

**Minutes of the Regular Meeting of
The Board of Regents of the University of New Mexico
December 9, 2020; 9:00 AM
Virtual meeting via Zoom; livestreamed for public viewing**

Members Present

Douglas Brown, President
Kim Sanchez Rael, Vice President
Sandra Begay, Secretary/Treasurer
Melissa Henry
Marron Lee
Robert Schwartz

Members Not Present

Rob Doughty

Administration Present

Garnett S. Stokes, President; James Holloway, Provost and EVP for Academic Affairs; Douglas Ziedonis, EVP for Health Sciences Center; Teresa Costantinidis, SVP for Finance and Administration; Loretta Martinez, University Counsel; Richard Larson, EVC and Vice Chancellor for Research, HSC; Assata Zerai, VP for Diversity, Equity and Inclusion; Dorothy Anderson, VP HR; Kate Becker, CEO, UNM Hospitals; Ava Lovell, Sr. Executive Officer for Finance & Administration, HSC; Duane Arruti, CIO; Eddie Nunez, Athletic Director; Cinnamon Blair, Chief University Marketing and Communications Officer; Barbara Damron, Chief Government Relations Officer; Liz Metzger, University Controller; Terry Babbitt, President's Chief of Staff; and others

Advisors Present

Mike Silva, President-Elect, Alumni Association; Kevin Malloy, President, Retiree Association; Finnie Coleman, Faculty Senate President; Nancy Shane, President, Staff Council; Nikhileshwara 'Nikhil' Reddy Naguru, President, GPSA; Muskan 'Mia' Amin, President, ASUNM

Presenters

Lisa Lindquist, Director, LOBORespect Advocacy Center; Cathy Binger, Professor, Dept. Speech and Hearing Sciences; Rebecca Sanchez, Chair, Honorary Degree Committee; Nicole Dopson, Dir., Financial Operations, Academic Affairs/Provost's Office; Christine Kasper, Dean, College of Nursing; Tom Neale, Director, Real Estate; Randall McDonald, Attorney for Innovate ABQ, Inc.

CALL TO ORDER AND CONFIRMATION OF A QUORUM

Regent President Doug Brown called the meeting to order at 9:03 AM and confirmed a quorum with a roll call. Six members were present; Regent Rob Doughty was not in attendance.

ADOPTION OF THE AGENDA

Regent Brown asked for a motion to adopt the agenda.

- The motion to adopt the agenda passed unanimously (1st Rael; 2nd Schwartz; roll call vote – all members voted yes).

LAND ACKNOWLEDGEMENT STATEMENT

Regent Brown said the following and read aloud the Land Acknowledgement Statement.

We want to start by acknowledging our gratitude for the land on which UNM resides and is a part of all of us. Universities, where we thrive on studying factual historical, current and

future knowledge to inform and improve society, especially should embrace recognizing our connections to the land and its original inhabitants. Many thanks are due to our own Sandra Begay who has championed this initiative and also to Pam Agoyo, Director of American Indian Student Services and Special Assistant to the President for American Indian Affairs who did much of the statement drafting along with our UNM Native American Faculty Council.

Land Acknowledgement Statement

Founded in 1889, The University of New Mexico sits on the traditional homelands of the Pueblo of Sandia. The original peoples of New Mexico – Pueblo, Navajo, and Apache – since time immemorial, have deep connections to the land and have made significant contributions to the broader community statewide. We honor the land itself and those who remain stewards of this land throughout the generations and also acknowledge our committed relationship to Indigenous peoples. We gratefully recognize our history.

APPROVAL OF MINUTES OF THE OCTOBER 20, 2020 REGULAR MEETING

Regent Brown asked if any member had corrections or changes to the draft minutes. There being none, he asked for a motion to approve.

- The motion to approve the minutes of the October 20, 2020 regular meeting passed unanimously (1st Begay; 2nd Henry; roll call vote - all members voted yes).

PUBLIC COMMENT

Sarah-Grace Dalton, Asst. Professor, Marquette University, spoke in support of the proposed PhD program in Communication Sciences and Disorders.

Joshua Allison-Burbank, Speech-Language Pathologist, Indian Health Service, University of Vermont, spoke in support the proposed PhD program in Communication Sciences and Disorders.

Drew Mancini, Clinical Speech Language Pathologist, Connect, Children's Hospital Colorado, spoke in support of the proposed PhD program in Communication Sciences and Disorders.

Tara Shaver, public constituent, requested removal of the UNM Center for Reproductive Health Banner and closure of the abortion facility.

Dinah Vargas, requested removal of UNM's "Hero" Banner and the closing of UNM's freestanding abortion clinic.

Michelle Garcia Holmes, retired, spoke about the Governor's decision to keep the clinic open as essential during COVID; many pro-life constituents in the community have reached out to her to say the hero banner is insulting. She requested removal of the banner and said we don't need an abortion clinic associated with an institution of higher learning.

Sarah Townsend, Assistant Professor, English, requested a fair contract for UA-UNM faculty.

Osbjorn Pearson, Professor, Dept. of Anthropology, spoke in support of faculty in the bargaining for the faculty contract and requested prioritization of the academic mission of the University in the budget cuts.

Megan Merchant, Adjunct Faculty Member, UNM COEHS, Dept. of HESS, spoke in support of continued union collaboration on behalf of Unit 2 Adjuncts.

Rebecca Álvarez, Adjunct Faculty Member, UNM Taos, spoke in support of United Academics in the UNM bargaining process.

Breanna Griego-Schmitt, Faculty member in the University College, spoke in support of faculty contract negotiations.

Damian Wilson, Associate Professor, Dept. Spanish and Portuguese, spoke in support of the union and negotiations.

Tracy Lassiter, Assistant Professor, English, recognized faculty contributions during the pandemic.

Thomas Solomon, Co-coordinator, 350 New Mexico, spoke in support of UNM Foundation portfolio divestment in fossil fuel investments.

Aaron Padilla, Clinical Speech Language Pathologist, spoke in support of the proposed Ph.D program in Communication Sciences and Disorders.

COMMENTS FROM REGENTS

Student Regent Melissa Henry said that her term as a Regent would be coming to a close soon. She thanked the other Regents as well as UNM leadership and members of student government for the incredible journey over the past two years, serving as Student Regent, and with that the privilege of developing relationships with many members of the UNM Community and other members on the Board. *"It's been such a privilege to have such a bipartisan and productive group of board members that are so diverse, and to bear witness to the University growing together in such a harsh and difficult time during this pandemic. So thank you again, President Stokes, members of the board and board advisors...thank you everyone. I will keep everyone updated about my journey, and hopefully graduating and moving on to a new university."* Regent Brown thanked Melissa for her steadfast efforts and perspective while also handling all of her responsibilities as a graduate student, making every meeting and chairing one of the committees. *"You've made exceptional contributions and we want to follow your journey in life, and I hope you'll be keeping in touch."*

Regent Kim Sanchez Rael commented that she really appreciated the public comment and thought it was very thoughtful and very respectful and additive to her broader understanding of the University. Regent Rob Schwartz agreed and added that he always finds public comments to be really helpful to understand a much broader perspective that Regents sometimes otherwise don't hear.

Regent Schwartz spoke about his appreciation for Student Regent Melissa Henry and what she has brought to the Board - a deep understanding of the University, and not just from a student's perspective. He spoke about the many responsibilities Melissa has undertaken over the past two years besides being a student, including a de facto administrator, a policymaker, a faculty member and a teacher, while also writing her dissertation, taking classes, advising students and continuing her clinical counseling practice as well. All this while serving on committees and leading committees. He talked about how the Board has benefitted from Melissa's high quality work, her contributions, setting the tone of meetings and in relationship

building, and he thanked her for being a wonderful friend and colleague and wished her success in her future.

Regent Begay thanked Student Regent Henry. *"She took the brunt of what the rest of us did not in the State Legislature. So unless you were there, you didn't hear all the hard questions that Melissa had to answer. None of us had the tough questions that Melissa did, and so right out of the gate, there's a young woman who stood up to all of those hard questions. She didn't get rattled. She was very composed and professional, and if I were I would have been analyzing from her counselor position, why they were grilling her so deeply about things she didn't really know much about. I think Doug and I can understand why they were questioning, but I didn't think it was real fair in my mind, what they asked of her being right out of the gate new to the Board of Regents and such kind of inquiry from the state legislature. But kudos to you! Right from the beginning you stood up and you held your ground very articulately. I've appreciated you as a person and I've sat in on some of your dissertation work and I'm very proud of you as a person who's going into a field that is so necessary and where your skills are needed. I think your approach and your personality lend themselves well to your discipline. I mean, you're one that will listen. You may be quiet, but I know you are listening. And the other is when you say something, it's so thoughtful. I really appreciate that. So I will miss you, but I wish you well. And please keep in touch. Thank you."*

Regent Sandra Begay also recognized and congratulated the December graduates. She commended the students on their focus and determination to finish up even during these unprecedented times, and spoke of her admiration for them to get it done and be ready for where they are needed in the work world.

