

Board of Regents' Meeting
April 12, 2011
9:00 a.m.
Student Union Building Ballroom C

AGENDA OF THE SPECIAL MEETING OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO
April 12, 2011, Tuesday
9:00 a.m. – 11:30 a.m. Student Union Ballroom C
Regents Executive Session/Luncheon, 11:30 a.m. – 1:00 p.m. Sandia Room

TAB

- I. Confirmation of a Quorum: Adoption of the Agenda, *Regent* President Jack L. Fortner..... 1
- II. Comments from Regent Advisors

Finance and Facilities Committee, Regent Don Chalmers, Chair

A. Consent Agenda (*Finance & Facilities Committee meeting 4/11/20110*) to be added.

1) Approval of: 2

- 1) Capital Project for Computer Sciences Computer Lab, *Vahid Staples, Budget Officer*
- 2) Capital Project for Emergency Medicine Department
- 3) Capital Project for Center for Molecular Discovery
- 4) Capital Project for Tri-Services 3rd Floor Lab Renovation
- 5) Architect Selection for Chemistry Department Renovation

2) Approval of Contracts:

- 1) UNM Financial Services-FY11 Financial Audit, *Bruce Cherrin, Chief Procurement Officer*

3) Approval of:

- 1) Real Property Acquisition of 1401-A University Boulevard NE
Kim Murphy, Director Real Estate

B. Action Item:

4) Approval of: 3

- FY 2012 Tuition and Fees Subject to Amendment and Substitution by the Board of Regents, to include Tuition Differential Rates for Professional Programs Including Occupational Therapy, *Andrew Cullen, AVP Planning Budget and Analysis*

III. Public Comment

IV. Vote to close the meeting and to proceed in Executive Session.

V. Executive Session will be held from 11:30 a.m. – 1:00 p.m. in the Sandia Room, SUB

A. Discussion and determination where appropriate of threatened or pending litigation Pursuant to Section 10-15-1.H (7) NMSA (1978)

B. Discussion and determination where appropriate of limited personnel matters pursuant to Section 10-15-1.H (2), NMSA (1978)

VI. C. Vote to re-open meeting.

D. Certification that only those matters described in Agenda Item IX. were discussed in Executive Session and if necessary, final action with regard to those matters will be taken in Open Session.

VII. Adjournment



Office of Capital Projects

**MEMORANDUM TO ADVANCE
COMMITTEE AGENDA ITEMS TO
THE BOARD OF REGENTS
THE UNIVERSITY OF NEW MEXICO**

DATE: April 1, 2011
TO: David W. Harris, EVP for Administration, COO & CFO
FROM: Vahid Staples, Budget Officer, Office of Planning, Budget & Analysis
RE: Requested Approvals

RECOMMENDED ACTION:

Recommend to the Board of Regents Finance and Facilities Committee the following:

1. Request for Capital Project Approval for Centennial Engineering Center: Computer Sciences Computer Lab
2. Request for Capital Project Approval for Emergency Medicine Department
3. Request for Capital Project Approval for University of New Mexico Center for Molecular Discovery
4. Request for Capital Project Approval for Tri-Services 3rd Floor Lab Renovations
5. Request for Approval of Architect Selection for Chemistry Department Renovation

Please see attached summaries and drawings.

cc: Chris Vallejos, Associate VP, Institutional Support Services
Mary Kenney, Robert Doran - PCD
W. Turner, C. Martinez, R. Henrard, M. Gauer, C. Carian, T. Sanchez – OCP
Stephanie Forrest, Chair, Computer Science
Dr. David Bear, Chair, Chemistry Department
Melissa Vargas, Strategic Planner, Provost's Office
Dr. Richard Larson, VP for Research, Health Sciences Center
Dr. Michael Richards, Chair, Department of Emergency Medicine

**REQUEST FOR CAPITAL PROJECT APPROVAL for
CENTENNIAL ENGINEERING CENTER: COMPUTER SCIENCES COMPUTER LAB
UNIVERSITY OF NEW MEXICO**

April 29, 2011

REQUESTED ACTION:

In accordance with Section 7.12 of the Board of Regents Policy Manual and as required by the New Mexico Higher Education Department and New Mexico State Board of Finance, project approval is requested for Centennial Engineering Center: Computer Sciences Computer Lab.

PROJECT DESCRIPTION:

The Computer Science (CS) computer lab project will design and build out 2,400 square feet of shell space located within the basement of Centennial Engineering Center on the Main Campus. The project will include 54 computer stations, a data room and 2 teacher stations. The room will include a movable partition allowing the space flexibility by separating the room into two lab spaces. The space will be designed and constructed to allow future expandability of 72 total computer stations and additional teacher stations. The project will utilize existing building infrastructure to support this new space.

