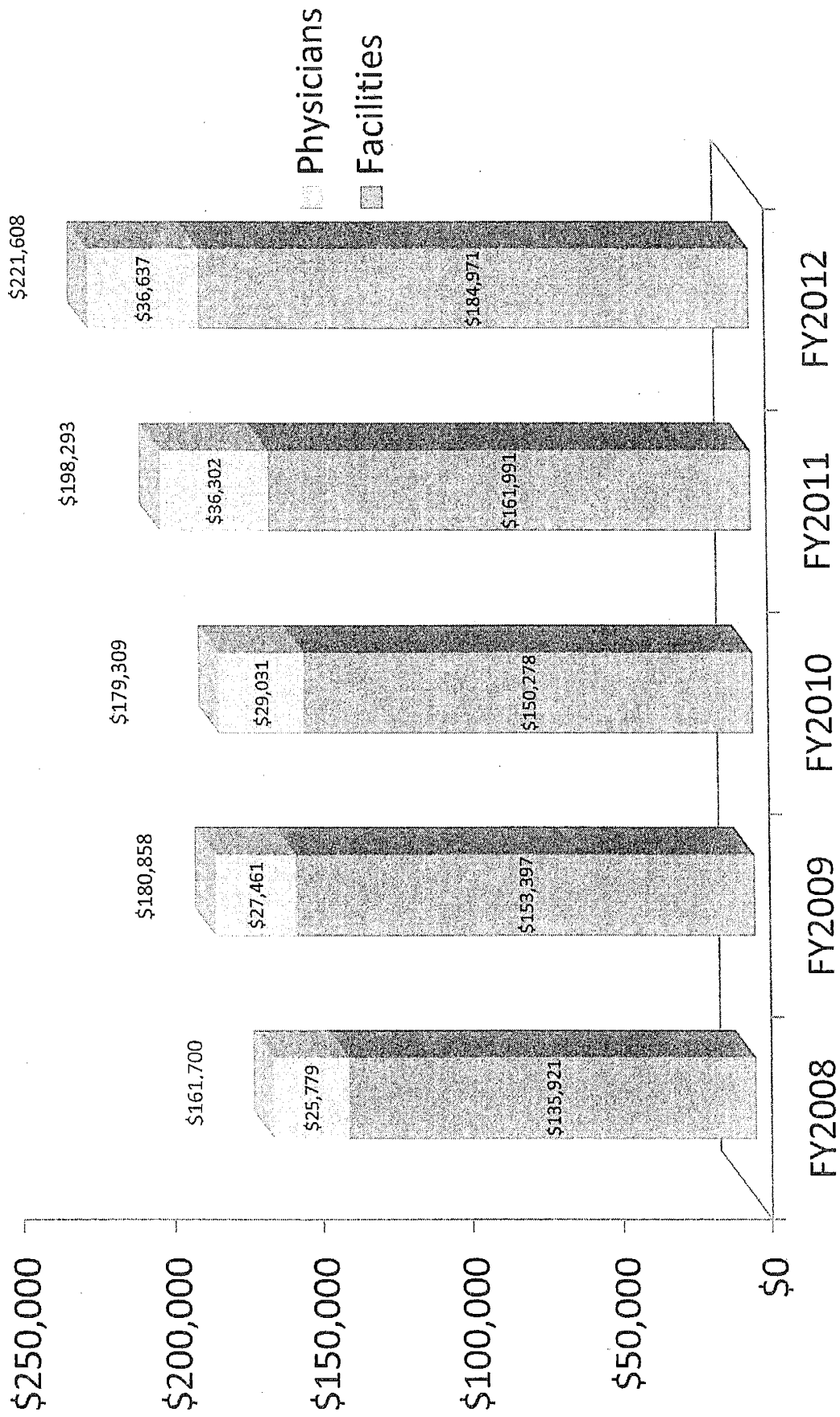
San Juan	Rio Arriba	Taos	Colfax	Union
Costs: \$1,067,958	Costs: \$1,142,929	Costs: \$804,701	Costs: \$355,255	Costs: \$582,153
	Los Alamos (3)	Mora	Harding	
	Costs: \$7,037,711	Costs: \$99,788	Costs: \$24,370	
McKinley	Sandoval	San Miguel	Quey	
Costs: \$1,469,022	Costs: \$2,401,165	Costs: \$1,099,761	Costs: \$121,077	
	Bernalillo (1)	Guadalupe	Curry	
	Costs: \$1,978,417	Costs: \$361,479	Costs: \$275,865	
Catron	Valencia (2)	De Baca	Roosevelt	
Costs: \$168,886	Costs: \$2,245,061	Costs: \$5,057	Costs: \$73,289	
	Socorro	Lincoln	Chaves	
	Costs: \$1,349,809	Costs: \$456,698	Costs: \$1,199,190	
	Sierra	Otero	Lea	
	Costs: \$499,810	Costs: \$285,592	Costs: \$309,544	
Grant	Doña Ana	Eddy		
Costs: \$126,122	Costs: \$1,223,616	Costs: \$370,874		
	Luna			
	Costs: \$478,525			
Hidalgo	(1) Bernalillo	(2) Valencia	(3) Los Alamos	
Costs: \$14,597	Costs: \$180,755,670	Costs: \$10,313,696	Costs: \$246,526	

COSTS	
IN-STATE	\$ 218,944,213
OUT-OF-STATE	\$ 2,664,225
TOTALS:	\$ 221,608,438

NOTE: Uncompensated costs include charity care and bad debt of self payors.

UNM Health Sciences Center - Uncompensated Care at Cost

(In thousands)



Assumptions: UNM Health System

Revenues

- Full year operation of UNM SRMC
- Half year implementation of ACA
- Effects of Sequestration on Medicare
- Upper payment limit decrease
- Revenue cycle management initiatives
- Volume increases as result of patient throughput, shorter length of stay, increase in OR cases
- Commercial contract increases

Expenses

- Full year operation of UNM SRMC
 - Increase in full-time equivalents
 - Supply and pharmacy cost increases
- Benefit cost increases
- UNMH medical supply and pharmaceutical cost increases
- Perfusion and ECMO services



UNM Health System

Comparative Analysis: Prior Year - Current Year - Next Year

(In thousands)

	FY 2012 Actuals	FY 2013 Revised	FY 2014 Budget
Revenues			
Patient Care	\$771,946	\$818,474	\$918,501
Mil Levies **	90,165	111,526	100,138
Grants & Contracts	4,517	4,391	5,218
I&G/State	12,283	12,975	13,184
Other Revenues	18,464	27,489	18,664
Total Revenues	\$897,375	\$974,855	\$1,055,705

** Note: Bernalillo and Sandoval Counties

UNM Health System

Comparative Analysis: Prior Year - Current Year - Next Year

(In thousands)

	FY 2012 Actuals	FY 2013 Revised	FY 2014 Budget
Expenses			
Housestaff/Post Doc Salaries	\$17,434	\$19,760	\$20,317
Staff/Other Salaries	310,105	307,548	326,708
Fringe Benefits	98,319	133,625	140,262
Total Compensation Expenses	\$425,858	\$460,933	\$487,287
Patient Care Costs	\$161,369	\$156,580	\$173,682
Travel	656	398	490
Purchased Services/Service Contracts	200,953	217,777	227,639
Facility Costs	22,791	14,081	14,554
Depreciation	35,544	39,836	42,254
Other Expenses/Supplies	65,601	90,189	93,790
Total Non Salary Expenses	\$486,914	\$518,861	\$552,409
Total Expenses	\$912,772	\$979,794	\$1,039,696

UNM Health System

Comparative Analysis: Prior Year - Current Year - Next Year

(In thousands)

	FY 2012 Actuals	FY 2013 Revised	FY 2014 Budget
Net Margin before Non-Operating Items	(\$15,397)	(\$4,939)	\$16,009
Build America Bond Subsidy	-	(2,100)	(2,058)
Meaningful Use Revenue	(10,427)	(2,841)	(1,039)
Interest Expense	-	14,775	14,481
Capital/Remodel/IT Equipment	6,462	-	5,428
Total Non-Operating Items	(\$3,965)	\$9,834	\$16,812
Net Margin	(\$11,432)	(\$14,773)	(\$803)

UNM Health System FY 2013 Revised Budget

(In thousands)

	UNM Hospitals	UNM Medical Group	Sandoval Regional Medical Center	UNM Health System 6/30/2013 Total
Revenues	\$773,613	\$156,120	\$45,122	\$974,855
Expenses	769,476	159,231	51,087	979,794
Operating Net Margin	<u>\$4,137</u>	<u>(\$3,111)</u>	<u>(\$5,965)</u>	<u>(\$4,939)</u>
Build America Bond Subsidy	-	-	(2,100)	(2,100)
Meaningful Use Revenue	(191)	(2,650)	-	(2,841)
Interest Expense	7,768	-	7,007	14,775
Capital/Remodel/IT Equipment	-	-	-	-
Total Non-Operating Items	<u>7,577</u>	<u>(2,650)</u>	<u>4,907</u>	<u>9,834</u>
Net Income/(Use of Reserves)	<u>(\$3,440)</u>	<u>(\$461)</u>	<u>(\$10,872)</u>	<u>(\$14,773)</u>

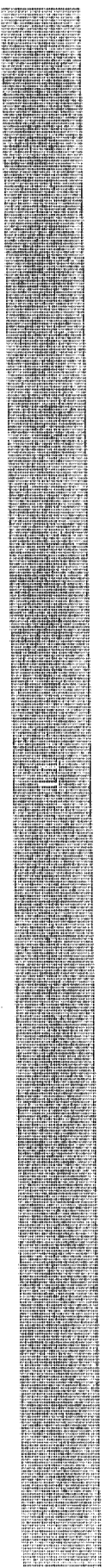


UNM Health System

FY 2014 Budget

(In thousands)

	UNM Hospitals	UNM Medical Group	Sandoval Regional Medical Center	UNM Health System 6/30/2014 Total
Revenues	\$810,905	\$174,903	\$69,897	\$1,055,705
Expenses	804,364	172,466	62,866	1,039,696
Operating Net Margin	<u>\$6,541</u>	<u>\$2,437</u>	<u>\$7,031</u>	<u>\$16,009</u>
Build America Bond Subsidy	-	-	(2,058)	(2,058)
Meaningful Use Revenue	(1,039)	-	-	(1,039)
Interest Expense	7,567	-	6,914	14,481
Capital/Remodel/IT Equipment	-	2,504	2,924	5,428
Total Non-Operating Items	<u>6,528</u>	<u>2,504</u>	<u>7,780</u>	<u>16,812</u>
Net Income/(Use of Reserves)	<u>\$13</u>	<u>(\$67)</u>	<u>(\$749)</u>	<u>(\$803)</u>



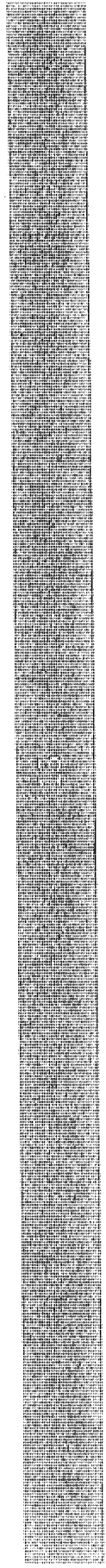
Revenue Assumptions:

UNM HSC Academic Enterprise

- Funding Formula decreased by \$1.7 million
- No Medical Student Tuition Rate Increase
- CON, COP, SOM Health Professions and Public Health Programs (HPPHP) followed Regent guidelines resulting in \$767,000 in increased revenue
- Increase in State funding totaling \$4,262,700 or 4.8%
- Due to Sequestration 4.8 % decrease in Grants & Contracts

FY 2014 HSC Funding - New State Funding

HSC Program	Expansion Request	Increased Funding Amount
Medical School I&G	\$1,342,900	\$500,000
UNM HSC Nurse Education (Non-Recurring)	\$2,881,700	\$0
Project ECHO - Hepatitis Community Health Outcome	\$1,600,000	\$500,000
Center for Health Workforce Analysis	\$265,000	\$0
UNM HSC BA/DDS Program	\$400,000	\$0
Health Extension Rural Offices (HEROs)	\$496,600	\$0
Office of the Medical Investigator	\$565,100	\$250,000
College of Public Health Planning Funds	\$250,000	\$0
Pediatric Oncology	\$0	\$100,000
1% Compensation Increase		\$85,100
Education Retirement Funding (Employer Share)		<u>\$2,092,900</u>
Total New State Funding	<u>\$7,801,300</u>	<u>\$4,328,000</u>



Expense Assumptions:

UNM HSC Academic Enterprise

- 2.25% ERB increase on all salaries
- Modest one-time non-recurring distribution of 0-2%. Distribution is based upon merit and is at the discretion of either your Dean (CON & COP) or Chair (SOM)
- Enhancing HSC Faculty Compensation over the next few years will be one of our top priorities
- SOM – with the recurring new funds, all SOM faculty will be brought up to the 25th percentile of the AAMC
- 1% compensation increase for eligible non-bargaining unit staff
- \$1,000 supplemental income adjustment for eligible staff, to be paid on 8/30/2013
- 1% for all HSC staff equals approximately \$1.1 million
- Group Health Insurance - 10% increase (Includes VEBA)
- Utilities - no rate increase

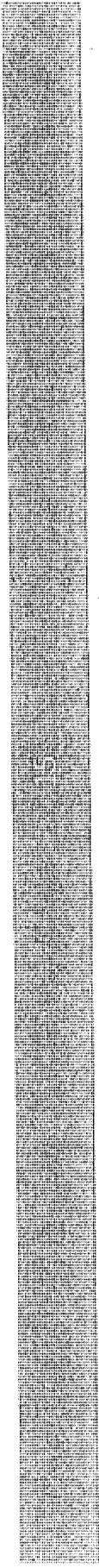
UNM HSC Faculty Compensation

Amount required to reach 50th Percentile

	<u>SOM</u>	<u>CON</u>	<u>COP</u>	<u>Total</u>
Professor	\$4,622,445	\$ 1,374	\$ 7,418	\$ 4,631,237
Associate Professor	3,245,428	14,616	30,596	3,290,640
Assistant Professor	4,046,452	16,379	25,582	4,088,413
Instructor/Lecturer	46,130	14,474	-	60,604
All Ranks	<u>\$11,960,455</u>	<u>\$46,843</u> *	<u>\$ 63,596</u> *	<u>\$12,070,894</u>

Data is based on FY11 Actuals and FY11 Benchmarks for the 50th Percentile from the American Association of Medical Colleges (AAMC), American Association of Colleges of Nursing (AACN), and American Association of Colleges of Pharmacy (AAPC)

*Made adjustments during FY12 and FY13 that essentially brought these faculty to the 50th percentile.



School of Medicine Average Compensation 5 Year Comparison

	FY08	FY09	FY10	FY11	FY12	5-year change
--	------	------	------	------	------	------------------

Avg Comp	\$ 64,044	\$ 70,821	\$ 72,332	\$ 74,676	\$ 80,170	25.18%
FTE	36	35	37	36	37	

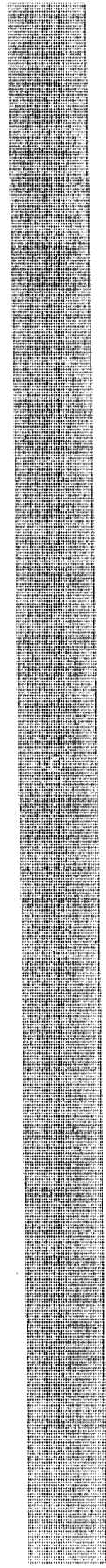
Allied Health

Avg Comp	\$ 118,152	\$ 122,759	\$ 116,724	\$ 116,580	\$ 119,709	1.32%
FTE	48	47	45	44	42	

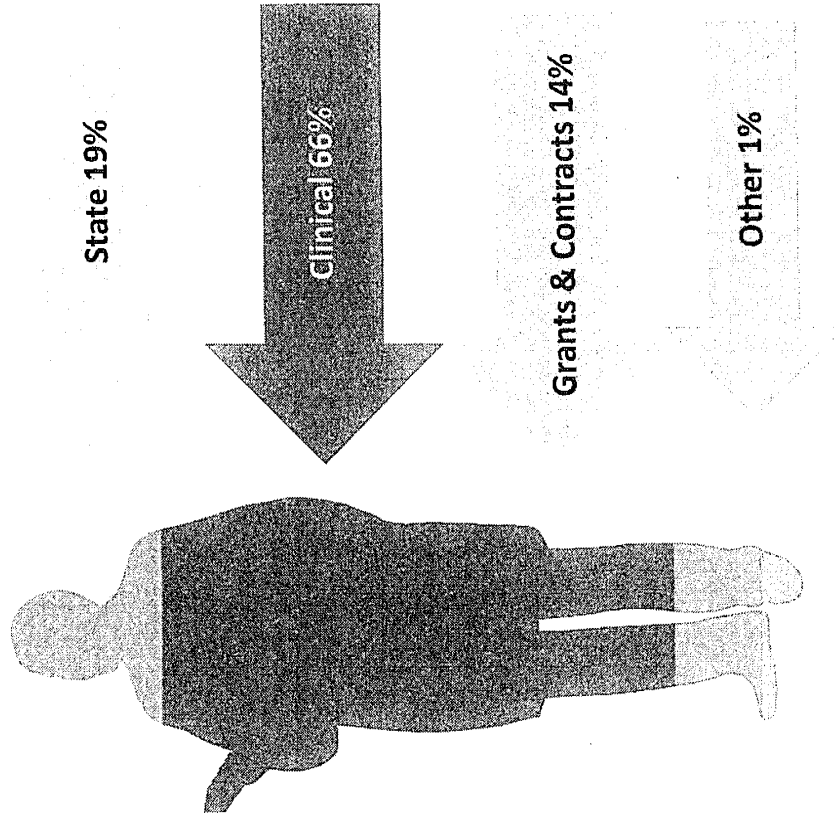
Basic Science

Avg Comp	\$ 203,712	\$ 213,569	\$ 202,022	\$ 209,100	\$ 207,913	2.06%
FTE	519	562	628	633	676	

Clinical



Sources of SOM Faculty Compensation



SOM Faculty Attrition Rate by Calendar Year

Year	Attrition Rate
2009	4%
2010	6%
2011	5%
2012	7%
2013	9%

Average	6%
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UNM HSC Academic Enterprise

Comparative Analysis: Prior Year – Current Year – Next Year

(In thousands)

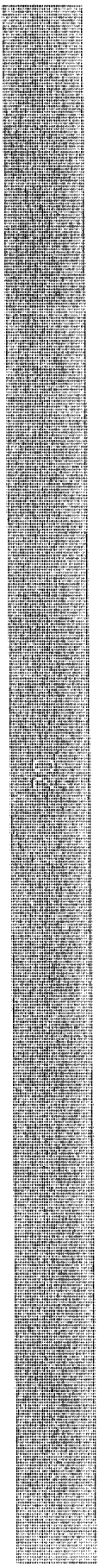
Revenues	FY 2012 Actuals	FY 2013 Revised	FY 2014 Budget
Patient Care	\$210,252	\$248,253	\$258,004
Grants & Contracts	134,037	124,605	128,983
I&G/State	77,031	79,202	82,847
Facilities & Administration	22,709	20,800	20,800
Tuition & Fees	12,046	12,652	13,605
Other Revenues/Allocations/Transfers	33,763	26,576	14,571
Total Revenues	\$489,838	\$512,088	\$518,810



UNM HSC Academic Enterprise

Comparative Analysis: Prior Year - Current Year - Next Year
(In thousands)

	FY 2012 Actuals	FY 2013 Revised	FY 2014 Budget
Expenses			
Faculty Salaries	\$166,797	\$185,500	\$189,210
Housestaff/Post Doc Salaries	30,164	32,029	31,615
Staff/Other Salaries	96,363	98,500	99,485
Fringe Benefits	66,342	79,007	83,281
Total Compensation Expenses	\$359,666	\$395,036	\$403,591
Patient Care Costs	\$1,952	\$1,967	\$2,022
Travel	6,297	6,876	6,941
Research Costs	3,303	6,038	6,478
Purchased Services/Service Contracts	30,792	33,145	33,818
Facility Costs	12,364	14,800	14,578
Other Expenses/Supplies	62,937	50,018	47,024
Total Non Salary Expenses	\$117,645	\$112,844	\$110,861
Total Expenses	\$477,311	\$507,880	\$514,452



UNM HSC Academic Enterprise

Comparative Analysis: Prior Year - Current Year - Next Year
(In thousands)

	FY 2012 Actuals	FY 2013 Revised	FY 2014 Budget
Net Margin before Non-Operating Items	\$12,527	\$4,208	\$4,358
Capital/Recruitment/Startup/Scholarships	14,950	14,079	7,935
Total Non-Operating Items	\$14,950	\$14,079	\$7,935
Net Margin	(\$2,423)	(\$9,871)	(\$3,577)

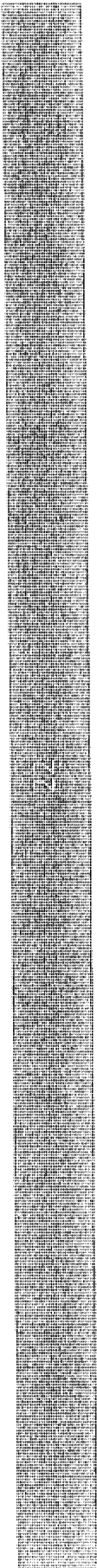


UNM HSC Academic Enterprise

FY 2013 Revised

(In thousands)

	UNM	UNM	UNM	HSC	HSC	HSC	HSC	UNM HSC
SOM	CON	COP	Library/ Informatics	Research	Administration	Academic Enterprise 6/30/2013	Total	
Revenues	\$ 414,029	\$ 11,926	\$ 15,310	\$ 5,884	\$ 11,602	\$ 53,337	\$ 512,088	
Expenses	411,693	11,870	14,363	6,282	11,018	52,654	507,880	
Operating Net Margin	\$ 2,336	\$ 56	\$ 947	(\$ 398)	\$ 584	\$ 683	\$ 4,208	
Capital and One-time Expenditures	7,704	592	730	19	911	4,123	14,079	
Net Income/(Use of Reserves)	<u>(\$5,368)</u>	<u>(\$536)</u>	<u>\$217</u>	<u>(\$417)</u>	<u>(\$327)</u>	<u>(\$3,440)</u>	<u>(\$9,871)</u>	



UNM HSC Academic Enterprise FY 2014 Budget

(In thousands)

	UNM	UNM	UNM	HSC	HSC	HSC	HSC	UNM HSC
SOM	CON	COP	Library/ Informatics	Research	Administration	Academic Enterprise	6/30/2014	Total

Revenues	\$ 412,931	\$ 11,592	\$ 14,983	\$ 6,082	\$ 13,667	\$ 59,555	\$ 518,810
Expenses	412,887	11,092	14,436	6,082	13,667	56,288	514,452
Operating Net Margin	\$44	\$500	\$547	-	-	\$3,267	\$4,358
Capital and One-time Expenditures	4,034	890	976	152	74	1,809	7,935
Net Income/(Use of Reserves)	<u>(\$3,990)</u>	<u>(\$390)</u>	<u>(\$429)</u>	<u>(\$152)</u>	<u>(\$74)</u>	<u>\$1,458</u>	<u>(\$3,577)</u>



UNM HSC All Components FY 2013 Revised Budget

(In thousands)

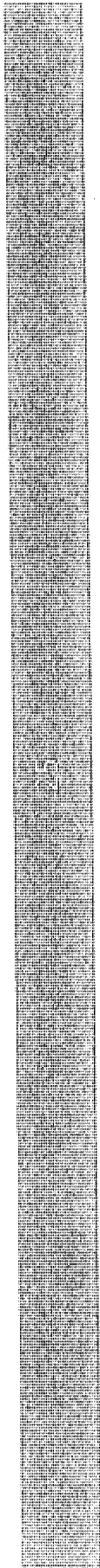
	UNM HSC Academic Enterprise	UNM Health System	UNM HSC All Components 6/30/2013 Total
Revenues	\$512,088	\$974,855	\$1,486,943
Expenses	507,880	979,794	1,487,674
Operating Net Margin	<u>\$4,208</u>	<u>(\$4,939)</u>	<u>(\$731)</u>
Build America Bond Subsidy		(2,100)	(2,100)
Meaningful Use Revenue		(2,841)	(2,841)
Interest Expense		14,775	14,775
Capital/Remodel/IT Equipment	14,079	-	14,079
Total Non-Operating Items	\$14,079	\$9,834	\$23,913
Net Income/(Use of Reserves)	<u>(\$9,871)</u>	<u>(\$14,773)</u>	<u>(\$24,644)</u>

UNM HSC All Components

FY 2014 Budget

(In thousands)

	UNM HSC Academic Enterprise	UNM Health System	UNM HSC All Components 6/30/2014	Total
Revenues	\$518,810	\$1,055,705		\$1,574,515
Expenses	514,452	1,039,696		1,554,148
Operating Net Margin	<u>\$4,358</u>	<u>\$16,009</u>		<u>\$20,367</u>
Build America Bond Subsidy		(2,058)		(2,058)
Meaningful Use Revenue		(1,039)		(1,039)
Interest Expense		14,481		14,481
Capital/Remodel/IT Equipment	7,935	5,428		13,363
Total Non-Operating Items	\$7,935	\$16,812		\$24,747
Net Income/(Use of Reserves)	<u><u>(\$3,577)</u></u>	<u><u>(\$803)</u></u>		<u><u>(\$4,380)</u></u>



UNM HSC All Components
Reserves Projection, FY12 through FY14 (In thousands)

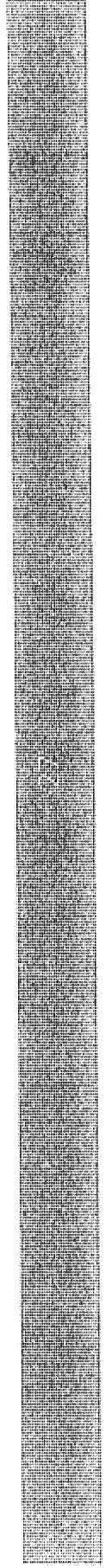
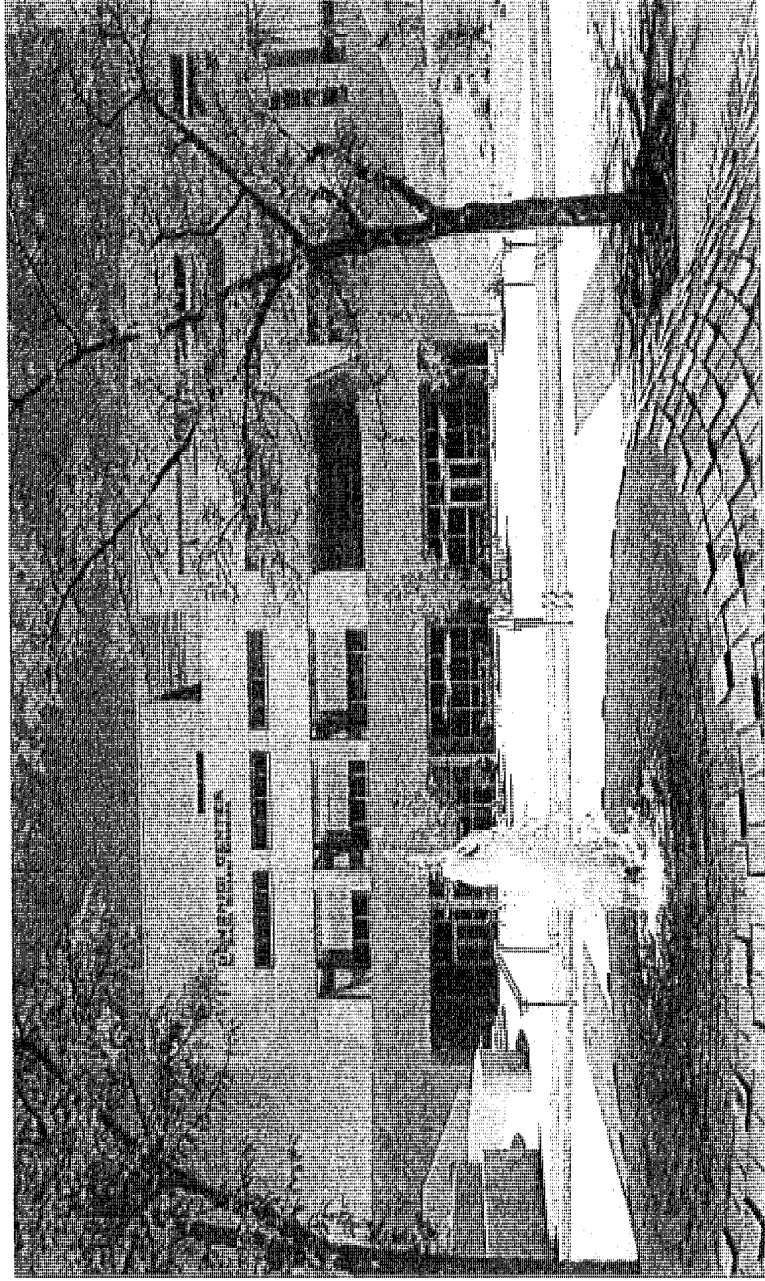
	Reserves 6/30/2012	FY13 Projected Net Income (Use of Balance)	FY14 Projected Net Income (Use of Balance)	Projected Reserves 6/30/2014
SOM	36,086	(5,368)	(3,990)	26,728
CON	3,914	(536)	(390)	2,988
COP	4,887	217	(429)	4,675
HSLIC	1,335	(417)	(152)	766
Research	2,723	(327)	(74)	2,322
Administration	8,595	(3,440)	1,458	6,613
HSC Academic Enterprise Total	\$ 57,540	\$ (9,871)	\$ (3,577)	\$ 44,092
UNM Hospitals (Incl Behavioral Ops)	145,089	(3,440)	13	141,662
UNM MG	46,890	(461)	(67)	46,362
SMRC	36,422	(10,872)	(749)	24,801
Health System Total	\$ 228,401	\$ (14,773)	\$ (803)	\$ 212,825
HSC All Components Total	\$ 285,941	\$ (24,644)	\$ (4,380)	\$ 256,917

Notes:

SOM FY12 year-end reserves includes UNM MG and UH activity that is in Banner (Locum Tenens, Speciality Extension, CTH, & CPH)
UNM Hospitals used "Unrestricted Net Assets" excluding Capital Assets Net of Related Debt and Restricted



Questions ?



**MAIN CAMPUS
MATERIALS AVAILABLE
AT THE MEETING**

The University of New Mexico
Board of Regents' Finance and Facilities Committee
May 3, 2013, 9:00 a.m.
Scholes Hall, Roberts Room
Open Meeting
APPROVED ITEMS AS FOLLOWS – Per Chairman Koch:

CONSENT:

1. Disposition of Surplus Property for Main Campus on list dated 4/12/13
(Bruce Cherrin, Chief Procurement Officer)
2. Approval of Reappointments of four STC Board Members *(Lisa Kuntala, STC, UNM)*
3. Contract Approval
 - 1) Human Resources Benefits – Stop Loss Insurance
(Bruce Cherrin, Chief Procurement Officer)

ACTION ITEMS:

4. Approval of Fiscal Watch Report and Monthly Consolidated Financial Reports
(Liz Metzger, Interim Univ. Controller and Ara Lovell, FISC, Sr. Assoc. Officer - Finance & Admin.)
5. Approval of:
 - 1) Request for Approval of Architect Selection for North Golf Course Renovation
(Chris Vallejos, AVP, ISS and Lisa Marbury, Strategic Planner)
6. Approval of Resolution: Refunding of UNM Revenue Bonds – Series 2003
(Andrew Cullen, AVP Planning, Budget & Analysis)
7. Approval of 1650 University Renovation and Tenant Improvement Project *(David W. Harris, UVP for Administration)*
8. Approval of Real Property Acquisition - NM Department of Transportation Parcel at the Northeast Corner of Lomas Boulevard and I-25 *(Tom Neale, Interim Director for Real Estate)*
9. Approval of Severance Tax Bond Resolution *(Andrew Cullen, AVP Planning, Budget & Analysis)*
10. Approval of Project Search for the Center for Development and Disability *(Cate McClain, M.D., Professor, Pediatrics, Director of CDD)*

INFORMATION ITEMS:

11. Approval of VEBA Financial Analysis *(Jewel Washington, Interim VP for HR and Mike Duran, Chief HR Operations Officer)*



University Services

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

Date: April 12, 2013

To: Bruce Cherrin, Chief Procurement Officer
Purchasing Department

From: Debra L. Fondino 
Associate Director, University Services

Subject: Equipment Disposition – April 2013

Attached for your review and submission to the Board of Regents is the Surplus Property Disposition Detail list for the month of April, 2013.

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

Surplus Property Department
Disposition Detail List
as of 04/12/13

UNM#	Department Surplus Equipment	Description	Manufacturer	Model#	Serial#	Year	Acquisition Cost	NBV	Method Of Disposal Desc	Disposal Date
209121	General Clinical Research Ctr	GCR CENTRIFUGE	Beckman	GS6KR	GV2J12	1995	8,896.00	0	Obsolete	04/10/2013
222087	Valencia County Branch	PROJECTOR	Proxima	DP6500	46H273523	1996	6,072.00	0	Obsolete	03/22/2013
(1) 235094	Pediatrics Neonatology Division	CENTRIFUGE	Hermite	C0382K	31980085	1999	10,457.00	0	Beyond Repair	04/01/2013
(2) 244303	Valencia County Branch	PROJECTOR	Lumen	1600 DP9250	63Z07028	2000	6,799.00	1,057.88	Too Costly to Repair	03/22/2013
(2) 245518	Valencia County Branch	PROJECTOR	Lumen	XGA1500	401127206	2001	6,225.00	968.66	Too Costly to Repair	03/22/2013
(2) 245520	Valencia County Branch	PROJECTOR	Lumen	XGA1500	40127211	2001	6,225.00	968.66	Too Costly to Repair	03/22/2013
(2) 246898	Valencia County Branch	PROJECTOR	Lumen	XGA 1500	401127119	2001	5,265.00	819.00	Too Costly to Repair	03/22/2013
(2) 252063	Valencia County Branch	PROJECTOR	Proxima	DP6850	41F147530	2001	6,102.00	1,355.42	Too Costly to Repair	03/22/2013
(2) 254438	Valencia County Branch	PROJECTOR	ProxBizSys	PROXIMAXGA	ABPH14200132	2002	5,446.00	1,209.98	Too Costly to Repair	03/22/2013
246951	Capital Projects Office	LASERJET PRINTER	HewlettPac	DJ800	SG12P2103K	2001	5,600.00	0	Too Costly to Repair	04/01/2013
(3) 254863	Earth Data Analysis Center	COMPUTER FILE SERVER	UNKNOWN/OTHER	Calif PC 711A00		2002	9,993.00	0	Obsolete	04/10/2013
(3) 257994	Earth Data Analysis Center	COMPUTER FILE SERVER	Dell	Precision 530	E2J9H11	2006	9,372.00	0	Obsolete	04/10/2013
(3) N000006542	EDAC Staff #4	Data Storage Servers	SiliconMec	IServ Q300	SM18609	2006	10,194.00	0	Obsolete	04/10/2013
256635	CRTC New Mexico Tumor Registry	COMPUTER CPU/SYSTEM	HewlettPac	E800	US21040949	2002	6,732.00	0	Too Costly to Repair	03/22/2013
262357	Lock Shop - ENAC	FILE SERVER W/ACCESS	Cbord	LG RACKMONT	88QHM21	2003	5,888.00	0	Obsolete	04/12/2013
(4) 264280	General Clinical Research Ctr	GCR CPU/SYSTEM	Dell	POWEREDGE 2600	3s72Q31	2003	10,172.00	0	Obsolete	04/12/2013
(4) 264281	General Clinical Research Ctr	GCR CPU/SYSTEM	Dell	POWEREDGE 2600	J572Q31	2003	9,930.00	0	Obsolete	04/12/2013
(5) 265797	Molecular Genetics Microbiology	ENGINE	MIResearch	OPTI-2	0P000913	2004	25,790.00	9,166.12	Beyond Repair	03/22/2013
(6) N00002344	Univ Libr Endowments & INLP	Computer Server w/Rack	IBM	eServer P5 550/T42	10-3421E/10-4434I	2005	46,565.58	0	Obsolete	04/12/2013
(6) N00009046	University Libraries	Server	Dell	PowerEdge 6850	224W6B1	2006	9,192.52	0	Obsolete	04/12/2013
(6) N00009047	University Libraries	Server	Dell	PowerEdge 6850	624W6B1	2006	9,192.52	0	Obsolete	04/12/2013
(6) N00009047	University Libraries	Computer Server	IBM	570 EServer	004378C	2005	449,559.21	0	Beyond Repair	04/12/2013
(7) N00002666	Chemistry Faculty #109	Computer Server	IBM	570 EServer	004378C	2005	449,559.21	0	Beyond Repair	04/12/2013
(7) N00009345	CE Administration	Modular Furniture	Beck	008533-00		2006	6,894.45	0	Obsolete	04/01/2013

Disposition value: 676,552.28

Disposition book value: 15,545.72

Total Disposition Items: 23

Additional Notes to Surplus listing dated 04/12/13:

1-Asset# 235094 is a 13-year old centrifuge from the Department of Pediatrics. Mechanical failure resulted when its lid would not close. Although originally repaired and re-used, a subsequent failure could not be fixed.

2-Assets# 244303, 245518, 245520, 246898, 252063, 254438 are 12-year old projectors from the Teaching and Learning Center (TLC) at the Valencia Branch. The TLC Audio Visual Technicians verified that parts are no longer being manufactured which makes repair too prohibitive. Note: the depreciation rate on these projectors is 15 years.

3-Assets# 254863, 257994, N00006542 are two data servers and one high end workstation from the Earth Data Analysis Center. The servers were deemed operationally obsolete and subsequently used as parts, contributing components to other computer systems. The workstation was purchased for photogrammetric processing; however, due to its age it is no longer capable of the processing required and is not upgradable. The usable spare parts have been salvaged from the system, leaving an empty chassis and old components to send to Surplus.

4-Assets# 264280 and 264281 are two servers originally put to use in the Clinical and Translational Science Center (CTSC). They were subsequently transferred to the National Children's Study for their use. The servers are still in working order yet are now obsolete, with inoperable tape drives.

5-Asset# 265797 is a Quantitative PCR (QPCR) instrument for quantifying specific types of DNA in biological samples in the Department of Molecular Genetics & Microbiology. Several years ago, the department spent approximately \$4,000.00 to have the instrument repaired. When it again stopped working, the BioRad service technician informed the department that the manufacturer was no longer in business and the machine parts are obsolete.

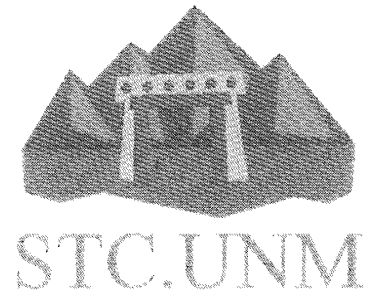
6 –Assets# N00002344, N00009046, and N00009047 are computer servers from University Libraries. The 2005 IBM AIX server was no longer compatible with the Millennium software utilized in the Libraries ; therefore, it was upgraded in June 2010 to a Linux server. The two Dell servers were lower end servers used for various online software applications and documents such as the eLibrary documents and other digital media. These 2 servers were upgraded in June 2011.

7 –Asset# N00002666 is a shared memory “poblano” supercomputer from the Center for Advanced Research Computing (CARC) used for “doing all sorts of science and engineering -- including interdisciplinary work” at UNM (for both Main campus and the School of Medicine). It is one of many supercomputers at CARC that are used for similar purposes. Typically these machines are run for 6 years or so, then either start failing or are so old that they are totally superseded by new machines that are faster, cheaper, and more reliable with less electrical usage.

In this case, the department was able to totally replace the machine and upgrade its capabilities with a brand new system that cost less than \$15,000. The new system is approximately 1/5 the size

and uses far less energy to operate. This was a more reasonable business decision than expending the funds to repair “poblano” and continue to use it. Originally purchased on a grant, the same PI has been awarded another grant for a \$400,000 supercomputer, which starts the cycle once again.

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



April 22, 2013

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

Re: Agenda Item for the Regents' Finance & Facilities Committee Meeting
May 2, 2013

Dear Cenissa:

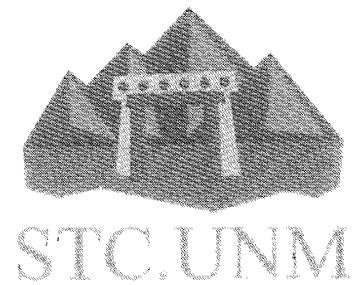
Enclosed please find a memo to the Regents regarding the reappointment of four STC Board members to the STC.UNM Board of Directors (Terri Cole, James Cramer, Gregg Mayer and Robert Fisher), along with their bios for inclusion on the agenda for the Finance & Facilities Committee meeting on May 2, 2013.

Please don't hesitate to contact me if you have any questions.

Sincerely,

Denise M. Bissell
STC.UNM
272-7310
dbissell@stc.unm.edu

Enclosures



MEMORANDUM

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

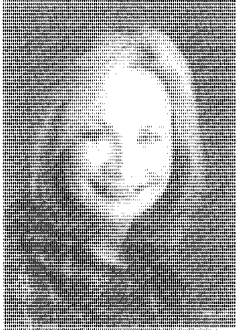
FROM: STC.UNM
Board of Directors

DATE: May 2, 2013

RE: Reappointment of Terri Cole, James Cramer, Gregg Mayer and Robert Fisher
to the STC.UNM Board of Directors

STC.UNM submits for approval the reappointment of the following individuals to its Board of Directors for a four-year term, beginning upon approval by the Regents and ending June 30, 2017. Ms. Terri Cole, Dr. James Cramer, Dr. Gregg Mayer, and Dr. Robert Fisher were recommended for reappointment by the STC Board at its April 26, 2013 board meeting, subject to the Regents' approval.

Ms. Terri Cole	bio attached
Dr. James Cramer	bio attached
Dr. Gregg Mayer	bio attached
Dr. Robert Fisher	bio attached



Terri L. Cole

Vice Chair, STC.UNM Board of Directors

President & CEO, Greater Albuquerque Chamber of Commerce

Education

Institute for Organizational Management, San Jose State University

UNM

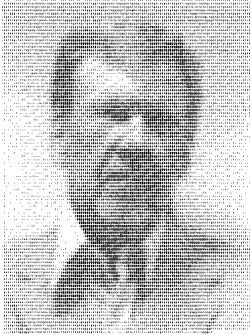
New Mexico State University

Business/Research Background

Recognized nationally for her leadership and business acumen, Ms. Cole became President & CEO of the Greater Albuquerque Area Chamber of Commerce in 1983 after joining its staff in 1978. In 1988 she became one of only 250 Certified Chamber Executives in the nation. Under her presidency, the Chamber has grown to be the largest business organization in New Mexico and is regarded nationally as a model for chambers of commerce. In 1991 she served as Chair of the Stanford University Institute of Organization Management and in 1995, was the first female chairperson of the American Chamber of Commerce Executive Association.

Particular Knowledge and Skills

During former Governor Richardson's administration, she served as the Chair of the New Mexico Workforce Development Board. Ms. Cole is in her second year as President of the Foundation for Open Government (FOG) and was also appointed by Mayor Richard Berry to his Economic Development Advisory Council. She is President-Elect of the New Mexico Chamber of Commerce Executives Association. Nationally, she was appointed some years ago to the U. S. Chamber of Commerce Committee of 100 and serves as an advisor to the American Chamber of Commerce Executives Association as a former chairperson. Ms. Cole is also a member of UNM President Frank's Economic Development Advisory Group, which is comprised of members from the UNM and business community who have an interest in increasing the economic impact of UNM on the New Mexico economy. Ms. Cole was named one of the 10 most influential business people in the state by the *New Mexico Business Journal* and received the Martin Luther King, Jr. Freedom award.



James D. Cramer, Ph.D.

Member, STC.UNM Board of Directors

Founder & President, Science & Engineering Associates, Inc. (SEA), Retired

Education

BA - Physics, Fresno State College

MS - Physics, University of Oregon

PhD - Physics, UNM

Business/Research Background

During more than 40 years of professional experience, as both a scientist and a businessman, Dr. Cramer has had wide participation in applied and fundamental research. A physicist and a former member of the technical staff at Los Alamos National Laboratory (LANL), he has performed both theoretical and experimental research in the fields of nuclear fission and neutron physics.

The founder in 1980 of Science & Engineering Associates, Inc. (SEA), a New Mexico Corporation, Dr. Cramer managed its growth to 500 employees with offices in five U.S. cities and annual revenues of \$110 million. SEA was sold in 2004 to a private equity capital firm. From 1970 to 1980, Dr. Cramer was employed with Science Applications International Corporation (SAIC) where he served as a Group Vice President, and a Director of the Corporation. He built and managed their nuclear-weapon effects programs for ten years. In 1972 he established the SAIC office in Albuquerque and managed their business in New Mexico until his departure to found SEA.

Particular Knowledge and Skills

Dr. Cramer brings many years of expertise in technology development and technical professional services. He has served on the Board of Directors of the Rio Grande Technology Foundation, and served four years on the New Mexico State Science & Technology Commercialization Commission. He served five years on the Board of Directors of the Rio Grande Technology Foundation a private technology commercialization consortium. He was also appointed to the New Mexico State Science and Technology Commercialization Commission where he served four years during a previous gubernatorial administration. For six years Dr. Cramer served on the board of the Albuquerque Museum Foundation—while two of those years serving as their President. Most recently he served as a member of the Founding Board of Explora, a children's science and technology learning center in New Mexico.



Gregg L. Mayer, Ph.D.
Member, STC.UNM Board of Directors
President, Gregg L. Mayer & Co., Inc.

Education

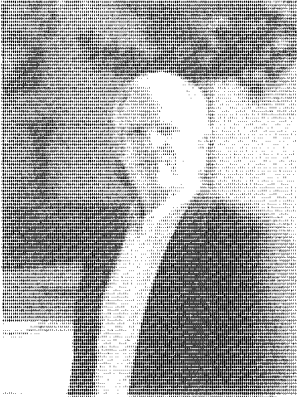
BA - Biology, University of California at Berkeley
PhD - Physiology, University of California at Berkeley
Japanese Language Program, Keio University in Japan
Research Student, Keio University Graduate School of Business Administration and The National Children's Hospital Research Center in Tokyo

Business/Research Background

Dr. Mayer was a Co-Founder and Partner and later President and Director of Berkeley Antibody Company, Inc. in Berkeley, California. Subsequently, as Director, Vice President and President of Vivigen, Inc., a clinical genetic testing company, Dr. Mayer's responsibilities included investigation of new technologies for potential business opportunities, the direction of sales and marketing, as well as general management of the company. In 1988 and 1989, Vivigen was named one of "The Best Small Growth Companies in America" by Business Week magazine and was later acquired by Genzyme Corporation. Gregg is currently President of the Gregg L. Mayer & Company, Inc., a consulting firm in El Cerrito, California.

Particular Knowledge and Skills

Dr. Mayer's areas of expertise are in healthcare management, and consulting and new ventures in the pharmaceutical, biotechnology, medical device industries, and for managed-care companies in the U.S. and Japan. He is a founding board member of the Disease Management Association of Japan and the Japan Society for Health Support Sciences. He writes and lectures extensively in both the U. S. and Japan about healthcare.



Robert H. Fisher, M.D.
Member, STC.UNM Board of Directors
Founder, Fisher Leadership Strategy Execution

Education

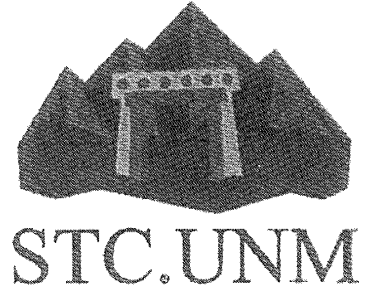
AB - Human Relations, University of California at Berkeley
MD - University of Missouri at Columbia
MSPH - University of Missouri at Columbia

Business/Research Background

Robert Fisher specializes in leadership development, strategy assessment and execution. He has contributed to the development of some of the country's finest leaders and teams. He is regularly engaged with enterprise level transactions, strategy execution and complex leadership issues that are focused on cost savings, risk reduction and revenue production. He is trained and seasoned in systems thinking and is said by his clients to have the capacity to, "see around the corner" resulting in an ability to help them control their careers and business futures. His client companies have ranged in size and character from publicly traded corporations and pre-IPO start-ups to partnerships and family businesses in the United States and Europe. Dr. Fisher's educational background includes an undergraduate degree from the University of California at Berkeley in Human Resources, a master's degree in Public Health and a medical degree from the University of Missouri at Columbia. He completed his psychiatry residency at the University of California Medical Center in San Francisco and was a public service science resident for the National Science Foundation.

Particular Knowledge and Skills

Dr. Fisher has conducted leadership integration and leadership development seminars at Stanford Hospital and Clinics, and at Stanford University Medical Center. He has been a speaker at Stanford's Lucile Packard Children's Hospital, Genentech and Berkeley's School of Ophthalmology. He currently serves on the advisory board for technology company abInventio and previously served on the board for Adapt SEM. In 2006, Dr. Fisher was appointed by the Department of Defense to its Joint Civilian Orientation Conference and tasked with analyzing the quality of leadership within the five branches of the U.S. military.



*File
STC Members*

TO: Dr. Robert G. Frank, President, The University of New Mexico

FROM: Sandra Begay-Campbell, Chair, STC.UNM Board of Directors

DATE: April 24, 2013

SUBJ: STC Nominating Committee Recommendation: Approval of Re-appointment of Doug Brown as Academic Dean Member of the STC Board and Pope Moseley as HSC Faculty Member of the STC Board

Dear President Frank:

The terms for Douglas M. Brown as the academic dean member of the STC.UNM Board of Directors and Pope Moseley as the HSC faculty member of the STC.UNM Board of Directors will expire on June 30, 2013. As President of the University of New Mexico, you are authorized by the STC.UNM Bylaws to make appointments and re-appointments to these positions. The STC Nominating Committee recommends that Dean Brown be re-appointed to another 4-year term as the academic dean member and that Dr. Moseley be re-appointed to another 4-year term as the HSC faculty member of the STC.UNM Board of Directors.

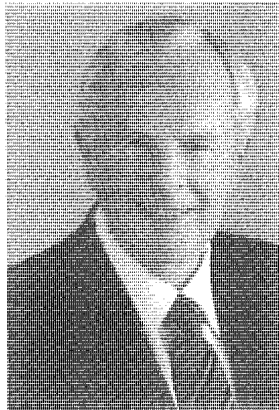
If you approve, both re-appointments will be submitted to the STC Board for approval at its April 26, 2013 Board meeting and then submitted for final approval to the Board of Regents at its May 14, 2013 meeting. Both terms would begin upon approval by the Regents and end June 30, 2017.

Thank you for your consideration of this matter.

Sincerely,

Sandra Begay-Campbell
Chair, STC.UNM Board of Directors

*Approved
Robert G. Frank
4-24-13*



Douglas M. Brown

Academic Dean Member, STC.UNM Board of Directors
Dean, UNM Anderson School of Management

Education

AB - Stanford University

MBA - Stanford University

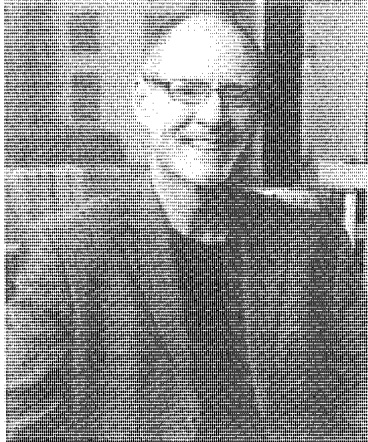
Business/Research Background

Mr. Brown was appointed Dean of UNM's Anderson School of Management in February 2009. He brings extensive experience in both the public and private sector to the business school. Most recently, Dean Brown has been the Principal in Brown and Brown Ventures, LLC, a holding company for various real estate holdings, an internet company and several new product activities. Previous positions include appointment by Governor Bill Richardson as New Mexico State Treasurer, President and CEO of Tuition Plan Consortium, and President and CEO of Talbot Financial Services. As State Treasurer, Dean Brown was responsible for cleaning up the scandal-ridden agency. Under his leadership, Tuition Plan Consortium, an association of private colleges and universities offering the independent 529 Plan, received a "Best Product of the Year" award from *BusinessWeek*. As the Co-Founder of Talbot Financial Services, he oversaw a start-up that grew to over \$2 billion in annual sales nationwide. Dean Brown also has twenty-eight years of banking experience with ABQ Corp., Crocker Bank and Wells Fargo Bank.

Particular Knowledge and Skills

Dean Brown has served as director for fourteen for-profit companies and currently serves as lead director of California Water Service (an NYSE company) and as a director of MIOX Corporation. Service on public boards includes the Board of Finance, State Investment Council, Public Employees Retirement Association, and the Venture Capital Advisory Commission. His community involvement includes past service as a Trustee of Stanford University, as a Regent of the University of New Mexico, Chair of Albuquerque United Way and Director of NPR in Washington, DC. He currently serves on the Investment Committee of the University of New Mexico Foundation.

His awards include a national award by CASE as one of twelve volunteers in the United States who contributed the most to the field of higher education, the "Vision" award from the New Mexico Commission on the Status of Women for business leadership, the Douglas M. Brown Endowed Professorship created by the Anderson School of Management for service to the school, and, together with his wife Sarah, the New Mexico Outstanding Philanthropists by the Association of Fundraising Professionals.



Pope L. Moseley, M.D.

HSC Faculty Member, STC.UNM Board of Directors
Chair, UNMHSC Department of Internal Medicine

Education

BS - Chemistry, Davidson College, Davidson, NC

MD - University of Illinois College of Medicine

MS - Preventive Medicine, University of Iowa College of Medicine

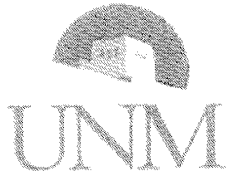
Business/Research Background

Dr. Moseley joined the University of New Mexico in 1995 as Professor and Chief of the Pulmonary and Critical Care Division, in the University's Department of Internal Medicine. In 1997, he added to those responsibilities the position of Professor, Department of Biochemistry and Molecular Biology. In 2001 Dr. Moseley was appointed Chairman of the Internal Medicine Department.

From 1980 to 1995, Dr. Moseley had increasing responsibilities at the University of Iowa's Department of Internal Medicine. Following an internship and research residency in Internal Medicine, he was a Fellow in Pulmonary Medicine, an Instructor, and then Assistant Professor in the Department. From 1990 to 1995, he was an Associate Professor in both the Department of Internal Medicine and the Department of Exercise Science.

Particular Knowledge and Skills

Since 1982, Dr. Moseley's investigative studies have been published more than 50 times in a wide range of medical journals. He is currently funded by NIH as the principal investigator on "Exercise and Hyperthermia: Applied Molecular Mechanisms," and as co-investigator on two additional NIH grants: "Heat Shock Protein Regulation with Stress and Aging," and "GI Barrier Heat Injury: Systemic and Molecular Mechanisms."



The University of New Mexico

Purchasing Department
MSC01 1240
1 University of New Mexico
Albuquerque, NM 87131-0001
Telephone (505) 277-2036
FAX (505) 277-7774

MEMORANDUM

To: David Harris, Executive Vice President for Administration
From: Bruce Cherrin, Chief Procurement Officer
Subject: Contract Approval
Date: April 30, 2013

The following is being submitted for approval per Regent Policy 7.4. This will need to proceed to the full Board of Regents.

Human Resources Benefits – Stop Loss Insurance

The Human Resources Benefits Department released RFP #1574-13 on February 22, 2013 to solicit offers from qualified stop loss insurance carriers—five (5) responses were received. Stop loss carriers will not provide final quotes until claims data through March 31, 2013 is reviewed. Final quotes will be received on April 29, 2013. We are asking approval pending final successful negotiation with the offer that is in the best interest of the University.

Source of Funds: Health Insurance Premiums

Estimated Cost: \$1.6 to 2.2 million



Interim University Controller
1 University of New Mexico
MSCO1 1300
Albuquerque, NM 87131

MEMORANDUM

DATE: April 17, 2013

TO: David W. Harris
Executive Vice President

FROM: Elizabeth Metzger, CPA, Interim University Controller
Ava J. Lovell, CPA, Sr. Executive Officer, HSC Finance &
Administration

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

Action Item.

The Fiscal Watch Report that is to be submitted to the HED Executive Director through March 31, 2013 will be presented at the May 3, 2013 Finance & Facilities Committee meeting. The Report contains the following information: A comparison of the approved annual operating and plant fund budgets with the current year-to-date information, a comparison of the most current year to prior-year information, a Balance Sheet and a Statement of Cash Flows.

The Report is to be reviewed and approved by the Board of Regents at the May 3, 2013 Finance & Facilities Committee meeting. In order to present the most-timely financial information at this meeting, Financial Reports will be emailed to the committee members no less than 48 hours in advance of the meeting. Handouts will be available the day of the meeting.

Information Item.

The Monthly Consolidated Financial Report for the month ended March 31, 2013 will be presented at the May 3, 2013 Finance & Facilities Committee meeting. In order to present the most-timely financial information at this meeting, Financial Reports will be emailed to the committee members no less than 48 hours in advance of the meeting. Handouts will be available the day of the meeting.



