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University of New Mexico Board of Regents Minutes for October 29, 1991

University of New Mexico Board of Regents

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THE MINUTES OF THE MEETING OF
THE REGENTS OF THE UNIVERSITY OF NEW MEXICO

October 29, 1991

The Regents of the University met at 8:30 a.m. on Tuesday, October 29, 1991 in the Roberts Room of Scholes Hall. Affidavits concerning the public notice of this meeting are on file in the Office of the Secretary of the University.

Present:

Roberta Cooper Ramo, President
Siegfried Hecker, Vice President
Gene Gallegos, Secretary and Treasurer
Frank Borman
Arthur Melendres
Connie Thorson, President, Faculty Senate, Advisor
Karen Brownfield, President, ASUNM, Advisor
Johnnie Scott, President, GSA, Advisor
Steve Malnar, President, Alumni Association, Advisor
Mimi Swanson, President, UNM Staff Council, Advisor

Absent:

Ken Johns, Regent
C. Gene Samberson, Regent

Also Present:

Richard E. Peck, President of the University
Paul Risser, Provost and Vice President for Academic Affairs
Orcilia Zuniga Forbes, Vice President for Student Affairs
James Wiegmann, Budget Director
Anne J. Brown, University Secretary
Judy K. Jones, Executive Assistant to the President
Nick Estes, University Counsel
Cathryn Keller Nestor, Director, Public Affairs

It was moved by Regent Gene Adoption of the Agenda Gallegos, seconded by Regent Frank Borman that the Regents adopt the agenda as printed. Carried.

Johnnie Scott, President of Minutes of September 27, 1991 GSA, asked that his comment concerning the Affirmative Action Policy Statement be included in the minutes. The following sentence will be added to the minutes of September 27: "Johnnie Scott, President of GSA, expressed concern that there is no specific policy to address racial

harassment on campus."

It was moved by Regent Gallegos, seconded by Regent Siegfried Hecker, that the Regents approve the minutes of September 27 as amended. Carried.

President Richard Peck Administrative Report said that concern had been expressed by the Faculty Senate regarding lack of faculty input to the University's Reallocation Plan. The concern has been allayed somewhat. The Senate has formed a committee to study the plan and open meetings are scheduled for both faculty and staff.

Recently the University was audited by the Defense Contract Audit agency which looks at the procedures for establishing and monitoring indirect costs. The University's procedures were approved and no irregularities were found.

President Peck asked Alex Gonzalez of the Affirmative Action Office to give a summary of the employment report which was compiled to meet requirements of the Office of Federal Contract Compliance Program which monitors the University's hiring policies and procedures.

Mr. Gonzalez explained that the four-volume report includes the following material:

Volume I is the Affirmative Action Plan for Minorities and Females.

Volume II is the utilization analysis for the main campus, the Medical School and the branch campuses.

Volume III contains a series of appendices referred to in Volume I.

Volume IV contains the Affirmative Action Plan for the disabled and the veterans of the Vietnam era.

The main volume of the report (Volume II) gives a utilization analysis of University employees. This analysis was created for the main campus and the branch campuses. The branch campuses are included in one analysis because of their unique situations. The report shows female underutilization in certain professional and technical job groups on the main campus and in skilled crafts job groups on the main campus and in the Medical Center. The analysis shows that for minorities, Afro-Americans exhibit the most wide spread underutilization in both faculty and staff categories. There is some female underutilization in administrative categories, particularly department chairs on the main campus. There is significant underutilization among 65 clinical non-tenured faculty in the Medical School. There is virtually no underutilization of other minorities in faculty and job groups on main campus at the Medical School or at the branch campuses.

Among staff employees there is underutilization of Hispanics, Native Americans and Asians. In some job groups underutilization of Hispanics is significant. For example, on the main campus in the lower technical administrative job group, which includes 114 persons, Hispanics are represented by only 6 persons. In the service worker supervisor category there are 16 persons and only 3

Hispanics, and the 142-person lower technical administrative job group includes 14 Hispanics.

Johnnie Scott, President of Gsa, said that the plan seems to encourage a quota system and he is concerned because he believes that quota systems hurt those they are trying to help.

