

**Minutes of the Special Meeting of  
The Board of Regents of the University of New Mexico  
September 10, 2020; 9:00 AM Open Session  
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; Michael Richards, Interim EVP for Health Sciences Center; Teresa Costantinidis, SVP for Finance and Administration; Loretta Martinez, Chief Legal Counsel; Assata Zerai, VP for Equity and Inclusion; Dorothy Anderson, VP HR; Sanjeev Arora, Director Project ECHO; Cheryl Willman, Director and CEO, UNM Comprehensive Cancer Center; 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

Advisors Present

Nancy Shane, President, Staff Council; Nihilshwara 'Nikhil' Reddy Naguru, President, GPSA; Muskan 'Mia' Amin, President, ASUNM

Others in Attendance

Susan Smolinske, Directory, NM Poison and Drug Information Center and Professor in the College of Pharmacy; Don Godwin, Dean of the College of Pharmacy; Heather Jarrell, Interim Chief Medical Examiner, Director of Neuropathology and Associate Professor of Pathology; Robb McLean, Professor, Dept. of Emergency Medicine and Interim President & CEO, UNMMG

CALL TO ORDER AND CONFIRMATION OF A QUORUM

Regent President Douglas M. Brown called the meeting to order at 9:05 AM and confirmed a quorum with six members attending virtually over Zoom. Regent Rob Doughty was not in attendance.

VOTE TO ADOPT THE AGENDA

**The motion to adopt the agenda passed unanimously (1<sup>st</sup> Rael; 2<sup>nd</sup> Begay; roll call vote – all members voted yes).**

APPROVAL OF MINUTES OF THE JULY 14, 2020 SPECIAL MEETING

Regent Brown asked if any member had any 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 July 14, 2020 special meeting passed unanimously (1<sup>st</sup> Begay; 2<sup>nd</sup> Lee; roll call vote - all members voted yes).**

PUBLIC COMMENT

Shaikh Ahmad, Project Lead for PNMGC (Project for NM Graduates of Color) spoke in support of new RPSP funding for the program which does not have a steady source of funding.

PNMGC has functioned for almost 18 years as a catalyst to promote inclusion and equality with a dynamic support system and peer mentoring program for students of color.

Peter Vorobieff, Professor, Department of Mechanical Engineering, spoke in support of the faculty union and the COVID-19 MOU between the union and UNM administration which will safeguard faculty and students' health and ensure there are no adverse career effects for faculty. Further down the road, the union can help with faculty retention. The School of Engineering recently lost some high-profile faculty. If the faculty union is effective in negotiating salaries more consistent with national trends, this will help faculty retention.

Lorna Joachim, Adjunct Lecturer III, Psychology Department, spoke in support of the union and adjunct professors who are part-time workers in name only. Adjunct faculty are integral to the functioning and mission of the University and even to its reputation, yet are given little support or financial security. Dr. Joachim said she looked forward to a time when adjunct professors' efforts are acknowledged and financially compensated for at realistic levels commensurate with the work required and the experience they offer.

Jerry Godbout, Asst. Professor of Chemistry, UNM Valencia, spoke in favor of the faculty union and the recent Memorandum of Understanding between UA-UNM and the administration regarding the safe restarting of campus activity for the fall semester which demonstrates the progress that can be made when both sides work together. He emphasized the University is for the students and spoke about the importance of a shared concern for the health and safety of students, and by extension the entire university community.

Kristian Simcox, Asst. Professor, Department of Fine Arts, Humanities and Social Sciences, UNM Gallup, expressed support for a fair contract and for administration and the faculty union to move forward in collaborative negotiations for the first collective bargaining agreement; also recognized the collaborative efforts that produced the joint agreement regarding faculty members' return to work in the face of challenges presented by COVID-19.

Kevin Vigneau, Professor, Department of Music, commended UNM administration and United Academics for the cooperative work over the summer and the creation of the MOU for COVID safety protocols and retirement packages, and expressed concern about cuts going forward, especially for those that could be the result of the elimination of whole programs.

#### COMMENTS FROM REGENTS

Regent Begay commended President Stokes for the University's reopening process that was put into place for the fall semester and for the cooperative approach with the faculty union supporters mentioned in the public comments.

#### PRESIDENT'S INTRODUCTORY COMMENTS

President Stokes introduced the following items on the agenda, the first pertaining to Research and Public Service Project (RPSP) Legislative Funding requests. This special meeting was needed because new RPSPs and expanded funding requests for existing RPSPs are required to be submitted to the HED every year by mid-September. These funding requests pertain to the next funding cycle, fiscal year 2021-2022. Under the state's current financial circumstances and with the anticipation of a considerable lack of funding, UNM was encouraged to submit proposals related to COVID needs. There is also recognition by many state leaders that athletic programs across the nation are facing a serious financial predicament due to season postponements and other factors also related to COVID. The subsequent agenda item on the HSC financial statements is brought forward in response to state agency request for information about the hospital project. Recognizing that it is the largest public capital project in the state of New Mexico's history, there is an ongoing review

of the financial status of the Health Sciences enterprise, and as a result, the recently available FY20 year-end financials are presented as an information item.