Regent Brown added with respect to the outgoing Regents, that the selection process for new regents probably won't happen in time before the next meeting, so there will probably be more acknowledgements for the outgoing regents at the next meeting. He asked President Stokes to proceed with her administrative report.

PRESIDENT'S ADMINISTRATIVE REPORT

President Stokes delivered her report with the theme of the 4 C's: credit, COVID, crime, and currency. She opened her report with recognition and celebration of the three Regents whose terms are expiring:

REMARKS OF PRESIDENT STOKES HONORING REGENTS ROB DOUGHTY, MARRON LEE AND MELISSA HENRY

- *Over the last two years, I've had the pleasure of getting to know each of these exceptional Board members both professionally and personally—and while I'll miss seeing each of them at our regular meetings, I'm confident we'll continue working together on behalf of the Lobo community, and beyond, for a long time to come.*
- *Rob Doughty was one of the very first Regents I met—indeed, one of the first Lobos I met—in his role as Chair of the UNM President Search Committee. At that time, he was also serving as Chairman of the Board of Regents, and I was impressed right from the start with his dedication to The University of New Mexico, as well as his genuine concern for our faculty, staff, and students.*
- *I always appreciated Rob's forthrightness. As we discussed my coming here, he was very clear about the challenges we'd be taking on together. Once I arrived at UNM, I knew I could always count on Rob for his smart and compassionate leadership as we worked together to advance UNM's mission and goals.*

- *And what leadership it was. For six years, Regent Doughty helped steer the university through a formative era, serving on, and often chairing, nearly every working committee, from ASAR to Audit & Compliance to the always-active HSC committee.*
- *With his legal expertise and eye for detail, he has also helped ensure our process for filling key roles at the university has been vigorous and transparent, whether we were searching for an athletic director, a chief legal counsel, or—as I can attest—a new president.*
- *Regent Doughty is also a great advocate for our students, championing the Finish-in-Four tuition model, to provide students with the support they need to realize their dreams of completing a four-year college degree.*
- *He is also a staunch supporter of UNM Athletics, never forgetting that success on the field begins with empowered and talented coaches, trainers, and staff who embody our high standards of fairness, openness, and accountability.*
- *Beyond his role on the Board, Rob served on the Sandia Foundation Board and the UNM Alumni Association Board, where he has helped to ensure our alumni take pride in our pack long after leaving our campus.*
- *His devotion to his responsibilities as a Regent, his pride in UNM, and his enthusiasm for our community and for the State of New Mexico, have made us a better board, a better university, and a better state. Thank you, Regent Doughty.*
- *This brings me to Regent Marron Lee, who was also one of the first Regents I met. She, too, was on the President Search Committee, and I knew from the moment I met her that this was someone I really wanted to know better.*
- *Marron was very serious about UNM and her job as a Regent, but—as we all know—she also has an edgy sense of humor that reminds us to take a step back, take a breath, and look at things differently. Consideration and deliberation are always important to Regent Lee; and once the discussion is over, you can count on her to act quickly and decisively—a trait I admire and appreciate.*
- *In her six years as a Regent, Marron chaired the vitally-important F&F committee for three years, and, for the same three years, she was also chair of the HSC committee. Ready for the hat trick? For much of that time, she was also chair of the Lobo Development Corp.—a favorite project of hers.*
- *But really, the entire University of New Mexico is her favorite project—and there has never been a task too large, too small, too tough, or too detailed for Regent Lee to take on. Right from the start of her tenure as a Regent, she took an active interest in the physical look and feel of the campus. She campaigned hard for the repurposing of UNM's Biology Annex, for instance, championed the planning and construction of our newly-opened and absolutely stunning PAIS building, and fought for the Harwood Museum in Taos.*
- *She also committed herself to finding ways to enhance the student experiences on campus, whether it was advocating for first-year students to live in campus housing, or carefully guiding the opening of the new taproom in the Student Union Building. She's also been a committed supporter of Lobo Athletics, serving on the Athletic Director search committee, as well as a champion for the Honors College.*
- *Further, Regent Lee could always be counted on to contribute to any committee, council, board, or foundation—the words “I'm too busy” never came out of her mouth; all you had to do was ask. As a result, she brought her expertise and energy to a wide variety of groups:*

The Lobo Club. The Alumni Association. The Honorary Degree Committee. The UNM Foundation. She also provided invaluable support and guidance to Popejoy Hall and Carrie Tingley Hospital.

- *Her commitment runs deep and wide, crossing our campus, encompassing countless fields of study, and reflecting a broad interest and curiosity in the workings of a university.*
- *In short, Marron's expertise, energy, and heartfelt passion for UNM will be seen and felt across our campuses and communities for generations. Regent Lee, I'm grateful for your service and your friendship. Thank you for six remarkable years of service.*
- *Finally, I'd like to give a very special thanks to our departing student Regent, Melissa Henry, who marks the end of her two-year term under these most unexpected and unusual conditions.*
- *Like all of us, Regent Henry had to adapt to life under COVID not just as a student pursuing a PhD. but as a regent. And Regent Henry, you have carried out your responsibilities remarkably, with dignity and with drive.*
- *It has been an honor to watch you co-chair ASAR, and to serve so ably on the HSC Committee, where we could always count on you to bring the student perspective to the conversation. You have always worked to be a positive voice for our very diverse and engaged student body--and I know that before COVID sent us all into self-quarantine, you regularly held weekly meetings in the SUB, where you made yourself available to any students who wanted to bring their concerns to you.*
- *Once life under COVID began, you continued to keep the Board informed of the student experience under the new conditions, and our ongoing success in transitioning to safe instruction is due in no small part to your engagement and guidance--and you've done it all through an incredibly busy schedule made up of graduate class work, teaching, research, and clinical work. You do us all proud, and we can't wait to see where you go and what you do next.*
- *I am very grateful, all three Regents, for your extraordinary service to The University of New Mexico and to the entire Lobo family.*
- *Please join me, and probably not for the last time, in thanking these remarkable Regents.*

(Virtual Applause!)

Continuing in the theme of credit, President Stokes highlighted other University successes and achievements in the area of grant awards; student and athletic achievements; branch campus achievements; and faculty, staff and leadership achievements. Dr. Stokes congratulated the Fall graduates and also Tracie Collins, Dean of the College of Population Health, who has been named as the new cabinet secretary for the New Mexico Department of Health. She highlighted recent UNM leadership transitions, including Cindy Rooney, chancellor of UNM-Los Alamos, serving as interim chancellor for UNM-Taos as a search for its new chancellor is launched immediately. Dr. Stokes also highlighted Native American Heritage month and the several virtual events held to celebrate it and engage the University community in learning more about the Indigenous experience and perspective.

President Stokes gave an update on COVID-19 impacts along with an enrollment update. Fall enrollment saw new first-year undergraduate enrollment up 7.5%, compared to a -13% trend, nationally and new graduate enrollment up 19%, compared to the national trend of

+2.9%. Undergraduate enrollment as a whole went down 2.4%, compared to -4.4% nationally. Dr. Stokes discussed enhanced resources put in place for the spring 2021 semester to support student success, including more peer tutoring and more remote teaching training for faculty.

Regarding crime and campus safety, the President addressed online/virtual environment safety and UNM's annual Security and Fire Safety Report detailing crime statistics for the prior calendar year and the previous three years, made public every year in October. She emphasized that while the University has unique challenges, there is some good news. It looks like the extra lighting and cameras put in place are making a difference.

In the area of currency, President Stokes talked about the University's offer of a one-time voluntary incentive to eligible main and branch campus faculty and staff who choose to retire in accordance with the terms that are set out as part of the volunteer retirement package. The program provides to eligible employees an incentive payment of 25% of their base, less taxes. It is designed to ultimately achieve cost savings for the University. A total of 108 employees signed up for the plan (90 staff, 6 lecturers, and 12 tenured faculty) which leads to a total incentive payout of \$1,782,953.08 and total annual salary savings of \$7,219,965.34. The President talked about The College Scorecard and the useful student outcome data it provides by institution and major, including data on average earnings two years after graduation. She noted examples where UNM has favorable standings, for example in the area of student debt after graduation and total number of graduates in Business Administration compared to other larger schools. President Stokes also touched on explaining more about UNM finances, particularly in the area of the cost of salaries and benefits and debt service. Total cost of all salaries and benefits across all of UNM, including hospital services, is \$1.7 billion, with 33% of that being for benefits. In the area of debt service, the annual amount for the current fiscal year is budgeted at \$37.4 million which is about 1% of all expenditures, and this covers a number of bonds issued over the years to fund a number of projects, including the Student Union Building, the new Anderson Building, and the Johnson renovation.

When President Stokes completed her presentation, she opened it up for questions from the Regents.

