

**Minutes of the Regular Meeting of the Board of Regents of the University of New Mexico
March 14, 2016
Student Union Building, Ballroom C, Main Campus**

Members present

Ryan Berryman; Robert M. Doughty; Jack L. Fortner; Bradley C. Hosmer; Marron Lee; Suzanne Quillen

Administration present

Robert G. Frank, President; Chaouki Abdallah, Provost and EVP for Academic Affairs; David Harris, EVP of Administration, COO, CFO; Paul Roth, Chancellor for Health Sciences; Richard Larson, Exec, Vice Chancellor HSC; Josephine De Leon, VP Equity and Inclusion; Amy Wohlert, President's Chief of Staff; Elsa Cole, University Counsel; Dana Allen, VP Alumni Relations; Ava Lovell, Sr. Exec. Officer of Finance and Administration, HSC; Eliseo Torres, VP Student Affairs; Paul Krebs, VP Athletics; Liz Metzger, University Controller; Helen Gonzales, Chief Compliance Officer; Cinnamon Blair, Chief University Marketing and Communications Officer

Regents' Advisors present

Stefan Posse, Faculty Senate; Crystal Davis, Staff Council; Michelle Coons, UNM Foundation; Jenna Hagengruber, ASUNM; Texanna Martin, GPSA

Presenters in attendance

Elaine Phelps, Director, University Benefits; Tom Neale, Director Real Estate; Kevin Stevenson, Strategic Planner, Office of the President; Mathew Muñoz, Government Relations Mgr., Government and Community Relations

Others in attendance

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

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

Regent President Fortner called the meeting to order at 9:37 AM and confirmed a quorum of members present at the meeting. Regent Jack Fortner asked for a motion to approve the agenda.

Regent Rob Doughty motioned adoption of the agenda with the modification to move item number VIII. Election of Officers, directly after approval of the agenda. Regent Marron Lee seconded the motion. The motion passed unanimously.

ELECTION OF OFFICERS

Regent Fortner opened up nominations for President of the Board of Regents. Regent Fortner nominated Rob Doughty as President of the Board of Regents. Regent Lee seconded the nomination. Regent Fortner asked if there were any other nominations for President. Regent Suzanne Quillen nominated Marron Lee. There was not a second; Regent Fortner said the nomination died for lack of a second.

Regent Fortner asked if there were any other nominations for President; there being no other nominations, Regent Fortner asked for a vote for Rob Doughty as President of the Board of Regents. **The vote was 4-2 in favor of Rob Doughty as President; Regents Berryman, Doughty, Fortner, and Lee voted in favor; Regents Hosmer and Quillen voted not in favor.**

Regent Fortner opened up nominations for Vice President of the Board of Regents. Regent Doughty nominated Marron Lee as Vice President of the Board of Regents. Student Regent Ryan Berryman seconded the nomination.

Regent Fortner asked if there were any other nominations for Vice President; there being no other nominations, Regent Fortner asked for a vote for Marron Lee as Vice President of the Board of Regents. **The vote was 5-1 in favor of Marron Lee as Vice President; Regents Berryman, Doughty, Fortner, Lee, and Quillen voted in favor; Regent Hosmer voted not in favor.**

Regent Fortner opened up nominations for Secretary/Treasurer of the Board of Regents. Regent Lee nominated Jack Fortner as Secretary/Treasurer of the Board of Regents. Regent Doughty seconded the nomination.

Regent Fortner asked if there were any other nominations for Secretary Treasurer; there being no other nominations, Regent Fortner asked for a vote for Regent Fortner as Secretary Treasurer of the Board of Regents.

The vote was 5-1 in favor of Regent Fortner as Secretary Treasurer; Regents Berryman, Doughty, Fortner, Hosmer, and Lee voted in favor; Regent Quillen voted not in favor.

Regent Fortner transferred the gavel to newly elected Board of Regents President, Rob Doughty, to conduct the rest of the meeting.

APPROVAL OF MINUTES

Regent President Doughty asked for a motion to approve the minutes of the February 11, 2016 regular meeting.

The motion to approve the minutes of the February 11, 2016 regular Board of Regents meeting passed by unanimous vote (1st Lee; 2nd Fortner).

