

PRESIDENT'S COMMENTS FOR AUGUST BOR MEETING

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President

The President's Goals and Objectives

Today's discussion culminates a series of meetings held to both discuss and determine my goals and objectives for the coming year – the 4th year in my tenure at UNM (**Slide 2**). These meetings commenced on the 25th of May, the day of my formal evaluation; a second follow-up meeting was held on June 22nd; the goals and objectives were discussed with campus executives and leaders at an executive retreat on the 8th of July; and finally I met with Board President Sanchez on the 9th of July. All of the changes discussed in those dialogues have been included in the document contained in your notebook and that you are being asked to adopt this morning.

Five over-riding issues (**Slide 3**) dominated the development of these goals and objectives, and this morning I want to spend a few minutes highlighting those issues and some of the significant goals that are in my work plan with respect to them.

Issue 1 -- Budget

The first issue, and certainly the most significant one, is the *budget* (**Slide 4**). At my initial evaluation meeting, I pointed out to you that I did not believe the budget cutting was over and that has proved to be the case. Just 1 month into the fiscal year, statewide public institutions, including higher education and public schools, have been told they very likely will face a 3.2% budget reduction beginning September 1st. For UNM, this will mean an additional \$5.9 M in recurring cuts to main campus, \$2.9 M to the HSC, and \$611 K to the branches. It is widely anticipated that even more severe cuts will take place in the upcoming 2012 budget. The current 3.2 % cut plus the anticipated cuts next year (estimated right now at 5%) would bring our budget reductions to almost \$41 M which amounts to a 19.3% reduction over 3 budget cycles (**Slide 5**).

Of course, we are not the only university to suffer severe budget reductions. If you look at large public universities around the country, **Slide 6** depicts how they have managed to cope with reduced funding. To date, we have not had to resort to most of these draconian measures. We have dramatically reduced institutional support (administrative costs), and we have used the new dollars from increased tuition and enrollment growth to offset the reductions. And, very importantly, during this downturn we even increased instructional support by \$7 M. As a result, we have not witnessed a dramatic decline in the academic mission of UNM. **Slide 7** summarizes an assessment the Provost did over the summer to look at the academic mission.

As far as how we will cope with these latest predicted rescissions in state funding, on Friday, July 31st, I met with university deans, senior administrators, faculty representatives and branch directors for the first of a series of discussions focused on how

the university will manage this latest round of budget cuts as well as anticipated future cuts.

It was the consensus of that meeting that the current round of cuts can best be managed individually by the schools, colleges and units – giving each maximum flexibility to develop and utilize a combination of cost-cutting and revenue generating strategies.

It is the University's intention to not cut any classes at the present time. By the end of the fall semester, UNM will have a plan in place to deal with the future cuts, which could require major changes to the University as it adjusts to a different sized budget. Goals 1, 2, 9, and 13 include a number of strategies that will be used to meet these expected reductions (**Slide 8**).

Issue 2 – LFC Performance Audit

The second over-riding issue concerns the recently completed *LFC Audit of NMSU and UNM* (**Slide 9**). While the detailed report is embargoed, I will be making a response for the University to the LFC tomorrow in Taos. This “audit,” which in reality is really more of an evaluation of the current state and challenges facing higher education in New Mexico thru the lens of the two largest universities, has been on-going for several months. We have been participative and cooperative throughout and our general conclusion of the report, as drafted, is that if most of the recommendations in the report were implemented, we would have a better performing system of higher education in the state.

Slide 10 depicts what I would consider are the high level observations of the audit and as you will note several of them are directly related to goals and objectives in my work plan. In particular, I would call attention to our efforts to strengthen admission standards and how that relates to graduation rates (**Slide 11**). Goals 1, 2, 3, 4, 6, and 8 all have elements (bullets) that relate to recommendations in the LFC Audit (**Slide 12**).

Issue 3 – Shared Governance

The third over-riding issue with regard to the goals and objectives would be the topic of *shared governance* (**Slide 13**). During my evaluation, I shared with you the most commonly accepted description of “shared governance” from the AAUP. Also, I shared with you the beginnings of a matrix showing how “shared governance” should operate in the context of current policies at UNM (**Slide 14**).

A survey of “shared governance” on the campus has been completed and focus groups have been convened to offer recommendations for improvement. The draft report from the consultant who conducted the surveys and focus groups is expected sometime this month. The purpose of this exercise was to create a benchmark so that we can retest next year and document any progress we make. Hopefully, all of these steps will produce positive change. We must file an updated report to the Higher Learning Commission

(HLC) about the status of governance, including the results of the follow-up survey, about a year from now.

The need to make progress in this area was stressed in your formal written response to me and I accept that challenge. As I stated in my response to the Board President, “As President I have and will continue to leave my door open to constructive dialog. I have promised to listen and I have always been willing to learn. As a lifelong teacher, I know all of us must remain devoted to this process, and as President I vow to continue to show my willingness to incorporate all points of view as we formulate our policies and seek solutions to the many challenges we face.” Goals and objectives that relate to the “shared governance” issue are included under goals 1, 2, 10, and 12 (**Slide 15**).

Issue 4 – Capital Campaign

The fourth over-riding issue concerns the importance of our newly organized independent foundation, going forward (**Slide 16**). More than ever before, the long-term success of *private fund-raising* will impact our ability to sustain excellence. We must recognize the critical juncture of the Foundation and the need for the BOR and the Foundation Trustees to work together and stabilize the resources required for a successful \$675 M Campaign. In your letter to me about my evaluation, the downturn in private fund-raising this past year was noted. However, as **Slide 17** depicts, over the past 3 years fund-raising has been higher at the university than it was previously. Nevertheless, it is my intention to work with the new Foundation President to move fund-raising forward to the extent this economy will allow success. Goal 7 and all of its bullets address my objectives for fund-raising in the coming year.

Issue 5 – My Health

The fifth over-riding issue is *my health* and how it might impact these goals and objectives. As you know, my medical condition will require that I am off campus from the latter part of August until the end of September. Otherwise, I do not believe my medical condition will have any impact on my ability to execute my duties. I have given specific instructions to the Executive Vice Presidents regarding the administration and management of the University and its campuses while I am away, and it is my intention to be available for communication by telephone or e-mail during the period of my sick leave. I certainly want to thank everyone in the UNM Community, in Albuquerque, and around the state who have sent cards, e-mails, and made phone calls wishing Janet and me the best. All of you have given me strength and great hope. I have every intention of returning to campus fully energized and prepared to assume my duties.

That concludes my presentation and I am prepared to stand for any questions.