

Minutes of the Regular Meeting of
The Board of Regents of the University of New Mexico
December 13, 2022

9:00 AM Open Session-Student Union Building (SUB), Ballroom C
8:00 AM Executive Session and Executive Session-Luncheon
Cherry Silver Room, 3rd Level SUB
Open Session Livestreamed for public viewing

Members Present

Douglas M. Brown, Chair
Kim Sanchez Rael, Vice Chair
Sandra K. Begay, Secretary-Treasurer
Randy Ko
William H. Payne
Robert L. Schwartz
Jack L. Fortner (virtual attendance)

Administration Present

Garnett S. Stokes, President; James Holloway, Provost and EVP for Academic Affairs; Teresa Constantinidis, EVP for Finance and Administration; Doug Ziedonis, EVP for Health Sciences and CEO of the Health System; Loretta Martinez, General Counsel; Eric Scott, VP Student Affairs; Ellen Fisher, VP Research; Eddie Nunez, AD; Connie Beimer, VP Alumni Relations; Norma Allen, University Controller; HSC; Francie Cordova, Chief Compliance Officer; Kevin Stevenson, Asst. VP HR; Terry Babbitt, President's Chief of Staff; Cinnamon Blair, Chief University Marketing and Communications Officer; Joe Wrobel, HSC Chief Budget and Facilities Officer; deans and others

Advisors Present

Shaikh Ahmad, GPSA President; Ian May, ASUNM President; Amy Miller, Alumni Association Board President

Presenters

John Marek, M.D., Interim Chair, Department Chair of Surgery, UNM School of Medicine; Christine Kasper, Dean and Professor, Crenshaw Endowed Chair, College of Nursing; Katie Witkiewitz, Ph.D. Dir. Center on Alcohol, Substance Use, & Addictions (CASAA); Vahid Staples, Assoc. Dir., OPBA; George Williford, Hilltop Securities Inc.; Katherine McKinney, Modrall Sperling; Lisa Marbury, AVP, Institutional Support Services

CONFIRMATION OF PRIOR SPECIAL MEETINGS (Four Meetings) IN EXECUTIVE SESSION

The Board of Regents met in closed session on October 22, 2022 from 8:30 to 10:30 AM in the Letterman's Boardroom in Hodgkin Hall on Main Campus. The meeting was held in closed session under the following Open Meetings Act (NMSA 1978) exception: discussion of limited personnel matters as defined in and permitted by Sections 10-15-1H(2). The discussion matter was limited to the University President's evaluation. All Regents were present in person; General Counsel was also present. The matters discussed were limited to those specified in the notice and agenda for the meeting; there were no matters upon which official action was taken.

The Board of Regents met in closed session on November 19, 2022 from 8:40 to 10:46 AM in the Letterman's Boardroom in Hodgkin Hall on Main Campus. The meeting was held in closed session under the following Open Meetings Act (NMSA 1978) exception: discussion of limited personnel matters as defined in and permitted by Sections 10-15-1H(2). The discussion matter was limited to the University President's evaluation. All Regents were present in person; General Counsel was also present. The discussion was limited to those specified in the notice and agenda for the meeting, and there were no matters upon which official action was taken.

The Board of Regents met in closed session on December 3, 2022 from 3:00 to 4:30 PM in the Letterman's Boardroom in Hodgkin Hall on Main Campus. The meeting was held in closed session under the following Open Meetings Act (NMSA 1978) exception: discussion of limited personnel matters as defined in and permitted by Sections 10-15-1H(2). The matters discussed were limited to the University President's evaluation. Three Regents were present, in person [Randy Ko, Doug Brown, Rob Schwartz], and 4 Regents were present virtually via Zoom [Bill Payne, Sandra Begay,

Jack Fortner, Kim Rael]. General Counsel was present in person. The matter discussed was limited to those specified in the notice and agenda for the meeting, and there were no matters upon which official action was taken.

The Board of Regents met in closed session, virtually via Zoom, on December 10, 2022 from 10:00 to 11:50 AM. The meeting was held in closed session under the following Open Meetings Act (NMSA 1978) exception: discussion of limited personnel matters as defined in and permitted by Sections 10-15-1H(2). The discussion matter was limited to the University President's evaluation. All Regents were present virtually; General Counsel was also present virtually. The matter discussed was limited to those specified in the notice and agenda for the meeting, and there were no matters upon which official action was taken.

CALL TO ORDER AND CONFIRMATION OF A QUORUM

Chairman Doug Brown called the meeting to order at 8:08 AM in the Cherry Silver Room on 3rd level of the SUB. A quorum was confirmed with 7 members present; six members present, in person [Kim Rael, Sandra Begay, Randy Ko, Bill Payne, Doug Brown, Rob Schwartz] and Regent Jack Fortner attended virtually.

VOTE TO ADOPT THE FULL MEETING AGENDA

- **The motion to adopt the agenda passed unanimously (1st Begay; 2nd Ko).**

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

(1st Rael; 2nd Payne; roll call vote – all members voted yes)

The meeting closed at 8:08 AM. The doors to the Cherry Silver Room were closed.
Executive Session agenda:

- Discussion of limited personnel matters as defined in and permitted by Section 10-15-1.H(2), NMSA (1978) - regarding: President's Evaluation and Contract

VOTE TO RE-OPEN THE MEETING (1st Payne; 2nd Fortner; roll call vote; all members voted yes)

The meeting opened at 8:51 AM.

- *The Regents proceeded to SUB Ballroom C for continuation of the meeting in Open Session; Regent Fortner attended Open Session via Zoom.*

CONVENE OPEN SESSION AND CERTIFICATION OF EXECUTIVE SESSION

Regent President Doug Brown confirmed that closed session discussions were limited to personnel matters only that were described in the Executive Session Agenda. Regent Brown said that he was very pleased to announce that the Board would vote on the President's contract renewal with the key highlights of the renewal being a 5-year term (3-year initial and option for 2-year extension), a new base salary of \$550K and deferred compensation of \$100K, bringing total compensation to \$650K per year. Regent Brown added that it had been almost 30 years at UNM since a President's contract had been renewed. He asked for a motion and a second. Regent Sandra Begay motioned to approve the contract renewal with the amendments as stated; Student Regent Ko seconded. Before the final vote, the Regents provided comments.