PUBLIC COMMENT

Dr. Paul Roth requested to make comments prior to public comment regarding the HSC governance agenda item VII. Dr. Roth thanked everyone in attendance and spoke about the merits of the current HSC (Health Sciences Center) Board structure and the process that led to this meeting. The current policies that were created for the HSC were enacted after a 2-year process in which the University engaged a national healthcare consulting firm and its final set of recommendations served as a blueprint for the current policies that were unanimously adopted by the Regents in 2010. There is a myth that the HSC and its Board operate separately from the University. Dr. Roth outlined the current structure of the HSC Board and that HSC Board actions always require full Board of Regents' approval. Dr. Roth spoke about the healthcare industry and academic medicine environments and the importance of a governance structure to meet current needs in these rapidly-changing times. Dr. Roth spoke about monetary resources, UNM budget shortfalls, and HSC's responsibility to its students, faculty, staff and to all New Mexicans in delivering state-of-the-art healthcare. The seventy-two hour notice for the HSC governance structure agenda item did not allow time for meaningful sober consideration of a change of this magnitude. President Frank was also unaware of the proposed changes, but has said he would reinstate Dr. Roth's title and responsibilities as CEO of Health Systems. Dr. Roth spoke about the values of shared governance and the expertise of leadership that make UNM a strong institution; he encouraged an inclusive process that may be slow but leads to better outcomes; and strongly urged the Regents to delay taking any actions and allow for a process that is consistent with these values.

Regent Marron Lee requested to add a few words before public comment time to respond also regarding agenda item VII. Regent Lee thanked Dr. Roth for his words and thanked the UNM community and the faculty because it is clear they care deeply about this institution, as do the Regents whose duty is the fiduciary oversight of the entire University. Regent Lee said she was perplexed because there have been numerous conversations with individuals about these changes. In 2013, two Regents at the time brought up the fact there is a constitutional issue with regard to the way the oversight of the Health Sciences System was operating. At Regent Lee's first meeting as a Regent, she spoke with Dr. Roth about her concerns and since then with other Regents, including Regent Hosmer and Regent Quillen, concerning this issue so it should not come as a surprise. These proposed changes do not affect the operations of a health system or the leaders' ability to govern. The inherent conflict became utterly clear at the last HSC meeting when one of the board members spoke of duty to a portion of this institution and not to the institution in its entirety, and that made it clear that a change had to be made. Regent Lee spoke of a meeting that had taken place between Dr. Roth, President Frank and Regent Doughty and after which Dr. Roth communicated his understanding and support for the discussed changes to board size and organizational reporting structure. The changes to streamline reporting, Dr. Roth said he had no issue with that. The Open Meetings Act does not allow this to be debated behind closed doors. It is to be debated during the meeting, in a professional matter, in public which is good governance. Current talk of attempts to destroy

the Health Sciences System and seventy-two hours not enough notice for this shows there is problem and there is a rift in this institution. Constitutionally, the Regents are not allowed to give their authorities to others, especially others who have no oversight through Senate confirmation or otherwise. Regent Lee said she appreciates the passion and all who reached out to the Regents; she mentioned there will be debate and deliberation over this agenda item.

Regent Suzanne Quillen commented and responded. The Open Meetings Act does allow for Regents to meet in closed session to discuss personnel matters and strategic plans of public hospitals. Regent Quillen did not know of these proposals until the Thursday before the meeting. Regent Quillen read the policy changes differently, the reason President Frank had to inform Dr. Roth last night that he would be reinstated as CEO of the Health Sciences Center is because those duties would be taken away from him, personnel, finances, reporting. Decisions cannot be made in a vacuum, proposed by only two Regents. Regents have many opportunities to discuss major issues, personnel, efficiencies and economies of scale, strategic planning, etc. that need addressing. Regent Quillen thanked the UNM community for showing up to have their voices heard.