Mr. Gonzalez replied that he does not believe the plan addresses a quota system but tries to display current actual utilization in the University and compares this to the available labor market for each job group. Goals which are established relate to utilization analysis. If a particular unit shows underutilization in a particular job group, considering that the University is in a zero growth state, the availability is multiplied by what the system has determined to be available openings for that job group. Based on that calculation a goal is stated. The goals are established to maintain the current level of utilization or to correct any underutilization. He does not consider this a quota system.

Regent Hecker said that it would be most useful from his perspective to look at total faculty hires for 1991 in relation to underrepresented groups.

Mr. Gonzalez said that those calculations are included in the report. President Peck replied that this part of the report would be extracted and presented to the Regents at their next meeting. At the present time there is no underutilization for Hispanics on the faculty but there is underutilization for women and Afro-Americans. The University is trying to change the faculty profile and eliminate some of the deficiencies. UNM has the ambition to exceed the minimum requirements specified by the government because it is located in an area whose population allows this.

Mimi Swanson, President of the UNM Staff Council, expressed concern about staff in the underrepresented populations specifically as this relates to reallocation and possible layoffs or transfers of persons who are historically clustered in the lower grades.

Regent Ramo stated that one of the goals of UNM 2000 is to increase diversity in all units of the University. She thanked Mr. Alex Gonzalez for his report.

Continuing his report, President Peck introduced Douglas Smith, Professor of Chemical and Nuclear Engineering and Director of the UNM/NSF Center for Micro-Engineered Ceramics, who described ceramic research at the Center. Dr. Smith said that ceramics are crucial in the electronics, automobile and aircraft industries. The problem is to make ceramic particles smaller and smaller and they are now being made in the sub-micron range. There is national interest in ceramics because at the present time Japan is leading in this area. Locally there is interest because Los Alamos Laboratory, Sandia National Laboratories and Phillips Laboratory have programs in ceramics. The Center combines research from these national laboratories and brings in funds from industry in the form of grants and donations. The Center, which also is supported by New Mexico State University, New Mexico Tech and Highlands University, is now receiving national recognition for its research program.

President Peck thanked Professor Smith for his report and Regent Hecker said that while Los Alamos and Sandia Laboratories share in the support of the Micro-Engineered Ceramics Center, it is the leadership of Dr. Smith which has made UNM blossom in this area. He complimented Professor Smith for a splendid job as Director of the Center.

To conclude his report, President Peck asked staff from the Public Affairs Department to present a slide show which was prepared for presentation to the Popejoy Society. He said that video copies of the show would be sent to the Regents, the Vice Presidents and the Deans at a later date.

Regent Gene Gallegos for the System Revenue Bonds, Series Finance and Facilities Committee 1991 said that on August 27, 1991 the Regents approved the issuance of bonds to finance certain capital improvement projects. Today the Regents are asked to approve the contract of purchase and to adopt the appropriate resolution for System Revenue Bonds, Series 1991. He asked Mr. Jim Wiegmann, Budget Director, to present the item to the Regents.

Mr. Wiegmann introduced William McGee of Dean Witter Reynolds, Inc.; Marshall Crawford of Smith Barney, Harris Upham and Company; Kevin Powers of The Principal/Eppler, Guerin and Turner, Inc.; John Archuleta of Hanifen, Imhoff, Inc.,; and Michael Groshek, UNM's Bond Counsel.

Mr. Crawford explained that the interest rates and fees secured for the bonds were competitive and very attractive. He and the team had worked with firms to make certain that the bonds were distributed to investors at the lowest possible rates.

Mr. McGee said that bonds are priced by starting with the U.S. Government rates then using a percentage of that rate for municipals. The procedure is to go into the market at a certain level, and, depending on investor response, reprice the bonds either up or down (higher yield or lower yield). The team was able to obtain a true interest cost of 6.64% and an underwriting fee cost of \$7.95 per \$1,000 of bonds.

UNM had a team of underwriters, both in-state and out-of-state, brought together to determine the demand for bonds. They were able to distribute approximately \$4.5 million within the state; however, with an issue of this size you must go out of state to get the lowest possible interest rate. Eleven institutions participated. The largest order was for \$3 million and the smallest was for \$400,000.