Regent Schwartz thanked Dr. Stokes for her presentation and for her remarks about his colleagues on Board. He also inquired the percentage of classes that are being offered as online classes this semester. Provost Holloway responded that the vast majority are remote, with 15% as hybrid and 4% fully face-to-face.

Regent Rael commended President Stokes for what she and her team have been able to accomplish under the economic and procedural and health challenges. She also thanked Regent Rob Doughty for his support when she came on board as a new Regent, and she recognized Regent Marron Lee for her hard work and diligence on the board, adding that it's important to have someone who does their homework so well and speaks up so forcefully and eloquently on topics. Regent Rael also welcomed UNM's new EVP for Health Sciences, Doug Ziedonis.

Regent Lee thanked President Stokes and Regent Rael for their kind words.

REGENTS' COMMITTEE REPORTS

APPROVAL OF CONSENT DOCKET

Regent Brown addressed the consent docket and there being no requests to remove any items for discussion, asked for a motion to approve all items on the docket.

- A. [ASAR]* Approval of Parent Association Bylaws and Name Change
- B. [F&F]* Approval of Disposition of Surplus Property for Sept/Oct.2020
- C. [F&F] Approval of Potential Advanced Refunding of UNM Series 2014A and 2014C Bonds
- D. [HSCC]* Approval of the UNM Health Sciences Center Fall 2020 Graduates
- E. [HSCC] Approval of HSC Upper Plaza Collaboration Structure
- F. [HSCC] Approval of UNM Hospital Items:
 - a. Colburn Hill - \$14,250,000
 - b. Telehealth Platform and Platform Software Support - \$2,250,000
 - c. Request for Approval of Demolition of the Former Physics & Astronomy Building (#207)
- G. [HSCC] Approval of Appointments to UNM Sandoval Regional Medical Center, Inc. Board of Directors:
 - a. Renew Appointment of Donnie Leonard
 - b. Renew Appointment of Kim Hedrick
- H. [HSCC] Approval of Appointments to the Carrie Tingley Hospital (CTH) Advisory Board:
 - a. Renew Appointment of Margaret Armstrong
 - b. Renew Appointment of Sandra Whisler
 - c. Renew Appointment of Marry Blessing
 - d. Appointment of Thomas Todd Trautwein as CTH Foundation Board Representative
- I. [HSCC] Approval of Carrie Tingley Hospital Advisory Board Bylaws

* [ASAR] Academic/Student Affairs & Research Committee; [A&C] Audit & Compliance Committee; [F&F] Finance & Facilities Committee; [HSCC] Health Sciences Center Committee

- The motion to approve the items on the consent docket passed with a unanimous vote in favor (1st Henry; 2nd Schwartz; roll call vote - all members voted yes).

AD HOC GOVERNANCE COMMITTEE

Recommendation to Revise Regents' Policies – RPM 3.3, 3.4, 3.6, 3.8, 5.3, 5.5, 5.18, 7.6, 7.8, 7.9, & 7.14

Regent Schwartz presented the item. This is a request that came from the University President, through the Office of University Counsel, to make some of the more urgent changes in the Regents' Policy Manual (RPM). The majority of the changes are a cleanup, making names and titles consistent or using proper terms. There are two substantive changes, one being the role of Regents in dealing with the EVP for Health Sciences (RPM 3.3). Right now, the EVP for Health Sciences cannot be fired without the consent of the Board of Regents, and under the new policy, the EVP for Health Sciences will be treated like any other EVP of the University. This will restore the normal hierarchy of officers in the administration at the University. The other substantive change is on dealing with settlements (RPM 7.8). The Committee made recommendation to move the threshold amount for what Regents have to approve from \$400,000 to \$1 million, and additionally that the University President would approve the settlement amounts from \$400K to \$1 million, or if they were medical malpractice settlements, the EVP for Health Sciences would approve. Since the committee met, there is a revision to the wording recommended by the University President that acknowledges that the President has authority to approve settlements entered into by the University and has the ultimate authority for making administrative decisions regarding delegating that authority. **[ATTACHMENT A]**

Regent Schwartz said he could move to adopt in one motion the committee recommendation, along with the amendment that would give the President the authority to enter into these total settlements, or he could make separate motions. Regent Brown said it was appropriate to handle the pieces as a group.

Regent Schwartz made the motion and Regent Lee seconded, adding she thought this was a great change and appreciated the thoughtfulness of ensuring that the President of the University does have the ultimate authority.

- The motion to adopt the ad hoc Governance Committee recommendation for revisions to Regents' Policies, 3.3, 3.4, 3.6, 3.8, 5.3, 5.5, 5.18, 7.6, 7.8, 7.9 and 7.14, along with the amendment to RPM 7.8 that would give the President the authority to enter into the settlements as described, passed with a unanimous vote in favor (1st Schwartz; 2nd Lee; roll call vote - all members voted yes).

Loretta Martinez, University Counsel, reminded Regent President Brown that there was an actual formal resolution regarding the policy revisions for the Regents to approve. Regent Brown asked the members if the motion made and approved indeed reflected the language of the resolution. There was agreement. **[ATTACHMENT B]**

Regent Schwartz acknowledged that Loretta Martinez and her office did the heavy lifting and an extraordinary job on this project.

ACADEMIC/STUDENT AFFAIRS AND RESEARCH COMMITTEE

Fall 2020 Degree Candidates

Student Regent Henry asked Finnie Coleman, Faculty Senate President, to present the item. Dr. Coleman presented the numbers by type of degrees along with the total of 1,982 degree candidates for approval.

- The motion to approve the Fall 2020 Degree Candidates passed with a unanimous vote in favor (1st Lee; 2nd Rael; roll call vote - all members voted yes).

Posthumous Degree for Felix Rael

Lisa Lindquist presented the posthumous degree on behalf of the family of Felix Rael. Felix Rael was a great student. He passed away very close to his graduation, having a 3.7 GPA. What is special about the request is it came from the family themselves, which doesn't always happen because sometimes they do not know that it's an option for their student. Ms. Lindquist added that the Regents' approval would be a welcome surprise for the family's holiday season.

- The motion to approve the posthumous degree for Felix Rael passed with a unanimous vote in favor (1st Begay; 2nd Schwartz; roll call vote - all members voted yes).

Form D: PhD Program in Communication Sciences and Disorders

Cathy Binger presented the item and opened with acknowledgment of all the people who worked so hard to make this happen, including her department co-chair at the time, Jessica Richardson; the current department chair, Phyllis Palmer; Barbara Rodriguez; and others. Dr. Binger discussed the profession and mentioned that the Board had already heard a little bit about it from the public commenters at the beginning of the meeting. Communication disorders have a profound effect on life; there are over 40 million Americans who have communication disorders, and as a nation, well over a billion dollars annually is spent on these populations. The field involves professionals who improve outcomes for people with a huge range of disabilities, and one of the main professions within the discipline is speech-language

pathology. Dr. Binger discussed various disorders and causes of disorders. At UNM, the undergraduate program in speech and hearing sciences is a more general degree in the field. At the Masters level, UNM provides a degree in speech-language pathology, which is a clinical degree that trains students to become nationally certified speech-language pathologists. There are tremendous workforce needs at the PhD level. In recent years there are between 23 to 30% of academic positions in the discipline that go unfilled, and with current real workforce shortages, this program can help fill the workforce needs. Dr. Binger discussed further the need for the program to help meet the growing demand for certified speech language pathologists, the committed UNM faculty in the program, and the potential to attract students from racial and ethnic minorities. She emphasized that there is no such PhD program in the state and discussed the student enrollment prospects and budget scenarios for the program. With two new tenure track faculty lines and prospective grant funding, the projection is to graduate in 5 years, 3 PhDs and 2 MS students with potential \$565K revenue for the program; with no new faculty positions added, the projection is to graduate 1 PhD student and with potential of \$222K in revenue.

- The motion to approve the PhD program in Communication Sciences and Disorders passed with a unanimous vote in favor (1st Brown; 2nd Schwartz; roll call vote - all members voted yes).

Regent Schwartz thanked Dr. Binger for presenting so clearly both the history of the program and the service that it provides to the state and to the world. He said that with such a great program as this that UNM has already, this is exactly the kind of development UNM should have in its curriculum.

Honorary Degree Candidates

(This item was discussed during closed session so that candidate(s) names could be kept confidential. Rebecca Sanchez, chair of the Honorary Degree Committee, presented the item in closed session.)

