

**New Mexico Bioscience Authority (BSA) Board of Directors
Regular Meeting
March 26, 2021 11:30 am – 1:00 pm
317 Commercial St. NE, Suite 311, Albuquerque, NM***

Present: Richard Larson (Chair), Ken Prokuski, Scott McLaughlin, Dale Dekker, Immo Hansen, Tom Kieft, Suzanne Quillen, Sheryl Arvizu; Greg Byrnes; Stuart Rose, Sheryl Arvizu, Christos Christodoulou, Jennifer Gifford

Absent: Myrriah Tomar

Staff Present: Ryan Cangioli, Sterling Nichols

#	Agenda Items	Board Actions
1.	Call to Order and Confirmation of Quorum	The Chair called the meeting to order at 11:30 am. A Quorum was confirmed, and all board members were present.
2.	Approval of Minutes <ul style="list-style-type: none"> <li data-bbox="310 1182 760 1213">▪ January 22, 2021 BOD Meeting 	The Chair called a motion to approve both January 22, 2021 and February 19, 2021 minutes which were motioned by Sheryl Arvizu and seconded by Scott McLaughlin. <p>A Roll call vote of all board members was called with ten in the affirmative, one in opposition, none in abstention and two absent. The vote was as follows:</p> <p>Arvizu-Affirm, Byrnes-Affirm, Christodoulou-Affirm, Dekker-Affirm, Gifford-Affirm, Hansen-Affirm, Kieft-Absent, Larson-Affirm, McLaughlin-Affirm, Prokuski-Affirm, Quillen-Affirm, Rose-Oppose, Tomar-Absent</p>

	<ul style="list-style-type: none"> ▪ February 19, 2020 BOD Meeting 	<p>A Roll call vote of all board members was called with eleven in the affirmative, none in opposition, none in abstention and two absent. The vote was as follows:</p> <p>Arvizu-Affirm, Byrnes-Affirm, Christodolou-Affirm, Dekker-Affirm, Gifford-Affirm, Hansen-Affirm, Kieft-Absent, Larson-Affirm, McLaughlin-Affirm, Prokuski-Affirm, Quillen-Affirm, Rose-Affirm, Tomar-Absent</p>
3.	Announcements and Chair’s Report	<p>The Chair announced that the state allocated more funding to the BSA at this year’s Legislative session. The legislature approved an appropriation of \$285,400. In comparison, the appropriation for the UNM Center of Excellence was \$230,000. The Chair explained that the House Junior bill in previous years assured that \$62,000 was included into the \$285,000 line item and at this year’s session the House Bill Junior allocation was \$58,000.</p> <p>Included in the announcement was a statement by the chair addressing ‘concerns of corruption’ that was mentioned at the state legislature to Director Greg Byrnes. It was centered around how the NMBSA might invest in the future. The chair assured that no corruption exists at the NMBSA, either by an individual or from the organizational as a whole. He explained that a concern with the NMBSA being a public private partnership and how public monies were appropriated and spent by private entities in the past involving</p>

		<p>similar funding approaches. He shared that in the past the state dealt with pay-to-play controversies that existed.</p> <p>The Chair mentioned that in the Interim report to the STTC Committee he presented the Direct Investment Fund concept and how the legislature requested increased oversight by UNM. He explained that there could be a concern of a member directing funding to a business entity that they might have personal interest in, so the NMBSA would require board members to sign a conflict-of-interest policy requiring the declaration of all financial interests. The chair referenced the conflict-of-interest policy that the State Investment Council uses, explaining that it is extensive and that the NMBSA may consider many items within it with regards to managing financial conflicts that might exist with board members. The responsibility for bringing forth a new CIO policy would fall on the Executive Committee who will bring the policy to the whole board for approval.</p> <p>The official at the legislature who brought up a possible audit of the NMBSA, which raises the issue of an audit committee which the Executive Committee approved to be on the agenda. Chair Larson explained that the NMBSA has only spent \$300,000 in the last three years.</p>
4.	Memorandum of Agreement with UNM	<p>Ryan Cangiolosi and Ari Vazquez from the office of UNM Legal counsel presented the MOA to the board clarifying the relationship with UNM HSC and how it is formalized.</p> <p>Mr. Cangiolosi explained that MOA covers the Fiscal and Administrative functions that UNM HSC provides the NMBSA, as it is administratively attached to UNM according to the enabling legislation.</p>