PROJECT RATIONALE:

The Computer Sciences (CS) courses are currently using centralized classrooms which have constraints both in availability and the size. Most are limited to 20 people and the typical time blocks are only 50-minutes which does not always allow CS students to complete supervised lab assignments. Computer Science enrollments are growing, and there is a strong demand for graduates. It is anticipated that most CS programming courses will migrate to the laboratory setting.

The UNM computerized classrooms are restricted to use only the software provided by Information Technology (IT). CS needs computers that it can support and operate their own software on (i.e. Linux and various specialized packages and environments not currently supported by IT).

FUNDING:

The total estimated Project Budget is \$430,000:

- \$80,000 is funded from the School of Engineering
- \$200,000 is funded from a Donor
- \$50,000 Computer Science Department
- \$100,000 from a separate Donor



The University of New Mexico
Purchasing Department
MSC01 1240
1 University of New Mexico
Albuquerque, NM 87131-0001

To: David Harris, Executive Vice President for Administration
From: Bruce Cherrin, Chief Procurement Officer
Subject: **Contract Approval**
Date: April 6, 2011

The following is being submitted for approval per Regent Policy 7.4. This will need to proceed to the full Board of Regents.

UNM Financial Services – Audit Services

Proposals were solicited on March 4, 2011 on behalf of the Financial Services Division for an Audit Firm for Financial Statements and Compliance Audits for the years ending 6/30/2011, 6/30/2012 and 6/30/2013. There were a total of 2 respondents for the request for proposal as follows:

1. Moss Adams LLP and KPMG LLP
2. Clifton Gunderson LLP

Proposals and evaluation criteria were distributed to the 7-member evaluation committee on March 30, 2011. The Committee consisted of the Lead Financial Officers for UNM Foundation, UNM Medical Group, UNM Hospitals, Sandoval Regional Medical Center (SRMC), the Chief Accounting and Treasury Officer, Main Campus and the Finance VP/Controller. In accordance with appropriate selection criteria established for the procurement, the written proposals were evaluated for responsiveness to mandatory requirements.

The FY2011 cost proposal includes a new entity, SRMC. In order to compare the year-to-year fees, I have excluded SRMC in the following analysis. The costs (excluding SRMC) to perform the services are a reduction of 7.8% for FY2011 over FY2010. FY2012 is a 2.5% increase over FY2011 and FY2013 is a 3.3% increase over FY2012.

The selection committee recommends awarding the contract to Moss Adams LLP as the highest ranked offer. Including SRMC, the total 3-year proposal cost is \$2,610,000 plus NM GRT. The total 3-year proposal cost for the previous Audit Contract was \$2,495,000 plus NM GRT.

The various sources of funds depend on the unit: The Main Campus and HSC portion of the audit will be paid from I&G funds. Each component unit pays their own share, in addition KNME, KUNM, and Athletics are billed for the work done for their departments. The UNM Hospitals and UNMMG are also separately charged.



Memo

To: David W. Harris, Executive Vice President for Administration, COO and CFO
From: Kim D. Murphy, Director of Real Estate *KDM*
Date: April 1, 2011
Re: Real Property Acquisition of 1401-A University Boulevard NE

We are requesting Board of Regents approval to purchase a commercial property located at 1401-A University Boulevard NE. The property consists of a 3,146-square-foot office building situated on a 9,605 square foot site. This acquisition represents the final piece involved in the assemblage of three privately-held parcels of land located along the west side University Boulevard, north of Camino de Salud and south of Indian School Road for future use by the UNM Health Sciences Center. The property is surrounded on four sides by land owned by the Regents of the University of New Mexico. The intended use of the property is for medical clinics.

The property is owned by Patrick and Barbara Carr and the building is operated as Carr Imaging, a digital capture and output fine art printing business. The property was not listed for sale. The contract price is \$350,000 and it is the intention of the seller to accomplish a 1031 tax deferred exchange. The exchange property is reportedly under contract and contingent upon successful completion of the sale of 1401-A University.

The contract is subject to Regents approval and receipt of an appraisal acceptable to the Real Estate Department verifying that the contract price is equal to, or less than, market value. With Regents approval, the Real Estate Department will complete due diligence on the property to insure compliance with the Higher Education Department and State Board of Finance requirements.

The source of funding for the acquisition is the HSC Capital Initiative Fund.