FINANCE AND FACILITIES COMMITTEE

Approval of 1st-Quarter Athletics' Enhanced Fiscal Oversight Program Report and Certification through September 30, 2020; and 1st-Quarter Information on Athletics' Report by Sport through September 30, 2020

Regent Begay asked Eddie Nunez and Nicole Dopson to present the item. Ms. Dopson opened with discussion of the 1st-quarter athletic financials through September, focusing primarily on the summary report Schedule A provided in the eBook. The schedule presents the same financials as those required for the HED's fiscal oversight report, but in a slightly different and less-detailed format. Schedule B provides financial information by sport. First quarter total revenues were \$7.1 million and of this, \$6.8 was pooled revenue. Due to the uncertainty of whether or not the fall sports would resume and have fans in attendance, the 1st-quarter revenues were accrued for based on the fiscal year 2021 budget which was developed prior to the pandemic, and adjustments to revenues in some categories will be made in the 2nd-quarter to more accurately reflect the estimated revenues, namely to the NCAA and Mountain West Conference (MWC) distribution media rights and licensing and the scholarship fund. The anticipation is for these revenue categories to be less than budget, given the pandemic and the inability to host fans in the stands. Regarding naming rights, revenues for this category were not approved and so the budget will have to be revised as no funding is anticipated at this time. Student fee revenue and state appropriations were also reduced in the revised FY21 budget. Special events and other revenues, including merchandise and facility rent are also significantly down from prior year and budget. The only source of directed revenues was football season ticket sales of \$300K.

Currently, the department is working on getting the season ticket sales to be donated in lieu of season tickets, so the hope is to continue to collect those revenues; however, they will be reflected as donations, versus tickets. Men's and women's basketball season tickets were not put on sale because of the inability to host games; other sports' tickets are pending for the same reason. The Football Game guarantees will be less than budget by about \$2 million due to not playing two major games. Overall, directed revenues will be significantly impacted and driven by the inability to host games and to limited schedules. Ms. Dopson closed with a quick review of expenses, and Eddie Nunez discussed continued efforts to control costs and mitigate financial damages, a lot of which has been greatly impacted by the pandemic.

Regent Lee said she appreciated Ms. Dopson's hard work and always enjoys her presentations as they clear and make sense. Regent Lee brought up the fact that the football team did play some games during the pandemic and received some criticism for doing so. She asked Ms. Dopson what would have happened if UNM had not played football this year with regard to the MWC and NCAA monies. Ms. Dopson said that over 80% of the MWC TV rights are associated with football games, and she discussed the dependence on self-generated funds along with the commitment to doing what's right in light of the pandemic. She discussed the number of COVID-19 tests administered for the football team and the success with having zero cases, a testament to the student athletes and the coaches for making the commitment.

Regent Lee said that with respect to the impacts from the pandemic, UNM was certainly not in a different position than any of its peers and other athletic programs. She asked AD Nunez how UNM is mitigating damages compared to its peers and compared to the hundreds of other athletics departments that are facing multimillion dollar losses. AD Nunez responded that something UNM has always prided itself on is looking at every way it can to streamline its budget, not comparing just to peers, but to other institutions across the country. He noted that the other schools are facing large deficits and experiencing heavier impacts from COVID-19 after having built up their departments over the last several years. He discussed other financial differences due to dependence on self-generated funds versus funding sources from student fees and the state.

There were other questions from Regents and discussion regarding timing of the revenue accrual and the 2nd-quarter adjustment and revised annual projections. Mr. Nunez stressed that there are still many unknowns with the spring, and so what they are doing right now is making sure they mitigate what they can and prepare for the worst case situation.

Regent Begay thanked Ms. Dopson and AD Nunez for their reports and reminded everyone that every little bit helps. She put forth ideas for ways to support UNM athletics including purchasing Lobo gear and making a donation to the Lobo Club.

- The motion to approve the 1st Quarter Enhanced Fiscal Oversight Report and Certification passed with a unanimous vote in favor (1st Brown; 2nd Lee; roll call vote - all members voted yes).

AD Nunez thanked the outgoing Regents for their support over the years.

HEALTH SCIENCES CENTER COMMITTEE

College of Nursing Proposal to Address Nursing Shortage

Regent Schwartz invited Richard Larson, Executive Vice Chancellor for HSC, and Christine Kasper, Dean of the College of Nursing (CON), to present information on the nursing

workforce shortage in New Mexico and what UNM could do to address the shortage. Dr. Larson opened the presentation with background on the Health Care Work Force Data Collection, Analysis and Policy Act, established by HB19 in 2012, and the subsequent establishment of the NM Health Workforce Committee, of which Dr. Larson is Chair. As a result of the legislation, New Mexico and UNM lead the nation in tracking the state's health care workforce. The data is collected by means of licensure board surveys, and it was also established that the licensure data be directed to the UNM Health Sciences Center for stewardship and storage and to ensure aspects of confidentiality. The Committee produces an annual report of New Mexico's licensed health professionals, it is required to evaluate workforce needs and make recommendations. Dr. Larson discussed the different types of nursing professions, including registered nurses (RN), Clinical nurse specialists (CNS), certified nurse practitioners (CNP), certified nurse midwives (CNM), and licensed practical nurses (LPN). He talked about the statewide data analysis, comparing to benchmarks and discussed hiring demand data as well as shortages from supply calculations. Dean Kasper, in her report, talked about the national nursing shortage and how New Mexico compares to other states - New Mexico has 10.1 to 12 nurses per 1,000 people. She presented the College of Nursing current enrollment numbers in its various graduate and undergraduate programs and discussed limiting factors such as facilities and getting qualified NM students. She discussed opportunities and challenges for a program expansion, opportunities including attracting out of state BSN students along with the ability to transfer HSC-CON waitlisted students to branch campuses. Some of the challenges include national faculty recruitment, identifying qualified student applicants, and funding. Dr. Kasper outlined an expansion program and what some of the requirements would look like to meet the expansion. At the close of her report, Dr. Kasper stood for questions.

Regent Brown affirmed that the reports outline a compelling need, one that has been there for some time and to which some progress has already been made. He suggested this be elevated to a UNM-wide goal, working with President Stokes along with Drs. Ziedonis and Larson, as well as Barbara Damron, because there will surely be legislative support given the widely recognized and compelling need in the communities in the state. Regent Brown communicated a strong affirmation of the Board's commitment to getting behind the effort to accelerate expansion of the program.

Regent Schwartz agreed and added there are lots of other agencies UNM is going to have to work with to solve the problem, and they will have to be partners with UNM, but UNM is the linchpin for solving the problem in New Mexico, not only because it produces so many nurses, but because it produces so much of the nursing faculty for other nursing programs in the state. UNM has the premier nursing program in the state, the graduate nursing program, and UNM has to take that role and obligation seriously. Regent Schwartz talked about the importance of figuring out how to keep UNM nursing students in the state after they graduate, because many of them leave to work in other states. He talked about the idea of free tuition for graduates who agree to stay in New Mexico to practice for a few years. This would be a return on investment for the state, and it could provide a high quality of life for the nurses as well. Regent Schwartz reiterated his support for expanding the program and for this being a top priority for the University.

Regent Begay echoed what was said and affirmed her wholehearted support.

Dr. Larson added that of all the health professions, nursing has the highest retention rate in the state; UNM retains 92% of all nurses it educates.

Doug Ziedonis thanked the Regents for their support and Dean Kasper and Dr. Larson for terrific presentations and added that having Regents' support through this process will be

vital. Dr. Ziedonis affirmed his very strong support of UNM's work in this area, stating he saw this as very important for the state of New Mexico and for the Health Sciences Center.

- Regent Lee had to leave the meeting for several minutes.

BUSINESS RELATED TO INNOVATE ABQ, INC.

Approval of HED Requirements Regarding Conveyance of Real Estate from Innovate, ABQ, Inc.

Tom Neale presented the item. This is a request for approval related to the conveyance of Innovate ABQ to the Regents. In July, the Regents approved the conveyance. Subsequent to that, it was presented to the Higher Education Department (HED) in November for approval. The HED approved it subject to the contingency that is outlined in the memo provided to the Regents. To paraphrase, the HED would like affirmation from the Regents that the property will be used for business incubation; that UNM will execute ground leases to 3rd-party partners to further develop the property going forward; and a commitment to not use state funds for this project. The rationale and pro forma that was presented to members of the legislative finance council was also made available. [ATTACHMENT C]

- The motion to affirm the contingency for the Innovate ABQ, Inc. Conveyance passed with a unanimous vote in favor (1st Begay; 2nd Schwartz; roll call vote - 5 members voted yes; Regent Lee was not present to vote).

VOTE TO RECESS THE BOARD OF REGENTS IN ORDER TO HOLD THE 'MEETING OF THE MEMBER' FOR INNOVATE ABQ, INC. (1st Begay; 2nd Schwartz; roll call vote – all 5 members present voted yes) The Board of Regents went into recess at 12:11 PM.

MEETING OF THE MEMBER – INNOVATE ABQ, INC.

Vote to Convene the Meeting of the Member (1st Begay; 2nd Schwartz; roll call vote – Regents Begay, Schwartz, Rael, Henry, and Brown voted yes)
The meeting convened at 12:12 PM.

Approval of Dissolution of the Corporation and Plan of Distribution

Tom Neale and Randall McDonald presented the item. Mr. Neale clarified that this is a response to the conveyance of Innovate ABQ to the Regents. Subsequent to that conveyance, the corporate entity will be dissolved. He asked Randy McDonald, corporate counsel to Innovate ABQ, to walk the Regents through the agreement.