THE UNIVERSITY *of*
NEW MEXICO

Interim University Controller
Financial Services, Main Campus
MSC 01 1300
1 University of New Mexico
Albuquerque, New Mexico 87131
Phone: (505) 277-5111
FAX: (505) 277-7662

DATE: May 3, 2013

TO: John Rush
Director of Institutional Finance
New Mexico Higher Education Department

RE: Financial Status as of March 31, 2013

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

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

University of New Mexico

James H. Koch, Chair, Board of Regents-F&F

Date

Robert G. Frank, President

Date

David W. Harris, Chief Financial Officer

Date



FY13
Consolidated Total Current Operations
Summary for Month Ended March 2013

1. Total *Net Current Revenue* at March month end: \$20,193,822 (bottom of page 2)
2. Extended University (EU) allocation of student fees to appropriate exhibits (this allocation has been done at year end in prior years)
3. April and June reports will reflect revised budgets, after Budget Adjustment Report is presented for approval in May

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
For the nine month period ended March 31, 2013
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrbl/(Unfavrbl) Budget	Actual to Budget Benchmark Rate 75%
Instruction and General				
Tuition and Fees Revenues				
Main Campus	145,043,906	143,399,107	(1,644,799)	99%
Branch Campuses	9,171,132	8,500,760	(670,372)	93%
HSC Campus	12,151,921	12,786,718	634,797	105%
Total Tuition and Fees Revenues	166,366,959	164,686,585	(1,680,374)	99%
State/Local Appropriations	259,199,300	194,295,293	(64,904,007)	75%
F & A Revenues	41,500,000	31,036,485	(10,463,515)	75%
Transfers	(55,832,435)	(49,463,466)	6,368,969	89%
Other Revenues	19,147,139	16,476,053	(2,671,086)	86%
Total Instruction and General Revenues	430,380,963	357,030,950	(73,350,013)	83%
Salaries	263,151,121	206,346,460	56,804,661	78%
Benefits	82,413,408	60,684,720	21,728,688	74%
Other Expenses	93,683,036	57,918,131	35,764,905	62%
Total Instruction and General Expenses	439,247,565	324,949,311	114,298,254	74%
Net Instruction and General Revenue/(Expense)	(8,866,602)	32,081,639	40,948,241	
Research				
State/Local Appropriations	9,528,948	7,629,399	(1,899,549)	80%
Transfers	27,169,706	19,698,354	(7,471,352)	73%
Other Revenues	3,549,974	1,637,026	(1,912,948)	46%
Total Research Revenues	40,248,628	28,964,779	(11,283,849)	72%
Salaries and Benefits	26,488,454	18,265,373	8,223,081	69%
Other Expenses	22,829,224	11,817,135	11,012,089	52%
Total Research Expenses	49,317,678	30,082,508	19,235,170	61%
Net Research Revenue/(Expense)	(9,069,050)	(1,117,729)	7,951,321	
Public Service				
State/Local Appropriations	3,500,960	2,625,714	(875,246)	75%
Sales and Services Revenues	15,840,471	11,766,964	(4,073,507)	74%
Gifts	6,973,336	8,355,120	1,381,784	120%
Transfers	1,581,090	589,170	(991,920)	37%
Other Revenues	4,428,253	3,560,172	(868,081)	80%
Total Public Service Revenues	32,324,110	26,897,140	(5,426,970)	83%
Salaries and Benefits	17,624,337	14,927,841	2,696,496	85%
Other Expenses	17,313,471	11,139,332	6,174,139	64%
Total Public Service Expenses	34,937,808	26,067,173	8,870,635	75%
Net Public Service Revenue/(Expense)	(2,613,698)	829,967	3,443,665	
Student Aid				
Gifts	3,714,585	3,595,578	(119,007)	97%
State Lottery Scholarship	31,861,170	31,861,170	-	100%
Transfers	14,617,503	13,615,704	(1,001,799)	93%
Other Revenues	1,230,705	313,382	(917,323)	25%
Total Student Aid Revenues	51,423,963	49,385,834	(2,038,129)	96%
Salaries and Benefits	3,828,077	3,271,412	556,665	85%
Other Expenses	56,479,370	53,133,221	3,346,149	94%
Total Student Aid Expenses	60,307,447	56,404,633	3,902,814	94%
Net Student Aid Revenue/(Expense)	(8,883,484)	(7,018,799)	1,864,685	

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
For the nine month period ended March 31, 2013
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 75%
Student Activities				
Fee Revenues	6,001,442	5,226,938	(774,504)	87%
Sales and Services Revenues	1,129,448	1,380,497	251,049	122%
Transfers	443,387	761,060	317,673	172%
Other Revenues	80,150	106,172	26,022	132%
Total Student Activities Revenues	7,654,427	7,474,667	(179,760)	98%
Salaries and Benefits	3,852,602	3,264,655	587,947	85%
Other Expenses	3,939,725	2,821,917	1,117,808	72%
Total Student Activities Expenses	7,792,327	6,086,572	1,705,755	78%
Net Student Activities Revenue/(Expense)	(137,900)	1,388,095	1,525,995	
Auxiliaries and Athletics				
Branch Campuses Auxiliary Revenues	2,648,300	2,352,969	(295,331)	89%
Main Campus Auxiliaries Revenues	56,528,783	49,114,315	(7,414,468)	87%
Athletics Revenues	30,925,801	26,310,227	(4,615,574)	85%
Total Auxiliaries and Athletics Revenues	90,102,884	77,777,511	(12,325,373)	86%
Branch Campuses Auxiliary Expenses	2,710,700	2,152,040	558,660	79%
Main Campus Auxiliaries Expenses	57,979,095	44,449,807	13,529,288	77%
Athletics Expenses	31,059,701	26,790,785	4,268,916	86%
Total Auxiliaries and Athletics Expenses	91,749,496	73,392,632	18,356,864	80%
Net Auxiliaries and Athletics Revenue/(Expense)	(1,646,612)	4,384,879	6,031,491	
Sponsored Programs				
Federal Grants and Contracts Revenues	237,922,175	202,791,893	(35,130,282)	85%
State and Local Grants and Contracts Revenues	33,777,225	18,588,518	(15,188,707)	55%
Non-Governmental Grants and Contracts Revenues	25,217,598	23,680,237	(1,537,361)	94%
Gifts	-	189,233	189,233	N/A
Transfers	3,788,550	3,173,941	(614,609)	84%
Other Revenues	-	-	-	N/A
Total Sponsored Programs Revenues	300,705,548	248,423,822	(52,281,726)	83%
Salaries and Benefits	141,605,047	95,382,071	46,222,976	67%
Other Expenses	159,100,501	153,041,750	6,058,751	96%
Total Sponsored Programs Expenses	300,705,548	248,423,821	52,281,727	83%
Net Sponsored Programs Revenue/(Expense)	-	-	-	
Clinical Operations				
State/Local Appropriations	24,090,600	18,221,682	(5,868,918)	76%
Physician Professional Fee Revenues	103,593,767	73,526,271	(30,067,496)	71%
Hospital Facility Revenues	647,728,769	480,445,449	(167,283,320)	74%
Other Patient Revenues, net of Allowance	102,721,252	76,170,600	(26,550,652)	74%
Mil Levy	90,977,220	68,232,915	(22,744,305)	75%
Investment Income	3,065,634	8,053,594	4,987,960	263%
Gifts	2,081,389	3,179,907	1,098,518	153%
Housestaff Revenues	30,647,125	23,838,946	(6,808,179)	78%
Other Revenues	20,366,905	12,431,134	(7,935,771)	61%
Total Clinical Operations Revenues	1,025,272,661	764,100,498	(261,172,163)	75%
Salaries and Benefits	581,511,377	439,147,839	142,363,538	76%
Debt Service	8,457,942	6,688,357	1,769,585	79%
Housestaff Expenses	30,647,125	24,126,362	6,520,763	79%
Other Expenses	407,809,995	304,492,170	103,317,825	75%
Total Clinical Operations Expenses	1,028,426,439	774,454,728	253,971,711	75%
Net Clinical Operations Revenue/(Expense)	(3,153,778)	(10,354,230)	(7,200,452)	
Contingencies				
Total Contingency Revenues	18,956,763	-	18,956,763	0%
Total Contingency Expenses	11,883,064	-	11,883,064	0%
Net Contingencies Revenue/(Expense)	7,073,699	-	7,073,699	
Net Current Revenue/(Expense)	(27,297,425)	20,193,822	61,638,645	

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
For the nine month period ended March 31, 2013
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 75%
University of New Mexico - Results of Athletics and Auxiliary Operations				
Results of Athletics Operations:				
Athletics Revenues	34,018,146	30,155,654	(3,862,492)	89%
Athletics Transfers	(3,092,345)	(3,845,427)	(753,082)	124%
Total Athletics Revenues	30,925,801	26,310,227	(4,615,574)	85%
Athletics Expenses				
Salaries and Benefits	13,708,093	11,019,905	2,688,188	80%
Grant-in-Aid	3,620,246	3,431,215	189,031	95%
Other Expenses	13,731,362	12,339,665	1,391,697	90%
Total Athletics Expenses	31,059,701	26,790,785	4,268,916	86%
Total Net Athletics Revenue/(Expense)	(133,900)	(480,558)	(346,658)	
Results of Auxiliary Operations:				
VP for Institutional Support Services				
Bookstore Revenues	18,161,788	16,221,290	(1,940,498)	89%
Bookstore Transfers	(572,132)	(225,301)	346,831	39%
Total Bookstore Revenues	17,589,656	15,995,989	(1,593,667)	91%
Total Bookstore Expenses	17,589,656	14,783,092	2,806,564	84%
Net Bookstore Revenue/(Expense)	-	1,212,897	1,212,897	
Public Events Revenues	10,092,362	7,765,579	(2,326,783)	77%
Public Events Transfers	149,730	54,002	(95,728)	36%
Total Public Events Revenues	10,242,092	7,819,581	(2,422,511)	76%
Total Public Events Expenses	10,242,092	7,564,834	2,677,258	74%
Net Public Events Revenue/(Expense)	-	254,747	254,747	
Golf Courses Revenues	2,213,930	1,535,513	(678,417)	69%
Golf Courses Transfers	(39,252)	(29,439)	9,813	75%
Total Golf Courses Revenues	2,174,678	1,506,074	(668,604)	69%
Total Golf Courses Expenses	2,174,678	1,619,631	555,047	74%
Net Golf Courses Revenue/(Expense)	-	(113,557)	(113,557)	
Parking and Transportation Revenues	8,099,454	7,103,147	(996,307)	88%
Parking and Trans Transfers	(2,120,902)	(1,810,631)	310,271	85%
Total Parking and Trans Revenues	5,978,552	5,292,516	(686,036)	89%
Total Parking and Trans Expenses	5,978,552	4,196,191	1,782,361	70%
Net Parking and Trans Revenue/(Expense)	-	1,096,325	1,096,325	
Ticketing Services Revenues	550,000	846,898	296,898	154%
Ticketing Services Transfers	75,348	(42,921)	(118,269)	-57%
Total Ticketing Services Revenues	625,348	803,977	178,629	129%
Total Ticketing Services Expenses	625,348	656,903	(31,555)	105%
Net Ticketing Services Revenue/(Expense)	-	147,074	147,074	
Faculty Club Revenues	42,000	30,192	(11,808)	72%
Faculty Club Expenses	42,000	21,962	20,038	52%
Net Faculty Club Revenue/(Expense)	-	8,230	8,230	
Young Ranch Revenues	27,559	11,802	(15,757)	43%
Young Ranch Expenses	27,559	4,484	23,075	16%
Net Young Ranch Revenue/(Expense)	-	7,318	7,318	
Taos & Lawrence Ranch Revenues	53,334	36,707	(16,627)	69%
Taos & Lawrence Ranch Expenses	53,334	26,585	26,749	50%
Net Taos & Lawrence Ranch Revenue/(Expense)	-	10,122	10,122	
Total VP for Institutional Support Services Revenues	36,733,219	31,496,838	(5,236,381)	86%
Total VP for Institutional Support Services Expenses	36,733,219	28,873,682	7,859,537	79%
Net VP for Institutional Support Services Revenue/(Expense)	-	2,623,156	2,623,156	

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University of New Mexico - Consolidated Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrbtl/(Unfavrbtl) Budget	Actual to Budget Benchmark Rate 75%
VP for Student Affairs				
AVP Ops/Student Life Revenues	3,306,165	2,930,259	(375,906)	89%
AVP Ops/Student Life Transfers	(299,056)	(459,397)	(160,341)	154%
Total AVP Ops/Student Life Revenues	3,007,109	2,470,862	(536,247)	82%
Total AVP Ops/Student Life Expenses	3,111,159	1,808,782	1,302,377	58%
Net AVP Ops/Student Life Revenue/(Expense)	(104,050)	662,080	766,130	
Housing and Food Service Revenues	10,682,675	10,759,288	76,613	101%
Housing Transfers	(3,633,600)	(4,402,145)	(768,545)	121%
Total Housing and Food Service Revenues	7,049,075	6,357,143	(691,932)	90%
Total Housing and Food Service Expenses	8,385,337	5,983,173	2,402,164	71%
Net Housing and Food Service Revenue/(Expense)	(1,336,262)	373,970	1,710,232	
Student Health Center Revenues	7,267,026	6,496,031	(770,995)	89%
Student Health Center Expenses	7,267,026	5,529,218	1,737,808	76%
Net Student Health Center Revenue/(Expense)	-	966,814	966,814	
Student Union Revenues	2,173,581	2,080,307	(93,274)	96%
Student Union Expenses	2,173,581	2,009,047	164,534	92%
Net Student Union Revenue/(Expense)	-	71,259	71,259	
Lobo Cash Revenues	45,390	29,425	(15,965)	65%
Lobo Cash Expenses	45,390	32,067	(13,323)	71%
Net Lobo Cash Revenue/(Expense)	-	(2,642)	(2,642)	
Total VP for Student Affairs Revenues	19,542,181	17,433,768	(2,108,413)	89%
Total VP for Student Affairs Expenses	20,982,493	15,362,287	5,620,206	73%
Net VP for Student Affairs Revenue/(Expense)	(1,440,312)	2,071,481	3,511,793	
Provost and Other Units				
CE Conference Ctr Revenues	246,000	178,749	(67,251)	73%
CE Conference Ctr Transfers	(70,617)	(37,531)	33,086	53%
Total CE Conference Ctr Revenues	175,383	141,218	(34,165)	81%
Total CE Conference Ctr Expenses	175,383	162,240	13,143	93%
Net CE Conference Ctr Revenue/(Expense)	-	(21,022)	(21,022)	
Art Museum Revenues	5,500	1,398	(4,102)	25%
Art Museum Expenses	5,500	-	5,500	0%
Net Art Museum Revenue/(Expense)	-	1,398	1,398	
Maxwell Museum Revenues	25,000	28,668	3,668	115%
Maxwell Museum Expenses	25,000	11,594	13,406	46%
Net Maxwell Museum Revenue/(Expense)	-	17,073	17,073	
Other Revenues	47,500	12,426	(35,074)	26%
Other Expenses	57,500	40,003	17,497	70%
Net Other Revenue/(Expense)	(10,000)	(27,577)	(17,577)	
Total Provost and Other Units Revenues	253,383	183,709	(69,674)	73%
Total Provost and Other Units Expenses	263,383	213,838	49,545	81%
Net Provost and Other Units Revenue/(Expense)	(10,000)	(30,129)	(20,129)	
Auxiliary Totals				
Total Auxiliary & Concessions Revenues	56,528,783	49,114,315	(7,414,468)	87%
Total Auxiliary & Concessions Expenses	57,979,095	44,449,807	13,529,288	77%
Net Auxiliary Revenue/(Expense)	(1,450,312)	4,664,508	6,114,820	
Net Athletics Revenue/(Expense)	(133,900)	(480,558)	(346,658)	
Net Auxiliary and Athletics Revenue/(Expense)	(1,584,212)	4,183,950	5,768,162	
Net Branch Campuses Aux Revenue/(Expense)	(62,400)	200,929	263,329	
Net All Auxiliary and Athletics Revenue/(Expense)	(1,646,612)	4,384,879	6,031,491	

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
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University of New Mexico - Consolidated Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 75%
University of New Mexico - Results of HSC Operations				
Results of University/Academic HSC Operations:				
University/Academic HSC Revenues				
UNM Medical Group Revenues	104,397,804	73,526,271	(30,871,533)	70%
UNM Hospitals Revenues	98,816,522	72,860,962	(25,955,560)	74%
SRMC Revenues	12,317,347	7,606,456	(4,710,891)	62%
UNM Cancer Center Clinical Revenues	29,702,689	20,443,628	(9,259,061)	69%
Tuition and Fees	12,146,721	12,827,341	680,620	106%
Cigarette Tax Appropriations	3,296,108	2,954,763	(341,345)	90%
RPSP Appropriations	15,923,700	11,444,984	(4,478,716)	72%
I&G Appropriations	60,089,300	45,440,322	(14,648,978)	76%
I&G Main Campus Transfers	18,614,629	14,008,642	(4,605,987)	75%
F&A Revenues (OH Return)	22,000,000	15,568,047	(6,431,953)	71%
HSC/UNM Internal Transfers	(4,956,307)	(3,148,962)	1,807,345	64%
Other Revenues	10,947,700	9,497,549	(1,450,151)	87%
Contract and Grant Revenues	138,366,639	97,035,074	(41,331,565)	70%
Total University/Academic HSC Revenues	521,662,852	380,065,077	(141,597,775)	73%
University/Academic HSC Expenses				
Total Compensation Expenses	329,779,886	236,027,641	(93,752,245)	72%
Supplies/Medical Supplies	11,771,229	8,529,265	(3,241,964)	72%
Travel	4,372,093	3,348,702	(1,023,391)	77%
Student Costs	1,960,204	1,847,824	(112,380)	94%
Patient Care Costs	922,705	773,883	(148,822)	84%
Telephone/Communication Costs	1,940,852	1,660,866	(279,986)	86%
Purchased Services	19,687,718	17,594,690	(2,093,028)	89%
Sub Awards/Service Contracts	545,302	837,698	292,396	154%
O&M & Leases	6,262,371	5,419,490	(842,881)	87%
Utilities	4,150,333	2,592,325	(1,558,008)	62%
Capital Expenditures	1,457,856	1,016,581	(441,275)	70%
Debt Service	2,233,825	1,626,707	(607,118)	73%
Other Expenses	10,574,199	2,292,094	(8,282,105)	22%
Contract and Grant Expenses	130,367,766	90,558,072	(39,809,694)	69%
Non-Recurring Items	-	7,656,229	7,656,229	N/A
Total University/Academic HSC Expenses	526,026,339	381,782,066	(151,900,501)	73%
Total Net University/Academic HSC Revenue/(Expense)	(4,363,487)	(1,716,989)	10,302,726	
Results of UNM Hospitals Operations:				
UNM Hospitals Revenues				
UNM Hospitals Revenues	647,728,769	480,445,449	(167,283,320)	74%
RPSP Appropriations	12,966,000	9,877,948	(3,088,052)	76%
Mill Levy	90,977,220	68,232,915	(22,744,305)	75%
Meaningful Use Revenues	819,685	191,250	(628,435)	23%
Other Revenues	20,142,371	16,623,639	(3,518,732)	83%
Contract and Grant Revenues	3,890,547	3,362,354	(528,193)	86%
Total UNM Hospitals Revenues	776,524,592	578,733,555	(197,791,037)	75%
UNM Hospitals Expenses				
Total Compensation Expenses	398,003,531	299,053,081	(98,950,450)	75%
Supplies/Medical Supplies	120,810,157	95,334,978	(25,475,179)	79%
University Clinicians Program	55,567,482	40,147,704	(15,419,778)	72%
Housestaff	24,332,463	18,614,208	(5,718,255)	76%
Travel	719,774	508,665	(211,109)	71%
Patient Care Costs	37,134,829	28,942,290	(8,192,539)	78%
Telephone/Communication Costs	3,504,523	2,612,025	(892,498)	75%
Purchased Services	23,303,864	16,571,142	(6,732,722)	71%
Other Medical Services	18,010,269	15,128,467	(2,881,802)	84%
Sub Awards/Service Contracts	8,831,142	6,019,124	(2,812,018)	68%
O&M & Leases	15,461,307	10,792,811	(4,668,496)	70%
Utilities	6,906,581	4,697,204	(2,209,377)	68%
Depreciation	35,025,227	23,656,618	(11,368,609)	68%
Debt Service	7,770,258	5,839,951	(1,930,307)	75%
Other Expenses	21,119,110	14,509,860	(6,609,250)	69%
Total UNM Hospitals Expenses	776,500,517	582,428,128	(194,072,389)	75%
Total Net UNM Hospitals Revenue/(Expense)	24,075	(3,694,573)	(3,718,648)	
TOTAL HSC OPERATIONS INCLUDED IN REGENTS REPORT	(4,339,412)	(5,411,562)	6,584,078	

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University of New Mexico - Consolidated Total Operations Current Funds

	FY 2013 Full Year <u>Operating Budget</u>	FY 2013 Year-to-Date <u>Actual</u>	Fiscal YTD Favrb/(Unfavrb) <u>Budget</u>	Actual to Budget Benchmark Rate <u>75%</u>
SUPPLEMENTAL INFORMATION				
Component unit totals are not included in Regents Report				
Results of UNM Medical Group Operations:				
UNM Medical Group Revenues				
UNM Medical Group Revenues	143,831,127	111,864,282	(31,966,845)	78%
Meaningful Use Revenues	5,070,360	2,550,000	(2,520,360)	50%
Other Revenues	2,332,548	1,821,096	(511,452)	78%
Total UNM Medical Group Revenues	<u>151,234,035</u>	<u>116,235,378</u>	<u>(34,998,657)</u>	<u>77%</u>
UNM Medical Group Expenses				
Total Compensation Expenses	16,117,126	12,551,852	(3,565,274)	78%
Patient Care Costs	6,826,161	7,956,022	1,129,861	117%
Purchased Services	124,253,646	90,369,886	(33,883,760)	73%
O&M & Leases	453,366	381,337	(72,029)	84%
Depreciation	516,023	319,061	(196,962)	62%
Other Expenses	4,207,574	3,708,418	(499,156)	88%
Total UNM Medical Group Expenses	<u>152,373,896</u>	<u>115,286,576</u>	<u>(37,087,320)</u>	<u>76%</u>
Total Net UNM Medical Group Revenue/(Expense)	<u>(1,139,861)</u>	<u>948,802</u>	<u>2,088,663</u>	
Results of SRMC Operations:				
SRMC Revenues				
SRMC Revenues	38,173,565	13,704,040	(24,469,525)	36%
Mill Levy	22,127,451	18,535,279	(3,592,172)	84%
Other Revenues	-	883,028	883,028	N/A
Total SRMC Revenues	<u>60,301,016</u>	<u>33,122,347</u>	<u>(27,178,669)</u>	<u>55%</u>
SRMC Expenses				
Total Compensation Expenses	23,883,215	16,364,246	(7,518,969)	69%
Supplies/Medical Supplies	6,133,613	4,707,397	(1,426,216)	77%
University Clinicians Program	-	2,282,250	2,282,250	N/A
Housestaff	-	9,357	9,357	N/A
Travel	-	39,129	39,129	N/A
Patient Care Costs	3,426,568	1,911,230	(1,515,338)	56%
Telephone/Communication Costs	-	84,921	84,921	N/A
Purchased Services	5,317,247	2,891,978	(2,425,269)	54%
Other Medical Services	-	201,908	201,908	N/A
Sub Awards/Service Contracts	-	269,462	269,462	N/A
O&M & Leases	190,667	282,363	91,696	148%
Utilities	557,880	408,495	(149,385)	73%
Depreciation	9,287,738	5,570,734	(3,717,004)	60%
Debt Service	5,019,875	5,115,331	95,456	102%
Other Expenses	8,069,389	201,915	(7,867,474)	3%
Total SRMC Expenses	<u>61,886,192</u>	<u>40,340,716</u>	<u>(21,545,476)</u>	<u>65%</u>
Total Net SRMC Revenue/(Expense)	<u>(1,585,176)</u>	<u>(7,218,369)</u>	<u>(5,633,193)</u>	

UNM Health Sciences Center	FY 2012 Full Year Actual	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) FY 2012 Actual	FY 2013 Actual to FY 2012 Actual Benchmark Rate
Total Uncompensated Care at Cost *				
UNM Cancer Center	5,464,226	4,510,745	953,481	83%
UNM Hospitals	180,410,589	142,375,778	38,034,811	79%
UNM Medical Group	35,733,623	33,627,626	2,105,997	94%
SRMC	-	2,066,676	(2,066,676)	N/A
TOTAL	<u>221,608,438</u>	<u>182,580,825</u>	<u>39,027,613</u>	<u>82%</u>

* Uncompensated care is an overall measure of hospital care provided for which no payment was received from the patient or insurer. It is the sum of a hospital's "bad debt" and the charity care it provides.

UNM Debt Service Schedule

As of March 31, 2013

*Includes Hospital Debt

UNM Bond Issue	Fixed or Variable Rate Issue	Original Issue Amount	Outstanding Principal Balance on June 30, 2012	Principal Payment due on June 1, 2013	Interest Payment paid on December 1, 2012	Interest Payment due on June 1, 2013	FY 2013 Principal & Interest
Sub Lien System Rfdg Revenue Bonds ⁽¹⁾ Series 2012: Interest Range 2.00% to 5.00% Final Maturity Year 2032	Fixed Rate	\$35,215,000	\$34,485,000	\$1,285,000	\$778,900	\$778,900	\$2,842,800
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	\$133,385,000	\$1,765,000	\$3,318,331	\$3,318,334	\$8,401,665
Sub Lien System Imp Revenue Bonds Series 2005: Interest Range 3.0% to 5.0% Final Maturity Year 2035	Fixed Rate	\$125,575,000	\$118,330,000	\$2,380,000	\$2,726,224	\$2,726,226	\$7,832,450
⁽¹⁾ Hospital Mortgage Revenue Bonds Series 2004: Interest Range 2.0% to 5.0% Final Maturity Year 2031	Fixed Rate	\$192,250,000	\$169,645,000	\$4,985,000 (\$2,470,000 paid 7/2/2012) (\$2,515,000 paid 1/2/2013)	\$4,064,613 (paid 1/2/2013)	\$4,119,659 (paid 7/2/2012)	\$13,169,272
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	\$9,560,000	\$1,080,000	\$202,312	\$250,950	\$1,533,262
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	\$9,775,000	\$270,000	\$239,029	\$239,030	\$748,059
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	\$23,520,000	\$1,430,000	\$435,176	\$450,408	\$2,315,684
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	\$36,025,000	\$835,000	\$525,334	\$709,693	\$2,070,027
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	\$37,270,000	\$1,995,000	\$300,660	\$745,400	\$3,041,060
Sub Lien System Imp Revenue Bonds Series 2000: Interest Range 4.65% to 6.35% Final Maturity Year 2019	Fixed Rate	\$53,231,671	\$2,768,129	\$509,310	\$0	\$505,690	\$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	\$19,200,000	\$1,740,000	\$576,000	\$576,000	\$2,892,000
Grand Total		\$729,176,671	\$593,963,129	\$18,274,310	\$13,166,579	\$14,520,290	\$45,961,179

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.

(3) Series 2012 bonds refunded 2002A bonds.

FY13 UNM Debt Service - Source of Funds

As of March 31, 2013

	Series 2012	Series 2007A&B	Series 2005	Series 2004	Series 2003B&C	Series 2003A	Series 2002C	Series 2002B	Series 2001	Series 2000A&B	Series 1992A
Student Fees- Facility	X	X	X			X	X	X			X
Student Fees - IT	X		X								
Capitalized Interest		X									
Parking Services	X	X	X				X				X
UNM Hospital				X	X		X				X
Bookstore					X	X					X
Housing & Dining Services	X				X	X					
Building R&R	X				X		X				X
Real Estate Department	X	X			X			X			
Physical Plant Department	X	X	X						X		
Telecommunications	X		X								
Athletics		X									
Information & Technology Funds			X			X					
KNME											X
Popejoy Hall						X					
MTTC Bldg.							X				
Opto Bldg (CHTM Res Park)							X				
CRTC							X				
Continuing Education							X				
Equipment R&R			X								
Golf Course - North & South						X					
HSC	X	X									
UNM Development Revenues		X									
Interest on Reserve Funds	X					X	X	X			

Series 2002A bonds were refunded by the Series 2012 bonds in June 2012.

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
 For the nine month ended period March 31, 2013
 Preliminary and Unaudited

Detail of State/Local Appropriations
Consolidated - Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 75%
Instruction and General				
Instruction & General Appropriations	250,591,300	187,839,284	(62,752,016)	75%
State Special Project Appropriations	810,300	607,734	(202,566)	75%
Tobacco Settlement Appropriations	1,130,600	847,950	(282,650)	75%
Mill Levy	6,667,100	5,000,325	(1,666,775)	75%
Total Instruction and General Appropriations	<u>259,199,300</u>	<u>194,295,293</u>	<u>(64,904,007)</u>	<u>75%</u>
Research				
State Special Project Appropriations	5,253,040	3,939,786	(1,313,254)	75%
Tobacco Settlement Appropriations	979,800	734,850	(244,950)	75%
Cigarette Tax Appropriations	3,296,108	2,954,763	(341,345)	90%
Total Research Appropriations	<u>9,528,948</u>	<u>7,629,399</u>	<u>(1,899,549)</u>	<u>80%</u>
Public Service				
State Special Project Appropriations	3,500,960	2,625,714	(875,246)	75%
Total Public Service Appropriations	<u>3,500,960</u>	<u>2,625,714</u>	<u>(875,246)</u>	<u>75%</u>
Clinical Operations				
State Special Project Appropriations	23,238,900	17,582,919	(5,655,981)	76%
Tobacco Settlement Appropriations	851,700	638,763	(212,937)	75%
Total Clinical Operations Appropriations	<u>24,090,600</u>	<u>18,221,682</u>	<u>(5,868,918)</u>	<u>76%</u>

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
 For the nine month ended period March 31, 2013
 Preliminary and Unaudited

Detail of State/Local Appropriations
Main Campus - Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 75%
Instruction and General				
Instruction & General Appropriations	173,076,700	129,827,787	(43,248,913)	75%
State Special Project Appropriations				
African American Student Services	22,700	17,028	(5,672)	75%
Disabled Student Services	192,400	144,297	(48,103)	75%
Hispanic Student Center	105,800	79,353	(26,447)	75%
Minority Graduate Recruitment	116,700	87,525	(29,175)	75%
Native American Studies Intervention	176,900	132,678	(44,222)	75%
Pre-College Minority Student Math & Science	195,800	146,853	(48,947)	75%
Total State Special Project Appropriations	810,300	607,734	(202,566)	75%
Total Instruction and General Appropriations	173,887,000	130,435,521	(43,451,479)	75%
Research				
State Special Project Appropriations				
Center for Regional Studies (SW Research Ctr)	955,240	716,427	(238,813)	75%
Manufacturing Engineering	350,300	262,728	(87,572)	75%
Morrisey Hall	45,700	34,272	(11,428)	75%
Resource Geographic Information System	63,100	47,331	(15,769)	75%
Utton Transboundary Resource Center	261,900	196,425	(65,475)	75%
Water Rights Ombudsman	23,700	17,775	(5,925)	75%
Total State Special Project Appropriations	1,699,940	1,274,958	(424,982)	75%
Total Research Appropriations	1,699,940	1,274,958	(424,982)	75%
Public Service				
State Special Project Appropriations				
Bureau of Business Research (Census)	369,400	277,047	(92,353)	75%
College Prep Mentoring/School of Law	118,500	88,875	(29,625)	75%
College Preparatory Mentoring	164,800	123,606	(41,194)	75%
Corrine Wolfe Law Center/Child Abuse Training	165,700	124,272	(41,428)	75%
ENLACE	63,100	47,322	(15,778)	75%
Family Development Program	425,800	319,347	(106,453)	75%
ISTEC	48,595	36,450	(12,145)	75%
Judicial Selection	22,000	16,497	(5,503)	75%
KNME-TV	1,030,800	773,100	(257,700)	75%
Land Grant Studies Program	30,400	22,797	(7,603)	75%
N. M. Historical Review	46,700	35,028	(11,672)	75%
Small Business Innovation & Research Outreach	125,000	93,753	(31,247)	75%
Southwest Indian Law Clinic	166,500	124,875	(41,625)	75%
Spanish Colonial Research Center (SW Research Ctr)	115,460	86,598	(28,862)	75%
Spanish Resource Center	39,205	29,403	(9,802)	75%
Substance Abuse Program	134,600	100,953	(33,647)	75%
Wildlife Law Education	68,200	51,147	(17,053)	75%
Other	100,000	74,997	(25,003)	75%
Total State Special Project Appropriations	3,234,760	2,426,067	(783,690)	75%
Total Public Service Appropriations	3,234,760	2,426,067	(783,690)	75%

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
 For the nine month ended period March 31, 2013
 Preliminary and Unaudited

Detail of State/Local Appropriations
Branch Campuses - Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 75%
Instruction and General				
Instruction & General Appropriations				
Gallup	8,703,700	6,527,772	(2,175,928)	75%
Los Alamos	1,783,500	1,337,625	(445,875)	75%
Valencia	5,032,100	3,774,078	(1,258,022)	75%
Taos	3,036,600	2,277,450	(759,150)	75%
Total Instruction & General Appropriations	18,555,900	13,916,925	(4,638,975)	75%
Mill Levy				
McKinley County	2,000,000	1,500,000	(500,000)	75%
Los Alamos County	647,700	485,775	(161,925)	75%
Valencia County	2,502,300	1,876,725	(625,575)	75%
Taos County	1,517,100	1,137,825	(379,275)	75%
Total Mill Levy	6,667,100	5,000,325	(1,666,775)	75%
Total Branch Appropriations	25,223,000	18,917,250	(6,305,750)	75%

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
For the nine month ended period March 31, 2013
Preliminary and Unaudited

Detail of State/Local Appropriations
Health Sciences Center - Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 75%
Instruction and General				
Instruction & General Appropriations	58,958,700	44,094,572	(14,864,128)	75%
Tobacco Settlement Appropriations				
Instruction & General	607,800	455,350	(152,450)	75%
Pediatric Specialty Education	261,400	196,300	(65,100)	75%
Trauma Specialty Education	261,400	196,300	(65,100)	75%
Total Tobacco Settlement Appropriations	1,130,600	847,950	(282,650)	75%
Total Instruction and General Appropriations	60,089,300	44,942,522	(15,146,778)	75%
Research				
State Special Project Appropriations				
Cancer Center	2,586,200	1,939,653	(646,547)	75%
Hepatitis C, Project ECHO	966,900	725,175	(241,725)	75%
Total State Special Project Appropriations	3,553,100	2,664,828	(888,272)	75%
Tobacco Settlement Appropriations				
Genomics, Biocomputing, Environmental Health	979,800	734,850	(244,950)	75%
Total Tobacco Settlement Appropriations	979,800	734,850	(244,950)	75%
Cigarette Tax Appropriations	3,296,108	2,954,763	(341,345)	90%
Total Research Appropriations	7,829,008	6,354,441	(1,474,567)	81%
Public Service				
State Special Project Appropriations				
Center for Native American Health	266,200	199,647	(66,553)	75%
Total State Special Project Appropriations	266,200	199,647	(66,553)	75%
Total Public Service Appropriations	266,200	199,647	(66,553)	75%
Clinical Operations				
State Special Project Appropriations				
Newborn Intensive Care Unit	3,186,800	2,390,115	(796,685)	75%
Office of the Medical Investigator	4,445,700	3,334,550	(1,111,150)	75%
Pediatric Oncology	1,155,800	868,853	(286,947)	75%
Poison and Drug Info Center	1,484,600	1,113,453	(371,147)	75%
UNM Hospitals	12,966,000	9,877,948	(3,088,052)	76%
Total State Special Project Appropriations	23,238,900	17,582,919	(5,655,981)	76%
Tobacco Settlement Appropriations				
Pediatric Oncology	261,400	196,043	(65,357)	75%
Poison and Drug Info Center	590,300	442,720	(147,580)	75%
Total Tobacco Settlement Appropriations	851,700	638,763	(212,937)	75%
Total Clinical Operations Appropriations	24,090,600	18,221,682	(5,868,918)	76%

University of New Mexico
 Instruction and General by Organization Level 3
 For the nine month period ended March 31, 2013
 Preliminary and Unaudited

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)
Instruction, Academic and Student Support Services												
AAC UNM West and Branch Initiatives	1,591,599	21,200	3,629	1,616,428	179,387	151,842	763	102,389	214,457	648,838	957,589	40.14%
ABA Provost Administrative Units	14,521,286	(88,917)	64,854	14,497,223	1,210,644	4,027,727	1,564,911	205,188	(71,627)	6,336,843	7,560,390	47.85%
ABB University College	2,210,800	23,062	1,612	2,235,474	1,235,976	470,402	64,709	5,031	231,859	2,007,988	227,486	89.82%
ABC School of Public Administration	907,650	0	1,105	908,755	656,331	106,417	45,807	21,585	86,395	856,536	12,200	98.66%
ABD VP for Equity & Inclusion	1,042,175	(1,528)	57	1,040,704	153,262	327,757	102,742	0	75,099	658,861	391,843	63.31%
ABE VP Division of Enrollment Mgmt	5,970,003	(170,000)	93,509	5,893,512	122,600	3,321,810	149,882	0	609,909	4,404,201	1,489,311	74.73%
ABG College of Fine Arts	10,820,857	43,121	100,015	10,963,993	5,743,581	1,819,522	722,246	310,642	1,314,204	9,190,195	1,053,799	90.39%
ABH College of Arts Sciences	52,825,523	(2,294,262)	36,445	50,567,707	29,266,162	5,942,096	7,933,896	2,310,961	2,613,916	48,067,031	2,500,676	95.05%
ABI Anderson Schools of Management	9,914,946	(13,065)	0	9,901,781	6,450,850	1,257,829	628,823	350,561	928,794	9,616,857	284,924	97.12%
ABJ College of Education	13,249,303	(625,262)	43,875	12,667,916	7,427,963	2,104,040	916,885	275,436	1,123,668	11,847,992	819,925	93.53%
ABK School of Engineering	14,142,996	(261,661)	8,661	13,889,996	8,145,573	1,689,040	840,712	186,286	608,098	11,449,708	2,440,288	82.43%
ABL School of Law	8,903,471	(39,786)	33,595	8,897,280	3,995,346	1,582,355	180,941	1,045	1,271,121	6,966,768	1,910,512	78.53%
ABM School of Architecture Planning	3,376,969	(48,460)	43,501	3,372,011	2,218,398	359,614	212,169	33,827	323,888	3,147,895	224,116	93.35%
ABN University Libraries	13,439,270	(16,571)	250,552	13,673,251	2,251,284	3,110,829	377,550	6,349	5,276,714	11,022,725	2,650,527	80.62%
ABO Continuing Education	2,707,497	(178,226)	86,903	2,616,174	1,138,298	849,870	90,518	58,368	859,675	2,996,728	(380,554)	114.55%
ABP Extended University	7,010,519	(414,609)	1,170	6,597,080	225,979	2,699,590	192,014	865,749	674,705	4,657,767	1,939,343	70.60%
ABQ VP Research & Economic Development	92,193	0	0	92,193	166,100	40,646	2,100	0	26,473	235,319	(43,126)	255.25%
ACA VP Student Affairs Administration	1,389,075	(15,264)	70,448	1,444,259	142,912	539,568	48,241	0	257,595	988,416	455,843	68.44%
ACB VP Student Affairs Indpndnt Dept	911,485	20,601	22,530	954,616	8,000	550,584	4,624	36,152	121,892	721,252	233,364	75.55%
ACC Associate VP Student Services	1,760,937	(7,150)	92,309	1,806,096	5,296	1,066,711	121,056	23,144	296,576	1,452,721	353,375	80.43%
ACD Associate VP Student Life	855,085	(50,500)	12,965	817,549	5,297	555,808	12,268	0	147,100	720,471	97,078	88.13%
Sub-Total	167,643,519	(4,117,265)	927,724	164,453,978	70,728,236	32,484,156	14,213,855	4,792,372	17,146,461	139,375,080	25,078,897	84.75%
University Support Services												
AAA President Admin Indpnt Office	4,981,518	221,311	78,070	5,280,899	653,586	2,577,399	45,551	0	1,095,369	4,372,905	907,993	82.81%
ADA EVP Administration	10,053,710	405,850	1,012,163	11,471,723	9,000	3,898,707	33,391	5,000	547,685	4,499,763	6,977,940	39.17%
ADD Controller	6,848,957	1,066,101	631,859	8,546,916	0	5,588,424	128,245	206,345	1,005,508	6,928,522	1,618,394	81.06%
ADF Human Resources	1,765,100	37,411	271,256	2,073,767	4,000	1,302,982	32,785	0	210,764	1,550,531	523,235	74.77%
ADG VP Institutional Support Services	34,527,024	(1,487,968)	229,476	33,268,532	0	7,774,563	21,607	2,369,573	16,423,833	26,589,576	6,668,956	79.95%
ADI Government & Community Relations	161,053	0	0	161,053	0	131,042	0	0	624	131,666	29,387	81.75%
ADU Information Technologies	8,212,265	269,280	14,500	8,496,045	0	441,926	4,791	0	5,994,323	6,441,040	2,055,005	75.81%
AEA VP Institutional Advancement	0	0	409	409	0	615,740	39,537	0	144,426	799,703	(799,294)	N/A
Sub-Total	66,549,627	501,985	2,237,732	69,289,345	665,586	22,330,784	305,908	2,580,919	25,423,532	51,307,728	17,981,617	74.05%
Non-Operational Monitoring Activity	8,582,214	(44,303,401)	6,473,688	(29,247,499)	0	0	0	0	(494,287)	(494,287)	(28,753,212)	
Fringe Benefit Pool	45,834,933	201,580	0	46,036,513	8,993	0	0	34,249,816	3,505	34,252,316	11,774,196	
Sub-Total	54,417,147	(44,101,822)	6,473,688	16,789,014	8,993	0	0	34,249,816	(490,781)	33,768,029	(16,979,015)	
TOTAL MAIN CAMPUS	288,610,293	(47,177,101)	9,639,144	250,532,336	71,403,814	54,824,940	14,519,763	41,623,109	42,079,211	224,450,838	26,081,499	

INTERCOLLEGIATE ATHLETICS

	(A)				(B)				(B/A)			
	Pooled Revenues	Transfers	Other Revenues	Total Revenues	Faculty Salaries	Staff Salaries	Student Salaries	Benefits	Other Expenditures	Total Expenditures	Net Revenues/ (Expenditures)	Burn Rate
Organization Level 3	682,772	275,000	0	957,772	0	345,383	0	0	499,779	845,162	122,610	87.33%
ADC Interscholastic Athletics	682,772	275,000	0	957,772	0	345,383	0	0	499,779	845,162	122,610	87.33%
TOTAL ATHLETICS												

BRANCH CAMPUSES

AGA Gallup Branch	8,835,298	(633,128)	111,979	8,314,148	3,654,008	2,430,920	93,720	26,942	2,068,743	8,274,332	39,816	99.52%
AGB Los Alamos Branch	2,174,978	(53,687)	175,705	2,296,996	1,019,883	746,743	5,189	23,952	554,426	2,351,210	(54,207)	102.36%
AGC Taos Branch	4,028,178	(207,205)	112,324	3,933,297	1,739,828	1,115,953	57,827	10,076	1,135,368	4,059,052	(125,755)	103.20%
AGD Valencia County Branch	6,289,033	(2,619,747)	91,003	3,760,289	2,158,367	1,983,338	190,160	11,249	1,215,703	5,498,817	(1,738,529)	147.41%
Sub-Total	21,297,487	(3,513,766)	494,011	18,274,730	8,572,085	6,276,955	287,906	72,219	4,974,239	20,183,404	(1,908,674)	110.44%
Fringe Benefit Pool	6,120,523	(33,897)	0	6,086,626	0	0	0	3,965,710	0	3,965,710	2,120,916	
Sub-Total	6,120,523	(33,897)	0	6,086,626	0	0	0	3,965,710	0	3,965,710	2,120,916	
TOTAL BRANCH CAMPUSES	27,418,010	(3,547,665)	494,011	24,361,356	8,572,085	6,276,955	287,906	4,037,929	4,974,239	24,149,114	212,242	

HEALTH SCIENCES CENTER

	(A)				(B)				(B/A)			
	Pooled Revenues	Transfers	Other Revenues	Total Revenues	Faculty Salaries	Staff Salaries	Student Salaries	Benefits	Other Expenditures	Total Expenditures	Net Revenues/ (Expenditures)	Burn Rate
Organization Level 3	96,404,670	(14,896,789)	495,531	82,003,412	27,475,374	21,081,248	1,515,946	2,410,901	9,787,238	62,270,708	19,932,704	75.75%
AFA VP HSC Administration	24,864,845	(9,306,589)	531,160	16,087,416	796,596	6,926,732	30,452	382,269	4,777,199	12,913,248	3,174,168	80.27%
AFB HS Library and Informatics Center	5,272,298	(4,360)	180,531	5,448,470	707,577	1,441,054	33,450	162,001	1,590,171	3,940,217	1,508,217	72.32%
AFC School of Medicine	50,648,790	(5,141,390)	32,731	45,540,131	19,624,441	10,649,867	840,694	1,187,469	2,239,738	34,542,229	10,937,902	75.85%
AFD College of Nursing	7,395,626	448,955	(100,000)	7,744,582	3,407,422	1,167,418	147,511	398,455	484,705	5,625,511	2,119,091	72.64%
AFE College of Pharmacy	8,166,054	(641,305)	(148,892)	7,375,857	2,999,339	870,177	463,839	280,687	695,400	5,249,442	2,126,415	71.17%
AFT HSC VP Research	57,057	(50,111)	0	6,946	0	0	0	0	25	25	6,920	0.36%
Sub-Total	96,404,670	(14,896,789)	495,531	82,003,412	27,475,374	21,081,248	1,515,946	2,410,901	9,787,238	62,270,708	19,932,704	75.75%
Non-Operational Monitoring Activity	(42,181,213)	16,231,290	5,850,367	(20,099,556)	0	0	0	0	577,863	577,863	(20,677,220)	
Fringe Benefit Pool	19,073,831	(8,200)	0	19,065,631	0	43,044	0	12,612,761	0	12,655,805	(6,409,805)	
Sub-Total	(23,107,382)	16,223,089	5,850,367	(1,033,926)	0	43,044	0	12,612,761	577,863	13,233,489	(14,267,414)	
TOTAL HEALTH SCIENCES CENTER	73,297,289	1,526,301	6,345,897	81,169,487	27,475,374	21,124,292	1,515,946	15,023,662	10,364,902	75,504,197	5,565,290	
GRAND TOTAL	390,018,363	(49,463,466)	16,476,053	357,030,950	107,451,274	82,571,570	16,323,616	60,684,720	57,918,131	324,949,311	32,081,639	

The University of New Mexico

Consolidated

Summary of Operating and Plant Funds (Unadjusted and Unaudited) Fiscal Year 2012-2013 as of March 31, 2013

Operating Funds	FY 2012-2013 Original Budget	FY 2012-2013 Actuals as of March 31, 2013	Percentage Earned/Spent
REVENUES			
Tuition and Mandatory Fees	\$ 169,135,756	\$ 160,014,914	94.6%
Student Fees	10,668,830	5,226,938	49.0%
Federal Appropriations	63,513,693	-	0.0%
State Appropriations	291,253,785	209,833,870	72.0%
Local Appropriations	6,667,100	5,714,949	85.7%
Endowment Income	1,402,156	-	N/A
Land & Perm Fund	8,497,632	6,318,271	74.4%
Gifts, Grants & Contracts	316,029,615	281,661,398	89.1%
Indirect Cost Recovery	41,571,600	31,258,630	75.2%
Sales & Services	333,084,834	252,522,718	75.8%
Other	51,710,785	21,906,126	42.4%
Use of Balance	33,428,778	-	0.0%
Total Revenue	\$ 1,326,964,564	\$ 974,457,814	73.4%
BEGINNING BALANCE	\$ 128,008,107	\$ 175,083,941	136.8%
TOTAL AVAILABLE	\$ 1,454,972,671	\$ 1,149,541,755	79.0%
EXPENDITURES			
Instruction	\$ 271,882,784	\$ 200,302,352	73.7%
Student Social & Cultural	9,118,237	6,020,517	66.0%
Research	189,385,067	149,761,038	79.1%
Public Service	311,483,426	228,619,494	73.4%
Academic Support	52,675,424	36,736,782	69.7%
Student Services	27,899,852	18,718,313	67.1%
Institutional Support	61,317,886	41,566,299	67.8%
Operations and maintenance of plant	53,117,154	37,364,515	70.3%
Student Aid	141,714,196	119,877,753	84.6%
Internal Services	3,105,554	-	0.0%
Auxiliary Enterprises	59,288,316	44,198,108	74.5%
Intercollegiate Athletics	33,777,291	26,023,756	77.0%
Independent Operations (clinical)	75,268,197	36,874,837	N/A
Total Expenditures	\$ 1,290,033,384	\$ 946,063,764	73.3%
Net Transfers	\$ 36,931,180	\$ 41,172,964	111.5%
TOTAL EXPENDITURES & TRANSFERS	\$ 1,326,964,564	\$ 987,236,728	74.4%
ENDING FUND BALANCE	\$ 128,008,107	\$ 162,305,027	126.8%

Plant Funds	FY 2012-2013 Original Budget	FY 2012-2013 Actuals as of March 31, 2013	Percentage Earned/Spent
REVENUES AND TRANSFERS			
Student Fees	\$ 14,737,938	\$ 14,881,180	101.0%
UNM Bond Proceeds	2,198,671	5,928,583	269.6%
Gifts, Grants and Contracts	-	907,042	N/A
Interest Income	-	1,526,151	N/A
State/Local Bonds	8,902,568	4,798,592	53.9%
Land, Bldg and Equipment Rent	2,014,808	1,354,032	67.2%
Other	15,654,701	3,812,788	24.4%
Use of Balance	57,274,092	-	N/A
Total Revenues	\$ 100,782,778	\$ 33,208,368	33.0%
Plant Transfers	45,221,718	41,172,964	91.0%
Total Revenues and Transfers	\$ 146,004,496	\$ 74,381,332	50.9%
BEGINNING BALANCE	\$ 165,670,452	\$ 167,122,332	100.9%
TOTAL AVAILABLE	\$ 311,674,948	\$ 241,503,664	77.5%
EXPENDITURES			
Capital Projects	\$ 74,603,641	\$ 43,096,620	57.8%
Building Renewal	26,059,000	18,089,496	69.4%
Equipment Renewal	9,600,000	1,497,630	15.6%
Auxiliary and Internal Service Renewal/Replacement	-	552,726	N/A
Debt Retirement	35,741,855	15,565,368	43.5%
Total Expenditures	\$ 146,004,496	\$ 78,801,840	54.0%
ENDING FUND BALANCE	\$ 165,670,452	\$ 162,701,824	N/A
CURRENT OPERATING & PLANT FUNDS	-	(17,199,422)	

The University of New Mexico

Consolidated

Comparison of Operating and Plant Funds (Unadjusted and Unaudited)

Fiscal Year 2012-2013 as of March 31, 2013

Operating Funds	FY 2012-2013 Actuals as of March 31, 2013	FY 2011-2012 Actuals as of March 31, 2012	% Variance Increase/ (Decrease)
REVENUES			
Tuition and Mandatory Fees	\$ 160,014,914	\$ 154,763,910	3.4%
Student Fees	5,226,938	4,655,195	12.3%
State Appropriations	209,833,870	198,273,179	5.8%
Local Appropriations	5,714,949	5,614,902	1.8%
Land & Perm Fund	6,318,271	6,571,651	-3.9%
Gifts, Grants & Contracts	281,661,398	278,953,588	1.0%
Indirect Cost Recovery	31,258,630	32,344,041	-3.4%
Sales & Services	252,522,718	244,175,306	3.4%
Other	21,906,126	20,490,321	6.9%
Total Revenue	\$ 974,457,814	\$ 945,842,093	3.0%
BEGINNING BALANCE	175,083,941	168,223,092	4.1%
TOTAL AVAILABLE	1,149,541,755	1,114,065,185	3.2%
EXPENDITURES			
Instruction	\$ 200,302,352	\$ 184,582,014	8.5%
Student Social & Cultural	6,020,517	5,520,848	9.1%
Research	149,761,038	148,866,308	0.6%
Public Service	228,619,494	202,409,070	12.9%
Academic Support	36,736,782	35,297,354	4.1%
Student Services	18,718,313	17,444,227	7.3%
Institutional Support	41,566,299	38,737,226	7.3%
Operations and maintenance of plant	37,364,515	35,659,967	4.8%
Student Aid	119,877,753	116,952,126	2.5%
Auxiliary Enterprises	44,198,108	40,638,538	8.8%
Intercollegiate Athletics	26,023,756	25,213,934	3.2%
Independent Operations (clinical)	36,874,837	33,428,126	10.3%
Total Expenditures	\$ 946,063,764	\$ 884,749,738	6.9%
Net Transfers	41,172,964	36,227,322	13.7%
TOTAL EXPENDITURES & TRANSFERS	\$ 987,236,728	\$ 920,977,060	7.2%
ENDING FUND BALANCE	\$ 162,305,027	\$ 193,088,125	-15.9%

Plant Funds	FY 2012-2013 Actuals as of March 31, 2013	FY 2011-2012 Actuals as of March 31, 2012	% Variance Increase/ (Decrease)
REVENUES AND TRANSFERS			
Student Fees	\$ 14,881,180	\$ 13,710,026	8.5%
UNM Bond Proceeds	5,928,583	-	N/A
Gifts, Grants and Contracts	907,042	913,670	-0.7%
Interest Income	1,526,151	1,711,969	-10.9%
State Bonds	4,798,592	3,502,264	37.0%
Land, Bldg and Equipment Rent	1,354,032	670,868	101.8%
Other	3,812,788	3,459,259	10.2%
Total Revenues	\$ 33,208,368	\$ 23,968,056	38.6%
Plant Transfers	41,172,964	36,227,322	13.7%
Total Revenues and Transfers	\$ 74,381,332	\$ 60,195,378	23.6%
BEGINNING BALANCE	167,122,332	164,936,918	1.3%
TOTAL AVAILABLE	241,503,664	225,132,296	7.3%
EXPENDITURES			
Capital Projects	\$ 43,096,620	\$ 48,382,261	-10.9%
Building Renewal	18,089,496	9,396,073	92.5%
Equipment Renewal	1,497,630	1,452,061	3.1%
Auxiliary and Internal Service Renewal/Replacement	552,726	650,182	-15.0%
Debt Retirement	15,565,368	16,978,838	-8.3%
Total Expenditures	\$ 78,801,840	\$ 76,859,415	2.5%
ENDING FUND BALANCE	\$ 162,701,824	\$ 148,272,881	9.7%
CURRENT OPERATING & PLANT FUNDS	(17,199,422)	8,200,996	

The University of New Mexico

Statement of Net Assets (Unaudited and Unadjusted) As of March 31, 2013

Assets

Current Assets

Cash and Cash Equivalents	\$ 69,282,785
Short-term Investments	292,281,250
Accounts Receivable, net	50,427,468
Patient Receivables, net	1,203,657
Notes Receivable, net	3,533,594
Due from Component Units	53,832,096
Inventories	8,770,768
Prepaid Expenses and Other Assets	8,086,367

Total Current Assets 487,417,985

Noncurrent Assets

Notes Receivable - noncurrent	\$ 8,315,480
Land Grant Permanent Fund	179,610,816
Investments	332,563,258
Derivative Instruments-interest rate swaps overlay note	1,740,963
Due From Component Units	27,630,432
Other noncurrent assets	1,097,149
Endowed fine art	6,010,272
Capital assets, net	967,521,262

Total Noncurrent Assets 1,524,489,632

Total Assets 2,011,907,617

Deferred Outflows of Resources

Deferred Bond Issuance Costs	-
Deferred Outflow of Resources-interest rate swaps	15,875,820

Total Deferred Outflows of Resources 15,875,820

Liabilities

Current Liabilities

Accounts Payable	\$ 61,089,275
Accrued Compensated Absences	25,476,062
Other Payables	16,448,926
Unearned Revenue	23,176,050
Bonds Payable - current	13,289,310
Deposits and Funds Held for Others	9,071,784

Total Current Liabilities 148,551,407

Noncurrent Liabilities

Bonds Payable - noncurrent	\$ 417,116,239
Equipment Loaned to UNM	4,134,470
Due to Component Units	161,209,621
Student Loan Program	12,928,134
OPEB Obligation	25,379,000
Derivative Instruments-interest Rate Swaps	15,875,820
Annuities Payable	288,848

Total Noncurrent Liabilities 636,932,132

Total Liabilities 785,483,539

Net Position

Invested in Capital Assets, net of Related Debt \$ 487,071,119

Restricted for:

Nonexpendable:

Scholarships	98,808,840
Land Grant Permanent Fund	165,888,093
Grants, Bequests and Contributions	6,010,272

Expendable:

Scholarships and other	2,742,630
Grants, Bequests and Contributions	5,026,578
Capital Projects	809,748
Debt Service	20,661,105

Unrestricted 472,480,935

Year-to-date change in net assets \$ (17,199,422)

Total Net Position \$ 1,242,299,898

The University of New Mexico

Cash Flow

(Unaudited and Unadjusted)

For the nine months ended March 31, 2013

Cash flow from operating activities:

Payments from tuition and fees	\$	171,699,020
Payments from grants and contracts		314,558,324
Payments from insurance and patients		164,310,100
Payments to suppliers		(270,014,959)
Payments for utilities		(17,734,211)
Payments to employees		(463,889,605)
Payments for benefits		(122,849,431)
Payments for scholarships and fellowships		(123,797,086)
Loans issued to students and employees		(1,998,593)
Collection of loans from students and employees		2,085,090
Payments from sales and services		80,763,004
Other receipts		28,133,084
Net cash used by operating activities	\$	<u>(238,735,263)</u>

Cash flow from noncapital financing activities:

State appropriations	\$	209,891,894
Local appropriations		5,714,949
Other non operating payments		29,071,041
Net cash provided by noncapital financing activities	\$	<u>244,677,884</u>

Cash flow from capital financing activities:

Interest pmts on bonds	\$	(10,554,201)
Capital gifts & grants		6,613,286
Capital Asset activity, net		(406,008)
Other payments		(20,671,076)
Net cash used by capital financing activities	\$	<u>(25,017,999)</u>

Cash flow from investing activities:

Proceeds from sale & maturity of investments	\$	74,195,566
Purchase of investments		(114,332,422)
Investment income		22,923,326
Net cash used by investing activities	\$	<u>(17,213,530)</u>

Net decrease from cash and cash equivalents	\$	(36,288,908)
Cash and cash equivalents at beginning of year		105,571,693
Cash and cash equivalents end of the second quarter	\$	<u>69,282,785</u>

Organization Level 3	FY 2013 YTD		Ga Ta Pa Pa	FY 2013 YTD		FY 2013 YTD		FY 2013 YTD Compensation Total	% of FY 2013 YTD Total	FY 2013 Full Year Compensation Original Budget	Benchmark		FY 2013 YTD Total	FY 2012 Full Year Compensation Actual at 6/30/2012	FY 2013 YTD Total	
	Faculty Compensation	Staff Compensation		Salaries	Household Staff	Student Employment	Workstudy				Student Compensation	to FY 2013 Total				to FY 2012 Total
Instruction, Academic and Student Support Services (Main & Branches)																
Anderson Schools of Management ASM																
Assoc. VP Student Life (ACD)	6,835,178	1,359,984	568,919	-	103,204	3,239	675,363	8,670,625	4.55%	10,450,167	84.81%	10,116,116	87.69%		87.69%	
Associate VP Student Services	7,950	4,254,466	54,040	-	1,050,907	49,353	1,194,300	5,456,746	2.80%	7,070,907	77.08%	6,971,413	78.27%		78.27%	
College of Arts Sciences A S	5,295	1,502,991	42,070	-	584,331	29,778	666,180	2,164,465	1.11%	2,744,466	78.87%	2,792,966	77.50%		77.50%	
College of Education COE	29,959,958	6,639,640	7,878,658	251,823	380,548	99,992	8,597,831	45,217,428	23.20%	51,039,929	88.59%	53,766,752	84.10%		84.10%	
College of Fine Arts CFA	7,574,361	2,435,491	849,402	-	56,723	13,580	1,036,014	13,045,986	5.67%	13,576,166	81.36%	13,708,659	80.59%		80.59%	
Continuing Education Cont Ed	5,903,366	1,989,392	644,834	-	150,700	47,613	843,147	8,704,905	4.47%	9,853,958	88.54%	10,543,504	82.56%		82.56%	
Extended University ExL Univ	1,158,701	1,084,341	39,090	-	49,785	2,664	91,530	2,334,571	1.20%	5,110,364	45.68%	3,191,427	73.15%		73.15%	
Gallop Branch	225,979	2,699,590	75,041	-	105,127	11,845	162,014	3,117,562	1.60%	4,350,249	71.65%	3,910,299	79.73%		79.73%	
LosAlamos Branch	3,654,008	2,513,302	4,290	-	56,943	37,004	98,137	6,256,446	3.21%	8,274,986	76.72%	7,875,517	79.55%		79.55%	
LosAlamos Administrative Units	1,019,883	795,994	1,390,961	-	2,473	3,727	6,199	1,822,017	0.93%	2,483,511	73.36%	2,229,037	81.74%		81.74%	
Presect Administrative Units	1,323,272	5,892,912	182,732	-	437,282	87,831	1,901,073	9,117,257	4.63%	11,155,792	81.73%	10,390,316	87.75%		87.75%	
School of Architecture Planning	2,305,831	385,311	1,079,666	35,453	48,959	5,786	217,486	2,908,628	1.49%	3,288,771	88.44%	3,405,588	85.41%		85.41%	
School of Engineering	8,539,761	1,994,166	-	-	298,811	6,623	1,423,552	11,957,480	6.13%	14,841,249	80.57%	14,433,987	82.84%		82.84%	
School of Law LAW	4,360,474	2,227,215	36,108	-	177,808	16,902	194,711	6,782,389	3.48%	8,885,911	76.50%	8,077,900	83.96%		83.96%	
School of Public Administration	635,331	106,417	-	-	9,949	750	46,807	788,555	0.40%	966,430	81.59%	956,555	82.44%		82.44%	
Texas Branch	1,752,406	1,226,158	-	-	50,300	41,938	92,238	3,070,802	1.58%	3,673,239	83.60%	3,802,339	80.76%		80.76%	
University College UC	1,284,542	471,322	39,417	-	26,887	4,857	71,171	1,827,035	0.94%	2,075,221	88.04%	2,266,487	80.54%		80.54%	
University Libraries	2,479,061	3,204,081	207,044	-	238,770	100,728	546,542	6,229,684	3.20%	8,237,584	75.63%	7,537,177	82.20%		82.20%	
UNM West and Branch Initiatives	151,842	151,842	-	-	763	-	763	331,991	0.17%	437,066	75.96%	476,058	69.74%		69.74%	
Valencia County Branch	2,158,367	2,159,707	16,475	-	73,045	59,577	149,096	4,457,170	2.29%	6,049,632	73.84%	5,504,455	81.98%		81.98%	
VP Division of Enrollment Mgmt	122,600	3,321,810	16,164	-	110,081	38,859	155,106	3,609,515	1.85%	4,937,536	73.10%	4,746,282	76.05%		76.05%	
VP for Equity & Inclusion	153,262	361,424	19,538	-	54,057	26,883	181,702	696,388	0.36%	917,179	72.49%	1,001,338	69.55%		69.55%	
VP Resrcn & Econ Devlpmt	854,251	2,423,128	72,530	-	87,560	2,720	160,342	3,437,721	1.76%	4,742,224	72.49%	4,231,004	81.25%		81.25%	
VP Student Affairs Administration	143,997	548,590	35,208	-	35,296	6,167	76,672	769,258	0.39%	1,223,408	62.88%	1,034,666	74.35%		74.35%	
VP Student Affairs Indprnt Depl ID	34,231	3,540,430	1,334	-	242,851	15,268	259,464	3,834,125	1.97%	4,922,692	77.89%	4,833,093	79.33%		79.33%	
Sub-Total Instruction, Academic and Student Support Services (Main & Branches)	82,671,480	53,288,542	13,203,822	498,031	4,453,100	712,486	13,867,439	154,827,580	79.42%	191,305,811	80.93%	187,804,458	82.44%		82.44%	
University Support Services (Main & Branches)																
Controller	-	6,283,609	-	-	-	8,990	131,886	6,415,495	3.29%	7,937,382	80.83%	8,055,197	79.64%		79.64%	
EVP Administration	17,993	4,078,833	-	-	122,896	1,455	33,937	4,130,217	2.12%	5,177,906	72.11%	5,740,157	71.95%		71.95%	
Government & Community Relations	-	178,669	-	-	31,936	3,834	3,834	182,503	0.09%	199,247	91.60%	203,699	89.59%		89.59%	
Human Resources HR	4,000	1,302,982	-	-	21,602	766	32,785	1,339,767	0.69%	1,611,930	83.12%	1,596,966	83.99%		83.99%	
Information Technology Services	-	441,926	-	-	4,791	-	4,791	446,718	0.23%	709,825	62.93%	515,922	72.53%		72.53%	
President Admin Indprnt Office	663,720	2,695,305	-	-	42,912	2,639	45,551	3,394,576	1.74%	4,175,998	81.28%	3,867,798	87.99%		87.99%	
VP Institutional Adv College	-	615,740	-	-	39,537	-	39,537	655,277	0.34%	891,369	74.35%	866,714	76.49%		76.49%	
VP Institutional Support Services	1,146	13,825,416	-	-	575,783	11,994	587,777	14,414,338	7.39%	19,882,566	72.57%	18,665,787	77.14%		77.14%	
Sub-Total University Support Services (Main & Branches)	676,858	29,422,480	-	10,417	843,281	25,845	879,532	30,978,890	15.89%	41,106,153	75.38%	39,512,241	78.21%		78.21%	
Intercollegiate Athletics																
Intercollegiate Athletics	34,650	8,821,622	144,276	-	123,775	11,604	279,654	9,136,926	4.69%	10,441,532	87.50%	12,284,672	74.49%		74.49%	
Sub-Total Intercollegiate Athletics	34,650	8,821,622	144,276	-	123,775	11,604	279,654	9,136,926	4.69%	10,441,532	87.50%	12,284,672	74.49%		74.49%	
TOTAL Compensation (Main, Branches and Athletics)	83,382,988	91,532,744	13,348,098	508,447	5,420,166	749,935	20,026,645	194,942,377	100.00%	242,853,496	80.27%	239,681,371	81.33%		81.33%	

University of New Mexico
 Compensation Analysis by Organization Level 3
 For the nine month period ended March 31, 2013
 Preliminary and Unaudited

Organization Level 3	FY 2013 YTD		FY 2013 YTD		Ga Ta Ra Pa Salaries	Housestaff Salaries	Student Employment	Workstudy	FY 2013 YTD		FY 2013 YTD Total Compensation	% of FY 2013 YTD Total	FY 2013 Full Year Compensation Original Budget	Benchmark (75%) FY 2013 YTD Total Compensation to FY 2013 Total Budget	FY 2012 Full Year Compensation Actual at 6/30/2012	FY 2013 YTD Total Compensation to FY 2012 Full Year Actual
	Faculty Compensation	Staff Compensation	Student Compensation	Faculty Compensation					Student Compensation							
Health Sciences Center																
College of Nursing	4,212,975	1,237,407			121,879	-	24,704	1,306	147,889	5,598,270	2.86%	7,231,123	77.42%	5,921,164	94.55%	
College of Pharmacy	3,639,921	1,842,141			257,428	145,179	61,778	4,664	469,049	6,005,111	3.06%	7,915,436	75.87%	6,884,612	89.83%	
HS Library and Informatics Center	710,977	1,568,913			-	-	25,964	7,486	33,450	2,413,340	1.23%	3,434,608	70.27%	3,873,024	71.55%	
School of Medicine	109,418,328	36,776,092			800,497	21,739,452	622,697	33,606	23,196,252	168,392,672	86.36%	219,781,292	77.07%	207,317,359	81.71%	
VP HSC Administration	2,818,136	8,294,160			15,055	-	57,488	(158)	72,395	11,184,691	5.70%	14,676,505	76.21%	13,562,983	82.46%	
HSC VP Research	367,119	1,126,743			-	32,471	20,655	53,126	1,546,988	0.79%	2,777,857	55.69%	1,917,626	80.67%		
	121,227,455	50,947,456			1,194,869	21,917,102	813,287	46,903	23,972,161	196,141,072	100.00%	253,816,921	76.67%	238,776,688	82.14%	
Sponsored Programs																
	25,956,722	32,427,572			10,026,476	4,237,409	2,107,484	2,494,699	18,926,667	77,310,362		124,063,327		105,019,711		
TOTAL Compensation (Main, Branches, Athletics, HSC and Sponsored Programs)																
	230,561,165	174,907,772			24,569,442	26,722,958	8,340,937	3,291,537	62,924,873	468,393,811		622,733,644		584,477,850		

**APPROVAL OF ARCHITECT SELECTION for
NORTH GOLF COURSE RENOVATION
UNIVERSITY OF NEW MEXICO
May 14, 2013**

RECOMMENDED ACTION:

As required by Section 7.11 of the Regents Policy Manual, it is recommended that the Board of Regents approve the selection of the following architectural design firm to provide professional services to renovate the North Golf Course. Project approval will be requested at a future meeting of the Board of Regents.