MAIN CAMPUS TUITION & FEE SCENARIO - FY 12

Total Revenue Reduction FY 12

State Imposed Tuition Tax Credit 4.05%	3,847,500
UNM Imposed Tuition Increase 4.58%	4,568,763
Balance of Tuition Increase	4,568,763
UNM Increase of Tuition Revenue Projected	8,416,263
Tuition & Fee (\$40) Percentage Change	7.5%
Tuition & Fee Percentage Change with no Fee Increase	6.8%

Total Revenue

Required Use of Funds

Utility - Back Fill of Stimulus Funding (ARRA)	3,941,000
Utility Inflation - PNM Rate (13.4% increase over 3 years)	480,000
Internal Audit - Audit Committee Recommendation	75,000
Bad Debt Expense - projection of 1% of tuition increase	84,163
3% Scholarship Transfer (HSC to fund one-time)	587,639
Tuition Waivers - G/A and T/A	263,241
Liability/Property Insurance Premium Increases	1,500,000
Subtotal	6,931,043

Strengthen Core Mission

Formula Distribution - HSC	395,000
Absorption of RPSPs	210,900
UNM Press Subsidy	250,000
Faculty Promotions	200,000
Faculty & GA/TA Merit Increases	-
Staff/Student Salary Compensation @ 1.5%	-
Faculty Positions	750,000
GA/TA Positions	250,000
Arts & Sciences Part-time faculty	500,000
FY 2010-11 Commitments	255,500
Subtotal	2,811,400

Reduction of Expenditures

A. Budget Reductions (Provost Recommendation)	(1,078,964)
B. Budget Reductions (Administrative Recommendation)	(2,003,616)
C. Pooled Fringe Benefits Reduction	(475,465)
Executive Salary Cuts by increased ERB contribution	(46,550)
Permanent Pause & Hold (Attrition)	(1,000,000)
ERB SWAP (Employee Contribution of 1.75%)	-
D. Information Technology Rapid Redesign	(2,365,139)
General Administration Reduction - (see A + C)	(500,000)
E. Dean's Council - Trigger Point	(871,127)
Subtotal	(8,340,861)

Administrative Fund Balance Pull-Back (One-Time)

Academic Affairs (Total Amount \$4,308,992)	(3,000,000)
Administration (Total Amount \$2,742,019)	(2,742,019)
Subtotal	(5,742,019)

Elimination of One-Time Funding Sources

Faculty Sabbaticals	400,000
Transfer to Building Renewal & Replacement (BR&R)	3,500,000
Pause & Hold	1,500,000
Use of Balance	2,000,000
Voluntary Furlough	100,000
Subtotal	7,500,000

Total Expense

Balance

	Initial Summit Scenario	Cost Containment Recommendation	Budget Summit Recommendation
Total Revenue Reduction FY 12	(5,256,700)	(4,669,061)	(4,669,061)
State Imposed Tuition Tax Credit 4.05%	3,847,500	3,847,500	3,847,500
UNM Imposed Tuition Increase 4.58%	4,568,763	3,087,500 3.25%	2,802,500 2.95%
Balance of Tuition Increase	4,568,763	3,087,500	2,802,500
UNM Increase of Tuition Revenue Projected	8,416,263	6,935,000	6,650,000
Tuition & Fee (\$40) Percentage Change	7.5%	6.5%	6.3%
Tuition & Fee Percentage Change with no Fee Increase	6.8%	5.8%	5.5%
Total Revenue	3,159,563	2,265,939	1,980,939
Required Use of Funds			
Utility - Back Fill of Stimulus Funding (ARRA)	3,941,000	3,941,000	3,941,000
Utility Inflation - PNM Rate (13.4% increase over 3 years)	480,000	-	-
Internal Audit - Audit Committee Recommendation	75,000	75,000	75,000
Bad Debt Expense - projection of 1% of tuition increase	84,163	69,350	66,500
3% Scholarship Transfer (HSC to fund one-time)	587,639	-	-
Tuition Waivers - G/A and T/A	263,241	222,672	198,270
Liability/Property Insurance Premium Increases	1,500,000	1,138,000	1,138,000
Subtotal	6,931,043	5,446,022	5,418,770
Strengthen Core Mission			
Formula Distribution - HSC	395,000	395,000	395,000
Absorption of RPSPs	210,900	210,900	210,900
UNM Press Subsidy	250,000	250,000	250,000
Faculty Promotions	200,000	200,000	200,000
Faculty & GA/TA Merit Increases	-	1,654,564	-
Staff/Student Salary Compensation @ 1.5%	-	1,422,044	-
Faculty Positions	750,000	750,000	2,000,000
GA/TA Positions	250,000	250,000	562,734
Arts & Sciences Part-time faculty	500,000	500,000	500,000
FY 2010-11 Commitments	255,500	255,500	255,500
Subtotal	2,811,400	5,888,008	4,374,134
Reduction of Expenditures			
A. Budget Reductions (Provost Recommendation)	(1,078,964)	(1,378,964)	(1,378,964)
B. Budget Reductions (Administrative Recommendation)	(2,003,616)	(2,003,616)	(1,618,616)
C. Pooled Fringe Benefits Reduction	(475,465)	(1,690,465)	(1,690,465)
Executive Salary Cuts by increased ERB contribution	(46,550)	(46,550) ^{1.}	(46,550) ^{1.}
Permanent Pause & Hold (Attrition)	(1,000,000)	-	-
ERB SWAP (Employee Contribution of 1.75%)	-	(3,835,350) ^{1.}	(3,835,350) ^{1.}
D. Information Technology Rapid Redesign	(2,365,139)	(2,000,000)	(2,000,000)
General Administration Reduction - (see A + C)	(500,000)	-	-
E. Dean's Council - Trigger Point	(871,127)	(871,127)	-
Subtotal	(8,340,861)	(11,826,072)	(10,569,945)
Administrative Fund Balance Pull-Back (One-Time)			
Academic Affairs (Total Amount \$4,308,992)	(3,000,000)	(3,000,000)	(3,000,000)
Administration (Total Amount \$2,742,019)	(2,742,019)	(2,742,019)	(2,742,019)
Subtotal	(5,742,019)	(5,742,019)	(5,742,019)
Elimination of One-Time Funding Sources			
Faculty Sabbaticals	400,000	400,000	400,000
Transfer to Building Renewal & Replacement (BR&R)	3,500,000	3,500,000	3,500,000
Pause & Hold	1,500,000	2,500,000	2,500,000
Use of Balance	2,000,000	2,000,000	2,000,000
Voluntary Furlough	100,000	100,000	100,000
Subtotal	7,500,000	8,500,000	8,500,000
Total Expense	3,159,563	2,265,939	1,980,939
Balance	0	0	0