	<p>He explained that the MOA was not explicitly needed, as the university has already been providing the services, but that our past and current legal representation encouraged it as it would codify and clearly define expectations.</p> <p>The MOA details the support UNM HSC provides such as Human Resources, Information Technology, Procurement and Fiscal Services. Mr. Cangioli provided examples of how the HSC currently provides administrative support according to the MOA in the hiring of personnel as UNM employees who are given duties assigned to the NMBSA. Those positions include the Executive Director, Program Specialist and the Strategy and Policy Director.</p> <p>Ari Vazquez stated that the ‘whereas’ sections in the MOA are standard language and the MOA formalizes the relationship in that the HSC serves as the administrative arm facilitating fiscal, legal and administrative operations. She explained this is an agreement that formalizes the already existing relationship between the UNM HSC and the NMBSA. Adding to the Strategy and Policy Director’s statement in the HSC’s role in hiring employees, Vazquez clarified that the NMBSA does not have functionality to hire its own employees or run its own finance, audit or other operations that the UNM HSC was designated to and currently handles.</p> <p>Vazquez presented the MOA to the BOD via screen share to summarize the current draft.</p> <p>Ms. Vazquez summarized the financial functions that UNM HSC handles and a question was raised by Director Rose involving Sections 3a, b, e and g, which talks about</p>
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	<p>compliance with certain UNM HSC policies and programs. Director Rose expressed that we don't know what those are.</p> <p>Vazquez explained that we wouldn't restate those policies in the MOA, but could attach them in an index or an exhibit. She went on to explain that the MOA is an 'Umbrella,' high level agreement and does not provide explicit detail. She suggested that clarification on specific items could be accomplished through amendments to the MOA.</p> <p>Director Rose also raised a concern in the enabling legislation which gives the NMBSA authority that UNM might not have and how UNM policies might interfere with legislative intent. Director Rose referenced investment and barrowing of money. He said we don't know if the UNM policies would interfere with the ability of the authority given within the enabling legislation. He suggested adding a 'Qualifier' stating, "unless directed differently in the enabling legislation" or something like that.</p> <p>Ms. Vazquez provided a point on Director Rose's concerns:</p> <ol style="list-style-type: none"> 1. the MOA is not for UNM to have authority over the business of the NMBSA. <p>She confirmed that we could add a Qualifier to the section - to the extent, but not inconsistent with the area within the statute. "The responsibilities of the NMBSA, the NMBSA shall, to the extent not inconsistent with the legislation, etc." (Add the citation)</p> <p>S</p>
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	<p>Director Prokuski brought up a concern regarding the 4.5% management fee in 3d. Chair Larson explained that it is 1.5% below what is charged to any other state entity. Director Prokuski was concerned with the possibility of other funds the NMBSA has asked the legislature for, as it could result in a very large fee incurred by the NMBSA. Ms. Vazquez explained that the agreement could be amended by the two parties through negotiation. Vazquez confirmed that the handling of funds would comply with all federal and state regulations.</p> <p>Ms. Vazquez communicated that the need for a financial audit by the authority would occur if the authority's funding exceeded \$500,000. Copies of the audit would be shared with UNM HSC.</p> <p>Director Rose asked a question with regards to the threshold for an audit being increased from \$250,000 to \$500,000. He asked if we should put a time limit on it too, if the authority has not received funding that exceeded \$500,000 within a certain amount of years, we would engage in an audit anyways.</p> <p>Chair Larson explained that the NMBSA is audited every year within the UNM audit. He explained this is why the Executive Committee is proposing an Audit Committee, so that the committee would review the audit each year.</p> <p>Vazquez confirmed that nothing in the MOA should affect the authority on its own from engaging in an independent audit.</p> <p>Ms. Vazquez shared that administrative services are coordinated through the Office of the Executive Vice Chancellor, who serves currently as the president of the authority. Director Rose raised a question of a perceived</p>
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	<p>conflict of interest when the president of the NMBSA is also the head of the Office of the Executive Vice Chancellor. He asked, if there is a disagreement, how do we resolve it? Ms. Vazquez explained that the authority would be deciding what services it needs and then requesting them from UNM. Chair Larson explained that the NMBSA could terminate a service. Ms. Vazquez confirmed that the relationship with the authority and the Executive Vice Chancellor's office is a coordination of administrative functions with both entities, not ceding any authority to UNM HSC. Director Rose was comfortable with the arrangement. Chair Larson explained that the office would change and also who the staff reports to with a different president.</p> <p>Vazquez reiterated that UNM HSC would furnish all HR functions and that employees would be UNM employees with all of the benefits and access to employee services. Director Rose asked for clarification of what this sentence means legally, "in this connection, nothing contained." Ms. Vazquez explained that it means that we are not joint employers of this individual, that the authority is not employing the employee. She explained that UNM has the risk of hiring, firing or any lawsuits or claims.</p> <p>Ms. Vazquez finished summarizing the MOA to which the BOD agreed to accept the document on contingency of changes.</p> <p>The Chair called a motion to approve the document which was motioned by Ken Prokuski and seconded by Dale Dekker on contingency that the following amendments are made to the MOA:</p> <ol style="list-style-type: none"> 1. Change dates to the document on Page 1 in the 'Affiliation and Fiscal Agency
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		<p>opening statement of the Agreement’ and on Page 4 Section <u>D term and Termination’</u>.</p> <ol style="list-style-type: none"> 2. Include ‘Qualifier’ clauses addressing the statutes in section 3. 3. Correct typos in Section <u>E. Reimbursement/Compensation</u> 4. Eliminate duplicate statements of fees mentioned in the document. *I did not catch the exact section. <p>A Roll call vote of all board members was called with ten in the affirmative, none in opposition, one in abstention and two absent. The vote was as follows:</p> <p>Arvizu-Affirm, Byrnes-Affirm, Christodolou-Affirm, Dekker-Affirm, Gifford-Affirm, Hansen-Abstain, Kieft-Absent, Larson-Affirm, McLaughlin-Affirm, Prokuski-Affirm, Quillen-Affirm, Rose-Affirm, Tomar-Absent</p>
5.	Executive Director Job Posting for Approval	<p>Director Christos Christodolou reviewed the job posting for the Executive director highlighting key qualifications for the position such as serving as liaisee with the correct constituents, identifying appropriate funding sources, overseeing activities, performing duties as assigned and to effectively interact with a variety of stakeholders. Christos also added that experience in marketing with social media platforms would be a preferable qualification to which the chair also agreed.</p> <p>The board requested that minor changes be made in the General Job summary and the UNM Job Title and Requisition.</p>