Regent Arthur Melendres asked why the debt service requirements were extended to the year 2021.

Mr. Wiegmann replied that the bonds were tailored to individual revenue flow from the capital projects to be financed by the bonds. The University's gross pledge gives a better debt coverage than the projects do on an individual basis. The Residence Center, Bookstore and Parking projects are on a 30-year schedule and the Telecommunication and Fiber Optics projects are on

a shorter schedule in order that debt will not be owed beyond the expected life of the project.

Regent Melendres said that the University should in the future preserve the option for financing projects that the state does not fund. He also said that he was glad to see that New Mexico firms were asked to share in the underwriting fees and he expressed appreciation for their participation.

Karen Brownfield, President of ASUNM, questioned students' share in support of the debt service.

Regent Ramo asked her to make an appointment with Mr. Wiegmann so that they could discuss this matter.

Mr. Wiegmann said that he had worked regularly over the last several months with Bond Counsel and the underwriters on all of the documents. They have been reviewed in great detail and he stated that he felt the documents were in good order.

Regent Gallegos moved that the Regents adopt the contract of purchase and the resolution which should correctly reflect those members of the Board who are present. The motion was seconded by Regent Hecker and carried.

(NOTE: The entire resolution will be filed with the official minutes of the meeting.)

Regent Gene Gallegos said that 1992-93 Funding Requirements at their October 22nd meeting the Regents' Finance and Facilities Committee reviewed the 1992-93 Funding Requirements and recommends that the Regents approve the requirements as presented. He asked Jim Wiegmann to give an overview of the requirements to the Regents.

Mr. Wiegmann said that each Regent had received a bound copy of the funding requirements and he reviewed the following highlights:

General University Requirements: (1) A compensation increase of 5%. (2) A separate fringe benefits base budget increase of 2.7%. (3) An inflationary adjustment of 3% for other non-personnel budgeted expenses. (4) Restoration of the 1991 reduction of .82% appropriation by the Legislature at the end of the last Legislative session as a result of rounding.

Main Campus Instruction & General: Continued funding of the I&G formula revisions introduced two years ago by the Commission on Higher Education that address significant deficiencies in the current funding formula with respect to Instruction and Libraries.

School of Medicine Instruction & General: Support of the basic instructional effort of the School of Medicine, including funding adjustments for Libraries, retroactive compensation adjustments, and market adjustment, restoration of the 1991 Legislative reduction, and peer adjustment. Improvement of instructional program by addition of faculty in areas of

Anesthesiology, Surgery, Occupational Therapy, and Masters in Public Health.

Research & Public Service Special Projects: (1) Adjustment to replace federal funding for the Area Health Education Center. (2) Reduction in base funding for the WICHE Program because of use of carried forward fund balances. (3) Maintenance of current levels of services for all other.

Branch Campuses: In addition to the general University funding requirements for salary, fringe benefits, and other costs adjustments; funding requirements for the funding formula revision as these relate to the two-year sector are identified for the University's branch campuses at Gallup, Los Alamos, and Valencia.

Regent Gallegos asked what assumption was made concerning a tuition increase. Mr. Wiegmann replied that no assumption was made regarding such an increase and that historically that issue is addressed after the Legislative session.

Regent Hecker asked President Peck to explain what is being planned for the University to catch up in terms of faculty salaries.

President Peck replied that the Commission on Higher Education has recommended a formula that will fund UNM relative to its peers. If the formula is fully funded by the Legislature, within a period of five years UNM will have achieved not only parity with its peers but will have reached the upper quartile of faculty salaries. UNM is in a sixteen institution peer list. The CHE recognizes the need for parity in faculty salaries; however, the institutions must lobby the Legislature to convince them of the need.

Regent Hecker asked Mr. Wiegmann to explain the increase in retirement benefits.

Mr. Wiegmann said that during the last Legislative session a bill was passed to increase employer contribution to the Educational Retirement Act by 1% (from 7.6% to 8.6%). Presently the employer and the employee each contribute 7.6% of salaries. This was accompanied by an increase in benefits for future retirees and the Educational Retirement Board assured the Legislature last year that they could fund the cost for the first year only. Now UNM is asking the Legislature to appropriate funds for this item.