Regent Marron Lee commented that she appreciated the efforts that went into developing the RPSP proposals and understood the challenges around determining which requests to make during these financial times but cautioned there will be hard decision coming in the future. When added up, UNM is looking at 9% across the board cuts for many programs. She expressed concerns for making a \$4 million request during a financial crisis and questioned whether all of the projects are COVID related.

Regent Rob Schwartz requested that each of the projects be discussed and voted upon individually rather than as a group.

APPROVAL OF FY22 LEGISLATIVE FUNDING REQUESTS: NEW AND EXPANSION REQUESTS FOR RESEARCH AND PUBLIC SERVICE PROJECTS [RPSP]

Barbara Damron presented the item and opened with a review of the Legislative timeline. The 55<sup>th</sup> NM Legislature will start in January 2021 and the expansion request in this context (FY22 request) means restoring back to the FY21 RPSP funding levels, prior to the cuts that occurred during the June 2020 Legislative Special Session. At the 2<sup>nd</sup> Session of the 54<sup>th</sup> Legislature, total RPSP funding, for Main and HSC, was \$55 million. At the 1<sup>st</sup> Special Session, funding levels dropped to \$51 million. With the new and expanded requests totaling just over \$4 million, this will put the total RPSP funding request for the 55<sup>th</sup> Legislature back to the \$55 million level.

Dr. Damron discussed each of the new and expansion RPSP requests, referring to slides made available. The 2 new funding requests were for: 1) \$618,312 for the College of Education and Human Sciences' (COEHS), UNM United ECHO project, and 2) \$185,850 for the Project for New Mexico Graduates of Color (PNMGC). The 4 expansion funding requests included: 1) \$1 million for Department of Athletics; 2) \$1,592,200 (\$342,200 plus \$1,250,000 non-recurring) for UNM's Comprehensive Cancer Center; 3) \$244,888 for the NM Poison and Drug Information Center (NMPDIC); and 4) \$537,950 for the Office of the Medical Investigator (OMI).

Regent Brown addressed the UNM United ECHO project funding request and asked Dr. Sanjeev Arora, Founder and Director of Project ECHO, to speak about the efficacy of the ECHO model in the field of K-12. Dr. Arora said there are about six states in the U.S. that have adopted ECHO for Education. What makes this request particularly innovative is the K-12 teachers who participate will also get UNM credits which can be applied toward further education opportunities at UNM, and he congratulated Dr. Hansel Burley, Dean of COEHS, for the collaboration in that area. Dr. Arora discussed various funding sources for ECHO education projects among the states, including executive branch funding, DOE, and philanthropic funding. This project has the potential to put UNM squarely in the center of a mission for UNM to mentor and support teachers in New Mexico and it has huge potential as seen already in other states.

Dr. Damron presented overviews for each of the funding requests. **See ATTACHMENT A.**

There was discussion about the ECHO education project. Regent Lee asked for clarification about the model. Dr. Arora explained that it is really about enabling teachers to be better teachers. A survey of teachers found that they are extraordinarily feeling isolated and don't have access to best practices in rural areas on how to teach their students. In addition, career pathways will be opened up for teachers to advance themselves, so this is a very innovative and will be a big incentive for teachers. Regent Lee agreed that this project is COVID related

and relayed an experience where a teacher did not show up on the first day of school because she was not trained to teach via the internet, a requirement due to the COVID crisis.

Regent Kim Rael agreed on the huge need for the ECHO education project. She highlighted the great potential cost effectiveness of the program and inquired about the cost drivers and whether the pilot project could be scaled up for more participation. There was discussion about startup costs and getting the new program embedded in Main Campus' COEHS. The plan is for ultimately the cost per student teacher to go down dramatically. Regent Rael urged that the cost effectiveness element for the long-term for the program be articulated to the HED and the Legislature.

Regent Sandra Begay requested that the ECHO education proposal better clarify the project expectations, including that it is a new program on Main Campus that will partner with ECHO.

There being no further discussion, Regent Brown asked for a motion:

**The motion to approve the new RPSP request in the amount of \$618,312 for the Consolidated College of Education and Human Sciences (UNM United ECHO) project passed unanimously (1<sup>st</sup> Lee; 2<sup>nd</sup> Rael; roll call vote - all yes votes).**

There was discussion about the funding request for PNMGC.