Recommended Firm: Sites Southwest, Albuquerque, NM

PROJECT DESCRIPTION:

The project consists of improvements to the North Golf Course and public trail system, including renovation of:

1. The irrigation system;
2. Minor changes to the fairway tee and green layouts as needed; and
3. Improvements to the public trail (both walking paths and landscape).

The original irrigation system was built in the 1940's and although it has received some repairs and maintenance, is operating at approximately twenty percent efficiency. The University will see substantial water conservation with this new system. The public trail renovation will provide a safer and more effective path around the golf course. Trees are being maintained due to safety concerns as well as to allow sunlight in to better support the turf growth.

RATIONALE:

1. The recommendation is based on a two-stage, consultant qualification and fee based selection process in accordance with State of NM Procurement Regulations.
2. On April 1, 2013, the selection committee evaluated three written proposals. Of those, three firms were selected to make oral presentations on April 5, 2013. The finalists are listed below in order of their ranking following the presentations:
 - a. Sites Southwest \$ ~~112,680~~ \$101,175
 - b. Morrow Reardon Wilkinson Miller \$130,675
 - c. William S. Perkins, ASLA \$68,740The fee is based upon architect hours, sub-consultant hours and reimbursable costs.
3. The selection criteria for Capacity and Capability included: the firm's approach to providing the required services; detail of their capacity and capability to perform work of the nature and scope of the project; specialized services they would offer; and techniques to assure milestones were met.
4. Sites Southwest is recognized as a leader in green infrastructure and low impact development, and is partnering with Staples Golf, who will address the irrigation design for energy and water efficiency with a realistic plan for cost-effective long term management. Staples is a nationally-known leader in sustainable practices for golf course design and

irrigation. The team includes an arborist as well as a trained public facilitator, who will be of assistance in neighborhood presentations.

5. The Sites Southwest team met the evaluation criteria with their technical knowledge and expertise, past projects with similar budget and scope, approach to the design schedule, their inclusion of the arborist and public involvement specialists, their demonstrated ability to meet schedule requirements and their sustainable approach to golf course irrigation design.
6. The selection committee included: Lisa Marbury, *Strategic Planner, Institutional Support Services*; Gary Smith, *Associate Director, Environmental Services, Physical Plant Department*; Maria Dion, *Group Manager, Office of Capital Projects*; Suzanne Mortier, *Landscape Architect, Planning and Campus Development*; Adam Roybal, *Manager, Business Services, Golf Course Championship*.

FUNDING:

The total estimated Project Budget is \$1,500,000:

- \$1,500,000 is funded entirely by Bernalillo County Open Space Funds



Office of Planning, Budget & Analysis

MEMORANDUM

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

THRU: Robert G. Frank, President
David W. Harris, EVP for Administration, COO and CFO

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

DATE: April 24, 2013

SUBJECT: Approval of Resolution: Refunding of UNM Revenues Bonds – Series 2003

Attached please find the following three documents related to the proposed refunding of UNM Series 2003A, 2003B and 2003C bonds:

- First Southwest Company's Financial Analysis
- Financing Schedule
- Resolution of the Regents of the University of New Mexico – Subordinate Lien System Refunding Revenue Bonds Series 2003

As part of an ongoing evaluation process, the Office of Planning, Budget & Analysis (OPBA) and the University's Financial Advisor, First Southwest Company, monitor refunding opportunities associated with various university bond issues. Even though interest rates have remained at historically low levels for several years now, refunding opportunities on many of the university's outstanding bonds have not met the fiscal threshold of a present value savings of at least 3% due to the fact that the issues have not been callable within a reasonable time period. With a call date of 6/1/2013, this is no longer the case with the Series 2003A, 2003B and 2003C System Revenue Bonds.

As a reminder, negative arbitrage detracts from potential savings – it is the opportunity cost associated with refunding bonds prior to their agreed upon call date as contained in the bond indenture. With the ability to move forward with a "current" refunding of the Series 2003 bonds, the refunding of these issues now at current low market rates provides a significant amount of debt service savings.

More specifically, as the attached analysis depicts, Net Present Value Savings are currently estimated at \$2.489M or 13.84%, representing an attractive savings opportunity. With your approval, the administration will proceed with the development of a Parameters Resolution for the Series 2003 bonds for approval of the full Board of Regents during their May 14, 2013 meeting. Thank you for your consideration.

University of New Mexico



Possible Refunding of Series 2003A, 2003B
and 2003C Bonds

Prepared by: FirstSouthwest 

Summary

Refunding (refinancing) of \$17.985 million callable amount of the Series 2003A, 2003B and 2003C bond issues offers a potentially attractive savings opportunity.

It is recommended that refunding proceed if present value savings of approximately \$1.5 million or greater can be achieved.

Summary of Refundable Bonds

Subordinate Lien System Improvement Revenue Bonds, Series 2003A

Maturity Date	Interest Rate	Par Amount
6/1/2014	5.250%	\$ 1,135,000.00
6/1/2015	5.250%	1,195,000.00
6/1/2016	5.250%	1,265,000.00
6/1/2017	5.250%	1,325,000.00
6/1/2018	5.250%	3,560,000.00
		<u>\$ 8,480,000.00</u>

Subordinate Lien System Improvement Revenue Bonds, Series 2003B

Maturity Date	Interest Rate	Par Amount
6/1/2024	4.600%	\$ 150,000.00
6/1/2025	4.600%	500,000.00
6/1/2026	4.600%	525,000.00
6/1/2027	4.600%	550,000.00
6/1/2028	4.600%	575,000.00
6/1/2029	4.500%	600,000.00
6/1/2030	4.500%	630,000.00
6/1/2031	4.500%	655,000.00
6/1/2032	4.500%	685,000.00
6/1/2033	4.500%	715,000.00
		<u>\$ 5,585,000.00</u>

Summary of Refundable Bonds – cont'd

Subordinate Lien System Improvement Revenue Bonds, (Taxable) Series 2003C

Maturity Date	Interest Rate	Par Amount
6/1/2014	5.100%	\$ 285,000.00
6/1/2015	5.100%	295,000.00
6/1/2016	5.100%	310,000.00
6/1/2017	5.100%	330,000.00
6/1/2018	5.100%	345,000.00
6/1/2019	5.625%	365,000.00
6/1/2020	5.625%	385,000.00
6/1/2021	5.625%	405,000.00
6/1/2022	5.625%	425,000.00
6/1/2023	5.625%	450,000.00
6/1/2024	5.625%	325,000.00
		<u>\$ 3,920,000.00</u>
		<u>\$ 17,985,000.00</u>

All maturities are redeemable at par beginning June 1, 2013

Prospective Savings

Subordinate Lien System Improvement Revenue Refunding Bonds, Series 2013 and Taxable Series 2013A

Date	Earnings on				Refunding Debt	Savings *
	Prior Debt Service	Prior Reserve Fund	Prior Net Cash Flow	Service		
6/30/2014	\$ 2,331,108.76	\$ 97,275.06	\$ 2,233,833.70	\$ 2,232,372.45	\$	1,461.25
6/30/2015	2,326,986.26	97,275.06	2,229,711.20	2,041,708.76		188,002.44
6/30/2016	2,334,203.76	97,275.06	2,236,928.70	2,048,985.26		187,943.44
6/30/2017	2,331,981.26	97,275.06	2,234,706.20	2,044,962.26		189,743.94
6/30/2018	4,495,588.76	97,275.06	4,398,313.70	4,209,444.26		188,869.44
6/30/2019	751,093.76		751,093.76	625,099.26		125,994.50
6/30/2020	750,562.50		750,562.50	627,531.26		123,031.24
6/30/2021	748,906.26		748,906.26	623,687.26		125,219.00
6/30/2022	746,125.00		746,125.00	623,719.26		122,405.74
6/30/2023	747,218.76		747,218.76	622,617.26		124,601.50
6/30/2024	746,906.26		746,906.26	560,573.76		186,332.50
6/30/2025	746,725.00		746,725.00	558,968.76		187,756.24
6/30/2026	748,725.00		748,725.00	561,218.76		187,506.24
6/30/2027	749,575.00		749,575.00	563,018.76		186,556.24
6/30/2028	749,275.00		749,275.00	559,368.76		189,906.24
6/30/2029	747,825.00		747,825.00	560,418.76		187,406.24
6/30/2030	750,825.00		750,825.00	561,018.76		189,806.24
6/30/2031	747,475.00		747,475.00	560,550.00		186,925.00
6/30/2032	748,000.00		748,000.00	559,612.50		188,387.50
6/30/2033	747,175.00		747,175.00	557,550.00		189,625.00
	\$ 25,046,281.34	\$ 486,375.30	\$ 24,559,906.04	\$ 21,302,426.11	\$	3,257,479.93

Net Present Values Savings \$ **2,489,115.97**

Amount of Refunded Bonds \$ **17,985,000.00**

Present Value Savings as % of Refunded Amount 13.84%

Savings Sensitivity

Refund Series 2003A, 2003B and 2003C

Change in Interest Rates	Net Present Value Savings	Refunded PV Savings %
0.50%	\$ 1,804,621	10.03%
0.40%	1,938,745	10.78%
0.30%	2,073,610	11.53%
0.20%	2,211,058	12.29%
0.10%	2,349,234	13.06%
0.00%	2,489,116	13.84%
-0.10%	2,629,729	14.62%
-0.20%	2,773,530	15.42%
-0.30%	2,917,261	16.22%

Timetable of Events

Friday, May 3, 2013	Regents consider and adopt Parameters Resolution
Wednesday, June 12, 2013	Higher Education Department Meeting – Approval of Bond Issue
Tuesday, July 16, 2013	State Board of Finance meeting - Adoption of SBOF Parameters Resolution
Tuesday, August 13, 2013	Regents meeting (regular scheduled meeting date) – adopt Pricing Resolution and approve sale. Marketing and pricing of refunding bond issue to occur on the preceding day.

THE UNIVERSITY OF NEW MEXICO
Refunding Revenue Bonds, Series 2013

FINANCING SCHEDULE

APRIL 2013						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May 2013						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JUNE 2013						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

JULY 2013						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST 2013						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

SEPTEMBER 2013						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

DATE	ACTION	RESPONSIBLE PARTIES
Wednesday, April 24, 2013	Deadline for material for Finance and Facilities Committee Meeting on May 3, 2013	First Southwest Modrall

DATE	ACTION	RESPONSIBLE PARTIES
Wednesday, April 24, 2013	Circulate proposed Authorizing Resolution, Finance Schedule and Finance Plan	Modrall First Southwest
Wednesday, May 1, 2013	Agenda deadline for Regents May 14 th meeting	UNM Modrall First Southwest
Friday, May 3, 2013 9:00 a.m.	Finance and Facilities Committee meets to discuss Finance Plan and Schedule	First Southwest Modrall UNM
Friday, May 10, 2013	Circulate First Draft of Preliminary Official Statement and Bond Purchase Agreement	Brownstein
Friday, May 10, 2013	Comments on Authorizing Resolution	All
Tuesday, May 13, 2013	Higher Education Department Agenda Deadline	UNM Modrall First Southwest Brownstein
Tuesday, May 14, 2013	Regents meeting to consider and adopt Authorizing Resolution	All
Thursday, May 16, 2013 9:00 a.m.	Deliver Notice of Adoption of Authorizing Resolution to <i>Albuquerque Journal</i> for publication	Modrall
Saturday, May 18, 2013	Publish Notice of Adoption of Authorizing Resolution	Newspaper
Thursday, May 30, 2013	Comments due on Preliminary Official Statement and Bond Purchase Agreement	All

DATE	ACTION	RESPONSIBLE PARTIES
Monday, June 3, 2013	Circulate Draft of Sale Resolution, Second Drafts of Preliminary Official Statement and Bond Purchase Agreement	Modrall Brownstein
Wednesday, June 12, 2013	Obtain approval of Higher Education Department for proposed Bond Issue	UNM Modrall First Southwest
Thursday, June 20, 2013	30-day Limitation of Action Period Expires	UNM Modrall
Tuesday, June 25, 2013	State Board of Finance Agenda Deadline	UNM Modrall First Southwest
Wednesday, July 3, 2013	All Hands Document and Due Diligence Meeting/Conference Call; Comments due on Sale Resolution and Draft of Preliminary Official Statement	All
Tuesday, July 16, 2013	State Board of Finance meets to adopt State Board of Finance Parameters Resolution	UNM Modrall First Southwest
Wednesday, July 17, 2013	Distribute Revised Sale Resolution, Preliminary Official Statement, Bond Purchase Agreement and Related Documents to Working Group	Modrall Brownstein UNM
Wednesday, July 24, 2013	Final Sign-off Call on Preliminary Official Statement	All
Thursday, July 25, 2013	Posting of Preliminary Official Statement	Brownstein First Southwest

DATE	ACTION	RESPONSIBLE PARTIES
Wednesday, July 31, 2013	Agenda deadline for Regents August 13 th meeting	UNM Modrall First Southwest
Monday, August 12, 2013	Pricing/Marketing of Bonds	First Southwest GK Baum RBC
Tuesday, August 13, 2013	Regents meeting to adopt Sale Resolution, sign Bond Purchase Agreement and approve Related Documents	All
Wednesday, August 14, 2013	Report Sale Results and Request Letter of Confirmation from State Board of Finance Staff	Modrall
Wednesday, August 14, 2013 9:00 a.m.	Deliver Notice of Adoption of Sale Resolution to <i>Albuquerque Journal</i> for publication	Modrall
Wednesday, August 14, 2013	Circulate Draft of Official Statement	Brownstein
Thursday, August 15, 2013	Circulate Drafts of Closing Documents	Modrall
Saturday, August 17, 2017	Publish Notice of Adoption of Sale Resolution	Modrall
Tuesday, August 20, 2013	Comments due on Official Statement and Closing Documents	All
Wednesday, August 21, 2013	Print Official Statement	Brownstein
Wednesday, August 21, 2013	Receive Letter of Confirmation from State Board of Finance Staff	Modrall

DATE	ACTION	RESPONSIBLE PARTIES
Thursday, August 22, 2013	Signing of Closing Documents by UNM Regents and Officials	UNM Modrall
Friday, August 23, 2013	Deliver Bonds to Registrar/Paying Agent for DTC FAST Closing	Modrall
Monday, August 26, 2016	Pre-Closing at Modrall offices	All
Tuesday, August 27, 2013	Closing (Telephonic)	All

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RESOLUTION

of

THE REGENTS OF THE UNIVERSITY OF NEW MEXICO

Authorizing the Issuance of its:

Not to Exceed \$18,500,000
The Regents of the University of New Mexico
Subordinate Lien System Refunding Revenue Bonds
Series 2013

Dated May 14, 2013

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CERTIFICATE AS TO RESOLUTION

I, the duly qualified and acting Secretary and Treasurer of The Regents of the University of New Mexico, hereby certify that attached hereto is a true and correct copy of a resolution duly adopted by The Regents of the University of New Mexico at a regular meeting thereof held on May 14, 2013, notice of which was duly given and at which a quorum was present and acting throughout. I hereby certify that due and proper notice of the meeting has been given as required by Sections 10-15-1 through 10-15-4, NMSA 1978, as amended and as required by the regulations of the Regents.

I further certify that I caused to be published in the Albuquerque Journal the Notice of Resolution Authorizing Issuance of Public Securities as evidenced, by an affidavit of publication thereof attached hereto as Exhibit B.

WITNESS my hand and seal this _____ day of _____, 2013.

[SEAL]

THE REGENTS OF THE UNIVERSITY
OF NEW MEXICO

By

Secretary and Treasurer

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

The Regents of the University of New Mexico convened at the regular meeting place of the Regents in the Student Union Building (Ballroom C) at the University of New Mexico in Albuquerque, New Mexico, on May 14, 2013 at 9:00 a.m.

There were present:

Those absent:

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

Regent _____ moved that the bond resolution be adopted and Regent _____ seconded the motion.

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

AYES: _____

NAYS: _____

The bond resolution as adopted is as follows:

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

AUTHORIZING THE ISSUANCE AND SALE OF SUBORDINATE LIEN SYSTEM REFUNDING REVENUE BONDS, SERIES 2013 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$18,500,000, IN ONE OR MORE SERIES, OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO FOR THE PURPOSE OF PROVIDING FUNDS FOR THE REFUNDING OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO, SUBORDINATE LIEN SYSTEM REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 2003, ACQUIRING A RESERVE FUND INSURANCE POLICY TO FUND, OR OTHERWISE FUNDING, A RESERVE FUND FOR SUCH BONDS, AND PAYING THE COSTS OF ISSUANCE ASSOCIATED THEREWITH; PROVIDING FOR THE PLEDGE OF CERTAIN REVENUES FOR THE PAYMENT OF THE BONDS; PROVIDING FOR ENTERING INTO CERTAIN CONTRACTS AND AGREEMENTS IN CONNECTION THEREWITH; PRESCRIBING OTHER DETAILS CONCERNING SUCH BONDS AND THE BOND PROCEEDS; PROVIDING FOR THE APPROVAL AND EXECUTION OF CERTAIN DOCUMENTS OTHERWISE RELATING TO THE FOREGOING; AND PROVIDING FOR THE PUBLICATION OF NOTICE OF ADOPTION OF THIS RESOLUTION.

WHEREAS, the capitalized terms used in the following preambles are defined in Section 1.01 of this Bond Resolution, unless the context requires otherwise; and

WHEREAS, the University of New Mexico, at Albuquerque, New Mexico (the "University"), is declared to be and is confirmed as a state educational institution by Section 11 of Article XII of the Constitution of the State of New Mexico (the "State"), as amended; and

WHEREAS, the Regents of the University of New Mexico (the "Regents") are a body corporate in which is vested the management and control of the University; and

WHEREAS, the Regents are authorized, pursuant to the Act, and desire to issue the Bonds for the purpose of undertaking the Project, such Bonds to be payable from the Pledged Revenues; and

WHEREAS, the Regents have sold and delivered the 1992A Bonds, being the only outstanding Superior Lien Parity Bonds; and

WHEREAS, the Regents have sold and delivered the following Subordinate Lien Parity Bonds: the 2000B Bonds, the 2001 Bonds, the 2002B Bonds, the 2002C Bonds, the 2003A Bonds, the 2003B Bonds, the 2003C Bonds, the 2005 Bonds, the 2007A Bonds, the 2007B Bonds and the 2012 Bonds; and

WHEREAS, except for the 1992A Bonds, the 2000B Bonds, the 2001 Bonds, the 2003 Bonds, the 2002B Bonds, the 2002C Bonds, the 2003A Bonds, the 2003B Bonds, the 2003C Bonds, the 2005 Bonds, the 2007A Bonds, the 2007B Bonds, the 2012 Bonds and other obligations relating to those bonds, the Pledged Revenues are not pledged on a senior or subordinate basis to the payment of any bonds or other obligations which are presently outstanding and unpaid except as may otherwise be permitted hereby and except for lease-purchase obligations which are subject to annual appropriation by the Regents and other lease

obligations which have a subordinate claim upon the Pledged Revenues relative to the Superior Lien Parity Bonds and the Subordinate Lien Parity Bonds; and

WHEREAS, the Regents have determined to finance (a) the refunding of the 2003 Bonds; (b) the acquisition of a reserve fund insurance policy to fund or otherwise funding a debt service reserve fund for the Bonds; and (c) the funding of the costs of issuance associated therewith (collectively, the "Project") all as described on Exhibit C; and

WHEREAS, the Bonds will be issued as fixed rate bonds; and

WHEREAS, the Regents hereby determine that issuance of the Bonds for the purpose of funding the Project is necessary and desirable and to the advantage of the University, and further that the Pledged Revenues may lawfully be pledged to secure the payment of the Bonds and that it is economically feasible to defray the cost of the Project by the issuance of the Bonds and that it is necessary that the Bonds be issued in order to finance the Project; and

WHEREAS, the Regents have determined and hereby determine that the requirements established by the prior resolutions of the Regents for the issuance of the Bonds as Subordinate Lien Parity Bonds have been or will be satisfied prior to the issuance of the Bonds and that it is in the best interest of the University that the Bonds be issued as Subordinate Lien Parity Bonds; and

WHEREAS, the Regents will consider for adoption the Pricing Resolution when forms of the Related Documents have been prepared and when the final terms of the Bonds and the final scope of the Project are determined; and

WHEREAS, the Regents expect the Purchaser to offer to purchase the Bonds pursuant to the Purchase Contract upon the terms and conditions set forth therein and herein, the final terms of which will be considered in connection with the Pricing Resolution; and

WHEREAS, all required authorizations, consents or approvals of any state or city, governmental body, agency or authority in connection with the authorization, execution and issuance of the Bonds which are required to be obtained by the date of issuance of the Bonds, will be obtained prior to the date of issuance of the Bonds;

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

ARTICLE I

DEFINITIONS

As used herein the following terms shall have the following meanings unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

"*Accreted Value*" means, with respect to Capital Appreciation Bonds, if any, the amount (per \$5,000 Maturity Amount) to be set forth in the Pricing Resolution as of each June 1 or December 1, which is compounded on a semiannual basis. The Accreted Value with respect to any date other than each June 1 or December 1 shall be the amount to be set forth in the Pricing Resolution with respect to the last preceding June 1 or December 1, as the case may be, plus the portion of the difference between such amount and the amount to be set forth in the Pricing

Resolution with respect to the next June 1 or December 1, as the case may be, that the number of days (based on a 360-day year of twelve 30-day months) from such last preceding June 1 or December 1, as the case may be, to the date for which such determination is being calculated bears to the total number of days (based on a 360-day year of twelve 30-day months) from such last preceding June 1 or December 1, as the case may be, to the next succeeding June 1 or December 1, as the case may be.

"*Act*" means the general laws of the State, including Sections 6-17-1 through 6-17-19 NMSA 1978, as amended, and 6-14-1 through 6-14-12 NMSA 1978, as amended, and the enactments of the Regents relating to the issuance of the Bonds, including the Bond Resolution and the Pricing Resolution.

"*Authorized Denominations*" means \$5,000 principal amount (\$5,000 Maturity Amount with respect to the Capital Appreciation Bonds) and any integral multiple thereof.

"*Authorized Officer*" means the President and Vice President of the Regents and the following officers of the University: President, Executive Vice President for Administration, Chief Operating Officer and Chief Financial Officer, Associate Vice-President for Planning, Budget and Analysis or any other officer of the University when designated by a certificate signed by the President of the Regents from time to time, a certified copy of which shall be delivered to the Paying Agent and the Registrar.

"*Bond*" or "*Bonds*" means any Series 2013 Bond.

"*Bond Counsel*" means an attorney at law or a firm of attorneys, designated by the Regents, experienced in matters pertaining to the issuance of, and the tax-exempt nature of interest on, bonds issued by states and their political subdivisions.

"*Bond Register*" means the books maintained by the Registrar for the registration, transfer and exchange of the Bonds.

"*Bond Resolution*" means this resolution, as amended or supplemented from time to time, but only as may be permitted by this resolution.

"*Bond Value*" means, as of any date of calculation, a Bond's outstanding principal amount (or its Accreted Value, with respect to Capital Appreciation Bonds").

"*Business Day*" means any day other than (a) a Saturday or Sunday, (b) any day on which the following offices are authorized or required to remain closed: offices of the University and offices of banks located in the cities in which the principal offices of the Fiscal Agent are located or (c) a day on which the New York Stock Exchange is closed.

"*Capital Appreciation Bonds*" means any Series 2013 Bonds designated as Capital Appreciation Bonds in the Pricing Resolution and maturing on the dates to be set forth in the Pricing Resolution.

"*Closing Date*" means the date of the original issuance and delivery to the Purchaser or their designee of the Series 2013 Bonds.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Counsel*" means an attorney or a firm of attorneys admitted to practice law in the highest court of any state in the United States of America or in the District of Columbia.

"*Debt Service*" means for any particular Fiscal Year and for all series of Subordinate Lien Parity Bonds, an amount equal to the sum of (a) all interest payable during such Fiscal Year on all Outstanding Subordinate Lien Parity Bonds, plus (b) the principal installment or installments of Outstanding Subordinate Lien Parity Bonds falling due during such Fiscal Year, calculated on the assumption that Outstanding Subordinate Lien Parity Bonds on the day of calculation cease to be outstanding by reason of payment either upon maturity or by application of any scheduled sinking fund installments as provided for in resolutions now or hereafter adopted authorizing the issuance of Subordinate Lien Parity Bonds, plus (c) any net periodic payments on a notional amount required to be made by the Regents pursuant to a Qualified Exchange Agreement minus (d) any net periodic payments on a notional amount to be received by the Regents pursuant to a Qualified Exchange Agreement.

"*Debt Service Grants*" means, collectively, the aggregate of the payments received or to be received by the Regents, whether as grants or otherwise, pursuant to presently outstanding agreements of the Regents with the United States of America, or any of its agencies, within the meaning of the provisions of Section 6-17-14 NMSA 1978, as amended, which have been specifically pledged or dedicated to specific prior Superior Lien Parity Bonds or other bonds, and only if in compliance with the covenant of Section 7.09 hereof, pursuant to such agreements hereafter entered into by the Regents.

"*Depository*" means any of the following registered securities depositories: (a) The Depository Trust Company, 55 Water Street, New York, New York 10041; and (b) Philadelphia Depository Trust Company, Inc., 1900 Market Street, Philadelphia, Pennsylvania 19103, Attn: Bond Department, Fax (215) 496-5058; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other address and/or such other securities depositories as an Authorized Officer of the University may designate.

"*Eligible Investments*" means (a) Permitted Investments, (b) any money market fund whose investments are restricted to Permitted Investments, and (c) to the extent to which they are at the time legal investments for the University, any of the following:

(a) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including (i) Export-Import Bank, (ii) Farm Credit System Financial Assistance Corporation, (iii) Farmers Home Administration, (iv) General Services Administration, (v) United States Maritime Administration, (vi) Small Business Administration, (vii) Government National Mortgage Association (GNMA), (viii) United States Department of Housing and Urban Development (PHAs) and (ix) Federal Housing Administration;

(b) (i) Senior debt obligations rated "AAA" by S&P and "Aaa" by Moody's issued by (A) the Federal National Mortgage Association or (B) the Federal Home Loan Mortgage Corporation, or (ii) senior debt obligations of other government sponsored agencies approved by S&P and Moody's;

(c) United States dollar denominated deposit accounts, federal funds and bankers acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1"

by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies are not to be considered as the rating of the bank);

(d) Commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by S&P and "P-1" by Moody's and which matures not more than 270 days after the date of purchase;

(e) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by Moody's or S&P;

(f) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(i) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P and Moody's or any successors thereto; or

(ii) (A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(g) Investment agreements (supported by appropriate opinions of counsel) with notice to S&P and Moody's; and

(h) Other forms of investments (including repurchase agreements) with notice to S&P and Moody's.

The value of the above investments, which shall be determined as of the end of each month, shall be calculated as follows:

(a) As to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times), the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) As to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times, the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Regents in its absolute discretion) at the

time making a market in such investments or the bid price published by a nationally recognized pricing service;

(c) As to certificates of deposit and bankers acceptances, the face amount thereof, plus accrued interest; and

(d) As to any investment not specified above, the value thereof established by prior agreement among the Regents, the Paying Agent, S&P and Moody's.

"EMMA" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system located on its website at emma.msrb.org.

"Expenses" means the reasonable and necessary fees, costs and expenses incurred by the University or the Regents in connection with the issuance of the Bonds and the execution and delivery of the Related Documents, including, without limitation, costs of advertising and publication of the Bond Resolution, cost of printing bonds and any disclosure documents, legal fees and expenses, fees and expenses of the Fiscal Agent, the Purchaser (including underwriters discount), any premium payable to a provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond, fees and expenses of any certified public accountant or firm of certified public accountants incurred in connection with the issuance of, and disclosure matters pertaining or allocable to, the Bonds and the Project and all reasonable fees and administrative costs of the Regents or the University relating to the foregoing.

"Favorable Opinion of Bond Counsel" means an opinion or opinions of Bond Counsel, addressed to the Regents and any other party required by the Bond Resolution or a Related Document to the effect that the action proposed to be taken is authorized or permitted by the laws of the State, the Bond Resolution and applicable Related Document and will not adversely affect any exclusion from gross income for federal income tax purposes of interest on the Series 2013 Bonds, any exemption for the Series 2013 Bonds from federal or state securities laws or any protection afforded to the Series 2013 Bondowners by applicable federal bankruptcy laws, as the case may be.

"Federal Securities" means direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the United States of America.

"Fiscal Agent" means, collectively, the Paying Agent/Registrar, which shall be an Insured Bank.

"Fiscal Year" means the twelve-month period used by the University for its general accounting purposes as the same may be changed from time to time, presently being a period beginning on July 1 of each year and ending on June 30 of the next succeeding year.

"Income from the Permanent Fund," "Income from the Other Lands Fund" and "Income from the Land Fund" shall mean, respectively, the gross income from the Permanent Fund of the University, the gross income of the University derived from the lease or rentals of its lands or its other property, and the gross income of the University derived from the lease or rental of such of the lands or other property, if any, held by the State for the benefit of the University which remain unsold, as established and provided for by Article XII of the New Mexico Constitution, which income may be pledged to the payment of the obligations of the Regents pursuant to Section 6-17-14 NMSA 1978, as amended.

"*Insured Bank*" means a bank or savings and loan association whose deposits are insured by an agency of the United States of America and having a capital and surplus of not less than \$10,000,000 at the time of such appointment.

"*Interest Payment Date*" means each June 1 and December 1 or, if any June 1 or December 1 is not a Business Day, the next succeeding Business Day or such other day designated in the Pricing Resolution.

"*Issuance Expense Fund*" means the Series 2013 Issuance Expense Fund created herein.

"*Letter of Representations*" means the Blanket Issuer Letter of Representations provided to the Depository Trust Company and dated April 24, 1996.

"*Maturity Amount*" means the maximum amount payable, to a registered owner of a Capital Appreciation Bond to be set forth in the Pricing Resolution.

"*Moody's*" means Moody's Investors Service, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the University.

"*NMSA 1978*" means the compilation of the laws of the State known as New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented from time to time.

"*1992A Bonds*" means the bonds designated as "The Regents of the University of New Mexico, System Revenue Refunding Bonds, Series 1992A" issued in the original principal amount of \$36,790,000.

"*2000B Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Improvement Revenue Bonds, Series 2000B," issued in the original principal amount of \$6,621,671.40.

"*2001 Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Improvement Revenue Bonds, Series 2001" issued in the original principal amount of \$52,625,000.

"*2002B Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Series 2002B" issued in the original principal amount of \$25,475,000.

"*2002C Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Revenue Bonds, Series 2002C" issued in the original principal amount of \$37,840,000.

"*2003A Bonds*" means the bonds designated as "The Regents of the University of New Mexico Subordinate Lien System Refunding Revenue Bonds, Series 2003A" issued in the original principal amount of \$21,660,000.

"*2003B Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Series 2003B" issued in the original principal amount of \$5,585,000.

"2003C Bonds" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Taxable Series 2003C" issued in the original principal amount of \$6,220,000.

"2005 Bonds" mean the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Revenue Bonds, Series 2005" issued in the original principal amount of \$125,575,000.

"2007A Bonds" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Improvement Revenue Bonds, Series 2007A" issued in the original principal amount of \$124,875,000.

"2007B Bonds" means the bonds designated as "The Regents of the University of New Mexico, Taxable Subordinate Lien System Improvement Revenue Bonds, Series 2007B" issued in the original principal amount of \$11,835,000.

"2012 Bonds" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Series 2012" issued in the original principal amount of \$35,215,000.

"Officer's Certificate" means a certificate executed by an Authorized Officer.

"Official Statement" means a Preliminary Official Statement and a final Official Statement relating to the sale of the Bonds (including the cover page and all summary statements, appendices and other materials included or incorporated by reference or attached thereto), as amended or supplemented, or any other preliminary or final official statement of the University or prospectus used with respect to the Bonds.

"Operating and Maintenance Expenses" means the reasonable operating and maintenance expenses of the System which shall be deemed to include all costs of heating and lighting the buildings, improvements and facilities comprising the System, insurance, the cost of services of employees operating and maintaining the buildings, improvements or facilities comprising the System, the cost of food, repairs, costs of reasonable replacements of equipment, and any other incidental costs not herein specifically enumerated, but which are reasonably necessary to operate and maintain the buildings, facilities, improvements and equipment comprising the System.

"Outstanding" or "outstanding" when used in reference to bonds means, on any particular date, the aggregate of all bonds delivered under the applicable resolution authorizing the issuance of such bonds including, without limiting the generality of the foregoing, the Series 2013 Bonds issued hereunder, excepting:

(a) those paid but not yet cancelled, those cancelled at or prior to such date or those delivered or acquired by the Regents at or prior to such date for cancellation;

(b) those otherwise deemed to be paid in accordance with Article IX hereof or similar section of any resolution of the Regents authorizing the issuance of the applicable bonds;

(c) those in lieu of or in exchange or substitution for which other bonds shall have been delivered, unless proof satisfactory to the Regents and the paying agent for the

applicable bonds is presented that any bond for which a new bond was issued or exchanged is held by a bona fide holder or in due course; and

(d) those which have been refunded in accordance with Section 6.03 hereof or similar section of any resolution of the Regents authorizing the issuance of the applicable bonds.

"*Overdue Bond*" means a Capital Appreciation Bond on which the entire Accreted Value or Maturity Amount, as applicable, shall not have been punctually paid or duly provided for when and as due and payable.

"*Owner*" means the registered owner of any Bond as shown on the Bond Register.

"*Paying Agent/Registrar*" means the commercial bank or financial institution designated in the Pricing Resolution to serve as paying agent and registrar hereunder, or any successor thereto, as agent of the Regents, for the payment, registration, transfer and exchange of the Bonds, which shall be an Insured Bank.

"*Permitted Investments*" means direct obligations of the United States of America, or any of its agencies, or obligations fully guaranteed by the United States of America.

"*Person*" means any individual, corporation, partnership (in which case each general partner shall be deemed a Person), joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision of a government.

"*Pledged Revenues*" means:

(a) The gross income and revenues of whatever nature derived from the operation or ownership of the System (except as otherwise excluded under the definition of System).

(b) All gross proceeds of student tuition and fees of every nature collected from students at the University, except (i) the fee now known as "Student Activity Fee" and (ii) fees expressly imposed for the use or availability of buildings, structures or facilities excluded from the System under the definition thereof.

(c) The gross amounts received by the University from the Income from the Permanent Fund, the Income from the Other Lands Fund and the Income from the Land Fund.

(d) With respect to any Superior Lien Parity Bonds to which applicable, the proceeds of Debt Service Grants and the proceeds of any interest subsidy paid for or on account of the Regents or the University by any governmental body or agency.

(e) All other income or revenues received by the University from proprietary activities carried on by the University, but excluding: (i) revenues arising from the operation, ownership or leasing of the University of New Mexico Hospital, other than payments made by the University of New Mexico Hospital, or successor thereto, to the University or the Regents for the use of the ambulatory care center previously financed with the proceeds of bonds issued by the Regents in 1989, (ii) the proceeds of ad valorem taxes, (iii) the proceeds of any University contracts and grants, whether from or with

public, private or governmental sources, which are restricted as to use, and (iv) State appropriations. If the pledge of any one or more sources of other income or revenue to the payment of the Bonds shall ever be held by final decision of a court of competent jurisdiction to make the Bonds invalid because of constitutional restrictions on State indebtedness, the income or revenue derived from such other source or sources shall no longer be subject to the pledge herein contained; and provided further, that there shall not be included in the other income or revenue which is the subject of this paragraph any income or revenue excluded under the provisions of paragraphs (a) or (b) of this definition.

"*Pledged Revenues Fund*" means "The Regents of the University of New Mexico System Pledged Revenues Fund" which is contained in Section 5.01 hereof.

"*Pricing Resolution*" means the resolution to be adopted by the Regents prior to the issuance of the Bonds relating to the final terms of the Series 2013 Bonds and the final forms of the Related Documents.

"*Principal Office*" means the address for the Regents, the Fiscal Agent and any other party to a Related Document as stated in the Bond Resolution or a Related Document.

"*Project*" shall have the meaning set forth in the preambles hereof and as more specifically described in Exhibit C attached hereto or as modified in the Pricing Resolution.

"*Purchase Contract*" means the purchase contract or contracts among the Regents and the Purchaser relating to the purchase and sale of the Bonds.

"*Purchaser*" means, collectively, _____ and

"*Qualified Counterparty*" or "*Qualified Swap Provider*" means any Person entering into a Qualified Exchange Agreement with the Regents which, at the time of the execution of the Qualified Exchange Agreement, is rated in one of the two highest rating categories by S&P or Moody's and meets all the requirements of the Public Securities Short-Term Rate Act, Sections 6-18-1 through 6-18-16 NMSA 1978, as amended, its successors and assigns, or any substitute Qualified Counterparty or Qualified Swap Provider, appointed or consented to from time to time by an Authorized Officer.

"*Qualified Exchange Agreement*" means any financial arrangement between the Regents and a Qualified Counterparty which satisfies the requirements of the Public Securities Short-Term Interest Rate Act, Sections 6-18-1 through 6-18-16 NMSA 1978, as amended, at the time the agreement is entered into.

"*Rating Agency*" means (a) Moody's and (b) S&P, the successor of either of them, or if either of them no longer exists and has no successor, then any other nationally recognized rating agency requested by the University to maintain a rating on any of the Bonds.

"*Rating Category*" means a generic securities rating category, without regard, unless otherwise stated with respect to any Rating Category in the Bond Resolution, in the case of a long-term rating category, to any refinement or gradation of such long-term rating category by a numerical modifier or otherwise.

"*Rebate Fund*" means the Series 2013 Rebate Fund established pursuant to Section 5.01 hereof.

"*Record Date*" means the fifteenth day immediately preceding an Interest Payment Date.

"*Redemption Account*" means each account of the Subordinate Lien Bond Service Fund for the deposit of money as set forth in Section 5.03 hereof to pay the optional redemption price of a series of Subordinate Lien Parity Bonds.

"*Redemption Price*" means the redemption price set forth herein of the Bonds payable to a Bondholder in connection with a redemption in whole or in part of the Bonds prior to the maturity date thereof expressed as a percentage of the Bond Value of such Bonds, and accrued interest, if any, to the date of redemption.

"*Refunded 2003 Bonds*" means the 2003 Bonds maturing on and after June 1, 2014.

"*Refunding*" means the University's payment and redemption of the Refunded 2003 Bonds on the Closing Date.

"*The Regents of the University of New Mexico*," "*the Regents*," "*the Board of Regents*" and "*the Board*" mean the body corporate in which is vested the management and control of the University pursuant to Section 21-7-3 NMSA 1978 as amended.

"*Related Documents*" means, collectively, the Purchase Contract, Escrow Agreement, Tax Compliance Certificate and Series 2013 Paying Agent Agreement, and any and all other documents contemplated thereby.

"*Refunding Fund*" means the Series 2013 Refunding Fund created herein.

"*Renewal and Replacement Fund*" means "The Regents of the University of New Mexico System Renewal and Replacement Fund" continued by Section 5.01 hereof.

"*Reserve Requirement*" means the average annual Debt Service on all Subordinate Lien Parity Bonds as calculated from time to time or as to any particular issue of Subordinate Lien Parity Bonds, if less, the maximum amount of the proceeds of such Subordinate Lien Parity Bonds permitted to be placed in a reserve fund by the Code.

"*S&P*" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, and, if such entity no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the University.

"*Series 2013 Bonds*" means the bonds designated as "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Series 2013" authorized to be issued and sold pursuant to this Bond Resolution, issued in a principal amount not to exceed \$18,500,000.

"*Series 2013 Paying Agent Agreement*" means the Paying Agent and Fiscal Agent Agreement relating to the Series 2013 Bonds, by and between the Regents and the Fiscal Agent, as amended from time to time.

"*Series 2013 Rebate Fund*" means "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds, Series 2013 Rebate Fund" created by Section 5.01 hereof.

"*Special Record Date*" means a date established for payment of overdue interest on the Bonds by the Paying Agent pursuant to Section 3.01 hereof.

"*State*" means the State of New Mexico.

"*Subordinate Lien Parity Bond Service Fund*" means the fund created in Section 5.01(b) hereof for the payment of principal of and interest on the Bonds, as well as any accounts designated thereunder.

"*Subordinate Lien Parity Bonds*" means all bonds or other obligations, including the outstanding 2000B Bonds, the 2001 Bonds, the 2002A Bonds, the 2002B Bonds, the 2002C Bonds, the 2003A Bonds, the 2003B Bonds, the 2003C Bonds, the 2005 Bonds, the 2007A Bonds, the 2007B Bonds, the 2012 Bonds, the Series 2013 Bonds (when and if issued), and any payment obligation under a Qualified Exchange Agreement, now outstanding or hereafter payable from the Pledged Revenues secured by a lien on the Pledged Revenues subordinate to the lien thereon securing Superior Lien Parity Bonds.

"*Subordinate Lien Parity Bonds Reserve Fund*" means "The Regents of the University of New Mexico System Subordinate Lien Parity Bonds Reserve Fund" created in Section 5.01 hereof.

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

"*Superior Lien Parity Bond Service Fund*" means the Superior Lien Parity Bond Service Fund continued in Section 5.01 hereof.

"*Superior Lien Parity Bonds*" means the outstanding 1992A Bonds.

"*Superior Lien Parity Bonds Reserve Fund*" means "The Regents of the University of New Mexico, System Superior Lien Parity Bonds Reserve Fund" continued by Section 5.01 hereof.

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

"*System*" means all housing facilities (student, faculty and other) and all other buildings, structures, improvements and facilities located on any campus of the University from the use and availability of which income or revenue (including in the term "income or revenue" the proceeds of student tuition and fees) is produced, present and future, owned or operated by the Regents or the University, including, without limitation, dormitories, student unions, auditoriums, dining halls, book stores, stadiums, golf courses, swimming pools, hospitals or infirmaries, printing plants owned or operated by the University, classroom buildings, administrative buildings, research facilities and development buildings; provided, that as additional housing and other facilities are acquired by the University from time to time hereafter, and as existing facilities in the System are improved or extended, such additional, improved or extended facilities shall become part of the System; provided further, that the Regents retain the right to acquire, construct or operate any one or more such facilities hereafter and to provide by resolution that any such facility so acquired, constructed or operated shall not become a part of the System, and such facilities so excepted shall not become a part of the System and the income and revenues derived therefrom shall not be part of the Pledged Revenues; and provided further, that the University of New Mexico Hospital now or hereafter owned, operated or leased by the University shall not be considered a part of the System for any purposes of the Bond Resolution.

"*Tax Compliance Certificate*" means the certificate bearing such name executed by an Authorized Officer and relating to the Series 2013 Bonds.

"*The University of New Mexico*" and "*University*" mean the state educational institution designated as the University of New Mexico at Albuquerque and so confirmed by Section 11 of Article XII of the New Mexico Constitution, as amended.

ARTICLE II

AUTHORIZATION, RATIFICATION AND FINDINGS

Section 2.01 Ratification. All action heretofore taken (not inconsistent with the provisions of the Bond Resolution) by the Regents and the officers of the University, directed toward the Project, the issuance and sale of the Bonds and the Related Documents is hereby ratified, approved and confirmed.

Section 2.02 Findings. The Regents declare that they have considered all relevant information and data in making its findings and hereby find and determine that:

(a) ***Findings Regarding the Bonds and the Project.***

- (i) The cost of the Project is reasonable.
- (ii) The issuance of the Bonds to finance the Project is hereby approved.
- (iii) The sale price of the Bonds, including the underwriters discount, to be set forth in the Purchase Contract and the Pricing Resolution, will be reasonable.
- (iv) The project financed with proceeds from the 2003 Bonds comprise a part of the System.

(b) ***Authorization.*** For the purpose of providing funds with which to finance the Project, and in anticipation of the collection of the Pledged Revenues, there shall be issued negotiable, fully registered revenue bonds, in one or more series, to be designated "The Regents of the University of New Mexico, Subordinate Lien System Refunding Revenue Bonds Series 2013" in an aggregate principal amount not to exceed \$18,500,000 to be payable and collectible solely from the Pledged Revenues. It is hereby found and determined that the Pledged Revenues are reasonably expected to produce sufficient moneys to repay the Bonds when due. The Series 2013 Bonds will be issued with a fixed rate of interest and may be tax-exempt or taxable under the Code. The Series 2013 Bonds may be issued as current interest bonds or as Capital Appreciation Bonds as determined pursuant to the Pricing Resolution.

Section 2.03 Delegation to President. Subject to the ratification of such terms in the Pricing Resolution, the President of the University is hereby authorized and delegated the power to determine the following with respect to the Bonds:

- (a) The exact principal amount of the Bonds not to exceed \$18,500,000, provided that such amount shall not exceed the amount necessary to finance the Project.
- (b) The principal amount maturing in each year (whether at stated maturity or mandatory redemption) provided that such principal shall end not later than June 1, 2043.
- (c) Whether the Bonds are issued as current interest bonds or as Capital Appreciation Bonds.
- (d) The interest rate on the Bonds provided that the net effective fixed interest rate for the Bonds may not exceed 5.0% per annum for tax-exempt bonds.
- (e) Except with respect to Capital Appreciation Bonds, if any, provisions for optional or mandatory redemption of the Bonds, provided that the Bonds shall be subject to optional redemption no later than 10 years after June 1, 2013 and at a premium no greater than 2.0% of the principal so redeemed and provided further that the mandatory redemption provisions shall comply with paragraph (b) of this Section.

(f) The price at which the Bonds are sold to the Purchaser provided that the original issue discount shall not exceed 3.0% of the aggregate principal amount of the Bonds and the Purchasers discount shall not exceed 1.0% of the aggregate principal amount of the Bonds.

(g) The final forms of the Related Documents.

(h) The dated date of the Bonds.

(i) The amount, if any, to be deposited in the Subordinate Lien Parity Bonds Reserve Fund.

ARTICLE III

THE SERIES 2013 BONDS

Section 3.01 Bond Details. The Bonds shall be issued in fully registered form (i.e., registered as to both principal and interest). Except as provided in Section 3.06 hereof, the Bonds shall be issued in the denomination of \$5,000 principal amount (\$5,000 Maturity Amount with respect to the Capital Appreciation Bonds, if any) and any integral multiples thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date, and no individual Bond will be issued for more than one maturity). The Bonds shall bear interest from their date and shall mature as set forth in the Pricing Resolution. Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date for which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Bonds.

Except as may be provided in the Pricing Resolution, the principal of and redemption premium, if any, on any Bond shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar upon maturity or prior redemption thereof and upon presentation and surrender at the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by said Bond until the principal thereof is paid in full. Except as provided in Section 3.06 hereof, payment of interest on any Bond shall be made to the registered owner thereof by check or draft mailed by the Paying Agent, on or before each Interest Payment Date, to the registered owner thereof at the address as shown on the registration records kept by the Registrar at the close of business on the Record Date for such Interest Payment Date; but any such interest not so timely paid or duly provided for shall cease to be payable to the Person who is the registered owner thereof at the close of business on the Record Date and shall be payable to the Person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any defaulted interest. The Paying Agent shall fix such Special Record Date and the date for payment of such interest whenever monies become available for payment of the defaulted interest. Notice of the Special Record Date and the date for payment of such interest shall be given to the registered owners of the Bonds not less than ten days prior thereto by first-class mail to each such registered owner as shown on the Registrars registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the owner of such Bond and the Paying Agent (provided, however, that the Regents shall not be required to make funds available to the Paying Agent prior to the date on which such funds are due for payment to the registered owners

of the Bonds). All such payments shall be made in lawful money of the United States of America.

With respect to Capital Appreciation Bonds, if any:

(a) The Capital Appreciation Bonds will be issued in the Maturity Amount and the original principal amount to be set forth in the Pricing Resolution.

(b) The Maturity Amount of each Capital Appreciation Bond is payable on the maturity date to be set forth in the Pricing Resolution upon presentation and surrender at the Principal Office of the Paying Agent.

(c) The Capital Appreciation Bonds shall be issued only as fully registered bonds in initial denominations of \$5,000 Maturity Amount and integral multiples thereof. The Capital Appreciation Bonds shall mature on the date, at the accretion rate and in the Maturity Amount as set forth on their face.

(d) In the event that the Capital Appreciation Bonds are retired prior to their maturity date due to prior redemption or an acceleration, the amount payable on the Capital Appreciation Bonds shall be the Accreted Value corresponding to the date fixed for payment of the Capital Appreciation Bonds to be set forth in the Pricing Resolution. The Accreted Value with respect to any date other than a June 1 or December 1 is the amount to be set forth in the Pricing Resolution with respect to the next preceding June 1 or December 1, plus the portion of the difference between such amount and the amount to be set forth in the Pricing Resolution with respect to the next succeeding June 1 or December 1 that the number of days (based on a 360-day year of twelve 30-day months) from such last preceding June 1 or December 1, to the date for which such determination is being calculated, bears to the total number of days (based on a 360-day year of twelve 30-day months) from such last preceding June 1 or December 1, to the next succeeding June 1 or December 1.

(e) Payments of the Maturity Amount of the Capital Appreciation Bonds shall be made pro rata among all outstanding Capital Appreciation Bonds, in proportion to the relative Accreted Value of each Capital Appreciation Bond, without preference or priority of any kind. If the Regents cannot make a strict pro rata payment among all Capital Appreciation Bondholders, the Regents shall pay more or less than a pro rata portion to one or more owners of the Capital Appreciation Bonds in such manner as the Regents in its sole discretion deems fair and reasonable.

(f) Notwithstanding any of the foregoing provisions with respect to payments of the Maturity Amount on the Capital Appreciation Bonds, if the Capital Appreciation Bonds have become or been declared due and payable following an event of default and such acceleration of maturity and its consequences have not been rescinded and annulled, then payments of Accreted Value on such Capital Appreciation Bonds shall be made in accordance with Article VIII hereof.

(g) Any payment of Maturity Amount or Accreted Value which is punctually paid or duly provided for by the Regents shall be paid to the person in whose name such Capital Appreciation Bond is registered at the close of business on the Record Date by check or draft (or wire transfer in immediately available funds to an account designated by such owner of Capital Appreciation Bonds with respect to holders of \$1,000,000 or

more in Maturity Amount of Capital Appreciation Bonds). Any installment of interest not punctually paid or duly provided for shall be payable in the manner and to the persons specified in Article VIII hereof.

(h) For Overdue Bonds, interest on the amount not punctually paid or duly provided for shall accrue, from the date such amount was due until paid, at the accrual rate for such Capital Appreciation Bonds (but only to the extent that payment of such interest shall be legally enforceable), and, to the extent funds are available therefor hereunder, shall be payable on a payment date established by the Paying Agent to the person entitled thereto on a Special Record Date, as provided in Section 3.01 of this Resolution. Together with each such payment of interest on any Overdue Bond, the Regents shall also be obligated to pay that portion of any Overdue Bond for the payment of which funds are available hereunder.