1. Employee funds 1.75%

MAIN CAMPUS REVENUE SUMMARY - FY 12

REVENUE	FY 2011-12	FY 2012-13
State General Fund Increase (Decrease) SFC REC		-
Workload Increase	6,096,118	
Tuition Credit Rate (3.1%)	(3,855,804)	
Tuition Credit Formula Base Growth	(3,403,591)	
Tuition Waivers Reduction	(3,850,044)	
Other Reductions (RTW, Prorated, etc)	(361,479)	-
FY 12 Projected Reduction for ERB SWAP 1.75%	(3,881,900)	
Unrealized Revenue (Interest Income)	(1,000,000)	-
Enrollment Growth - FY 11 Un-Budgeted Tuition - one time	3,500,000	
Enrollment Growth - FY 11 Un-Budgeted Tuition - permanent	1,500,000	
HSC to fund 3% Scholarship Increase (one-time)	587,639	
One-Time Funding Sources	-	(9,829,658)
Total Funding Changes:	(4,669,061)	(9,829,658)
ONE-TIME Sources		
Academic Affairs (Total Amount \$4,308,992)	3,000,000	
Administration (Total Amount \$2,742,019)	2,742,019	
Enrollment Growth - FY 11 Un-Budgeted Tuition - one time	3,500,000	
HSC to fund 3% Scholarship Increase (one-time)	587,639	
Total	9,829,658	

Provost Budget Reduction Recommendations: Document A

UNIT	Recommendation	Source	Initial Recommendation	Savings	
				FY 12 Recurring	Non-Recurring FY 13 Recurring FY 14 Recurring
Student Services					
Accessibility Resource Center	Salary savings by reclassification and reduced FTE by 1.25	Provost	(178,312)	(89,156)	
African American Student Services	Consolidation of IT & accounting functions and reduction of operating budget	Provost	(28,013)	(28,013)	
American Indian Student Services	Consolidation of accounting functions	Provost	(15,522)	(15,522)	
Dean of Students	Eliminate Sr. Program Mgr and merge Dean of Students & AVP of Student Life position	Provost	(167,680)	(167,680)	
El Centro de la Raza	Consolidation of IT & accounting functions	Provost	(22,523)	(22,523)	
VP for Student Affairs	Elimination of public relations position and eliminate hard copy of newsletter	Provost	(33,904)	(33,904)	
Veterans Outreach Services	Eliminate external services	Provost	(42,852)	(21,426)	
	Subtotal Student Services		(488,807)	(378,225)	
Management/Administration					
Data and Reporting	Consolidate Enrollment Management Data & Reporting with Institutional Research	Provost	(15,113)	(15,113)	
Harwood Museum	Shift to endowment funding source	Provost	(8,000)	(8,000)	
Information Technology		Provost	TBD	TBD	
VP for Enrollment Management	Reduction of administrative budget/senior administrative salary lines.	Provost	(15,758)	(15,758)	
VP for Equity & Inclusion	Various expenditure reductions	Provost	(136,320)	(136,320)	
Registrar	Cost containment & efficiencies, automate registrar office functions	Provost	(3,000)	(3,000)	
Continuing Education/ College Non-Credit Offerings	Restructuring of services	Provost		(100,000)	
To be finalized	Additional cuts to admin units	Provost		(50,000)	
	Subtotal Management/Administration		(178,191)	(328,191)	