The following persons gave public comment pertaining to the HSC Governance agenda item VII., urged Regents to postpone the vote, make time for open discussion, get input from stakeholders, constituencies, ensure community input also in the future; Steve McLaughlin, MD, HSC; Coffee Brown, MD, HSC; Lee Brown MD, HSC; Pamela Pyle, Past President and President-Elect of Faculty Senate; Maggie Hart Stebbins, Bernalillo County Commissioner; Rhonda Faught; Judy Zanotti; Paula Tackett; Aimee Smidt, Ped. Dermatology; Eleana Zamora, HSC; Kyle Leggott, SOM; Harold Bailey; Valerie Romero-Leggott, Vice Chancellor, HSC office for Diversity; Javier Martinez; Zackary Quintero; Michael Yardman-Frank; Kendall Rogers, Faculty at SOM, Vice Chair Physicians Adv. Board; Cristina Galey, PA Student; Rep. Sarah Maestas Barnes; Rep. Conrad James, former UNM Regent; Tom Long, Faculty; Tudor Oprea, Faculty; Kathy Johnson; Richard Curvell, HSC Faculty; Carlotta Abeyta; Mel Eaves, member of HSC Board of Directors; Kurt Riley, Governor Acoma Pueblo, UNM Alumni, opposed to action item; Russ Rhoads; Lori McKiver; Corrie Tillery, SOM; Jenette Mares; Julie Broyles, MD; Molly Whitt, SOM; James Winters, SOM; Cheryl Willman; Hadley Pope; Cristina Beato, SOM Alumni; Celeste Cole, Office for Community Health; Lidia Regino; Rep. Patricia Roybal Caballero.

The following persons gave public comment pertaining to Finance and Facilities Committee agenda item 3, proposed changes to the UNM Benefits Plan, and spoke against changes to the plan that would reduce take-home pay and or increase healthcare costs: Francesca Tobias; Debra-Karnes-Padilla; Amy Neel, UNM Faculty; Joanne Kuestner, of Staff Council grade 8 employees rep, passed out a handout of UNM Benefits Calculator; Carlotta Abeyta; Carol Stephens, Pres. Retiree Assoc.; Leslie Eason, UNM retiree; Joseph Lane, Staff Council Pr. 5 rep.; Scott Alley, founder UNM Retiree Assoc., urged sliding scale and to ask Alumni Assoc. for input; Sarah Nezer; Carol Bernhard, co-chair FSBC; Sandra Bauman, SOM; Judith Binder; Daniel Cimino, UNM Cancer Center; Rachel Levitt; Jodi Perry.

THE PRESIDENT'S ADMINISTRATIVE REPORT

President Robert Frank presented an administrative report to the Board and thanked all of the members of the University community including faculty, staff, students, and alumni that care about UNM for providing comments earlier in the meeting.

President Frank discussed the University of New Mexico's budget, which sustained a \$7.9M drop distributed across the enterprise during the 2016 Legislative Session. Legislative outcomes were briefly reviewed and included a \$4.5M reduction to Main Campus I&G for FY17, and a \$600K reduction to other Main Campus areas such as Athletics, KNME, and lined legislation for FY17. Reductions for the Health Science Center included \$1.5M from I&G and \$700K from other areas such as Research and Public Service Projects. The UNM Branch Campuses sustained a reduction of \$600K. These are not all the issues facing the budget. Two years ago the University made a decision to encourage students to take 15 credit hours per semester to graduate faster and would pay less by taking more credit hours. The new policies worked successfully but did impact the budget and led to another drop. More people are going back to work which means that part-time students and non-degree enrollments are down. Regarding health care, next year many states may be required to put 10% back for the Medicaid payment which would have a significant effect on the budget. Unless oil stabilizes above \$50 per barrel, they are not optimistic they will see much state recovery in the

budget. What the University is facing now may be the "new normal" and the University will need to adjust to a much lower state participation level in terms of revenue. The University will need to find sustainable solutions rather than live off one time coverage out of reserves.

There are several things that will be prioritized to preserve student success efforts and advisement on Main Campus as they have contributed to great outcomes for students. At the graduate level they will preserve GA and TA assistantships. They are working on encouraging increased participation in 3+2 and 4+1 undergraduate/graduate programs to retain students. Capital renewal issues are being addressed through the bond that was approved by the Board earlier this year and will help preserve the quality of the Main Campus. Unfortunately a veto halted the UNM West building for Sandoval Regional but they will work on addressing the need for that building in the future with the HSC and Chancellor Roth.

The health plan proposal was briefly discussed and President Frank stated that there have been some misconceptions which led the Human Resources Department to publish a detailed FAQ on their website, hr.unm.edu. The conversation regarding the health plan proposals began in November at the request of Regent Doughty who requested to look at proposals that minimized premium increase to employees and the institution. The proposal presented at the Regents' Finance and Facilities Committee meeting at February 4 were non-trivial increases but may hit some employees harder than others. If the Regents chose to take no action there would be an average premium increase of 6.4% due to the increasing costs of health care unless they find another place to cover it. By approving the proposed changes presented to the Board of Regents, the overall increase to each employee would only be 4.5%. The Administration is trying to buffest as best they can so they have proposed not moving forward with an increase to the VEBA contribution.

