



UNM HEALTH SCIENCES | UNM HEALTH

Meeting Minutes

UNM Health Sciences Center Committee, June 16, 2026

UNM Health Sciences Center Committee (the “HSCC”) members present:

Jack Fortner, Chair

Christina Campos, Vice Chair

Bill Payne, Member

I. Call to Order and Confirmation of Quorum

Regent Fortner called the meeting of the HSC Committee to order and confirmed that a quorum was present. Regents Fortner and Campos attended in person, and Regent Payne attended virtually.

II. Adoption of Agenda

Regent Fortner motioned to approve the agenda, and Regent Campos seconded the motion. The motion passed with a vote in favor.

III. Approval of March 17, 2026, HSC Committee Meeting Minutes

Regent Fortner motioned to approve the minutes, and Regent Campos seconded the motion. The motion passed with a vote in favor.

IV. Reports

A. Health Sciences Center EVP & Health System CEO Report (Dr. Michael Richards)

Dr. Richards highlighted leadership transitions, academic accomplishments, research advancements, and health system progress across UNM HSC. Leadership updates included the appointment of Dr. Joanna Fair as Vice President for Academic Affairs, recognition of Dr. Melissa Rethlefsen as Dean of HSLIC, and updates regarding UNM Health System leadership.

Academic achievements included strong U.S. News & World Report graduate program rankings, a \$1.3 million philanthropic gift to expand dermatology services and workforce capacity statewide, Spring 2026 commencement milestones, and approval to advance a new Master of Social Work program focused on addressing New Mexico's behavioral health and workforce needs.

Research highlights featured the opening of a new research-dedicated MRI scanner funded through a \$3 million HRSA grant and widespread national media engagement by UNM experts responding to a hantavirus outbreak, reinforcing the institution's leadership in infectious disease research and public health.

He also emphasized strategic growth initiatives, including the groundbreaking of the new School of Medicine building, implementation of a postpartum safety program to improve maternal health outcomes, and the opening of the new Children's Psychiatric Center, which expands and modernizes behavioral health services for children and adolescents across New Mexico.

B. Health System Report (Kate Becker)

Ms. Becker reported continued operational and quality improvements, progress toward performance targets at UNMH and SRMC, designation of UNMH as a Comprehensive Stroke Center, opening of the Critical Care Tower Pharmacy, leadership development achievements, and ongoing investments in workforce training and patient care. Together, these accomplishments demonstrate UNM Health Sciences' continued commitment to education, research, clinical excellence, workforce development, and service to New Mexico communities.

C. Financial and Administrative Reports (Rebecca Napier)

Ms. Napier explained that, as of April 2026, UNM HSC reported a consolidated net margin loss of \$33.6 million across UNMH, UNMMG, and UNM Health Sciences, which was \$7 million better than budget. UNM Health Sciences posted a positive net margin of \$5.2 million, supported by an additional \$11.2 million in revenue from UNMMG and a \$1.73 million gift to the College of Nursing for student scholarships. The use of reserves for Project ECHO was noted as intentional and tied to previously received gift funds.

She reported that UNMH had a year-to-date loss of \$46 million; however, leadership expressed confidence that expected quality incentive revenues of \$20–30 million, combined with other year-end adjustments, would allow the hospital to outperform budget. Operational improvements included reducing traveler staffing by approximately 40 FTEs, strengthening supply and inventory management, and achieving a 6% reduction in patient length of stay since February. The hospital also achieved 100% of its 2025 quality metrics, generating additional anticipated revenue. She reported that UNMMG had a positive net margin of \$7.2 million for the first ten months of the fiscal year, supported by equity income from the Lovelace-UNM joint venture and continued revenue growth compared to the prior year.