Mr. Wiegmann also said that the overall appropriation request is for about a 17% increase and this is a "bare bones" budget. Last year UNM requested approximately a 25% increase and received from the Legislature only a 3 1/2% increase.

President Peck said that it is most important this year that the Legislature appropriate funds based on the funding formula. This is a concern because UNM's enrollment has increased to the point where our three-year rolling average generates more for us this year than it has in the past or is likely to in the next few years. There have been comments that the CHE might reduce the workload adjustment which would impact UNM and NMSU. The CHE could save \$4.7 million by not honoring the workload increase for UNM and about \$3.2 million by not honoring the workload for NMSU. All state institutions have joined together to appeal to the CHE not to adjust the formula and therefore punish those institutions which

have experienced the most growth.

Mr. Wiegmann said that the last section of the funding request report concerned proposed capital outlay projects which had been previously approved by the Regents on June 11, 1991. He explained that the CHE will consider requests from all the institutions of higher education and then submit a list to the Legislature in priority order.

Regent Melendres asked what chance the University had of getting funding for the Optoelectronics Materials Center.

Regent Ramo stated that this project is vital to the economic development of the state and she hoped that it could be funded. She also asked President Peck to distribute to all Regents a tentative priority listing of capital outlay projects which had been compiled by the CHE. If the opportunity arises individual Regents can discuss the importance of the Optoelectronics Center with members of the CHE.

President Peck said that there was universal endorsement of the project and he believes that if the Legislature cannot fund the Center it will be part of a General Obligation Bond issue.

Regent Gene Gallegos moved that the Regents approve the 1992-93 Funding Requirements as presented. The motion was seconded by Regent Frank Borman and carried.

Regent Siegfried Hecker stated Contracts, Resignations, Retirements and Leaves that the contracts resignations, retirements and leaves as listed in the agenda had been processed and were presented as an information item only.

I. CONTRACTS

New Faculty, Administrative Staff & Coaches 1991-92

<u>St. Date</u>	<u>Name</u>	<u>Title & Dept.</u>	<u>Appt Code*</u>	<u>FTE</u>	<u>Mos.</u>	<u>Contract Salary</u>
08/18/91	Campbell, David K	Asst Professor of Physics & Astronomy	V	050 (100	4.5 9	18,333 73,333)
08/19/91	Davidovich, Luiz	Vis Assoc Professor of Physics & Astronomy	N	080 (100	9	30,000 35,000)
07/01/91	Kessler, Randolph M	Asst Professor of Surgery	2 VAMC:022	078 (100	12	58,121 15,925 74,046)

*The codes used in this column are: 1 to 6=Term appointment with specific year

Resignated; V=Visiting or Temporary; P=Probationary;
T=Tenured; N=Non-Probationary.

Education: B.S. (1972) University of Washington; M.D. (1983) University of Washington School of Medicine. Professional Experience: Instructor (1976-81) University of Washington. Publications: Author or co-author of 3 articles in professional journals and 4 articles in progress.