	<p>In the General Job Summary, A request was made to change the wording of “Next Director” to “Executive Director” to reflect in the active and not future reference. A suggestion to change the Term appointment by adding 1 year to not lose interest.</p> <p>For the UNM Job Title and requisition for the Executive Director a request was made to also change the date in the term appointment.</p> <p>The Chair provided further clarification on the dates for employment by having representatives from the BOD participate with the UNM HR selection committee for Term dates as well as best consideration dates for hire.</p> <p>The Chair and Strategy and Policy director provided information on the posting of the position explaining once the BOD approves UNM HR is contacted in which the process of posting the position takes up to 10 days including the advertisement. The Chair explained the initial posting will be locally within New Mexico and that the board can decide to post nationally depending on the applicant response. If the posting is nationally UNM will have to approve with the BOD responsible for advertising costs. Once the applicants are received, they will be scored and then selected for interviews. The BSA will consider the response based on the number of applicants. A definitive timetable could not be reached for exact date of hire due to the intangibles in the selection process. The expected date of the Executive Director Hire was the end of May.</p> <p>The chair commended Christos and the Executive Director Task Force for their detailed efforts on the posting.</p>
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		<p>A motion was made to approve of the Executive Job posting by Dale Dekker with a second by Greg Byrnes.</p> <p>A Roll call vote of all board members was called with eleven in the affirmative, none in opposition, none in abstention and two absent. The vote was as follows:</p> <p>Arvizu-Affirm, Byrnes-Affirm, Christodolou-Affirm, Dekker-Affirm, Gifford-Affirm, Hansen-Affirm, Kieft-Absent, Larson-Affirm, McLaughlin-Affirm, Prokuski-Affirm, Quillen-Affirm, Rose-Affirm, Tomar-Absent</p>
6.	Conflict of Interest Policy	<p>Director Ken Prokuski from the Finance committee provided an update on the current Conflict of Interest policy stating that the State Investment Council's Conflict of Interest Policy serves as a guide and reference in drafting the BSA's policy. A draft will be made and submitted to the Executive Committee before their next meeting for review. The executive committee will review the draft and make changes before presenting at the April 16th BOD meeting.</p>