Section 3.02 Prior Redemption. The Bonds may be subject to prior optional, mandatory or sinking fund redemption as approved in the Pricing Resolution.

(a) **Optional Redemption.** Bonds maturing on or before the date determined by the President pursuant to Section 2.03 hereof are not subject to prior redemption. Bonds or portions thereof maturing on and after the date determined by the President pursuant to Section 2.03 hereof shall be subject to redemption prior to their respective maturities, at the option of the Regents, on and after the date determined by the President pursuant to Section 2.03 hereof, in whole or in part at any time from such maturities as are selected by the Regents, and if less than all the Bonds of a maturity are to be redeemed, the Bonds of such maturity are to be redeemed by lot, at a price equal to the principal amount of each Bond or portion thereof so redeemed, accrued interest to the redemption date, plus such premium, if any, determined by the President pursuant to Section 2.03 hereof.

(b) **Mandatory Redemption.** If the President determines that the Bonds shall be subject to mandatory redemption pursuant to Section 2.03 hereof, the Bonds shall be subject to mandatory redemption at a redemption price equal to the principal amount thereof plus accrued interest to the sinking fund redemption date determined by the President. As and for a sinking fund for the mandatory redemption of Bonds, the Regents shall cause to be deposited in the Series 2013 Bonds Principal Account prior to each sinking fund redemption date a sum which is sufficient to redeem (after credit as provided below) the principal amounts of the Bonds as determined by the President pursuant to Section 2.03 hereof, plus accrued interest to the sinking fund redemption date. Not more than sixty days nor less than thirty days prior to each sinking fund redemption date, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from all Outstanding Bonds subject to mandatory redemption on such sinking fund redemption date a principal amount of Bonds equal to the aggregate principal amount of Bonds redeemable with the required sinking fund payment, shall call such Bonds or portion thereof (\$5,000 principal amount, or any integral multiple thereof) for such redemption on such sinking fund redemption date, and shall give notice of such call.

(c) **Partial Redemption.** In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 principal amount or \$5,000 Maturity Amount, with respect to the Capital Appreciation Bonds, if any, or any integral multiple thereof) may be redeemed, in which case the Registrar, except as provided in Section 3.06 hereof,

shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof. In the case of a partial redemption of Bonds of a single maturity, the Registrar shall select the Bonds to be redeemed by lot at such time as directed by an Authorized Officer (but at least 30 days prior to the Redemption Date), and if such selection is more than 60 days before a Redemption Date, shall direct the Registrar to appropriately identify the Bonds so called for redemption by stamping them at the time any Bond so selected for redemption is presented to the Registrar for stamping or for transfer or exchange, or by such other method of identification as is deemed adequate by the Registrar, and any Bond or Bonds issued in exchange for, or to replace, any Bond so called for prior redemption shall likewise be stamped or otherwise identified.

At the option of the Regents to be exercised by delivery of a written certificate to the Registrar on or before the sixtieth day next preceding any sinking fund redemption date, it may (i) deliver to the Registrar for cancellation Bonds in an aggregate principal amount desired by the Regents, or (ii) specify a principal amount of Bonds subject to mandatory redemption on such sinking fund redemption date which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar at the request of the Regents and not theretofore applied as a credit against any sinking fund redemption obligation for any Bonds maturing on the same date. Each Bond so delivered or previously redeemed shall be credited by the Registrar at the principal amount thereof against the obligation of the Regents on such sinking fund redemption date for the Bonds and any excess over such amount shall be credited against such other sinking fund obligation, if any, for the Bonds of such maturity as designated by the Regents. In the event the Regents shall avail itself of the provisions of clause (i) of the first sentence of this paragraph, the certificate required by the first sentence of this paragraph shall be accompanied by the Bonds or portions thereof to be cancelled.

Section 3.03 Redemption Notice. The Registrar is required to give notice of mandatory redemption pursuant to Section 3.02(b) hereof without any notice from the Regents. Except for notice of mandatory redemption or unless waived by any registered owner of a Bond to be redeemed, notice of prior redemption shall be given by the Registrar, by first-class, postage prepaid mail, at least 30 days but not more than 60 days prior to the redemption date, to the registered owner of any Bond (initially Cede & Co.) all or a part of which is called for prior redemption at his address as it last appears on the registration records kept by the Registrar. The notice shall identify the Bonds and state that on such date the principal amount thereof and premium, if any, thereon will become due and payable at the Paying Agent (accrued interest to the redemption date being payable by mail or as otherwise provided in this Resolution), and that after such redemption date interest will cease to accrue. After such notice and presentation of said Bonds, the Bonds called for redemption will be paid. Actual receipt of mailed notice by the Purchaser or any registered owner of Bonds shall not be a condition precedent to redemption of such Bonds. Failure to give such notice by mailing to the registered owner of any Bond designated for redemption, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bond. A certificate by the Registrar that notice of call and redemption has been given as provided in this section shall be conclusive as against all parties; and no holder whose Bond is called for redemption or any other holder of any Bond may object thereto or may object to the cessation of interest on the redemption date on the ground that he failed actually to receive such notice of redemption.

Unless money sufficient to pay the principal of and premium, if any, on the Bonds to be redeemed pursuant to this Section is received by the Paying Agent prior to the giving of notice of redemption in accordance hereof, that notice shall state that the redemption is conditional upon the receipt of that money by the Paying Agent by 2:00 p.m. on the redemption date. If an amount sufficient to redeem all Bonds called for redemption is not received by that time (i) the Paying Agent shall redeem only those Bonds for which the redemption price was received, (ii) the Bonds to be redeemed shall be selected in the manner set forth in Section 3.02(c) hereof and (iii) the redemption notice shall have no effect with respect to those Bonds for which the redemption price was not received and those Bonds shall not be redeemed. The Registrar shall give notice to the owners of the Bonds previously called for redemption which will not be redeemed in the manner in which the notice of redemption was given, identifying the Bonds which will not be redeemed, stating that the redemption did not take place with respect to those Bonds and shall promptly return any Bonds previously delivered by the owners of those Bonds. Moneys received by the Paying Agent pursuant to this paragraph shall be invested by the Paying Agent in Permitted Investments which mature on the earlier of (A) 30 days or (B) the date on which such moneys are needed.

The official notice of redemption to owners shall be dated and shall state:

- (a) the redemption date;
- (b) the redemption price;
- (c) if less than all Outstanding Bonds are to be redeemed, the identification and CUSIP numbers (and, in the case of partial redemption, the principal amount or the Maturity Amount with respect to the Capital Appreciation Bonds), of the Bonds to be redeemed;
- (d) that, subject to the provisions of Section 3.03 hereof, on the redemption date, the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;
- (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office of the Paying Agent, the name of a contact person (if the previously described book-entry system is in effect), and the phone number at the office of the Paying Agent;
- (f) if the redemption is pursuant to Section 3.03 hereof, that the redemption is conditional, if applicable, stating the conditions set forth in Section 3.03 hereof;
- (g) such other information as the Paying Agent deems necessary or appropriate in order to conform to the prevailing industry standards and customs at the time such notice is to be mailed, including, but not limited to Securities and Exchange Commission Release No. 34-23856; and
- (h) each additional notice of redemption shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of the Bonds to be redeemed, (ii) the date of issuance of the Bonds being redeemed; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to accurately identify the Bonds being redeemed.

No defect in the additional notices shall be the basis of any claim against the Paying Agent or the Regents for any incorrect information in that notice, nor shall any failure to give all or any part of such additional notice affect the effectiveness of a call for redemption if the official notice described above in this Section is given;

(i) The additional notice shall be delivered two Business Days before the publication date by Electronic Means or overnight delivery service to all Depositories and, on the publication date, to EMMA; and

(j) At the option of the Regents, the additional notice may, be published in The Bond Buyer, New York, New York, or in another financial newspaper or journal which regularly carries notices of redemption of bonds at least 30 days prior to the date fixed for redemption. If notice is not published pursuant to this paragraph, the publication date for purposes of subparagraph (i) shall be deemed to be the date the official notice of redemption is mailed to the registered owners of the Bonds.

The Paying Agent shall comply with any other terms regarding redemption and notice of redemption, as are required by any agreement with a Depository.

The Paying Agent shall give a second notice of redemption within 60 days after the redemption date in the manner required above to the owners of the Bonds redeemed which have not been presented for payment.

Section 3.04 Negotiability. Subject to Section 3.06 hereof and to the registration and payment provisions herein provided, the Bonds shall be fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code-Investment Securities, and each registered owner shall possess all rights enjoyed by a registered owner of negotiable instruments under the Uniform Commercial Code-Investment Securities.

Section 3.05 Registration, Transfer and Exchange of Bonds. Except as otherwise provided in Section 3.06 hereof, the Bonds shall be subject to registration, transfer and exchange as follows:

(a) Records for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer of any Bond at the Registrar, duly endorsed for transfer or accompanied by an assignment in form satisfactory to the Registrar duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity bearing a number or numbers not previously assigned. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity of other authorized denominations, as provided in Section 3.01 hereof. The Registrar shall authenticate and deliver a Bond or Bonds, which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. For every exchange or transfer of Bonds requested by the registered owner thereof, the Regents or the Registrar may make a sufficient charge to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and may charge a sum sufficient to pay the cost of preparing and authenticating each new Bond. No such charge shall be levied in the case of an exchange resulting from an optional or mandatory redemption.

(b) The Registrar shall not be required to transfer or exchange (i) any Bond subject to redemption during a period beginning at the opening of business 15 days before the day of the mailing by the Registrar of a notice of prior redemption of Bonds and ending at the close of business on the day of such mailing, or (ii) any Bond after the mailing of notice calling such Bond or any portion thereof for redemption as herein provided.

(c) The person in whose name any Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payments thereof (except to the extent otherwise provided in Section 3.01 hereof with respect to overdue interest payments) and for all other purposes; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the Regents may reasonably require, and upon payment of all expenses in connection therewith, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity bearing a number or numbers not previously assigned. If such lost, stolen, destroyed or mutilated Bond shall have matured or shall have been called for redemption, the Registrar may direct that such Bond, be paid by the Paying Agent in lieu of replacement.

(e) Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Paying Agent or Registrar.

Section 3.06 Custodial Deposit.

(a) Notwithstanding the foregoing provisions of Sections 3.01 to 3.05 hereof, to the extent that all or any portion of the Bonds is eligible for book-entry only deposit with The Depository Trust Company, such Bonds which are eligible shall initially be evidenced by one Bond for each year in which the Bonds mature in denominations equal to the aggregate principal amount of the Bonds maturing in that year (or the Maturity Amount, with respect to the Capital Appreciation Bonds). Such initially delivered Bonds shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the securities depository for the Bonds. Such Bonds may not thereafter be transferred or exchanged except:

(i) to any successor of The Depository Trust Company or its nominee, which successor must be both a "clearing corporation" as defined in § 55-8-102(3), NMSA 1978, as amended, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended; or

(ii) upon the resignation of The Depository Trust Company or a successor or new depository under clause (i) or this clause (ii) of this subsection

(a), or a determination by the Regents that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the designation by the Regents of another depository institution acceptable to the Regents and to the depository then holding the Bonds, which new depository institution must be both a "clearing corporation" as defined in § 55-8-102(3), NMSA 1978, as amended, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor or new depository; or

(iii) upon the resignation of The Depository Trust Company or a successor or new depository under clause (i) or clause (ii) of this subsection (a), or a determination of the Regents that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the failure by the Regents, after reasonable investigation, to locate another qualified depository institution under clause (ii) to carry out such depository functions.

(b) In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (i) of subsection (a) hereof or designation of a new depository pursuant to clause (ii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, a new Bond for each maturity of the Bonds then Outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (iii) of subsection (a) hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (iii) of subsection (a) hereof, and upon receipt of the Outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the denominations of \$5,000 (\$5,000 Maturity Amount with respect to the Capital Appreciation Bonds) or any integral multiple thereof, as provided in and subject to the limitations of Section 3.01 hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions; however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

(c) The Regents, the Registrar and the Paying Agent shall be entitled to treat the registered owner of any Bond as the absolute owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the Regents, the Registrar and the Paying Agent shall have no responsibility for transmitting payments to the beneficial owners of the Bonds held by The Depository Trust Company or any successor or new depository named pursuant to subsection (a) hereof.

(d) The Regents, the Registrar and the Paying Agent shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause (i) or (ii) of subsection (a) hereof in effectuating payment of the Bonds by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

(e) Upon any partial redemption of any maturity of the Bonds, Cede & Co., (or its successor) in its discretion may request the Regents to issue and authenticate a new

Bond or shall make an appropriate notation on the Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case the Bond must be presented to the Paying Agent prior to payment.

Section 3.07 Execution of Bonds. The Bonds shall be executed as follows:

(a) ***Filings with Secretary of State.*** Pursuant to Sections 6-9-1 and 6-9-6 NMSA 1978, as amended, and prior to the execution of any Bonds in which facsimile signatures are used, the President of the Regents and the Secretary and Treasurer of the Regents shall each file with the Secretary of State his or her manual signature certified by him or her under oath.

(b) ***Manner of Execution.*** Each Bond shall be signed and executed in the name of and on behalf of the Regents with the manual or facsimile of the signature of the President; and shall be signed, executed and attested with such a manual or facsimile of the signature of the Secretary and Treasurer.

(c) ***Authentication.*** No Bond shall be valid or obligatory for any purpose unless the certificate of authentication thereon, substantially in the form herein below provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed if manually signed by an authorized officer or employee of the Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds delivered pursuant to this Resolution, the Registrar shall be deemed to have assented to all of the provisions of this Resolution.

Section 3.08 Use of Predecessors Signature. The Bonds bearing the signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the Regents, notwithstanding that any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. The President and Secretary and Treasurer, at the time of the execution of the Bonds and of a signature certificate pertaining thereto, may adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bonds.

Section 3.09 Bond Execution. The President and Secretary and Treasurer are hereby authorized and directed to prepare and to execute the Bonds as herein provided.

Section 3.10 Registration. The Registrar shall maintain the registration records of the Regents for the Bonds showing the name and address of the registered owner of each Bond authenticated and delivered, the date of authentication, the maturity/of the Bond and its interest rate, principal amount and Bond number.

Section 3.11 Bond Delivery. After registration of the Bonds pursuant to Section 3.10 hereof and after their execution pursuant to Section 3.07 hereof, the Regents shall cause the Bonds to be delivered to the Purchaser thereof, upon payment being made therefor.

Section 3.12 Bond Form. Subject to the provisions of this Resolution, including without limitation Section 2.03 hereof, each Bond shall be in the form attached hereto as Exhibit A, with such omissions, insertions, endorsements, legends and such other variations as may be required by the circumstances, be required or permitted by this Resolution, be set forth in the Pricing Resolution or be consistent with this Resolution and necessary or appropriate to conform

to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto.

Section 3.13 Special Limited Obligations. The Bonds and all payments of principal, premium, if any, and interest thereon (whether at maturity or on a redemption date) and the obligations of the Regents for all other payments, fees, costs, interest and expenses hereunder and under the Related Documents, shall be special limited obligations of the Regents payable solely from the Pledged Revenues, which revenues are hereby pledged and are payable as set forth herein. However, the Bonds are also payable from accrued interest, if any, payable on the Bonds on the date of delivery thereof, and the Bonds are payable from amounts on deposit in the Interest Account, Principal Account and Subordinate Lien Parity Bonds Reserve Fund for the Series 2013 Bonds.

Owners and the parties under the Related Documents may not look to any general or other fund of the University for the payment of the principal of or interest on the Bonds or any obligation relating thereto, or the fees, costs and expenses relating to, such obligations, except the designated special funds pledged therefor. Neither the Bonds nor the obligations of the University under the Related Documents shall constitute an indebtedness of the State or the Regents or the University within the meaning of any constitutional or statutory prohibition or limitation, nor shall they be considered or held to be general obligations of the State or the Regents or the University, and the Bonds shall recite that they are payable and collectable solely out of the Pledged Revenues and from any other sources stated in the Bond Resolution and that the Owners may not look to any general or other fund for the payment of the principal or interest, as applicable, on the Bonds or for the payment of any amounts owed under the Related Documents. No obligation hereunder or under the Bonds or the obligations of the Regents or the University under the Related Documents shall ever be or become a charge or debt against the State or a pledge of the faith and credit of the State, or shall be payable from the proceeds of ad valorem taxes, or State appropriations. Neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds or the obligations of the Regents or the University under the Related Documents. The Regents do not have taxing power.

ARTICLE IV

APPROVAL OF RELATED DOCUMENTS AND SALE OF BONDS

Section 4.01 Approval of Documents; Use of Disclosure Documents.

(a) *Approval of Documents.* Final versions of the Related Documents shall be approved by the Regents in the Pricing Resolution.

(b) *Execution of Related Documents.* The President of the Regents and Vice President of the Regents, on behalf of the Regents, are hereby authorized and directed to execute and deliver the Related Documents and any extension of or amendments to any of the Related Documents with such changes as are not inconsistent with the Bond Resolution as are approved by the President of the Regents and Vice President of the Regents, whose execution of the Related Documents, or any extensions thereof or substitutions therefor, in their final forms, or the acceptance of the delivery by an Authorized Officer of any such Related Document which is not required to be signed by the Regents, shall constitute conclusive evidence of the approval of that document and compliance with this Section. The Secretary and Treasurer of the Regents, or his or

her designee, is authorized to affix the seal of the Regents to and to attest the Related Documents as necessary. From and after the execution and delivery of the Purchase Contract, the officers, agents and employees of the University are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Resolution , the Pricing Resolution and the Related Documents.

(c) **Disclosure Document.** Prior to the issuance of the Bonds, the Official Statement with respect to the Bonds, with terms which are not inconsistent with the terms hereof and the Related Documents, shall be executed and delivered by one or more Authorized Officers, whose execution of such Official Statement in its final form shall constitute conclusive evidence of the approval of such Official Statement and compliance with this Section. The use and distribution of the Official Statement with respect to the Bonds, with terms which are not inconsistent with the terms and Related Documents by the Purchasers in connection with the sale and issuance of the Bonds are hereby approved.

Section 4.02 Authorization of Sale of Bonds. The sale of the Bonds at a negotiated sale to the Purchaser at the prices to be set forth in the Purchase Contract is approved, subject to ratification by the Regents by the Pricing Resolution. When the Bonds have been duly executed and authenticated, they shall be delivered to the Depository on behalf of the Purchaser, or at the direction of the Purchaser, on receipt of payment for the Bonds by the Regents.

ARTICLE V

ADMINISTRATION AND ACCOUNTING OF REVENUES

Section 5.01 Funds and Accounts.

(a) **Funds Continued.** The Regents hereby continue the following special and separate funds which were created pursuant to prior bond resolutions of the Regents:

(i) **Superior Lien Parity Bond Service Fund.** "The Regents of the University of New Mexico System Bond Service Interest and Retirement Fund" to be maintained with the Fiscal Agent. The Regents may establish any account or accounts in the Superior Lien Parity Bond Service Fund for payments of principal of and interest on the Superior Lien Parity Bonds as may be deemed necessary or desirable.

(ii) **Pledged Revenues Fund.** "The Regents of the University of New Mexico System Pledged Revenues Fund" for the deposit of Pledged Revenues in an account or accounts in one or more regular depositories of the University.

(iii) **Renewal and Replacement Fund.** "The Regents of the University of New Mexico System Renewal and Replacement Fund" to be maintained with the Fiscal Agent.

(iv) **Superior Lien Parity Bonds Reserve Fund.** "The Regents of the University of New Mexico System Superior Lien Parity Bonds Reserve Fund" to be maintained with the Fiscal Agent.

(v) *Subordinate Lien Parity Bond Service Fund.* "The Regents of the University of New Mexico Subordinate Lien System Improvement Revenue Bonds, Series 2000 Bond Service Fund", "The Regents of the University of New Mexico, Subordinate Lien System Improvement Revenue Bonds, Series 2001 Bond Service Fund", "The Regents of the University of New Mexico, Subordinate Lien System Improvement Revenue Bonds, Series 2002 Bond Service Fund", "The Regents of the University of New Mexico, Subordinate Lien System Improvement Revenue Bonds, Series 2003 Bond Service Fund", "The Regents of the University of New Mexico, Subordinate Lien System Revenue Bonds, Series 2005 Bond Service Fund" and "The Regents of the University of New Mexico, Subordinate Lien System Revenue Bonds, Series 2007 Bond Service Fund" to be maintained with the Fiscal Agent. Within the Subordinate Lien Parity Bond Service Fund there is maintained the Series 2000 Bonds Interest Account, Principal Account, Redemption Account and Additional Payments Account, the Series 2001 Bonds Interest Account, Principal Account, Redemption Account and Additional Payments Account, the Series 2002 Bonds Interest Account, Principal Account, Redemption Account and Additional Payments Account, the Series 2003 Bonds Interest Account, Principal Account, Redemption Account and Additional Payments Account, the Series 2005 Bonds Interest Account, Principal Account, Redemption Account and Additional Payouts Account, the Series 2007 Bonds Interest Account, Principal Account, Redemption Account and Additional Payments Account, and the Series 2012 Bonds Interest Account, Principal Account, Redemption Account and Additional Payments Account.

(vi) *Subordinate Lien Parity Bonds Reserve Fund.* "The Regents of the University of New Mexico System Subordinate Lien Parity Bonds Reserve Fund" to be maintained with the Fiscal Agent. Within the Subordinate Lien Parity Bonds Reserve Fund there is maintained the Series 2000 Reserve Account, the Series 2001 Reserve Account, the Series 2002 Reserve Account, the Series 2003 Reserve Account, the Series 2005 Reserve Account, the Series 2007 Reserve Account and the Series 2012 Reserve Account.

(vii) *Bond Purchase Fund.* The Series 2001 Bond Purchase Fund to be maintained by the Tender Agent. Separate accounts designated as the Series 2001 Remarketing Account, Facility Provider Account and University Purchase Account (and any other necessary accounts) shall be created and maintained by the Tender Agent as part of the Series 2001 Bond Purchase Fund. The Series 2002 Bond Purchase Fund to be maintained by the Tender Agent. Separate accounts designated as the Series 2002 Remarketing Account, Facility Provider Account and University Purchase Account (and any other necessary accounts) shall be created and maintained by the Tender Agent as part of the Series 2002 Bond Purchase Fund.

(viii) *Rebate Fund.* The Series 2000 Rebate Fund, the Series 2001 Rebate Fund, the Series 2002 Rebate Fund, the Series 2003 Rebate Fund, the Series 2005 Rebate Fund, the Series 2007 Rebate Fund and the Series 2012 Rebate Fund to be maintained with the Fiscal Agent.

(b) *New Funds.* The Regents hereby establish the following special and separate funds with respect to the Series 2013 Bonds:

(i) *Subordinate Lien Parity Bond Service Fund.* "The Regents of the University of New Mexico, Subordinate Lien System Improvement Bonds, Series 2013 Bond Service Fund" to be maintained with the Fiscal Agent. Within such Subordinate Lien Parity Bond Service Fund there is hereby created the Series 2013 Bonds Interest Account, Principal Account, Redemption Account and Additional Payments Account.

(ii) *Subordinate Lien Parity Bonds Reserve Fund.* Within the Subordinate Lien Parity Bonds Reserve Fund there is hereby created the Series 2013 Reserve Account.

(iii) *Refunding Fund.* "The Regents of the University of New Mexico Subordinate Lien System Improvement Bonds, Series 2013 Refunding Fund" to be maintained by the University with an Insured Bank.

(iv) *Issuance Expense Fund.* "The Regents of the University of New Mexico, Subordinate Lien System Improvement Bonds, Series 2013 Issuance Expense Fund" to be maintained with the University.

(v) *Rebate Fund.* The Series 2013 Rebate Fund to be maintained with the Fiscal Agent.

In addition, the President is hereby authorized to create any additional funds in the Pricing Resolution for the Bonds and to incorporate such additional funds into the flow of Pledged Revenues described in Section 5.03 hereunder.

Section 5.02 Use of Funds and Deposits into Funds and Accounts on Delivery of Bonds. On the Closing Date with respect to the Series 2013 Bonds, the proceeds from the sale of the Series 2013 Bonds and other amounts stated in this Section, shall be deposited or used as follows:

(a) Any accrued interest or capitalized interest, if any, received from the issuance and sale of the Series 2013 Bonds shall be credited to the Series 2013 Bonds Interest Account.

(b) On the Closing Date of the Series 2013 Bonds, proceeds of the Series 2013 Bonds, in an amount specified by the Regents, shall be deposited in the Series 2013 Reserve Account to satisfy the Reserve Requirement for the Series 2013 Bonds.

(c) Proceeds of the Series 2013 Bonds in an amount to be specified by the Regents on the Closing Date shall be deposited in the Series 2013 Refunding Fund. Such moneys shall be used and paid out by the Regents to defray the costs associated with the Refunding.

(d) Proceeds of the Series 2013 Bonds in an amount to be specified by the Regents on the Closing Date shall be deposited in the Series 2013 Issuance Expense Fund. Such moneys shall be used and paid out by the Regents to defray the Expenses.

(e) The Purchaser shall not be responsible for the application or disposal by the Regents of the proceeds derived from the sale of the Series 2013 Bonds or any other funds herein designated.

Section 5.03 Flow of Pledged Revenues. So long as any of the Bonds or any Subordinate Lien Parity Bonds are outstanding, either as to principal or interest, or both, the Regents shall cause the Pledged Revenues to be collected and deposited as received on a daily basis in the Pledged Revenues Fund and to make the payments from the Pledged Revenues Fund into the Superior Lien Parity Bond Service Fund, the Superior Lien Parity Bonds Reserve Fund, the Renewal and Replacement Fund, the Subordinate Lien Parity Bond Service Fund and the Subordinate Lien Parity Bonds Reserve Fund and as otherwise required or permitted by this Section.

As a first charge on the moneys deposited in the Pledged Revenues Fund, there shall be paid, from time to time, the Operating and Maintenance Expenses as they become due and payable. After the payment of the Operating and Maintenance Expenses of the System, which are then due, the following payments shall be made from the Pledged Revenues Fund:

(a) *Superior Lien Parity Bond Service Fund, Superior Lien Parity Bonds Reserve Fund and Certain Payments to Superior Lien Parity Bonds Reserve Fund Surety Bond Provider.* First, while any Superior Lien Parity Bonds are outstanding, Pledged Revenues shall be deposited into the Superior Lien Parity Bond Service Fund in each Fiscal Year to pay the principal of and interest on Superior Lien Parity Bonds coming due in such Fiscal Year. Second, the Regents shall make any deposits to the Superior Lien Parity Bonds Reserve Fund required by the resolutions authorizing the issuance of outstanding Superior Lien Parity Bonds. After such payments have been made, the Regents shall cause to be paid to the provider of the Superior Lien Parity Bonds Reserve Fund Surety Bond all unpaid moneys owed by the Regents corresponding to the amount of proceeds paid under the Superior Lien Parity Bonds Reserve Fund Surety Bond to restore the Superior Lien Parity Bonds Reserve Fund to the reserve requirement applicable to Superior Lien Parity Bonds.

(b) *Renewal and Replacement Fund.* The Regents are current in making the required semiannual deposits of \$50,000 into the Renewal and Replacement Fund as required by the resolutions authorizing the Superior Lien Parity Bonds presently outstanding on the date of adoption of this Bond Resolution. Therefore no funds need be deposited therein upon issuance of the Bonds. There shall be accumulated in the Renewal and Replacement Fund the greater of (i) \$10,000,000 or (ii) four percent (4%) of the original cost of the buildings, equipment, and furnishings constituting the System as determined at the end of each Fiscal Year (the "Renewal and Replacement Requirement"). On or before the end of each Fiscal Year, the Associate Vice-President for Planning, Budget and Analysis of the University, or his or her successor in function, shall file with the Fiscal Agent a certificate setting forth the original cost of all buildings, equipment and furnishings added to the System in the preceding Fiscal Year, the original cost of all additions and extensions added to buildings, equipment, or furnishings which are a part of the System and the original cost of any buildings, equipment, or furnishings which were removed from the System during such preceding Fiscal Year, together with the resulting original cost of the buildings, equipment and furnishings constituting the System as of the end of such preceding Fiscal Year. If the amount on deposit in the Renewal and Replacement Fund is, at any time, less than the Renewal and Replacement Requirement, payments shall be made from Pledged Revenues, but after and subject to

the payments required in provisions contained in paragraph (a) of this Section, in semiannual installments on or before each May 20 and November 20 on which there is a deficiency, in amounts not less than \$50,000. Moneys on deposit in the Renewal and Replacement Fund shall be first used to pay currently maturing installments of principal of and interest on Superior Lien Parity Bonds for the payment of which there is insufficient money in the Superior Lien Parity Bond Service Fund and Superior Lien Parity Bonds Reserve Fund (including any surety bond coverage); second, shall be used to pay currently maturing installments of principal of and interest on Subordinate Lien Parity Bonds for the payment of which there is insufficient money in the Subordinate Lien Parity Bond Service Fund and Subordinate Lien Parity Bonds Reserve Fund (including any surety bond coverage) and, finally, shall be used or reserved at the request of the Regents for the purpose of making improvements, extensions, repairs and replacements to the facilities of the University constituting the System.

(c) ***Subordinate Lien Parity Bond Payments.*** After and subject to the payments hereinabove required to be made under this section, while any Subordinate Lien Parity Bonds are Outstanding, Pledged Revenues shall be deposited into the Subordinate Lien Parity Bond Service Fund and shall be used to pay the principal of and interest on Subordinate Lien Parity Bonds coming due in each Fiscal Year pursuant to the terms hereof and of the resolutions under which such Subordinate Lien Parity Bonds were issued.

(i) ***Interest Account.*** Prior to each Interest Payment Date, the amount necessary to pay the next maturing installment of interest on each series of Outstanding 2000B Bonds, 2001 Bonds, 2002B Bonds, 2002C Bonds, 2003A Bonds, 2003B Bonds, 2003C Bonds, 2005 Bonds, 2007A Bonds, 2007B Bonds, 2012 Bonds and Series 2013 Bonds shall be credited to the Interest Account for that series of Bonds.

(ii) ***Principal Account and Redemption Account.*** Prior to each principal payment date, redemption date, or maturity date with respect to the Capital Appreciation Bonds, the amount necessary to pay the next regularly scheduled installment of principal, whether at maturity, prior redemption or on a mandatory sinking fund redemption date, on each series of Outstanding Subordinate Lien Parity Bonds shall be credited to the Principal Account or Redemption Account, as the case may be, for that series of Subordinate Lien Parity Bonds. Deposits to the Principal Accounts for the Subordinate Lien Parity Bonds of each series for the next installment of principal becoming due shall be made in substantially equal semiannual deposits commencing on May 20th or November 20th which is less than 7 months prior to the month in which the first installment of principal (or Maturity Amount with respect to the Capital Appreciation Bonds) on each series of Bonds is due. Deposits to the Redemption Accounts for the Bonds of each series shall be made in compliance with Section 3.03 hereof.

(iii) ***Payments and Reimbursements to Facility Provider and Qualified Counterparty.*** The following amounts required to be paid by the Regents shall be deposited in the Principal Account and Interest Account for the 2001 Bonds, for the 2002B Bonds and for the 2002C Bonds or other sinking fund which shall be a subaccount of such respective Principal Account or Interest

Account, and paid from the Pledged Revenues with the same priority as other payments of Debt Service on Subordinate Lien Parity Bonds:

(A) on or prior to the date when due, amounts to pay or reimburse a Facility Provider (as such term is defined in the resolution for the 2001 Bonds, the resolution for the 2002B Bonds or the resolution for the 2002C Bonds) for payments of Debt Service (but not the Tender Price (as such term is defined in the resolution for the 2001 Bonds, the resolution for the 2002B Bonds or the resolution for the 2002C Bonds) made by that Facility Provider; and

(B) no later than the Business Day prior to the date when due, amounts that are payable to a Qualified Counterparty under a Qualified Exchange Agreement if such payments are designated in the resolution of the Regents relating to that Qualified Exchange Agreement as being secured by a lien on Pledged Revenues on a parity with the lien thereon securing Subordinate Lien Parity Bonds; the lien of exchange termination payments payable pursuant to a Qualified Exchange Agreement on Pledged Revenues shall be subordinate to the lien of Subordinate Lien Parity Bonds on Pledged Revenues.

(iv) *Transfer of Money.* Each payment of principal and interest coming due on the Bonds shall be transferred from the applicable sinking fund account or subaccount by the Paying Agent and payment obligations shall be made directly to the Qualified Counterparty or Facility Provider entitled to receive payments of Subordinate Lien Parity Bonds, on or before the due date of such payment.

(v) *Subordinate Lien Parity Bonds Reserve Fund.* After and subject to the payments required by subparagraphs (i), (ii) and (iii) above, and except as provided in this subparagraph (v) and subparagraph (vi) hereof, any money required to be credited or transferred from the Pledged Revenues Fund to the Series 2000, Series 2001, Series 2002, Series 2003, Series 2005, Series 2007, Series 2012 or Series 2013 Reserve Account of the Subordinate Lien Parity Bonds Reserve Fund shall be so deposited or credited.

The Reserve Requirement for a series of Subordinate Lien Parity Bonds may be satisfied by a deposit of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond in the Subordinate Lien Parity Bonds Reserve Fund or the deposit of bond proceeds or Pledged Revenues in the Subordinate Lien Parity Bonds Reserve Fund. Commencing upon the date of delivery of the Bonds, the Regents shall deposit or cause to be deposited Bond proceeds or other funds in the Subordinate Lien Parity Bonds Reserve Fund to satisfy the Reserve Requirement. Any form of such deposit may be exchanged for any other permitted form of deposit of an equivalent amount; provided, however, (A) that debt payable by the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond shall be rated at least "Aaa" by Moody's and "AAA" by S&P (if the provider is an insurance company) or "Aa" by Moody's and "AA" by S&P (if the provider is a bank or other financial institution); (B) that prior to expiration of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond in any account, another Subordinate Lien Parity Bonds Reserve Fund Surety Bond of equivalent credit

quality is provided, and, if such replacement Subordinate Lien Parity Bonds Reserve Fund Surety Bond is unavailable, the Reserve Requirement will be funded on a scheduled basis or at one time prior to expiration of the existing Subordinate Lien Parity Bonds Reserve Fund Surety Bond; (C) if the terms of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond prohibit replenishment after draw-down, the Regents shall provide an additional Subordinate Lien Parity Bonds Reserve Fund Surety Bond or sufficient funds to ensure satisfaction of the Reserve Requirement; and (D) if a Subordinate Lien Parity Bonds Reserve Fund Surety Bond permits premature termination without payment, the conditions for such premature termination will be limited to a default on any Subordinate Lien Parity Bonds.

If the full amount necessary to pay the Debt Service on a series of Subordinate Lien Parity Bonds is not on deposit in the related Interest Account or Principal Account, when due, the amount necessary to pay the deficiency shall be transferred from the Subordinate Lien Parity Bonds Reserve Fund to that Principal Account or Interest Account. All money on deposit in the Subordinate Lien Parity Bonds Reserve Fund shall be transferred prior to making a draw on a Subordinate Lien Parity Bonds Reserve Fund Surety Bond on deposit therein. The amount transferred from the Subordinate Lien Parity Bonds Reserve Fund shall be replaced from the first amounts available therefor in the Pledged Revenues Fund no later than the end of the next full Fiscal Year or within such other period of time as set forth in the Regents resolution authorizing the issuance of the applicable Subordinate Lien Parity Bonds.

Reimbursements of amounts transferred from the Subordinate Lien Parity Bonds Reserve Fund shall be applied first to the payment of any provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond for amounts drawn on the Subordinate Lien Parity Bonds Reserve Fund Surety Bond to pay Debt Service on the Subordinate Lien Parity Bonds and, second, to pay into that Fund the amount transferred from that Fund to pay Debt Service.

The amount of money and, to the extent the coverage of such surety bond will permit, the proceeds of any Subordinate Lien Parity Bonds Reserve Fund Surety Bond on deposit in the Series 2000, Series 2001, Series 2002, Series 2003, Series 2005, Series 2007, Series 2012 or Series 2013 Reserve Account shall be used first to pay any deficiency in the amount available to pay Debt Service on the 2000B Bonds, 2001 Bonds, 2002B Bonds, 2002C Bonds, 2003A Bonds, 2003B Bonds, 2003C Bonds, 2005 Bonds, 2007A Bonds, 2007B Bonds, 2012 Bonds or Series 2013 Bonds, as the case may be, and second, to pay any deficiency in the amount available to pay amounts owing under the applicable Qualified Exchange Agreement; provided, however, that the use of such moneys or proceeds of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond to pay amounts owing under the applicable Qualified Exchange Agreement shall only be made with the Insurer's consent so long as the Insurer is rated "A" or above by S&P and Moody's.

(vi) *Termination Upon Deposits to Maturity.* No payment need be made into the Subordinate Lien Parity Bond Service Fund if all proceeds paid under a Subordinate Lien Parity Bonds Reserve Fund Surety Bond have been reimbursed and the amounts in the Subordinate Lien Parity Bond Service Fund,

together with moneys on deposit in the Subordinate Lien Parity Bonds Reserve Fund, total a sum at least equal to the entire amount of principal and interest due on the Outstanding Subordinate Lien Parity Bonds to their respective maturities, both accrued and not accrued. In such case, moneys in the Subordinate Lien Parity Bond Service Fund and Subordinate Lien Parity Bonds Reserve Fund shall be used solely to pay such principal and interest as the same shall become due, and any moneys in excess thereof in such Funds and any other Pledged Revenues may be used as provided below in this Section.

(vii) *Payment of Certain Interest, Fees and Expenses; Additional Payments Account.* Any balance of Pledged Revenues after making the payments hereinabove provided shall be used by the Regents for payment to the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond under a Subordinate Lien Parity Bonds Reserve Fund Surety Bond of all unpaid moneys owed by the Regents to such provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond including interest on the amount of the proceeds paid with respect to Subordinate Lien Parity Bonds pursuant to any such Subordinate Lien Parity Bonds Reserve Fund Surety Bond and expenses of such provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond. The amount of insurance proceeds used to pay principal and interest on the Bonds pursuant to a Subordinate Lien Parity Bonds Reserve Fund Surety Bond shall be payable in the manner and with the priority set forth in paragraph 5.04(c)(v) of this Section.

After making or crediting the payments required by the foregoing subparagraphs of this paragraph (c), amounts on deposit in the Pledged Revenues Fund shall be used as necessary to pay, first, all amounts, including payments owed to any Facility Provider for a series of Subordinate Lien Parity Bonds or relating to a Qualified Exchange Agreement which are not payable pursuant to the terms of any preceding paragraph of this Section and second, expenses, fees, rebate payments and the tender price of Subordinate Lien Parity Bonds purchased by the Regents. Pledged Revenues used to pay amounts pursuant to this paragraph shall be deposited by the Regents into the Additional Payments Account on or before the due date thereof.

(d) *Use of Surplus Pledged Revenues.* After making the payments hereinabove required to be made under this Section, the remaining Pledged Revenues, if any, may be applied as determined by the Regents to any other lawful purpose or purposes authorized by the Constitution and laws of the State as the Regents may direct.

Section 5.04 Rebate Fund. Any provision hereof to the contrary notwithstanding, amounts required to be credited to the Rebate Fund in accordance with the provisions of Section 7.10 hereof shall be free and clear of any lien hereunder or of any other resolution authorizing the issuance of bonds of the Regents and shall not constitute Pledged Revenues. Amounts in the Rebate Fund will be used as provided in Section 7.10 hereof.

Section 5.05 General Administration of Funds. The funds and accounts designated in Sections 5.01, 5.02, 5.03, 5.04 and 5.05 hereof shall be administered as follows:

(a) *Investment of Money.* Money in the Pledged Revenues Fund may be invested in any manner allowed for money of the University or the Regents by the laws of the State and money in the Subordinate Lien Parity Bond Service Fund, Subordinate Lien Parity Bonds Reserve Fund, Issuance Expense Fund and Rebate Fund may be

invested in Eligible Investments, maturing prior to the date on which the money so invested will be needed for the payment of principal of or interest on Subordinate Lien Parity Bonds, for the payment of Expenses or for rebate to the government of the United States of America as applicable. Money in the Renewal and Replacement Fund may be invested in such Eligible Investments as may hereafter be permitted by the laws of the State and with the advice and consent of the State Board of Finance if required by State law. The obligations so purchased as an investment of moneys in any such Fund shall be deemed at all times to be part of such Fund, and the interest accruing thereon and any profit realized therefrom shall be credited to such Fund (subject to withdrawal and use at any time as permitted by Section 5.04 hereof, as applicable), and any loss resulting from such investment shall be charged to the Fund. Any obligations so purchased as an investment of moneys in any Fund shall be presented for redemption or sale on the prevailing market whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such Fund.

(b) ***Deposits of Funds.*** The moneys and investments comprising the funds designated in Sections 5.01, 5.02, 5.03, 5.04 and 5.05 of the Bond Resolution shall be maintained and kept in an Insured Bank or Banks. Each payment shall be made into and credited to the proper fund at the designated time, except that when the designated time shall be a Saturday, a Sunday or a legal holiday, then such payment shall be made on the next succeeding business day. Nothing herein shall prevent the establishment of one or more such accounts in Insured Banks for all of the funds and accounts in Sections 5.01, 5.02, 5.03, 5.04 and 5.05 of the Bond Resolution or shall prevent the combination of such funds with any other Insured Bank account or accounts for other funds and accounts of the Regents; provided that the Rebate Fund shall not be combined with any other fund or account. The moneys in funds which are not invested shall be secured at all times in a manner required by the laws of the State for the securing of public moneys. The Fiscal Agent shall make such credit arrangements with any other bank or banks at which the Bonds are payable as will assure prompt payment of the principal of, premium, if any, and interest on the Bonds as set forth herein.

ARTICLE VI

LIENS ON PLEDGED REVENUES AND ADDITIONAL OBLIGATIONS

Section 6.01 Lien on Pledged Revenues; Equality of Bonds.

(a) The Bonds, together with all other Outstanding Subordinate Lien Parity Bonds are secured by an irrevocable subordinate and junior lien (but not necessarily an exclusively subordinate and junior lien) on the Pledged Revenues after payment of Operating and Maintenance Expenses and payments with respect to outstanding Superior Lien Parity Bonds. The Regents hereby pledge and grant to the owners of the Bonds a security interest in the Pledged Revenues and in the moneys and securities on deposit in the Subordinate Lien Parity Bond Service Fund, the Subordinate Lien Parity Bonds Reserve Fund and the Renewal and Replacement Fund for the payment of the principal of, premium, if any, and interest on the Bonds. The Regents hereby pledge and grant to any provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond a security interest, subordinate to the security interest to the owners of Bonds stated above, in the Pledged Revenues and in the money and securities on deposit in the Subordinate Lien Parity Bonds Reserve Fund for the repayments of amounts owed to any provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond. The pledges made pursuant to this Section are subject to the uses of the moneys in such Funds permitted by Section

5.04 hereof and shall have the priority set forth in Section 5.04 hereof. The Bonds from time to time Outstanding shall not be entitled to any priority one over the other in the application of the Pledged Revenues, regardless of the time or times of their issuance.

(b) ***Other Related Documents.*** Payments under any other Related Documents are secured by an irrevocable, subordinate lien on, and the Regents hereby grants to the parties entitled to payments thereunder a security interest in, the Pledged Revenues for those payments. The priority of the payments on Pledged Revenues referred to in this paragraph (c) shall be as set forth in Section 5.03.

Section 6.02 Parity Bonds.

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

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

(ii) the Pledged Revenues received by the University in each of the two completed Fiscal Years immediately preceding the issuance of the additional bonds must be at least 175% of the highest Debt Service requirement for any succeeding Fiscal Year measured from the date of computation on all Outstanding Subordinate Lien Parity Bonds and Superior Lien Parity Bonds and on the issue of bonds then proposed to be issued. A written certification, opinion, verification or other determination by the Associate Vice-President for Planning, Budget and Analysis of the University, or his or her successor in function, that the annual Pledged Revenues for such preceding Fiscal Years are at least equal to such amounts and the determinations of such amounts shall be conclusively presumed to be accurate in determining the right of the University to authorize, issue, sell and deliver the additional Subordinate Lien Parity Bonds. The Associate Vice-President for Planning, Budget and Analysis of the University, or his or her successor in function, may take into account the adjustments hereafter provided in this subparagraph (ii). If the proceedings authorizing the additional bonds pledge and provide for payment into the applicable Bond Service Fund of income or revenues in addition to the Pledged

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

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

(iv) if, after delivery of the Subordinate Lien Parity Bonds, the Reserve Requirement for any succeeding Fiscal Year on all Subordinate Lien Parity Bonds then Outstanding and the Subordinate Lien Parity Bonds proposed to be issued will be in excess of the amount on deposit in the Subordinate Lien Parity Bonds Reserve Fund and the maximum surety bond coverage available prior to the issuance of such Subordinate Lien Parity Bonds, the proceedings authorizing the issuance of the Subordinate Lien Parity Bonds must provide for additional insurance under a Subordinate Lien Parity Bonds Reserve Fund Surety Bond and/or the deposit in the Subordinate Lien Parity Bonds Reserve Fund, of 75% of the additional Reserve Requirement at or prior to issuance of the Subordinate Lien Parity Bonds and within two years after the delivery of the Subordinate Lien Parity Bonds, through approximately equal semiannual payments into the Subordinate Lien Parity Bonds Reserve Fund, of that amount which, together with the moneys and investments then on deposit in the Subordinate Lien Parity Bonds Reserve Fund and the insurance available under the Subordinate Lien Parity Bonds Reserve Fund Surety Bond, will equal the Reserve Requirement; and

(v) if there is a Superior Lien Parity Bonds Reserve Fund Surety Bond or a Subordinate Lien Parity Bonds Reserve Fund Surety Bond still in

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

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

(b) ***Junior Lien Obligations Permitted; Certain Obligations Prohibited.***

Nothing herein contained shall be construed to prevent the Regents from issuing obligations with a lien junior and subordinate to the lien on Pledged Revenues of Subordinate Lien Parity Bonds. The Regents shall not be permitted to issue obligations with a lien prior and superior to the lien on Pledged Revenues of Subordinate Lien Parity Bonds.

Section 6.03 Refunding Bonds. The provisions of Section 6.02 hereof are subject to these exceptions:

(a) ***Issuance of Refunding Obligations.*** If at any time the Regents shall find it desirable to refund Subordinate Lien Parity Bonds or other obligations payable from and constituting a subordinate and junior lien upon Pledged Revenues, the Subordinate Lien Parity Bonds or other obligations, or any part thereof, may be refunded (but only with the consent of the owner or owners thereof, unless the Subordinate Lien Parity Bonds or other obligations, at the time or times of their required surrender for payment shall then mature, or shall then be callable for prior redemption at the Regents option upon proper call), regardless of whether the priority of the lien for the payment of the refunding obligations on the Pledged Revenues is changed, except as provided in paragraphs (b) and (c) of this Section.

(b) ***Limitations Upon Issuance of Subordinate Lien Parity Refunding Obligations.*** No refunding bonds or other refunding obligations payable from Pledged Revenues shall be issued on a parity with the Bonds unless:

(i) the outstanding obligations so refunded are Subordinate Lien Parity Bonds and the refunding bonds or other refunding obligations do not

increase annual principal and interest obligations evidenced by such refunded obligations, or

(ii) the refunding bonds or other refunding obligations are issued in compliance with Section 6.02 hereof.

(c) ***Refunding Part of an Issue.*** The refunding bonds or other refunding obligations issued shall enjoy complete equality of lien on the Pledged Revenues with the portion of any bonds or other obligations of the same issue which are not refunded, if any; and the owner or owners of such refunding bonds or other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the owner or owners of the same issue refunded thereby.

(d) ***Limitations Upon Issuance of Any Refunding Obligations.*** Any refunding bonds or other refunding obligations payable from Pledged Revenues shall be issued with such terms, conditions, and details as the Regents may by resolution provide, subject to the inclusion of any such rights and privileges designated in paragraph (c) of this Section but without impairment of any contractual obligation imposed upon the Regents by any proceedings authorizing the issuance of any unrefunded portion of such outstanding obligations of any one or more issues (including but not necessarily limited to the Bonds). If only a part of the outstanding bonds and any other outstanding obligations of any issue or issues payable from the Pledged Revenues is refunded, then such obligations may not be refunded without the consent of the owner or owners of the unrefunded portion of such obligations, unless:

(i) the refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest requirements for any Fiscal Year evidenced by such refunded obligations and by the then outstanding obligations not refunded; or

(ii) the refunding bonds or other refunding obligations are issued in compliance with Section 6.02(a) hereof.

(e) ***Treatment of Variable Rate Subordinate Lien Parity Bonds.*** In determining the annual interest obligation under paragraph (b)(i) or (d)(i) of this Section, Subordinate Lien Parity Bonds which bear a variable or fluctuating interest rate (including any bonds proposed to be issued to refund such bonds) shall be treated as provided in Section 6.02(a)(vi) hereof.

ARTICLE VII

PROTECTIVE COVENANTS

Section 7.01 Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Bonds by those who will own the same from time to time, the provisions of this Bond Resolution shall be part of the contract between the Regents and the owners from time to time of the Bonds, to the effect and with the purpose set forth in the following Sections (subject in all cases to the limitations, if any, imposed by the constitution and laws of the State).

Section 7.02 Use of Series 2013 Bond Proceeds. The Regents will proceed without delay to apply the proceeds of the Series 2013 Bonds as set forth in Section 5.02 hereof.

Section 7.03 Operation and Repair of System; Disposition of Facilities. The Regents will at all times keep the System in operation while the University is in session, and will at all times keep the System in reasonable repair and efficient operating condition. This covenant shall not be construed to prevent the Regents from permanently abandoning the use of or selling at fair market value any of the facilities comprising the System, provided that:

(a) the Regents are in substantial compliance with all covenants and undertakings contained in the resolutions of the Regents with respect to all the Superior Lien Parity Bonds and Subordinate Lien Parity Bonds then Outstanding;

(b) the Regents will apply all proceeds from such sale to either (i) redemption of Outstanding Superior Lien Parity Bonds and Subordinate Lien Parity Bonds in accordance with the provisions governing repayment or redemption of Superior Lien Parity Bonds and Subordinate Lien Parity Bonds in advance of maturity, (ii) replacement of the facility disposed of by another facility which shall be incorporated as part of the System, or (iii) depositing such proceeds in the Superior Lien Bond Service Fund or the Subordinate Lien Parity Bond Service Fund for payment of the next ensuing payments of principal of, premium, if any, and interest on Superior Lien Parity Bonds and Subordinate Lien Parity Bonds; and

(c) the Associate Vice-President for Planning, Budget and Analysis of the University, or his or her successor in function, certifies prior to disposition, either (i) that the facility to be abandoned or sold is no longer economically capable of producing Pledged Revenues sufficient to make retention of the facility economically feasible, or (ii) that (A) the estimated Pledged Revenues of the System to be received in the next succeeding Fiscal Year after taking into account such abandonment or sale, together with any other funds herein pledged as security for the Superior Lien Parity Bonds and Subordinate Lien Parity Bonds, plus any additional gross Pledged Revenues, if any, will be sufficient to meet all principal, interest and Superior Lien Parity Bonds Reserve Fund and Subordinate Lien Parity Bonds Reserve Fund payments required to be made under the provisions of the resolutions authorizing the issuance of Outstanding Superior Lien Parity Bonds and Subordinate Lien Parity Bonds and (B) the Pledged Revenues as received by the University in each of the two completed Fiscal Years immediately preceding the abandonment or sale of such facilities from sources other than appropriations, if any, from the State Legislature were equal to one hundred seventy-five percent (175%) of the highest Debt Service requirement for any succeeding Fiscal Year on all Outstanding Superior Lien Parity Bonds and Subordinate Lien Parity Bonds.

Section 7.04 Rates and Charges. The Regents will at all times impose and collect rates and charges for the use of all buildings and facilities comprising the System and for all commodities and services sold or supplied therein or furnished thereby, and will impose and collect such student tuition and fees for the use and availability of the System, as will be fully sufficient, together with the other income and revenues of the University received from sources other than (a) sources excluded from the System, (b) the proceeds of ad valorem taxation, (c) appropriations from the State, or (d) the proceeds of any University contracts and grants, whether from or with public, private or governmental sources, which are restricted as to use, to permit the performance of all the covenants in and requirements of the Bond Resolution, including the prompt payments required by Section 5.03 to be made into the respective bond service funds, the

Superior Lien Parity Bonds Reserve Fund, the Subordinate Lien Parity Bonds Reserve Fund, the Renewal and Replacement Fund, the required reimbursements of proceeds of any Superior Lien Parity Bonds Reserve Fund Surety Bond, Subordinate Lien Parity Bonds Reserve Fund Surety Bond, payment of amounts owed to any provider of a Superior Lien Parity Bonds Reserve Fund Surety Bond or provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond, payments of amounts owed to a Qualified Swap Provider, other payments required under the Related Documents and the payment of the reasonable and necessary cost of efficiently maintaining and operating the buildings, structures, improvements and facilities comprising the System.

Section 7.05 Insurance. The Regents will keep the System, including its furniture and equipment, insured against fire and other hazards in amounts at least sufficient to provide for not less than full recovery whenever the loss from perils insured against, does not exceed ninety percent (90%) of the full insurable value of the System, including its furniture and equipment. In case of loss, the proceeds of such insurance may in the discretion of the Regents be (a) applied to the repair or restoration of the damaged building or facility and the contents thereof to their former condition, or in such other manner as will make said building or facility tenantable or usable, provided, however, that if funds received from insurance policies shall be insufficient to make any building or facility suffering such loss tenantable or usable, then the Regents may supplement the insurance proceeds from revenues not required to be paid into the bond service funds so as to make the insurance proceeds sufficient for their required use; (b) applied to the replacement of the damaged building or facility by another facility which shall be included as part of the System; or (c) deposited into the respective bond service funds for the redemption or other payment of Superior Lien Parity Bonds and Subordinate Lien Parity Bonds if the Regents determine to abandon the damaged building or facility.

Section 7.06 Books and Records. The University will maintain and keep proper books of record and account in which shall be made full and correct entries of the receipt of all Pledged Revenues, of all payments made into the respective bond service funds, the Superior Lien Parity Bonds Reserve Fund, the Subordinate Lien Parity Bonds Reserve Fund, and the Renewal and Replacement Fund and of all payments disbursed therefrom. Such books of record and account shall be audited annually by a state auditing official or by a certified public accountant or firm of such accountants in the same manner as are the other records of the University, and as promptly as possible after the making of each such annual audit, the Regents will cause copies of the portion of its general audit which covers the above matters to be delivered to the Fiscal Agent and to the owners of any of the Bonds who may have so requested in writing. The books of record and account and the general audit of the University shall be open to examination at all reasonable times by the Fiscal Agent and by the owners of any of the Bonds to the extent permitted by law.

Section 7.07 Additional Liens. The Regents will issue no other bonds or obligations of any kind or nature in the future other than the Bonds payable from or enjoying a lien on the Pledged Revenues or having a lien on the Pledged Revenues except as provided in Sections 6.02 and 6.03 hereof.

Section 7.08 Fiduciary Charges. All charges made by the Paying Agent/Registrar or Fiscal Agent will be paid by the University and shall not be payable by the owner of any Bond. The previous sentence shall not apply to transfer fees which may be imposed by the Paying Agent/Registrar.

Section 7.09 Debt Service Grants. Pursuant to the provisions of Section 6-17-14 NMSA 1978 and in order to reduce the debt service on bonds to which Debt Service Grants are applicable and thereby relieve students and other users of the System from the obligation of paying rates, fees and charges represented by the amount of the debt service on bonds attributable to Debt Service Grants, the Regents may enter into grants or other agreements with the United States of America or any of its agencies or any other governmental entity for the payment of Debt Service Grants or interest subsidies and such Grants and interest subsidies will, as received, be deposited into the Superior Lien Parity Bond Service Fund; provided, however, the Regents will not violate the provisions of Section 7.10 hereof or any Debt Service Grant agreement, including the terms and conditions and special conditions, if any, attached thereto. Annually or semiannually, as applicable, following the date of the initial occupancy of a project acquired with the proceeds of bonds as to which there is such a Debt Service Grant, the Associate Vice-President for Planning, Budget and Analysis of the University, or his or her successor in function, will file with the designated authority of the United States of America a requisition, in form satisfactory to the government, for the next annual or semiannual payment of such Debt Service Grant, together with all necessary recitals.

Section 7.10 Tax Covenant. The Regents and the University covenant for the benefit of the owners of the Bonds that they will not take any action or omit to take any action with respect to the Bonds intended to be tax-exempt under the Code, the proceeds thereof, any other funds of the Regents and the University or any facilities financed or refinanced with the proceeds of such Bonds if such action or omission (a) would cause the interest on such Bonds or any other tax-exempt obligations of the Regents to lose their exclusion from gross income for federal income tax purposes under Section 103 of the Code; (b) would cause interest on such Bonds or any other tax-exempt obligations of the Regents to lose their exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income; (c) would cause such Bonds or any other tax-exempt obligations of the Regents to become "arbitrage bonds" within the meaning of Section 148 of the Code or would otherwise subject the Regents or the University to any penalties under Section 148 of the Code; or (d) would cause interest on such Bonds or any other tax-exempt obligations of the Regents to lose their exclusion from state taxes under present State law. In addition, the Regents covenant to comply with all information-reporting requirements applicable to such Bonds pursuant to Section 149(e) of the Code and the regulations promulgated thereunder. The Regents agree to establish and maintain the Rebate Fund pursuant to the provisions of the Tax Compliance Certificate. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of such Bonds until the date on which all obligations of the Regents and the University in fulfilling the above covenant under the Code have been met.

Section 7.11 Undertaking to Provide Ongoing Disclosure. The Regents shall enter into a written undertaking for the benefit of the registered owners of the Bonds required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240. 15c2-12) (the "Rule") to provide continuing disclosure.

ARTICLE VIII

DEFAULTS, RIGHTS AND REMEDIES

Section 8.01 Events of Default. Each of the following events is hereby declared to be an "event of default":

(a) ***Nonpayment.*** The failure to make any payment of principal of, premium, if any, or interest on any Subordinate Lien Parity Bond on the date the same becomes due and payable.

(b) ***Default of Any Provision.*** Default in the due and punctual observance or performance of any of the covenants, conditions and agreements on the part of the Regents in the Subordinate Lien Parity Bonds or in the Bond Resolution, other than as specified in paragraph (a) of this Section, and failure to remedy such default for a period of sixty (60) days after written notice thereof specifying such failure and requiring the same to be remedied shall have been given to the Regents by the owners of not less than twenty-five percent (25%) in aggregate principal amount of the Subordinate Lien Parity Bonds at the time Outstanding.

(c) ***Bankruptcy.*** The Regents shall file a petition seeking relief or a petition shall be filed against the Regents seeking relief, which shall not be stayed or dismissed within sixty (60) days, under any bankruptcy law or similar law for relief of debtors.