Regent Lee inquired why it is necessary to approve any proposed changes as soon as possible.

President Frank stated that it takes a certain amount of time for our benefits staff to promulgate the materials and open enrollment is approaching so it is important for faculty and staff to understand any changes.

On February 24, a Town Hall was held and information was provided regarding the budget to faculty, staff, and students. At that time the Administration asked for suggestions and ideas on how things could be done differently. Some ideas from the community included: increasing online certificates and degrees, self-publishing text books and learning materials, recycling used phones and reducing UNM-issued phones, restricting travel and use video conferencing, improving heating and cooling efficiency, exploring health exchanges at state level to reduce costs, consolidating IT functions and use open source software, and consolidating higher education statewide. More ideas were briefly discussed and included: retirement incentives, furloughs and no lay-offs, extended holiday break, 4 day 10 hour work week with no Friday classes, redirecting branding money, eliminating temporary positions across University, use student talent for campus jobs, cutting top positions, charging for community privilege cards, selling more naming rights (purchase rights to name a duck in the duck pond). There is no single or simple solution to the many challenges the University faces. UNM has a passionate community and will be counted on to join the discussion as they address the complex issues ahead.

ADOPTION OF ANNUAL RESOLUTION CONCERNING PUBLIC NOTICE OF MEETINGS; CONFIRMATION OF REGENTS' POLICY 1.3 "PUBLIC NOTICE OF REGENTS' MEETINGS"; APPROVAL OF 2016 BOR MEETING CALENDAR

The annual resolution, policy 1.3 and 2016 meeting calendar were provided in the agenda eBook.

The motion to adopt the annual resolution concerning public notice of meetings, confirmation of Regents' Policy 1.3 and approval of the 2016 Board of Regents Meeting calendar passed by unanimous vote (1st Fortner; 2nd Lee).

COMMENTS FROM REGENTS (No Comments)

REGENT COMMITTEE REPORTS

ACADEMIC / STUDENT AFFAIRS & RESEARCH COMMITTEEProvost's Update

Provost Chaouki Abdallah provided a report to the Board and stated that there were two items the Academic and Student Affairs Regents' Committee was dealing with, first is the important HLC University Accreditation and second is regarding articulation and transfer agreements for the state. Regent Hosmer stated that, since neither of the items were time sensitive, in the interest of time they would defer the two information items to a later meeting. Only one action item required Regent Approval.

Approval of Posthumous Degree

Regent Hosmer presented Tab 6 to the Board and requested Regents' approval to provide a posthumous degree to Mr. Robert McCoy. The paperwork behind the proposal was included in the meeting materials and the request has been fully vetted with the faculty involved and both Provost Abdallah and the Faculty Senate approve. Regent Hosmer moved approval and Marron Lee seconded. Item passed unanimously. **The motion to approve the posthumous degree for Robert McCoy passed by a unanimous vote (1st Hosmer; 2nd Lee).**

AUDIT AND COMPLIANCE COMMITTEEApproval of Contract for FY16 Annual Financial Statements External Audit

Regent Hosmer introduced the item. The request is for Regents approval of the third year of a three-year contract with external auditors KPMG LLP and Moss Adams LLP. According to the terms of the contract, KPMG will perform the main campus and non-clinical component unit audits, and Moss Adams will perform the clinical area audits (Hospital, SRMC, and UNMMG).

The motion to approve the contract for FY16 Annual Financial Statements external audit passed by a unanimous vote (1st Hosmer; 2nd Fortner).

FINANCE AND FACILITIES COMMITTEEApproval of Consent Agenda

Regent Lee stated the two items on the Finance and Facilities Committee agenda,

1. Approval of Disposition of Surplus Property for Main Campus for February 2016
2. Approval of Reappointments and Appointments to STC.UNM Board of Directors

The motion to approve the consent agenda as presented passed by a unanimous vote (1st Lee; 2nd Fortner).