Provost Budget Reduction Recommendations: Document A

UNIT	Recommendation	Source	Initial Recommendation	Savings	
				FY12 Recurring	Non-Recurring
Cost Containment Task Force Committee Recommendation					
Teaching & Curriculum					
Academic Program Review	Utilize virtual conferencing technologies to reduce travel costs	Provost	(3,400)	(3,400)	
International Programs & Studies	International Student Fees	Provost	(6,000)	(6,000)	
Office of Support for Effective Teaching	Eliminate participation in APLU	Provost	(30,000)	(30,000)	
Strategic Curriculum Management		Provost	(28,000)	(28,000)	
University College Non-degree Evening and Weekend Degree Programs/Summer Allocation	5% Reduction	Provost	(29,376)	(29,376)	
		Provost	(150,000)	(150,000)	
	Subtotal Teaching & Curriculum		(96,776)	(246,776)	-
Faculty/Staff Support					
CARS		Provost	(23,772)	(23,772)	
	Subtotal Faculty/Staff		(23,772)	(23,772)	-
Research					
Latin American & Iberian Institute		Provost	(2,000)	(2,000)	
	Subtotal Research		(2,000)	(2,000)	-
	Total Provost Recommendation		(789,546)	(978,964)	-
Extended University	Reduction of \$400,000 in recurring I&G Funding, PSAT		(400,000)	(400,000)	
	Subtotal Cost Containment Task Force		(400,000)	(400,000)	-
			(1,189,546)	(1,378,964)	-

Administrative Budget Reductions: Document B

UNIT	Recommendation	Source	Initial Recommendation	Savings	
				FY 12 Recurring	FY 13 Recurring
				FY 12 Recurring	FY 13 Recurring
				Cost Containment Task Force Committee Recommendation	
UNM Foundation	Reduction of \$300,000 in recurring I&G Funding	PSAT	(300,000)	(1,168,616)	
Alumni Relations	Reduction of \$100,000 in recurring I&G Funding	PSAT	(100,000)	(300,000)	(300,000)
Athletics	Reduction of \$100,000 in recurring I&G Funding	PSAT	(100,000)	*	
Continuing Education	Eliminate use of tuition remission for non-academic programs and insist on "break even" results for Continuing Education	PSAT	(1,400,000)	(300,000)	
Total Cost Containment Task Force			(1,900,000)	(1,618,616)	(300,000)

* Subsequent Discussions

Pooled Fringe Benefits: Document C

UNIT	Recommendation	Source	Initial Recommendation	FY 12 Recurring	Non-Recurring	FY 13 Recurring	FY 13 Recurring	Savings
Human Resources	Dependent Eligibility	Admin						
Budget Office	Unemployment/Workman's Compensation	Admin				(94,269)		
Human Resources	ERB Contributions (Eliminate .25FTE)	Admin				(765,000)		
Extended University	Remove Fringe Benefits from I&G Pool	Provost				(381,196)		
	<i>Total Pooled Fringe Benefits</i>		-			(450,000)		
						(1,590,465)		

Cost Containment Task Force Committee Recommendation



IT Main Campus I&G Cost Containment Strategy Savings: Document D

Strategy	Strategy Description	Savings - FY12 Recurring					
		Central IT Administration	Other Administrative Units	Academic Affairs			
		Total I&G	Non-MC I&G	Grand Total			
S1	Main Campus purchases of computers and supplies	(74,912)	(15,906)	(143,161)	(233,979)	(338,021)	(572,000)
S2	Main Campus purchases of software	(93,000)	(7,605)	(19,555)	(120,160)	(69,840)	(190,000)
S3	Reduction of budgets allocated to Central IT-Training/Tra	(150,000)	-	-	(150,000)	-	(150,000)
S4	University-wide cell phone stipend program	-	(14,720)	(17,280)	(32,000)	(168,000)	(200,000)
S5	Reduction of Central IT dues and memberships	(25,000)	-	-	(25,000)	-	(25,000)
S6	Reduction of Central IT miscellaneous expenses	(275,000)	-	-	(275,000)	-	(275,000)
S7	Reduction of Central IT marketing budget	(50,000)	-	-	(50,000)	-	(50,000)
S8	Reduction of IT-related contract/professional services	(75,000)	(2,080)	(1,920)	(79,000)	(21,000)	(100,000)
S9	Reduction in Central IT and Main Campus IT Staffing	(224,000)	(51,040)	(124,960)	(400,000)	-	(400,000)
S10	Redeployment of Central IT revenue	(1,000,000)	-	-	(1,000,000)	-	(1,000,000)
Strategy Totals		(1,966,912)	(91,351)	(306,876)	(2,365,139)	(596,861)	(2,962,000)
Additional Central IT Savings - TBD		(33,088)					
Total Central IT Reduction		(2,000,000)					