(d) ***Failure to Maintain Reserve Requirement.*** The Regents shall fail to maintain the Reserve Requirement after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Regents by a Subordinate Lien Parity Bonds Reserve Fund Surety Bond Provider and the Regents shall not have taken action to correct such failure within sixty (60) days from the receipt of such notice.

Section 8.02 Rights and Remedies of Bondowners. Upon the occurrence of any event of default, the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Subordinate Lien Parity Bonds then Outstanding, including a trustee or trustees for the owners of Subordinate Lien Parity Bonds, shall, in addition to all other remedies and rights of Owners of any of the Subordinate Lien Parity Bonds, have the right and power for the equal benefit and protection of all Owners of the Subordinate Lien Parity Bonds similarly situated, by suit, action, mandamus or proceeding, at law or in equity, to protect, enforce and compel performance by the Regents and any of the officers, agents and employees of the Regents, to perform and carry out its and their duties and obligations under the Bond Resolution or the law pursuant to which the Subordinate Lien Parity Bonds have been issued, including, but not limited to the appointment of a receiver for the collection and disbursement of the Pledged Revenues as described in Section 5.03 hereof, or to enforce the covenants and agreements of the Regents with the Owners of the Subordinate Lien Parity Bonds. Nothing in this Section shall be construed to authorize any action by or on behalf of such owners which is contrary to any presently existing law, nor to require the Regents to perform any act or to do anything which shall require the expenditure in any manner or for any purpose of any funds by the Regents other than the Pledged Revenues.

ARTICLE IX

DEFEASANCE

When all principal, interest, and prior redemption premiums, if any, in connection with the Bonds have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the Bonds shall no longer be deemed to be Outstanding within the meaning of the Bond Resolution. There shall be deemed to be such payment as to the Bonds when the Regents have caused to be placed in escrow and in trust with a bank doing business in the State which is a member of the Federal Deposit Insurance Corporation (or any successor federal agency) and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested) to meet all requirements of principal, interest and prior redemption premium, if any, on such Bonds as the same become due to maturity or upon any designated prior redemption date or dates. The Federal Securities shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Regents and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to the redemption at the option of the owners thereof to assure such availability as needed to meet such schedule. If any such Bond is to be redeemed prior to maturity, notice of redemption shall have been given or arrangements satisfactory to the Paying Agent/Registrar shall have been made for the giving of such notice. No Bonds may be refunded unless they mature or are callable for prior redemption under their terms within 15 years, or such longer period as may then be allowed by the laws of the State, from the date of issuance of the refunding bonds or unless the owners thereof voluntarily surrender them for exchange or payment.

ARTICLE X

AMENDMENT OF RESOLUTION

Section 10.01 Limitations upon Amendments. This Bond Resolution may be amended without the consent of the owners of Subordinate Lien Parity Bonds or the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond to cure any ambiguity, or to cure, correct, or supplement any defect or inconsistent provision contained herein or, if applicable, to preserve the exclusion of interest on any Subordinate Lien Parity Bonds from gross income for federal income tax purposes, or to comply with securities laws, or to make any changes that, in the judgment of the Regents, in reliance upon an opinion of nationally recognized bond counsel, does not have a material adverse affect on the rights of the owners of Subordinate Lien Parity Bonds. Except as provided above, the Bond Resolution may only be amended or supplemented by resolutions adopted by the Regents in accordance with the laws of the State, with the written consent of the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond while such Subordinate Lien Parity Bonds Reserve Fund Surety Bond is in effect and the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond is not in default thereunder and with the consent of the owners of sixty percent (60%) of all Subordinate Lien Parity Bonds then outstanding or in the event that any such amendment affects less than all of the Subordinate Lien Parity Bonds outstanding, of the owners of sixty percent (60%) of just the affected Subordinate Lien Parity Bonds then outstanding, not including in any case any Subordinate Lien Parity Bonds which may then be held or owned for the account of the Regents, but including such refunding bonds as may be issued for the purpose of refunding any of the Subordinate Lien Parity Bonds if such refunding bonds are not owned by the Regents; provided, however, that, unless the

requirements listed above are met and the consent of the owners of one hundred percent (100%) of all Subordinate Lien Parity Bonds then outstanding is obtained, no such resolutions shall have the effect of permitting:

- (a) an extension of the maturity of any Subordinate Lien Parity Bond; or
- (b) a reduction in the principal amount of any Subordinate Lien Parity Bond, the rate of interest thereon, or the redemption premium payable thereon; or
- (c) a reduction of the principal amount of Subordinate Lien Parity Bonds required for consent to such amendatory or supplemental resolution; or
- (d) the establishment of priorities as between all Outstanding Subordinate Lien Parity Bonds issued and outstanding under the provisions of the Bond Resolution; or
- (e) the modification of, or otherwise affecting, the rights of the owners of less than all of the Subordinate Lien Parity Bonds then outstanding (other than as originally permitted hereby); or
- (f) the modification of the terms of payment of principal of or interest on the Subordinate Lien Parity Bonds or the imposition of any conditions with respect to such payment.

Section 10.02 Notice of Amendment. Notice of a proposed amendment requiring the consent of the owners of Subordinate Lien Parity Bonds shall be mailed to the owners of the Subordinate Lien Parity Bonds then Outstanding affected by the amendment at their addresses as the same last appear in the registration books kept by the Paying Agent/Registrar and to the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies of the resolution pertaining to such amendment are on file at the principal corporate office of the Paying Agent/Registrar for inspection by all owners of Subordinate Lien Parity Bonds. If, within sixty (60) days or such longer period as shall be prescribed by the Regents following the giving of such notice, the requisite owners of the Subordinate Lien Parity Bonds Outstanding affected by the amendment shall have consented to and approved the amendment as herein provided, the amendment shall become effective and no owner of any Subordinate Lien Parity Bond shall have any right to object to such amendment, or the operation thereof.

Section 10.03 Proof of Instruments. The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him or her the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer. The amount and numbers of the Subordinate Lien Parity Bonds owned by any person executing such instrument and the date of his or her holding the same shall be proved by the registration books maintained by the Paying Agent/Registrar.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Delegated Powers. The Authorized Officers of the Regents and the University be, and they hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of the Bond Resolution, including, without limiting the generality of the foregoing, the publication of the Notice of Resolution Authorizing the Issuance of Public Securities set out in Section 11.09 hereof (with or without such changes, additions and deletions not inconsistent herewith as they may determine), the distribution of material relating to the Bonds, the execution of the Purchase Contract and the Related Documents, the acquisition of Eligible Investments for the Series 2013 Refunding Fund, the printing of the Bonds, the printing and distribution of the Preliminary Official Statement and the Official Statement and the execution of such certificates and agreements as may be required by the Purchaser, including, but not necessarily limited to the absence and existence of factors affecting the exclusion of interest on the tax-exempt Bonds from gross income for federal income tax purposes.

Section 11.02 Bond Resolution Irrepealable. Except with respect to amendments as provided in Section 10.01 hereof, after any of the Bonds are issued the Bond Resolution shall be and remain irrepealable until the Bonds, the interest thereon and amounts due to the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond shall be fully paid, canceled and discharged, as herein provided, or there has been defeasance as herein provided.

Section 11.03 Approval of State Board of Finance. Prior to the delivery of the Bonds, an Authorized Officer shall give written notice of the intention of the Regents to issue the Bonds to the State Board of Finance, together with a copy of this resolution and any supplemental showings or materials which may be required by the State Board of Finance, and none of the Bonds shall be delivered until the State Board of Finance shall have issued such approvals as are required by law.

Section 11.04 Finding of Regularity. The Regents hereby expressly find and determine that all conditions of Chapter 6, Article 17, NMSA 1978, as amended, for the issuance of the Bonds have been met and fulfilled or will have been met and fulfilled prior to the issuance thereof.

Section 11.05 Severability. If any one or more provisions of the Bond Resolution or the application thereof to any set of circumstances or the pledge of any one or more sources of revenue hereunder shall ever be held by final decision of a court of competent jurisdiction to be invalid or ineffective for any reason, such holding shall not affect the validity and enforceability of the remaining provisions and pledges of the Bond Resolution or the application of such remaining provisions to other circumstances.

Section 11.06 Repealer Clause. All bylaws, orders and resolutions of the Regents or the University, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order or resolution, or part thereof, heretofore repealed.

Section 11.07 Ratification. All action heretofore taken (not inconsistent with the express provisions of this Bond Resolution) by the Regents or the University directed toward the Project, and toward the authorization, sale and issuance of the Bonds to the Purchaser herein authorized be, and the same hereby is ratified, approved and confirmed.

Section 11.08 Governing Law. This Bond Resolution shall be governed by the laws of the State without reference to choice of law principles thereof.

Section 11.09 Notice of Resolution Authorizing the Issuance of Public Securities for Publication and Limitation of Actions. In accordance with the provisions of Section 6-14-6 NMSA 1978, as amended, the Regents shall cause the following "Notice of Resolution Authorizing the Issuance of Public Securities" to be published once in the Albuquerque Journal or other newspaper of general statewide circulation, and cause a copy of this resolution to be kept on file in the office of the Associate Vice-President for Institute Planning of the University of New Mexico for public examination during regular business hours until at least thirty (30) days from and after the date of publication thereof. The "Notice of Resolution Authorizing the Issuance of Public Securities" shall be in substantially the following form:

[FORM OF NOTICE]

**NOTICE OF RESOLUTION AUTHORIZING THE
ISSUANCE OF PUBLIC SECURITIES**

NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 6-14-6 NMSA 1978, as amended, that on May 14, 2013, The Regents of the University of New Mexico (the "Regents") adopted a resolution (the "Resolution") authorizing the issuance of The Regents of the University of New Mexico Subordinate Lien System Refunding Revenue Bonds, Series 2013 in an amount not to exceed \$18,500,000.

The title of the Resolution is as follows:

AUTHORIZING THE ISSUANCE AND SALE OF SUBORDINATE LIEN SYSTEM REFUNDING REVENUE BONDS, SERIES 2013 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$18,500,000, IN ONE OR MORE SERIES, OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO FOR THE PURPOSE OF PROVIDING FUNDS FOR THE REFUNDING OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO, SUBORDINATE LIEN SYSTEM REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 2003, ACQUIRING A RESERVE FUND INSURANCE POLICY TO FUND, OR OTHERWISE FUNDING, A RESERVE FUND FOR SUCH BONDS, AND PAYING THE COSTS OF ISSUANCE ASSOCIATED THEREWITH; PROVIDING FOR THE PLEDGE OF CERTAIN REVENUES FOR THE PAYMENT OF THE BONDS; PROVIDING FOR ENTERING INTO CERTAIN CONTRACTS AND AGREEMENTS IN CONNECTION THEREWITH; PRESCRIBING OTHER DETAILS CONCERNING SUCH BONDS AND THE BOND PROCEEDS; PROVIDING FOR THE APPROVAL AND EXECUTION OF CERTAIN DOCUMENTS OTHERWISE RELATING TO THE FOREGOING; AND PROVIDING FOR THE PUBLICATION OF NOTICE OF ADOPTION OF THIS RESOLUTION.

A general summary of the resolution appears in its title.

A copy of the Resolution is on file in the office of the Associate Vice-President for Planning, Budget and Analysis of the University of New Mexico, Scholes Hall at the University of New Mexico, in Albuquerque, New Mexico, where it may be examined during regular

business hours of the Associate Vice-President for Planning, Budget and Analysis from 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 5:00 p.m. The Resolution shall be available for inspection for a period of at least thirty (30) days from and after the date of the publication of this notice.

This notice is given pursuant to the Public Securities Limitation of Action Act, Sections 6-14-4 to 6-14-7 NMSA 1978, as amended.

DATED this 14th day of May, 2013.

THE REGENTS OF THE UNIVERSITY OF
NEW MEXICO

[END OF FORM OF NOTICE]

Section 11.10 Third Party Beneficiary; Notices. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the University, the Regents, the Paying Agent, the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond, and the Owners of the Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the University shall be for the sole and exclusive benefit of the University, the Regents, the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond, the Paying Agent and the Owners of the Bonds.

All notices to the Regents or the University, the Paying Agent, the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond, Moody's and S&P shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram, telecopy or telex or other similar communication, or when given by telephone, confirmed in writing, sent by any of the above methods on the same day addressed as follows:

If to the Fiscal Agent:	to be set forth in the Pricing Resolution
If to the Regents or the University:	University of New Mexico Scholes Hall Albuquerque, New Mexico 87131 Attention: Associate Vice-President for Planning, Budget and Analysis or his or her successor in function Telephone: (505) 277-6465 Fax: (505) 277-3377
If to Moody's:	Moody's Investor Services 99 Church Street New York, New York 10007 Attention: Municipal Department Telephone: (212) 553-0300 Fax: (212)553-7450

If to S&P:

Standard & Poor's Ratings Services
55 Water Street
New York, New York 10041
Attention: Municipal Structured Surveillance
Telephone: (212) 208-1723
Fax: (212) 412-0462

The above parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices shall be sent.

Section 11.11 Effective Date. This resolution shall take immediate effect.

ADOPTED AND APPROVED this 14th day of May, 2013.

THE REGENTS OF THE UNIVERSITY OF
NEW MEXICO

[SEAL]

By _____
President

Attest:

By

Secretary

Y:\dox\client\73740\0154\GENERAL\W1914999.DOC

[Signature Page to Bond Resolution]

month next preceding such interest payment date (the "Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Owner hereof at the close of business on the Record Date and shall be payable to the person who is the Owner hereof at the close of business on a Special Record Date, as described in the resolutions of the Regents adopted on May 14, 2013 and on _____, 2013 authorizing the issuance of and relating to this bond, respectively (collectively, the "Bond Resolution"), for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Owners of the bonds of the series of which this is one (the "Series 2013 Bonds") not less than ten (10) days prior thereto. Alternative means of payment of interest may be used if mutually agreed to in writing between the Owner of any Series 2013 Bond and the Paying Agent, as provided in the Bond Resolution. All such payments shall be made in lawful money of the United States of America.

Capitalized terms used in this bond and not specifically defined herein shall have the same meanings ascribed thereto in the Bond Resolution unless the context shall otherwise clearly require.

The Series 2013 Bonds are issuable as fully registered bonds in denominations of \$5,000 and any integral multiple thereof or \$5,000 Maturity Amount with respect to the Capital Appreciation Bonds (provided that no Series 2013 Bond may be in a denomination which exceeds the principal coming due on any Maturity Date, and no individual Series 2013 Bond may be issued for more than one maturity) and are exchangeable for fully registered Series 2013 Bonds of the same maturity in equal aggregate principal amounts and in authorized denominations at the aforesaid office of the Paying Agent, but only in the manner, subject to the limitations, and on payment of the charges provided in the Bond Resolution.

The Series 2013 Bonds are initially to be registered in the name of "Cede & Co.," as nominee for The Depository Trust Company ("DTC"), as securities depository for the Series 2013 Bonds. Purchases by beneficial owners are to be made in book-entry form. Beneficial owners are not to receive certificates evidencing their interest in the Series 2013 Bonds.

Series 2013 Bonds (with the exception of the Capital Appreciation Bonds) maturing on and after June 1, __, are subject to prior redemption, at the option of the Regents, in whole at any time or in part on any interest payment date on or after June 1, ____, in integral multiples of \$5,000, from any maturities or any portions of maturities selected by the Regents and by lot within a maturity (giving proportionate weight to Series 2013 Bonds in denominations larger than \$5,000), in such manner as the Paying Agent may determine, at the respective redemption prices (expressed as percentages of the principal amount of each Series 2013 Bond or portion thereof so redeemed) set forth below, plus accrued interest to the redemption date.

Redemption Dates	Redemption Price
June 1, _____ through May 31, _____	%
June 1, _____ and thereafter	

The Series 2013 Bonds maturing on June 1, _____, are subject to mandatory sinking fund redemption by lot in such manner as the Paying Agent may determine (giving proportionate weight to Series 2013 Bonds in denominations larger than \$5,000 principal amount), on June 1 in each of the following years and in each of the designated amounts of principal, at a price equal to

the principal amount of each Series 2013 Bond or portion thereof so redeemed plus accrued interest to the redemption date.

Redemption Dates (June 1)	Principal to be Redeemed
--------------------------------------	-------------------------------------

\$

*

*Final Maturity

The Series 2013 Bonds maturing on June 1, _____, are subject to mandatory sinking fund redemption by lot in such manner as the Paying Agent may determine (giving proportionate weight to Series 2013 Bonds in denominations larger than \$5,000), on June 1 in each of the following years and in each of the designated amounts of principal, at a price equal to the principal amount of each Series 2013 Bond or portion thereof so redeemed plus accrued interest to the redemption date.

Redemption Dates (June 1)	Principal to be Redeemed
--------------------------------------	-------------------------------------

\$

*

*Final Maturity

The principal amount of Series 2013 Bonds maturing on June 1, _____ and on June 1, _____ required to be redeemed on any particular date will be reduced in such order as the Regents determines by an amount equal to the par value of any such Series 2013 Bonds previously paid or redeemed at the Regents option not less than 60 days prior to the redemption date fixed for the mandatory sinking fund redemption.

In the case of a Series 2013 Bond of a denomination larger than \$5,000, a portion of such Series 2013 Bond (\$5,000 principal amount or \$5,000 Maturity Amount with respect to the Capital Appreciation Bonds or any integral multiple thereof) may be redeemed, in which case the Paying Agent shall, without charge to the Owner of such Series 2013 Bond, authenticate and issue a replacement Series 2013 Bond or Bonds for the unredeemed portion thereof. Money sufficient to provide for the redemption price due in connection with any redemption of Series 2013 Bonds as provided herein shall be credited to the Series 2013 Bonds Principal Account for such purpose prior to the redemption date set for such Series 2013 Bonds. Redemption shall be made upon not less than thirty (30) days but not more than sixty (60) days prior mailed notice to the Owner of any Series 2013 Bond all or a part of which is called for prior redemption, at such Owners address as it last appears on the registration records kept by the Paying Agent, subject to the terms and otherwise as provided in the Bond Resolution.

The Paying Agent will not be required to transfer or exchange: (i) any Series 2013 Bond or portion thereof subject to redemption during a period beginning at the opening of business fifteen (15) days before the day of the mailing by the Paying Agent of a notice of redemption and ending at the close of business on the day of such mailing; or (ii) any Series 2013 Bond or any

portion thereof after the mailing of notice calling such Series 2013 Bond or any portion thereof for redemption.

This bond is fully transferable by the Owner hereof, in person or by his duly authorized attorney, upon surrender of this bond together with a duly executed written instrument of transfer satisfactory to the Paying Agent. Upon such transfer, a new fully registered Series 2013 Bond or Bonds of authorized denomination or denominations of the same aggregate principal amount and maturity will be issued to the transferee in exchange for this bond, subject to such terms and conditions as set forth in the Bond Resolution. The Regents and Paying Agent may deem and treat the person in whose name this bond is registered as the absolute Owner hereof for the purpose of making payments (except to the extent otherwise provided hereinabove and in the Bond Resolution with respect to Record Dates and Special Record Dates for the payment of interest) and for all other purposes, and the Regents and Paying Agent shall be not be affected by notice to the contrary.

THE SERIES 2013 BONDS AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE REGENTS, ARE PAYABLE SOLELY FROM THE PLEDGED REVENUES DESCRIBED BELOW AND AMOUNTS ON DEPOSIT IN THE SUBORDINATE LIEN PARITY BONDS RESERVE FUND, AND SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO, THE UNIVERSITY OF NEW MEXICO OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE OWNERS OF BONDS MAY NOT LOOK TO ANY GENERAL OR OTHER FUND OTHER THAN THE PLEDGED REVENUES FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2013 BONDS OR OTHER COSTS INCIDENT THERETO. THE REGENTS HAVE NO TAXING POWER.

The Series 2013 Bonds are issued in full compliance with the laws of the State, including Sections 6-17-1 to 6-17-19 NMSA 1978, as amended, and Sections 6-14-1 to 6-14-12 NMSA 1978, as amended, and all enactments of the Regents relating to the Series 2013 Bonds, all as amended.

The Regents are issuing the Series 2013 Bonds in order to provide funds for the refunding of certain indebtedness previously incurred by the Regents, acquiring a reserve fund insurance policy to fund, or otherwise fund, a reserve fund for the Series 2013 Bonds, and paying the costs of issuance associated therewith (collectively, the "Project").

The Series 2013 Bonds are equally and ratably secured by a pledge under the Bond Resolution of the Pledged Revenues. Pledged Revenues are defined in this bond to mean the net revenues derived directly or indirectly by the Regents from the operation or ownership of the System, all as more fully defined in the Bond Resolution. Pledged Revenues do not include any money received from ad valorem taxes, State appropriations or restricted contracts and gifts.

Reference is made to the Bond Resolution on file with the Associate Vice-President for Planning, Budget and Analysis of the University for a description of the Pledged Revenues, the rights, duties and obligations of the Owners, the Fiscal Agent and the Regents, and the conditions under which the Series 2013 Bonds are issued and secured. The acceptance of the terms and conditions of the Bond Resolution is an explicit and material part of the consideration of the Regents issuance of this bond, and each owner, by acceptance of this bond, agrees and assents to all such terms and conditions as if fully set forth herein.

The Regents and the Fiscal Agent may deem and treat the person in whose name this bond is registered on the registration books of the Regents maintained by the Fiscal Agent as the absolute owner of this bond for all purposes, whether or not this Bond is overdue, and neither the Regents nor the Fiscal Agent shall be affected by any notice to the contrary.

The transfer and exchange of this bond will be registered upon the registration books kept at the principal corporate trust office of the Fiscal Agent, upon surrender of this bond at that office, together with the attached instrument of transfer duly executed by the Registered Owner or his duly authorized attorney.

The Registered Owner of this bond has no right to enforce the provisions of the Bond Resolution or to institute action to enforce the covenants therein or to take any action with respect to any default under the Bond Resolution or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Bond Resolution.

The Bond Resolution may be modified or amended as set forth in the Bond Resolution.

No covenant or agreement contained in this bond or the Bond Resolution will be deemed to be the covenant or agreement of any elected or appointed Regent, officer, agent, servant or employee of the University in his individual capacity, and no member of the Regents or any official executing this bond will be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

If sufficient funds are deposited with the Fiscal Agent to pay the principal or redemption price of any Series 2013 Bonds becoming due at maturity, by call for redemption or otherwise, together with interest accrued to the due date, interest on such Series 2013 Bonds will cease to accrue on the due date, and thereafter the owners will be restricted to the funds deposited as provided in the Bond Resolution.

It is certified that all acts and conditions necessary to be done or performed by the Regents and the University to have happened precedent to the issuance of the Series 2013 Bonds to make them legal, valid and binding limited and special obligations of the Regents and the University have been performed and have happened, as required by law, and that the Series 2013 Bonds do not exceed or violate any constitutional or statutory limitation. This Series 2013 Bond will not be entitled to any benefit under the Bond Resolution or become valid or obligatory for any purpose until the Fiscal Agent, as authenticating agent, has signed the Certificate of Authentication.

IN WITNESS WHEREOF, the Regents have caused this bond to be signed by the manual or facsimile signature of the President of the Regents and attested by the manual or facsimile signature of the Secretary and Treasurer of the Regents and a manual impression or the facsimile of the corporate seal of the Regents to be printed thereon, all as of _____, 2013.

THE REGENTS OF THE UNIVERSITY OF
NEW MEXICO

[SEAL]

By _____
President

Attest:

By _____
Secretary and Treasurer

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2013 Bonds described in the within-mentioned Bond Resolution of The Regents of the University of New Mexico, and this bond has been registered on the registration books kept by the undersigned as Fiscal Agent for such Series 2013 Bonds.

as Paying Agent/Registrar

By _____
Authorized Officer

Date of Authentication:

_____, 2013

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto

SOCIAL SECURITY OR FEDERAL EMPLOYER
IDENTIFICATION NUMBER OF ASSIGNEE

(Name and Address of Assignee)

the within bond and does hereby irrevocably constitute and appoint _____ attorney, to transfer said bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature of Registered Owner:

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature guaranteed:

(Bank, Trust Company, or Firm)

TRANSFER FEE MAY BE REQUIRED

PREPAYMENT PANEL

The following installments of principal (or portion thereof) of this Bond have been prepaid in accordance with the terms of the Bond Resolution

Date of Prepayment	Principal Prepaid	Signature of Authorized Representative of the Depository
-------------------------------	------------------------------	---

DTC FAST RIDER

This bond shall remain in the Custodian's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Custodian and DTC.

EXHIBIT B

**(AFFIDAVIT OF PUBLICATION OF NOTICE
OF ADOPTION OF THE RESOLUTION)**

EXHIBIT C

THE PROJECT

Project Description

Not to Exceed*

**Refunding of The Regents of the
University of New Mexico, Subordinate Lien System
Improvement Revenue Bonds, Series 2003**

\$ _____

***To be finally determined in Pricing Resolution**

**REQUEST FOR CAPITAL PROJECT APPROVAL for
1650 UNIVERSITY NE INTERIOR BUILD-OUT
UNIVERSITY OF NEW MEXICO
May 3, 2013**

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 UNM Health Sciences Center (HSC) 1650 University NE Interior Build-Out.

PROJECT DESCRIPTION:

The building at 1650 University NE was purchased in December, 2010. The 104,897 gross square foot building is positioned on a site of 4.622 acres and includes 375 parking spaces. The core and shell project approved in March, 2012 consisted of refurbishing and/or replacement of mechanical and main electrical systems, a new chiller and gas boiler, replacement of the exterior glazing envelope, elevator upgrades, an ADA entrance and demolition of interior wall partitions. This leaves a clear open space for the interior build-out project which will complete the fire protection systems, IT distribution closets on each floor, all restrooms and the balance of the public spaces. The project will also build out 76,369 net square feet of tenant improvement consisting of open space design and a small percentage of closed hard-wall spaces. HSC and UNM Hospitals tenants will occupy the entire building. Each department will be responsible for providing their own furniture and equipment, voice/data services and relocations.

PROJECT RATIONALE:

The HSC has seen exponential growth in programs for research, patient care, community service and education over the last ten years, which has driven an urgent need for space. This project will accommodate departments which can operate efficiently a short distance outside of the contiguous HSC campus and allow units tied to student education and patient care to occupy the backfilled space.

FUNDING:

The total project budget is \$7,400,000:

- \$7,400,000 is funded by the HSC Chancellor's Capital Initiative fund.



THE UNIVERSITY of
NEW MEXICO

OFFICE OF THE VP FOR ADMINISTRATION, COO AND CIO
INSTITUTIONAL SUPPORT SERVICES

Interior Build-Out

1650 University NE

Albuquerque, New Mexico

For file

UNM Health Science Center

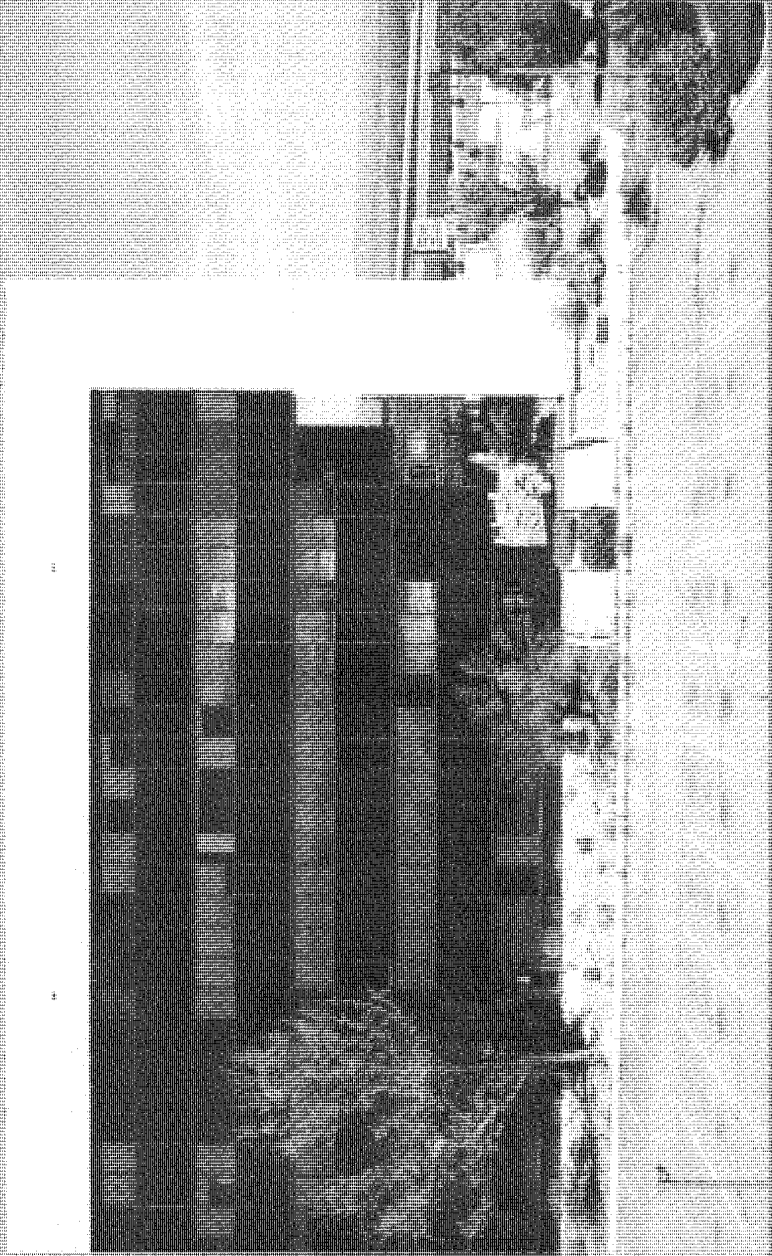
Office of the University Architect / Office of Capital Projects / Office of Real Estate

May 3, 2013



THE UNIVERSITY of
NEW MEXICO

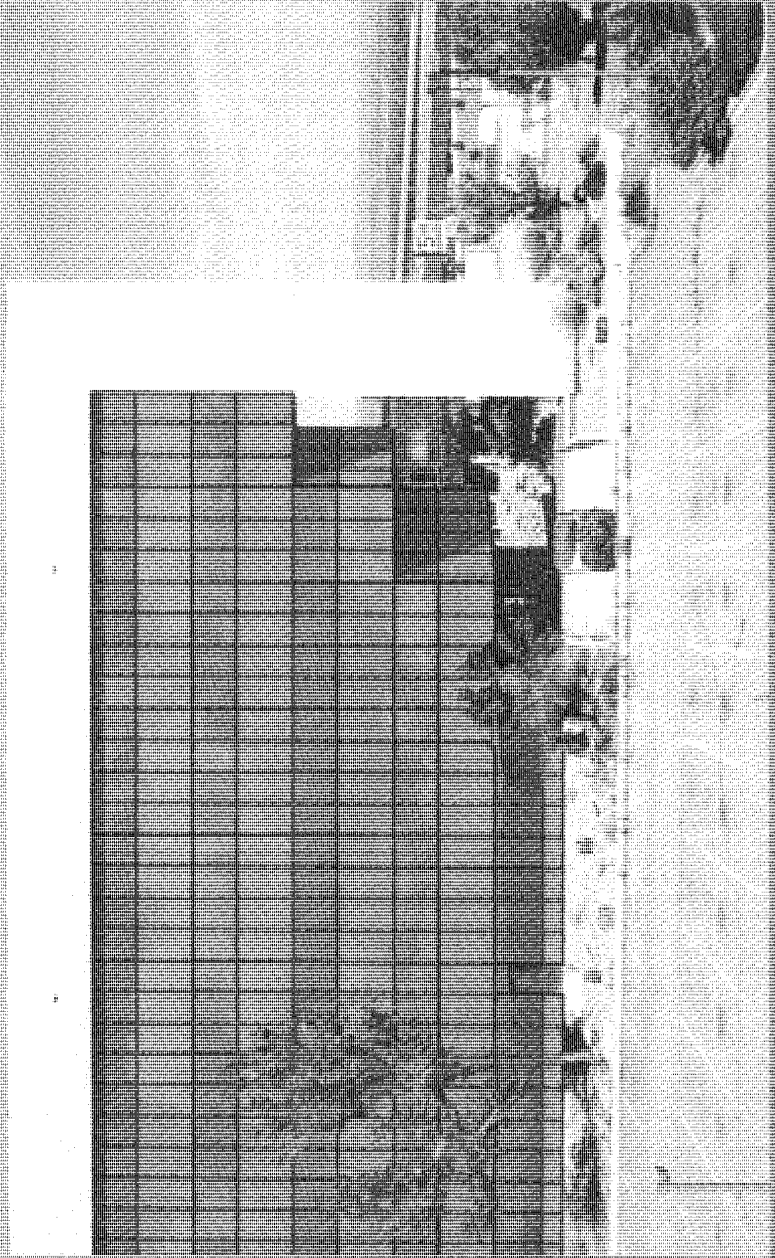
Interior Build-Out
1650 University NE
Albuquerque, New Mexico





THE UNIVERSITY of
NEW MEXICO

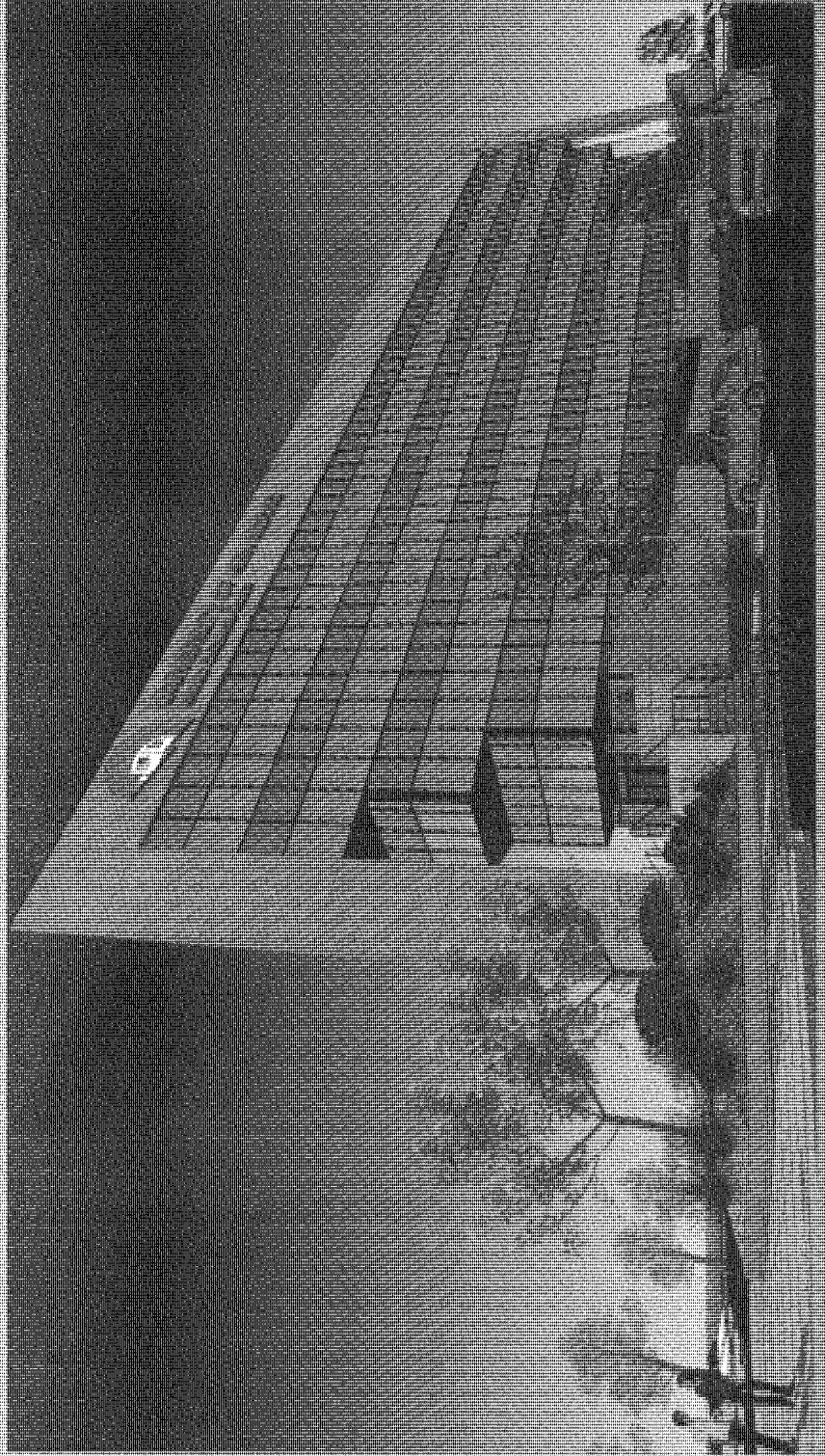
Interior Build-Out
1650 University NE
Albuquerque, New Mexico





THE UNIVERSITY of
NEW MEXICO

Interior Build-Out
1650 University NE
Albuquerque, New Mexico





THE UNIVERSITY of NEW MEXICO

Interior Build-Out
1650 University NE
Albuquerque, New Mexico

Acquisition

Board of Regents Approval September 14, 2010
NM State Board of Finance Approval November 16, 2010

Date Acquired:
December 2010

Property Overview:

Five-story office building constructed in 1983
containing 104,897 gross square feet on a 6.22 acres.

Total Acquisition Price

\$3,614,000, or \$34.36 per square foot.

(Includes purchase price, appraisal, legal fees, building condition assessment, survey, and environmental reports.)

Allocation of Purchase Price:

Land Value	\$12,000/SF	\$2,416,000
Build Value	\$11.42/SF	\$1,188,000
Total	\$34.65/SF	\$3,604,000

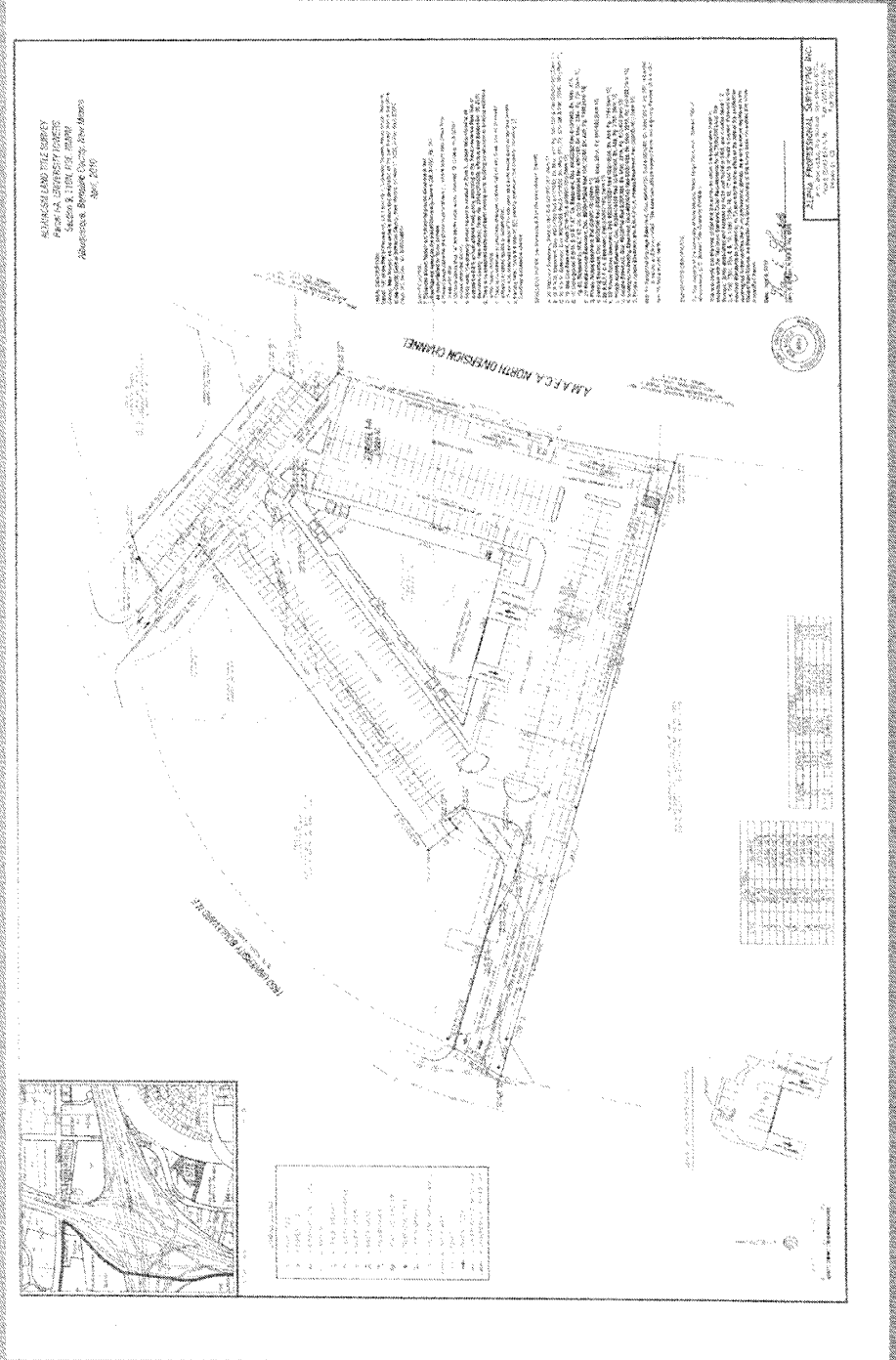
Appraised Value:

\$4,650,000 (March 19, 2010)



THE UNIVERSITY of NEW MEXICO

Interior Build-Out
1650 University NE
Albuquerque, New Mexico





THE UNIVERSITY of NEW MEXICO

Interior Build-Out
1650 University NE
Albuquerque, New Mexico

Core and Shell Renovation

Architect Selection:

Fanning Bard Tatum Architects
Board of Regents Approval August 9, 2011
SDB1319

CMAR Selection:

Bradbury Stamm Construction
Board of Regents Approval March 23, 2012
SDB1541000

Eight CEC Break-In Core and Shell, excluding utility, variance was 3%
Budget based on actual bids.

Extensive Energy Modeling:

Replacement of the entire glazing system is projected to reduce total energy consumption by 50% with a payback on cost of nine years and projected savings on energy of \$1,500,000 over ten years.



THE UNIVERSITY OF NEW MEXICO

Interior Build-Out 1650 University NE Albuquerque, New Mexico

May 5, 2013

FROM: 1650 University NE Interim

Approved: Total Project Budget

Original General Contract

Budget Change: MAAC

Construction Contingency

1	4,000,000.00
2	4,000,000.00
3	722,000.00
4	500,000.00

5	10,000,000.00	10,000,000.00
6	10,000,000.00	10,000,000.00
7	10,000,000.00	10,000,000.00
8	10,000,000.00	10,000,000.00
9	10,000,000.00	10,000,000.00
10	10,000,000.00	10,000,000.00
11	10,000,000.00	10,000,000.00
12	10,000,000.00	10,000,000.00
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43	10,000,000.00	10,000,000.00
44	10,000,000.00	10,000,000.00
45	10,000,000.00	10,000,000.00
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78	10,000,000.00	10,000,000.00
79	10,000,000.00	10,000,000.00
80	10,000,000.00	10,000,000.00
81	10,000,000.00	10,000,000.00
82	10,000,000.00	10,000,000.00
83	10,000,000.00	10,000,000.00
84	10,000,000.00	10,000,000.00
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86	10,000,000.00	10,000,000.00
87	10,000,000.00	10,000,000.00
88	10,000,000.00	10,000,000.00
89	10,000,000.00	10,000,000.00
90	10,000,000.00	10,000,000.00
91	10,000,000.00	10,000,000.00
92	10,000,000.00	10,000,000.00
93	10,000,000.00	10,000,000.00
94	10,000,000.00	10,000,000.00
95	10,000,000.00	10,000,000.00
96	10,000,000.00	10,000,000.00
97	10,000,000.00	10,000,000.00
98	10,000,000.00	10,000,000.00
99	10,000,000.00	10,000,000.00
100	10,000,000.00	10,000,000.00

Approved: _____
Date: _____



THE UNIVERSITY of
NEW MEXICO

Interior Build-Out
1650 University NE
Albuquerque, New Mexico

Costs Outside of GC Contract	Build Statement	
	Roof Replacement	\$ 21,148.00
	Elevation Installation	156,696.00
	Material Testing	7,642.00
	PIP Commissioning	30,580.00
	PM Scheduling Permit	4,775.00
	Mass Auction	24,775.00
		<hr/>
		\$ 232,780.00

Total Construction Value	MACC	\$ 650,850.00
AGC Fees		\$ 20,700.00

Total Construction Value

\$ 671,550.00



THE UNIVERSITY of
NEW MEXICO

Interior Build-Out
1650 University NE
Albuquerque, New Mexico

Tenant Improvements (TI 100% Build-Out)

OCP TIMACC Estimate incl. LEED Silver	\$ 6,500,000
A&E Design Fees	\$ 450,000
NM Gross Receipts Tax	\$ 450,000
Total Project Tenant Improvements Estimate	\$ 7,400,000

TI Per Sq. Ft. Estimate = \$74.40

\$7,400,000 is funded by the HSC Chancellor's Capital Initiative fund

UNM 1650 Tenant Improvement Square Footage Analysis May 2, 2013

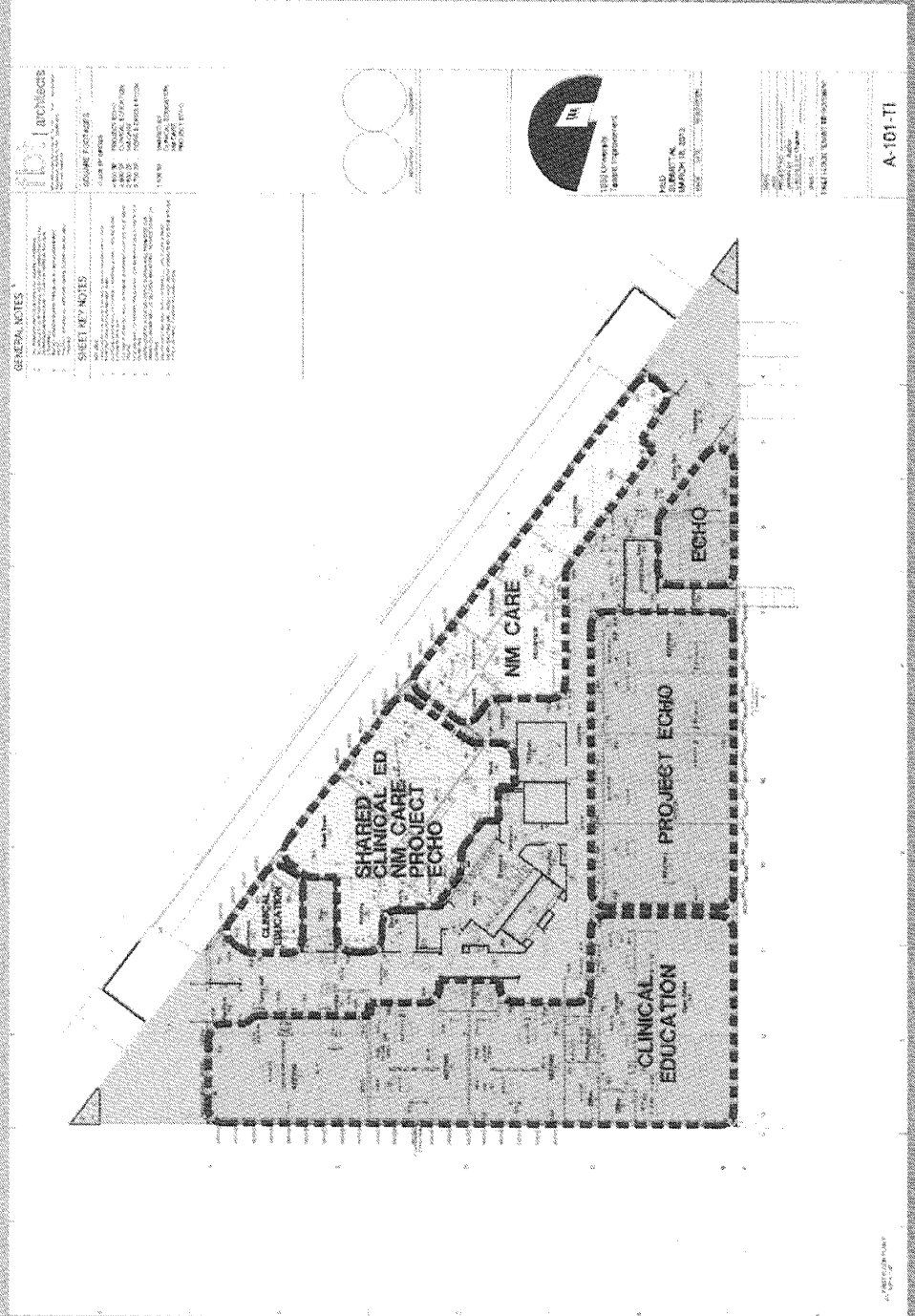
Floor plate	Gross SF	Core & Circulation	Project Echo	Client Ed	HSC Financial	UNMH	Mech Support	Storage	Parting	
Basement	12,586	1250								
Floor 1	17,608	5,314	11,971	8000			2,251	1,760	6,052	
Floor 2	18,131	1,392		1,485			2,087			
Floor 3	15,658	3,952		12,979			2,287			
Floor 4	15,886	2,792		15,217			3,087			
Floor 5	16,806	3,792	15,114				3,787			
Total	104,877	20,322	29,085	4,900	11,066	27,682	11,399	3,525	1,760	6,052



THE UNIVERSITY of NEW MEXICO

Interior Build-Out
1650 University NE
Albuquerque, New Mexico

1st Floor

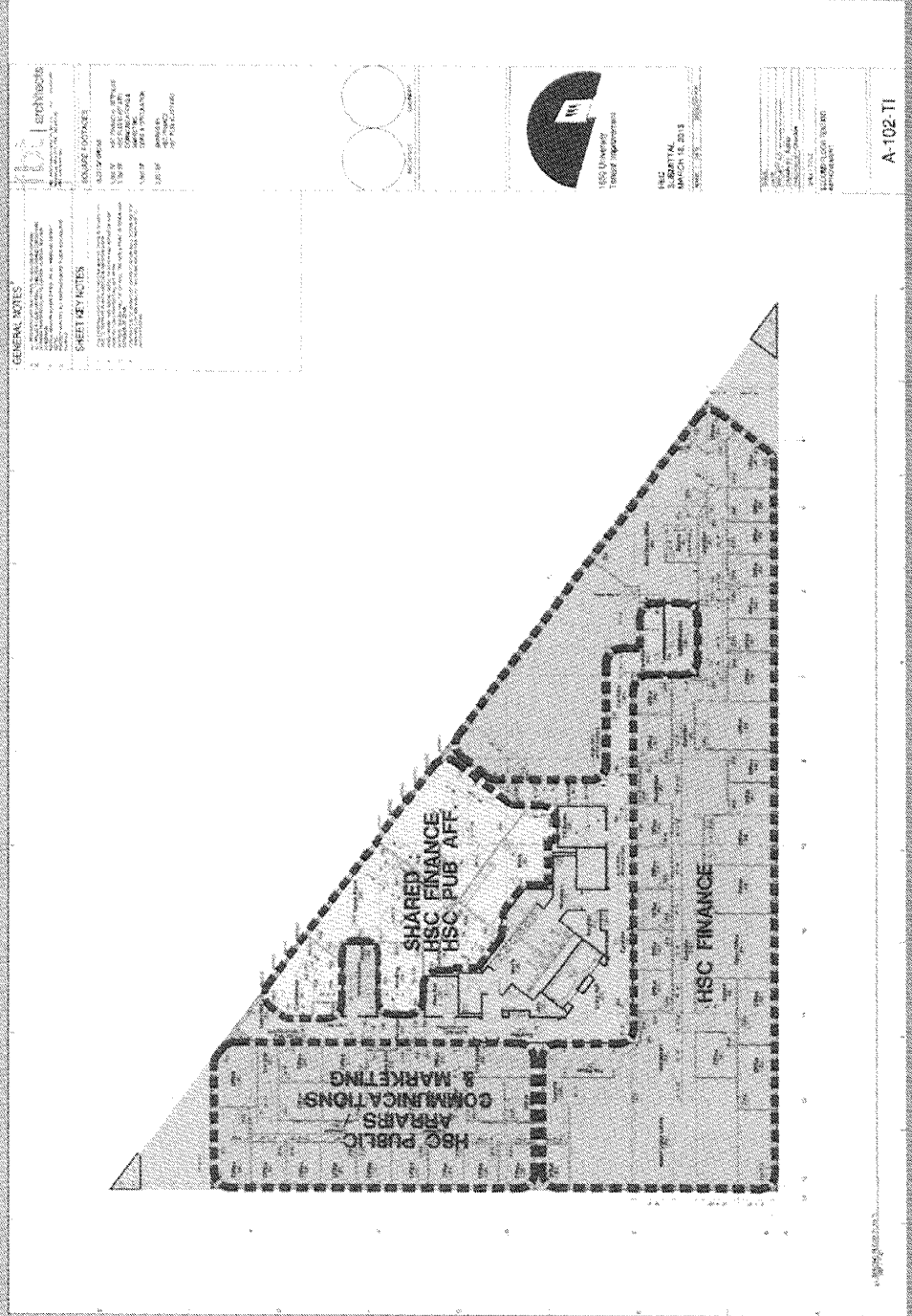




THE UNIVERSITY of
NEW MEXICO

Interior Build-Out
1650 University NE
Albuquerque, New Mexico

2nd Floor



GENERAL NOTES

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE UNIVERSITY OF NEW MEXICO ARCHITECTURAL STANDARDS.
2. ALL WORK SHALL BE IN ACCORDANCE WITH THE UNIVERSITY OF NEW MEXICO CONSTRUCTION SPECIFICATIONS.
3. ALL WORK SHALL BE IN ACCORDANCE WITH THE UNIVERSITY OF NEW MEXICO SUSTAINABILITY GUIDELINES.
4. ALL WORK SHALL BE IN ACCORDANCE WITH THE UNIVERSITY OF NEW MEXICO ACCESSIBILITY REQUIREMENTS.
5. ALL WORK SHALL BE IN ACCORDANCE WITH THE UNIVERSITY OF NEW MEXICO SAFETY PROTOCOLS.
6. ALL WORK SHALL BE IN ACCORDANCE WITH THE UNIVERSITY OF NEW MEXICO ENVIRONMENTAL PROTECTION REGULATIONS.
7. ALL WORK SHALL BE IN ACCORDANCE WITH THE UNIVERSITY OF NEW MEXICO HISTORIC PRESERVATION REQUIREMENTS.
8. ALL WORK SHALL BE IN ACCORDANCE WITH THE UNIVERSITY OF NEW MEXICO ARCHITECTURAL RECORDING STANDARDS.
9. ALL WORK SHALL BE IN ACCORDANCE WITH THE UNIVERSITY OF NEW MEXICO ARCHITECTURAL DRAWING STANDARDS.
10. ALL WORK SHALL BE IN ACCORDANCE WITH THE UNIVERSITY OF NEW MEXICO ARCHITECTURAL SPECIFICATIONS.

SHEET NOTES

1. SEE SHEET A-102-TI FOR GENERAL NOTES.
2. SEE SHEET A-102-TI FOR GENERAL NOTES.
3. SEE SHEET A-102-TI FOR GENERAL NOTES.
4. SEE SHEET A-102-TI FOR GENERAL NOTES.
5. SEE SHEET A-102-TI FOR GENERAL NOTES.
6. SEE SHEET A-102-TI FOR GENERAL NOTES.
7. SEE SHEET A-102-TI FOR GENERAL NOTES.
8. SEE SHEET A-102-TI FOR GENERAL NOTES.
9. SEE SHEET A-102-TI FOR GENERAL NOTES.
10. SEE SHEET A-102-TI FOR GENERAL NOTES.