Discussion and Possible Approval of AON Proposed Changes to the UNM Benefit Plan

Elaine Phelps, Director of University Benefits, presented the slides that were available in the agenda eBook. The proposed changes result in a reduced increase to healthcare premiums from the prior estimated increase of 6.4% to a revised increase of 4.5%. Additionally, the scheduled VEBA contribution increase of 0.25% proposed to be delayed until FY18. There was discussion about the medical and Rx plan design changes and responses to Regents' questions. Regent Lee motioned approval of the changes. Regent Fortner seconded the motion and made a friendly amendment, to modify the motion and leave off for approval the change related to Diabetic Rx subject to plan copays. Regent Lee accepted the friendly amendment.

The motion to approve the proposed changes to the UNM Benefit Plan as presented, excluding the proposed change to Diabetic Rx, passed by a unanimous vote (1st Lee; 2nd Fortner).

Approval of Ground Lease to the Children's Cancer Care Fund of New Mexico

Tom Neale introduced, Diana Trujeque, Executive Director of the Children's Cancer Fund of New Mexico, who presented information about the fund. Tom Neale said the agreement is to enter into a 50-year ground lease for \$1 per year. All the improvements on the site will be constructed by the fund. UNM's only commitment is to deliver the site.

The motion to approve the ground least to the Children's Cancer Care Fund of New Mexico passed by a unanimous vote (1st Berryman; 2nd Lee).

Update on the UNM Main Campus Tuition Share Budget Strategy (Information Item)

Kevin Stevenson presented the item. The slides presented were included in the agenda eBook. About 30% of schools have gone to a tuition share model that was presented. There was discussion.

2016 Legislative Session Outcomes (Information Item)

Matt Muñoz presented the item. The slides presented were included in the agenda eBook. There was discussion. Regents thanked Connie Beimer and Matt Muñoz for their work during the session.

Monthly Financial Report for Main Campus (Information Item)

Controller Liz Metzger gave a summary of the fiscal status as of the end of January 31, 2016.

COMMENTS FROM REGENTS' ADVISORS

Michelle Coons, Chair of the UNM Foundation Board, provided a quarterly report to the Board. Ms. Coons stated that the UNM 2020 campaign continues to do very well and is at 79.3% of the \$1 billion goal and has brought in a combination of \$804.5 million in gifts. At the last UNM Foundation meeting they approved a 4.5 spending distribution to the University which will attribute nearly \$15.9 million; a record amount in the history of the University distributed back from the Foundation. Many university foundations across the country are seeing less than favorable returns for the last year and a half, and it is projected that instead of being in the high 8s or 9s that the "new normal" is high 6s. In recognizing that this is a critical time for the University to have maximum distribution back, the UNM Foundation Board will be doing a study with their investment advisor to analyze ways to be responsible from a fiduciary stand point and take a long term view on the change.

Jenna Hagengruber, ASUNM President, provided a report to the Board and stated that the ASUNM received their capital outlay funding from the Legislative Session, which will install 20 new lights in the summer of 2017 in South Lot to benefit the safety of students. Scholarships were discussed and ASUNM will be giving out 4 new scholarships to undergraduate students. The Lottery Scholarship did not see solvency during the 2016 Legislative Session and it is something that is constantly being pushed by ASUNM. They have had a meeting with Regent Berryman and AVP Terry Babbitt on ways to move forward.

Texanna Martin, GPSA President, provided a report to the Board. Ms. Martin congratulated all Fourth Year Medical Students as they will be matched for Residency Programs on March 18. The GPSA Commons Area is now open in Zimmerman Library on Main Campus near Starbucks and is a space for graduate students to study. The GPSA Executive Standing Committees are working hard on many different projects around campus. Graduate Student Appreciation Week, which was signed by Governor Richardson, will take place in April. GPSA is working on budget discussions and are looking at ways to save costs; they support over 400 student groups on campus and also provide prorated benefit funds to each registered group. The GPSA Council met last month and voted on a resolution titled E Pluribus Lobo; the Council Members have voted to ask that everyone to be as one and in support of each other, "One University, One Voice." The HSC graduate students are working on inter-professional endeavors for further cooperation and collaboration for professional programs. The Law Campus has provided materials to facilitate a discussion on how GPSA currently supports and they can improve. Regent Lee thanked the GPSA for putting together E Pluribus Lobo and she appreciates that the graduate students see this is a university of whole, not of parts but of one. Ms. Martin wants to advocate to breaking down silos and advocate for collaboration at the University.