Kim Sanchez Rael: There was a very thorough review and a lot of components went into this decision. I want to thank my colleagues on the Board for their good and hard work on this process and this outcome. I think we've done something that's very good for this university today.

Sandra Begay: It's great to be able to say, after all these years we've been able to renew a president's contract. There's actually a few of us that have been here long enough as Board of Regent members to understand what that significance is. Also understanding that it takes all of our voices to be able to come to consensus and all voices were heard. I wanted to thank both our Vice-chair and Chair for all parts of the process, and then again to General Counsel for helping us there at the very end to get to the finishing line...the review that was done in the community has proved what I knew to be true - she's doing an incredible job. I believe in her, I

trust her. The community has that trust. We really support our president and I'm proud to know her as a person.

Bill Payne: I really appreciate what President Stokes has done over the last five years and seeing the stability she's brought to the University and all the constituencies both inside and outside of the University. And one thing I really want to commend her on is her executive staff throughout the University has been exceptional, I think. It's always difficult to manage an organization with tens of thousands of employees and students and everything else, and there's always a critic here and there. But when you try to manage all of these things, well, I think the people she hired reflects on her ability as a leader and I just want to commend everybody in this room. As Regent Rael said, this was a comprehensive survey, we went out not just to the university community. It went to students, faculty, staff, deans, and outside the university, government leaders, civic leaders. And it really was a comprehensive review and the overall impression, I think, there was not a single area by any constituency that wasn't in the green somewhere which testifies to the effectiveness not only of her as a leader, but also how that's translating to the broader community in the state. So I just want to thank President Stokes for sticking with us. This has been a long process, but I think it was a thorough one and I'm certainly proud of everybody here for being a part of that and coming to this very thoughtful conclusion.

Randy Ko: Thank you, President Stokes, for your strong leadership at our university. I want to echo some of the comments here. We have really strong executive leadership at this university and it's important that that momentum continue forward. I see a president that deeply cares about students, and she's putting resources into students, engaging students, but not even just students, but our students, faculty and staff and all of our stakeholders and the State of New Mexico. And I just want to also echo the process. It was really good governance practice to have an independent, third-party to help assist the Board evaluate in this process. And I think it came down to a very thoughtful conclusion. And so, thank you everybody. Congratulations.

Rob Schwartz: I agree with my colleagues on the Board. I've only known one president as a regent and that's President Stokes. On the other hand, I've known many presidents in the 45 years I've been essentially full-time at UNM. And I am so thankful to President Stokes for what she has brought to this university...I think that we all have absolute confidence that when President Stokes makes a decision and takes an action, it is based on an appropriate, ethical analysis of the underlying issues. There is never a doubt in any of our minds, I think, that the university is taking an ethically justified decision and we are so appreciative of that. And I know from the comments I've received separately from the formal process, the comments I received from many faculty members and from staff and from students and separately from deans, that at every level there's strong support for the administration of this university. And again, I'm just so appreciative, after a half a century to see this really strong, meaningful, and transformative leadership. Thank you.

Jack Fortner: Having actually been through six UNM presidents sitting on the Board for the last 20 something years, I'm really excited to be part of this renewal of Garnett's contract. It really speaks to her leadership and speaks to her personality...and so I'm excited that we're doing this.

Doug Brown: Now comes the moment, we have a motion and a second, and we've had comments. Let us vote.

- **The motion to approve the renewal of the UNM President, Garnett S. Stokes' contract that will outline a 5-year contract, 3-year initial with option for 2-year renewal, a base salary of \$550K, and deferred compensation of \$100K per year, passed unanimously with all members present and voting (1st Begay; 2nd Ko).**

[Applause]

President Garnett S. Stokes: I thank the Board. The time I've been in New Mexico has been an incredible experience for both my husband and myself, and we're thrilled to be here and I'm looking forward to continuing the work that we started nearly five years ago. I'm looking forward to working with all of you and appreciate the support of the Board and look forward to working

with you all and continuing our work together to better this institution and to do good things for the State of New Mexico. Thank you.

LAND ACKNOWLEDGEMENT STATEMENT

Regent Brown read aloud UNM's 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 PRIOR MEETING

- **The motion to approve the minutes of the October 18, 2022 regular meeting passed unanimously with all members present and voting (1st Payne; 2nd Begay).**

PUBLIC COMMENT (no comments)

PRESIDENT'S ADMINISTRATIVE REPORT

President Stokes' opened her report with a focus on campus safety and student well-being. The community has been shaken by the recent incident of violence on campus and many questions and reactions remain about the circumstances surrounding that tragedy, including the condition of safety and security on UNM's campus. President Stokes addressed her long-time commitment to campus safety ever since she came to UNM and investments made in campus safety resources including comprehensive security camera platforms that provide invaluable information for crime investigations. During the last legislative session, UNM received state funding to develop an even better and more advanced comprehensive safety plan that will include Crime Prevention Through Environmental Design (CPTED) applications. This new project will be completed by June and will include perimeter access controls and additional video surveillance to enhance safety and security for UNM staff, faculty, and students. UNM is also pursuing additional capital and special appropriations to meet campus safety development and is working more closely with local authorities to improve crime prevention and introduce new technologies that will make campus a safer place for everyone. The President discussed campus resources that are currently in place, or being developed, implemented, or considered for implementation, including the Lobo Guardian app, LoboAlerts, Lobo Lift, building access controls, and more camera systems.

President Stokes addressed the mental health initiatives currently underway at UNM, acknowledging the Regents strong advocacy on the issue of students' mental well-being. Recognizing that it was critically important to make investments that will support improved student mental health, UNM proactively submitted a special appropriation request early in the fall with specific goals outlined. The \$2.9 million special appropriation request to the legislature would support the hiring of 6 counselors, a social worker, and 2 psychiatry postdocs, with the intent to move ahead with the plan even without the commitment of funding and continue to research models to sustain the investments. All of New Mexico's higher education institutions have decided to advocate for a \$6 million request for mental health services, with the funding provided to the HED for allocation.