08/19/91	Kantrowitz, Min	Adjunct Assoc Professor of Architecture & Planning	N	050	9	17,500 (100 35,000)
09/01/91	Ortiz, Irene E	Asst Professor of Psychiatry	1	VAMC:100	10	60,536 (12 72,643)
	<u>Education:</u> B.A. (1972) Occidental College; M.S.W. (1975) University of California; M.D. (1984) Michigan State University; Research Fellow (1989 to present) Departments of Psychiatry and Immunology at The University of New Mexico. <u>Publications:</u> author or co-author of 2 articles in professional journals.					
10/07/91	Sapien, Robert E	Asst Professor of Emergency Medicine	V	100	8.826	55,163 (12 75,000)
08/19/91	Seidel, Sally C	Asst Professor of	1	100	9	38,000
10/14/91	Selavy, Sherry A	Instructor of Anesthesiology	1	100	8.608	71,739 (12 100,000)
	<u>Education:</u> B.F.A. (1976) University of Illinois; B.S. (1978) Medical Art, University of Illinois; M.A. (1981) Hunter College; M.D. (1987) Mount Sinai School of Medicine; Internship (1987-88) Lenox Hill Hospital; Residency in Anesthesiology (1988-91) Brigham and Women's Hospital. <u>Publications:</u> author or co-author of 11 articles in professional journals and 4 freelance textbook illustrations.					
08/19/91	Willerton, Beverly K	Lecturer in Math Los Alamos Branch	V	100	4.5	11,201 (9 21,202)
10/07/91	Wills, John A	Asst Professor of Anesthesiology	1	100	8.826	80,906 (12 100,000)
	<u>Education:</u> M.D. (1978) University of Adelaide; Internship (1979-80) Royal Adelaide Hospital; Residency (1980) Repatriation General Hospital; Anesthesia Registrar (1980-82) Queen Elizabeth Hospital. <u>Professional Experience:</u> Assistant Professor (1989-90) Dept. of Anesthesiology, University of New Mexico Hospital.					

II. RETIREMENTS

<u>Name</u>	<u>Title & Dept.</u>	<u>Effective Date</u>
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III. RESIGNATIONS

Hendricks, Kyle J.	Res Asst Professor of EECE	09/09/91
Mosdell, Dale	Instructor in Surgery	08/31/91
Revtyak, George	Assoc. Professor of Medicine	09/30/91

IV. LEAVES

<u>Name</u>	<u>Title & Dept</u>	<u>Dates</u>	<u>Type</u>
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A. Leave Without Pay

Tapahonso, Luci	Asst Professor of English	1991-92 Academic Year	--
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B. Sabbatical Leave

None Submitted

Faculty Contracts Office 10/29/91

Regent Roberta Ramo said that the Regents needed to have an executive session to discuss litigation. It was moved by Regent Hecker, seconded by Regent Borman, that the Regents go into executive session immediately following adjournment of the meeting. Carried.

Executive Session

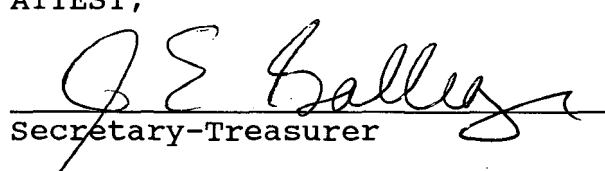
The meeting adjourned at 10:30 a.m.

APPROVED;



President

ATTEST;



Secretary-Treasurer

**NOTICE OF RESOLUTION AUTHORIZING THE
ISSUANCE OF PUBLIC SECURITIES**

NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 6-14-6 NMSA 1978, that on October 29, 1991, the Regents of the University of New Mexico (the "Regents") adopted a resolution (the "Resolution") authorizing the issuance of System Revenue Bonds, Series 1991 in an amount of \$27,970,000 (the "Bonds"), authorizing negotiations for the sale of such bonds to Dean Witter Reynolds, Inc., Smith Barney, Harris Upham & Co., Inc., The Principal/Eppler, Guerin & Turner, Inc., Hanifen, Imhoff Inc., Kious and Company, Inc., Quinn Southwest, A.G. Edwards & Sons, Inc. and Securities Company of New Mexico providing for the payment of principal of and interest on the Bonds and entering into certain covenants and agreements in that connection.

The title of the Resolution is as follows:

AUTHORIZING THE ISSUANCE OF SYSTEM REVENUE BONDS, SERIES 1991 IN AN AMOUNT OF \$27,970,000, OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO, FOR THE PURPOSE OF PROVIDING FUNDS FOR PURCHASING, ERECTING, ALTERING, IMPROVING, REPAIRING, FURNISHING AND EQUIPPING BUILDINGS, IMPROVEMENTS AND FACILITIES, INCLUDING ANY INFRASTRUCTURE IMPROVEMENTS NECESSARY FOR THE BUILDINGS IMPROVEMENTS AND FACILITIES, AT AND FOR THE UNIVERSITY AND INCLUDING BUT NOT NECESSARILY LIMITED TO A NEW RESIDENCE CENTER, A BOOKSTORE WHICH SHALL INCLUDE PARKING FACILITIES, UNIVERSITY TELECOMMUNICATIONS FACILITIES AND FIBER OPTICS FACILITIES; AUTHORIZING THE ISSUANCE AND SALE OF THE BONDS; PLEDGING SPECIFIED REVENUES AS SECURITY FOR THE PAYMENT OF SUCH BONDS; PROVIDING FOR CERTAIN TERMS AND CONDITIONS OF THE BONDS AND RESERVE FUND RELATING THERETO AND THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS AND ENTERING INTO CERTAIN COVENANTS AND AGREEMENTS IN THAT CONNECTION; PRESCRIBING OTHER DETAILS CONCERNING THE BONDS, THE BOND PROCEEDS, SUCH REVENUES AND THE DETAILS OF THIS RESOLUTION; PROVIDING FOR THE PUBLICATION OF NOTICE OF ADOPTION OF THIS RESOLUTION; AND PROVIDING FOR A LIMITATION OF ACTION PERIOD.

A summary of the Resolution is as follows:

Preambles recite or include such matters as the status of the University of New Mexico, at Albuquerque, New Mexico ("University") as a state educational institution under the management and control of the Regents of the University of New Mexico ("Regents") a body corporate vested with management and control of the University and authorized by statute to issue bonds and pledge certain revenues; recite outstanding parity lien bonds and subordinate lien bonds; the Regents have previously issued its System Revenue Bonds Series 1985, 1986, 1987, 1988 and 1989; all payable from specified gross income and revenues of the University System, specified student tuition and fees, Income from the Permanent Fund, Income from the Land Funds, specified grants and other specified income and revenues from proprietary activities (collectively the "Pledged Revenues"); provisions of resolutions for prior bonds necessary to issue additional parity lien bonds will be met; Regents' determination to purchase, erect, alter, improve, furnish and equip buildings, improvements and facilities, including any infrastructure improvements necessary for the buildings, improvements and facilities, at and for the University, and including but not necessarily limited to a new residence center, a bookstore which shall include parking facilities, University telecommunications facilities and fiber optics facilities ("Project"); the Regents' intent to issue The Regents of the University of New Mexico, System Revenue Bonds, Series 1991 in an aggregate principal amount of \$27,970,000 ("Bonds") which are to be secured by a pledge of the Pledged Revenues; the authority of the Regents under the laws of the State of New Mexico ("State") and particularly Sections 6-17-1 through 6-17-19 NMSA 1978 (collectively, "Act") to issue the Bonds; that Dean Witter Reynolds, Inc. and Smith Barney, Harris Upham & Co., the Principal/Eppler, Guerin & Turner, Inc., Hanifen, Imhoff Inc., Kious and Company, Inc., Quinn Southwest, A.G. Edwards & Sons, Inc. and Securities Company of New Mexico (together the "Purchaser") have offered to purchase the Bonds at a price specified in the Bond Resolution; and the filing of a Contract of Purchase dated October 29, 1991, a Preliminary Official Statement and a form of Final Official Statement.

Sections 1 and 2 define the terms used in the Resolution; set forth the determination of the Regents that it of the Bonds in an aggregate principal of \$27,970,000 to be payable and collectible solely from the Pledged Revenues after payment of operating and maintenance costs of the University System; provide that the Bonds shall be dated as of November 1,

1991, issued only as fully registered bonds with interest payable thereon from the most recent date to which interest has been paid or provided for, or if no interest has been paid or provided for, from the date of the Bonds, until maturity at varying per annum interest rates, payable on June 1, 1992 and semi-annually thereafter on June 1 and December 1 of each year, and mature on June 1 of 1993 through June 1, 2005, June 1, 2011 and June 1, 2021; provide details related to payment of principal and interest on the Bonds by the paying agent/registrar; provide that the Bonds will be initially issued only to a nominee of Depository Trust Company which thereupon will maintain the Book in book-entry form; set forth provisions related to registration, transfer and exchange of the Bonds; and provide that a successor paying agent/registrar may be appointed by the Regents.