Danelle Callan, Staff Council President-Elect, provided a report to the Board. Ms. Callan is an HSC Employee and also a graduate of UNM and represented UNM Staff on behalf of Crystal Davis. A letter was sent to the Regents from Staff Council outlining staff concerns to the proposed changes including the increases to health benefit costs and the proposed changes to the HSC Governance. Ms. Callan would ask the Regents to have AON look at the percent of the costs as compared to annual salary at other institutions. The University needs to make sure we are comparing properly when making decisions that can impact over 5000 staff members.

Stefan Posse, Faculty Senate President, provided a report to the Board and stated that the Faculty Senate has an advisory role as described in the Regents' Policy Manual and the Faculty Handbook. Faculty Senate represents a large diverse body of faculty at the HSC and Main Campus. They have not been able to fully engage faculty in this process due to the very short time frame for the notice given for the proposed changes of the HSC Governance Structure. Mr. Posse thanked the faculty members in the Faculty Senate Operations Committee, the Faculty Senate HSC Council, and the Committee on Governance who met on short notice to take on the responsibility bestowed upon them of the voting faculty. They have heard faculty opinions from HSC and Main Campus that express considerable concerns, but they have also expressed a willingness to engage and provide consultation in the process. As the Faculty Senate President, Mr. Posse asked that the Regents' allow them to fulfill their role as advisors to deliberate and weigh in on the proposed changes of the HSC governance structure that are before us. They will, moving forward, promote a discussion that will be collegial, collaborative, and professional that is in the best interest of the institution as a whole.

Action Item: Modifications to Governance and Amendments to Certain Regent Policies Pertaining to the UNM Health Sciences Center

Regent Lee spoke and began by thanking the faculty, staff and students for their passion and comments. The Regents have a constitutional duty under the State of NM Constitution. The Regents are not to delegate their duties to any individual who is not a regent, and because of that these changes are important in order to fully function as one institution. Regent Lee added that she looks forward to future conversations with individuals who have shared concerns privately and publicly.

Regent Lee moved that Regents amend the governance structure of the Health Sciences Center through Regents' Policies 1.2, 2.16, 3.1, 3.3, 3.4, 3.5, 3.6, and 7.8. Regent Fortner seconded the motion.

Regent Fortner said he wanted a modification to RPM 3.3, the part about dismissing, as it applies to the Chancellor, that 'the President has authority to dismiss the Chancellor only with consent and approval of a majority of the Board of Regents.'

Regent Lee clarified that the Policy revision would have the Chancellor in the same line as other EVPs and asked President Frank if he had to get Regents' approval to dismiss other EVPs. President Frank said he has to inform the Regents of removals of the level of VPs or higher. Regent Lee said it is the 'consent and approval part' she has an issue with, because the Chancellor will be organizationally under the President, same structure as currently for other EVPs, and even though he will retain his title as chancellor and his duties as CEO, it needs to be consistent with the other leadership of the University.

Regent Fortner said one reason he does not have heart-burn about the policy changes is it is going back to a process that worked for ten years when Regent Fortner was chair of the HSC Committee. Regent Fortner recalled that at that time, it did require the consent and approval of the Regents, even though that is different from the other EVPs.

Regent Lee did not accept the amendment to Regents' Policy 3.3.

Regent Fortner asked Dr. Roth how many members are on the UNM Hospital (UNMH) Board of Trustees. There are nine. Two are from the County and one from the all Indian Council of Governors. The rest are all Regents' appointees. They are viewed as the governing body for the hospital. They are all community members except for the immediate past chief of staff is the ex-officio and they meet monthly. There is a Regent liaison member who sits on the board and Student Regent Berryman is currently that liaison. Currently, there is an ex-officio, non-voting member on the HSC Board of Directors who is the Chair of the UNM Hospital Board of Trustees. This allows the Hospital Board of Trustees and the interest of the County to have a voice.

Regent Fortner said he wanted continued discussions on how to get someone from that board, who is a public member, interacting with the HSC Committee. Dr. Roth mentioned the County Commission had originally wanted a UNMH Board member as a voting member on the HSC Board and ultimately over the

years there was a compromise to what is seen today, the UNMH Board Chair is present as ex-officio, but without vote. Regent Fortner reiterated he would like follow-up on that. That will address some of the issues about having continued public involvement in Health Sciences even though that whole board is community members, there needs to be a member interacting directly with the Regents.