Dr. Stokes highlighted leadership changes at UNM. In January, Dr. Julie Coonrod, currently the Dean of Graduate Studies, will assume the role of Interim Dean of Anderson School of Management upon the departure of the current dean, Mitzi Montoya. Provost Holloway is forming the search committee to launch a national search for a new permanent dean for Anderson. Dr. Janie Chermak, currently serving as Chair of the Department of Economics, will take on the role of interim Dean of Arts and Sciences until the next dean arrives in late summer 2023. In February, Dr. Yolanda Sanchez will start her new role as the CEO and Director of The UNM Comprehensive Cancer Center. Dr. Sanchez is an outstanding research scientist and system leader at the Dartmouth Cancer Center and will be the first Hispanic woman to lead an NCI-designated

comprehensive cancer center in the United States. UNM's School of Engineering (SOE) will get a new dean in April. Dr. Donna Riley, currently Purdue University's Kamyar Haghghi, Head of the School of Engineering Education, will fill the position held by Dr. Christos Christodoulou, who has been the SOE's dean since 2017 and will continue as a distinguished professor in the Department of Electrical and Computer Engineering. Charles B. Fleddermann, the SOE's Associate Dean for Academic Affairs and Community Engagement since 2002, will serve as interim dean until Dr. Riley's arrival.

President Stokes provided a high-level summary of the legislative priorities, bundled into 6 high-level categories: 1) recruitment and retention, 2) student services and support, workforce development, research, and public service; 3) improve student learning environments and campus safety and accessibility; 4) support current and future students – Opportunity and Lottery Scholarships and Graduate Scholar Act; 5) enhance access and availability and improve outcomes for health care statewide; and 6) promote economic development and energy efficiency. President Stokes explained how each priority aligns with one or more UNM 2040 goals and noted that UNM has developed a legislative priority brochure with a denser informational structure that is provided online by the government relations office. Administration is working with the government relations team to develop a plan to advocate for initiatives that fall within each segment and reiterated the hope for regent and constituent support and involvement for such initiatives as campus safety, scholarships, compensation, the Public Health building, and the South Campus TIDD.

President Stokes provided an update on the Opportunity Scholarship which will continue to be a high priority for the Governor's legislative agenda. Currently, UNM's Albuquerque campus has a total of 10,684 students receiving the award, many of whom are new freshmen and transfers (3,792 total) who benefit mostly by receiving coverage of 1st semester tuition and fees. Continuing students are the largest group of recipients with 6,581 receiving about \$19 million. In total, the University received \$37 million in scholarship funding for the fall semester. The current ask to the legislature is \$110 million to support continuation of the program.

President Stokes noted that since the University's mission and vision were revised during the UNM 2040 development process, Regents' approval will be sought in the new year so to formalize these and get them incorporated into policies. Securing Regents' approval is also important with regard to the ongoing accreditation process – an assurance visit that is the year-4 review of the 10-year cycle by the Higher Learning Commission site visit team will occur in April next year.

In closing, President Stokes thanked the UNM Hospital teams who continually serve the population's healthcare needs under high occupancy pressures that continue after COVID. UNM is seeing the cumulative effects of respiratory illness, seasonal flu and COVID combining to match or surpass the occupancy levels seen even during COVID, causing UNM to reactivate the Emergency Operations Center (EOC). Facilities Management and Athletics have supported efforts with things like generators and outdoor equipment where tents are utilized to expand occupancy of the emergency department. The President thanked all in the UNM community who are helping during these difficulty conditions. Upon concluding her report, the President said she'd be happy to answer any questions.

The Regents thanked President Stokes for her report.

REGENT COMMENTS

Regent Bill Payne asked if the comprehensive campus safety review would look at entrances and exits to campus. President Stokes responded that yes, a special request has been made to study blocking and or limiting the number of entrances to campus during certain hours.

Regent Sandra Begay commended President Stokes on her report of UNM's impressive new leadership lineup, adding that this will be the first time the SOE will have a woman dean!

Regent Rob Schwartz thanked President Stokes for her commitment to the student mental health initiative, and he requested to be kept informed about the number of hires that have been made

for the Student Health and Counseling (SHAC) and to have a briefing meeting regarding telehealth. President Stokes confirmed she would follow up.

Regents Kim Rael, Begay and Student Regent Randy Ko commented about the horrible tragedy that occurred on campus on November 19. They talked about great grief the UNM community has gone through and thanked the many departments that have provided support through the aftermath, including the LoboRespect, African American Student Services, SHAC, and UNM Hospital Department of Psychiatry. Regent Ko said that violence has no place on campus, and he requested a moment of silence as a gesture of respect in mourning the tragedy that occurred on campus on November 19th.

REGENTS COMMITTEE REPORTS

Approval of Consent Docket

1. Form C - Certificate in Community Health [UNM-Gallup]
2. Form C - Certificate in Hotel, Restaurant, and Tourism Customer Service [UNM-Gallup]
3. Form C – Certificate in Business Principles [UNM-Gallup]
4. Form C - Certificate in Office Specialist [UNM-Gallup]
5. Form C - Master of Science in Anesthesia Science (New)
6. Creation of the endowed professorship, the “William D. Grasse Endowed Chair in Finance”
7. Creation of the endowed professorship, the “William E. Baker Endowed Professorship”
8. UNM Gallup Staff Council Constitution and By-laws
9. NM Higher Education Department, Institutional Finance Division-Required, 1Q Financial Actions Report and Certification through Sept. 30, 2022 (FY23 1Q Consolidated Financial Report included as information)
10. Athletics’ 1Q Enhanced Fiscal Oversight Program Report and Certification through Sept. 30, 2022 (FY23 1Q Athletics’ report by sport included as information)
11. Construction Project Approvals:
 - a) UNM Gallup Career and Technical Education Renovation, \$6,405,300
 - b) Electrical Infrastructure Upgrades, \$2,000,000
 - c) Demolition of Buildings #159, 175, & 175A, \$650,000
12. Approval of Defeasance of a Portion of the UNM-Valencia District’s Outstanding General Obligation (Limited Tax) Bonds, Series 2018
13. Creation of, the “Peter A. Winograd Quasi Endowed Clinical Professorship”
14. Appointment of UNMMG Directors:
 - Christopher D. Arndt, MD
 - Elizabeth C. Lawrence, MD, PAG Chair-Elect
 - James Chodosh, MD, MPH
15. Appointment of SRMC Directors:
 - Patricia M. Finn, MD
 - Hon. Louis P. McDonald
 - Donnie Leonard
 - Michael Richards, MD
 - Douglas Ziedonis, MD
 - Kim Hedrick
 - Eric Lujan
16. Approval of Lease—5400 Gibson Blvd SE, Suite 2B-200, Gateway Center at the Gibson Health Hub
17. Approval of Real Property Donation – Vacant Office Building, 1613 University Blvd. NE