Mr. McDonald explained that Innovate ABQ, a New Mexico nonprofit corporation that was formed by the Regents under the University Research Park and Economic Development Act, has the Board of Regents as the member, and the University has certain rights and powers respect to the corporation under the statutes. As explained by Mr. Neale, the assets and activities of the corporation will be transferred to the University, and as part of that process, the legal existence of Innovate will be terminated and it will be dissolved. In order to accomplish that, the Board of Directors of Innovate has adopted a resolution approving the dissolution and it approve a plan of distribution. The final approval of the dissolution and the plan of distribution rests with the University as the sole member, and as the sole member, he requested the Board of Regents approve the dissolution of Innovate ABQ and approve the plan of distribution. [ATTACHMENT D]

- The motion to approve the dissolution of the Corporation and the plan of distribution passed with a unanimous vote in favor (1st Begay; 2nd Rael; roll call vote – 5 Regents present voted yes)

Vote to adjourn (1st Henry; 2nd Schwartz; 5 Regents present voted yes)
The meeting adjourned at 12:17 PM.

Regent Rael stated she thought this is the right tactic for Innovate ABQ and for the University moving forward. She emphasized that the strategic objective under which Innovate ABQ was established, to address innovation, entrepreneurship and job creation in New Mexico, is still a very important objective for her and the University. She added that although this particular tactic has played itself out, she encouraged the President and all the stakeholders to continue on that very important mission for the University using other tactics.

Regent Brown echoed those comments and added that he thought part of the mission was not being sufficiently realized in the previous configuration, and now that the real estate aspects are being taken over by the real estate department, it will be in a much better position to concentrate on innovation, for which it was formed.

VOTE TO RECONVENE THE BOARD OF REGENTS (1st Rael; 2nd Schwartz; roll call vote – 5 members voted yes) The Board of Regents reconvened at 12:18 PM.

ADVISORS' COMMENTS

Mia Amin spoke about the SFRB (Student Fee Review Board) process and recent ASUNM activities, including Homecoming Week, campus cleanup and beautification, food drives, and efforts to come up with creative activities for students who may feel isolated due to COVID. She spoke about plans to have a presence at the NM legislative session and efforts to truly reflect the best interest of the wider student population. Ms. Amin thanked Student Regent Henry for her service over the past two years.

Kevin Malloy spoke about recent Retiree Association activities and a report published by the US Bureau of Business and Economic Research comparing the two large state retirement plans, one for public employees in state and municipal jobs, and the other for people with jobs in public education, UNM staff and most of UNM faculty included. He discussed the report findings and stated the retirement plan is a significant recruiting and retention benefit for UNM employees, and he mentioned that a bill will be presented at the upcoming legislative session to strengthen the IRB.

Nancy Shane spoke about recent Staff Council activities, including the Gerald W. May outstanding staff award recipients as well as bestowing a Hero Award to Rob Burford for his exemplary service to the Council. Dr. Shane talked about efforts to reach out and coordinate better with branch campus staff, explaining that Staff Council does not actually represent the 400 some employees, but involving them is important to ensure the Council's work is a good fit to all UNM staff.

Finnie Coleman opened his comments by offering unconditional support for the comments made by colleagues earlier in the meeting regarding unionization, and he added he is pleased with the change in the tone of the negotiations. He thanked Provost Holloway for his support in setting a good tone over the entire academic year. Dr. Coleman spoke about recent Faculty Senate activities, including developing plans for faculty governance initiatives and initiatives to support students who remain on campus during the winter break. Dr. Coleman closed with an expression of appreciation to the outgoing Regents.

Mike Silva spoke about recent Alumni Association activities, including Lobos for Legislation group activities, support and promotion of Lobo athletes and alum sports fans, hosting online watch parties for games, and continuation of the alumni podcast community connector series found on the Association's YouTube channel. The UNM Black Alumni

Chapter proudly announced the recipients of its 2020 Trailblazer awards, all of whom will be honored at the virtual Trailblazer award reception later in December. President-Elect Silva talked about chapter activities, including the Las Vegas and Albuquerque Chapters and congratulated the fall 2020 graduates – the Association is thrilled to welcome the new class of Lobos to the Alumni Pack!

Nikhil Naguru extended thanks and appreciation to Regent Henry for her amazing work as a Regent and support throughout the years. Two years ago, Melissa was GPSA Chief of Staff, and the organization benefited by her service. Mr. Naguru spoke about student family housing and the University's decision to close it; it's unfortunate to see the students losing that affordable housing for families, and GPSA has requested the close be delayed to give students a chance to find other affordable housing.

Lisa Lindquist spoke on behalf of the Parent Association and presented the Regents with the 2020 Official UNM Holiday Ornament. This year, the ornament is an artful depiction of the Scholes Hall administration building. The revenues from ornament sales support the Parent Association's Scholarship Fund.

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION (1ST Henry; 2ND Begay; roll call vote - all members voted yes). The meeting closed at 12:40 PM.

- Regent Lee rejoined the meeting.
 - A. Discussion and Action on Honorary Degree Candidate(s) – [names to be kept confidential until prospective recipients accept the degree]
 - B. Discussions, and where appropriate determination, of matters subject to attorney-client privilege pertaining to threatened or pending litigation, as permitted by Section 10-15-1(7), NMSA (1978)
 - C. Discussion of personally identifiable information about a student, as permitted by Section 10-15-1.H(4), NMSA (1978), as amended
 - D. Discussion of "limited personnel matters" as defined in and permitted by Section 10-15-1.H(2), NMSA (1978) – regarding: President Stokes' Goals/metrics

VOTE TO RE-OPEN THE MEETING AND CERTIFICATION THAT ONLY THOSE MATTERS DESCRIBED IN THE CLOSED SESSION AGENDA WERE DISCUSSED IN CLOSED SESSION, AND IF NECESSARY, FINAL ACTION WITH REGARD TO CERTAIN MATTERS WILL BE TAKEN IN OPEN SESSION

The meeting re-opened at 1:40PM.

Regent Brown certified that closed session discussions were limited to only those matters described in the closed session agenda. He announced that the Board would take action in open session regarding two matters:

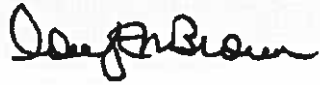
- The motion to accept the Honorary Degree candidate(s) advanced from ASAR Committee passed with a unanimous vote in favor (1ST Schwartz; 2ND Henry; roll call vote - all members voted yes).
- The motion to not accept the student appeal, dated October 12, 2020, passed with a unanimous vote in favor (1ST Henry; 2ND Schwartz; roll call vote - all members voted yes).

ADJOURN

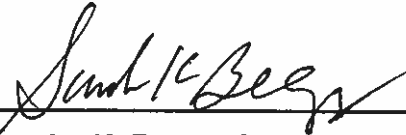
There being no further business, Regent Brown asked for a motion to adjourn: Regent Lee motioned; Regent Henry seconded; all members voted in favor; the meeting adjourned at 1:43 PM.

Approved:

Attest:



Douglas M. Brown, President



Sandra K. Begay, Secretary/Treasurer

**MEMORANDUM**

To: Board of Regents
From: Loretta Martinez, General Counsel
Date: December 4, 2020
Subject: Request for approval of revisions to Regents' Policies 3.3, 3.4, 3.6, 3.8, 5.3, 5.5, 5.18, 7.6, 7.8, 7.9, and 7.14

The UNM Regents' Policy Manual, adopted in 1996, states that periodically, the Board shall review all policies in the Regents' Policy Manual, and all policies adopted or revised since the previous review, and make any changes it deems appropriate. Any Regents' policy may be modified by a majority vote of the Board of Regents at any of its meetings. The President will submit proposed revisions along with background information to the Regents for consideration.

On August 13, 2019, an ad hoc Governance Committee of the Board of Regents was formed. Part of its charge is to review Regent policies, and this review is ongoing.

Several Regent policies pertaining to the Health Sciences Center, the personnel authority of the President, the position of Executive Vice President of Health Sciences and Chief Executive Officer for the UNM Health System (EVP & CEO HSC) and the Health Sciences Committee require timely consideration due to the HSC leadership transition beginning December 1, 2020.

On behalf of President Stokes, the following policies with attached revisions were discussed by the ad hoc Governance Committee at its meeting on November 30, 2020, and following discussion, the Committee recommended approval by the Board of Regents:

- 3.3 Appointment and Termination of Key Administrators
- 3.4 Health Sciences Center and Services
- 3.6 UNM Hospital Board of Trustees
- 3.8 Institutional HIPAA Compliance Program
- 5.3 Employment of UNM Graduates
- 5.5 Outside Employment
- 5.18 Endowed Faculty Chairs
- 7.6 University Enterprise Business Activities
- 7.8 Signature Authority for Contracts**
- 7.9 Property Management
- 7.14 Risk Management and Insurance

In summary, these policy revisions are necessary to conform Regent policies with the personnel authority of the President and the employment contract of the EVP & CEO HSC; to change references to the Chancellor for Health Sciences to EVP & CEO HSC; to change references to the HSC Board of Directors to the HSC Committee; to increase the settlement authority of the President and to otherwise make minor changes and delete obsolete references.