PROJECT INFORMATION

PROJECT NAME: 1650 UNIVERSITY NE
 PROJECT NUMBER: 1650-000000
 PROJECT LOCATION: ALBUQUERQUE, NEW MEXICO
 PROJECT OWNER: THE UNIVERSITY OF NEW MEXICO
 PROJECT ARCHITECT: [Logo] ARCHITECTS
 PROJECT DATE: MARCH 12, 2013
 PROJECT SCALE: 1/8" = 1'-0"

REVISIONS

NO.	DATE	DESCRIPTION
1	03/12/13	ISSUED FOR PERMIT
2	03/12/13	ISSUED FOR PERMIT
3	03/12/13	ISSUED FOR PERMIT
4	03/12/13	ISSUED FOR PERMIT
5	03/12/13	ISSUED FOR PERMIT
6	03/12/13	ISSUED FOR PERMIT
7	03/12/13	ISSUED FOR PERMIT
8	03/12/13	ISSUED FOR PERMIT
9	03/12/13	ISSUED FOR PERMIT
10	03/12/13	ISSUED FOR PERMIT

PROJECT INFORMATION

PROJECT NAME: 1650 UNIVERSITY NE
 PROJECT NUMBER: 1650-000000
 PROJECT LOCATION: ALBUQUERQUE, NEW MEXICO
 PROJECT OWNER: THE UNIVERSITY OF NEW MEXICO
 PROJECT ARCHITECT: [Logo] ARCHITECTS
 PROJECT DATE: MARCH 12, 2013
 PROJECT SCALE: 1/8" = 1'-0"

REVISIONS

NO.	DATE	DESCRIPTION
1	03/12/13	ISSUED FOR PERMIT
2	03/12/13	ISSUED FOR PERMIT
3	03/12/13	ISSUED FOR PERMIT
4	03/12/13	ISSUED FOR PERMIT
5	03/12/13	ISSUED FOR PERMIT
6	03/12/13	ISSUED FOR PERMIT
7	03/12/13	ISSUED FOR PERMIT
8	03/12/13	ISSUED FOR PERMIT
9	03/12/13	ISSUED FOR PERMIT
10	03/12/13	ISSUED FOR PERMIT

A-102-TI



 THE UNIVERSITY of

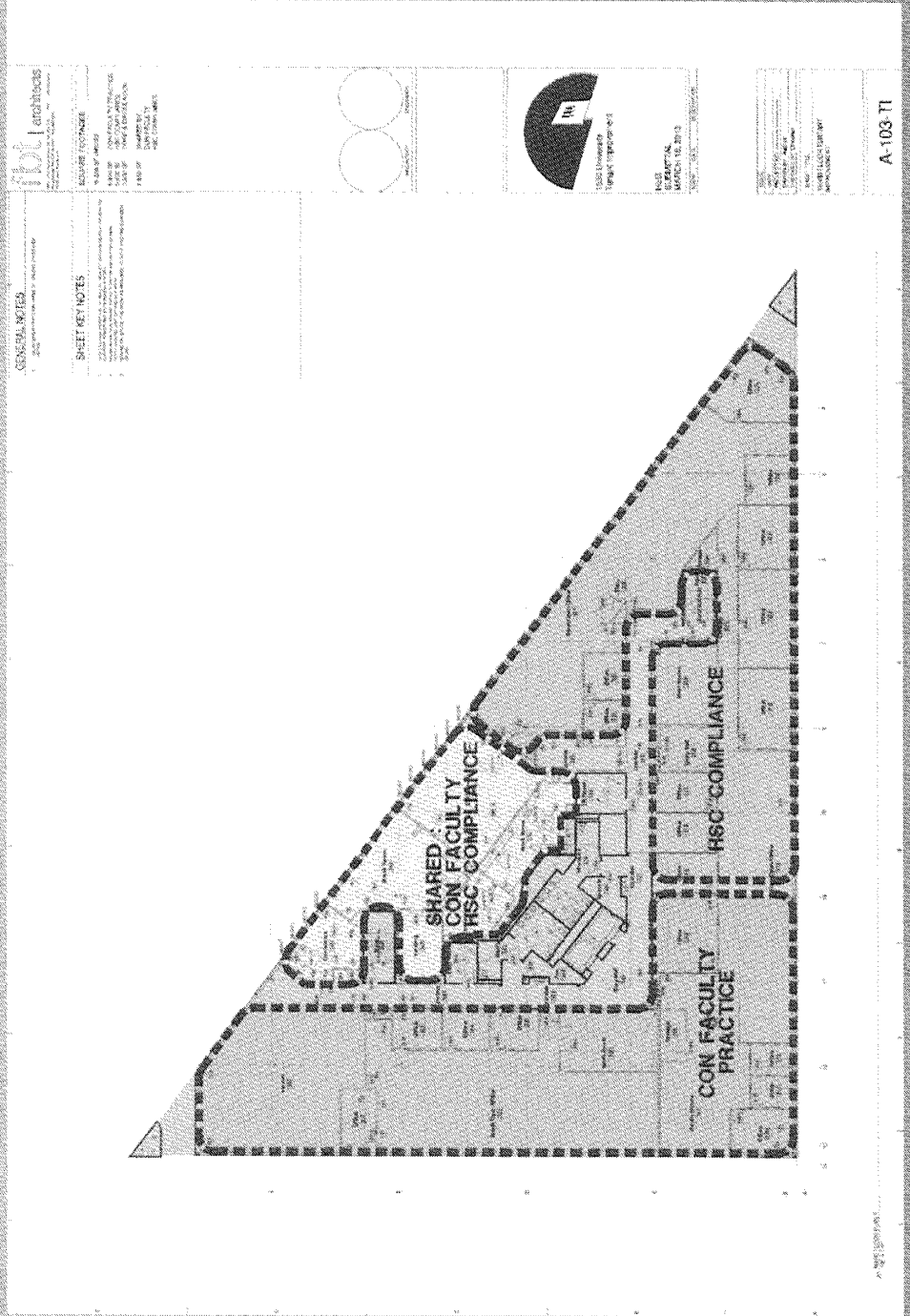
NEW MEXICO

Interior Build-Out

 1650 University NE

 Albuquerque, New Mexico

3rd Floor

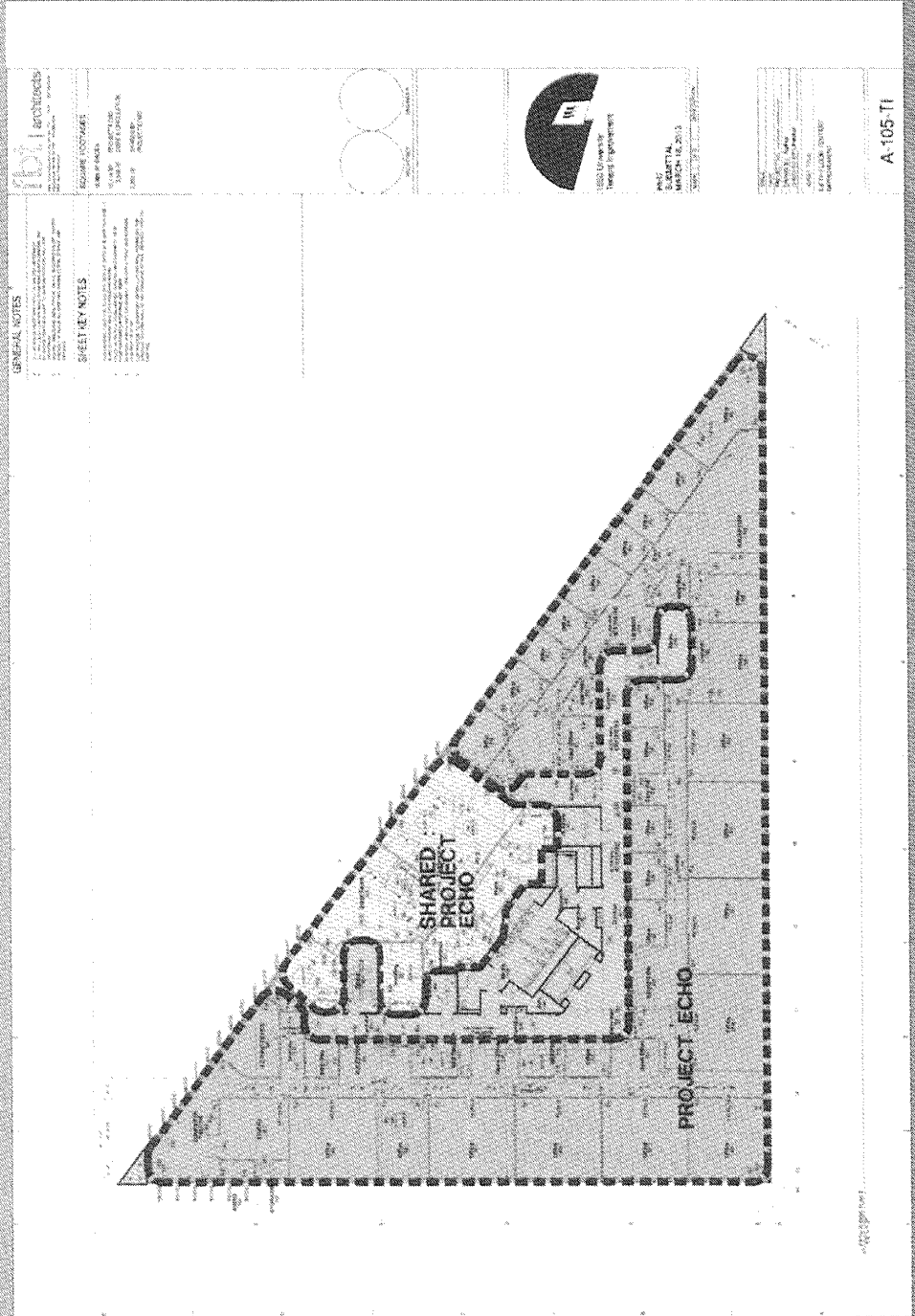




THE UNIVERSITY of
NEW MEXICO

Interior Build-Out
1650 University NE
Albuquerque, New Mexico

5th Floor

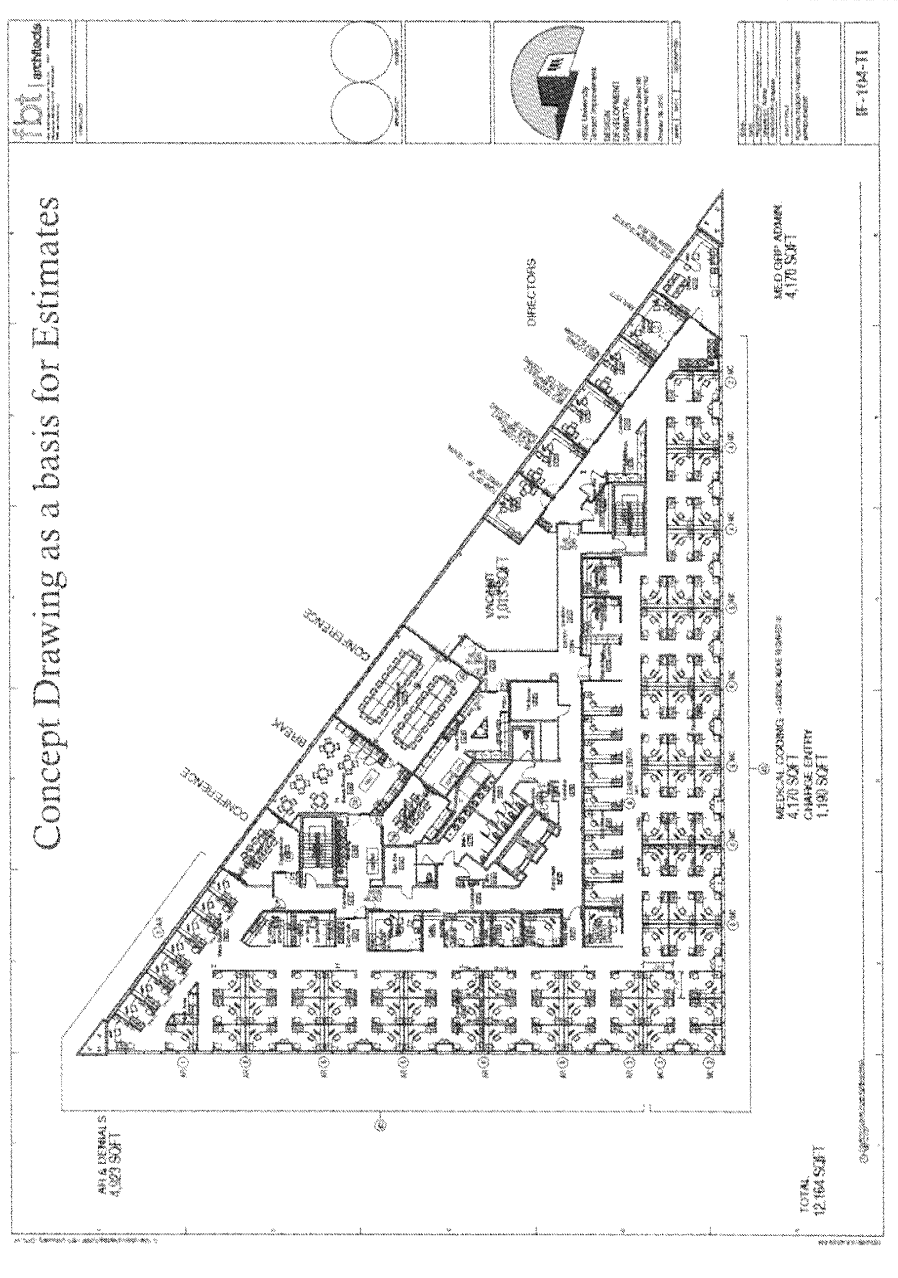




THE UNIVERSITY of NEW MEXICO

Interior Build-Out
1650 University NE
Albuquerque, New Mexico

Concept Drawing as a basis for Estimates



fbt architects



1650 UNIVERSITY NE
ALBUQUERQUE, NM 87131
505.263.1111
WWW.FBTARCHITECTS.COM

DATE	10/11/11
PROJECT	1650 UNIVERSITY NE
CLIENT	UNIVERSITY OF NEW MEXICO
ARCHITECT	FBT ARCHITECTS
SCALE	AS SHOWN
PROJECT NO.	1650-11
DRAWING NO.	IF-104-11

IF-104-11



THE UNIVERSITY of
NEW MEXICO

Interior Build-Out
1650 University NE
Albuquerque, New Mexico

Acquisition	\$ 3,604,000
<small>\$3,604,000 is funded by 2007 UNM System Revenue Bonds</small>	
Core and Shell	\$ 4,950,000
<small>\$4,950,000 is funded by the HSC Chancellor's Capital Initiative Fund</small>	
Tenant Improvements (TI Build-Out)	\$ 7,400,000
<small>\$7,400,000 is funded by the HSC Chancellor's Capital Initiative Fund</small>	
Total Project Cost	\$ 15,954,000

Total Project Cost incl. Land ~ \$ 152.09 Per Sq. Ft.

Total Project Building Cost ~ \$ 129.05 Per Sq. Ft.

Equivalent Institutional Office Building Cost ~ \$ 250.00 Per Sq. Ft.

Total New Building ~ \$26,224,250

Savings ~ \$10,270,250



Memo

To: David Harris, EVP for Administration, CFO & COO
Ava Lovell, HSC Senior Executive Finance Officer

From: Thomas Neale, Interim Director of Real Estate

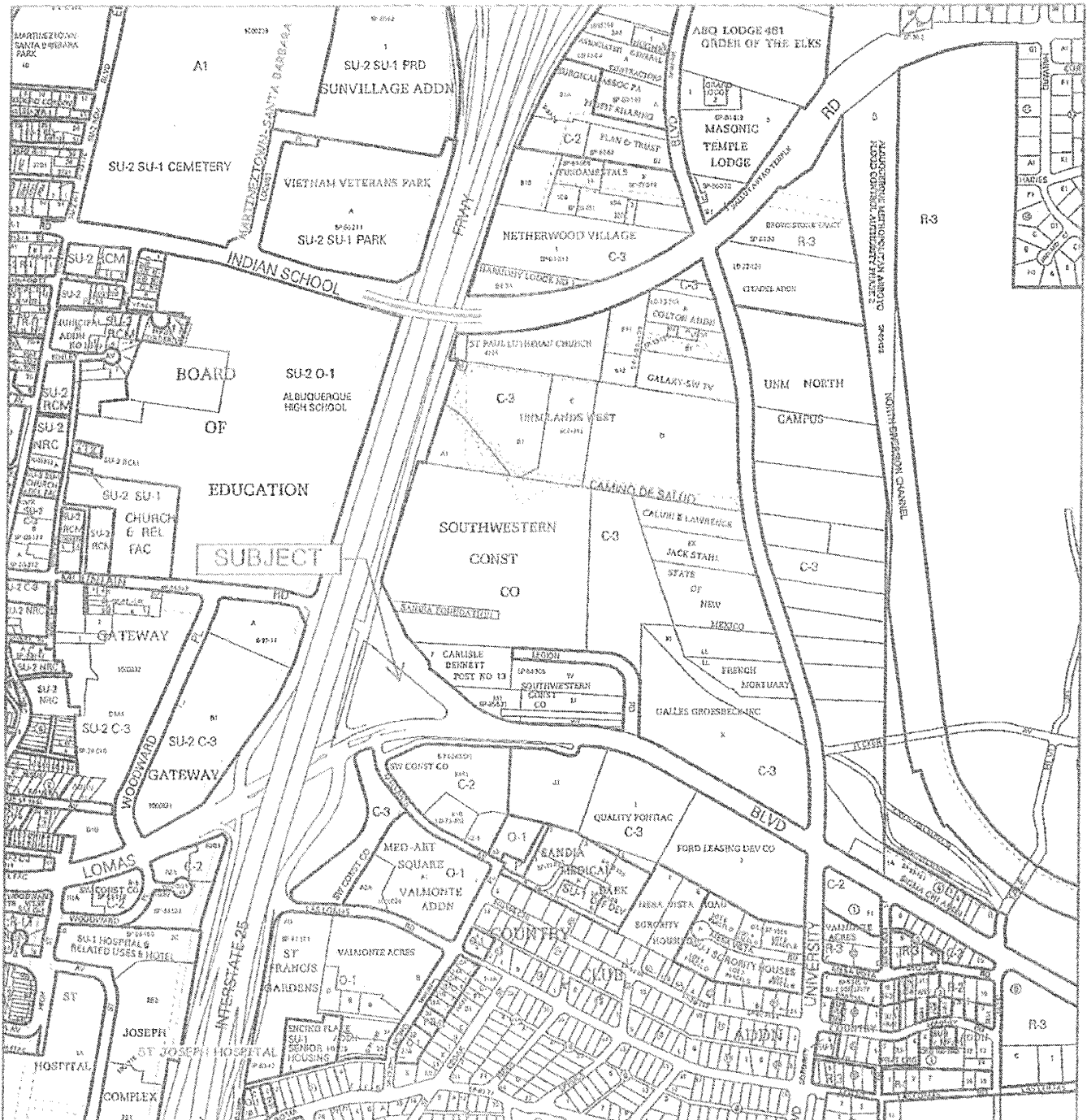
Date: April 25, 2013

Re: Real Property Acquisition – New Mexico Department of Transportation (NMDOT) parcel at the northeast corner of Lomas Boulevard and I-25.


We are requesting Board of Regents approval to purchase a vacant tract of land containing 3.2799 acres (142,871 square feet) located at the northeast corner of Lomas Boulevard and the Interstate 25 Frontage Road. The property is owned by the New Mexico Department of Transportation and is a remnant tract created from "Big I" reconstruction project and the closure of the Lomas Boulevard ramp to I-25. The site is triangular in shape with approximately 750 feet of frontage along Lomas Boulevard and 575 feet along the I-25 frontage road. The northern portion of the site adjoins land currently owned by the Regents.

The contract purchase price is \$1,567,000, or \$11.00 per square foot. The price was established by a market value appraisal in conformance with the NMDOT real property disposition guidelines.

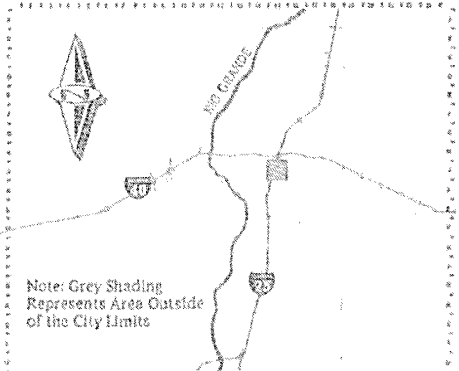
The intended use of the site is for expansion of health clinic services to complete the Health Sciences Center Facility Master Plan. With Regents approval, the Real Estate Department will complete due diligence on the property to insure compliance with the Higher Education Department and State Board of Finance requirements.



For more current information and more details visit: <http://www.cabq.gov/gis>







Map amended through: 1/24/2011



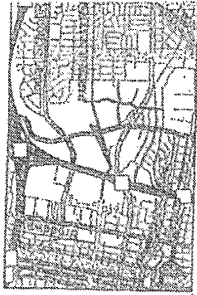
Note: Grey Shading Represents Area Outside of the City Limits

Zoning Atlas Page:
J-15-Z

Selected Symbols

SECTOR PLANS	 Escarpment
Design Overlay Zones	 2 Mile Airport Zone
City Historic Zones	 Airport Noise Contours
H-1 Buffer Zone	 Wall Overlay Zone
Petroglyph Mon.	

0 750 1,500 Feet



VEGETATION MAP (AERIAL)

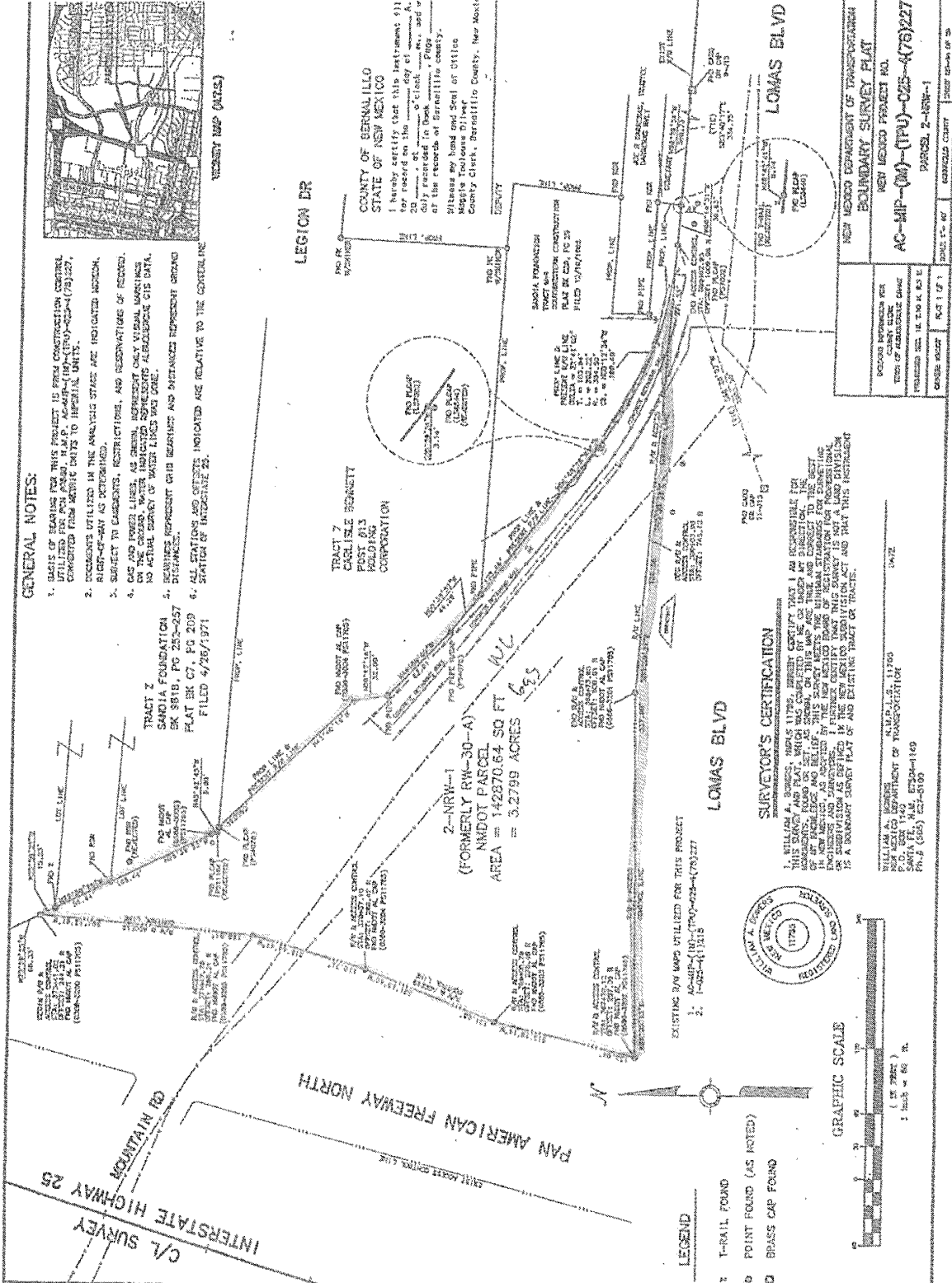
GENERAL NOTES:

1. DATE OF RECORD FOR THIS PROJECT IS FIELD CONSTRUCTION CONTROL UTILIZED FOR OWN ACCOUNT ONLY. ALL RECORDS ARE TO BE MAINTAINED AND EXPANDED FROM SURVEY DATA TO HERETOFOR.
2. RECORDS UTILIZED IN THE ANALYSIS STAGE ARE INDICATED HEREON.
3. SUBJECT TO EASEMENTS, RESTRICTIONS, AND RESERVATIONS OF RECORD.
4. EASE AND TRAIL LINES, ALONG WITH REPRESENTATIVE VERTICAL MARKINGS ON THE GROUND, WATER MARKINGS, REPRESENTATIVE ALLEGED C/S DATA, NO ACTUAL SURVEY OF WATER LINES WAS DONE.
5. BEARINGS REPRESENT GROUND BEARINGS AND DISTANCES REPRESENT GROUND DISTANCES.
6. ALL STATIONS AND OFFSETS INDICATED ARE RELATIVE TO THE CENTERLINE STATION OF INTERSTATE 25.

TRACT 2
SARZIA FOUNDATION
BK 8818, PG 252-257
PLAT BK 07, PG 209
FILED 4/26/1971

TRACT 7
CASILILE BEHNETT
POST #13
FOLLOWING
CORPORATION

COUNTY OF BERNALILLO
STATE OF NEW MEXICO
I hereby certify that this instrument is
correctly recorded in book _____ and
page _____ of the records of Bernalillo County,
New Mexico, and that I am a duly
licensed Surveyor and Seal of Office
of the County Clerk, Bernalillo County, New Mexico.



EXISTING SURVEY MAPS UTILIZED FOR THIS PROJECT
1. AC-MP-107-(TPU)-025-4(78)227
2. P-025-4(11)15

SURVEYOR'S CERTIFICATION

1. WILLIAM A. SARGES, BEARS 11795, HEREBY CERTIFY THAT I AM COMPETENT FOR THE SURVEY AND PLAT, WHICH WAS COMPLETED BY ME OR UNDER MY SUPERVISION, IN ACCORDANCE WITH THE PROVISIONS OF THE SURVEYING ACTS OF THE STATE OF NEW MEXICO, AND BELIEVE THAT THE DATA AND INFORMATION ON WHICH THIS SURVEY IS BASED ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. THIS SURVEY IS NOT A LAND DIVISION SURVEY AS DEFINED IN THE NEW MEXICO SURVEYING ACTS AND THAT THIS INSTRUMENT IS A BOUNDARY SURVEY PLAT OF AN EXISTING TRACT OF LAND.

WILLIAM A. SARGES
NEW MEXICO DEPARTMENT OF TRANSPORTATION
P. O. BOX 1340
SANTA FE, N.M. 87501
P.H. 555) 457-8100



GRAPHIC SCALE



1 inch = 80 ft.

LEGEND

- 1 T-RAIL FOUND
- 2 POINT FOUND (AS NOTED)
- 3 BRASS CAP FOUND

PROJECT INFORMATION FOR COUNTY CLERK:	NEW MEXICO PROJECT NO.
FILED IN PUBLIC RECORDS:	AC-MP-107-(TPU)-025-4(78)227
PARCEL SIZE:	3.2799 ACRES
SECTION:	2-NRW-1
TOWNSHIP:	2-NW-1
RANGE:	2-NW-1




Office of Planning, Budget & Analysis

MEMORANDUM

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

THRU: Robert G. Frank, President
David W. Harris, EVP for Administration, COO and CFO

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

DATE: April 24, 2013

SUBJECT: Approval/Adoption of Severance Tax Bond (STB) Resolution, Notification and Certification

Attached please find the following documents related to the proposed usage of 2013 Severance Tax Revenue Bonds (STRB):

- Severance Tax Project List - The University of New Mexico
- Severance Tax Bond Resolution, Notification and Certification

This past Legislative Session the University of New Mexico received several appropriations funded by Severance Tax Revenue Bonds. These projects total \$9,990,234 and are contained in Senate Bill 60, which was signed into law by the Governor on April 5, 2013.

In order to access the proceeds from the sale of the Severance Tax Bonds, the Board of Regents must adopt the Bond Resolution, Notification and Certification. This document states that the University will be able to incur a binding obligation for five percent (5%) of the appropriation within six months of the bond sale. Currently the sale is slated for June 2013, which would give the University until December 2013 to meet the stipulation. The second stipulation is that the University will have at least eighty-five percent (85%) of the proceeds allocated to each project spent within three years of the bonds being issued. The Administration is committed to adhering to both stipulations and, as such, respectfully requests your approval.

With committee approval, the administration will proceed with submitting the Severance Tax Bond Resolution, Notification and Certification for approval by the full Board of Regents during their May 14, 2013 meeting. Thank you for your consideration.

EXHIBIT A

Severance Tax Project List, 2013S-A Note

PROJECT NUMBER	AMOUNT	AGENCY	PROJECT DESCRIPTION
13-1914	\$100,000	UNIVERSITY OF NEW MEXICO PROJECT	[Section 44.1] to purchase, install and equip lighting at the baseball stadium at the university of New Mexico in Albuquerque in Bernalillo county [Chapter 226]
13-1915	\$850,000	UNIVERSITY OF NEW MEXICO PROJECT	[Section 44.2] to plan, design, construct, furnish and equip Castetter hall biology building at the university of New Mexico in Albuquerque in Bernalillo county [Chapter 226]
13-1916	\$160,000	UNIVERSITY OF NEW MEXICO PROJECT	[Section 44.3] to purchase and equip commuter buses for the university of New Mexico in Albuquerque in Bernalillo county [Chapter 226]
13-1917	\$801,500	UNIVERSITY OF NEW MEXICO PROJECT	[Section 44.4] to plan and design the renovation of Farris engineering center at the university of New Mexico in Albuquerque in Bernalillo county [Chapter 226]
13-1918	\$30,000	UNIVERSITY OF NEW MEXICO PROJECT	[Section 44.6] to purchase and install equipment at the young children's health center at the university of New Mexico hospital in Albuquerque in Bernalillo county [Chapter 226]
13-1919	\$80,000	UNIVERSITY OF NEW MEXICO PROJECT	[Section 44.8] to plan, design, construct, install and equip a cleanroom for the manufacturing engineering program at the university of New Mexico in Albuquerque in Bernalillo county [Chapter 226]
13-1920	\$50,000	UNIVERSITY OF NEW MEXICO PROJECT	[Section 44.9] to design, construct and equip improvements to the astrophysics laboratory and meteorological institute in Northrup hall at the university of New Mexico in Albuquerque in Bernalillo county [Chapter 226]
13-1921	\$125,000	UNIVERSITY OF NEW MEXICO PROJECT	[Section 44.10] to purchase and install safety lighting at the university of New Mexico in Albuquerque in Bernalillo county [Chapter 226]
13-1922	\$5,000,000	UNIVERSITY OF NEW MEXICO PROJECT	[Section 44.11] to plan, design, construct, renovate and equip phase 2 improvements to the science and math learning center at the university of New Mexico in Albuquerque in Bernalillo county [Chapter 226]
13-1923	\$1,668,734	UNIVERSITY OF NEW MEXICO PROJECT	[Section 44.12] to plan, design, purchase and install a scoreboard and video board and for replacement or repair of athletic flooring at university stadium at the university of New Mexico in Albuquerque in Bernalillo county [Chapter 226]
13-1924	\$1,000,000	UNIVERSITY OF NEW MEXICO PROJECT	[Section 44.13] to design, construct, equip, install and furnish the core student success center at the Taos branch of the university of New Mexico in Taos county [Chapter 226]
13-1925	\$125,000	UNIVERSITY OF NEW MEXICO PROJECT	[Section 44.14] to plan, design and construct improvements to the Harwood museum of art facility, including site improvements, in Taos in Taos county [Chapter 226]

UNIVERSITY OF NEW MEXICO PROJECT

RESOLUTION, NOTIFICATION AND CERTIFICATION

WHEREAS, money from the proceeds of severance tax revenue bonds or notes ("Bonds") authorized in the section of the Laws of New Mexico (the "Act") specified in Exhibit A attached hereto and made a part hereof (the "Exhibit") is needed in the amounts and for the project or projects (the "Projects") specified in the Exhibit.

WHEREAS, the governing body of the UNIVERSITY OF NEW MEXICO PROJECT met on _____, 2013, and adopted the resolution set forth below:

NOW, THEREFORE, BE IT RESOLVED AND CERTIFIED BY THE UNDERSIGNED FOR AND ON BEHALF OF THE UNIVERSITY OF NEW MEXICO PROJECT:

1. Each Project has been developed sufficiently to justify the issuance of Bonds in the amount stated for each Project, and each Project can incur within six (6) months of the date the Bonds are issued (expected to be in June, 2013) a substantial binding obligation to a third party to expend at least five percent (5%) of the Bond proceeds for the Project and work will thereafter proceed diligently to completion. It is expected that at least eighty-five percent (85%) of the proceeds allocated to each Project will be used by three (3) years after the Bonds are issued. By delivery of a copy of this document the State Board of Finance ("Board") is hereby notified that money from the proceeds of Bonds is needed for the Projects in the amounts specified in the Exhibit.

2. The Board is hereby requested and instructed to issue and sell Bonds to fund the Projects in the amounts specified in the Exhibit.

3. All conditions, contingencies and limitations imposed by the Act with respect to each Project and the expenditure of funds with respect thereto, if any, have been satisfied.

DATED: _____

UNIVERSITY OF NEW MEXICO PROJECT

By _____
Printed Name: _____
Title: _____

TAB 11

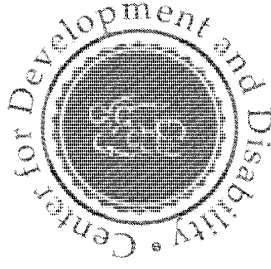
Action Item 11

Approval of Project Search for the Center for Development and Disability

(Cate McClain, M.D., Professor, Pediatrics, Director of CDD)

Link to video:

<http://www.klru.org/blog/2013/02/amy-koch-women-and-girls-lead/>



PROJECT SEARCH

Cate McClain, MD, Director, CDD

Tanya Baker-McCue, CDD Division Director

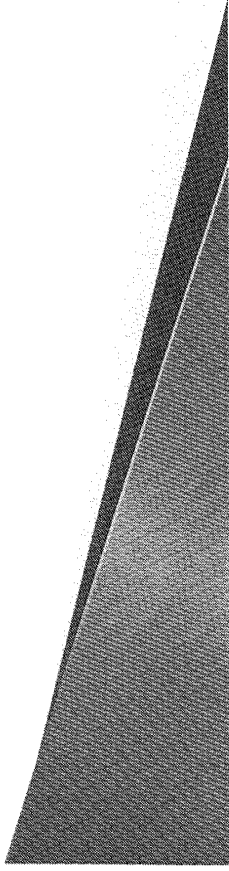


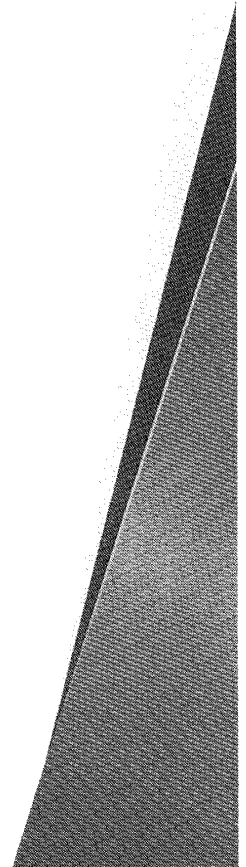
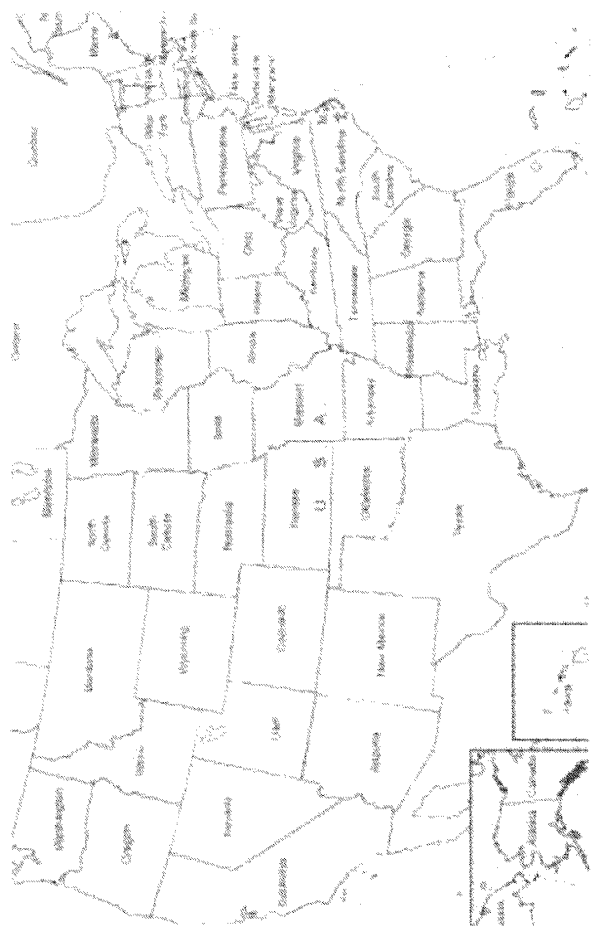
CENTER for DEVELOPMENT and DISABILITY

A University Center of Excellence in Developmental Disabilities Education, Research and Service (UCEDD)

PROJECT SEARCH

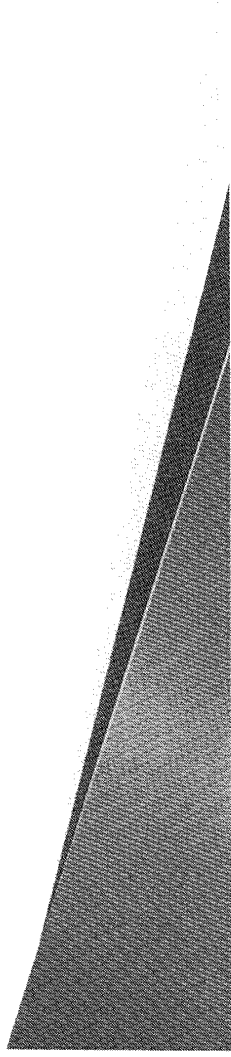
- ▶ Model employment program for individuals with intellectual disabilities:
 - Employability skills training
 - Workplace internships
- ▶ Provides business with reliable, long-term employees in hard to fill positions
- ▶ Increases competitive employment opportunities for adults with disabilities
- ▶ Developed by an internationally recognized program at Cincinnati Children's Medical Center in 1996
- ▶ Successfully replicated in 196 health care programs across the US and in 3 countries





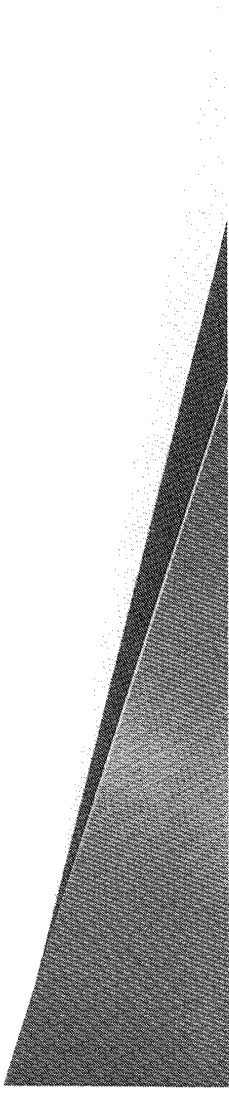
What do you do?

- ▶ Our work defines us
- ▶ Establishes our place in the world
- ▶ Gives our lives structure and meaning
- ▶ A fundamental human need that applies to everyone



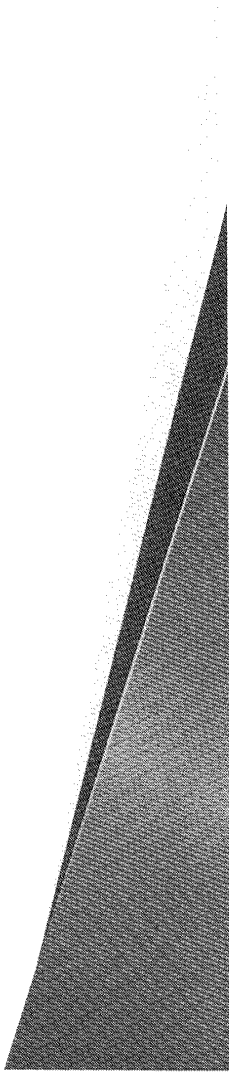
SAD REALITY

- ▶ Approximately 10% of Americans have some sort of disability
- ▶ Meaningful employment is often denied for person with disabilities
- ▶ The average employment rate for persons with disabilities is less than 39%
- ▶ The employment rate for persons without disabilities averages 77.7 %
- ▶ That 's a gap of 38.6 percentage points



HOW THE PROGRAM WORKS

- ▶ Persons with disabilities participate in a one year internship:
 - classroom instruction on site at the hospital to learn independent living skills and worksite protocols
 - Interns complete 3–4 unpaid rotations during the program year
- ▶ Supports are paid for by the existing funding services available to them

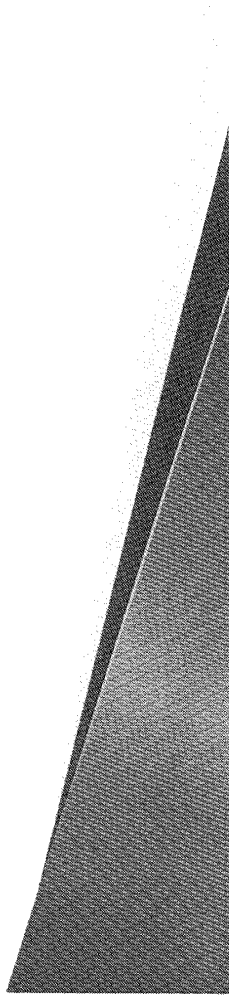


JOB TASK EXAMPLES

- ▶ Respiratory Department: Deliver and locate oxygen tanks through the hospital
- ▶ Cardiac Rehabilitation: Straighten and stock supplies / clean exercise equipment
- ▶ Transportation: Patient escort and return wheel chairs
- ▶ Infusion Center: Change linens after patient visits
- ▶ Food Service: Deliver and pick up meal trays
- ▶ Administration: Shredding documents
- ▶ Central Supply: Break out– dispense item/ unpack supplies

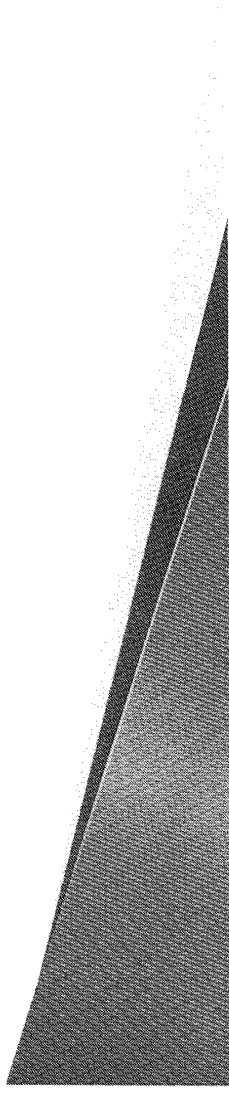
BENEFITS TO THE HOSPITAL

- ▶ Increased retention in chronically high turnover positions
- ▶ Enhanced workforce diversity
- ▶ Increased patient loyalty
- ▶ Increased moral of co-workers
- ▶ Increased recognition for the hospital



PROJECT SEARCH WORKS

- ▶ The goal for each Intern upon completion of the program is competitive employment using the skills learned
- ▶ The Project SEARCH Program reports an average 70% to 100% employment outcome
- ▶ The majority of interns are hired at the business for competitive employment after completing the internship program



REQUEST TO UNM

- ▶ \$100,000 to support the development of a plan of action to include:
 - Identify partners and build collaborative partnerships to support sustainable funding streams
 - Identify project participants
 - Participation in national training institute
 - Onsite technical assistance for UNM from national office
 - Purchasing licensing agreement to ensure quality control and model fidelity
 - Development of CDD/UNM infrastructure to coordinate the project



HEALTH SCIENCES CENTER BOARD OF DIRECTORS

May 1, 2013

TO: Jack Fortner, Esq., President
UNM Board of Regents
FR: Regent Suzanne Quillen, Chair *Suzanne Quillen*
HSC Board of Directors
RE: Request for Items to be placed on UNM Board of Regents' Agenda

cc: Paul B. Roth, MD, HSC Ella Watt, UNMH Michael Olguin, Chair, UNMH BoT
Andrea Montoya, UNMH BoT Steve McKernan, UNMH Ellen Wenzel, BoR
Ava Lovell, HSC Bruce Cherrin, UNM Procurement Linda Pardo, FACC
Scot Sauder, HSC Conrad James, Regent/Chair, FACC

RECOMMENDED ACTION:

I respectfully request that the following item be placed on the UNM Board of Regents' agenda as an Action item. This item was approved by the HSC Board of Directors at their April 8, 2013 meeting:

- 1) Request for Capital Project Approval for renovations to UNMH Eye Clinic at 1600 University Blvd. (Steve McKernan)

Contingent upon approval of the HSC Board of Directors at its May 3, 2013 meeting, I respectfully request that the following items be placed on the UNM Board of Regents' agenda as Action items:

- 1) Request for Approval: UNMH Contracts with Siemens Medial Solutions, USA, Inc. re: Patient Accounting System and Interventional Radiology CT (Steve McKernan)
- 2) Request for Approval of HSC FY14 Budget and FY13 Revised Budget (Ava Lovell)

Added to IV TAB 4

A copy of the materials (including information items) considered by the HSC Board of Directors at its May 3, 2013 meeting are attached. I would respectfully request that these materials be included in the Board package provided to the members of the UNM Board of Regents.

Attachments

2013-126-HSCBoD



THE UNIVERSITY OF NEW MEXICO • HEALTH SCIENCES CENTER
UNM HOSPITALS

UNM Hospital Board of Trustees
RECOMMENDATION to REGENTS

March 15, 2013

CAPITAL PROJECT APPROVAL

UNM Hospitals, 1600 University NE Eye Clinic Renovation

REQUESTED ACTION:

In accordance with Section 7.12 of the Board of Regents Policy Manual and as required by the NM Higher Education Department and New Mexico State Board of Finance, project approval is requested for the UNM Hospital, 1600 University NE Eye Clinic Renovation

PROJECT DESCRIPTION:

The existing Eye Clinic is located in 2,891 square feet of leased space at 1600 University NE. This project consists of renovating an additional 3,430 square feet to expand the Eye Clinic and provide additional exam rooms and working office space for patients, staff and doctors. Total square footage occupied by Ophthalmology Clinic at end of expansion would be 6,321 square feet. Expansion addition includes:

1. Modification of existing registration/intake desk
2. 7 exam rooms
3. 5 physician work spaces
4. Medication closet
5. Procedure/diagnostics room
6. Storage for mobile eye exam equipment
7. Nurses' station (capacity: 4 workstations)
8. Nurses' alcove
9. 3 patient/staff restrooms

The Maximum Allowable Construction Cost is estimated to be \$430,000 including NMGRT. The renovated space will be available for use by September 1, 2013.

RATIONALE:

There will be additional providers hired with a start date of July 2013. This space is necessary to provide additional capacity for patients beginning Fall 2013. Total existing patient volumes for the Ophthalmology Clinic was 8,572 for fiscal year 2012 and projected to be 8,772 in fiscal year 2013. We anticipate being able to treat an additional 4,470 patients in this space. This renovation will allow the clinic to be more efficient, increase patient throughput and increase patient satisfaction.

FUNDING:

The total project budget is \$430,000, funded by UNMH Capital Budget.



**UNM Hospital Board of Trustees
Recommendation to HSC Board of Directors Finance and Audit Committee
April 2013**

Approval

(1) Siemens Medical Solutions, USA Inc.

Ownership:

Siemens Medical Solution USA, Inc
51 Valley Stream Parkway
Malvern, PA 19355-1406

Officers Information:

Zone Regional Manager: Brent Kruse
Account Executive: Jarrett Olin

Source of Funds: UNM Hospitals Capital and Operating Budget

Description

Request for replacement of the patient accounting system for UNM Hospital, Sandoval Regional Medical Center and the UNM Medical Group. The new patient accounting system will provide complete integration, real time updates for patient demographics, charges, worklists, contract management, and claims editing. The system will be able to produce both professional and facility billing, patient-friendly statements in multiple languages, on-line statements as well as web site patient payment options. The software is ICD-10 ready, has the ability to automate claim status requests, upload charge master fee schedules, and provide workflow for denials, collections and billing. System will also provide configurable executive dashboards, a data cube for importing external data from the general ledger as well as a document imaging solution. This system will increase productivity by providing extensive automation which will eliminate manual processes and increase productivity, allowing staff to focus on billing and collection processes.

Previous Contract: Siemens Medical Solutions, Inc.

Previous Term: Seven years

Previous Operating Contract Amount: \$16,700,000

Process: RFP P233-12 PFS Patient Billing System

RFP respondents: Siemens Medical Solutions, Inc., GE Healthcare Solutions, McKesson Healthcare Solutions and Cerner Corp.

RFP Scoring criteria: Functionality and Workflow, Data & Logic Conversion, Decision Support/ Reporting, Patient Statements, Integration, Project Implementation, and Pricing.

Total Cost:

Implementation cost: \$1,974,553
Hardware and DVD reader: \$106,208
Build and test: 500 hours at \$190 for \$95,000
Travel and out of pocket: \$355,420

Annual licensing, maintenance and support costs for year one through year seven with two one year renewal periods will be \$1,769,856 per year with 3% annual escalators. Total capital cost is \$2,531,181. Total operating cost of contract for seven years is \$13,561,455.

(2) Siemens Medical Solutions, USA, Inc.**Ownership:**

Siemens Medical Solution USA, Inc
51 Valley Stream Parkway
Malvern, PA 19355-1406

Officers Information:

Zone Regional Manager: Brent Kruse
Account Executive: Jarrett Olin

Source of Funds: UNM Hospitals Capital Budget

Description

Request for CT scanner with fluoroscopy to replace two existing CT scanners that are end of life or nearing end of life in the Interventional Radiology (IR) department. The new scanner is designed specifically for IR procedures such as tumor biopsies, organ biopsies, abscess drainages, as well as numerous cancer treatments.

Process: Novation Contract #XR11052

Total Cost: \$696,552



MEMORANDUM

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

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

DATE: April 3, 2013

RE: Security Managerial Group Resolution

In accordance with UNM Faculty Handbook Policy E10, the University is eligible to receive funding for classified research. Currently classified research is conducted off campus by University researchers. In order to be eligible to accept this funding, the University must obtain a facility clearance ("FCL") and comply with applicable National Industrial Security Operating Manual ("NISPOM") regulations.

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

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

Attachment: UNM Board of Regents Security Managerial Group Resolution



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

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

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

President
Chancellor for Health Sciences
Associate Vice President for Research Administration
Facility Security Officer

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

Regent Jack L. Fortner
Regent J.E. "Gene" Gallegos
Regent Bradley C. Hosmer
Regent Conrad D. James
Regent James H. Koch
Regent Suzanne Quillen
Regent Heidi N. Overton

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

President of the Board

Secretary/Treasurer of the Board

**UNM Faculty Senate Resolution on the "Diversity Council Framework
for Strategic Action"
Approved 4/23/13**

Whereas the Faculty Senate recognizes the central value of diversity in accomplishing the mission of the University of New Mexico and the importance of accessibility, inclusion, and equity in achieving excellence in education, research, and public service,

Be it resolved that the UNM Faculty Senate endorses the work of the Provost's Diversity Council expressed in its report, "Diversity Council Framework for Strategic Action."

Be it further resolved that the Faculty Senate makes the following recommendations to the Diversity Council regarding its plan for strategic action:

1. The report should include specific action items with measurable outcomes, timelines, and responsible parties;
2. The Diversity Council action plan should incorporate more organizations and groups on campus, including those with religious affiliations and international students, in order to broadly reflect diversity at UNM and have the greatest impact on student success;
3. The plan should emphasize better coordination of existing resources and organizations on campus to accomplish diversity goals; and
4. The Diversity Council should continue collaborating with the Faculty Senate and its committees in order to accomplish diversity goals.

Diversity Council Framework for Strategic Action Plan and Recommendations

Draft dated: January 28, 2013

Introduction

The subject of diversity has for over a decade been part of an ongoing, nationwide conversation. It began in 1997 with *Gratz and Hamacher v. The Regents of the University of Michigan* and a U.S. Supreme Court decision affirming the use of race in admissions decisions at the University of Michigan Law School. As a result of the Court's decision, colleges nationwide were challenged to connect their educational quality and inclusion efforts more fundamentally and comprehensively. Today the talk concerns *Abigail Fisher v. University of Texas*, a case recently argued before and presently awaiting decision by the U.S. Supreme Court. Once again, the path of affirmative action will soon be altered. Irrespective of the Court's decision, however, UNM remains uniquely situated in the national debate. Where other campuses have struggled to become more diverse, UNM, because of its location in New Mexico, already is. According to the Fact Book (2011), UNM's student body is comprised of nearly equal numbers of Hispanics (37%) and Anglos (38%) and a representative number of Native Americans (10%), Asian Americans (3%), and African Americans (2%). Much to UNM's credit, these numbers mirror figures gathered by the U.S. Census Bureau for the same (2011) year, almost exactly. Also to its credit, UNM's educational mission embraces diversity at its core.¹ UNM's Mission, Vision, and Value Statements all emphasize diversity as the University's unique strength, and UNM is poised to be a leader in issues of diversity, equity, and inclusion in the national landscape. Six-year graduation rates for undergraduates, however, speak to long-term trends of inequitable graduation outcomes by race and ethnicity. The undergraduate cohort illustrates a profound race gap in graduation rates: underrepresented students simply don't have the support they need to graduate.

Recognizing the implications of an historic race and ethnicity gap in graduation rates, the current UNM administration seeks ways to address issues of inequity that impede student success. The concrete measures outlined herein proceed from a fundamental belief that student graduation rates are but one marker of a gap in student achievement, and that measures taken to ensure Diversity, Equity, and Inclusion at the University of New Mexico benefit all members of the UNM community as well as the people of the State of New Mexico. Thus, the task of UNM's Diversity Council is not so much to create diversity as it is to ensure inclusion of and accessibility for all members of its diverse community, and in doing so to examine the dynamics of inclusion and exclusion for groups of people that have experienced inequitable treatment over a long period of time.

Accessibility and inclusivity, as this report emphasizes, must be seen as a process. In a seminal study commissioned by the Association of American Colleges & Universities entitled *Making*

¹ UNM's Mission Statement lists its first strategic priority as to "foster a vital climate of academic excellence that actively engages all elements of our community in an exciting, intellectual, social, and cultural life" (I). According to the Mission Statement UNM must strive to "Develop a sense of campus community that supports the success of all students, faculty, and staff by engaging them in an active and diverse intellectual life" (I.D.).

Excellence Inclusive, Jeffrey Milem (University of Maryland), Mitchell Chang (University of California at Los Angeles), and Anthony Antonio (University of Maryland) argue that the benefits of diversity are *not* automatic and do not simply occur from being on a diverse campus. Rather, educators must work in intentional ways to increase educational benefits for students and for the institution. This report will identify and analyze the function of various groups UNM has put in place to address issues of diversity, equity, and inclusion. With an eye to establishing organizational structures as well as heightening the effectiveness of those that already exist, the Diversity Council Report (DCR) will then make recommendations as to how a university-wide process of diversity, equity, and inclusion can be put into place and bolstered by UNM Leadership, and what Leadership should be looking at to gauge the success of its efforts.

Background & Context

UNM has a long and complicated history of making attempts to address issues surrounding diversity, equity, and inclusion. In the past dozen years, turnovers in administration, fiscal crises, and an attrition of faculty have diminished morale on all levels, so that efforts to tackle complex problems have at times seemed tinged with an aura of systemic dysfunction: in short, a lack of progress, both quite real and perceived, has been the result of too few personnel trying to do too much with too little funding over too long a period. The present administration, however, while acknowledging monetary shortfalls, has encouraged faculty and students with its visionary and energetic leadership. In Fall 2011 Provost Chaouki Abdallah commissioned a 22-member Diversity Council comprised of faculty, staff, and students to (1) review documents drawn up by previous committees as well as diversity plans from peer institutions so that it could (2) recommend a course of action for UNM to better address issues of diversity, equity, and inclusion. The results of this year-long process are summarized here in the Diversity Council's Report (DCR) dated October 2012, and are the subject of a more extensively detailed forthcoming report.

While the "Recommendations" section of the DCR enumerates plans and initiatives that take into account previous efforts to address issues surrounding diversity, equity, and inclusion, the primary strength of the DCR is the proposal of a re-envisioned organizational structure that emphasizes diversity, equity, and inclusion in ways that will transform and sustain UNM culture.

Findings

It should come as no surprise to administrators that excellence and inclusion go hand-in-hand. Growing evidence suggests that undergraduates who have more frequent experiences with diversity tend to be more engaged, and are more likely to persist and graduate than their counterparts who lack such experiences (Ibarra, 2001; Kuh, 2005; Martinez 2010) (Sleeter and Grant 1999). The kind of campus-wide transformational diversity that the Diversity Council seeks to achieve is anchored in understanding and challenging social inequalities based on race, gender, social class, religion, sexual orientation and disability in U.S. and Global Society. Numerous research-based studies examining the impact of diversity on students and educational outcomes have produced extensive evidence that transformational diversity has a positive impact on all students, minority and majority (Smith et al. 1997). In its history of grappling with issues of diversity and inclusion, UNM has identified key areas in need of improvement. There has

been, historically, no shortage of educational innovation. In a section entitled “Islands of Innovations with Too Little Influence on Institutional Structures,” the authors of *Making Excellence Inclusive* cite innovations like those occurring on the UNM campus that have cropped up nationwide. These authors go on to argue that “without structures to link innovations, the impact of these innovations is isolated rather than pervasive” (Milem, Chang, Antonio 2005).

As a preface to setting structures, the authors of *Making Excellence Inclusive* emphasize the value of a multidimensional approach that engages all students and focuses on process. The Diversity Council’s Report includes recommendations for interconnected structures that link (1) Leadership, (2) Curriculum, (3) Faculty and Staff Needs, (4) Student Initiatives, and (5) Community-Based Research and Learning in a strategic and comprehensive framework aimed at creating an inclusive atmosphere accessible to all UNM students.

Recommendations

1. Leadership

Clarify and articulate UNM’s vision and message: President Frank’s vision for establishing UNM as a model campus for diversity, equity, and inclusion should be articulated into a message with language that, once clarified, should be incorporated into every major communication from President Frank to faculty, staff, students, parents, and the greater community. This vision and message should be a focal point of President Frank’s inaugural address. President Frank should revisit UNM’s value proposition and revise it to explicitly funnel resources into the promotion of Diversity, Equity, and Inclusion (DEI) with accountability.

Ensure that DEI values are consistently demonstrated by UNM leaders. Establish behavioral expectations, core competencies, and goals for executive leaders, along with a system of support and reinforcement with accountability. For Diversity, Equity, and Inclusion to become real to all members of the UNM community as core values, DEI must be consistently demonstrated by UNM leaders. Therefore, President Frank should work with his Executive Cabinet to develop and execute a Plan for UNM’s leadership to champion diversity, equity, and inclusion in highly visible ways. Elements of this Plan should include but not be limited to (1) education for leaders to develop accountability structures for every dean, chair, and director, (2) regular discussion of progress and barriers to DEI in executive cabinet meetings, (3) development of leader-specific goals at the college, departmental, and program-levels, and (4) incorporation of those goals into annual performance reviews for all deans, chairs, program directors, and academic program reviews for all departments.

Identify and engage “early adopters” within the UNM community. UNM Professor Everett Rogers was one of the first researchers to study and describe how new—and sometimes controversial—ideas make their way into society and ultimately become the social norm. In his book *Diffusion of Innovations*, Dr. Rogers suggested that innovation begins with approximately 2.5% of a population, and that an additional 13.5% are poised to become “early adopters” of that innovation. If the idea of establishing UNM as a model campus for DEI is thought of as an “innovation,” then it follows that there are faculty, staff and students for whom this vision will strongly resonate, and for whom taking positive action will be a natural next step. Identifying and engaging those individuals during the first few months of President Frank’s term in office

will be necessary to any successful effort to shift campus culture to anchor work in diversity, equity, and inclusion.

Identify key indicators of success, and align incentives with the desired outcomes. Develop a set of key indicators that will enable the campus community to measure its progress in achieving markers of inclusivity and accessibility over time. Key indicators should highlight new behaviors adopted by administrators, faculty, staff, and students and reward innovation. As well, real consequences—both positive and negative—must be established and honored. For example, how have department-level graduate advisors worked to attract, retain, and graduate doctoral and masters level students from diverse backgrounds? How have departments hired and retained diverse faculty in tenure-track positions?

Expand Office of Diversity, Equity, & Inclusion to include additional staff lines. Two additional staff positions are needed: 1) Curriculum Coordinator to oversee 3-credit U.S. & Global Diversity & Inclusion requirement, and 2) Associate Vice-President of Diversity, Equity, & Inclusion to assist Vice-President with coordination of strategic planning.