A discussion also focused on plans to integrate UNMMG into a single clinical entity within the broader UNM Health System. Approximately 600 employees and certain outpatient clinic operations will transition to the hospital structure to create a more streamlined, efficient organization positioned for future growth. Leadership emphasized that the goal is service expansion rather than workforce reduction, with any staffing efficiencies expected to occur primarily through normal attrition rather than significant layoffs. Compensation impacts remain under review, but leaders anticipate minimal disruption as employees move into the hospital employment structure.

D. UNM School of Medicine Facility June 2026 Update (Dean Patricia Finn and Stewart Livsie)

Dean Finn focused on the proposed new UNM School of Medicine facility as a transformational investment in New Mexico's healthcare future rather than simply a construction project. She

emphasized that the 350,000-square-foot building will support expansion of the healthcare workforce, including plans to double trainee capacity and accommodate up to 200 medical students per class. The facility is designed to integrate education, research, clinical care, and community engagement while providing modern, flexible spaces that can adapt to future advances in science, technology, and healthcare delivery.

She highlighted extensive planning and stakeholder engagement involving faculty, researchers, students, and architects to ensure the building meets both current and future needs. The design prioritizes collaboration, innovation, and community connection through shared learning spaces, research laboratories, and public gathering areas. Sustainability is also a major focus, with goals including all-electric operations, reduced carbon emissions, water conservation measures, healthy building materials, and alignment with UNM and state net-zero objectives. Overall, the project was presented as a long-term investment in improving healthcare access, workforce development, research excellence, and the well-being of New Mexicans.

Mr. Livsie indicated that the project is currently about 50% through the design development phase. He emphasized a strong focus on flexibility, resiliency, sustainability, and cost management to ensure the facility remains within budget and meets long-term educational and research needs. Multiple independent cost estimators and a target-value design approach are being used to closely manage expenses throughout the project.

He explained that a key feature of the building is the proposed use of mass timber construction, which offers sustainability benefits, faster construction timelines, improved quality control, and reduced carbon emissions. The design team is also exploring opportunities to incorporate New Mexico-sourced timber. Significant attention is being given to energy efficiency, vibration control for research laboratories, adaptable mechanical systems, and flexible floor plans that can support evolving academic and research programs over time.

The six-story facility will include large classrooms, teaching and research laboratories, faculty offices, collaboration spaces, a public café, and a central atrium designed to foster interaction, innovation, and community engagement. The building layout intentionally integrates students, faculty, researchers, and staff to encourage collaboration. Updated renderings highlighted architectural elements inspired by existing HSC buildings and demonstrated efforts to balance aesthetics, energy performance, and constructability.

He outlined a phased construction strategy designed to minimize disruption to surrounding campus and hospital operations. Design completion is anticipated in November, with final approvals expected in early 2027 and occupancy targeted for the August 2030, entering medical school class. During the discussion, Regents emphasized the importance of maintaining budget discipline. It was also noted that planning for faculty and student growth is already underway, aligning the building project with a broader 10-year strategy to expand clinical, educational, and research capacity while maintaining accreditation requirements.

V. Action Item(s)

- A. Resolution and Certification of the Need for Supplemental Severance Tax Bond Proceeds (Rebecca Napier)
- B. Carlos Gonzalez, Representative Nomination (Ex-Officio Member), to the Carrie Tingley

Hospital Advisory Board (Kate Becker)

C. Election of Lisa Hofler, MD, to the UNMMG Board of Directors (Dr. Christopher Arndt)

VI. Recommendation of Items for Inclusion on the Consent Docket for Full Board of Regents

Regent Fortner motioned for item A to be included on the full Board meeting agenda for individual approval, and for items B and C to be included on the Board's consent agenda. Regent Campos seconded the motion. The motion was passed with a vote in favor.

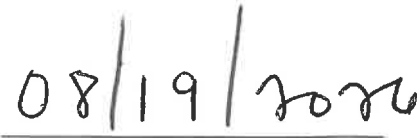
VII. Adjournment

Regent Fortner adjourned the meeting.

Approval of Minutes:



Jack Fortner, Chair



Date