Regent Begay said she was familiar with this program and was a little surprised it made the list given that other service units' funding such as African American, La Raza and American Indian Student Services were all held to zero. She requested that there be clarification in the program description that the funds would enhance what the program is already doing, and she requested that American Indian Student Services be added to the list of programs with which PNMGC collaborates.

There was discussion about whether the PNMGC request was COVID-related. Regent Lee questioned the relation and urged caution in approving funding when there is a lack of financial resources. Regent Brown explained why he thought the program had a direct COVID connection and a solid connection to the University's highest priorities.

Provost Holloway clarified that a more detailed write-up outlines the program's work with Native American students. Regarding funding, even though this program is long-standing, it does not have a relatively stable funding stream similar to what the other student-serving programs have, and the goal of this particular RPSP is to establish that foundation.

Student Regent Henry said this program serves many different students, including international students. She agreed that the program is COVID related as a lot of graduate student are struggling; the funding is important so students receive the support they need.

There being no further discussion, Regent Brown asked for a motion:

**The motion to approve the new RPSP request in the amount of \$185,850 for the Project for New Mexico Graduates of Color (PNMGC) passed with a vote of 5 to 1; Regents Brown, Begay, Henry, Rael, and Schwartz voted yes; Regent Lee voted no (1<sup>st</sup> Schwartz; 2<sup>nd</sup> Henry).**

There was discussion about the funding request for Athletics.

Regent Schwartz expressed concerns for seeking an additional \$1 million for Athletics and said he would change the request to an additional and urgent need of \$1 million for

academics. He expressed respect for the athletic program and acknowledged that it is well-administered but called into question whether UNM can afford to have a program of its magnitude or whether it is time to reconsider the role of athletics at UNM. Regent Schwartz talked about the urgent need for more resources for faculty salaries and other academic needs and explained that such a request would qualify as COVID-related. He emphasized the importance of sending a message about what is most important to the University.

Regent Begay commented that funding for academics would be a different discussion as part of I&G budgeting, versus RPSP funding which is a unique type of funding.

Regent Lee clarified that the Athletics request was also specifically requested by some state legislators, and she discussed how the COVID crisis has directly affected revenues for athletics. This also supports athletic students in the area of scholarships and their socio-economic needs.

Student Regent Henry commented about the many other programs on campus and asked if those needs were being communicated to legislators, and she asked why athletics was being valued over the other programs that have financial needs.

AD Nunez strongly affirmed his support for the whole mission of the University, and explained more about the situation with Athletics and how the COVID crisis has affected it. The Athletic Department's self-generated revenues, like ticket sales, were hit very hard due to the COVID crisis. For UNM, 60% of Athletics' revenues are from self-generated funding. The average in the Mountain West Conference is 40%. He talked about the student athletes, their hard work, their exemplary GPA standings and the scholarship needs.

Regent Brown voiced his support for the request. The Athletics business model is very different from that of academics, mostly due to the amount of self-generated revenue, and this created a disparate impact from a budget perspective due to the COVID crisis. Regent Brown agreed on the need for a long-term strategy and vision for a sustainable athletics program and added there is some hard work that will have to be done.

After further discussion, Regent Lee moved approval.

**The motion to approve the RPSP expansion request of \$1 million for the Department of Athletics passed with a vote of 4 to 2; Regents Brown, Begay, Lee and Rael voted yes; Regents Henry and Schwartz voted no (1<sup>st</sup> Lee; 2<sup>nd</sup> Rael).**

Regent Brown added that Athletics is an integral part of the University, and now it has good financial controls in place. He reiterated that the program has been devastated by the COVID crisis with millions of dollars of revenues gone due to cancellation of events.

There was discussion about the funding request for the Cancer Center.

Regent Lee affirmed the Cancer Center is one of UNM's crown jewels, but she questioned how the request was COVID-related.

Dr. Michael Richards agreed that this Health Sciences Center (HSC) request was not predominantly COVID-related like the 2 other HSC requests, and he explained the different set of circumstances that brought this recommendation. The Cancer Center is up for its NCI renewal and it's imperative that State support for the Cancer Center be demonstrated. As Dr. Damron mentioned, UNM's Cancer Center receives the most modest state support of any other cancer center. Although it doesn't fit specifically the COVID component, the Cancer Center has been impacted by COVID since it is a statewide program that provides

resources for all of New Mexico, regardless of one's health plan or delivery system. Dr. Cheryl Willman briefly discussed the COVID impacts. The Cancer Center kept clinics open throughout the pandemic. The center normally sees about 500 patients a day, and during the pandemic it continued to treat patients, converting 35-40% to video or telemedicine visits, and providing needed radiation and chemo treatments as well as continued outreach to communities across the state.