2. Curriculum

Implement 3-credit U.S. & Global Diversity & Inclusion university-wide requirement. To better respond to shifting demographics, nearly every one of UNM's peer institutions in the Southwest, along with the most well-recognized institutions nationally, have implemented diversity requirements into their degree requirements and/or core curricula. For example, Arizona State University requires three separate diversity courses for all undergraduates and Texas A & M requires two courses. At UNM this oversight hampers the success of undergraduates as lifelong learners who will work successfully with broadly diverse populations in their professional lives as teachers, lawyers, engineers, architects, social workers, medical professionals, etc. Moreover there is growing evidence that students who have had exposure to diversity learning outcomes engage in deep learning and have better engagement, retention, and graduation rates (Kuh 2005); as well, students not well-versed in the issues and ethical considerations involved in working with diverse communities are disadvantaged as they enter an increasingly global labor market.

The purpose of the 3-credit U.S. & Global Diversity & Inclusion requirement is to **promote a broad-scale understanding of the dynamics of inclusion and exclusion among diverse groups of people who have experienced historic, or are currently experiencing, inequitable treatment in the U.S. and/or in the global context.** It is imperative that students demonstrate critical literacy pertaining to the dynamics of diversity and inclusion by race, gender, class, sexual orientation, ethnicity, religion, and disability in the U.S. and global context. It is also important that UNM's curriculum reflect values that demonstrate UNM's commitment to diversity. The proposed university-wide 3-credit undergraduate U.S. & Global Diversity & Inclusion requirement speaks directly to this need. It is expected that leadership from the Faculty Senate, in consultation with the Diversity Council Curriculum Committee, will engender constructive conversations among the various units, departments, and programs that make up each college across the university, as well as self-reflection via constructive conversations on topics that range from the ideological to the pragmatic.

Institute a system of annual curriculum action plans and accountability at the college, department, and program levels. Create a system of annual action plans and accountability on equity and inclusion vis-à-vis curriculum for all departments and programs across campus. All departments and degree-granting programs must show how their curriculum demonstrates their commitment to diversity and inclusion in U.S. society. This commitment may be reflected in a variety of ways: (1) traditional course offerings that include learning outcomes that pertain to diversity and inclusion in U.S. society; (2) field experiences or local community projects that advance diversity, equity, and inclusion by race, class, gender, sexual orientation, disability, and/or religion in U.S. or global societies; (3) other creative work at the local, national, or global level that nurtures equity and inclusion in U.S. and/or global societies (e.g, efforts to diversify the profession). For example, each department should be encouraged to institute a permanent department-level or program-level Diversity, Equity, and Inclusion Taskforce or Committee that develops annual action plans and identifies strengths and challenges for individual colleges, departments, or programs in these areas. These action plans should be part of Chairs' annual reviews of individual faculty, Deans' evaluations of Chairs and ten-year academic program reviews of departments, as well as the Provost's evaluation of Deans, and the President's evaluation of the Provost and the Regent's evaluation of the President. To facilitate this process, departments should be required to hold mandatory in-service trainings on diversity, equity, and inclusion biannually during a regularly scheduled faculty meetings. Members of the Diversity Council in collaboration with other faculty and staff who have expertise in diversity, equity, and inclusion can help facilitate this training.

Evaluate whether courses value diversity and inclusion in learning outcomes. The student evaluation (IDEA form) should solicit student rankings from each course with the following statement: **The instructor incorporates concepts of diversity, equity, and inclusion in the course content. (Rate on a scale of 1-5.)** Qualitative data and qualitative survey or interview instruments should be tailored to particular areas of study and analyzed and adjusted annually upon recommendations made by the Diversity Council.

Create opportunities for faculty to participate in the national conversation on DEI and to develop courses that fulfill the 3-credit U.S. & Global Diversity & Inclusion undergraduate requirement. The 3-credit U.S. & Global Diversity & Inclusion requirement will *not* be effective in its pedagogical goal of transforming culture, nor in its pragmatic outcome of increasing student retention and graduation rates, without the backing of administrative vision and leadership. Rather than view "diversity" as a burden, faculty must want to develop new courses and explore issues of social relevance within their existing course content. Thus, UNM faculty must have opportunities to participate in the national conversation on issues of DEI. Speakers should be invited to present, faculty should be encouraged to contribute work and hear the work of their colleagues, and students should be included in this process of engagement. The Diversity Council Curriculum Committee should be charged with assisting and supporting departments to ensure partnerships with faculty in creating new courses and/or modifying existing courses to meet the 3-credit U.S. & Global Diversity & Inclusion undergraduate requirement. The Diversity Council Curriculum Committee members look forward to working with individual faculty interested in developing courses that fulfill the 3-credit U.S. & Global Diversity & Inclusion requirement.

3. Faculty and Staff Needs

All ads to attract prospective faculty and staff should include wording that showcases UNM's demonstrated commitment to diversity and inclusion in terms of research, teaching, service, or other skills. Per the President's articulation of UNM's vision and message in the "Leadership" section of the DCR, a proactive statement should invite applications from candidates who through their research, teaching, service, or other skills have "demonstrated a commitment to diversity and inclusion." This language, included in the *Faculty Search Committee Procedures Handbook* published by the Office of Equity and Inclusion and the Provost's Office in 2009, needs to be implemented consistently in all job ads as the only non-negotiable, preferred, criteria in all jobs advertised by UNM (see *Faculty Search Committee Procedures Handbook*, Office of Equity and Inclusion and Office of Equal Opportunity, dated October 28, 2009). This minor change seeds transformation of the public face and human resources at UNM for generations to come.

Create a structure for Diversity, Equity, and Inclusion in postdocs. The inclusion of DEI postdocs ensures successful searches for tenure track hires. Use the model from Duke University or UNM-Chapel Hill to create more equitable and effective hiring practices using successful methods for attracting diverse candidates.

Create a mandatory Learning Community on DEI for all new faculty and staff. This one-semester seminar, hosted and facilitated by members of the Diversity Council, will address issues of diversity, equity, and inclusion in groups of 15-18 faculty per section. The completion of the proposed semester-long seminar should be a prerequisite to tenure and promotion of faculty and should be part of regular staff evaluations. These seminars can be funded by restructuring resources from the Office of Support for Effective Teaching (OSET), Title V Initiatives, and other initiatives that advance the professional development of faculty and staff as they will require faculty course reductions and/or extra compensation.

Hire and retain a diverse faculty. Since faculty members are charged with maintaining, creating, and expanding curriculum, mentoring students, serving as role models, expanding interdisciplinary research, bringing greater awareness to issues of diversity, enhancing equity and inclusion, improving campus climate, and providing outreach and connections with diverse communities, the hire and retention of a diverse faculty constitutes the single most important effort UNM leadership can undertake in creating inclusive excellence.

Support DEI and social justice research. UNM attracts scholars and researchers to its unique programs focused on health and health policy, ethnic studies, critical race theory, language literacy and sociocultural studies, women's studies, southwest research, race and social justice, and communities unique to the Southwest, including but not limited to twenty-one Native American communities, Spanish conquistador and other historical contexts, along with unique opportunities to study the African diaspora, and Latin America, Central America, and Mexico. UNM needs to recognize programs and offices that enhance its unique expertise in racial and ethnic studies, southwest research, and social justice. Cluster hires in ethnic studies as well as joint appointments as evidenced by the RWJF Center for Health Policy at UNM testify to the success of focused efforts to achieve excellence by attracting diverse faculty. Additional strategic cluster hires of scholars who specialize in race or other areas of study that examine diversity and social justice could be made to advance these goals.

Require campus-wide staff and upper-level administration commitment to DEI. Staff members are an integral part of the UNM community but are often not included in DEI discussions and plans. Because DEI is a university-wide effort, UNM leadership should offer training, organizational learning resources, professional development opportunities, and recruitment and retention of underrepresented groups among UNM staff with the same rigor as DEI is addressed among administration, faculty, and students. Regular staff meetings should include agenda items that address issues and goals of diversity, equity, and inclusion.

4. Student Initiatives

Commit to student success initiatives. Equity does not exist in an educational environment where underrepresented students graduate at substandard rates; where men of color enter in smaller numbers and demonstrate the lowest success rates across the board. UNM has used its numerical diversity to its advantage, but has yet to successfully deliver on its value proposition. UNM student organizations propose that special emphasis be placed on minority student achievement. UNM must strive for fully equitable outcomes for all its population groups.

Recommendations based on undergraduate and graduate student needs:

Undergraduate Initiatives

Create a 15 member Student Diversity Council. Students from all academic levels (three from each grouping), including transfer students, should be represented. The purpose of the Student Diversity Council (SDC) is to explore and articulate issues of diversity and inclusion relevant to students, promote diverse learning in the classroom, present to campus, local, state, and national level highlighting best practices on student learning, engagement, and inclusion, and provide quarterly reports to upper administration on key factors that SDC sets out to accomplish based on student perspectives and experiences. Students can be given a Diversity Student Ambassador position possibly for credit through career services or another entity for their time and commitment. Specific activities to reach this goal include: (1) maintain a transparent and inclusive nomination process; (2) begin nomination process for one-year terms each year in December; and (3) report quarterly on progress.

Identify and connect students to supportive student programming. Map resources to identify programs and services that demonstrate success in working with students from diverse backgrounds to refer and connect students. Mapping can be provided in electronic, web, or paper format. An inventory of specific programs can be identified in conjunction with the Office of Student Academic Success that is currently inventorying all programs to ensure that initiatives are collected, and visible to the entire campus community. Specific activities to reach this goal include: (1) conduct campus and community-wide program and resource inventory; (2) host Sharing Best Practices for faculty, staff, and students in partnership with Office for Support for Effective Teaching and Student groups such as ASUNM and ethnic centers; (3) publish and disseminate publication with listing of best practices; (4) identify students who could benefit from academic coaching; and (4) provide academic coaching to help students reach their academic, personal, and social goals.

Establish student success through technology. The use of technology is critical to a student's academic success. Specific activities to reach this goal include: (1) develop early warning indicators that enable faculty and staff to refer students to appropriate advisors (this can be done in partnership with the Office for Student Academic Success and University Advisement center); (2) provide faculty information on referral process and Early Warning predictors that indicate a student might have problems using of technology; (3) actively participate in the development of the ONE STOP E-STOP to connect students to resources and services both virtually and physically; (4) implement new advising tools (Fall 2013) and collaborate with University Advisement Office to ensure that Office of Equity and Inclusion facilitates advisement of minority students to departments and programs using new advisement tool.

Share student voices and experiences by enhancing faculty development opportunities to create a student centered classroom environment. Work with OSET to provide workshops on "students-change perceptions-Thrive not survive; asset based not deficiencies." Specific activities to achieve this goal include beginning of academic year presentations at New Faculty Orientation, Deans' Council, Provost Committee on Student Academic Success (PCAS), department meetings, Student Affairs, and Advisors' Institute using data combined with student's personal stories, and optional workshops for faculty on teaching techniques for diverse learners.

Provide better subsidization for childcare for student families. Students cannot fully engage in studies when their need for childcare is not met. As well, the lack of affordable childcare prevents many student families from being able to stay in college. UNM Children's Campus currently offers a 25% discount on FTE childcare for student families. Still, the monthly fee for infants and toddlers exceeds the cost of tuition by one-third each semester. Pre-K and C-campus offer pro-rated drop-off fees, but childcare remains out of reach for student families. (Note as well that even with scaled costs, availability is scarce; the waitlist for UNM Children's Campus is currently upwards of 500, with a wait period of 2 ½-3 years.)

Employ students to increase student success. Students who are employed in campus jobs are more likely to succeed than those who have off campus employment (cite). Specific activities to reach this goal include: (1) give preference to students from underrepresented groups in need of on-campus jobs (2) increase student work study positions; (3) train student supervisors on student needs and student success predictors; and (4) provide greater awareness of career choices, internship opportunities, and employment.

Reinforce existing efforts made by Office of Student Academic Success (OSAS). Support OSAS efforts that promote inclusiveness, including (1) establish Lobo Women's Council. The Council will be co-chaired by the Directors of the Women's Resource Center and the Women Studies Program. Its function is to ensure that women are included in conversations about diversity, equity, and inclusion. (2) expand Men of Color Initiative and create other men's groups. The UNM Men of Color Initiative (MOCI) focuses on access and success for men of color and serves as an educational pipeline for students who enter UNM from CNM and K-12 schools. Create a funding stream to support focus on men's anti-violence and male ally programming; (3) Increase Breastfeeding Support Program. Increase number of Lactation Stations in each area of campus. Create a Lactation Station in Scholes Hall. This is necessary to clearly state to the UNM community that supporting mothers who work and go to school is a priority.

Graduate Student Initiatives

Create a graduate certificate in “Diversity, Social Justice, & Inclusion.” This graduate-level certificate, which would provide opportunities for graduate students to pursue diversity learning outcomes, could be comprised of 12 credit hours (four classes). Listed on graduate transcripts, this certificate would bolster resumes and curriculum vitae of graduates entering an increasingly diverse labor market (see University of Colorado, Colorado Springs “Diversity, Social Justice, and Inclusion” graduate certificate).

Identify and cultivate relationships with innovative thinkers from diverse groups of students. UNM Professor Everett Rogers’ model referenced in the “Leadership” section of the DCR applies to faculty as well as students. A strong link between administrators, innovative faculty, and their talented student counterparts benefits UNM and creates a path for current students to become future leaders.

Develop additional funding lines for students from underrepresented groups to conduct research. Provide funding for graduate students and undergraduates to pursue research opportunities. Hire 50-100 research assistants to focus on equity and inclusion and generate community-based research and/or interdisciplinary research (e.g., race, class, gender, religion, community-based research).

Reallocate graduate student funding to attract and graduate doctoral students from diverse backgrounds. Several years ago, Project New Mexico for Graduate Students of Color (PNMGC) was formed. As part of its mission PNMGC recognized departments that made important contributions to the recruitment and graduation of diverse doctoral students. Recognition such as this needs to take place on an annual basis. Assistance should be provided to departments that do not possess the human resources to achieve these important goals.

Create Graduate Advisors Diversity Council. Graduate advisors need to share strategies and best practices for attracting and mentoring graduate students from diverse backgrounds, with a special emphasis on doctoral students. The Graduate Advisors Diversity Council will convene twice a semester and report directly to Deans who will feed data and information to the Provost, including how many graduate students (by race and gender) apply and are admitted to each department or program. In addition each department should be required to report on progress it has made in creating an inclusive and attractive departmental climate for graduate students from diverse backgrounds.

5. Community-Based Research and Learning

Improve community outreach efforts by nurturing UNM’s civic mission. Both the broader Albuquerque community and more generally the population of the State of New Mexico contribute significantly to UNM’s diversity profile. As a public institution, UNM must ask, “What are we doing for New Mexico?” UNM’s relationship with communities statewide provides students a social obligation to serve communities as well as opportunities for vibrant academic and service learning experiences. The relationships UNM faculty and students maintain and develop with communities statewide afford students a vibrant academic experience and are critical to the well-being of the state.

Develop a comprehensive plan as part of the President's 2020 Plan that will guide UNM's mission by investing in and strengthening existing communities. In particular, engage in civic partnerships in low socioeconomic and ethnically diverse communities.

Mandate that all students, staff, and faculty who are engaged with community partners participate in community-engagement learning seminars co-facilitated by community members. The purpose of these seminars is to provide skills and knowledge needed to engage with community members in a way that values community knowledge and creates an atmosphere of mutual respect and reciprocity. These proposed seminars can count toward the 3-credit undergraduate "U.S. & Global Diversity & Inclusion" requirement proposed by the Diversity Council and included in the "Curriculum" section of the DCR.

Place greater value on community-based participatory research and community-based classes in the tenure and promotion process. The Diversity Council recommends that evaluation for tenure and promotion include input by a Community Committee and that service to the community be valued and rewarded equally with research and teaching.

Develop a Community-Campus Council that reports directly to the President or Provost. The composition of the Community-Campus Council should be 51% neighborhood residents and community leaders and 49% UNM affiliated participants. The purpose of the Community-Campus Council is to create an on-going dialogue with campus partners that nurtures trust, builds relationships, and ultimately engages in decision-making processes.

Celebrate UNM's contributions to community on the homepage of UNM's main campus and Health Sciences websites. Create an "Equity Hub" on the UNM website. The proposed "Equity Hub" should exist as a primary tab alongside "About UNM" on the homepage of UNM's website. A sub-heading should list "Community-Campus Connections." Additionally, UNM's website should include an enhanced Community-Campus database that serves as a forum for students, staff, and faculty engaged with community partners to highlight activities that engage community members. The purpose of this proposed database is to provide transparency and help to coordinate efforts and solicit prospective collaborations.

Faculty apprenticeships in the community. New faculty should be invited to take part in a community-based course, which would prepare faculty for apprenticeships with community leaders. Members of the Diversity Council will facilitate this proposed seminar-style course. These seminars will emphasize diversity, equity, and inclusion and can be offered in partnership with OSET in tandem with the mandatory Learning Communities on DEI for all faculty and staff.

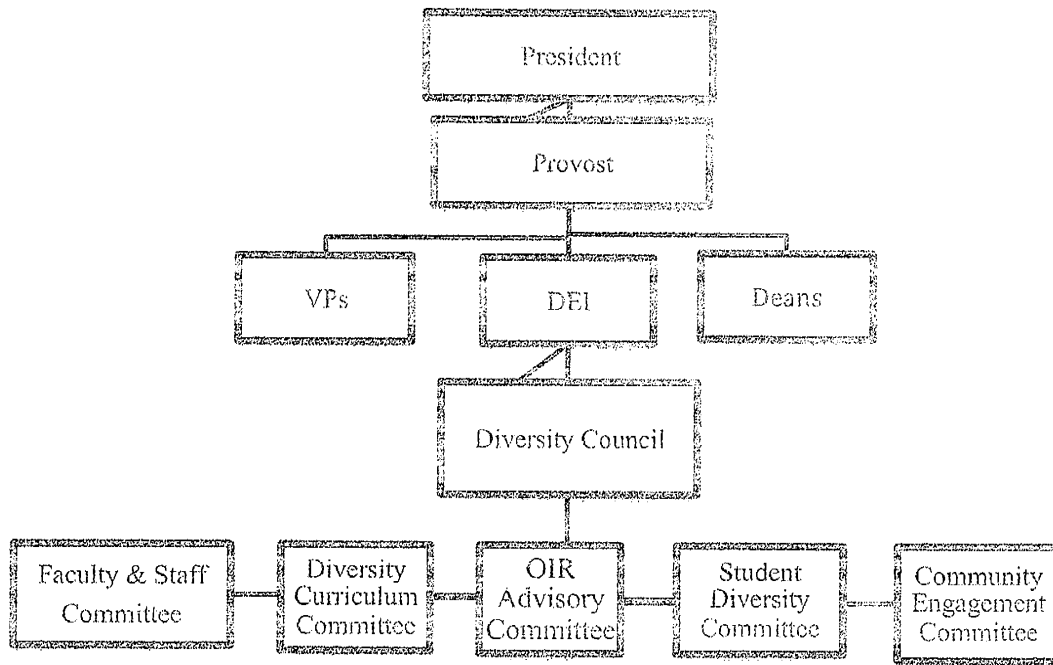
Support student and faculty engagement in the community. Provide service scholarships for students and staff engaged in community-based and/or community-driven projects, research, and teaching.

Oversight of Institutional Review Board (IRB). Policies and procedures for researchers should lay out ethical considerations in working in the community. These policies and procedures should be co-constructed with the Community-Campus Council. In order to promote academic freedom, IRB members, including representatives from the Community-Campus Council, should

have experience and expertise with qualitative methods (e.g., community-based work, oral history, public social sciences and humanities).

Organizational Structure

The Diversity Council recommends the following organizational structure in order to facilitate communication among administration, faculty, staff, students, parents, community members, and others interested in promoting diversity, equity, and inclusion at UNM:



Diversity & Inclusion requirement, will prepare UNM students to lead productive lives in an increasingly diverse society—whether in New Mexico or in another part of the world.

Efforts must be made to hire and retain a diverse faculty. Further efforts must be made to encourage conversations about DEI among students and in all areas of community engagement.

It is with great hope for the future and in anticipation of collective success that recommendations contained in the Diversity Council Framework for Strategic Action are presented to President Frank for inclusion in UNM's 2020 Plan.

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Criteria Checklist for “U.S. & Global Diversity & Inclusion” 3-Credit Undergraduate Requirement

(Note: If class is cross-listed or offered with another course, ALSO list course prefix, number, and title.)

Course Prefix	Number	Title	Instructor Name & Title	Email
My course addresses primary emphasis (at least 50% content) on one or more of the following areas (mark an X for all that apply): <input type="checkbox"/> gender; <input type="checkbox"/> race; <input type="checkbox"/> class; <input type="checkbox"/> ethnicity; <input type="checkbox"/> sexual orientation; <input type="checkbox"/> disability; <input type="checkbox"/> religion; and/or <input type="checkbox"/> other marginalized group(s)- specify group: _____				

Please fill out this form and email to: usglobaldiversity@unm.edu and attach course syllabus.

For more information visit: diverse.unm.edu

RATIONALE & OBJECTIVES

The Division for Equity and Inclusion posits that **inclusive excellence** requires a healthy and inclusive campus climate and refers to the processes by which the University leverages diversity as its’ strength to enhance an understanding and connection with diverse communities, ensure the success of all UNM students, and advance the academic enterprise. For more information: diverse.unm.edu.

The stated aim of the 3-credit "U.S. & Global Diversity & Inclusion" undergraduate degree requirement is to promote a broad-scale understanding of the culture, history or current circumstance of diverse groups of people who have experienced historic and/or contemporary inequitable treatment in the U.S. or in a global context.

CRITERIA

Because the substantive requirement of the course is a focus on the dynamics of inclusion and exclusion, courses that fulfill the 3-credit “U.S. & Global Diversity & Inclusion” undergraduate requirement **MUST** have their **primary emphasis (at least 50% content)** on one or more of the following areas: **gender, race, class, ethnicity, sexual orientation, disability, religion and/or other marginalized group(s) and addresses one or more** of the key learning outcomes:

YES	NO		How course meets learning outcome(s); specific examples in syllabus; additional comments
		LEARNING OUTCOMES (engages one or more of the key learning outcomes)	
		Demonstrate an ability to view issues from multiple perspectives as well as analyze, evaluate, and interpret one’s own history and position in contemporary U.S. society as well as in a global context.	
		Understand the dynamics of historic and contemporary inequality, oppression, and resistance for marginalized groups in local and global societies and how those dynamics shape individual and community power and experiences (e.g., sexism, institutional racism, homophobia, etc.).	
		Demonstrate critical literacy and ethics pertaining to the dynamics of diversity and inclusion by race, gender, class, sexual orientation, ethnicity, religion and disability in the U.S. and/or global context.	
		Communicate an understanding of the ways in which inequitable treatment of groups by race, ethnicity, disability, religion, sexual orientation, and/or gender inequality is socially constructed and politically implemented and maintained.	

(To be filled out by Curriculum Committee, Provost Diversity Council)

REVIEWER NAME	DATE	EMAIL

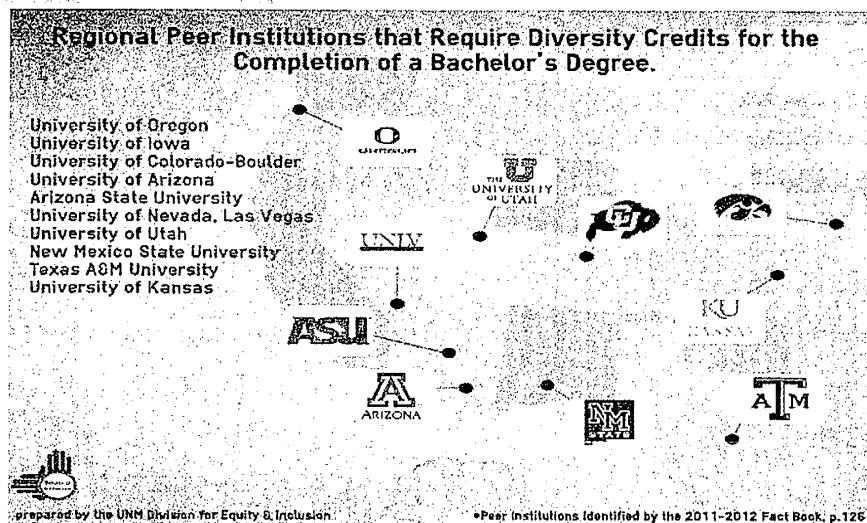
U.S. & Global Diversity & Inclusion
Proposal for 3-credit University-wide Undergraduate Degree Requirement
Dated: October 15, 2012

INTRODUCTION

In a memo outlining his vision for UNM dated June 28, 2012, incoming President Robert Frank addressed the Board of Regents and UNM's Leadership Team with a cautionary statement: "The future will happen whether we act or not." For UNM, this future entails confronting difficult economic realities while embracing the state's historic and present-day demographics. Complex local and national, as well as global, politics pose daunting challenges, but also open the door for UNM to grow and develop in exciting and unprecedented ways. It is a well-documented fact that undergraduates who have more frequent experiences with diversity tend to be more engaged, and are more likely to persist and graduate than their counterparts who lack such experiences (Ibarra, 2001; Kuh, 2005; Martinez, 2010). Numerous research-based studies examining the impact of diversity on students and educational outcomes have produced extensive evidence that diversity has a positive impact on all students, minority and majority (Smith et al. 1997).

To better respond to shifting demographics, nearly every one of UNM's peer institutions in the Southwest, along with the most well-recognized institutions nationally, have implemented diversity requirements into their degree requirements and/or core curricula. For example, Arizona State University requires three separate diversity courses for all undergraduates and Texas A & M requires two courses. At UNM this oversight has hampered retention and graduation rates; as well, students not well-versed in the issues and ethical considerations involved in working with diverse communities are disadvantaged as they enter an increasingly global labor market.

Table 1 shows peer institutions approved by the HED and used for IPEDS comparisons that require diversity credits for the completion of a bachelor's degree. The vast majority of universities in the southwest region require credits in diversity. UNM is not among them.



RATIONALE

UNM is the state's flagship institution for academic research, teaching, and service. As a Research I university where the number of Hispanics (37%) is nearly equal to the number of Anglos (38%), UNM also serves a significant number of Native American (11%) students as well as Asian American (3%) and African American (2%) students. In fact, **over 60% of the undergraduate population come to UNM from an underrepresented racial or ethnic group and the majority of UNM students are female (57%)** (see Table 2, below).

Table 2: Enrollment All Students, all UNM Campuses (Fall 2011)

Race, Ethnicity, Immigration Status, Gender	Fall 2011 21-day enrollment
American Indian	11%
Asian	3%
Black	2%
Hispanic	37%
White	38%
International Students	3%
Female	57%
Male	43%
Total Student (absolute #)	N=36,742

As well, there are alarming race-gender gaps in UNM's graduation rates. While the overall six-year graduation rate for all UNM undergraduates is 45%, it is even lower among Native American, Black, and Hispanic students, ranging from 22%-43% respectively (See Table 3, below).

Table 3: Race-Gender Gap in Six-Year Cohort UNM Undergraduate Graduation Rates (Full-time Freshman entering in Fall 2005 and graduating by Spring 2011)

Race, Ethnicity, Immigration Status, Gender	(Cohort Entering in 2005, Graduated by 2011)	Male	Female
American Indian	22%	22%	22%
Asian	67%	47%	62%
Black	37%	41%	34%
Hispanic	43%	38%	44%
White	57%	45%	53%
International Students	70%	67%	73%
Female	47%	-	-
Male	41%	-	-
Total Student	45%	-	-

The Mission Statement of UNM emphasizes diversity in the Vision and Values Statements as quoted below:

Vision: Strength through Diversity

We lift up our cultural and ethnic diversity as the unique strategic advantage it is, providing the environment in which our students learn with one another to generate new knowledge that helps the world's people leverage and celebrate the value of difference (UNM Catalog 2010-2011, p. 11).

Values :

Diversity that enlivens and strengthens our university, our community, and our society (UNM Catalog 2010-2011, p. 11).

UNM's first strategic priority as to "foster a vital climate of academic excellence that actively engages all elements of our community in an exciting, intellectual, social, and cultural life" (I). According to the Mission Statement UNM must strive to "Develop a sense of campus community that supports the success of all students, faculty, and staff by engaging them in an active and diverse intellectual life" (I.D.). In fact, diversity and inclusion are cited either implicitly or explicitly in every stated objective and tactic for strategic direction. Most significantly, the Mission Statement directs UNM to "advance the interests and aspirations for New Mexico and its people" (II). The addition of the 3-credit U.S. & Global Diversity & Inclusion requirement will enhance the deep and engaged learning that can have a dramatic effect on graduation rates (Kuh 2005; Ibarra 2001; Chavez 2011).

For underrepresented students, as well as for all students who come to UNM as undergraduates, college represents a time of formative personal and social identity development (Gurin, Dey, Hurtado, and Gurin 2002). Yet while diverse populations contribute to student development, the benefits of diversity are *not* automatic and do not simply occur from being part of a diverse campus. Rather, educators must work in intentional ways to increase educational benefits for students and for the institution (Milem, Chang, and Antonio 2005). Students at strong performing campuses, i.e., institutions with better-than-predicted student engagement scores and better-than-predicted graduation rates, not only have more frequent experiences with diversity, but are also engaged at higher levels in many other educationally purposeful activities, inside and outside the classroom (Kuh 2005).

Two implications flow from this observation. First, for UNM to take advantage of the diversity indigenous to its region and represented in its undergraduate population, UNM must ensure that students are able to take advantage of opportunities to engage in meaningful ways with the institution, especially through high-impact practices (Kuh 2008). Second, to maximize the benefits of experiences with diversity, such experiences must be offered throughout the campus, both in and outside the classrooms. As Pascarella and Terenzini (2005) make clear, an institution must "pull many levels" (have students do different things) over an extended period of time in order to increase the odds that most students will acquire

the knowledge, skills and competencies and develop the attitudes and dispositions that will equip them to function effectively in an increasingly diverse global world. This means that an understanding of and appreciation for diversity may best be cultivated when students encounter diversity in its multitude of forms in multiple settings throughout their undergraduate days. Thus, while one or more courses that feature diversity have a role to play, other kinds of experiences are needed also.

To begin the process of ensuring UNM makes good on its mission, it is imperative that students demonstrate critical literacy pertaining to the dynamics of diversity and inclusion by race, gender, class, sexual orientation, ethnicity, religion, and disability in the U.S. and global context. It is also important that UNM's curriculum reflect values that demonstrate the university's commitment to diversity. The proposed university-wide 3-credit U.S. & Global Diversity & Inclusion requirement directly addresses this need.

BACKGROUND OF PROCESS AIMED AT ADOPTING DIVERSITY REQUIREMENT

In 2007 a proposal for a graduate level diversity requirement was brought before the faculty senate. The Committee on Graduate Studies voted against the proposal to add a diversity requirement to graduate degree requirements. A memo justified the Committee's decision to leave diversity to each individual department to implement by citing already existing workshops that addressed issues of diversity on campus. The memo also expressed concerns that an undue burden would be placed on graduate students by the addition of credit hours to degree requirements.

Although the Committee on Undergraduate Studies at that time discussed adding a diversity requirement to the undergraduate curriculum, no vote was taken.

In May 2012, the UNM Provost's Diversity Council Curriculum Committee (co-chaired by Nancy Lopez and Michelle Kells 2011-12; Nancy Lopez and Glenabah Martinez 2012-2013) submitted to Provost Chaouki Abdallah a memo outlining a 3-credit university-wide requirement to be called "U.S. & Global Diversity & Inclusion." A solid semester's worth of research, discussion, and debate resulted in the recommendation by this Committee that a 3-credit U.S. & Global Diversity & Inclusion requirement be implemented into the UNM undergraduate curriculum for the benefit of all UNM students.

The current proposal differs from the 2007 proposal in two primary ways: (1) it focuses solely on undergraduates; and (2) it does not add credits to existing degree requirements.

INSTITUTIONAL LOGISTICS, SUPPORT, & PARTNERSHIPS

Whether fulfilled by existing courses, new courses, or the modification of courses, courses meeting the U.S. & Global Diversity & Inclusion requirement would need to offer a

substantive focus (50% of course content) on understanding race, class, gender, ethnicity, sexual orientation, religion, and disability in the U.S. and/or global context.

The proposed start date for implementation of the 3-credit U.S. & Global Diversity & Inclusion requirement is Fall 2014 with piloting that includes assessment of existing courses beginning in Fall 2013. Though each UNM undergraduate will earn three (3) credits to satisfy the U.S. & Global Diversity & Inclusion university-wide requirement, this requirement will not add additional credits hours to the existing core curriculum or degree-granting programs. To satisfy the requirement, students will take a minimum of one 3-credit course in either (a) the core curriculum; or (b) the courses offered by their respective degree-granting departments. Courses that satisfy the U.S. & Global Diversity & Inclusion requirement can “double-count” for major/minor degree requirements.

The proposed 3-credit U.S. & Global Diversity & Inclusion requirement can be satisfied by general education courses as well as courses related to an undergraduate’s major field of study. Studies show that the universities that offer a wide range of courses that emphasize diversity are more likely to produce benefits related to student success, as contrasted with institutions that marginalize diversity by isolating this important educational component to a handful of courses, required or optional (Kuh 2005). For example, while Arizona State University requires students to complete nine credit hours in diversity, ASU does *not* require three separate diversity courses for every student. Rather, ASU breaks the nine credit hours into three “awareness” areas: “cultural diversity,” “global awareness,” and “historical awareness.” A student is expected to take only one course in each area. As well, ASU’s diversity requirement can be satisfied via a wide range of course listings. Similarly, while Texas A&M has a six-hour “International and Cultural Diversity” requirement in its core, it offers roughly 200 courses that meet this requirement.

It needs to be noted, however, that the ease with which students can fulfill the proposed 3-credit U.S. & Global Diversity & Inclusion requirement does not diminish the UNM’s responsibility to participate on all levels to make UNM a truly diverse educational setting. A seminal report referenced in the “Rationale” section of this proposal, “Making Diversity Work on Campus: A Research Based Perspective,” stresses the importance of a university-wide approach that includes a basic set of principles that are understood by administration, faculty, and staff as well as students (Milem, Chang, and Antonio 2005). Ultimately, as will be examined in the “Learning Outcomes” section of this proposal, diversity as a stated goal only becomes realized when its effects are felt and understood both in- and outside the classroom. The 3-credit U.S. & Global Diversity & Inclusion requirement provides an important step toward the realization of this important outcome, but it will *not* be effective in its pedagogical goal of transforming culture, nor in its pragmatic outcome of increasing student retention and graduation rates, without the backing of administrative vision and leadership. Rather than view “diversity” as a burden, faculty must want to develop new courses and explore issues of social relevance within their existing course content. Thus, UNM faculty must have opportunities to participate in the national conversation that has thus far taken place outside the UNM campus. Speakers should be invited to present, faculty should be encouraged to contribute work and hear the work of their colleagues, and students should be included in this process of engagement. The Diversity Council Curriculum Committee will assist and support departments interested in exploring the creation of new

courses and/or modifying existing courses to meet the 3-credit U.S. & Global Diversity & Inclusion undergraduate requirement.

Certain campus initiatives are already scheduled to dovetail with the implementation of the U.S. & Global Diversity & Inclusion requirement. The Writing Across Communities (WAC) Initiative, scheduled to be piloted in Fall 2013, will incorporate critical literacy as it pertains to issues of power, diversity and difference by race, class, gender, sexuality, and ethnicity in U.S. society and beyond as key learning outcomes.

A newly envisioned Freshman Learning Program will include readings and writing that explore issues of diversity and identity and can be used to satisfy the 3-credit U.S. & Global Diversity & Inclusion requirement.

The proposed “U.S. & Global Diversity & Inclusion” requirement also supports the Foundations of Excellence program of the Gardner Institute initiated by Provost Chaouki Abdallah in Fall of 2012. Specifically the diversity and learning dimensions, as well as the “all students” dimension of the program will be buttressed by this requirement. First, the diversity dimension specifies: **“Foundations Institutions ensure that all first-year students experience diverse ideas, worldviews, and cultures as a means of enhancing their learning and preparing them to become members of pluralistic communities.** Whatever their demographic composition, institutions structure experiences in which students interact in an open and civil community with people from backgrounds and cultures different from their own, reflect on ideas and values different from those they currently hold, and explore their own cultures and the cultures of others.” The second dimension is the “learning”: **“Foundations Institutions deliver intentional curricular and co-curricular learning experiences that engage students in order to develop knowledge, skills, attitudes, and behaviors consistent with the desired outcomes of higher education and the institution’s philosophy and mission.** Whether in or out of the classroom, learning also promotes increased competence in critical thinking, ethical development, and the lifelong pursuit of knowledge.” And finally, the third dimension, “all students”: **“Foundations Institutions serve all first-year students according to their varied needs.** The process of anticipating, diagnosing, and addressing needs is ongoing and is subject to assessment and adjustment throughout the first year. Institutions provide services with respect for the students’ abilities, backgrounds, interests, and experiences. Institutions also ensure a campus environment that is inclusive and safe for all students.” Taken together these Foundations of Excellence have the potential to transform the deep and integrative learning that better enables students to enter an increasingly evolving and global labor market and society. While the Foundations of Excellence and the 3-credit U.S. & Global Diversity & Inclusion proposal are both focused on undergraduate students, these Learning Outcomes are also very relevant for graduate students. Accordingly, the Diversity Council Curriculum Committee will explore developing a similar requirement to meet the Learning Outcomes of graduate students.

Many existing courses that focus substantively on issues of diversity and inclusion by race, class, gender, sexual orientation, religion, ethnicity, and disability in U.S. and/or global societies will satisfy the U.S. & Global Diversity & Inclusion requirement. A “Listing of

Courses that Fulfill the 3-Credit U.S. & Global Diversity & Inclusion Requirement” is attached.

The Office of Equity and Inclusion will facilitate resources and serve as a hub for the exchange of information across disciplines and programs. Specifically, the Diversity Council Curriculum Committee proposes the creation of a Faculty Senate Undergraduate Committee specifically charged with reviewing and approving the courses to be included on the list of courses meeting the “U.S. & Global Diversity & Inclusion” requirement. The Diversity Council Curriculum Committee will work with the Undergraduate Committee of the Faculty Senate, the Registrar’s Office, University Advisement Center, as well as Student Services to facilitate the implementation of the 3-credit U.S. & Global Diversity & Inclusion requirement. Africana Studies, Native American Studies, Chicana/o, Hispana/o, & Mexicana/o Studies, and Asian American Studies, as well as The Feminist Research Institute, Peace Studies, Sustainability Studies, and Women Studies are committed to assisting in cross-listing courses and/or helping individual faculty members to address relevant learning outcomes in the development of courses that strive to meet this requirement. Course-buyouts and/or extra compensation should be made available to faculty charged with assisting departments in designing and implementing courses (both in and outside of the classroom) that would meet the learning objectives of the 3-credit U.S. & Global Diversity & Inclusion requirement. Cluster hiring in these areas (race, class, gender, religion, disability, sexual orientation) should also be considered a strategic priority that can help transform and buttress cross-disciplinary fertilization and interdisciplinary dialogue at UNM.

TRANSFER OPTIONS

Students transferring to UNM from other institutions may petition to apply credits received from previous coursework toward the fulfillment of the 3-credit U.S. & Global Diversity & Inclusion requirement. Students seeking to apply for transfer credit should submit course syllabi or course descriptions to the Diversity Council Curriculum Committee to demonstrate fulfillment of the requirement. The Diversity Council Curriculum Committee will work collaboratively with student advisors to establish course equivalents.

LEARNING OUTCOMES

Current research and data suggest that culture shifts begin with conversations that ultimately lead to programming designed to close the race-gender gap in graduation rates at the undergraduate level. Following extensive research gathered on behalf of the University of Michigan in its defense of its affirmative action policies before the U.S. Supreme Court, Jeffrey Milem, Mitchell Chang, and Anthony Antonio (cited in the “Rationale” section of this proposal) argue for **“a conception of diversity as a process toward better learning rather than as an outcome—a certain percentage of students of color, a certain number of programs—to be checked off a list.”** As a preface to discussing Learning Outcomes, it is important to note that these researchers argue convincingly that diversity must be “engaged” in the service of learning, ranging from recruiting a compositionally diverse student body,

faculty, and staff; to developing a positive campus climate; to transforming curriculum, co-curriculum, and pedagogy to reflect and support goals for inclusion and excellence” (Milem, Chang, & Antonio 2005). To this end, UNM is well on its way. The demographic make-up of the campus, combined with recent ethnically diverse hires, pave the way for a culture shift reflected by the curriculum.

The University of Utah describes the substantive core goal of its diversity requirement as follows: **“Diversity requirement stands as an institutional commitment and to develop and teach ways of thinking drawn from multiple histories and cultural heritages that shape the United States.** Courses which fulfill this requirement are designed to explore the national society—its norms, laws, public policies and discourse—in the context of the rich and varied cultural diversity which has shaped it. The goal of this requirement is to extend cross-cultural understanding, perhaps replacing the impulse to stereotype, with better informed reasoning, understanding, and judgment skills. This, in turn, will open possibilities for meaningful communication across social boundaries and allow students to better consider ethical and social decisions from multiple perspectives. This requirement also signals to students that their distinctive traditions, opinions, and insights belong at the university.”

The stated aim of the 3-credit U.S. & Global Diversity & Inclusion requirement is to **promote a broad-scale understanding of the dynamics of inclusion and exclusion among diverse groups of people in the U.S. or in global context who have experienced historic and/or contemporary inequitable treatment.** It is expected that leadership from the Faculty Senate, in consultation with the Diversity Curriculum Committee, will create conditions under which departments may engage faculty in developing and refining a set of Diversity Learning Outcomes. It is further expected that the curricular shift necessitated by this requirement will engender constructive conversations among the various units, departments, and programs that make up each college across the university, as well as self-reflection via constructive conversations on topics that range from the ideological to the pragmatic.

The University of Utah developed the following criteria for course meeting the requirement:

1. The central focus of the course is the culture, history or current circumstances of one or more groups of people in the US who have experienced inequitable treatment.
2. The course critically examines and grapples with one or more factors supporting and sustaining inequitable treatment of groups of people in the U.S. (e.g., institutional racism, homophobia, sexism, ageism, classism).
3. The course critically examines methods and strategies of moving toward a more equitable society and challenging social structures.
4. The course challenges students to reflect on and apply the concept of equity to their interactions.”

Because the substantive requirement of the course is a focus on the dynamics of inclusion and exclusion, courses that fulfill the “U.S. & Global Diversity & Inclusion” requirement would engage with one or more of the following Key Learning Outcomes:

- Demonstrate critical literacy and ethics pertaining to the dynamics of diversity and inclusion by race, gender, class, sexual orientation, ethnicity, religion and disability in the U.S. and/or global context;
- Understand the dynamics of historic and contemporary inequality, oppression, and resistance for marginalized groups in local and global societies and how those dynamics shape individual and community power and experiences;
- Communicate an understanding of the ways in which race, ethnicity, disability, religion, sexual orientation, and/or gender inequality is socially constructed and politically implemented and maintained; and
- Demonstrate an ability to view issues from multiple perspectives as well as analyze, evaluate, and interpret one’s own history and position in contemporary U.S. society as well as in a global context.

A comprehensive study conducted by a recognized peer institution on the positive learning outcomes of diversity and inclusion, which includes sections on qualitative methods and analysis, can be found in “Agencies of Change: Faculty Leadership in Initiating and Sustaining Diversity at the University of Arizona,” a report authored by Jeni Hart, Lindy Brigham, Mary Good, Barbara Mills, and Jan Monk and submitted to Rutgers University as part of the Re-affirming Action: Designs for Diversity in Higher Education grant funded by the Ford Foundation in 2005. That report, appended to this proposal in its entirety, provides evidence of how faculty at the University of Arizona “worked toward change, specifically toward creating a more diverse, fair, and hospitable campus climate” (Hart, Brigham, Good, Mills, & Monk 2005). Models from this study can be adapted for study at UNM and to track learning outcomes of the 3-credit U.S. & Global Diversity & Inclusion requirement.

ASSESSMENT OF LEARNING OUTCOMES

The Diversity Council will collaborate with the Office of Institutional Research to track the success of students who fulfill the U.S. & Global Diversity & Inclusion requirement. Such tracking will examine the retention and six-year undergraduate graduation rates of students by race (race by gender and race by class) before and after the implementation of this requirement. Student evaluation forms will be used to assess student responses to courses that fulfill the U.S. & Global Diversity & Inclusion requirement. The Diversity Council is committed to working with the Faculty Senate toward issues of compliance, particularly as those issues impact retention and graduation rates among underrepresented student groups.

INCREASING GRADUATION RATES & PROVIDING CRITICAL STRATEGIC KNOWLEDGE FOR THE TWENTY-FIRST CENTURY

Less than half (45%) of all students who attend UNM graduate with bachelor's degrees after six years. As previously mentioned, the demographic breakdown of graduation rates indicates an alarming race-gender gap that needs to be eliminated (see [Table 3](#), above). By aligning its curriculum to reflect its values and commitment to diversity learning outcomes, UNM can improve retention and graduation rates for all its undergraduate students. Moreover, the implementation of the U.S. & Global Diversity & Inclusion requirement will enable UNM graduates to compete in a global labor marketplace where diversity is valued.

Diversity learning is a key factor in contributing to high impact student engagement, which has been shown to result in a significant improvement in graduation rates (Kuh 2012; Ibarra 2001; Martinez 2010). Key knowledge, which is the subject of courses specified by the U.S. & Global Diversity & Inclusion requirement, will prepare UNM students to lead productive lives in an increasingly diverse society—whether in New Mexico or in another part of the world.

It is significant to note that the overwhelming majority of peer institutions in the Southwest region treat diversity with a core curriculum and/or general education diversity requirement (see “Peer Institution Diversity Requirement Data”). The models from these institutions incorporate studies of diversity in community, nation, and world. The context for key knowledge is historical, cultural, theoretical, and service-learning oriented.

Research along with compelling data show that diversity is a process. UNM lags behind other peer institutions in the Southwest region as one of the only Higher Education Department and IPEDS institutions in the Southwest that has yet to implement a diversity requirement.

CONCLUSION

UNM serves students in a state with the highest percentage of Hispanics (46%) and the fourth largest percentage of Native Americans (10%) in the nation. Situated in a majority minority state, the UNM community boasts nearly equal numbers of Hispanics and Anglos along with rising numbers from other ethnic communities and a campus where the majority of the students are female. Upon graduation, these students, as well as *all* UNM students, must be able to compete and thrive in an increasingly complex labor market. In other words, UNM must prepare students to serve in the local, national, and global workforce. Valuing U.S. & Global Diversity & Inclusion will prepare UNM students for successful careers as engineers, physicists, psychologists, teachers, artists, lawyers, medical doctors, policy makers, criminal justice administrators, media specialists, and business leaders. The future leaders of our city, state, nation, and global economy expect and deserve no less.

Most significantly, the curricular inclusion of the proposed 3-credit university-wide U.S. & Global Diversity & Inclusion requirement will reflect UNM's commitment to the core values of its stated mission.

Implementing a 3-credit U.S. & Global Diversity & Inclusion requirement is a strategic opportunity and a step toward a cultural shift in which diversity and excellence are inextricably linked. Does the university have the political will to—as President Frank's vision suggests—face its future? If so, the 3-credit U.S. & Global Diversity & Inclusion requirement might be viewed proudly in 2020 as the first step in a process that enabled UNM to begin a meaningful and high-impact effort toward ensuring the success of all its students and redefining the public face of a vibrant and robust university community.

DRAFT

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DRAFT

Student Activities Center

TO: Dr. Eliseo Torres, Vice President for Student Affairs
FROM: Debbie Morris, Director of Student Activities 
DATE: April 15, 2013
RE: ASUNM Constitutional Amendment-Spring 2013 Election

The following amendment was approved in the ASUNM Election held on April 10, 2013. The result of the amendment will be to clarify the beginning and end of the term of office for student court justices and define the length of each term to be one year.

Article IV Judicial Branch, Section 2-Student Court

- B. The Court shall be composed of a Chief Justice and four Associate Justices. The justices must have attended the University, main campus, at least one semester immediately prior to their appointment. The justices shall be appointed by the President and confirmed by the Senate. The term of office of the Chief Justice and Associate Justices shall be **no longer than one calendar year. Their term shall begin when the oath of office has been administered and end exactly at 1 p.m. on the last day of the spring semester.** ~~two years. Associate Justices shall serve one year terms.~~ All Justices may apply and be reappointed to another term yearly if they are to remain on the court.(10/24/09)

The vote count was as follows:

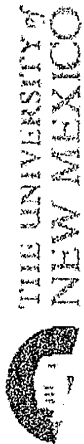
Amendment 1

For	1289	88%	Passed
Against	171	12%	

Associate University Legal Counsel, Melanie Baise, has already reviewed this amendment and found no legal concerns.

Caroline will be able to address any questions the Regents may have on the amendments. Please let me know if I can provide you with any further information.

cc: Melanie Baise, Associate University Legal Counsel
Caroline Muraida, ASUNM President
Isaac Romero, ASUNM President-elect



IT'S GREAT FOR A UNIVERSITY TO HAVE WORLD-RENOWNED FACULTY - IT'S EVEN BETTER WHEN THEY ARE PASSIONATE ABOUT TEACHING YOU.

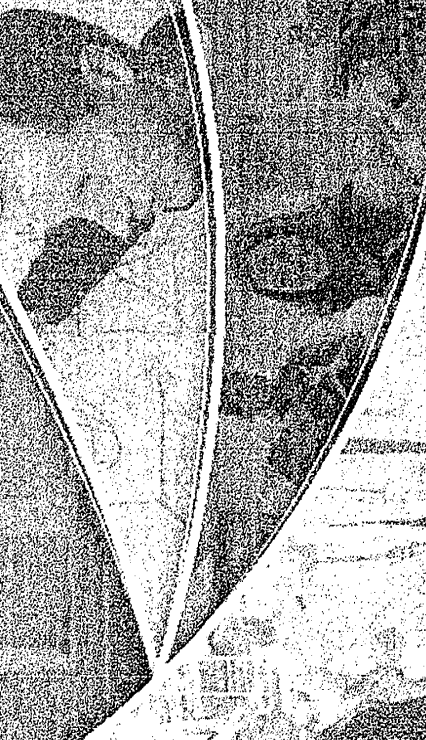
At the University of New Mexico you'll find a Nobel Laureate, two MacArthur Fellows, and many Fulbright Scholars and members of national academies. They've published in Scientific America, The New England Journal of Medicine, and Nature. They've been quoted in Newsweek, the Los Angeles Times, Business Week, and The New Yorker, and shared their expertise on CNN and Nova.

But here's something more important: The UNM faculty is about teaching you - committed to your education and success, first and foremost. That's why UNM biology professor Ursula Shephard was named U.S. Professor of the Year by the Carnegie Foundation for the Advancement of Teaching. "I believe every student will succeed in my classroom because they are so passionate about what they are doing."

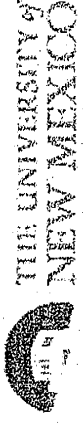
The University of New Mexico is a leading research university with more than 200 respected degree programs, a one-of-a-kind campus and a richly diverse student body. It's a world-class education and a world-class value, in one of the most unique and most beautiful places in America.

Apply for admission at www.unm.edu/apply
Office of Admissions
University of New Mexico

Beginning Freshmen



The University of New Mexico, Albuquerque, NM 87131, 1-800-CALL UNM (225-5866)



DO MORE THAN LEARN - DISCOVER

UNM undergraduate students do more than learn, they discover. Students like physics major Cristhian Carrillo, whose work "Development of Radiation Hard Silicon Sensors for Use at the Large Hadron Collider and Beyond", received national acclaim. Whether you participate in an internship at the Center for Information Assurance Research & Education (CIARE) - a partnership between the Federal Bureau of Investigation and the UNM Anderson School of Management, become the next generation of nurse scientists using research to improve patient care; expand the understanding of ancient cultures through the UNM Southwestern Archaeological Field School; or pursue your own interest with a faculty mentor, UNM can offer you the opportunity to push back the edges of knowledge.

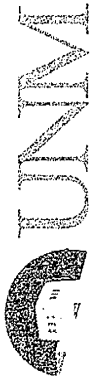
UNM's leadership in research and discovery is a national research university. UNM's 200 respected degree programs, unique campus and richly diverse student body provide a world-class education and a world-class value, in one of the most unique and most beautiful places in America.

Apply for admission at www.unm.edu/apply
Office of Admissions
University of New Mexico

Beginning Freshmen



The University of New Mexico, Albuquerque, NM 87131, 1-800-CALL UNM (225-5866)



Division of Enrollment Management

2013 First-time, Full-time Goals

- Increase Beginning Freshmen by 2% to 3,492
- Increase non-residents by 10% to 527
- Increase ACT \geq 29 by 10% to 287



Division of Enrollment Management

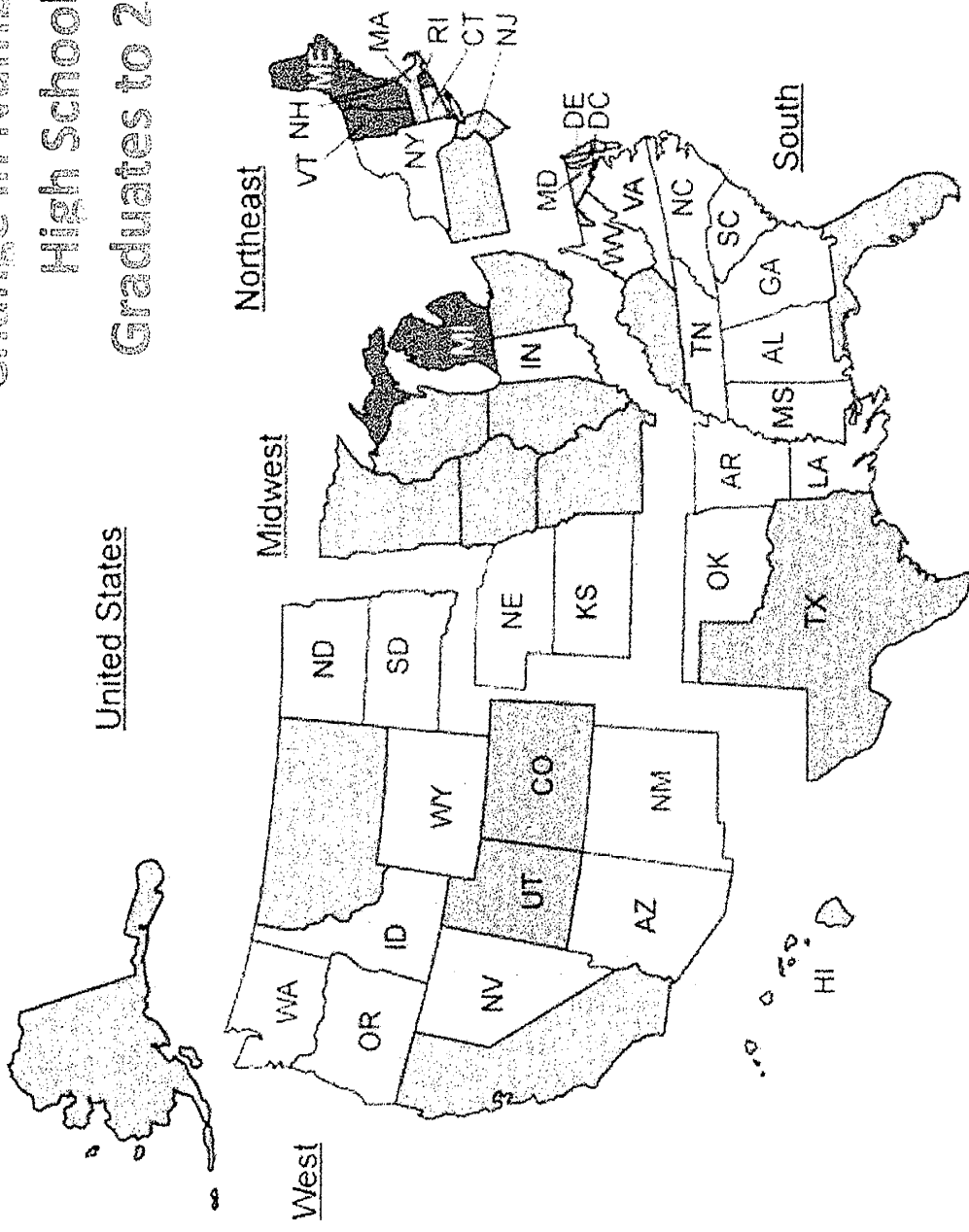
Key Recruitment Strategies 2012-13

- Modify Territory Management approach to fit enrollment goals, resources and staffing levels.
- Expand and consolidate communication plan to include communications designed to increase yield, engage family/parents, increase communication through a variety of channels – email, mail, social media.
- Expand prospect purchases and sources.
- Strengthen tele-communication efforts to increase level of contact and service with prospective students.
- Expand quality campus experience options for prospective students, families and groups unable to participate in supported activities.
- Begin work with University Communications and Marketing to redevelop major marketing publications for use in 2013-2014 cycle.
- Executing a written and formal Recruitment Plan.
- Initiate a communication plan for high ability students of interest to UNM's Honors College to include written and telephone outreach as well as publication development.
- Adopt a systemic staff development program to ensure clear expectations are articulated and realized.