Dean's Council Trigger Point: Document E

UNIT	Recommendation	Source	Initial Recommendation	Savings	
				FY 12 Recurring	FY 13 Recurring
				Non-Recurring	FY 13 Recurring
Cost Containment Task Force Committee Recommendation					
Anderson	Unit Cost Savings	Deans	(160,801)	(160,801)	
Architecture	Unit Cost Savings	Deans	(36,242)	(36,242)	
Arts & Sciences	Unit Cost Savings	Deans	-	-	
Education	Unit Cost Savings	Deans	(160,688)	(160,688)	
Engineering	Unit Cost Savings	Deans	(104,199)	(104,199)	
Fine Arts	Unit Cost Savings	Deans	(113,339)	(113,339)	
Law	Unit Cost Savings	Deans	(145,061)	(145,061)	
Library	Unit Cost Savings	Deans	(15,073)	(78,101)	
OCS	Unit Cost Savings	Deans	(12,065)	(12,065)	
Public Administration	Unit Cost Savings	Deans	(8,359)	(8,359)	
University College	Unit Cost Savings	Deans	(82,128)	(52,272)	
Total Deans			(837,955)	(871,127)	

Presentation to:
UNM Regents

HEALTH SCIENCES CENTER

Paul B. Roth, MD, MS, FACEP
Chancellor for Health Sciences
Dean of the UNM School of Medicine

Ava J. Lovell, CPA
Vice President HSC/UNM Finance and
University Controller

April 12, 2011



Consolidated FY 2012 Preliminary Budget Revenue & Expense

Income Statements for All Entities within the HSC

	UNM SOM	UNM CON	UNM COP	UNM Hospitals	HS Library Informatics	HSC Administration	UNM HSC 6/30/2012 Projected Total
PATIENT REVENUES	\$ 206,893,797	\$ 25,000	\$ -	\$ 631,582,579	\$ -	\$ -	\$ 838,501,376
TUITION and FEES	6,785,259	1,301,944	2,625,367	-	389,850	-	11,102,420
STATE APPROPRIATIONS	46,996,655	5,413,977	5,782,951	12,156,900	4,797,349	10,003,868	85,151,700
FACILITIES and ADMINISTRATION	9,886,954	66,000	547,046	-	-	10,500,000	21,000,000
ALL OTHER	139,093,873	626,958	3,871,156	106,789,049	526,251	19,980,057	270,887,344
TOTAL REVENUE	\$ 409,656,538	\$ 7,433,879	\$ 12,826,520	\$ 750,528,528	\$ 5,713,450	\$ 40,483,925	\$ 1,226,642,840
SALARY, WAGES & BENEFITS	\$ 243,268,214	\$ 6,469,550	\$ 9,693,890	\$ 379,107,991	\$ 3,742,552	\$ 27,238,315	\$ 669,520,512
ALL OTHER	165,987,313	964,329	3,057,630	371,411,522	1,966,436	13,245,610	556,632,840
TOTAL EXPENSES	\$ 409,255,527	\$ 7,433,879	\$ 12,751,520	\$ 750,519,513	\$ 5,708,988	\$ 40,483,925	\$ 1,226,153,352
NET OPERATING INCOME	\$ 401,011	\$ -	\$ 75,000	\$ 9,015	\$ 4,462	\$ -	\$ 489,488
CAPITAL & NON-RECURRING EXPENDITURES	(7,000,000)		(308,712)	-	(66,941)	(1,250,000)	(8,625,653)
NET INCOME	\$ (6,598,989)	\$ -	\$ (233,712)	\$ 9,015	\$ (62,479)	\$ (1,250,000)	\$ (8,136,165)

- Administrative overhead 5.26% (1.7% funded from the state)

Note: CMS in an effort to understand efficiencies by health care providers have agreed that administrative overhead less than 15% is acceptable.