RPM 3.3: Revises the position titles for which the President shall inform the Board of Regents prior to appointing, dismissing, setting compensation, amending or not renewing employment contracts. Deletes the

provision that a majority of the Board must consent to and approve the dismissal of the Chancellor for Health Sciences.

RPM 3.4: Adds the College of Population Health and the UNM Clinical and Translational Sciences Center to the list of component units of the UNM Health Science Center. Adds “Comprehensive” to the title of the UNM Cancer. Changes references to “Chancellor for Health Sciences” to “Executive Vice President for Health Sciences and Chief Executive Officer for the UNM Health System.” Deletes references to the President establishing the annual goals and evaluating the EVP & CEO HSC regarding those goals “in consultation” with the Board. Requires the Executive Vice President for Health Sciences and Chief Executive Officer for the UNM Health System and the Executive Vice President for Academic Affairs and Provost to collaborate in coordinating, developing and improving educational and research programs at the HSC. Requires the Executive Vice President for Health Sciences and Chief Executive Officer for the UNM Health System to consult with the President in exercising emergency powers or issuing new policies or procedures.

RPM 3.6, 3.8, 5.3, 5.5, 5.18, 7.6: Change references to Chancellor for Health Sciences to Executive Vice President for Health Sciences and Chief Executive Officer for the UNM Health System. RPM 3.8 also deletes an obsolete linked reference to a HIPAA compliance policy for certain health plans offered by the University.

RPM 7.8: Deletes contracts “between the Chancellor for Health Sciences and the University” as a contract the Board must approve and sign. Changes references to Chancellor for Health Sciences to Executive Vice President of Health Sciences and Chief Executive Officer for the UNM Health System. Changes references to Executive Vice President for Administration to Senior Vice President for Finance & Administration. Increases authority of President to enter into financial settlements without Board approval from \$400,000 to \$1,000,000 and makes other changes regarding settlements made on behalf of UNM by the Risk Management Division, settlements involving UNM funds and regular reports to the Board regarding all settlements and judgments.

** Since the November 30, 2020 ad hoc Governance committee meeting, the President has made an additional request to change certain language relating to settlement authority procedures that Chair Schwartz has agreed to ask the Board to consider as an amendment to the committee’s previous recommendation, as follows:

The revised language recommended to the Board by the ad hoc Governance Committee on November 30 was as follows:

The University shall not agree to pay a financial settlement [paid on its behalf](#) without (1a) an appropriate risk assessment of the case, and (2b) written approval by the [Executive Vice President for Health Sciences and Chief Executive Officer for the UNM Health System for medical malpractice cases or the President for all other cases](#), ~~Provost, or the Executive Vice President for Administration, and (c) final approval by the President.~~

The President’s language substitution request is as follows:

The University shall not agree to pay a financial settlement [paid on its behalf](#) without an (a) appropriate risk assessment of the case and [adherence to internal approval procedures established by the President](#), (b) ~~written approval by the Chancellor for Health Sciences, Provost or Executive Vice President for Administration, and (c) final approval by the President.~~

RPM 7.9 and 7.14: Changes references from HSC Board of Directors to HSC Committee. RPM 7.14 also changes a reference to Chancellor for Health Sciences to Executive Vice President for Health Sciences and Chief Executive Officer for the UNM Health System and changes word “insurance” to “coverage.”



UNM

OFFICE of UNIVERSITY COUNSEL

Copies of the recommended revisions are attached in both track-changes and clean-copy versions. Should the Board of Regents approve, the changes will be made as soon as practicable and as well as conforming changes to any related University Administrative Policies.

Thank you for your consideration of this request.

ATTACHMENT B



Board of Regents

Resolution Amending Regent Policies 3.3, 3.4, 3.6, 3.8, 5.3, 5.5, 5.18, 7.6, 7.8, 7.9 and 7.14

WHEREAS, the Regents' Policy Manual provides for amendment of Regent policy stating "any Regents' policy, including the policies contained in this Regents' Policy Manual, may be modified by a majority vote of the Board of Regents at any of its meetings"; and

WHEREAS, the Manual provides that "periodically, the Board shall review all policies in the Regents' Policy Manual, and all policies adopted or revised since the previous review, and make any changes it deems appropriate"; and

WHEREAS, the Manual also provides that the President "will submit proposed policies, together with any appropriate background information and administrative recommendations, to the Board for consideration"; and

WHEREAS, per its charge and the Regents' Policy Manual, the ad hoc Governance Committee of the Board of Regents is undertaking a global review of Regent Policies for needed changes and updates; and

WHEREAS, upon recommendation of the President, the Committee has determined that certain Regent policies related to the Health Science Center (HSC) require timely revision in order to be consistent with the upcoming transition in HSC leadership on December 1, 2020; and

WHEREAS, the ad hoc Governance Committee recommended adoption of certain revisions to Regent policies at its November 30, 2020 Committee; and now

THEREFORE, BE IT RESOLVED, that Regent Policies 3.3, 3.4, 3.6, 3.8, 5.3, 5.5, 5.18, 7.6, 7.8, 7.9 and 7.14 are amended as indicated in the documents accompanying this resolution and Regent Policy 7.8 is further amended as requested by the Chair of the ad hoc Governance Committee; and

BE IT FURTHER RESOLVED that the Regents' Policy Manual and University Administrative Policies shall be updated as soon as practicable to reflect these amendments.

ADOPTED BY THE BOARD OF REGENTS on this day, DECEMBER 9TH, 2020

Attest:



Sandra K. Begay, Secretary/Treasurer



Memo

To: Teresa A. Costantinidis, Senior Vice President for Finance and Administration

From: Thomas M. Neale, Director of Real Estate TMN

Date: December 2, 2020

Re: Approval of New Mexico Higher Education Department Requirements Regarding Conveyance of Real Estate from Innovate ABQ

The conveyance of the real property interest of Innovate ABQ to the Regents of the University of New Mexico was approved in May 2020 by the Board of Directors of Innovate ABQ and by the Regents in July 2020. The conveyance was presented to the New Mexico Capital Projects Committee of the New Mexico Higher Education Department (NMED) on November 12, 2020. NMED approved the conveyance subject to the following contingency:

“Letter from UNM Board of Regents outlining how they anticipate managing this project going forward, specifically how they will utilize the current space and property as a business incubator, their intended path of enter into ground leases to further develop the property going forward, and a commitment to not use state funds for this project, all of which were outlined in this presentation.”

The Real Estate Department is requesting approval by the Board of Regents of the University of New Mexico of this contingency. Attached is the overview of conveyance of the real property interests of Innovate ABQ that was provided to NMED and was the basis of our presentation.

Memorandum

**To: Gerald M. Hoehne, HED Director of Capital Projects
Mark Valenzuela, Legislative Finance Committee
Steve Olsen, Legislative Finance Committee**

From: Thomas M. Neale, UNM Director of Real Estate

Date: September 24, 2020

**Re: Overview of Conveyance of Real Property Interests of Innovate AB to the
Regents of the University of New Mexico**

Thank you for your questions concerning the rationale, financial impact, and environmental issues concerning the proposed conveyance of the Innovate ABQ project to the Regents of the University of New Mexico. In response, we are providing the following information detailing our rationale, financial pro forma, and environmental conditions. We believe the attached information clearly demonstrates that protective arrangements that have been made to mitigate financial risks and address any subsequent negative environmental impacts.

We are confident that the interests of the University of New Mexico Board of Regents are well protected. Please let us know if you have any questions or need additional information

Rationale for the Conveyance of Real Property Interests from Innovate ABQ to the Regents of the University of New Mexico.

The former First Baptist Church was acquired by UNM Rainforest Innovations (formerly UNM.STC) in 2013 for the purpose of creating Innovate ABQ, an innovation district that would provide facilities and resources to support the entrepreneurial community to assist with technology transfer from public institutions and national laboratories within the state, the creation of new business enterprises, and support existing start-up and established companies within the State of New Mexico. The goal is to develop a highly effective support network for job creation that promotes a business environment and retention of the jobs in New Mexico.

In support of this initiative, a partnership of private and public entities was formed to guide these efforts. Innovate ABQ, a New Mexico non-profit was incorporated under the University Research and Economic Development Act and was incorporated in 2014. The 14-member Board of Directors for Innovate ABQ includes members from the private sector, governmental entities, CNM, and UNM.