Division of Enrollment Management

Change in Number of High School Graduates to 2020

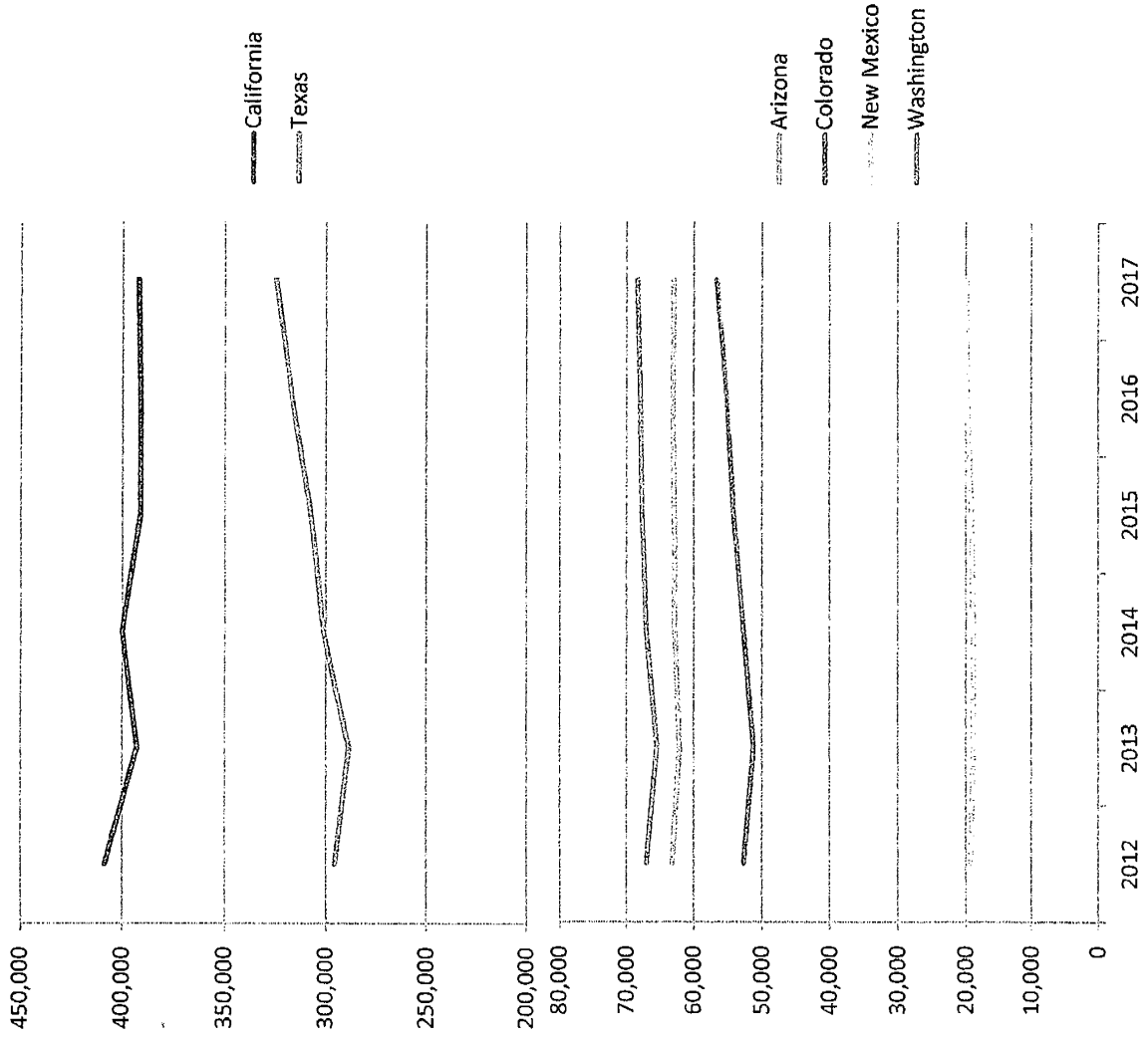


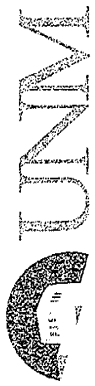
Western Interstate Commission for Higher Education



Division of Enrollment Management

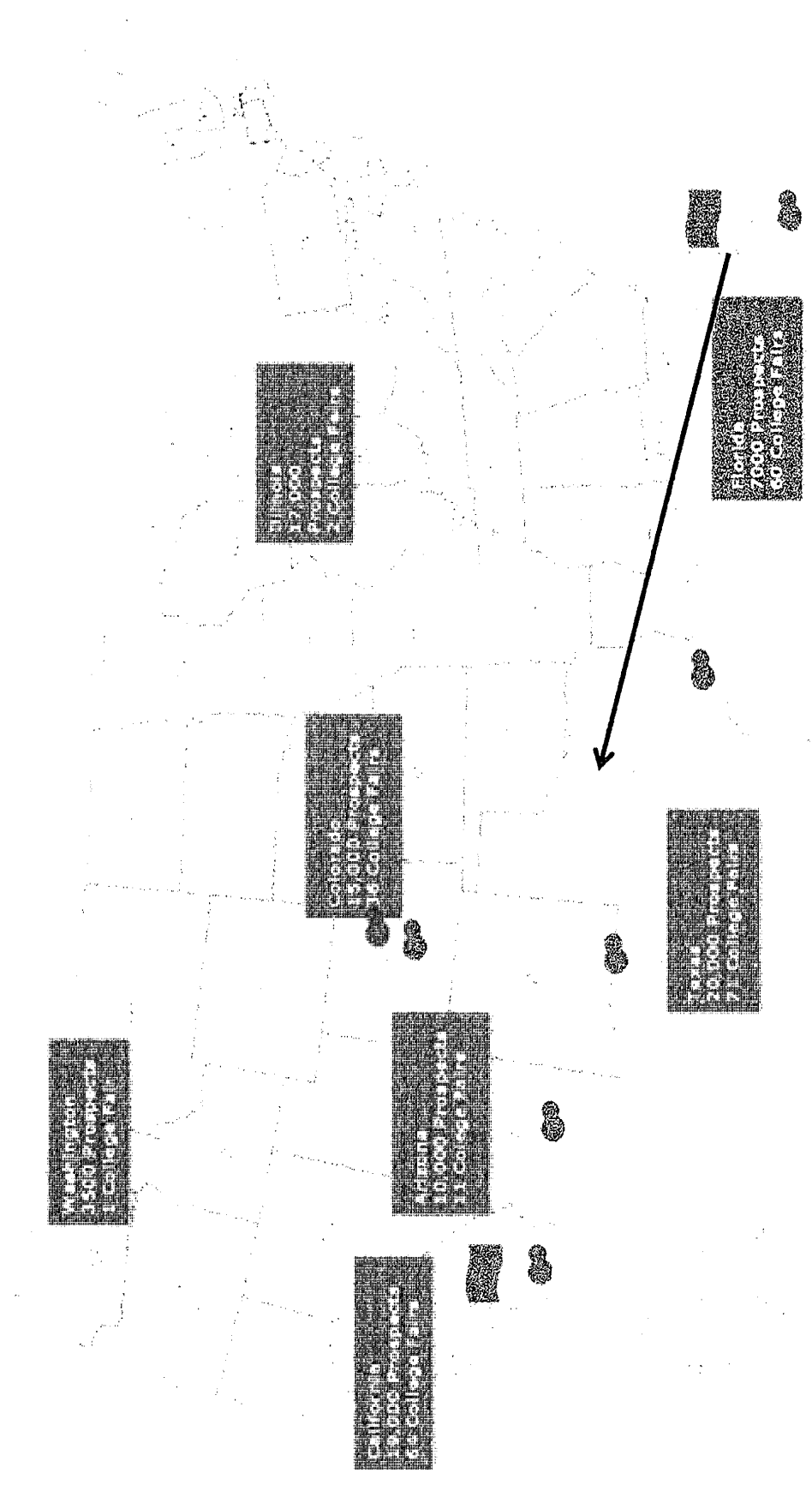
Projected High School Graduates





Division of Enrollment Management

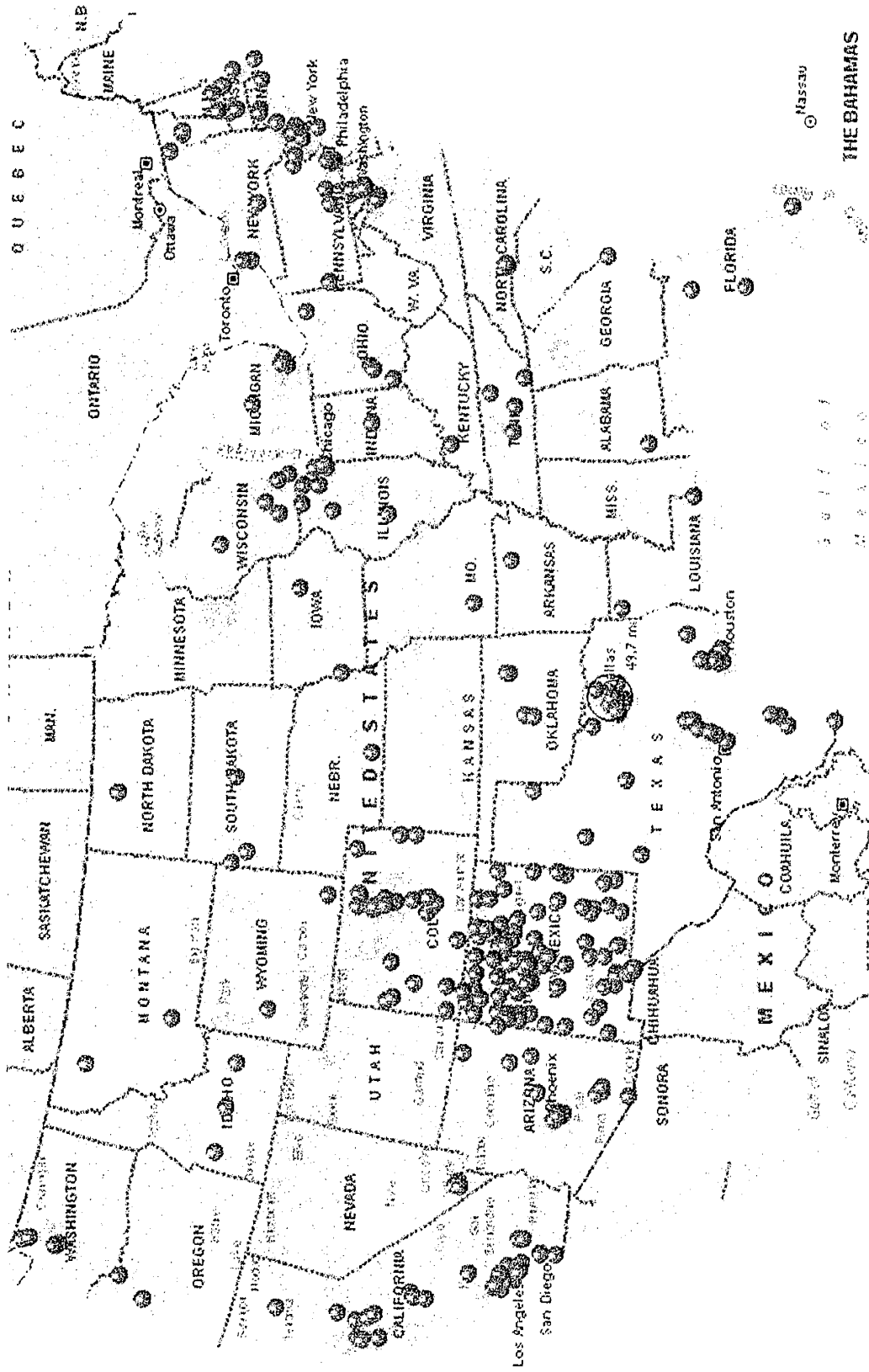
Out of State Recruitment Activity

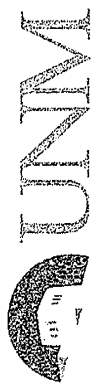




Division of Enrollment Management

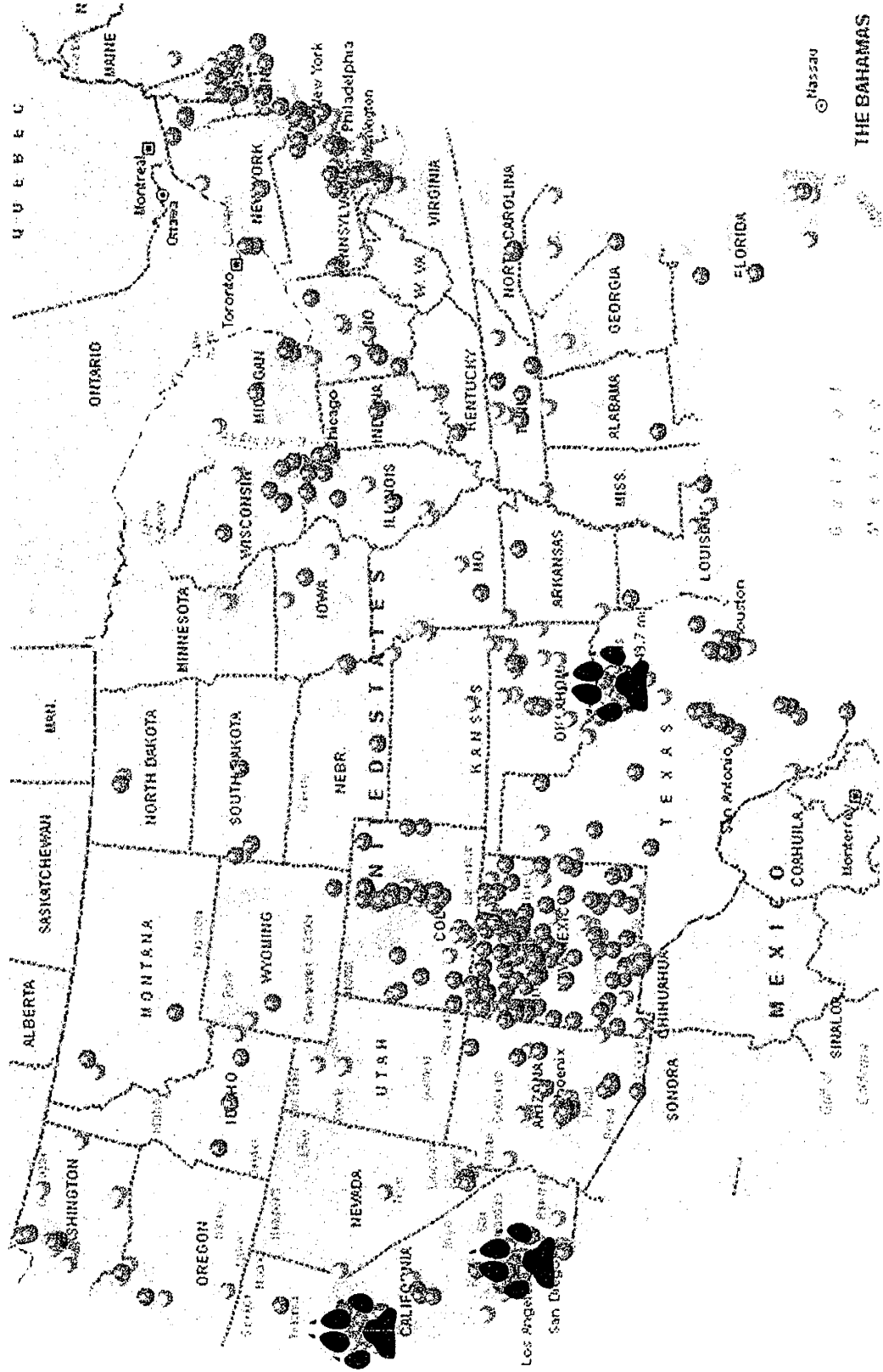
Beginning Freshmen 1996

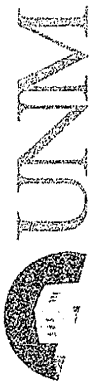




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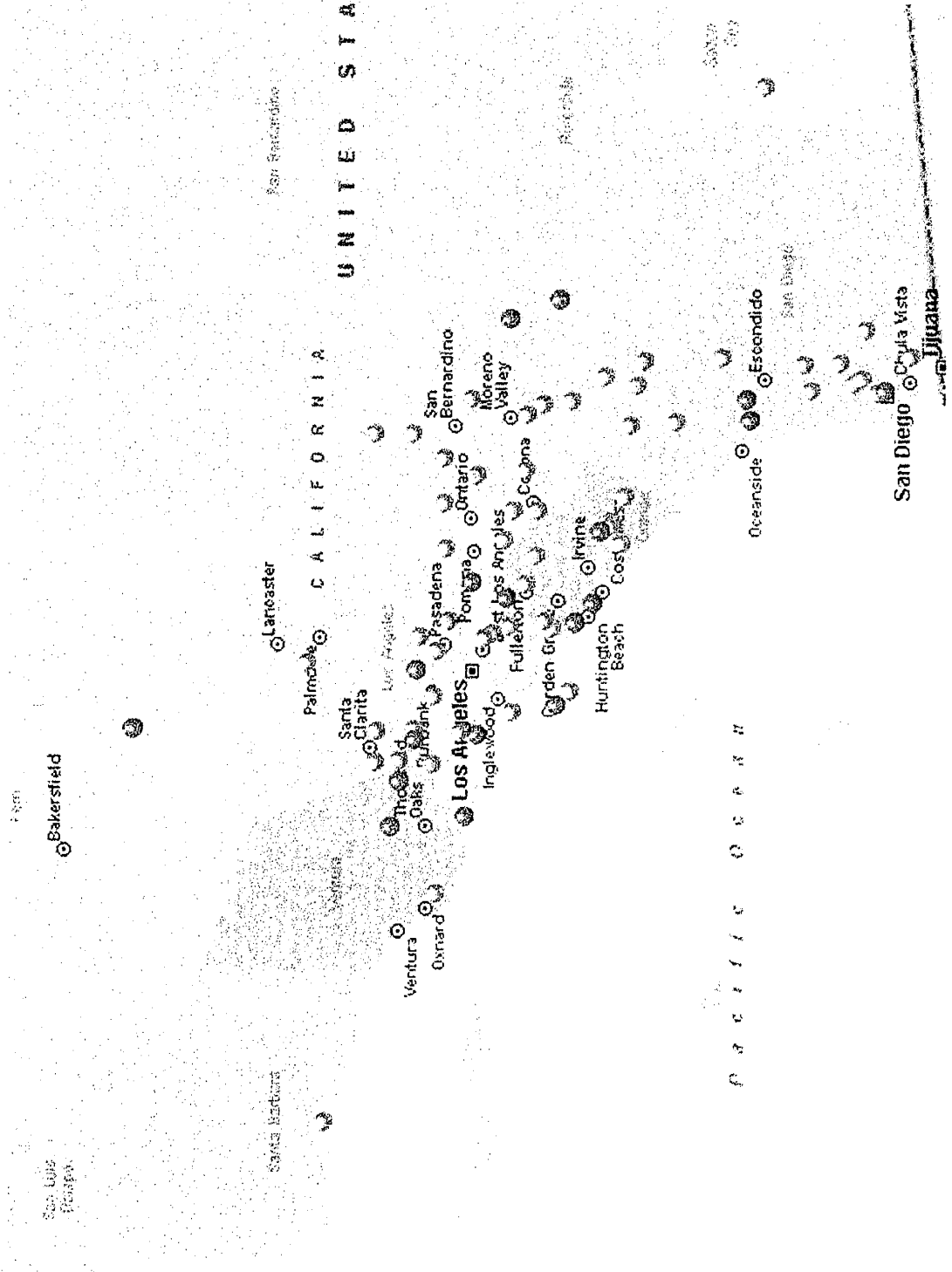
Beginning Freshmen 2012

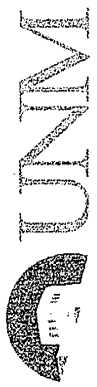




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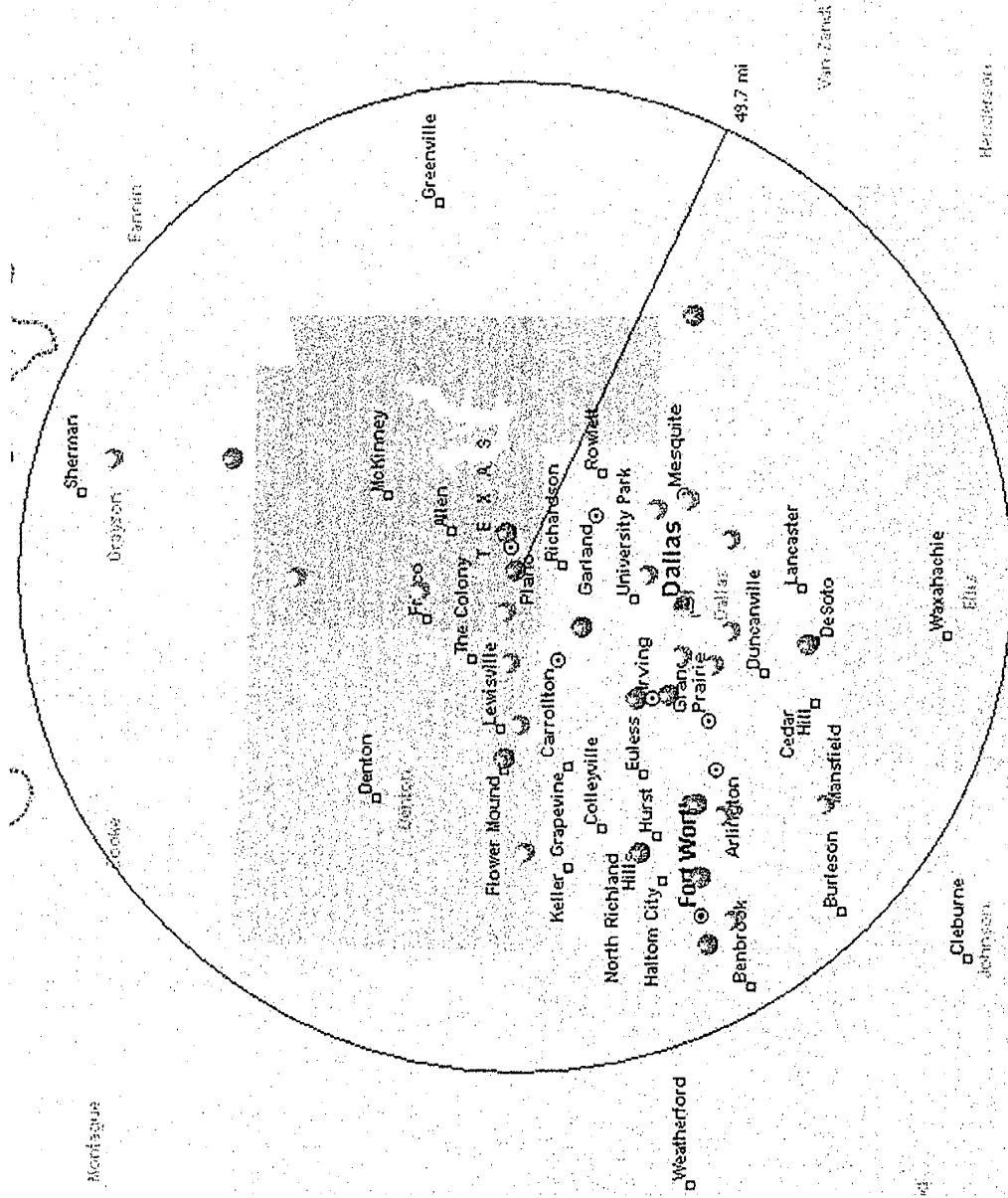
Southern California – Then and Now





Division of Enrollment Management

Dallas – Ft. Worth



Global Education Office (GEO)

Recruitment Plan 2013



UNM Introduction and Amigo Scholarship Information to:

- High Schools Abroad:
 - American Schools (State Dept Assisted and own-Assisted)
 - British Schools
 - Parochial/Religious Schools
 - International Baccalaureate High Schools
- Community Colleges in the USA
- EducationUSA Centers Abroad
- English Language Learning Centers in the USA & abroad
- Email outreach, Skype phone calls... and physical mail.
Outreach could be worthwhile for select schools or centers—
posters, pennants, viewbooks.

College Fairs Abroad

- Brazil Fairs—March 2013
- IIE STEM Fairs in Latin America (Mexico)—April 21-26, 2013
- Saudi Arabia IECHE in Riyadh, Saudi Arabia—April 16-19
- QS Fairs in India and Sri Lanka—Spring 2013
- Linden Fairs—Fall 2013

Recruitment Agency Contracts:

- QS contract signed
 - Consider joining “Stars” Program
- IDP contract in progress
- Lawand Agency in Saudi Arabia contract signed
- Approximately 10 Chinese agent contracts signed
- Search for other suitable & vetted agencies
- UNM now has AIRC membership

Other relationships and outreach:

- Embassies: Oman, Spain, Brazil, Mexico, Indonesia, Croatia, Turkey
- SABIC (Saudi Arabian Basic Industries Corporation)
- SACM (Saudi Arabian Cultural Mission)
- Brazil Scientific Mobility Program (formerly “Science without Borders”)
- CONACYT (Consejo Nacional de Ciencia y Tecnología—the National Council of Science and Technology) in Mexico

Communication with Prospective Students:

- Use of “Constant Contact” software Email Service for mass email communication.
- Research into the use of a “CRM” software package (Hobson’s is used by Domestic Enrollment, or “Lead 360,” Target X, Salesforce).
- Purchase of Skype-out phone capability to reach prospective students via telephone at an affordable rate.
- Hyperion Reports... used for better follow-up by recruiters.
- Communication plan with Admissions re: time frame for response to questions/info requests. Ongoing adjustments with workflow in this area for improvement.
- “Phone-a-thon” possibility with current international students. Reach out to all applicants/inquiries/ etc. on select evenings via phone or Skype.
- Improvement and translation of website into: Chinese, Spanish, Arabic

Marketing items under review:

- Small, lightweight general brochure in target languages (for ease of shipment, lower cost)
- .PDF copies of brochures for all areas (for email outreach)
- .PDF copy of Amigo Scholarship—Done.
- Pennants
- Posters
- Expo and fair booth
 - Light-weight stand-up or table-top signage for college fairs—Done.
- Possible Digital Media Ad Buy (Facebook. –Researching options
- “Give-a-ways” for college fairs—Some created.
- One-page “info sheets” for college fairs—Done.
- “Info Request/Inquiry Capture” form needed on GEO website.

Targeted Countries

- China
- Brazil
- Mexico
- Saudi Arabia
- Oman
- Indonesia
- India
- Turkey
- Latin America
- Eastern Europe

Report on Regents' Special Audit Committee Meeting April 18, 2013

The **Regents' Audit Committee (Committee)** held a Special Meeting on April 18, 2013, and took the following action:

ACTION ITEMS:

- The Committee approved the minutes from March 8, 2013 (Motion: Regent Koch, Second: Vice Chairman Hosmer).
- The Committee approved the 2013-01 Review of UNM College of Arts & Sciences Operations audit, subject to receipt and approval of revised responses (Motion: Vice Chairman Hosmer, Second: Regent Koch).

INFORMATION ITEMS:

- KPMG and Moss Adams presented the Entrance Conference for the FY13 external audit. The purpose of the entrance conference is to inform the Committee of the audit plan and solicit any input from the Committee.

The audit will report on the government-wide financial statements of the University Main Campus, Branches, the Health Sciences Center, Hospitals and Component Units. KPMG will accept responsibilities for Main Campus, Branches, Health Sciences Center, Foundation, and all Component Units except for the clinical operations. Moss Adams will perform the work on the clinical operations, including the Hospitals, psychiatric hospitals, SRMC, and the UNM Medical Group.

The audit will be performed in accordance with governmental auditing standards, which include OMB Circulars A-133 and A-121. It is also performed in accordance with the State Auditor Rule. Chairman Gallegos inquired about their use of an actuary. Ms. Reinhart stated that they do have an actuary that looks at the assumptions being utilized.

The audit looks at compliance with federal contracts and grants, alternative investments valuation, accounts receivable, patient revenue, non-routine transactions, OPEB liability, bonds payable, rate swaps, compliance with bond and HUD loan guarantee covenants, transactions with affiliates, non-operating revenues and expenses, and adoption of new accounting standards, etc. The key areas of focus for Moss Adams include patient revenue cycle, valuation allowance for uncollectible patient receivables, uncompensated care, third-party payor settlements, contingencies, and accounting for bond issue costs.

Key areas of focus for component units (KPMG) will include revenue recognition (contributions, royalty revenues, and other revenue sources), expenditures, transactions with UNM, financial reporting and presentation, an NCAA report, and KNME and KUNM attestation reports.

Chairman Gallegos inquired about any new accounting standards. Cynthia Reinhart, KPMG, responded that there are three new accounting standards that are effective this year. The first new accounting standard relates to Governmental Accounting Standards Board (GASB) 60 and is concerned with service concession arrangements. GASB 61 clarifies the definition of a reporting entity. This relates to component units and how to report them. GASB 63 changes the labeling (captions) of amounts reported in the financial statements.

Effective next year, GASB 65 reclassifies outflows and inflows and effectively will mean that deferred costs associated with a bond issue will be flushed through net position. Beginning net position would be restated with the adoption of this standard.

Effective July 1, 2014, GASB 68 requires all entities to record their share of pensions retained at the ERB.

The timeline of the audit is coordinated with the Audit Committee and the Controller's Office; there will be an exit conference prior to submission to the State Auditor's Office. The plan is to deliver the audit to the State Auditor on October 18, 2013. The exit conference with this Audit Committee is just prior to that in October. The audit is not actually due to the State Auditor until November. Chairman Gallegos requested an update at the meeting in August. Liz Metzger, Controller, stated that August would not be an appropriate time due to when the books actually close. The Chairman stated the meeting can be changed from August to mid-September.

- David Harris spoke to the Committee regarding significant issues impacting budget. The budget is due to the Higher Education Department (HED) on May 1, 2013. There is no provision/waiver for late delivery. However, the May 1st budget does not need final approval from the Regents. The formal presentation to the Regents will be May 14, 2013. If there are any changes, UNM is able to send amendments to HED. There is an open enrollment period for group health that will be implemented on July 1, 2013. Compensation increases have to be preceded by performance evaluations. UNM is in the process of implementing the Regents' decision regarding post-employment health insurance benefits in order to ease the burden on pre-65 retirees, but continue to reduce the accrued liability. There is also the new Voluntary Employee Benefits Association (VEBA) portion. Finally, there was an increased deductible plan submitted by Regent Koch, coupled with a supplemental insurance policy.
- Ms. Washington provided an overview of the status of the Retiree Health care benefits components. She stated that there will be a phased-in approach over 5 years for pre-65 retirees, and over 3 years for post-65 retirees. There will be also changes in the pre-65 contributions, and a VEBA trust. Chairman Gallegos stated that he did not recall anything about a 5 year phased approach. David Harris reported it was part of the Regents' instruction to ease the burden on the pre-65 retirees. This plan still maintains the goal of 50% reduction in the liability. Ms. Washington informed the Committee they have drafted preliminary trust and IRS documents for the VEBA. Emails went out to all benefits-eligible staff. There will be information sessions available for all faculty or staff so they understand deductions and opt-out options. University counsel is in the process of reviewing policy changes. The opt-out on-line process certification is currently in development. The goal is for the certification process to occur between April 29, 2013 and June 14, 2013 for all current, active, benefits-eligible employees. They are also working on the language regarding the one opportunity to opt back in.

Regent Koch asked about adverse selection for the VEBA trust due to the ability to opt back in in five years. He wanted to know the criteria. Regent Koch additionally noted that a simple way to avoid it is with a health statement. Chairman Gallegos stated his motion did not include this trust. He is concerned about a 50/50 contribution to the trust. He wants to know about the liability for UNM when funding half of the contribution. When will the trust be contributory to the expense? Human Resources' staff said the actuary would have to run scenarios. The expectation is that it would be at least 10 years. Regent Koch stated his high-deductible plan would make more of a major change and the change would begin immediately. David Harris noted there are also options through the Affordable Health Care Act. The VEBA trust is important because it establishes a trust

relationship between the University and the employees but accomplishes the goal of reducing the liability. Chairman Gallegos is concerned that this is just words but there are no hard numbers.

Regent Koch inquired about the percentage of costs paid by UNM. Ms. Washington responded that there will be a tiered system. For instance, for employees making under \$20,000, their employee contribution would be 20% to start; it would phase up to 40%. Chairman Gallegos stated that the VEBA and the high-deductible plans are still up in the air. Ms. Washington noted the VEBA was part of the task force's recommendations, so when the recommendations were approved, the VEBA was approved as well. Mr. Harris stated that the motion instructed the Administration to coordinate all progress with the Audit Committee, which they are more than happy to do. But if there is a determination to stop the VEBA, it deters the fundamental effort to reduce the liability. Ms. Washington added that communication has already gone out to employees regarding the VEBA. Chairman Gallegos wants to be able to go to the next Regents' meeting and inform them of what UNM has taken on financially (as a liability) with the VEBA. David Harris responded that there will be no problem with going to the next Regents' meeting with a full fiscal analysis. Regent Koch informed the Committee the liability had already gone up \$10 million since the audit. That is why the Regents decided to have a motion to take care of that. Regent Koch stated the high deductible portion needs more research and that would not be complete until the end of the year.

Ms. Washington expressed that Human Resources will go forward with the education process for employees on the VEBA. Regent Koch asked how many employees will stay in the VEBA and not opt out. Gallagher estimated there would be an 85% rate of inclusion. Regent Koch feels that the estimated number is too high. Ms. Washington stated the actuarial estimated the process should reduce the liability by \$85 million.

Materials will be available at the meeting.

UNIVERSITY OF NEW MEXICO PARENTS ASSOCIATION

Overview

The UNM Parents Association has recently undergone a leadership transition as well as institutional restructuring. The Board of Directors has new officers and members. In addition, the University recently hired a new Director of the Parents Association Office and transferred oversight of the office from Enrollment Management to the Provost's Office.

Given the change in leadership and structure, the new Board and Director decided to develop a three-year strategic plan. Accordingly, they held an all-day retreat on February 16, 2013, to create the framework for the plan. The objectives for the retreat were to:

- Discuss the mission of the Parents Association.
- Identify the core values that guide the Association's work.
- Articulate a three-year vision for the Association.
- Develop a one-year action plan consistent with multiyear strategic directions.
- Build a stronger and more positive relationship among the members of the Board and with the University as a whole.

Five members of the Board and the Director participated in the retreat. This report summarizes the results.

Mission

In a short discussion of the mission for the Parents Association, the participants considered the question, "**What is the purpose of the Association?**" The "mission" and "statement of purpose" sections of the bylaws served as a point of reference. The purpose of this discussion was to create a context for the discussions that would take place during the day.

The discussion affirmed the mission— promoting student success, engaging parents, assisting them to play a supportive role in student education, and providing a networking forum for parents. However, the participants see a broader role for the Association than is reflected in the statement of purpose contained in the bylaws. There was consensus that the Association should be committed not only to serving the interests of parents but also to increasing the success of students in accomplishing their goals at UNM.¹

¹ The "statement of purpose" in the bylaws reads: "The Association is an organization whose purpose is to support and promote the interests of parents of students of the University of New Mexico."

Participants suggested the following actions as ways that the Association could be effective in working toward fulfilling its mission:

- Support, engage, and involve parents by:
 - Educating them about the value of the Parents Association including its resources and its partnerships with students, school, and the University.
 - Recruiting them as active Association members.
 - Assessing the results of PA endeavors.
- Engage the community in a dialogue about the services needed by students and parents.
- Market UNM at the high school level by:
 - Getting out information out and engaging the parents of high school students.
 - Forming partnership with high school educators and institutions.
- Develop ways to collaborate with the UNM Office of Parents and Family in ways that are appropriate to the respective institutional roles.

Core Values

Core values are the principles embedded in the way an organization does business. They are the qualities that are at the essence of the organization's identity, and they sustain the organization in times of strife or uncertainty.

The participants identified the values that are at the core of the UNM Parents Association, then crafted a sentence for each that captures its significance. The core values of the UNM Parents Association are as follows:

- Respect – We don't have to agree, but we do agree to listen.
- Commitment to the mission – We abide by and act on the consensus of the group and the wellbeing of the Parents Association.
- Inclusiveness – We value the unique talents, experiences and viewpoints of our members and apply those to accomplish the mission of the Parents Association.
- Honesty and Integrity – We incorporate honesty and integrity into all of our activities and interactions with our members, students, and the community.
- Empathy – By listening to the concerns and thoughts of our members, we strive to understand, respect, and provide an avenue for confidential discourse.
- Transparency – We strive to be open and truthful in our communications with members, students, and the University and to reflect that transparency in every aspect of our operations.

- Hope – We are committed to fostering and promoting opportunities to enrich the wellbeing of the Association, students and community.

Practical Vision

The practical vision describes the ideal future for the Parents Association—the accomplishments or end results the Association is working to achieve within three years. To develop the vision, the participants addressed the question, **“In three years, what do we want to see in place in the Parents Association?”**

VISION OF THE UNM PARENTS ASSOCIATION IN 2016

The vision has three major components: a) dialogue, b) engagement, and c) student achievement. Each component is composed of several key parts, as described below:

Dialogue

The *Dialogue* component of the vision has two parts—“Everyone Knows our Name” and “2-Way Communication.”

Within three years, the Parents Association is so well known on campus and in communities throughout New Mexico that “everyone knows our name.” The Association has a reputation for being a valuable resource to students and faculty as well as to parents. Students and parents routinely turn to the Association for answers to their issues and questions.

The Association is truly effective in communicating with its members and constituencies. It sends out monthly communiqués, has a broad email distribution system, and makes use of social media to encourage and facilitate dialogue. Its chat room is a forum for providing information, sharing ideas, and solving problems.

Engagement

The *Engagement* component of the vision has three parts—“Influential Partner,” “High School Partnership,” and “Parent Connection.”

By 2016, the Parents Association is an influential partner within the University. Association members are active players in UNM decisions about student affairs. Indeed, the University gives the Association a “seat at the table” as a matter of course.

The Association has a presence in high schools throughout the state. It has formal partnerships with educators at the high school level.

Not only does the Association organize events for parents, students, and administrators, but it also has over fifty members actively involved in activities aimed at realizing its mission. There are as many as ten chapters of the Parents Association in the state.

Student Achievement

The *Student Achievement* component of the vision has two parts—“Agenda to Ensure Student Success” and “Trailblazer for Student Pathways.”

In the envisioned future, the Parents Association is pursuing an agenda that ensures student success. That agenda includes reducing the cost of education, improving UNM’s processes for registering students and scheduling classes, and raising student retention and graduation rates.

The Association is a trailblazer in helping students to bridge the academic and employment worlds. Its members form partnerships with businesses to expand internship and employment opportunities for students including opportunities that launch careers after graduation.

The chart on the next page of this report summarizes the ideas encapsulated in the practical vision.

Strategic Directions

Strategic directions are actions designed to create a shift in the present situation and coalesce activity aimed at achieving the vision. To develop the strategic directions, the participants addressed the question, “**What practical, innovative actions should we take in the next two to three years to move towards our vision?**”

The multiyear strategic directions for the Parents Association are as follows:

- Propose changes in University procedures for registration and class scheduling to reflect student demand for courses.
- Establish effective business outreach through partnerships with the Anderson School, Staff Council, Parents Association members, business leaders, and city/state economic development leaders.
- Go into the high schools to convey our message and recruit parents to our “team.”
- Develop future Parents Association leaders committed to our mission.
- Build effective planning and communication structures for the Parents Association that are guided by clear objectives and measures of success.

THREE-YEAR PRACTICAL VISION

DIALOGUE		ENGAGEMENT			STUDENT ACHIEVEMENT	
Everyone Knows Our Name	2-Way Communication Conduit	Influential Partner	High School Partnership	Parent Connection	Agenda to Ensure Student Success	Trailblazer for Student Pathways
<ul style="list-style-type: none"> • Notoriety as the association with answers for students and parents • Known as valuable resource by parents, faculty, and students 	<ul style="list-style-type: none"> • Chat room to share ideas and information; help to solve problems • Social media • Email distribution system • Monthly communiqué to parents, advisors, etc., by PA 	<ul style="list-style-type: none"> • Active player in UNM decisions about student affairs • Seat at the tables and in focus groups 	<ul style="list-style-type: none"> • Have a presence in every high school in NM • Formal partnerships with high school educators 	<ul style="list-style-type: none"> • 5-10 Parent Assoc. chapters in communities across NM • Active membership by 50+ • Events for parents, students, & administrators 	<ul style="list-style-type: none"> • Reduced cost of education • Improve registration process • Instrumental in increasing the graduation rate • Class schedules responsive to student demand for courses • Higher retention and graduation attributed to Parents Association 	<ul style="list-style-type: none"> • Form business partnerships to assist students • Help establish an active and effective out-placement program (including career placement services and assistance with transition after graduation)

Action Plan

The one-year action plan is a roadmap that focuses attention on the three major areas of the organization: financial, human resources, and customer service. It sets the organization's strategy for the next year and provides a framework for the organization's operations.

The action plan is designed to achieve 1 or 2 year objectives for each component of the organization. The year objectives appear in the right margin of the chart. The budget is the center column and is designed to achieve the year objectives. The nature of activities and resources appear in the left column.

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Next Steps

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ONE-YEAR ACTION PLAN

Key Components of the Vision	Summer 2013	Fall 2013	Spring 2014	Yearend Accomplishment
Dialogue	<ul style="list-style-type: none"> • Identify resources to create infrastructure • Build a compelling case for creation of website, etc. • Get website and other systems up and running 	<ul style="list-style-type: none"> • Assess suitability of resources and identify gaps • Market and advertise 	<ul style="list-style-type: none"> • Tweak and maintain systems 	Email system, social media, blog developed and updated on regular basis
Engagement	<ul style="list-style-type: none"> • Form a membership team to identify added value of PA 	<ul style="list-style-type: none"> • Develop a 1-year recruitment strategy 	<ul style="list-style-type: none"> • Implement strategy • Assess results 	Active membership; HS/CNM etc. recruitment teams
Student Achievement	<ul style="list-style-type: none"> • Research processes for registration and class schedules to inform ourselves 	<ul style="list-style-type: none"> • Analyze pressure points for exerting influence 	<ul style="list-style-type: none"> • Exert influence 	Assessment of registration and scheduling processes, allies and resources
Student Achievement	<ul style="list-style-type: none"> • Research and inform ourselves on how offices can work with us on student pathways 	<ul style="list-style-type: none"> • Survey parents on opportunities for student mentorships and employment 	<ul style="list-style-type: none"> • Assess preliminary results and do additional planning 	Collaborations with Career Enrichment, Student Employment, NM Office of Econ. Development and employers who are parents

UNMIRA

- **New Office and Updated Support**
 - Thanks to Provost Abdallah
 - Look for continued support
- **Health Costs**
 - 35% increase for some members amounting to thousands \$\$
- **Pension**
 - lobbied legislature to oppose COLA reduction
 - Lifetime of COLA reduction for 100% of retirees
 - Long term reduction for most current and future employees
- **Annual Business Meeting May 16th**
- **Alignment with National Organization**
 - AROHE (Association of Retiree Organizations of Higher Education)

SR-13-003

COUNCIL RESOLUTION

GPSA @ UNM
Graduate And Professional Student Association

Adopted by the Graduate and Professional Student Association of the
University of New Mexico
on this Sixth day of May in the year Two-Thousand and Thirteen.

Signed by

Kris Miranda, Council Chair

RESTRUCTURING OF THE INSTITUTIONAL REVIEW BOARD (IRB) PROCESS

WHEREAS the March 2013 American Association of University Professors report, “Regulation of Research on Human Subjects: Academic Freedom and the Institutional Review Board,” as well as the Association’s earlier 2001 report, “Protecting Human Beings: Institutional Review Boards and Social Science Research,” regard the base-line for IRB evaluations as too stringent and onerous, especially where social science applications are concerned

WHEREAS interviews conducted by the Student Support and Advocacy Committee (SS+AC) and general input received by the committee show that social science and humanities graduate student researchers tend to agree with the 18 April 1979 Belmont Report on Ethical Principles and Guidelines for the Protection of Human Subjects of Research

WHEREAS a clear distinction exists between the criteria applicable to bio-medical ethical research and those applicable to social, behavioural, and humanities research ethics and that the evaluation of harms and benefits needs to be approached differently in each case

WHEREAS the UNM IRB is administered by the Health Science Center

WHEREAS the UNM IRB's focus is slanted towards biomedical research

WHEREAS the UNM Office of the Vice President for Research and Economic Development Overview 2008-2012 admits that, "IRB proposal processing remains an on-going concern"

WHEREAS the proposal from the Office of the Vice President for Research (OVPR) to pre-review all main campus graduate student applications for completeness, and so alleviate the biggest bottleneck in IRB proposal processing, was disallowed by IRB

WHEREAS the UNM IRB tends to be inflexible where constructive suggestions are concerned such as the easily rectified problem of directing all correspondence only to faculty members while faculty members could be in the field and, therefore, inaccessible, leaving the affected student out of the loop despite suggestions that the student be at least cc'd on all correspondence

WHEREAS input to the SS+AC shows that social science and humanities faculty members voice their frustration with the IRB process from personal experience to their students

WHEREAS several social science and humanities graduate students have decided that the IRB application process is too onerous and unpredictable to make the effort worthwhile and, instead, modify their research topics so that they can circumvent requirements for IRB certification

WHEREAS a common perception exists among graduate social science and humanities applicants that IRB customer service quality is unpredictable

WHEREAS graduate social science and humanities students complain about the at times unrealistically bureaucratic application and recording process

WHEREAS many examples exist of clear disconnects between IRB caseworkers and review board members

WHEREAS social science graduate students do not view the current IRB process as being sufficiently relevant to social science research and do not hold the IRB process with sufficient regard because of the aforementioned reasons

THEREFORE BE IT RESOLVED that the UNM IRB agrees to afford greater consideration of social science and humanities research concerns

BE IT FURTHER RESOLVED that UNM makes a decided effort to increase the ratio of social science and humanities research representation on the review board

BE IT FURTHER RESOLVED that the UNM IRB adopts a separate and appropriate application form for social sciences and humanities

BE IT FURTHER RESOLVED that UNM appoints an advisory board drawn from social science and humanities faculty and students to participate in the process of designing such an appropriate application form

BE IT FURTHER RESOLVED that the UNM IRB provides a report on how it will address customer service and consistency concerns

BE IT FURTHER RESOLVED that the UNM IRB makes use of the OVPR offer to prereview main campus applications and so alleviate volume bottlenecks

FINALLY BE IT RESOLVED that a copy of this resolution be sent to the Board of Regents, University President Robert Frank, Provost Chaouki Abdallah, the Office of the Vice President for Research, Dean Julia Allred Coonrod, HRPO office and all necessary officials of the IRB, GPSA President Marisa Silva and/or Priscila Poliana, and GPSA Council Chair Kris Miranda and/or his successor.



Faculty Senate

Faculty Senate President Report to Board of Regents
May 1, 2013

Faculty members are grateful for the compensation increase granted by the Regents at the Budget Summit this year. We remain, however, substantially underpaid compared to faculty members at peer institutions, and we will continue to work with the administration and Board of Regents to improve compensation for faculty members in the next year.

In this report, I summarize the activities of the Faculty Senate during the 2012-2013 Academic Year. Fulfilling our role in the realm of the University curriculum, we took the following actions:

- Approved the new Honors College curriculum,
- Established the BA degree in Chicana/Chicano Studies and added the course “Introduction to Chicana/Chicano Studies” to the core curriculum,
- Separated the Bachelor of University Studies degree into the Bachelor of Liberal Arts and the Bachelor of Integrative Studies degrees,
- Approved procedures to add and delete core curriculum courses,
- Approved (reluctantly) the acceptance of transfer courses with the grade of “D” from out-of-state institutions for credit,
- Reduced the number of hours required for branch campus certificates to less than 30 hours, and
- Worked on revising Policy A88 for creating or making major changes to units including new colleges through the Faculty Senate Policy Committee.

Regarding policies, we took the following actions:

- Revised Faculty Handbook Policy C100 Academic Workload policy to reflect the importance of research in UNM faculty workload,
- Approved Faculty Handbook Policy C250, Academic Leave for Lecturers,
- Worked on the procedures for lecturer promotion through the Policy Committee, and
- Worked on an Endowed Chair policy.

The Faculty Senate passed the following resolutions this year:

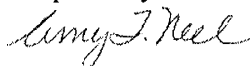
- Resolution on ERB solvency advocating for a higher minimum retirement age, little change in employee contributions, and no change to the COLA for retirees. This resolution was conveyed to Jan Goodwin, Executive Director of the ERB and state legislators.
- Resolution on compensation advocating for across-the-board increases for faculty. This resolution was conveyed to the Provost and deans of all schools and colleges.
- Resolution honoring outgoing regents Chalmers, Abeyta, and Wellman,
- Resolution establishing a Community Engaged Scholarship Task Force to facilitate research service-learning and community-based participatory research at UNM,
- Resolutions to support the work of the Diversity Council expressed in its “Framework for Strategic Action,”
- Resolutions supporting the exploration of partnerships with e-textbook vendors and massive open online course (MOOC) vendors at the request of the Provost.

Faculty Senate councils and committees were also active this year:

- The Research Allocation Committee is functioning much more effectively after streamlining its procedures for faculty research grants and allowing online submission and review of proposals.
- The Research Policy Committee selected Scott Burchiel to deliver the annual research lecture and worked on a policy for centers and institutes.
- The Teaching Enhancement Committee selected winners of its teaching allocation grants and teaching awards and worked with the Provost to select the director of the new Center for Effective Teaching.
- The Campus Development Advisory Committee met with President Frank to reinvigorate their participation in campus development projects.
- The Government Relations Committee lobbied legislators regarding ERB legislation.
- The Undergraduate, Graduate and Professional, and Curricula Committees approved many major and minor curriculum changes.
- The Athletic Council participated in Senior Athlete exit interviews.

In addition, the Faculty Senate President, members of the Operations Committee, and Faculty Senators participated in university-wide committees including the RCM Steering Committee, the Strategic Budget Leadership Team, the Tuition and Fee Team, advised the Student Fee Review Board, served on search committees for the Vice President for Research and the Dean of University College/Honors College, and worked with the Foundations of Excellence project to improve the first-year experience, among many other meetings. We look forward to continuing the important work of shared governance in the next academic year.

Respectfully submitted,



Amy T. Neel, Ph.D.
Faculty Senate President



May 1, 2013

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

Today I deliver my last comments to you as President of the Staff Council. I am the first president to serve two terms and during these two years I have learned a great deal about how the university operates and what it still has to accomplish. I have heard from many, many staff members who love this university and their jobs but feel that their contributions to the success of our students, research, healthcare, and community service is overlooked or minimized. I hope that you will continue to recognize and appreciate all that staff does because we are on the front line for everything that happens on main campus, at the branches, and at the Health Sciences Center.

I would like to educate you on what Staff Council does for and on behalf of staff. Staff Council was created in 1990 at the urging of President Gerald May during a time when the university was in turmoil and President May acknowledged that staff had no voice in governance. In October 1995, the University policy 1150 "Staff Council" was approved and in 1996, Regent policy 6.12 was approved and formalized the creation of Staff Council.

Our mission statement reads:

Staff Council serves as the voice for staff in shared governance at the University of New Mexico by conveying information and making recommendations to the President and Board of Regents regarding interests and concerns of staff. Staff Council is organized as a collective voice which fosters a spirit of unified community and encourages the exchange of ideas and concerns in supporting the mission of The University of New Mexico.

UNM staff members are represented by two groups of Staff Councilors who serve two-year terms:

- 1) Grade Representatives who represent all staff within a respective job grade, and
- 2) Precinct Representatives who represent staff in the various grades that fall within the same organization codes.

We are organized into the following committees:

- Campus Environment Committee
- Communication & Marketing Committee
- Employee Life Committee
- Ethics Committee
- Executive Committee

- Government Relations Committee
- Health Sciences Committee
- Rewards & Recognition Committee
- Rules & Elections Committee
- Student Success Committee

TIMELINE OF ACCOMPLISHMENTS

- 1991: Adopted Resolution to increase the number of allowable credit hours for employees and include children and spouses to tuition remission policy. Gerald W. May Outstanding Award created to recognize staff that have made significant contributions to the University.
- 1992: Adopted parking fees resolution. Requested retirement benefits for temporary employees. Adopted a Resolution in support of establishing a Catastrophic Leave Policy. Supported a hiring freeze for UNM administration. Established an Annual Staff Appreciation Picnic.
- 1994: Facilitated first Staff Council Town Hall. Staff Services Office established.
- 1993: Supported Domestic Partners Policy.
- 1995: Requested feedback and mandatory training for supervisors.
- 1996: Dispute Resolution Center established. Council requested the administration equalize the number of hours of annual leave given to exempt and non-exempt employees. Council called for UNM administration to assemble a team of experts to assist staff members who are laid off.
- 1997: Adopted a Tuition Remission Resolution to provide a Staff as Students initiative encouraging staff to pursue degrees.
- 1998: Amended Snow Policy to align the messages faculty and staff received about working hours due to inclement weather.
- 1999: With collaboration from CIRT(IT), developed the first “all staff” email list to inform staff of UNM-related issues and events.
- 2000: Establishment of a Staff Council Office and a full-time staff person was hired to support the Office.
- 2001: Adopted Resolution offering to be the voice for UNM staff involved in the University Hospital consolidation.
- 2002: Unanimously supported the option for staff to “opt out” of the Catastrophic Leave Program.
- 2003: Work+Life Committee issued the Council’s first strategic 12-page report to the administration resulting in the formation of a campus-wide Work+Life Advisory Board, updates to the Paid Time Policy, and creation of the Work+Life Manager Award. Established the UNM Retiree Association.
- 2004: Established Staff Appreciation Week, with daily events geared toward recognizing staff. Participated in the first UNM Budget Summit.
- 2005: Successfully lobbied to raise UNM’s minimum wage to \$8.00 an hour.

- 2006: Sponsored the first, state-wide Staff Summit and was the founding member of the state's first Higher Education Staff Association (NMHESA).
- 2007: Staff received free city bus passes. Dependent Education benefit prorated for part-time staff. Revised the Catastrophic Leave Policy to help achieve solvency. Established the Greg Johnston Summer Concert.
- 2008: Supported the continuation of Long Term Care Insurance for staff. Established the Happy Tails Donation Drive for Animal Humane. Successfully lobbied for Spring Break alignment between UNM, CNM and APS.
- 2009: UNM Ombuds position established. Council meetings began being videotaped.
- 2010: Established Student Success Committee. Revised the Career Ladder Policy to allow unlimited career ladders. Established Operation Gratitude Donation Drive. Expanded Staff Appreciation Week to Staff Appreciation Month. Created the Staff Hero Award.
- 2011: Established the Health Sciences Center Staff Councilors Committee. Revised the charge of the Faculty Staff Benefits Committee to allow for equal representation of staff and faculty. Established the PAWS Award. Assumed management of Staff as Students.
- 2012: Approved a Resolution to align the definition of "Immediate family" in Catastrophic Leave and FMLA Policies. Approved a Resolution outlining a five year compensation plan for staff. Received permanent funding for the Gerald W. May Outstanding Staff Award. Established the "Ugly Duckling" Contest to identify areas of campus that require improvements to landscaping. Changed University Business Policies and Procedures 1150 "Staff Council" to allow all staff approved time to attend Staff Council meetings and events.
- 2013: Created Retiree Healthcare Task Force with Faculty Senate and proposed solution to UNM's unfunded liability. Advocated at NM Legislature on behalf of ERA retirement benefits.

Staff Council organizes many events throughout the year including charity drives, an event to assist staff to register for classes, and our two biggest events - our annual staff breakfast and staff picnic. We also have several staff award programs including the prestigious President Gerald May Outstanding Staff award and the Jim Davis Staff Councilor award.

In accordance with UNM policy 1150 "Staff Council" (http://policy.unm.edu/university_policies/1000/1150.html), I am allowed ten hours per week paid leave to perform my duties as President. This does not release me from my duties and responsibilities of my job nor do I receive additional pay for what I do as Staff Council President. Ten hours per week, of course, is hardly enough time to allow me to attend all the many meetings, which require my participation especially during the legislative session when the Staff Council President goes to the Roundhouse to advocate on issues related to both UNM staff and the university as a whole. The ten hours per week release time also limits those who might be interested in the position of Staff Council President, President Elect, Speaker, or even Councilor but cannot get the release time from their job. We hope that the Administration and Regents will continue to value our input and encourage managers and supervisors to

allow their staff the opportunity and time to run for Staff Council office and participate in Staff Council meetings, committees, and events.

Finally, I would like to take this opportunity to acknowledge the extraordinary women leaders I have come to greatly respect and love. ASUNM President Caroline Muraida, GPSA President Marisa Silva, and Faculty Senate President Amy Neel and I have formed a bond as sister presidents, which I don't think UNM will benefit from ever again. Their friendship and support has made me a better leader and person. I will miss our time together very much.

Thank you,
Mary Clark

President of UNM Staff Council and proud UNM staff member since 1995

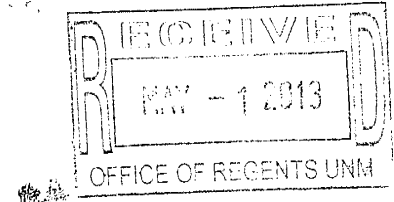


GPSA @ UNM

Graduate And Professional Student Association

FROM THE DESK OF THE COUNCIL CHAIR

TO: Ellen Wenzel, Office of the Board of Regents
FROM: Kris Miranda, GPSA Council Chair
DATE: 29 April 2013
RE: GPSA Resolution re: TA contracts



Attached is a resolution of the GPSA Council proposing an amendment to the contracts of graduate student Teaching Assistants. The submitting party, GPSA's Student Support and Advocacy Committee chaired by Ilse Biel, requested that the resolution be forwarded to your office. If you'd like an electronic version, I'd be happy to provide one.

Thank you for your time.

kris.gpsa@gmail.com
505-277-3803

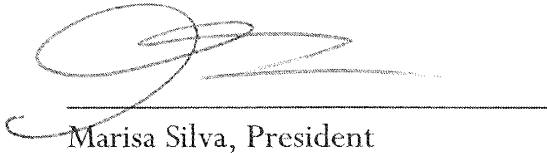
SR-13-002

COUNCIL RESOLUTION

GPSA @ UNM

Graduate And Professional Student Association

Adopted by the Graduate and Professional Student Association of the
University of New Mexico
on this 22nd day of April 2013 in the year Two-Thousand and Thirteen.


Marisa Silva, President


Kris Miranda, Council Chair

AMENDMENT TO CONTRACTS OF THOSE GRADUATE STUDENTS TEACHING A CLASS

WHEREAS graduate students are a valuable resource in augmenting department teaching shortfalls

WHEREAS graduate students are trusted as instructors of record

WHEREAS 526 graduate students out of a total of 3995 (13.2%) taught courses on the UNM campus during the Fall 2012 semester¹

WHEREAS 651 graduate students hold teaching assistantships for Spring 2013²

WHEREAS graduate students taught 1,012 sections on the UNM campus during the Fall 2012 semester³

WHEREAS graduate students taught 742 out of a total of 2099 (35.4%) of introductory (100 and 200 level) undergraduate course sections on the UNM campus during the Fall 2012 semester⁴

¹ Data from Department of Institutional Research and UNM Fact Book 2012-2013

² Data from Office of Graduate Studies

³ Data from Department of Institutional Research

⁴ Data from Department of Institutional Research

WHEREAS graduate students frequently rely on these teaching contracts for their income

WHEREAS graduate students have to budget their semesters in advance

WHEREAS the contract to teach a class presupposes advance preparation to do so

WHEREAS this preparation has to be completed before the start of the semester

WHEREAS this preparation is time-consuming

WHEREAS departments require submission of full syllabi and textbook orders before the semester commences and before it is clear whether the respective classes will make

WHEREAS advance preparation of lesson plans is necessary over and above submission of syllabi and textbook orders

WHEREAS classes that do not make are cancelled at times hours before the class was to have commenced

WHEREAS such cancellation leaves the graduate student scrambling for alternative funding

WHEREAS such cancellation, as per the contract, currently explicitly elides any compensation for the advance preparation for that class

THEREFORE BE IT RESOLVED that the Office of Graduate Studies Assistantship Form be amended to take these considerations into account

BE IT FURTHER RESOLVED that student instructors be compensated for their advance preparation at a flat rate to be predetermined by OGS and representatives of the UNM administration in consultation with GPSA representatives

BE IT FURTHER RESOLVED that student instructors will hand in their advance preparation to their departmental graduate adviser by the advertised starting date of the class

FINALLY BE IT RESOLVED that a copy of this resolution be sent to the Board of Regents, University President Robert Frank, Provost Chaouki Abdallah, Dean Julia Allred Coonrod, the Office of Graduate Studies, Payroll, all academic department heads, GPSA President Marisa Silva and/or her successor, and GPSA Council Chair Kris Miranda and/or his successor.