FY 2012 Preliminary Budget Revenue Detail

Revenues	UNM	UNM	UNM	UNM	UNM	UNM	UNM	UNM	HSC	UNM HSC
	SOM	CON	COP	Hospitals	HS Library Informatics	Administration	Projected Total		6/30/2012	
University Hospital Patient Revenue/Funding	\$ 81,486,000	\$ 48,480	\$ 10,500	\$ 636,592,179						\$ 718,137,159
Mil Lew				90,562,935						90,562,935
Cancer Center Patient Revenues	23,888,800									23,888,800
UNMMG Revenues	91,682,080	25,000								91,707,080
Grant & Contract Revenues	125,173,660		3,467,971		10,500	935,179				129,587,310
State Appropriations - RPSP's	12,579,500	580,215	1,616,835	12,156,900						26,933,450
Cigarette Tax	2,604,345									2,604,345
F&A Revenue	9,886,954	66,000	547,046					10,500,000		21,000,000
State Appropriations - I & G Allocations	35,712,467	4,833,762	4,166,116		4,797,349	10,003,868				59,513,562
Tuition & Fees	6,785,259	1,179,576	2,625,367		389,850					10,980,052
Allocations and Transfers	(3,334,353)	197,278	(378,230)		515,751	11,457,033				8,457,479
Sales & Services	9,819,063		285,000							10,104,063
Other Revenues	8,172,763	503,568	485,915	10,616,658		7,000,206				26,779,110
Investment Income/Foundation	5,200,000			4,127,881						9,327,881
Total Revenues	\$ 409,656,538	\$ 7,433,879	\$ 12,826,520	\$ 754,056,553	\$ 5,713,450	\$ 39,896,286				\$ 1,229,583,226



FY 2012 Preliminary Budget Expense Detail

Expenses	UNM SOM	UNM CON	UNM COP	UNM Hospitals	HS Library Informatics	HSC Administration	UNM HSC 6/30/2012 Projected Total
Faculty Salaries	\$ 143,951,063	\$ 4,807,881	\$ 5,081,416		\$ 1,109,277	\$ 1,744,851	\$ 156,694,488
Housestaff/Post Doc Salaries	30,532,179		420,947	23,860,696			54,813,822
Staff/Other Salaries	79,823,494	1,583,484	3,100,309	307,814,974	2,499,942	16,641,012	411,463,215
Fringe Benefits	50,415,341	78,185	1,091,218	71,084,766	133,333	8,852,452	131,655,295
Total Compensation Expenses	\$ 304,722,077	\$ 6,469,550	\$ 9,693,890	\$ 402,760,436	\$ 3,742,552	\$ 27,238,315	\$ 754,626,820
Supplies/Medical Supplies	\$ 17,983,087	\$ 197,249	\$ 888,522	\$ 112,416,201	\$ 203,813	\$ 263,619	\$ 131,952,491
Travel	5,147,382	82,000	255,291	296,802	32,064	50,997	5,864,536
Student Costs	2,016,854	288,913	479,127		500		2,785,394
Research Costs	2,259,372	10,000	109,254			1,785,341	4,163,967
Patient Care Costs	7,730,701	0					7,730,701
Telephone/Communication Costs	2,078,806	53,425	89,995	3,485,185	47,492	102,198	5,857,101
Purchased Services	19,513,025	269,006	190,672	27,966,724	1,529,674	100,786	49,569,887
Other Medical Services				95,579,573			95,579,573
Restricted/Sub Awards/Service Contracts	36,640,025		818,951	25,828,829			63,287,805
O&M & Leases	7,238,820	34,792	39,580		77,867	3,997,609	11,388,668
Utilities	1,212,875	0		13,931,169		3,713,217	18,857,261
Depreciation				34,876,098			34,876,098
Other Expense	2,712,503	28,944	419,950	27,806,010	75,026	3,231,843	34,274,276
Total NonSalary Expenses	\$ 104,533,450	\$ 964,329	\$ 3,291,342	\$ 342,186,591	\$ 1,966,436	\$ 13,245,610	\$ 466,187,758
Total Operating Expenses	\$ 409,255,527	\$ 7,433,879	\$ 12,985,232	\$ 744,947,027	\$ 5,708,988	\$ 40,483,925	\$ 1,220,814,578