*Docket Note: Numbers 1-8 moved from Student Success, Teaching and Research [SSTAR] Committee; Numbers 9-12 moved from Finance & Facilities [F&F] Committee; Numbers 13-17 moved from Health Sciences Center Committee [HSCC]

- **The motion to approve the consent docket passed unanimously (1st Rael; 2nd Payne).**

STUDENT SUCCESS, TEACHING AND RESEARCH COMMITTEE [SSTAR]

Approval of 2022 Degree Candidates – Summer Candidates and Fall Candidates

Criss Elder, Faculty Senate President-Elect, presented the item. There are a total of 902 summer degree candidates and 1,793 fall degree candidates for approval.

- **The motion to approve the Summer and Fall degree candidates passed unanimously (1st Begay; 2nd Schwartz).**

Naming and Appointment for Approval: Creation of the endowed professorship, the "Fred S. Herzon Endowed Professorship in Surgery" and Appointment of Garth Olson, M.D., as the inaugural holder of, the "Fred S. Herzon Endowed Professorship in Surgery"

Patricia Finn, Dean of the School of Medicine, introduced the item and spoke about the importance of endowed professorships. John Marek, the Department of Surgery's Interim Chair, presented the item. This endowed professorship was created in honor of Dr. Herzon. Dr. Fred S. Herzon joined the UNM faculty in 1971 after receiving his MD from University of Illinois and completing his residency and fellowship at Northwestern University in 1971. For more than 30 years, Dr. Herzon provided leadership to the division of otolaryngology while also performing outstanding care to all New Mexicans. Since 1971, the Division of Otolaryngology has grown from 2 faculty members to now 16 faculty. Dr. Herzon established the Otolaryngology Residency program in 1990 which has grown to a total of 10 residents. Although no longer clinically active, Dr. Herzon continues to provide mentorship and education to residents and faculty. Dr. Marek introduced Dr. Olson, a native of Albuquerque who joined UNM's Division of Otolaryngology in 2001. During his over 20 years of service at UNM, Dr. Olson has pioneered new techniques and brought resources and expertise in many areas of thyroid/parathyroid and head and neck oncology while also performing outstanding care to the population of New Mexico. Dr. Olson also spoke, expressing gratitude for the appointment.

The Regents congratulated Dr. Olson and expressed appreciation for the endowment.

- **The motion to approve the creation of the endowed professorship the, "Fred S. Herzon Endowed Professorship in Surgery" and the appointment of Dr. Olson as the inaugural holder of the professorship passed with a unanimous vote (1st Schwartz; 2nd Ko).**

Naming and Appointment for Approval: Creation of the endowed professorship, the "Terry and Alyce J. Richardson Professorship in Nursing" and Appointment of Katherine Zychowski, Ph.D., as the inaugural holder of, the "Terry and Alyce J. Richardson Professorship in Nursing"

Christine Kasper, Dean of the College of Nursing (CON), presented the item. Ms. Alyce J. Richardson received a bachelor's degree in University Studies from UNM in 2002, and Mr. Terry D. Richardson is a 1972 alumnus of NMSU with a bachelor's degree in Electrical Engineering and of the University of Southern California with a master's degree in Operations Research. The Richardsons have been avid supporters of nursing education at UNM since 2015, giving gifts to provide student scholarships, including incentive scholarships to encourage undergraduate students to continue to a graduate degree in nursing directly from their undergraduate programs. Dean Kasper introduced Dr. Zychowski, assistant professor in the CON, who is currently also a part of a larger cohort of scholars at UNM working on various aspects of health detriments caused by legacy uranium mining in Native American communities. Dr. Zychowski is passionate about public health research that impacts underserved populations, more specifically, research that will drive changes in policy and promote healthy communities. Dr. Zychowski was awarded an NIH/NIEHS K99 'Pathway to Independence' career development award in 2018. Dr. Zychowski spoke and said it is a privilege to hold this professorship, adding that she will use this endowment to support research and teaching.

Regent Rael congratulated Dr. Zychowski and thanked the Richardsons for their generous support.

- **The motion to approve the creation of the endowed professorship the, "Terry and Alyce J. Richardson Professorship in Nursing", and the appointment of Dr. Zychowski as the inaugural holder of the professorship, passed with a unanimous vote (1st Begay; 2nd Schwartz).**

Appointment of Sharon Lynn Ruyak, Ph.D., RN, CNM, as the next holder of the, "Leah L. Albers Professorship in Midwifery"

Christine Kasper, Dean of the College of Nursing, presented the item. Dr. Ruyak is an assistant professor in the CON, teaching in the undergraduate and graduate nursing programs, and also practicing as a registered nurse and certified nurse-midwife in a variety of maternal-child health settings. Dr. Ruyak's research focusses on the biobehavioral mechanisms of adverse pregnancy and infant outcomes, especially in disadvantaged populations including mothers and infants

affected by substance use disorders. Dean Kasper discussed some of Dr. Ruyak's research. Dr. Ruyak would assume the professorship on January 1, 2023, upon the retirement of Amy J. Levi who is the current holder of the Albers Professorship and has done an outstanding job of advancing the profession of Midwifery during her time holding the Professorship. Dean Kasper introduced Dr. Ruyak who expressed gratitude for the appointment and thanked Dr. Albers for her support through the years, adding that she hopes to live up to her example.