Regent Fortner commented that he wanted to make it clear that Dr. Roth is excellent and will continue to be the CEO of the Health Sciences System. The proposals are for streamlining reporting to the Board of Regents, but Dr. Roth still runs the Health Sciences System. Regent Fortner said he has great confidence in Paul Roth.

Regent Fortner asked Regent Lee is she would accept as a friendly amendment, "with consent and approval of the majority of the board."

Regent Lee said her concern is there has been miscommunication that this is a radical new idea that is being forced on this campus, when in fact the changes will return to how operations were set up prior to 2010. As has been mentioned, the 2010 change was controversial. If we are to have the chain of command and an organization chart that needs to happen in order to streamline and effectively govern the institution as a whole, but then carving out exception for only one of the leaders under the President who is under the Board of Regents, Regent Lee said she still had an issue with that.

Regent Fortner said that is a deal killer for him.

Regent Lee offered up an amended motion that excluded Regents' Policy 3.3:
Regent Lee moved that Regents amend the governance structure of the Health Sciences Center through Regents' Policies 1.2, 2.16, 3.1, 3.4, 3.5, 3.6, and 7.8. Regent Fortner accepted the amended motion.

There was further discussion.

Regent Quillen said when she came on the board three years ago and was chair of the HSC board for two years, it was a rough start due to similar reasons. There was a year of vetting the whole process, the board, community input, and considering a new 96-bed hospital. We studied the Chartis Report and Regents Gallegos and Koch were on board. What we had did represent a national best practice in leadership and oversight for academic health centers. It was an effort to address slowing down processes and impeding patient care but not giving up Regents' ultimate authority. At some point you have to trust the leaders that are hired. Regents came to the decision about a year into it, and going backwards to pre-2010 is really going backwards. This is a revolutionary time in healthcare where every day something is new and something is changing. To restrict input because we are an appointed 7-member board of regents; we have always had the final authority and the final vote. The HSC Board of Directors did not have total autonomous control. Concerned about adopting a practice that takes us backwards. Many health centers have split away from their Universities not because of finances but because of decision making models where they could not be nimble and flexible. We are taking a step backwards to limit our input from the community, and especially the students, faculty and staff.

Regent Hosmer commented that as a general observation it is useful for boards of governance to approach big complex problems with questions, not with solutions. The current proposal has the appearance to of a solution. The Board of Regents over six years ago did in fact approach the HSC problem with questions, as a result of considerable deliberation, consultation with experts, and so on, arrived at the governance structure currently in place. A number of regents who were on board at that time were skeptical about that solution, but after discussion, explanation, refinement of the proposal, they voted for it. And many served on the HSC board with considerable effectiveness and support. This proposal appears to have been in work for a while. Regent Hosmer asked University Counsel, Elsa Cole, how long these proposed Regents Policy changes have been in work.

Ms. Cole responded she could not answer that with precision, but there was a concept that was discussed within the last ten days, and then some work was done on drafts to try to implement the concept.

Regent Hosmer inquired under what authority that work was done, who directed that.

Ms. Cole responded University Counsel was working to assist Regents.

Regent Hosmer inquired if individual Regents have the authority to ask for that kind of work or direct that.

Ms. Cole responded that as Chair and Vice Chair of the Board of Health Sciences, they had authority to ask University Counsel to assist them in revising the policies.

Regent Hosmer inquired if knowledge of that work went past University Counsel's office.

Ms. Cole responded that the time period just described there was a discussion, sometime the beginning of last week, with President Frank and Vice President Harris prior to discussion that same day with Chancellor Roth.

Regent Hosmer asked if there was any reason to restrict the knowledge of the work to that circle.

Ms. Cole responded she was simply providing information to two Regents for them to share with those individuals.

Regent Hosmer continued that as he looked at the proposal, he was still wondering what problem was attempted to be solved. "We have heard attribution of some general statements about the fashion of governance and clean lines of authority. In the work that was done six years ago, it became quite clear that the HSC and UNM are inherently different kinds of organizations. They have different funding streams, different pace of activity, different areas of expertise. And a lot of work has gone in across the country to find ways to reconcile the demands of those two different kinds of organizations into a single entity. The governance structure that we established in 2010 represents a way to try to resolve those tensions between HSC needs and UNM as a whole. And by all appearances did a quite good job of that. I personally have no knowledge of persistent, systemic problems within the current organization. So I still wonder, what is the problem we are trying to solve? Like many here, I wish I had had a chance to engage in some discussions on these matters. I believe the ninth exception to the Open Meetings Act for closed meetings includes strategic discussions about healthcare organizations, which this certainly qualifies or appears to me to qualify to do. We could have had closed Regents' discussions on that if an initiative were taken to do that. I continue to find it an allegation of issues that is worth exploring in detail, and Mr. Chairman I would personally urge that my colleagues who are thinking about how to vote in this decide not to move forward at this time but to take the issues that have been asserted and the reactions we have seen and actually sort through the details. Regent Fortner's questions I think illustrate very nicely that buried within the Regents' Policy changes there are a myriad of specific changes that are worth discussing and resolving concerns about. So I stand down."