There being no further questions or discussion, Regent Brown asked for a motion to approve:

**The motion to approve the RPSP expansion request of \$342,200 plus \$1,250,000 in nonrecurring funds, for the UNM Comprehensive Cancer Center passed with a unanimous vote in favor (1<sup>st</sup> Lee; 2<sup>nd</sup> Rael; roll call vote - all yes votes).**

There was brief discussion about the last two HSC items, funding requests for the NM Poison and Drug Information Center (NMPDIC) and the Office of Medical Investigator (OMI). Regent Lee made the comment that these are statewide programs that are required by statute and it has always been unclear to her why funding requests had to come from UNM to support what is required under statute. Regent Lee motioned approval for each item.

**The motion to approve the RPSP expansion request of \$244,888 for the NM Poison and Drug Information Center passed with a unanimous vote in favor (1<sup>st</sup> Lee; 2<sup>nd</sup> Begay; roll call vote - all yes votes).**

**The motion to approve the RPSP expansion request of \$537,950 for the Office of Medical Investigator passed with a unanimous vote in favor (1<sup>st</sup> Lee; 2<sup>nd</sup> Schwartz; roll call vote - all yes votes).**

Regent Schwartz requested to add a motion for a vote:

Regent Schwartz motioned to add a \$1 million request of funds from the Legislature to fill the immediate and urgent need for academic support.

Regent Brown said this would be more of an I&G request and it could be taken up at the October meeting. Regent Schwartz responded that this would fit into either category, I&G or RPSPs. The funds would fill an immediate and urgent hole as a result of COVID, and this sends a message about what's important to Regents when special one-time appropriations are considered.

There was no second; the motion died on the floor.

Regent Brown thanked Regent Schwartz for his sincere and worthy interest in the whole academic program.

#### INFORMATION ITEM: UNM HSC JUNE 30, 2020 UNAUDITED/PRELIMINARY FINANCIAL STATEMENTS

Michael Richards gave an introduction. Dr. Richards talked about the HSC working with members at both the legislative and executive branches as some critical projects, predominantly the Hospital Tower project and the Cancer Center radiation project are being advanced, and this requires reporting on the financial positions. He talked about the unprecedented times with the public health emergency and the COVID response that led to disruptions in the way work was done, shutting down some services and greatly expanding others. Now the HSC is pivoting back into dealing with the rebound of volumes. Dr. Richard's talked about the current strength of Health Sciences Center's financial position, in spite of the

disruptions and challenges. Dr. Richards touched on the 18-month major operational improvement initiative for the clinical delivery system; the implementation of several new programs with the state of New Mexico, particularly around managed Medicaid; and the federal support that came in through the CARES Act. Dr. Richards noted the incredible work of the management team and providers at all levels that helped with the COVID response. He thanked the HSC community for the work and the sacrifices made to ensure that New Mexicans are getting the care that they need during this emergency. He turned the presentation over to Ava Lovell to present more details.

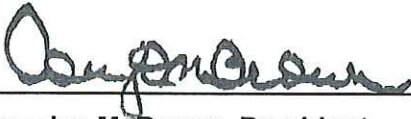
Ms. Lovell presented the fiscal year-end financial numbers, referring to slides that were provided in the eBook. Ms. Lovell focused her review on comparisons of actual revenues and expenses for this year as compared to actuals from last fiscal year. She started with a look at the Academic Enterprise -- all HSC schools, colleges, research and administration. Total revenues were \$736 million, \$62 million over last year's; total expenses were \$716 million, \$49 million over last year's, which brought net income to \$20 million, \$13 million more favorable than last year's. For UNM Hospitals, revenues were up \$137 million over last year while expenses were up \$114 million. This brought net income to \$24 million, \$23 million higher than last year. The higher revenues were largely due to an \$80 million improvement in hospital revenues attributable to the operational improvements initiative; the \$33.5 million capital appropriations for the New Hospital Tower (\$30m) and the Center for Movement Disorder (\$3.5m); and the \$20 million CARES Act funding. On the expense side, compensation was up \$18 million over last year, driven primarily by hiring contract and traveler employees. Purchases were up \$24 million, primarily due to COVID needs. The \$33.5 million funding for the committed capital projects also shows up as an expense, the funds are restricted for capital assets and moved over to the balance sheet. Ms. Lovell discussed the \$83 million new hospital tower project that recently received approval to move to the State Board of Finance. The HSC has already set aside about \$63 million for the project. Ms. Lovell briefly discussed the financials for UNM Medical Group and Sandoval Regional Medical Center (SRMC).

Regent Lee thanked Ms. Lovell for the thorough presentation that included also the Medical Group.

#### ADJOURN

There being no further business, Regent Brown asked for a motion to adjourn: Regent Begay motioned; Regent Rael seconded; all were in favor; the meeting adjourned at 10:56 AM.

**Approved:**



**Douglas M. Brown, President**

**Attest:**



Sandra Begay (Nov 16, 2020 16:26 MST)

**Sandra K. Begay, Secretary/Treasurer**