The Regents congratulated Dr. Ruyak. Regent Schwartz added that this appointment was also unanimously approved at the December 6 HSC Committee meeting. Both President Stokes and Regent Schwartz thanked Dean Kasper for her leadership at UNM over the last 4 years as Dean of the College of Nursing.

- **The motion to approve the appointment of Dr. Ruyak as the next holder of the, "Leah L. Albers Professorship in Midwifery", passed with a unanimous vote (1st Schwartz; 2nd Begay).**

Grand Challenges Update - Substance Use Disorders (information item)

Katie Witkiewitz, Ph.D., Director of the Center on Alcohol, Substance Use, & Addictions (CASAA), presented the item and referred to slides that were provided in the eBook. New Mexico ranks as No.1 in the U.S. for alcohol mortality, and 1 in 3 New Mexicans who die under age 50, die of alcohol related causes. Over 65% of individuals with substance use disorder (SUD) in NM need but do not receive treatment. There is a critical need for substance use treatment services, and also a severe shortage of providers with almost 52% of providers over the age of 55. Dr. Witkiewitz touched on research ideas to address alcohol mortality and explained that UNM's SUD Grand Challenge is inter-disciplinary, involving a strategic, coordinated and integrated approach across multiple systems to address and research these issues. Some examples include: UNM IMPOWR Center focused on opioid use disorder and chronic pain; Project ECHO focused on alcohol and mental health; opioid safety interventions and evaluation of naloxone law; recreational cannabis study; and training of rural behavioral health treatment providers. There is also a focus in training the next generation of researchers and providers with the SUD Grand Challenge Student Scholars program supporting 9 graduate students focused on SUD research in NM, and to address the shortage of NM providers in behavioral health, plans to develop a Master's program to train behavioral health providers in SUD and mental health treatment.

Regent Begay thanked Dr. Witkiewitz for her presentation and for the proactive work of the SUD Grand Challenge team, acknowledging the importance of addressing these critical areas of need.

Regent Rael congratulated Dr. Witkiewitz on her leadership on this project, adding that this is a model program and reiterating that UNM can be a global leader in this area.

AUDIT AND COMPLIANCE COMMITTEE

Meeting Summary Report for the October 21, 2022 Committee Meeting

Regent Brown briefly discussed the meeting's agenda. There was presentation and approval of FY22 External Financial Statement Audit, and the External Auditors are waiting on the Office of the State Auditor for comments to the financial statement report to finalize it. The final FY22 financial statement audit will be presented during the February BOR meeting. Additionally, in Committee, there was presentation and approval of the annual Audit of University President Travel, Entertainment and Other Expenses - there were no findings in that audit.

FINANCE AND FACILITIES COMMITTEE

Approval of Authorizing Resolution System Improvement Revenue Bonds UNM Series 2023

Vahid Staples presented the item. Financial advisor, George Williford of Hilltop Securities Inc. presented the major financial data. The University has had several successful legislative campaigns for capital outlay funds to support facilities renewal, modernization and expansion efforts. In some cases, for capital projects to be successful, a combination of State and University funds are required to successfully move the projects forward. In addition to those, there are many projects, where the opportunity to secure State funds is unlikely. Due to recent voter passage of State 2022 General Obligation Bond (GOB) and the subsequent need for matching funds, as well as the need for other projects, the University is poised to move forward with another Institutional

Bond Issuance. As is the case with any bond issue the University undertakes, the specified capital projects, and their relevance in moving the University's strategic mission forward, must justify the issuance of debt. Originally the issuance had been envisioned as one large bond issue but currently there is still work that remains on developing the projects related to Parking Structures and a Data Center, and as such Administration advises the issuance be split into two issues. Each would follow an approval schedule with the sale of bonds occurring in approximately March 2023 and 2024, respectively. The first bond issue, the UNM Series 2023 Bond Issue – Improvement Revenue Bonds, would fund the following 5 projects:

Center for Collaborative Arts and Technology	\$20 million
Welcome Center	\$ 3 million
Housing Improvements	\$20 million
Duck Pond Water and Ecological Improvements	\$ 4 million
UNM Police Department Building	\$ 9 million

The second proposed issue, the UNM Series 2024 Bond Issue – Improvement Revenue Bonds, would fund the following two projects:

Parking Structures	\$60 million
Data Center	\$ 9 million

An analysis of required debt service from the University's Financial Advisor, Hilltop Securities Company, estimates annual debt service with a surety policy or debt service reserve fund to be \$3.62 million, if Surety is obtained, and \$3.80 million if Surety is unavailable and a Debt Service Reserve Fund will be used. Assuming a bond issuance of \$56 million, an assumed interest rate of 4.74%, a 3-year average (FY19 to FY21) of net adjusted revenues of \$366 million to fund the debt service, reveals a minimum coverage ratio of 9.45. In consultation with Hilltop Securities, it is believed that this debt coverage ratio will be viewed positively by the University's rating agencies, Moody's and Standard & Poor's, and the University will be in a position to maintain its Aa3 and AA- ratings, respectively.

An analysis of proposed projects reveals that student fees would need to be increased to fund a significant portion of the debt service for the UNM Series 2023 bond issue; however, several questions remain that will directly affect the ultimate size of the student fee increase, namely 1) surety policy vs a debt service reserve fund, and 2) taxable vs tax exempt financing. The student fee scenarios for full time undergraduate and graduate, assuming a debt service reserve fund, would need to be an increase for FY24 by \$184.65 and \$166.43, per year, respectively for undergraduate and graduate students. Assuming Regents' approval, bonds would be sold in February or March 2023.

See **Attachment A** for Project Details, Debt Service Projection Details, Student Fee Analysis, and Timeline.

Mr. Staples clarified that the resolution delegates pricing authority to the University President and EVP, because of fluctuations in the market, and the final results of the pricing would be brought back to the Regents.