The first phase of development included the UNM Lobo Rainforest Building and the CNM Ingenuity's Fuse Makerspace. The 160,000-square-foot mixed-use Lobo Rainforest Building includes 310 student housing beds on floors two through six and the ground floor houses Sandia Labs C3 Downtown, Air Force Research Labs New Mexico Tech Engagement Office, UNM Rainforest Innovations, and UNM Innovation Academy. The 15,000-square-foot Fuse Makerspace is a community center with tools that allow members to design, prototype, and create manufactured works. The projects were completed in 2017 and 2018. Both projects are in direct alignment with the goals of establishing a vibrant innovation district.

To reinvigorate the project and create operational economies of scale, the Innovate Board of Directors approved the conveyance of the real property interest to the Regents of the University of New Mexico in May 2020. The Regents accepted the conveyance in July 2020. The primary components of the conveyance include the fee interest in the seven-acre site at the northwest corner of Central Avenue and Broadway Boulevard in Downtown Albuquerque, the fee interest in the former church sanctuary and the adjoining five-story tower and education wing. The conveyance also includes the leased fee interest in the CNM Fuse Makerspace, and the long-term ground lease to Signet Enterprises, the developer of the Lobo Rainforest Building.

There is not a fee or price associated with this conveyance. Upon completion of the conveyance, the Regents of the University of New Mexico will be responsible for operational and management control of the ownership. It is the intent of the Regents to place the property under management by Lobo Development Corporation, who will have financial and management responsibility for the day-to-day operations. This activity will be supported by UNM Rainforest Innovations, the UNM Real Estate Department, and other University Institutional Support Services Departments.

The benefit of this structure will be the elimination of redundant administrative costs that will result in lower operational expenses for the project, provide property management, project development and construction management expertise, and leverage the wide range of support services available at the University of New Mexico. UNM Rainforest Innovations will take a lead role in expanding the current on-

**ATTACHMENT C Continued
(Attachment to the Minutes of the
Dec.9, 2020 Board of Regents)**

site partnerships and facilitating growth in technology transfer, new business formation, and furthering the economic development goals of private and public partners.

The operational costs associated with this conveyance will be born by Lobo Development Corporation. As new facilities are developed on the site, the net income will be used for long-term management of the project and furtherance of the goals established by Innovate ABQ.

Financial Proforma

If approved, the real property interests of Innovate ABQ will be transferred to the Regents of the University of New Mexico. The Regents will enter into an operating agreement with Lobo Development Corporation for day-to-day management of the property. The property interests to be conveyed include the fee simple interest in the undeveloped land and unimproved church buildings, an occupancy lease for the CNM Fuse makerspace, a ground lease for the building footprint supporting the Lobo Rainforest Building, and a development agreement with the Regents of the University of New Mexico that provides for parking for the improvements.

Following is a brief description of the real property interests.

Fee Simple Interest in the Undeveloped Land and Improvements: The fee simple component includes 6.2366 acres of land and the existing buildings that have not been renovated containing the former church sanctuary, adjoining five-story tower, and classroom wing containing approximately 75,000 square feet.

Leased Fee Interest in the Occupancy Agreement for CNM Ingenuity's Fuse Makerspace: On September 28, 2017, Innovate ABQ entered into a lease with CNM Ingenuity for the 13,578-square foot former gymnasium building located in the southwest corner of the Innovate ABQ site. The term of the lease is five years with an expiration date of September 28, 2022. Rent for the first three years is \$1.00 per month. After the third year, the parties will negotiate a base rental rate that will not exceed market rates for comparable properties. CNM is responsible for paying all operating expense for the term of the lease.

Leased Fee Interest in the Lobo Rainforest Ground Lease: In July 2016, Innovate ABQ entered into a ground lease agreement with Signet IABQ LLC, an Ohio limited liability company (aka Signet Enterprises). The ground lease is for the footprint of the Lobo Rainforest Building and contains 31,538 square feet. The term of the ground lease is 30 years with payments commencing on August 15, 2017 in the amount of \$2,933 per month, or \$35,196 annually. Rent increases every five years by 10% over the then current rent. Signet was the selected master developer for the site and entered into a separate master lease with the University of New Mexico for the design and construction of the Lobo Rainforest Building.

Development Agreement between Innovate ABQ and UNM: On May 15, 2017, Innovate ABQ entered into a Development Agreement with UNM. The purpose of the Development Agreement was to address parking, future extension of the ground lease for an additional 30 years, a residential use restriction, and payment of common area operating expenses. The agreement provides for 218 parking spaces at an annual cost of \$37.22 per space per month, or \$97,368 per year. The parking is for use by occupants of

**ATTACHMENT C Continued
(Attachment to the Minutes of the
Dec.9, 2020 Board of Regents)**

the Lobo Rainforest Building with 155 spaces dedicated to the student housing component and the balance used to support the office occupants on the ground floor of the building.

Revenue Projections: Revenue estimates are based on existing lease agreements, projections for future development, parking revenue, and common area expense reimbursement. Assumptions are as follows:

Rental Revenue:

- Ground rent for the Lobo Rainforest Building is projected based on the scheduled income pursuant to the ground lease agreement between Innovate ABQ and Signet.
- The lease to CNM Ingenuity for the Fuse Makerspace calls for the rent to be renegotiated after year three of the five-year lease. The rent is not to exceed market value for similar properties. The projections assume the space is leased at \$7.50 per square foot with CNM responsible for all building operating expenses, parking fees, and its proportionate share of common area expenses. The lease rate is escalated by 10% in the third year of our financial proforma.
- It is projected that the former classroom addition will be developed with the Bio Labs at Innovate ABQ. The method of development will be a ground lease for the building footprint to a third-party developer or the Lobo Development Corporation. The ground lease will be the building footprint of approximately 16,000 square feet and leased at a rate of \$1.50 per square foot per year, or \$24,000. This revenue stream is projected to commence in the third year of our proforma. The developer will be responsible for raising all capital and securing all financing for redevelopment of this portion of the building.
- The former church sanctuary and adjoining five-story tower represent the most difficult portion of the property to redevelop and timing is speculative. We have estimated that redevelopment of this portion will occur in year five. We have assumed a lease of the building footprint of approximately 32,000 square feet with a lease rate of \$1.50 per square foot per year, or \$48,000. The developer will be responsible for raising all capital and securing all financing for redevelopment of this portion of the building.

Parking Revenue: The Innovate ABQ has a total of 431 parking spaces. UNM currently pays a parking fee of \$37.22 per month per space for 218 parking spaces. It is projected that all tenants on the site will pay for parking. Parking is allocated at 40 spaces for the CNM Fusemaker space, 70 spaces for the proposed Bio Lab redevelopment project, and 103 spaces for the former church sanctuary and five-story tower. Parking revenue is modeled at \$37.22 per month per space and revenues are received as occupancy occurs.

Common Area Maintenance (CAM) Reimbursement Revenue: All buildings on the Innovate Site will be assessed CAM charges based on their proportionate share of the total building area on the site. The building owner or developer shall reimburse UNM for common area maintenance expenses including utilities, landscaping, repairs and maintenance, and security.

**ATTACHMENT C Continued
(Attachment to the Minutes of the
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Operating Expenses: Operating Expenses include common area maintenance which are reimbursed by the building owner/developer based on their proportionate share of the development. Estimates for utilities, landscaping, site maintenance and repair, and security are based on a combination of actual expenses and market data. Non-reimbursable operating expenses include real estate taxes, insurance, property management, professional services, building services, and a capital replacement reserve. UNM as a state entity is not subject to ad valorem taxes. Any taxes imposed by the assessor will likely be attributable to the leasehold interest held by the non-governmental building owners/developers and are not a project financial responsibility. Total operating expense are estimated at \$179,986 for CY 2021.

Net Operating Income: The net operating income in the first year of the project period is \$119,728 and is anticipated to decrease slightly in the second year and fourth year as operating expenses increase and no new rental revenue for those years is projected. Increases in years three and five are a result of new projects being completed which results in higher ground rent, parking, and CAM revenue.

Conclusions: The transfer of ownership to UNM will stabilize operations and have a positive financial impact. The guidance from leadership is to further economic development as envisioned from the outset with continued development of public-private partnerships to facilitate expansion of the innovation district. The approach will be to facilitate projects through the creation of long-term ground leases to the public, private, or non-profit developer. This approach provides modest returns on land value, but mitigates risk and the need for institutional capital investment.