7.	Chair/Vice Chair nominations	<p>Vice President Christos Christodolou detailed the Chair/Vice Chair nominations and results. Nominations for referral and self-appointment were mailed to the BOD and then tallied by the Strategic Policy Director.</p> <p>After collecting responses, a follow up telephone call was made to those contacted to ask if they were interested in the position. Some members did not express interest due to current commitments.</p> <p>Vice President Christodolou informed that the BOD will vote at the Annual board meeting in May.</p>
8.	Committee Restructuring Proposal – Annual Approval and Update	<p>Chair Larson reviewed the current committees as the proposed changes were first discussed at the February Executive Committee meeting.</p> <p><u>Executive Committee</u> – will remain as required in the Bylaws.</p> <p><u>Finance Committee</u> – will remain as required in the Bylaws.</p> <p>Audit Committee – New addition to the BSA, not in the Bylaws.</p> <p>The chair views the new condensed committee proposals as a means for the BOD to serve on at least one committee which would eliminate obligations to existing committees that haven't met. He also added that previously, the BSA did not have full descriptions of committees in the bylaws and what were their functions. With the proposed committee changes the BOD can vote on membership for a 1 Year term.</p>

		<p>The BOD like the condensed committee format and asked of an overlap with the Finance and Audit Committee as well as the discontinuation of the Governance in terms of managing possible Conflicts of Interest. The Chair clarified that the Governance Committee was formed to review the Bylaws and that language in the Audit committee specifying compliance and internal controls addresses conflicts of interest.</p> <p>A point was raised that the Legislature was concerned a committee had not been formed to orient the BSA's program vision and goals. A Program committee and a Subcommittee were discussed. Director Dale Dekker proposed a Mission Advance Committee that reports to the board, the Executive committee or a standing committee to evaluate program vision and goals. The board liked the idea of a Mission Advance committee with the chair adding it to the proposed committee restructuring in which a revised four committee structure schematic will be drafted and reviewed at the Executive Committee before presenting at the April 16th, 2021 BOD Meeting.</p>
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9.	Adjourn	<p>The Chair called for a motion to adjourn the meeting with a motion by Ken prokuski followed with a second by Dale Dekker.</p> <p>A Roll call vote of all board members was called with eleven in the affirmative, none in opposition, none in abstention and two absent. The vote was as follows:</p> <p>Arvizu-Affirm, Byrnes-Affirm, Christodolou-Absent, Dekker-Affirm, Gifford-Affirm, Hansen-Affirm, Kieft-Affirm, Larson-Affirm, McLaughlin-Affirm, Prokuski-Affirm, Quillen-Affirm, Rose-Affirm, Tomar-Absent</p>
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Respectfully submitted by Sterling Nichols