Sections 3 through 9 provide the Bonds may be subject to optional prior redemption by the Regents and that the 2011 and 2021 Bonds shall be subject to mandatory sinking fund redemption, upon notice to registered owners of the Bonds, all as to be established in a subsequent resolution of the Regents; relate to the registration and transfer of the Bonds; provide for success or paying agent/registrar; state that, when not in book-entry only form, the Bonds are fully negotiable; provide for compliance with the Uniform Facsimile Signatures of Public Officials Act; set forth terms for execution and authentication of the Bonds; provide that the Bonds are special obligations of the Regents payable solely from Pledged Revenues after payment of operating and maintenance costs of the University System and not a charge or debt against the State or a pledge of the faith and credit of the State; state that the full faith and credit or the taxing power of the State or any political subdivision thereof, or State appropriations are not pledged for the payment of the principal of or interest on the Bonds; and provide for the form of the Bonds.

Sections 10 through 12 provide for book entry form of the Bonds; provide for sale and delivery of the Bonds and approval of various documents; provide for acquisition of the Project and sale and delivery of the Bonds; provide details related to the disposition of the proceeds of the Bonds into various funds; and approve the form, terms and provisions and authorize the distribution of preliminary disclosure documents related to the Bonds.

Sections 13 through 18 continues certain funds and establish new special funds; provide for deposit of the Pledged Revenues; provide that all the Pledged Revenues shall be

deposited in the special funds, and shall be used for payment of operating and maintenance expenses of the System prior to their use, in the following order, for payment of the principal and interest on the Bonds, for payment, if required, to a reserve fund for the Bonds, for other necessary payments related to the Bonds, for payment into a Renewal and Replacement Fund for the purpose of making improvements, extensions, repairs and replacements to the System and for other lawful purposes as directed by the Regents; provide that moneys in any fund may be invested in direct obligations of the United States of America or as otherwise permitted by the laws of the State; and state the Bonds are secured by an irrevocable first lien, (but not an exclusively first lien) on the Pledged Revenues after payment of operating and maintenance costs of the System.

Sections 19 and 20 provide for issuance of additional obligations payable from the Pledged Revenues if certain conditions are met, including, but not limited to: satisfaction of a debt service test and acquisition of a certification, opinion, verification or other determination from an accountant; prohibit issuance of any obligations having a lien on the Pledged Revenues prior and superior to the lien of the Bonds; provide conditions for issuance of refunding bonds with a lien upon the Pledged Revenues.

Sections 21 through 24 set forth protective covenants for the benefit of the bondowners, including, but not limited to: use of Bond proceeds, operation and repair of the System, disposition of facilities, rates and charges imposed for use of the System, residence rules, insurance on the System, maintenance of books and records, additional liens, fiduciary charges, sale of Parity Bonds to U.S.A., and use of certain governmental grants; Financial Guaranty Obligations, and federal tax law tax covenant; define events of default under the Resolution; state rights and remedies of bondowners upon occurrence of an event of default; provide for defeasance of the Bonds.

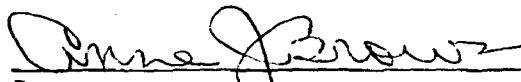
Sections 25 through 34 set forth details related to Bonds not presented when due; delegate powers to the officers of the Regents; relate to amendment of the Resolution; provide the Resolution is irrevocable while the Bonds are outstanding or unless defeased; require approval of the State Board of Finance prior to issuance of the Bonds; state the Regents' compliance with the Act; provide a severability clause, a repealer clause, for

publication of notice of adoption of the Resolution, third-party beneficiary terms, and an effective date.

A copy of the Resolution is on file in the office of the Budget Director of the University of New Mexico, Room 151, Scholes Hall at the University of New Mexico, in Albuquerque, New Mexico, where it may be examined during regular business hours of the Budget Director from 8:00 am. to 12:00 pm. and 1:00 p.m. to 5:00 pm. The Resolution shall be so available for inspection for a period of at least thirty (30) days from and after the date of the publication of this notice.

This notice is given pursuant to the Public Securities Limitation of Action Act, Sections 6-14-4 to 6-14-7 NMSA 1978.

DATED this 29th day of October, 1991.



Secretary
University of New Mexico