ATTACHMENT C Continued
(Attachment to the Minutes of the
Dec.9, 2020 Board of Regents)

Innovate ABQ Proforma: Assumes Ownership Vested in the Regents of UNM and Managed by Lobo Development

	CY 2021	CY 2022	CY2023	CY2024	CY2025
Gross Income					
Rental Revenue					
Lobo Rainforest Ground Rent	\$35,196	\$35,196	\$38,716	\$38,716	\$38,716
CNM Ingenuity Fuse Makerspace Building Lease	\$101,835	\$101,835	\$112,019	\$112,019	\$112,019
Bio Labs at Innovate Ground Lease			\$24,000	\$24,000	\$24,000
Church Sanctuary and Tower Ground Rent					\$48,000
Total Rental Revenue	\$137,031	\$137,031	\$174,735	\$174,735	\$222,735
Parking Revenue					
Lobo Rainforest Ground Rent	\$97,368	\$97,368	\$97,368	\$97,368	\$97,368
CNM Ingenuity Fuse Makerspace Building Lease	\$17,866	\$17,866	\$17,866	\$17,866	\$17,866
Bio Labs at Innovate Ground Lease			\$33,600	\$33,600	\$33,600
Church Sanctuary and Tower Ground Rent					\$46,004
Total Parking Revenue	\$115,234	\$115,234	\$148,834	\$148,834	\$194,838
CAM Reimbursement					
Lobo Rainforest Ground Rent	\$43,550	\$44,421	\$45,309	\$46,216	\$47,140
CNM Ingenuity Fuse Makerspace Building Lease	\$3,900	\$3,978	\$4,058	\$4,139	\$4,221
Bio Labs at Innovate Ground Lease			\$6,763	\$6,898	\$7,036
Church Sanctuary and Tower Ground Rent					\$11,961
Total CAM Reimbursement	\$47,450	\$48,399	\$56,130	\$57,252	\$70,358
Total Effective Gross Income	\$299,715	\$300,664	\$379,699	\$380,821	\$487,931
Operating Expenses					
Common Area Maintenance (CAM)					
Site Utilities	\$10,000	\$10,200	\$10,404	\$10,612	\$10,824
Landscaping	\$5,000	\$5,100	\$5,202	\$5,306	\$5,412
Site Maintenance and Repair	\$5,000	\$5,100	\$5,202	\$5,306	\$5,412
Site Security	\$45,000	\$45,900	\$46,818	\$47,754	\$48,709
Total Common Area Maintenance	\$65,000	\$66,300	\$67,626	\$68,979	\$70,358
Non-Reimbursable Expenses					
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0
Property Management @ 5% of EGI	\$14,986	\$15,033	\$18,985	\$19,041	\$24,397
Insurance	\$25,000	\$25,500	\$26,010	\$26,530	\$27,061
Professional Services (consulting, planning, legal)	\$40,000	\$40,800	\$41,616	\$42,448	\$43,297
Interim Building Maintenance	\$10,000	\$10,200	\$10,404	\$10,612	\$10,824
Reserves for Capital Replacement	\$25,000	\$25,500	\$26,010	\$26,530	\$27,061
Total Non-Reimbursable Expenses	\$114,986	\$117,033	\$123,025	\$125,162	\$132,640
Total Operating Expenses	\$179,986	\$183,333	\$190,651	\$194,140	\$202,998
Net Operating Income	\$119,729	\$117,331	\$189,048	\$186,681	\$284,933

Source: UNM Real Estate.TMN.08.26.20

ATTACHMENT D

**CERTIFICATE OF ADOPTION
OF
DISSOLUTION RESOLUTIONS AND PLAN OF DISTRIBUTION**

I hereby certify that I am the Secretary of INNOVATE ABQ, INC., a New Mexico nonprofit research park corporation (the "Corporation"), and that the attached resolutions for the dissolution of the Corporation and the accompanying Plan of Distribution were duly approved and adopted by the board of directors of the Corporation on August 24, 2020.

IN WITNESS WHEREOF, I have signed my name as of the date set forth below.



Charles I. Wellborn, Secretary

Date: 8-24-2020

**Form of Resolutions
Dissolution of Innovate ABQ, Inc.**

RESOLVED, That the Board of Directors (the "Board") of Innovate ABQ, Inc. (the "Corporation") has determined that it is deemed advisable and in the best interests of the Corporation that the Corporation should be dissolved in accordance with the provisions of the New Mexico Nonprofit Corporation Act (the "Nonprofit Corporation Act"), §21-28-21 of the New Mexico University Research Park and Economic Development Act ("URPEDA"), and Article IX of the Articles of Incorporation of the Corporation; and it is further

RESOLVED, That the Board recommends that the Corporation be dissolved; and it is further

RESOLVED, That the Board approves and hereby adopts the attached Plan of Distribution for the dissolution and liquidation of the Corporation (the "Plan"); and it is further

RESOLVED, That the question of the dissolution and liquidation of the Corporation and approval of the Plan be submitted to a vote at a meeting of Regents of the University of New Mexico (the "University") in its capacity as the sole member of the Corporation; and it is further

RESOLVED. That upon the adoption by the University of a resolution to dissolve the Corporation and approving the Plan, the officers of the corporation be and hereby are authorized and directed to take such actions, and execute, deliver, and file such forms, instruments, applications, and documents as may be required or advisable to effect the dissolution of the Corporation under the laws of the State of New Mexico and to implement the Plan; and it is further

RESOLVED, that the following individuals are confirmed as the officers of the Corporation:

Chair and President: Carlos Perea
Secretary: Charles I. Wellborn

**PLAN OF DISTRIBUTION
OF
INNOVATE ABQ, INC.**

This Plan Distribution (the "Plan") is intended to constitute a plan of distribution under §53-8-49 of the New Mexico Nonprofit Corporation Act (the "Nonprofit Corporation Act") and §21-28-21 of the New Mexico University Research Park and Economic Development Act ("URPEDA") to accomplish the dissolution and complete liquidation of INNOVATE ABQ, INC, a New Mexico nonprofit research park corporation (the "Corporation").

1. **Approval of Plan.** This Plan is being presented for approval by the Board of Directors of the Corporation (the "Board") and the Corporation's sole member, the University of New Mexico, a New Mexico educational institution named in Article 12, Section 11 of the constitution of New Mexico (the "University"). If the Plan is adopted by the Board and the University, the Plan shall constitute the adopted Plan for the dissolution and liquidation of the Corporation.

2. **Cessation of Business Activities.** As of the time that the University adopts one or more resolutions to dissolve the Corporation and to adopt this Plan (the "Effective Time"), the Corporation shall cease to conduct its affairs except so far as may be necessary for the winding up thereof, and the Corporation shall immediately cause a notice of the proposed dissolution to be mailed to each known creditor of the Corporation, and shall proceed to collect its assets and apply and distribute them in accordance with URPEDA, the Nonprofit Corporation Act, and this Plan.

3. **Continuing Officers.** For the purpose of effecting the dissolution and liquidation of the Corporation, the Board and officers of the Corporation are authorized and directed to take all actions necessary to accomplish the dissolution and winding up of the Corporation.

4. **Dissolution Process.** From and after the Effective Time, the Corporation shall complete the following corporate actions: (a) all liabilities and obligations of the Corporation shall be paid and discharged, or adequate provision shall be made therefor; and, (b) assets held by the Corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred and conveyed in accordance with such requirements, and specifically, in accordance with URPEDA §21-28-21 and Article IX of the Corporation's Articles of Incorporation, all rights and properties of the Corporation shall pass to and be vested in the University, subject to the rights of any bondholders, lienholders, creditors or ownership interests in the Corporation.

5. **Articles of Dissolution.** When all debts, liabilities and obligations of the Corporation are paid and discharged, or adequate provision has been made therefor, and all of the remaining property and assets of the Corporation are transferred, conveyed, or distributed in accordance with the provisions of URPEDA, the Nonprofit Corporation Act, and this Plan, articles of dissolution shall be executed by the Corporation by two authorized officers and filed with the New Mexico Secretary of State in accordance with the Nonprofit Corporation Act.

6. **Survival of Remedy After Dissolution.** As provided in the Nonprofit Corporation Act, the dissolution of the Corporation shall not take away or impair any remedy available to or against the Corporation, its directors, officers or members, for any right or claim existing, or any

liability incurred, prior to the dissolution if action or other proceeding thereon is commenced within two years after the date of dissolution. Any such action or proceeding by or against the Corporation may be prosecuted or defended by the Corporation in its corporate name. The members, directors and officers shall have power to take such corporate or other action as shall be appropriate to protect such remedy, right or claim. The Board is authorized to obtain and maintain insurance as may be necessary to cover the Corporation's obligations, including but not limited to the purchase of extended reporting period or "tail" directors' and officers' insurance.

7. **Expenses of Dissolution.** In connection with and for the purposes of implementing and assuring completion of this Plan, the Corporation may, in the absolute discretion of the Board, pay or authorize the payment of any brokerage, agency, professional and other fees and expenses of persons rendering services or insurance to the Corporation in connection with the collection, sale, exchange or other disposition of the Corporation's property and assets and the implementation of this Plan.

8. **Authorization.** The Board is hereby authorized, without further action by the University to do and perform or cause the officers of the Corporation, to do and perform, any and all acts, and to make, execute, deliver or adopt any and all agreements, resolutions, conveyances, certificates and other documents of every kind that are deemed necessary, appropriate or desirable, in the absolute discretion of the Board, to implement this Plan and the transaction contemplated hereby, including, without limiting the foregoing, all filings or acts required by any state or federal law or regulation to wind up its affairs.