Student Regent Berryman asked Regent Lee a question about policy revisions. Is it true that all HSC matters including finance and academics will all be directed to the proposed HSC Committee, is that the intended goal? Regent Lee responded in the affirmative. Student Regent continued that he read the Chartis Report of 2010 and noted a paragraph from the report, "the most important feature in the government schematic is that all entities eventually are accountable to a single entity, the Regents of the University of New Mexico. A single point of governance and accountability is highly desirable and provides the assurance that whenever seemingly intractable conflict arises it can be resolved in a manner consistent with the long-term interests of the entire University of New Mexico." The issue at the time was that the regents were not seeing the information in a streamlined or rationalized fashion, because those different entities were all sent to the Academic Affairs Committee or the Finance and Facilities Committee, so that will at least alleviate the concern with this policy change by sending all of those to one committee. Student Regent Berryman also wanted to echo Regent Fortner's statements. As the Regent, ex-officio, non-voting member on the UNM Hospital Board of Trustees, made up of community members, and the dialogue is always fruitful and agrees that there should be a voice at the HSC Committee

meetings, even if as a non-voting member. Regent Berryman added there is a need to hear from the students at Health Sciences and expressed interest in future discussions of an amendment to the HSC Committee structure to add a student from the Health Sciences Student Council to represent the issues on North Campus.

Regent Fortner agreed and added he would like that included in continued discussions, and with Dr. Roth, including how to continue the community involvement on the HSC Committee.

The motion to amend the governance structure of the Health Sciences Center through Regents' Policies 1.2, 2.16, 3.1, 3.4, 3.5, 3.6, and 7.8 passed by a vote of 4-2; Regents Doughty, Fortner, Lee and Berryman voted in favor; Regents Quillen and Hosmer voted against.

Regent Fortner made a motion to approve Regents' Policy 3.3 with the amendment to the language in it as it applies to the Chancellor, that the President has authority to dismiss him only with consent and approval of a majority of the Board of Regents. Regent Doughty seconded. The motion passed with a vote of 5-1; Regents Doughty, Fortner, Hosmer, Berryman, and Quillen voted in favor; Regent Lee voted against.

Regent Hosmer motioned that all specific action implied by that motion be forestalled by six months for due consideration, and then come back to the issues. Regent Quillen seconded the motion. The motion failed due to a tie 3-3 vote; Regents Quillen, Hosmer, and Berryman voted in favor; Regents Lee, Doughty and Fortner voted against.

PUBLIC COMMENT (No comments)

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

Regent Fortner moved to go in to executive session; Regent Lee seconded; the motion passed unanimously. The meeting closed at 3:33 pm.

- Regent Quillen left the meeting after open session.

Executive Session/Luncheon-Cherry Silver Room (Regents Present: Rob Doughty, Marron Lee, Brad Hosmer, Jack Fortner; Regent Hosmer left before the end of closed session.)

VOTE TO RE-OPEN THE MEETING

The motion to open the meeting passed unanimously (1st Fortner; 2nd Lee). There certification that only those matters described in Agenda item IX. were discussed in closed session and no actions were needed. The meeting opened at 4:01 pm.

VOTE TO ADJOURN

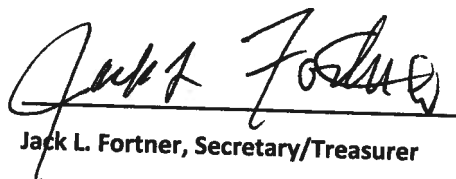
The motion to adjourn passed unanimously (1st Fortner, 2nd Lee). The meeting adjourned at 4:02 pm.

Approved:

Attest:



Robert M. Doughty III, President



Jack L. Fortner, Secretary/Treasurer