Regent Begay asked for a motion to approve the resolution and a second, before there was discussion; Regent Payne motioned approval of the resolution; Regent Schwartz seconded the motion. There was discussion.

Regent Rael inquired about the estimated student fee increase that was displayed on Attachment V as being a 1.83% and 1.70% increase to tuition and fees for undergraduates and graduates, respectively, and she asked what the percentage increase would be to just fees. Regent Rael clarified that she wanted to know what would be communicated to students with regard to just their fee increase for these bonds. Mr. Staples responded it would be approximately a 11.3% fee increase. Regent Rael asked if by approving the resolution it was a defacto approval of a student fee increase, and what would that process be. Mr. Staples explained that this would come forward to Regents as part of the overall tuition and fee package and that there may be other increases that would come along during that same [April] timeframe. Regent Rael clarified that these were

clearly very important projects, but she asked if administration looked into financing options other than student fees to fund these wonderful projects. EVP Costantinidis responded that the projects were selected items that had not gotten funding through other mechanisms, because they were either an auxiliary enterprise activity or they were other items that have been a priority – in many of the cases, UNM has tried to get funding already, but was unsuccessful. EVP Costantinidis asked Mr. Staples to talk about the communications that had taken place with students to inform them about these increases. Mr. Staples asked Lisa Marbury, AVP for Institutional Support Services to address UNM's efforts. Ms. Marbury said they had spoken to the student leadership, ASUNM and GPSA presidents, who also hosted an open forum on November 18 when the project information and fee increases were presented. Ms. Marbury noted that the students expressed support of these projects.

Regent Begay noted that this was a similar situation to the time around 2005 when projects that were not getting attention from the state or other funding mechanisms, and the bonds ended up being funded from student fees, adding that there is a precedence for this.

Provost Holloway asked for clarification as to which projects were being slated to be funded with student fees, and he also inquired clarification of the timing since the full tuition and fee package would be approved after the bond pricing. Mr. Staples, referring to Attachment I, noted that for the UNM Series 2023 bonds, all of the projects except for the student housing improvements (\$20 million) were slated to be funded by student fees, that is, \$36 million of the \$56 million total. Mr. Staples agreed that by approving the bond resolution, it would be a defacto approval of student fee increases that would be presented to Regents in April during the FY24 budget proposal.

Regent Schwartz said the projects were highly worthwhile, that some stream of funds has to pay for them whether it was student fees, the projects pay for themselves through revenues, or by some other means of funding, another revenue stream perhaps down the road. Regent Schwartz confirmed that he was in favor of issuance of the bonds for these important projects.

Regent Begay clarified that a revenue stream to pay off the bonds needs to be identified ahead of time and that student fees is the funding mechanism that has been identified. She added that certainly future funding mechanisms may become available in the future.

Regent Schwartz asked if student fees were committed in a legal sense. Mr. Staples responded in the affirmative.

Regent Rael inquired about the structure of the Opportunity Scholarship as covering tuition and fees and whether this had an effect on the Opportunity Scholarship funding on the macro level, and if conversations with HED had taken place. EVP Costantinidis clarified that the Opportunity Scholarship language does not allow it to be used for fees for construction, so this would not have an impact on the use of the Opportunity Scholarship to support students.

Student Regent Ko inquired if there were other bond service debt still outstanding that was being paid by student fees. Mr. Staples responded that there were currently 6 bond issuances being supported by student fee revenue at about \$19 million annually, adding that debt service on a given issuance goes down through time in the out years. Regent Ko asked if the tuition and fee increase stated on Attachment V would be prorated for students taking less than 15 credit hours (12 cr-hrs for grad students). Mr. Staples confirmed that the increase would be prorated on a credit hour basis, so for a one credit hour, a \$6.15 fee increase for undergraduates, \$6.93 for graduate students per credit hour. Provost Holloway added that the 15-hour block would hit the maximum, so no increase from there.

Regent Payne inquired if the University has a bond capacity upper limit. Mr. Staples responded that UNM does not have a revenue source like a mil levy that CNM would have as a potential revenue stream, so UNM has to go out and identify another revenue source. Typically, for the projects that are auxiliaries like housing and parking, they can generate their own revenues to pay off debt service. Mr. Staples clarified that when UNM goes out with a bond issuance, it has to specify to the rating agencies the source of the revenue to pay that debt.

- **The motion to approve the Authorizing Resolution System Improvement Revenue Bonds UNM Series 2023 as presented passed with a vote of 6-1; Regents Begay, Ko, Schwartz, Fortner, Brown and Payne voted in favor; Regent Rael voted against (1st Payne; 2nd Schwartz).**

Regents' Endowment Overview

(this item was not presented; the materials that were presented in F&F Committee were included for information only)

Informational Written Report on Purchases in Excess of \$5 million, as required by Regents' Policy Manual [RPM] 7.4. "Purchasing"

(this item was not presented; the materials were included for information only)

ADVISORS' COMMENTS

Amy Miller, Alumni Association Board President, discussed recent Association activities, including the Past Presidents' Dinner and a Lobo Living Room 10th Anniversary; a Lobo Legislator Reception and Pizza with Professionals at the College of Pharmacy; the Association also organizes the annual Veteran's Day Remembrance at the Alumni Chapel every year on Veteran's Day.

Ian May, ASUNM President, congratulated President Stokes on her contract renewal and added he looked forward to seeing the fruition of important initiatives started under the President; he said that he was glad that student mental health is still a priority.