Emergency →

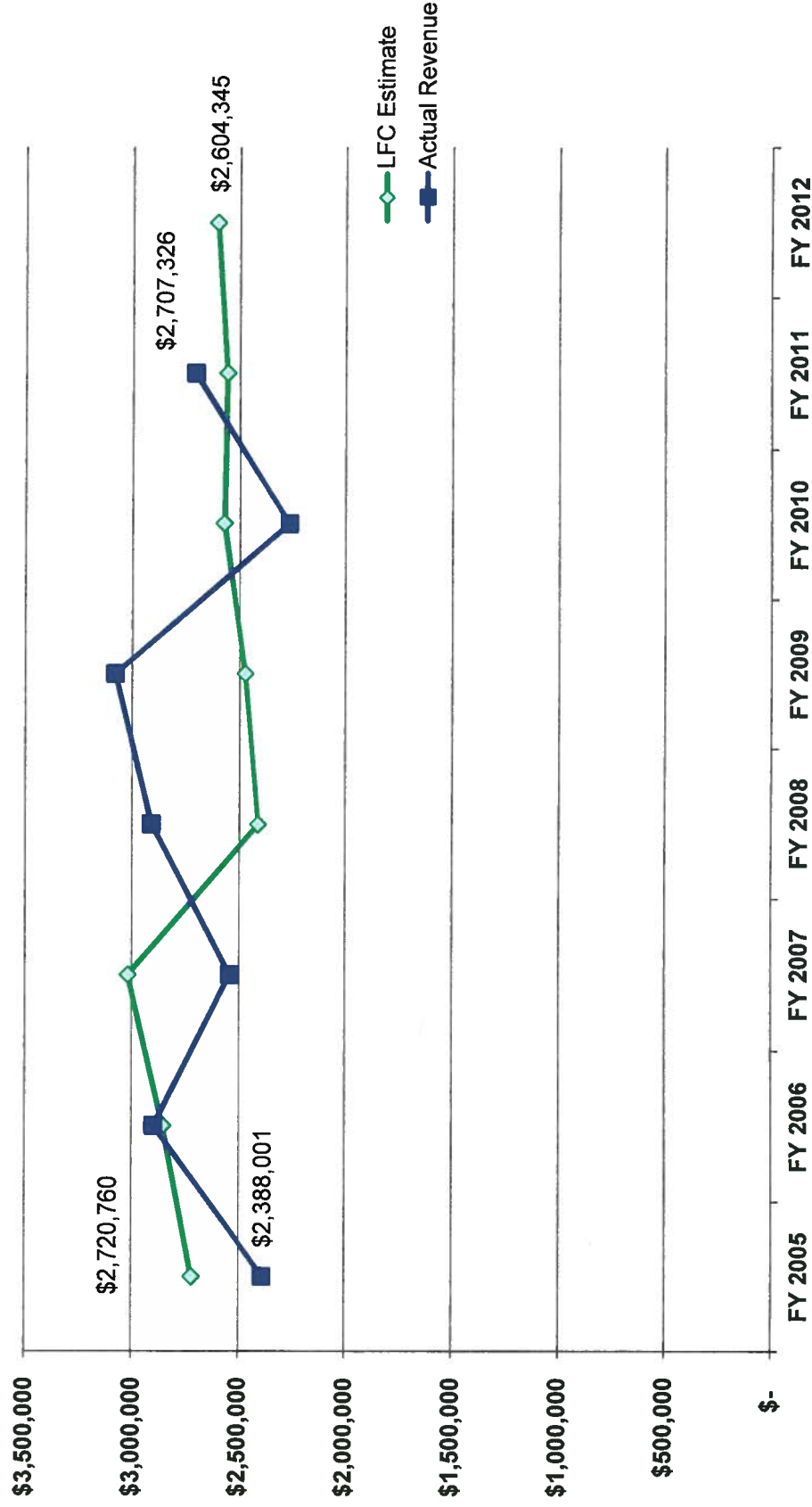


FY 2012 Preliminary Budget Net Margin Detail

	UNM SOM	UNM CON	UNM COP	UNM Hospitals	HS Library Informatics	HSC Administration	UNM HSC 6/30/2012 Projected Total
Net Margin before Non-Operating Items	\$ 401,011	\$ -	\$ (158,712)	\$ 9,109,526	\$ 4,462	\$ (587,639)	\$ 8,768,648
Interest Expense & Bond Related Costs				9,100,511			9,100,511
Capital Expenditures/Recruitment/Start-up	7,000,000		75,000		66,941	1,250,000	8,391,941
Total Non-Operating Expenses	7,000,000	0	75,000	9,100,511	66,941	1,250,000	17,492,452
Net Margin	\$ (6,598,989)	\$ -	\$ (233,712)	\$ 9,015	\$ (62,479)	\$ (1,837,639)	\$ (8,723,804)



HSC Cigarette Tax Revenue Projection vs. Actual



UNM and UNMHs Self Insurance

Using FY2010 Commercial Insurance Revenue, Cost and Claims Data

- UNM Health System **Commercial Patient Care Charges** \$540.6 million
 - UNM Claims are 6.2% or \$33.5 million of **Commercial Charges** and \$17.4 million of **Costs**
 - UNMHs Claims are 6.7% or \$36.2 million of **Commercial Charges** and \$18.8 million of **Costs**