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION (Roll Call Vote)

Regent Payne motioned to close the meeting; Regent Rael seconded; all Regents voted in favor to close the meeting. The meeting closed at 11:23 AM; the Regents proceeded to the Cherry Silver Room, on 3rd Floor of the SUB. Regent Fortner joined the closed session via Zoom. Following are the open meetings act exceptions stated for the closed session:

- Discussion of limited personnel matters as defined in and permitted by Section 10-15-1.H(2), NMSA (1978) - regarding: President's Evaluation
- Discussions subject to attorney-client privilege pertaining to threatened or pending litigation as permitted by Section 10-15-1.H(7), NMSA (1978);
- Discussion of the purchase, acquisition or disposal of real property by the public body, as permitted by Section 10-15-1.H(8), NMSA (1978);
- Discussions of bargaining strategy preliminary to collective bargaining and collective bargaining between a policymaking body and an employee bargaining unit, as permitted by Section 10-15-1.H(5), NMSA (1978)

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

The meeting re-opened at 1:32 PM; the doors to the Cherry Silver Room were opened. Regent Brown certified the closed session discussion was limited to the matters described in the Executive Session agenda, and he confirmed there was personnel matter on which the Board would take action regarding the Regents' Presidential Evaluation and the President's FY22 compensation adjustment:

- **The motion to approve an FY22 performance incentive in the amount of \$32K, and a 3% compensation increase to the President's base salary, effective (backdated to) April 1, 2022, and a 4% increase to the President's base salary, effective (backdated to) July 1, 2022 through December 12, 2022, passed with a unanimous vote in favor (1st Begay; 2nd Payne).**

ADJOURN

There being no further business, Regent Brown asked for a motion to adjourn the meeting; Regent Begay motioned; Regent Payne seconded; all were in favor; the meeting adjourned at 1:34 PM.

Approved:

Attest:



Douglas M. Brown, Chair

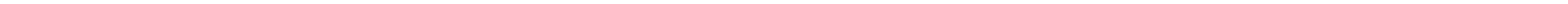


Sandra K. Begay, Secretary/Treasurer



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Prospective 2023 Bond Issuance



Attachment I: Project Budgets and Funding Sources

	Potential UNM Bonds		2022 State GOB Appropriation Voter Approved	Previous Appropriation	Estimated Project Total
	UNM Series 2023	UNM Series 2024			
Center for Collaborative Arts and Technology	\$20,000,000	\$0	\$45,000,000	\$0	\$65,000,000
Welcome Center	\$3,000,000	\$0	\$0	\$6,800,000	\$9,800,000
Housing Improvements	\$20,000,000	\$0	\$0	\$0	\$20,000,000
Duck Pond Water and Ecological Improvements	\$4,000,000	\$0	\$0	\$0	\$4,000,000
UNM Police Department Building	\$9,000,000	\$0	\$0	\$0	\$9,000,000
Parking Structures	\$0	\$60,000,000	\$0	\$0	\$60,000,000
Data Center	\$0	\$9,000,000	\$0	\$0	\$9,000,000
Total	\$56,000,000	\$69,000,000	\$45,000,000	\$6,800,000	\$176,800,000

Attachment II: Project Description

Center for Collaborative Art and Technology

The new Center for Collaborative Art and Technology building will provide the College of Fine Arts(CFA) with multi-use classrooms and lab areas; lecture halls ; seminar rooms; rehearsal space; performance space; studio space; gallery space; student gathering space. Currently the College Fine Arts is spread out in 13 facilities across campus with dilapidated, outdated infrastructure. Facilities are inadequate in size and need safety and technology upgrades. The interdisciplinary complex will serve all CFA students and departments in one state-of-the-art facility.

Welcome Center

The project will renovate and add square footage to UNM Building 151, which is a Tier 1 Historic Structure. The project will transform the building into a Welcome Center for the University. The Welcome Center will help bolster recruitment efforts and will have interactive technologies, UNM branding elements, specialized audio-visual equipment, specialized projection screens, UNM themed exhibits, and gathering spaces suitable for groups of prospective students and families.

Housing Improvements

Portions of UNM's Student Housing portfolio are in need of immediate repairs. The project will address both exterior and interior renewal and well as certain mechanical and electrical systems and items like restrooms, ADA modifications, a fire safety system, and new flooring.

Attachment II: Project Description

Duck Pond Water and Ecological Improvements

Located at the center of the UNM campus, the Duck Pond is a landmark and a destination for many in our broader community. There are multiple deteriorating conditions associated with this area of campus that have exceeded their practical life spans. On-going functional failures impede access, increase maintenance costs, and generate environmental and ecological concerns. The project will also enhance the campus life experience and integrate with other site features which connect buildings and meeting places within the campus fabric.

Police Department

The project will construct a new Police Department facility. The existing facility does not provide a very public presence, provides inadequate space and is functionally obsolete, which limits the Police Department's ability to provide important safety, security, and policing to the UNM community. The UNM Police Department is a steward and leader in campus safety, security, and community outreach; their facility needs to support its important role.

Parking Structures

The project will provide multiple parking structures at the University. The parking system serving UNM's Albuquerque campuses is experiencing changes that have and will continue to reduce the overall available surface parking supply. These surface parking reductions will affect faculty, staff, students, and visitors. In turn, new structured parking is needed.

Data Center

The project would build a Shared Data Center at the University. There are currently critical electrical issues with the enterprise data center run by UNM Information Technologies. The modular data center would be built to be expandable to meet future Data Center (DC) needs.

Attachment III: Projected Debt Service by Project & Aggregate

**University of New Mexico
Prospective 2023 Issuance**

Project Proceeds	Surety or Debt Service Reserve Fund	Amount of Debt Service Reserve Fund	Maximum Annual Debt Service *	Total Individual Revenue Supported Debt Service
<u>Housing</u>				
\$ 20,000,000	Surety	\$ -	\$ 1,296,431	\$ 2,297,503
\$ 20,000,000	DSRF	\$ 1,361,500	\$ 1,361,500	\$ 2,361,528
<u>Student Fee</u>				
\$ 36,000,000	Surety	\$ -	\$ 2,323,217	\$ 19,776,976
\$ 36,000,000	DSRF	\$ 2,441,250	\$ 2,441,250	\$ 19,900,226

* Assumed Effective Interest Rate TIC - 4.74%. All new issues structured with level annual debt service

Project Proceeds	Surety or Debt Service Reserve Fund	Amount of Debt Service Reserve Fund	Maximum Annual Debt Service *	Total System Revenue Debt Service
<u>Aggregate</u>				
\$ 56,000,000	Surety	\$ -	\$ 3,619,647	\$ 38,641,455
\$ 56,000,000	DSRF	\$ 3,802,750	\$ 3,802,750	\$ 38,830,705

* Assumed Effective Interest Rate TIC - 4.74%. All new issues structured with level annual debt service

Attachment IV: Debt Service and Coverage Ratio Analysis

	A	B	C			D	E	F			G	H	I
Projected Debt Service Series 2023 \$56,000,000 Construction Proceeds Assumed Interest Rate: 4.74% TIC			With Surety for DSRF					With Funded DSRF					
	FYE	Existing Debt Service	Series 2023 Net Debt Service ⁽¹⁾	Aggregate Debt Service (B+C)	Coverage by Net Adj. Revenues ⁽²⁾ \$366,714,000			Series 2023 Net Debt Service ⁽¹⁾	Aggregate Debt Service (B+F)	Coverage by Net Adj. Revenues ⁽²⁾ \$366,714,000			
2023		\$ 35,426,244	\$ -	35,426,244	10.35		\$ -	35,426,244	10.35			2023	
2024		34,978,354	3,619,647	38,598,001	9.50		3,800,372	38,778,726	9.46			2024	
2025		35,026,690	3,614,750	38,641,440	9.49		3,799,000	38,825,690	9.45			2025	
2026		35,030,705	3,610,750	38,641,455	9.49		3,800,000	38,830,705	9.44			2026	
2027		29,061,135	3,609,750	32,670,885	11.22		3,793,750	32,854,885	11.16			2027	
2028		29,059,491	3,611,500	32,670,991	11.22		3,800,500	32,859,991	11.16			2028	
2029		29,058,669	3,610,750	32,669,419	11.22		3,794,500	32,853,169	11.16			2029	
2030		27,999,180	3,612,500	31,611,680	11.60		3,796,250	31,795,430	11.53			2030	
2031		23,497,405	3,611,500	27,108,905	13.53		3,795,250	27,292,655	13.44			2031	
2032		23,492,218	3,612,750	27,104,968	13.53		3,796,500	27,288,718	13.44			2032	
2033		21,564,681	3,616,000	25,180,681	14.56		3,799,750	25,364,431	14.46			2033	
2034		21,848,170	3,611,000	25,459,170	14.40		3,799,750	25,647,920	14.30			2034	
2035		19,979,897	3,613,000	23,592,897	15.54		3,796,500	23,776,397	15.42			2035	
2036		14,012,750	3,611,500	17,624,250	20.81		3,800,000	17,812,750	20.59			2036	
2037		5,611,900	3,611,500	9,223,400	39.76		3,799,750	9,411,650	38.96			2037	
2038		5,610,275	3,612,750	9,223,025	39.76		3,800,750	9,411,025	38.97			2038	
2039		5,615,850	3,610,000	9,225,850	39.75		3,792,750	9,408,600	38.98			2039	
2040		5,613,700	3,613,250	9,226,950	39.74		3,801,000	9,414,700	38.95			2040	
2041		5,613,900	3,612,000	9,225,900	39.75		3,794,500	9,408,400	38.98			2041	
2042		5,616,000	3,611,250	9,227,250	39.74		3,798,750	9,414,750	38.95			2042	
2043		5,614,550	3,610,750	9,225,300	39.75		3,798,000	9,412,550	38.96			2043	
2044		5,614,300	3,615,250	9,229,550	39.73		3,797,250	9,411,550	38.96			2044	
2045		5,609,800	3,614,250	9,224,050	39.76		3,796,250	9,406,050	38.99			2045	
2046		5,610,850	3,612,750	9,223,600	39.76		3,794,750	9,405,600	38.99			2046	
2047		2,661,750	3,615,500	6,277,250	58.42		3,797,500	6,459,250	56.77			2047	
2048			3,612,000	3,612,000	101.53		3,799,000	3,799,000	96.53			2048	
2049			3,612,250	3,612,250	101.52		3,799,000	3,799,000	96.53			2049	
2050			3,615,750	3,615,750	101.42		3,797,250	3,797,250	96.57			2050	
2051			3,612,000	3,612,000	101.53		3,798,500	3,798,500	96.54			2051	
2052			3,616,000	3,616,000	101.41		3,797,250	3,797,250	96.57			2052	
2053			3,612,000	3,612,000	101.53		3,798,250	3,798,250	96.55			2053	
2054							(1,750)	(1,750)	-			2054	
		\$ 438,828,465	\$ 108,384,647	\$ 547,213,112			\$ 113,930,872	\$ 552,759,337					

(1) Sizing includes all estimated costs of issuance, including assumed surety funded reserve fund. In the event a surety is unavailable, a funded debt service reserve fund would be required with an expected increase in annual debt service.

(2) Three Year Average : Fiscal Years 2019, 2020, and 2021

Attachment V: Student Fee Analysis

Debt Service
\$2,441,250

FY 24 Fee Increase
(Undergraduate 15 Credit Hour)

Fiscal Year	Per Year	% of Tuition & Fees
FY 24	\$184.65	1.83%

FY 24 Fee Increase
(Graduate 12 Credit Hour)

Fiscal Year	Per Year	% of Tuition & Fees
FY 24	\$166.43	1.70%

Attachment VI: Preliminary Schedule of Events

Date	Event
December 6, 2022	F&F Meeting—Discuss finance plan and Parameters/Authorizing Resolution
December 12, 2022	HED Deadline for receipt of submission for December meeting
December 13, 2022	Regents Meeting—Approve finance plan and Parameters/Authorizing Resolution
January 11, 2023	HED Meeting
January 17, 2023	SBOF Deadline for receipt of submission for January meeting (forwarded by HED) (To be confirmed when 2023 SBOF meeting schedule released)
February 6 – February 14	Meeting with Rating Agencies
February 21, 2023	Receive ratings
February 21, 2023	SBOF Meeting (To be confirmed when 2023 SBOF meeting schedule released)
February 28 – March 2 (Precise Date TBD)	Pricing of bond issue by underwriters
Late March/Early April	Closing --- Receipt of proceeds
